



McLEOD RUSSEL
Believe in tea

3rd November 2015

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/Half year ended 30th September 2015 together with Management's understanding on future outlook for your information and record.

The Unaudited Financial Results of the Company for the Quarter/Half year ended 30th September 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@mcleodrussel.com Website : www.mcleodrussel.com



A Williamson Magor Group Enterprise



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McLEOD RUSSEL INDIA LIMITED
4, Mangoe Lane,
Surendra Mohan Ghosh Sarani
Kolkata 700001

Information Update

Coverage of this update :-

- Financial results for the quarter and half year ended 30th September, 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 **half year** ended 30th September, 2015 :-

		2015-16	2014-15	
1.	Selling Price	Rs.179.06 per kg	Rs.184.74 per kg.	(-) Rs.5.68
2.	Operating Profit *	Rs.230.93 Crores	Rs.221.52 Crores	(+) 4%
3.	Net Profit (Standalone)	Rs.193.26 Crores	Rs.189.50 Crores	(+) 2%
4.	Sales Quantity	374 lakh Kg	316 lakh kg	(+)58 lakh kg
5.	Crop	596 lakh kg	576 lakh kg	(+)20 lakh kg

- Operating Profit Before Depreciation

Highlights for the **quarter** ended 30th September, 2015 :-

		2015-16	2014-15	
1.	Selling Price	Rs.182.27 per kg	Rs.186.43 per kg.	(-) Rs.4.16
2.	Operating Profit *	Rs.239.41 Crores	Rs.251.47 Crores	(-) 5%
3.	Net Profit (Standalone)	Rs.216.48 Crores	Rs.221.50 Crores	(-) 2%
4.	Sales Quantity	276 Lakh Kg	260 lakh kg	(+) 16 lakh kg
5.	Crop	387 lakh kg	398 lakh kg	(-) 11 lakh kg

- Operating Profit Before Depreciation

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(A. GUHA SARKAR)
VICE PRESIDENT & COMPANY SECRETARY



Review of Operations :-

➔ Production :

Indian production in India was lower at 705 million kg as against 717 million kg last year for the period January to August. Tea production suffered majorly from June to August due to weather conditions and pest activities. Tea Production in African region has been lower by 45 million kg up to September.

Tea production from own plantation for the Company has remained similar to last year. However, Production from out grower's leaf was higher by 1.7 million kg for the year up to September.

➔ Sales & Prices:

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

However, to date prices in India are lower by Rs 6 per kg as compared to last year. Tea Prices for the Company is lower by Re 4 per kg for the quarter as compared to last year. Tea prices have started moving higher from September and currently higher by Rs.7 per kg as compared to similar week last year. Sales quantity for the quarter is higher by 16 lakh kg on strong demand.

➔ Operating Result :

Operating profit before Depreciation for the quarter is lower by 5 % at Rs.239 crores as against Rs.251 crores last year. This is mainly attributable to loss of crop during the quarter and higher wage cost. Wage cost has increased by Rs 20 crore during the quarter as compared to same quarter last year. Consumption of Raw Materials is lower by Rs. 15 crores due to decrease in volume of green leaf from Small Grower.

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OUTLOOK :

@ Global Production :

Tea production in Kenya is reported to be lower by 45 million kg up to September. Global Production including India is expected to be lower by 75 million kg. This shortfall is likely to remain for the year. These numbers are based on calendar year.

@ Indian Production :

Indian Production is reported to be at 705 million kg as compared to 717 million kg last year during the period January to August. This is in sharp contrast of our earlier estimate of recovery. This is second year in succession of crop loss in India. The chances of recovery for the rest of the year is very low as we are approaching lean season.

@ Indian Tea Prices & Costs :

Tea prices in African Region have been higher by 25 % for the period from January to September, 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 during 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.

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

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(A. GUHA SARKAR)

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