

Camellia Plc

("Camellia" or the "Group")

AGM Statement 2015

I would now like to take this opportunity to bring shareholders up to date with events in the current year.

Agriculture - Tea

In Bangladesh, the early tea crop is ahead of last year reflecting higher rainfall. The average price achieved at the new season's auction has so far been ahead of the previous year. The partial reversal of the decrease in the import tax implemented in 2013 has helped to increase demand for local teas.

In India, the weather remains a concern as the rainfall has been sporadic. Production in the Assam and the Cachar gardens is well down on last year but yields have increased in the Dooars and Darjeeling. Average prices at auction have increased with the arrival of the new season teas.

In Kenya, the tea crop has been well below that of last year due to drought conditions in the first quarter of the year. However, volumes have started to increase with the recent rainfall. Prices had initially softened with the arrival of the rains but have now started to increase and are ahead of last year.

In Malawi, tea production has recently started to recover from the poor weather conditions earlier in the year but sales volumes are significantly down on last year due to poor climactic conditions at the end of 2014. Demand is improving and prices have started to increase, although they remain below those of the same period last year.

Agriculture - Other

Other horticulture crops are largely producing in line with expectations. The demand for rubber from Bangladesh has been affected by the decrease in the price of synthetic rubber as a result of the low oil price.

A new cracking facility is to be built during the year in Kenya as increasing volumes of the macadamia nuts being grown at Kakuzi come into commercial production. Prices for edible nuts continue to be attractive.

There has been very little recent rainfall at Horizon Farms in California. The investment in irrigation has helped to protect this season's crop but the continued drought in the region remains a significant concern.

Banking and financial services

The impact of low interest rates and increasing compliance costs continues to impact trading at Duncan Lawrie Limited. The review of the Group's options for the bank announced at the time of our results statement in April is continuing and we shall update shareholders once we have concluded our review.

Engineering

As announced on 7 April, AKD Engineering Limited is being wound down in an orderly manner and will cease all operations at the end of June. A further substantial trading loss is expected to be reported for this business in 2015 reflecting the low order levels at the start of the year and costs associated with the run off of the contracts and the closure.

The low oil price is affecting the order book at AJT Engineering Limited and both sales and profits in the year to date are significantly lower than last year.

Trading is improving at Abbey Metal Finishing in Hinckley as factory utilisation increases and quality improves. The business is expected to report a substantially reduced operating loss in 2015.

Food storage and distribution

Competition remains fierce in the food storage and distribution businesses in the UK and the Netherlands.

4 June 2015

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Company description:

Camellia Plc (CAM.L) is a global agriculture and horticulture group, whose activities also extend to engineering, food storage and distribution, banking and financial services. The Group employs approximately 75,000 people globally.

The agriculture and horticulture division is engaged in the growing and production of tea, edible nuts (macadamias, pistachios and almonds), citrus fruits, avocados, rubber, forestry, viticulture, cattle, other horticultural produce and general farming (maize and soya). The Group is one of the largest private tea producers world-wide with a total of 65 tea estates and 60 tea factories. The Group's main operations are in India, Bangladesh, Malawi and Kenya, where the tea is grown and produced. It also has notable agricultural operations, other than tea, in Brazil, California, Kenya, South Africa and Malawi.

The engineering division is engaged in precision engineering, cutting and grinding, heat treatment, galvanising, powder coating, and metal finishing, etch inspection, the manufacture of stables, and the development of catalysts. These businesses are predominantly UK based and serve customers in a number of sectors including the offshore oil and gas and aerospace sectors.

The food storage and distribution division is involved in frozen, chilled and ambient temperature food supply chain management providing cold storage, refrigerated transport and production support to several leading UK food manufacturers. It also specialises in frozen imports and distributes seafood products in Europe and supplies food service customers in the Netherlands with fish products.

The banking and financial services division comprises Duncan Lawrie, which provides an integrated suite of banking services, financial planning, investment management and trust and estate advice.