



McLEOD RUSSEL
Believe in tea

14th February 2019

The Secretary
BSE 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 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 2018 together with Management's understanding on future outlook for your information and record.

The Unaudited Financial Results for the Quarter ended 31st December 2018 have already been sent to the Stock Exchanges.

Please acknowledge receipt.

Thanking you,

Yours faithfully,

McLEOD RUSSEL INDIA LIMITED

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

Enclo : as above.

Registered Office :

McLEOD RUSSEL INDIA LIMITED

Corporate Identity Number (CIN) : L51109WB1998PLC087076

FOUR MANGOE 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

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, 2018
- 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 31 st December, 2018 :-				
		2018-19	2017-18	
1.	Selling Price	Rs.184.94 per kg	Rs.179.17 per kg.	(+) Rs.5.77
2.	Operating Profit *	Rs.213.21 Crores	Rs.281.85 Crs **	(-) 24%
3.	Net Profit (Standalone)	Rs.314.04 Crores	Rs.209.35 Crores	(+) 50%
4.	Sales Quantity	600 lakh Kg	667 lakh kg	(-) 67 lakh kg
5.	Crop	697 lakh kg	863 lakh kg	(-)166 lakh kg

Highlights for the quarter(**) ended 31 st December, 2018 :-				
		2018-19	2017-18	
1.	Selling Price	Rs.182.28 per kg	Rs.181.93 per kg.	(+) Rs.0.35
2.	Operating Profit *	Rs.14.78 Crores	Rs.52.25 Crs **	(-) 72%
3.	Net Profit (Standalone)	Rs.53.59 Crores	Rs.67.49 Crores	(-) 21%
4.	Sales Quantity	249 Lakh Kg	300 lakh kg	(-) 51 lakh kg
5.	Crop	149 lakh kg	232 lakh kg	(-) 83 lakh kg

* Operating Profit Before Interest and Depreciation

** The figures for 2018-19 excludes 12 tea estates sold with effect from 1st July 2018 and hence not comparable.

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 SENIOR VICE-PRESIDENT &
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Review of Operations :-

■ Production :

Tea production in India was higher at 1257 million kg as against 1250 million kg last year for the period from January to November due to stable weather condition in tea growing areas. However, production in month of December is likely to be lower by around 15-20 million kg as the season in North India closed on 10th December as per Tea Board Directive. This will reduce quantity of poor quality teas in the system. This should also help in early crop in the new season. Tea production in African region was higher by around 50 million kg as compared to last year mainly on account of record crop in Kenya.

Tea production for period ended 31st December from own plantation for the Company was lower by 12 million kg as the Company have sold 12 Tea estates and hence not comparable. Production from small grower's leaf was lower by 4 million kg.


■ Sales & Prices:

Increase in production in Kenya from previous year had a negative impact on prices at Mombasa auctions. Tea prices up to December for African Teas are lower by USD 0.45 per kg as compared to last year. Tea prices in India for the current period are higher as compared to last year on stable production and higher consumption. Tea prices have come off its highs due to subdued demand from export market. Tea prices for the Company has been higher by Rs.6 per kg as compared to last year.

■ Operating Result :

Operating profit before interest and Depreciation for the quarter is lower at Rs.15 crores as against Rs.52 crores last year. These numbers are not comparable as these does not include figures of 12 Tea Estates sold. However, the costs have gone up by Rs.20 per kg during the year due to substantial increase of wages and increase in welfare costs. Early closure of season has also impacted the operating profitability. Tea prices increase has been nominal due to subdued demand from export market.

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OUTLOOK :

① Global Production :

Tea Production in Kenya is reported to be higher by 50 million kg for the year 2018 as compared to last year due to normal weather conditions. We expect the production from Africa to remain similar in the year 2019.

Indian Production :

Indian Production is estimated to be higher by 7 million up to November as compared to last year due to normal weather conditions. However, production for the month on December is likely to be lower by 15-20 million kg as the season closed early on 10th December as per Tea Board Directive. Overall production for the country is expected to be in the range of 1300 million kg for the full year.

② Tea Prices & Costs :

Tea prices in African region have been lower by USD 0.45 per kg up to December due to higher crop in Kenya. We expect the prices to remain stable to higher for the year 2019 on general demand.

Tea prices in India have increased by Rs.5 per kg due to increased demand from domestic market and stable production. Tea prices have come off from its highs on lower export demand. However, we expect tea prices to rise again on early closure of season and low inventory levels.

Substantial higher wage increase and increase in fuel prices will have negative impact on costs. Cost per kg are likely to go up by Rs.20 per kg during the year. The Company has taken substantial cost cutting measures to offset the increase in costs.

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

During the year ended 31st December, 2018 Phu Ben (Estimates) achieved a total production of 8.7 million kg of tea as against 7.4 million kg for the same period last year. The Company recorded EBIDTA USD (-) 0.2 million on a sales turnover USD 11 million with average of USD 1.49 (USD 1.44 last year) per kg as against EBIDTA of USD (-) 0.4 million last year.

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

During the year ended 31st December, 2018 McLeod Russel Uganda achieved (Estimates) a total production of 17.7 million kg of tea as against 16.7 million kg for the same period last year. The Company recorded EBIDTA of USD 5.03 million on a sales turnover USD 27 million with average of USD 1.59 (USD 1.98 last year) per kg as against EBIDTA of USD 12.76 million last year.

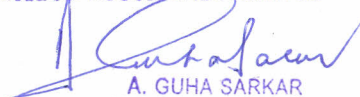
☉ **Gisovu Tea Company Limited, Rwanda :**

During the year ended 31st December, 2018 Gisovu Tea Company (estimates) achieved a total production of 2.3 million kg of tea as against 2.7 million kg last year. The Company recorded EBIDTA USD 2.76 million on a sales turnover USD 8.3 million with average of USD 3.35 (USD 3.96 last year) per kg as against EBIDTA of USD 4.41 million last year.

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

During the year ended 31st December 2018 Pfunda Tea Company (estimated) achieved a total production of 2.6 million kg as against 2.5 million kg last year. The Company recorded EBIDTA USD 1.85 million on a sales turnover USD 6 million with average of USD 2.52 (USD 2.95 last year) per kg as against EBIDTA of USD 2.8 million last year.


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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 14th February, 2019 has taken on record the quarterly results for quarter ended 31st December, 2018.
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.

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