



McLEOD RUSSEL
Believe in tea

12th November 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 Association Ltd
7, Lyons Range
KOLKATA 700001
Scrip Code:10023930

Dear Sir,

Sub : McLeod Russel – Information Update

We refer to our earlier letter dated 12th November 2018 regarding the subject mentioned above along with which we had inadvertently sent you an Information Update for the year ended 31st March 2018.

We now send herewith an Information Update on the Company for the quarter ended 30th September 2018 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 2018 have already been sent to the Stock Exchanges.

We sincerely regret the inconvenience, if any, caused to you in this regard.

Please acknowledge receipt.

Yours faithfully,

McLEOD RUSSEL INDIA LIMITED

(Debanjan Sarkar)

Senior Assistant Manager & Assistant Company Secretary

Encl : 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 half year ended 30th September, 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 **half year (**)** ended 30th September, 2018 :-

		2018-19	2017-18	
1.	Selling Price	Rs.186.83 per kg	Rs.176.92 per kg.	(+) Rs.9.91
2.	Operating Profit *	Rs.198.43 Crores	Rs.229.60Cr	(-) 14%
3.	Net Profit (Standalone)	Rs.260.45 Crores	Rs.141.86 Crores	(+) 83%
4.	Sales Quantity	351 lakh Kg	367 lakh kg	(-)16 lakh kg
5.	Crop	547 lakh kg	630 lakh kg	(-)83 lakh kg

- Operating Profit Before Interest and Depreciation

Highlights for the **quarter (**)** ended 30th September, 2018 :-

		2018-19	2017-18	
1.	Selling Price	Rs.188.26 per kg	Rs.180.64 per kg.	(+) Rs.7.62
2.	Operating Profit *	Rs.181.24 Crores	Rs.215.97 Crores	(-) 16%
3.	Net Profit (Standalone)	Rs.258.94 Crores	Rs.143.52 Crores	(+) 80%
4.	Sales Quantity	232 Lakh Kg	256 lakh kg	(-) 24 lakh kg
5.	Crop	312 lakh kg	389 lakh kg	(-) 77 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.



Review of Operations :-

➤ Production :

Indian Tea Production for the calendar year up to September is estimated to be lower by 3 million kg at 941 million kg as compared to 944 million kg for the same period last year. South Indian production was lower by 15 million kg whereas North Indian production was higher by 12 million kg. Tea production in African region was higher by around 40 million kg as compared to last year due to normal weather in Kenya. Tea production for the Company for six months ended 30th September was lower by 5.9 million kg on own leaf and 2.3 million kg from small grower's leaf after considering the sale of 12 Tea Estates with effect from 1st July 2018.

➤ Sales & Prices:

Increase in production in Kenya from previous year had a negative impact on prices at Mombasa auctions. Tea prices up to October for African Teas are lower by USD 0.35 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.10 per kg as compared to last year.

➤ Operating Result :

Operating profit before interest and Depreciation for the quarter is lower by 14% at Rs.198 crores as against Rs.230 crores last year. These numbers are not comparable as these does not include figures of 12 Tea Estates sold. However, substantial cost increase due to revision of wages has been partly been offset by higher tea prices and partly by stringent cost cutting measures.



OUTLOOK :

© Global Production :

Tea Production in Kenya is reported to be higher by 40 million kg up to September as compared to last year due to normal weather conditions. We expect the production from Africa to remain higher for the rest of the season.

Indian Production :

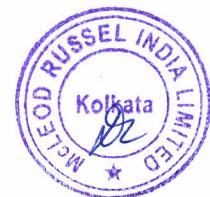
Indian Production is estimated to be lower by 3 million up to September as compared to last year due to lower production both in South India. Overall production for the country is expected to be in the range of 1300 million kg for the full year assuming weather to remain favorable for the rest of the season.

© Tea Prices & Costs :

Tea prices in African region have been lower by USD 0.35 per kg up to September due to higher crop in Kenya. We expect the trend to continue for the rest of the year.

Tea prices in India have increased by Rs.7 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.15 per kg during the year. The Company has taken substantial cost cutting measures to offset the increase in costs.





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

During the nine months ended 30th September 2018 Phu Ben achieved a total production of 5.60 million kg of tea as against 4.85 million kg for the same period last year. The Company recorded EBDITA USD (-)0.2 million on a sales turnover USD 9.16 million with average of USD 1.47 per kg as against EBIDTA of USD (-)0.1 million on a sales turnover of USD 7.93 million with sales average of USD 1.42 per kg during the same period last year.

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

During the nine months ended 30th September 2018 McLeod Russel Uganda achieved a total production of 11.91 million kg of tea as against 11.1 million kg for the same period last year. The Company recorded EBIDTA USD 4.76 million on a sales turnover USD 21.48 million with average of USD 1.69 per kg as against EBIDTA of USD 7.91 million on a sales turnover of USD 20.91 million with sales average of USD 1.92 per kg during the same period last year.

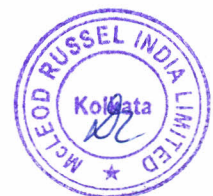
☉ **Gisovu Tea Company Limited, Rwanda :**

During the nine months ended 30th September 2018 Gisovu Tea Company achieved a total production of 1.70 million kg of tea as against 1.90 million kg during the same period last year. The Company recorded EBIDTA USD 2.33 million on a sales turnover USD 6.8 million with average of USD 3.36 per kg as against EBIDTA of USD 3.67 million on a sales turnover of USD 8.58 million with sales average of USD 3.91 per kg.

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

During the nine months ended 30th September 2018 Pfunda Tea Company achieved a total production of 1.91 million kg of tea as against 1.72 million kg during the same period last year. The Company recorded EBIDTA USD 1.59 million on a sales turnover USD 4.96 million with average of USD 2.6 per kg as against EBIDTA of USD 2.18 million on a sales turnover of USD 5.84 million with sales average of USD 3.02 per kg.

Aggregate Overseas operation during the period from January To September have recorded EBIDTA of USD 8.49 million as against USD 13.64 million for the same period last year.



Notes on this updates:

1. MRIL's Investor Relations activities are co-ordinated by Mr. Amitava Guha Sarkar, Company Secretary (a.guhasarkar@mcleodrusssel.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@mcleodrusssel.com
3. This update being issued after the Board of the Company at its meeting held on November 12, 2018 has taken on record the quarterly results for quarter ended 30th September, 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.mcleodrusssel.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.

