

## **Camellia Plc**

### **AGM Statement 2011**

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

I am pleased to report that the usual drought conditions in India and Bangladesh at the beginning of the year were not as severe as in recent years. The exceptional climatic conditions experienced in Kenya last year will not be repeated and crop will inevitably be reduced. Tea sales prices are generally similar to last year except in Bangladesh where prices are approximately 12% below the previous year.

Other horticultural crops including rubber in Bangladesh, avocados in Kenya, citrus in North America and macadamias in Malawi and South Africa are performing to expectations. Despite a major hail storm on our property in Brazil, the results so far this year are encouraging.

As previously announced the proposed sale of our shareholdings in United Leasing and United Insurance in Bangladesh did not materialise due to the fact that, on account of legal reasons beyond our control, completion could not take place within the period stipulated in the contracts and it proved impossible to negotiate a satisfactory extension of the contracts.

New facilities at Abbey Metal, following the fire in 2010, and at GU Cutting and Grinding are coming on stream during the next few months and will hopefully be of great benefit to these companies. Other engineering operations are experiencing mixed fortunes but there is evidence of an improvement in those companies involved in the export sector.

Over capacity in the cold storage industry continues with the associated impact of reduced income.

Low interest rates and low margins are still affecting our banking operations but the asset management division of Duncan Lawrie is performing well. New members of staff are being recruited by the bank to take advantage of the opportunities that are available to banks that give a personal service to their clients.

Further enquiries please contact Camellia Plc  
Malcolm Perkins  
01622 746655  
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