

## Camellia Plc

### Interim Management Statement

24 October 2013

This statement is made in accordance with Rule 4.3 of the UK Listing Authority's Disclosure and Transparency Rules and covers the period from 1 July 2013 to 24 October 2013.

The interim report issued on 29 August 2013 has been posted to shareholders and includes a statement from the Chairman. That report, which can be viewed on the company's website ([www.camellia.plc.uk](http://www.camellia.plc.uk)), refers to a number of issues that would otherwise be reported in this interim management statement.

Overall tea production on our estates in India has increased, and prices are slightly ahead, of the same period last year.

Tea production in Bangladesh is below that of last year. Auction prices have recently declined as a result of cheaper imports from India brought on by the weaker Indian Rupee coupled with lower import duty which came into effect on 1 July 2013. Rubber production in Bangladesh was below expectations due to the high rainfall.

Weather conditions in Kenya have recently been wet and cold resulting in less than ideal growing conditions. However, production is still well ahead of last year following excellent growing conditions earlier in the season. Prices at auction have declined reflecting the high volumes from most producers in the country resulting in an oversupply situation. Avocado volumes ended the season below that of last year due to higher incidence of pest damage. Our operations in Kenya have not been impacted by the recent terrorist incident in Nairobi.

In Malawi, tea production has shown an improvement over last year, following the higher rainfall earlier in the year and the recovery from the drought at the end of 2012. Prices were above last year. The macadamia season has ended with volumes lower than last year but the quality of the nuts at cracking has been higher. Prices have remained firm.

The macadamia harvest in South Africa has ended with volumes lower than last year due to poor weather conditions earlier in the season with prices remaining firm. The new management team at the wine growing operations in South Africa have concentrated on gaining new customers, particularly in China, and building up the sales of high quality wine. The cellar was recently awarded a double gold medal in the Michelangelo awards for its 2013 Louis Fourie Chardonnay and a silver medal for its 2010 Linton Park Shiraz. Increasing market share remains challenging.

The Group's agricultural businesses in Brazil and California continue to meet expectations with improved yields and profitability. The new almond plantings in California are developing well.

The UK operations show an overall increase in activity as the economy starts to recover from the recession. Sales by Abbey Metal Finishing have improved but are still slightly below budget. Demand for GU Cutting and Grinding in Stockport has been steady. However, the company continues to operate well below capacity. The performance of AKD Engineering

has been hit by delays in a significant contract which should complete in the first quarter of 2014. The operations at AJT Engineering in Aberdeen remain buoyant with the continued demand in the offshore oil and gas sector.

Cold storage utilisation at ACS&T has decreased over the summer with less activity by a key customer. However, the build-up of stock for the Christmas period has now started which has increased utilisation. Trading conditions for the operations in the Netherlands remain challenging.

Duncan Lawrie has made further progress in gaining new customers following the increased marketing of its banking and fund management businesses.

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