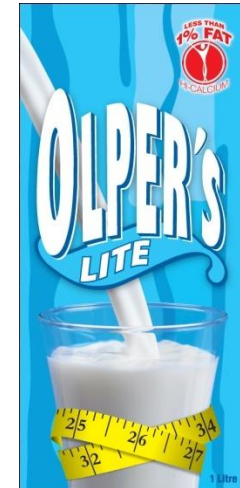




# Security Analyst Briefing

October 25 2011





## DAIRY & JUICES

- Retained leadership in Ambient UHT with 44%\* share vs 39%\* at Dec 31
- Ambient UHT market grew by 11%\* during nine month 2011;
- Dairy Omung launched in June – Performing well in market
- Tarang Tea Whitening Liquid launched in 1000ml SKU in July
- Olpers 200ml SKU launched in September

\* - internal estimates



	Nine months 2011	Nine months 2010	Revenue Growth %age	Volume Growth %age	Price/mix variance %age
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### Dairy and Juices Rs million

Revenue	19,447	14,106	38%	20%	18%
Gross Profit as percentage of sales	21%	21%			

# Nine months 2011 – Business highlights



## ICE CREAM & FROZEN DESSERTS

- ▶ Market share increased from 17%\* in December 2010 to 23%\* by the end of September 2011.
- ▶ Industry grew by only 5%.
- ▶ Omoré volume increased by 45% in 9 month 2011 as compared to 9 month 2010.

	Nine months 2011	Nine months 2010	Revenue Growth %age	Volume Growth %age	Price/mix variance %age
<b>Ice Cream and frozen Dessets</b>	<b>Rs million</b>				
Revenue	2,169	1,322	64%	45%	19%
Gross Profit as percentage of sales	23%	22%			

\* - internal estimates

# Nine months 2011 – Business highlights



## **DAIRY FARM**

- ▶ Female herd size as of September 2011 is 2,615 animals with a milk yield of 13.7 liters per day per milking cow.

## **ENGRO FOODS CANADA**

- ▶ Revenue of USD 3 Mn during the period post acquisition
- ▶ Al-Safa TVC aired on various ethnic channels.
- ▶ Guelph Food Technology Centre (GFTC), Canada's largest consultancy for food safety is on board to assist us in development and management of a food safety management system
- ▶ Currently Al-Safa is consolidated directly into Engro Corporation. However, Efoods is managing the business.



# Nine months 2011 – Business highlights

## **RICE**

- ▶ The Board has approved sale of the 70% equity shares (133 million shares) in Engro Foods Supply Chain (Pvt.) Limited to EXIMP.
- ▶ Sale price based on net asset valuation is proposed at Rs 10.64 per share subject to approval by shareholders on November 28, 2011.
- ▶ One time gain of Rs 51mn to Efoods.

## **OTHERS**

- ▶ Engro Milk Automation Network has been awarded the Pakistan Software House Association - ICT award in the category of E-Commerce and E-Inclusion.



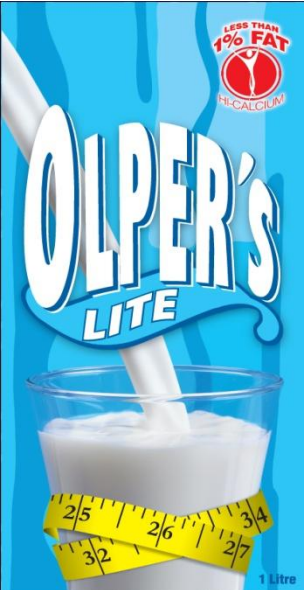
# Nine months 2011 – Business highlights

## CHANGE IN CHIEF EXECUTIVE OFFICER

Effective October 8, 2011, Mr. Sarfaraz A. Rehman, the former Chief Executive Officer, has left the Company to pursue voluntary work for philanthropic causes with various organizations.

Mr. Afnan Ahsan has joined as the new Chief Executive Officer. His credentials are as follows:

- Prior to joining E Foods, Afnan was working with Nestle as Senior VP, & Business Executive Manager in Philippines leading their Beverages Business. has also been involved with their water & ice cream businesses.
- MBA in Finance & Marketing from Arkansas State University, USA.
- Extensive career of 20+ years in leading multinationals like Coca-Cola, Pepsi Cola and Nestle.
- Wealth of experience and learning in Business Management across several geographies namely South Africa, Canada, South East Asia and Pakistan.
- Expertise includes Mergers & Acquisitions, Marketing, Sales, Food & Beverage Manufacturing and Supply Chain Management.



# Nine Months – Profitability and EPS

	Q1 - 2011	Q2 - 2011	Q3 - 2011	Nine months 2011	Nine months 2010	%age of sales 2011	%age of sales 2010
<b>Profit after tax (Rs million)</b>							
Dairy & Juice	270	221	313	804	436	4%	3%
Ice cream	(128)	(77)	(80)	(285)	(293)	-13%	-22%
Farm	(19)	(34)	(34)	(87)	(69)	-45%	-42%
Rice	-	-	-	-	(2)		
Business development	(6)	(10)	(7)	(24)	(37)		
	<b>117</b>	<b>100</b>	<b>192</b>	<b>408</b>	<b>35</b>	2%	0%
<b>Earning per share (Rs)</b>	<b>0.17</b>	<b>0.14</b>	<b>0.26</b>	<b>0.56</b>	<b>0.08</b>		



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# Security Analyst Briefing – Nine months 2011

Thank you