



McLEOD RUSSEL INDIA LIMITED
4, Mangoe Lane,
Kolkata 700001

Information Update

Coverage of this update :-

- Financial results for the quarter ended 30th June, 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 Quarter ended 30th June, 2015:- (Standalone)

Sl.No.		2015-16	2014-15	
1.	Selling Price	Rs.170.03 per kg	Rs.176.89 per kg.	(-) Rs.6.86
2.	Operating Profit (Loss)	Rs. (23.18) Crores	Rs. (39.39) Crores	
3.	Net Profit (Loss)	Rs. (23.22) Crores	Rs. (32.00) Crores	
4.	Sales Quantity	98 lakh Kg.	56 lakh kg.	(+) 42 lakh kg
5.	Production	209 lakh kg.	178 lakh kg.	(+) 31 lakh kg

Review of Operations :-

➤ Production :

Indian Production up to May is higher by 30 million kg as compared to last year due to much better weather conditions as compared to previous year. However, Tea Production in June suffered on account of excessive rain. Tea Production in African region has been lower by 50 million kg as compared to last year due to very dry weather conditions in Kenya. Tea production for the Company is higher by 3 million kg including higher production by 2 million kg out of small grower's leaf.

➤ Sales & Prices:

Dry Weather conditions in Kenya had positive impact on prices in Mombasa auctions. The prices up to June for African teas are higher by 30% as compared to last year. However, prices in India currently are



lower by Rs.8 per kg due to sale of previous season teas and higher production. Tea prices for the Company is lower by Re 7 per kg for the quarter as compared to last year. Increase in prices for the new season teas will reflect from second quarter onwards as first quarter has mainly accounted for sales of previous season teas. Sales quantity is higher by 42 lakh kg on higher production and sale of last season's production.

➡ **Operating Result :**

The Company has posted Operating Loss of Rs.23 crores against Operating Loss of 39 Crores last year. This is mainly attributed to increase in production and higher sales. Sales are higher by 66% on higher volume by 42 lakh kg. Staff cost has increased by Rs.27 crores during the quarter on account of revision of wages in tea estates effective 1st January 2015. Consumption of Raw Material (cost of small growers' leaf) is higher by Rs.19 crores due to increase in volume. Depreciation is higher by 5 crores due to changes as per Companies Act 2013.

OUTLOOK :

🌐 **Global Production :**

Tea Production in Kenya is reported to be lower by 50 million kg up to May as compared to last year due to dry weather. We expect the production from Africa to remain lower for the rest of the season.

Indian Production :

Indian Production is estimated to be higher by 30 million up to May as compared to last year due to favorable weather conditions. We expect recovery of production in India to normal production of 1200 million kg for the full year assuming weather to remain favorable for the rest of the season.



☉ **Tea Prices & Costs :**

Tea prices in African region have been higher by 30 % up to June due to substantial loss of crop in Kenya. The prices are likely to improve further during the second half of the year as demand grows from Middle East and Pakistan.

Tea prices in India are lower by Rs.10 per kg at Auctions due to higher production. Tea Prices are expected to move higher in line with the increase in prices in Africa. Exports for the year are likely to increase on stable geo political factors and lower production in Kenya. Increase in prices should start reflecting from the second quarter onwards.

Cost during the year is expected to be higher by 13% in absolute terms due increase in wages and input costs.

Phu Ben Tea Company Limited, Vietnam :

During the six months ended 30th June 2015 Phu Ben achieved a total production of 2.03 million kg of tea as against 1.71 million kg for the same period last year. Average prices for the period was USD 1.40 per kg against USD 1.80 per kg last year. It is estimated to record EBDITA loss of USD 0.7 million as against loss of USD 0.2 million for same period last year.

☉ **McLeod Russel Uganda Limited, Uganda :**

During the six months ended 30th June 2015 McLeod Russel Uganda has achieved a total production of 7.8 million kg as against 7.9 million kg during same period last year. Average prices for the period was USD 1.48 per kg against USD 1.72 per kg last year. It is estimated to record EBDITA USD 2.28 million as against USD 1.4 million for same period last year.

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

During the six months ended 30th June 2015 Gisovu Tea Company Limited has achieved a total production of 1.28 million kg as against 1.10 million kg during same period last year. Average prices for the period was USD 3.17 per kg against USD 2.98 per kg last year. It is estimated to



record EBDITA USD 1.63 million as against USD 0.9 million for same period last year.

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

During the six months ended 30th June 2015 Pfunda Tea Company Limited has achieved a total production of 1.24 million kg. Average prices for the period was USD 2.7 per kg. It is estimated to record EBDITA USD 1.11 million. 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 August 3, 2015 has taken on record the quarterly results for quarter ended 30th June, 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.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.