



McLEOD RUSSEL
Believe in tea

25th January 2016

The Secretary
Bombay Stock Exchange Ltd
P.J. Towers, 25th Floor
Dalal Street,
MUMBAI -400 001
Scrip Code:532654

The Secretary
National Stock Exchange
of India, Listing Dept.
Exchange Plaza, 5th Fl.
Plot No.C/1, G-Block
Bandra-Kurla Complex
Bandra (E)
MUMBAI - 400 051
Scrip Code:MCLEODRUSS

The Secretary
The Calcutta Stock
Exchange Association Ltd
7, Lyons Range
KOLKATA 700001
Scrip Code:10023930

Dear Sir,

Sub : McLeod Russel – Information Update

We send herewith an Information Update on the Company for the Quarter ended 31st December 2015 together with Management's understanding on future outlook for your information and record.

The Unaudited Financial Results of the Company for three months and nine months ended 31st December 2015 have already been sent to the Stock Exchanges through e-mail.

Please acknowledge receipt.

Yours faithfully,
McLEOD RUSSEL INDIA LIMITED

(A. GUHA SARKAR)
SENIOR VICE PRESIDENT &
COMPANY SECRETARY

Encl : as above.

Registered Office :

McLEOD RUSSEL INDIA LIMITED

Corporate Identity Number (CIN) : L51109WB1998PLC087076

FOUR MANGO LANE, SURENDRA MOHAN GHOSH SARANI, KOLKATA - 700 001

TELEPHONE : 033-2210-1221, 2248-9434 / 35, FAX : 91-33-2248-8114 / 6265

E-mail : administrator@mcleodrusel.com Website : www.mcleodrusel.com



A Williamson Magor Group Enterprise

McLEOD RUSSEL INDIA LIMITED
4, Mangoe Lane,
Kolkata 700001

Information Update

Coverage of this update :-

- Financial results for the quarter and nine months ended 31st December, 2015
- Company management's understanding on future outlook
- Phu Ben Tea Company Limited, Vietnam
- McLeod Russel Uganda Limited, Uganda
- Gisovu Tea Company Limited, Rwanda
- Pfunda Tea Company Limited, Rwanda

Highlights for the **nine months** ended 31st December, 2015 :-

		2015-16	2014-15	
1.	Selling Price	Rs.178.49 per kg	Rs.179.51 per kg.	(-) Rs.1.02
2.	Operating Profit *	Rs.309.72 Crores	Rs.328.44 Crores	(-) 6%
3.	Net Profit (Standalone)	Rs.250.24 Crores	Rs.269.93 Crores	(-) 7%
4.	Sales Quantity	655 lakh Kg	588 lakh kg	(+)67 lakh kg
5.	Crop	819 lakh kg	791 lakh kg	(+)28 lakh kg

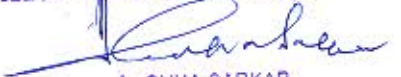
- Operating Profit before Depreciation

Highlights for the **quarter** ended 31st December, 2015 :-

		2015-16	2014-15	
1.	Selling Price	Rs.177.74 per kg	Rs.173.44 per kg.	(+) Rs.4.30
2.	Operating Profit *	Rs.78.79 Crores	Rs.106.92 Crores	(-) 26%
3.	Net Profit (Standalone)	Rs.56.98 Crores	Rs.80.43 Crores	(-) 29%
4.	Sales Quantity	281 Lakh Kg	271 lakh kg	(+) 10 lakh kg
5.	Crop	223 lakh kg	216 lakh kg	(+) 7 lakh kg

- Operating Profit Before Depreciation

McLEOD RUSSEL INDIA LIMITED



A. GUHA SARKAR
 SENIOR VICE-PRESIDENT &
 COMPANY SECRETARY

Review of Operations :-

➤ Production :

Tea production in India was lower at 1135 million kg as against 1148 million kg last year for the period from January to November due to unfavorable weather conditions. Tea production in African region for the period January to November has been lower by 48 million kg as compared to last year due to dry period at the beginning of the year.

Company's production in India is similar to last year from own leaf, however, production from small grower's leaf was higher by 2.6 million kg as compared to last year.

➤ Sales & Prices:

Crop loss of 45 million in Kenya had positive impact on prices in Mombasa auction. Tea prices at Mombasa auction up to December were higher by almost 25 % as compared to last year.

However, to date prices in India are lower by Rs 3 per kg as compared to last year. Tea prices for the Company has been higher by Rs 4.30 per kg for the quarter ended 31st December 2015. Tea prices have been higher during the quarter and continue to be higher in January. Sales quantities were higher by 10 lakh kg on very strong demand.

➤ Operating Result :

Operating Profit before Depreciation for the quarter is lower by 26% at Rs.79 crores as against 107 crores last year. This is mainly attributable to marginal loss of own crop and increase in employee benefits expenses by 27 crores as compared to same period last year. Sales volume for the quarter is higher by 10 lakh kg during the the quarter.



OUTLOOK :

⊙ Global Production :

Tea production in African region for the year 2015 is reported to be lower by 48 lakh kg. Global production for the year 2015 is expected to be lower by 65 million kg as compared to previous year. Crop for the next year will depend on the weather conditions. We are expecting some recovery of crop in India as well as Kenya depending on weather conditions.

⊙ Indian Production :

Indian Production is estimated to be lower by 13 million kg as compared to last year. The production for 2016 is likely to improve subject to better weather conditions.

⊙ Tea Prices & Costs :

Tea prices in African Region have been higher by 25 % for the period from January to December, due to substantial loss of crop in Kenya. Tea prices in the global markets are likely to remain firm on loss of crop and higher demand from Middle East and Pakistan.

Tea prices in India, particularly for the North Indian teas, are higher by Rs.7 per kg since October. We expect the prices to move even higher due to shortages and lower production. This should have positive impact on the opening prices for the new season teas next year. We are expecting new season prices to open substantially higher due to shortages at inventory level.

Cost per kg during the year is expected to be higher by 13% in absolute terms due to increase in input costs and wages. However, the cost increase will be moderate during 2016 at around 7%.



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

During the year ended 31st December, 2015 Phu Ben (Estimates) achieved a total production of 8.6 million kg of tea as against 7.1 million kg for the same period last year. The Company recorded EBIDTA USD (-) 0.9 million on a sales turnover USD 14 million with average of USD 1.40 (USD 1.61 last year) per kg as against EBIDTA of USD (-)0.3 million last year.

© **McLeod Russel Uganda Limited, Uganda :**

During the year ended 31st December, 2015 McLeod Russel Uganda achieved (Estimates) a total production of 18.4 million kg of tea as against 18.2 million kg for the same period last year. The Company recorded EBIDTA of USD 8.39 million on a sales turnover USD 28.4 million with average of USD 1.56 (USD 1.54 last year) per kg as against EBIDTA of USD 1.56 million last year.

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

During the year ended 31st December, 2015 Gisovu Tea Company (estimates) achieved a total production of 2.2 million kg of tea as against 2.0 million kg last year. The Company recorded EBIDTA USD 3.28 million on a sales turnover USD 8.0 million with average of USD 3.51 (USD 2.86 last year) per kg as against EBIDTA of USD 1.5 million last year.

© **Pfunda Tea Company Limited, Rwanda :**

During the year ended 31st December 2015 Pfunda Tea Company (estimated) achieved a total production of 2.4 million kg. The Company recorded EBIDTA USD 3.24 million on a sales turnover USD 7.3 million with average of USD 3.05 per kg. Pfunda Tea Company Limited was acquired in November, 2014.



Notes on this updates:

1. MRIL's Investor Relations activities are co-ordinated by Mr. Amitava Guha Sarkar, Company Secretary (a.guhasarkar@mcleodrussel.com).
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@mcleodrussel.com
3. This update being issued after the Board of the Company at its meeting held on 25th January, 2016 has taken on record the quarterly results for quarter ended 31st December, 2015.
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.mcleodrussel.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.

McLEOD RUSSEL INDIA LIMITED


A. GUHA SARKAR
SENIOR VICE-PRESIDENT &
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