McLEOD RUSSEL
Believe in tea

5th February 2018

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 2017 together with Management's understanding on future outlook for your information and record.

The Unaudited Financial Results for the quarter ended 31st December 2017 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

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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, 2017
- 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, 2017 :-				
		2017-18	2016-17	
1.	Selling Price	Rs.179.16 per kg	Rs.171.87 per kg.	(+) Rs.7.29
2.	Operating Profit *	Rs.281.85 Crores	Rs.244.55 Crs **	(+) 15%
3.	Net Profit (Standalone)	Rs.209.35 Crores	Rs.138.36 Crores	(+) 51%
4.	Sales Quantity	667 lakh Kg	603 lakh kg	(+) 64 lakh kg
5.	Crop	862 lakh kg	821 lakh kg	(+) 41 lakh kg

Highlights for the **quarter** ended 31st December, 2017 :-				
		2017-18	2016-17	
1.	Selling Price	Rs.181.93 per kg	Rs.170.26 per kg.	(+) Rs.11.67
2.	Operating Profit *	Rs.52.25 Crores	Rs.59.85 Crs **	(-) 13%
3.	Net Profit (Standalone)	Rs.67.49 Crores	Rs.23.62 Crores	(+) 186%
4.	Sales Quantity	300 Lakh Kg	253 lakh kg	(+) 47 lakh kg
5.	Crop	232 lakh kg	214 lakh kg	(+) 18 lakh kg

* Operating Profit Before Interest and Depreciation

** Operating profit for **last year** includes additional land compensation of Rs. 44.44 crores for nine months and Rs. 15.05 Crores for the quarter.

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Review of Operations :-

➡ Production :

Tea production in India was higher at 1208 million kg as against 1203 million kg last year for the period from January to November due to recovery of production in South India. However, production in North India was lower by 15 million kg on adverse weather conditions during month of September. Tea production in Kenya had been lower by 33 million kg at 440 million kg for the year 2017.

Tea production from own plantation for the Company was higher by 4 million kg as compared to last year. However, production from small grower's leaf was similar to last year.

➡ Sales & Prices:

Decrease in production in Kenya had positive impact on prices at Mombasa Auction for the calendar year 2017. Average tea prices at Mombasa auction for calendar year 2017 were higher at USD 2.8 per kg against USD 2.3 per kg last year.

Tea Prices in India have also been positively impacted due to lower crop in Kenya and North India and increased demand both in Export and Domestic Market. Tea prices for the Company is higher by Rs.7.3 per kg for nine months ending 31st December. Sales quantity for the period is higher by 6.4 million kg.

➡ Operating Result :

Operating profit before Interest and Depreciation for the quarter is at Rs.52 crores as against Rs 60 crores last year. However, last year operating income included Rs.15 crore of land compensation. Staff cost has increased by Rs.21 crores on revision of wages and increase in welfare costs.



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OUTLOOK :

Global Production :

Tea production in Kenya is reported to be lower by 33 million kg for the calendar year 2017 due to unfavorable weather condition during January to March 2017. Global production for the year 2017 is expected to be lower by 20 million kg as compared to previous year.

Kenya has reported dry and hot condition since the beginning of 2018. This may have some negative impact on the production as compared to normal production for the first quarter.

Indian Production :

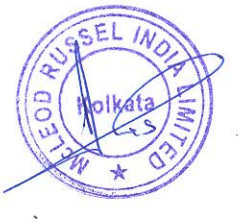
Indian Production is estimated to be higher by 5 million kg as compared to last year.

Tea Prices & Costs :

Tea prices in African region have been higher by USD 0.50 per kg for the year 2017 due to loss of crop in Kenya. We expect trend to continue considering current dry weather.

Tea prices in North India have increased by Rs.8 per kg due to increased demand from both domestic and Export market. Tea Prices are expected to move much higher tracking African prices for the new season teas on improved export demand and expectation of growth in rural demand in India.

Cost during the year is expected to be higher by 9% in absolute terms due to increase in wages and input costs.



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Phu Ben Tea Company Limited, Vietnam :

During the year ended 31st December, 2017 Phu Ben(Estimates) achieved a total production of 7.4 million kg of tea as against 8.4 million kg for the same period last year. The Company recorded EBIDTA USD (-) 0.4 million on a sales turnover USD 11 million with average of USD 1.44 (USD 1.39 last year) per kg as against EBIDTA of USD (-) 0.6 million last year.

McLeod Russel Uganda Limited, Uganda :

During the year ended 31st December, 2017 McLeod Russel Uganda achieved (Estimates) a total production of 16.7 million kg of tea as against 17.3 million kg for the same period last year. The Company recorded EBIDTA of USD 12.76 million on a sales turnover USD 32 million with average of USD 1.98 (USD 1.63 last year) per kg as against EBIDTA of USD 8.73 million last year.

Gisovu Tea Company Limited, Rwanda :

During the year ended 31st December, 2017 Gisovu Tea Company (estimates) achieved a total production of 2.7 million kg of tea as against 2.4 million kg last year. The Company recorded EBIDTA USD 4.41 million on a sales turnover USD 10.3 million with average of USD 3.96 (USD 3.20 last year) per kg as against EBIDTA of USD 2.47 million last year.

Pfunda Tea Company Limited, Rwanda :

During the year ended 31st December 2017 Pfunda Tea Company (estimated) achieved a total production of 2.5 million kg as against 2.5 million kg last year. The Company recorded EBIDTA USD 2.80 million on a sales turnover USD 7.6 million with average of USD 2.95 (USD 2.42 last year) per kg as against EBIDTA of USD 1.43 million last year.

Aggregate Overseas operation during the period from January To December 2017 have recorded EBIDTA of USD 19.57 million as against USD 12.03 million for the same period 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 5rd February, 2018 has taken on record the quarterly results for quarter ended 31st December, 2017.
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.

