



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, 2013
- Company management's understanding on future outlook
- Phu Ben Tea Company Limited, Vietnam
- McLeod Russel Uganda Limited, Uganda
- Gisovu Tea Company Limited, Rwanda

Highlights for the nine months ended 31st December, 2013 :-

		2013-14	2012-13	
1.	Selling Price	Rs.172.87 per kg	Rs.175.95 per kg.	(-) Rs.3.08
2.	Operating Profit	Rs.410.27 Crores	Rs.379.17 Crores	(+) 8%
3.	Net Profit (Standalone)	Rs.400.36 Crores	Rs.372.77 Crores	(+) 7%
4.	Sales Quantity	649 lakh Kg	577 lakh kg	(+)72 lakh kg
5.	Crop	863 lakh kg	768 lakh kg	(+)95 lakh kg

Highlights for the quarter ended 31st December, 2013 :-

		2013-14	2012-13	
1.	Selling Price	Rs.170.93 per kg	Rs.173.90 per kg.	(-) Rs.2.97
2.	Operating Profit	Rs.134.77 Crores	Rs.128.34 Crores	(+) 5%
3.	Net Profit (Standalone)	Rs.128.66 Crores	Rs.123.15 Crores	(+) 5%
4.	Sales Quantity	268 Lakh Kg	249 lakh kg	(+) 19 lakh kg
5.	Crop	231 lakh kg	220 lakh kg	(+)11 lakh kg

Review of Operations :-

➔ **Production :**

Favorable weather conditions across main tea producing countries in Africa and in India as compared to dry weather conditions last year, has

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VICE PRESIDENT & COMPANY SECRETARY



improved tea production by record 150 million kg for the calendar year 2013. Indian production is higher by 75 million kg.

Company's production in India is higher by 5.5 million kg from own leaf and by another 4 million kg from small grower's leaf up to December.

➔ Sales & Prices:

Higher production in the African region on much improved weather conditions and reduced buying by Egypt, tea prices were lower by 20% at Mombasa auction particularly on Kenyan teas. However, prices for Ugandan teas were marginally lower as compared to last year. Prices in India are marginally lower, despite recovery of crop, due to strong consumption growth and low inventory. Prices at North Indian auctions are lower by Rs.5 per kg.

Tea prices for Company are lower by Rs.3 per kg at Rs.173 per kg. Compared to same period last year. Company exported 18.3 million kg at Rs.200 per kg as against 18.5 million kg at Rs.194 per kg last year.

➔ Operating Result :

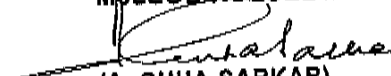
Operating profit for the period nine months ended 31st December 2013 is higher at record Rs.410 crores as against Rs.379 crores last year. This is mainly attributed to higher production both from own leaf and small grower's leaf, stable prices and marginal increase in costs. Employee's expenses are higher by Rs.36 crores on account of revision of wages with effect from 1st January 2013. Cost of Materials (cost of green leaf from small grower's leaf) is higher by 31 crores on higher volume. However, cost per kg of green leaf is lower in line with lower sales prices.

OUTLOOK :

● Global Production :

Normal weather conditions across all black tea producing countries as compared to dry weather conditions last year has improved production by 150 million kg as compared to last year. However, there is reports of dry

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weather in Africa during 1st fortnight of January. There is likely crop loss as compared to last year if weather does not improve.

● **Indian Production :**

Indian Production is estimated to be higher by 75 million kg as compared to last year up to November. The production in Assam is estimated to be higher by 29 million kg.

● **Tea Prices & Costs :**

Dry weather conditions during 1st fortnight in Africa has improved the prices by USD 0.50 per kg in last 3 weeks. This is expected to continue till the weather improves. This would have positive impact on the prices in India for the new season teas starting March.

Cost per kg during the year is expected to be marginally higher on increase in wages and Power and Fuel costs.

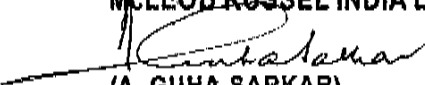
● **Phu Ben Tea Company Limited, Vietnam :**

During the year ended 31st December, 2013 Phu Ben (Estimates) achieved a total production of 6.9 million kg of tea as against 5.9 million kg for the same period last year. The Company recorded EBIDTA USD 2.06 million on a sales turnover USD 11 million with average of USD 1.96 (USD 1.95 last year) per kg as against EBIDTA of USD 1.6 million last year.

● **McLeod Russel Uganda Limited, Uganda :**

During the year ended 31st December, 2013 McLeod Russel Uganda achieved (Estimates) a total production of 16.2 million kg of tea as against 15.6 million kg for the same period last year. The Company recorded EBIDTA of USD 8 million on a sales turnover USD 32 million with average of USD 1.91 (USD 2.06 last year) per kg as against EBIDTA of USD 10 million last year.

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

During the year ended 31st December, 2013 Gisovu Tea Company (estimates) achieved a total production of 2.1 million kg of tea as against 2.3 million kg last year. The Company recorded EBIDTA USD 2.5 million on a sales turnover USD 7 million with average of USD 3.51 (USD 3.68 last year) per kg as against EBIDTA of USD 3.5 million last year.

Summary of Overseas Operations :

During the year ended 31st December, 2013 Overseas operations of Vietnam, Uganda and Rwanda achieved a total Production of 25.2 million kg as against 23.8 million kg last year recording a total EBIDTA of USD 12.6 million against EBIDTA of USD 15.1 million last year.

Notes on this updates:

1. MRIL's Investor Relations activities are co-ordinated by Mr. Amitava Guha Sarkar, Company Secretary (a_guhasarkar@wmq.co.in).
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@wmq.co.in
3. This update being issued after the Board of the Company at its meeting held on 21th January, 2014 has taken on record the quarterly results for quarter ended 31st December, 2013.
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.

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