



McLEOD RUSSEL INDIA LIMITED
4, Mangoe Lane,
Kolkata 700001

Information Update

Coverage of this update :-

- Financial results for the year ended 31st March, 2011
- Company management's understanding on future outlook
- Gisovu Tea Company Limited, Rwanda
- McLeod Russel Middle East DMCC

Highlights for the year ended 31st March, 2011 (Consolidated):-

Sl.No.		2010-11	2009-10	
1.	EBIDTA	Rs.380.11 Crores	Rs.367.00 Crores	(+)4%
2.	Net Profit	Rs.246.47 Crores	Rs.230.92 Crores	(+) 7%
3.	Sales Quantity	947 Lakh Kgs.	826 lakh kgs.	(+)121 lakh kg.
4.	Crop	963 lakh kgs.	815 lakh kgs.	(+)148 lakh kgs

Highlights for the year ended 31st March, 2011 (Standalone):-

Sl.No.		2010-11	2009-10	
1.	Selling Price	Rs.145.11 per kg	Rs.137.25 per kg	(+) Rs. 7.86
2.	EBIDTA	Rs.327.46 Crores	Rs.363.32 Crores	(-) 10%
3.	Net Profit	Rs.232.23 Crores	Rs.240.33 Crores	(-) 3%
4.	Sales Quantity	739 Lakh Kgs.	783 lakh kgs.	(-)44 lakh kg.
5.	Crop	749 lakh kgs.	772 lakh kgs.	(-)23 lakh kgs

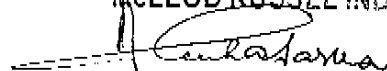
Review of Operations :-

➤ **Sales & Prices:**

India

Indian Production was lower at 967 Million during 2010 as compared to 979 Million kgs during 2009 due to unfavorable weathers condition and pest attack in North India. Exports from India was lower by 5 Million Kgs during 2010 on lower production in India and record crop in Kenya and

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(A. GUHA SARKAR)

VICE PRESIDENT & COMPANY SECRETARY



Sri Lanka. Lower production in India, negative carry forward stocks at the beginning of the year and strong consumption growth had a positive impact on the prices of tea. The tea prices for the Company for the year have gone up by Rs.7.86 per kg over and above an increase of Rs.26 per kg last year. The total sales volume during the year is lower by 44 lakh kgs. Total Exports for the Company during the year was 21 Million kgs at Rs.156.85 per kg against 28.8 Million kgs at Rs.147.28 per kg last year. Increase in domestic prices was Rs.9 per kg as compared to last year. The drop in exports was mainly on account of crop loss during quality production months of May and June.

Uganda

McLeod Russel Uganda Limited (MRUL) has sold and exported 16.5 million kgs at an average price of USD 1.84 per kg and achieved turnover of USD 30 millions in the first year of operation under McLeod Russel Group. Prices were higher by 4% as compared to last year.

Vietnam

Phu Ben Tea Company, Vietnam has sold and exported 4.3 million kgs of Tea at an average price of USD 1.82 per kg.

➡ Production :

India

Production from own leaf was lower by 37 lakh kg. Production by bought leaf was higher by 14 lakh kgs.

Uganda

MRUL have achieved a record production of 16.8 million kgs during the year 2010 as compared to 15.4 million kg last year due to favorable weather conditions.

Vietnam

Tea Production at Phu Ben during 2010 was higher at 4.6 million kgs as against 4.3 million kg last year.

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➡ Operating Result :

Earnings Before Interest Depreciation and Tax (EBIDTA) is higher at Rs.380 crores as against Rs.367 crores last year on consolidated basis mainly on account of consolidation of Uganda Company acquired in January 2010. EBIDTA on standalone basis was lower at Rs.327 crores against Rs.363 cores last year due to production loss on account of weather conditions and pest attack. The total cost (Standalone) increase (including cost of bought leaf which is variable in nature) during the year was higher by Rs 11 per kg as compared to increase of Rs.8 per kg last year. The cost increase during the year is higher than the normal increase because of the loss of crop as 80% of the cost is fix in nature and substantial increase in power and fuel costs. Interest (Gross of Exchange fluctuation) is lower by Rs.15 crores due to reduction in borrowings.

OUTLOOK :

● Global Production :

Dry weather conditions in Kenya and other African countries during the first four months of the current year has affected the production. Tea production in these countries is estimated to be lower by 35 million kgs up to April. However, production in India is expected to be normal during the current year based on current weather conditions.

● Indian Production :

Indian Production is estimated to be approx. 967 M kgs for 2010 against 979 M kgs in 2009. However, production in India is expected to be normal during the current year based on current weather conditions. Indian production may range between 975 - 985 M kgs. for 2011.

● Tea Prices & Costs :

Lower inventory in India, production shortfall in Kenya and other African countries and strong consumption growth should have positive impact on prices during 2011. Tea prices in India are currently ruling higher by Rs. 10 to Rs.15 per kg as compared to same period last year. Increase in wages due to revision as per agreement and normal increase in other input cost should get offset with revival of Production. Costs per kg are expected to increase marginally during the year.

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**Gisovu Tea Company Limited , Rwanda :**

Borelli Tea Holdings Limited, a wholly owned subsidiary of the Company has provisionally taken over management control of Gisovu Tea Company on 23rd February 2011 in terms of the decision of Government of Rwanda to sell 60% shares of Gisovu to Borelli. The remaining formalities for acquisition are being complied with. Gisovu produces approx. 1.7 million kgs annually. This is being considered as one of the best quality Tea Estate.

McLeod Russel Middle East DMCC :

Borelli has set up a wholly owned subsidiary in Dubai by the name McLeod Russel Middle East DMCC which was granted the requisite license on 9th May, 2011. The Company will carry out blending operation of teas from various origin for value addition.

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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@wmg.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@wmg.co.in
3. This update being issued after the Board of the Company at its meeting held on May 30, 2011 has taken on record the financial results for year ended 31st March, 2011.
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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