



McLEOD RUSSEL INDIA LIMITED
4, Mangoe Lane,
Kolkata 700001

Information Update

Coverage of this update :-

- Financial results for the quarter and half year ended 30th September, 2014
- Company management's understanding on future outlook
- Phu Ben Tea Company Limited, Vietnam
- McLeod Russel Uganda Limited, Uganda
- Gisovu Tea Company Limited, Rwanda

Highlights for the **half year** ended 30th September, 2014 :-

		2014-15	2013-14	
1.	Selling Price	Rs.184.74 per kg	Rs.174.24 per kg.	(+) Rs.10.50
2.	Operating Profit *	Rs.221.52 Crores	Rs.293.01 Crores	(-) 24%
3.	Net Profit (Standalone)	Rs.189.50 Crores	Rs.271.70 Crores	(-) 30%
4.	Sales Quantity	316 lakh Kg	381 lakh kg	(-)65 lakh kg
5.	Crop	576 lakh kg	632 lakh kg	(-)56 lakh kg

- Operating Profit Before Depreciation

Highlights for the **quarter** ended 30th September, 2014 :-

		2014-15	2013-14	
1.	Selling Price	Rs.186.43 per kg	Rs.173.65 per kg.	(+) Rs.12.78
2.	Operating Profit *	Rs.251.47 Crores	Rs.262.80 Crores	(-) 4%
3.	Net Profit (Standalone)	Rs.221.50 Crores	Rs.245.49 Crores	(-) 10%
4.	Sales Quantity	260 Lakh Kg	282 lakh kg	(-) 22 lakh kg
5.	Crop	398 lakh kg	392 lakh kg	(+) 6 lakh kg

- Operating Profit Before Depreciation

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(A. GUHA SARKAR)
VICE PRESIDENT & COMPANY SECRETARY



Review of Operations :-

➡ Production :

Indian production continue to be lower up to August due to unfavorable weather conditions mainly in North India. North Indian Production during April to August is estimated to be lower by 30-35 million kg. Tea Production in African region has been maintained at last year's level. Tea production from own plantation for the Company has further dropped by 2 million kg during the quarter. However, Production from out grower's leaf was higher by 2 million kg during the quarter.

➡ Sales & Prices:

Normal production in African region on favorable weather conditions and additional carry forward teas from last season had negative impact on prices in Mombasa auction. Tea auction prices at Mombasa auction were lower by 15-20% lower up to September. However, prices in India for North Indian teas were higher by Rs.15 per kg up to September due to crop loss. Tea prices for the Company was higher by Rs.13 per kg for the quarter.

Company exported 5.2 million kg at Rs.229 per kg as compared to 8.1 million kg at Rs.206 per kg last year.

➡ Operating Result :

Operating profit before Depreciation for the quarter is marginally lower at Rs.252 crores as against Rs.263 crores last year. Impact of loss of 2 million kg of own crop has been largely been offset by increase in Tea prices. Sales volume during the quarter is lower by 2.2 million kg on account of lower production.

Depreciation during the quarter is higher by Rs. 11.4 crores due to changes as per Schedule II of Company's Act, 2013.

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OUTLOOK :

● **Global Production :**

Tea production in African region has helped maintain the crop at last year's level. We expect similar trend in production for the rest of the calendar year.

● **Indian Production :**

Indian Production is estimated to be at 702 million kg as compared to 710 million kg last year during the period January to August. North Indian production is estimated to be lower by 20 million kg. However, tea production in South India is estimated to be higher by 12 million kg. Loss of crop in North India is unlikely to be recovered as we are approaching lean season.

● **Indian Tea Prices & Costs :**

Tea prices at the auction centers in Africa have been lower by 20% till date due to carry forward teas from the record production of last year and subdued demand from Pakistan, Russia and Middle East. The trend is likely to continue for the rest of the year. However, we expect new season prices to be higher on expectations of improvement in geo-political environment.

Tea prices in India, particularly for the North Indian teas, are higher by Rs.10 to Rs. 15 per kg. We expect the prices to remain firm for the rest of the financial year.

Cost per kg during the year is expected to be higher by 5% in absolute terms due to increase in input costs and wages.

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● **Phu Ben Tea Company Limited, Vietnam :**

During the nine months ended 30th September 2014 Phu Ben achieved a total production of 4.8 million kg of tea as against 5.3 million kg for the same period last year. The Company recorded EBDITA USD (-)0.6 million on a sales turnover USD 3.9 million with average of USD 1.57 per kg as against EBIDTA of USD 1.3 million on a sales turnover of USD 7.1 million with sales average of USD 1.97 per kg during the same period last year.

● **McLeod Russel Uganda Limited, Uganda :**

During the nine months ended 30th September 2014 McLeod Russel Uganda achieved a total production of 12.6 million kg of tea as against 11.9 million kg for the same period last year. The Company recorded EBIDTA USD 1.53 million on a sales turnover USD 20 million with average of USD 1.63 per kg as against EBIDTA of USD 7.1 million on a sales turnover of USD 25 million with sales average of USD 1.94 per kg during the same period last year.

● **Gisovu Tea Company Limited, Rwanda :**

During the nine months ended 30th September 2014 Gisovu Tea Company achieved a total production of 1.47million kg of tea as against 1.5 million kg during the same period last year. The Company recorded EBIDTA USD 1.20 million on a sales turnover USD 4.5 million with average of USD 2.92 per kg as against EBIDTA of USD 2.7 million on a sales turnover of USD 6.32 million with sales average of USD 3.51 per kg.

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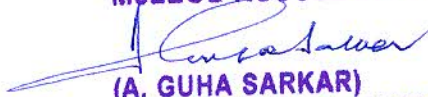
A handwritten signature in blue ink, appearing to read "A. Guha Sarkar", is written over the printed name.

(A. GUHA SARKAR)
VICE PRESIDENT & COMPANY SECRETARY

Notes on this updates:

1. MRIL's Investor Relations activities are co-ordinated by Mr. Amitava Guha Sarkar, Company Secretary (a_guhasarkar@wmg.co.in).
2. MRIL may be contacted for any further clarification or information on telephone No. +91-33-2210-1221, 2243-5391, 2248-9434, 2248-9435; Fax No. +91-33-2248-8114, 2248-6265 and Email address: administrator@wmg.co.in
3. This update being issued after the Board of the Company at its meeting held on 21st October, 2014 has taken on record the quarterly results for quarter ended 30th September, 2014.
4. Some forward-looking statements on projections, estimates or expectations are included in this update for better comprehension of the Company's prospects. Actual results may, however differ materially on account of several economic and market related factors not fully within the control of the Company.
5. This update is also available on the Company's website: www.mcleodrusselindia.com. In view of this, information in this update is also available to the public and does not therefore constitute unpublished price sensitive information under the SEBI (Prohibition of Insider Trading Regulations), 1992.

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