

Camellia Plc

AGM Statement 2014

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

Climatic conditions appear to be such that an early drought is now to be expected in at least one of the countries in which we operate. This year it was the turn again of Assam in India and it is doubtful that their lost tea production will be made up later in the year. Elsewhere tea production has been reasonable in Kenya, Malawi and Bangladesh. Tea sale prices have also been satisfactory in India and Bangladesh but are still only hovering around cost of production in Kenya.

Other horticultural crops including rubber in Bangladesh, macadamias in Malawi and South Africa and soya in Brazil are meeting our expectations. The wine grape harvest in South Africa was in excess of budget and the previous year. The citrus crop in California was severely damaged by frost resulting in reduced income. The avocado crop in Kenya is projected to be below budget.

In Scotland our North Sea oil related engineering businesses are performing well. Abbey Metal is gradually recovering business lost after the fire but a return to profitability is still some way off. Problems still remain at AKD as a result of a protracted and ongoing dispute relating to a contract which is the subject of legal proceedings.

The food storage and distribution businesses are still experiencing very competitive conditions and growth is difficult to achieve.

Senior management has recently been strengthened at Duncan Lawrie. The continuing lack of any meaningful margin on depositors' funds and the ever increasing costs of compliance remain an issue for the bank although the expansion of the customer base continues to be encouraging.

For further enquiries please contact Camellia Plc
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5 June 2014