



Analysts Briefing 3rd Quarter 2013

October 23rd, 2013



Key Highlights of 3Q 2013



Dairy Omung –
'Omungon ka
Khazana'

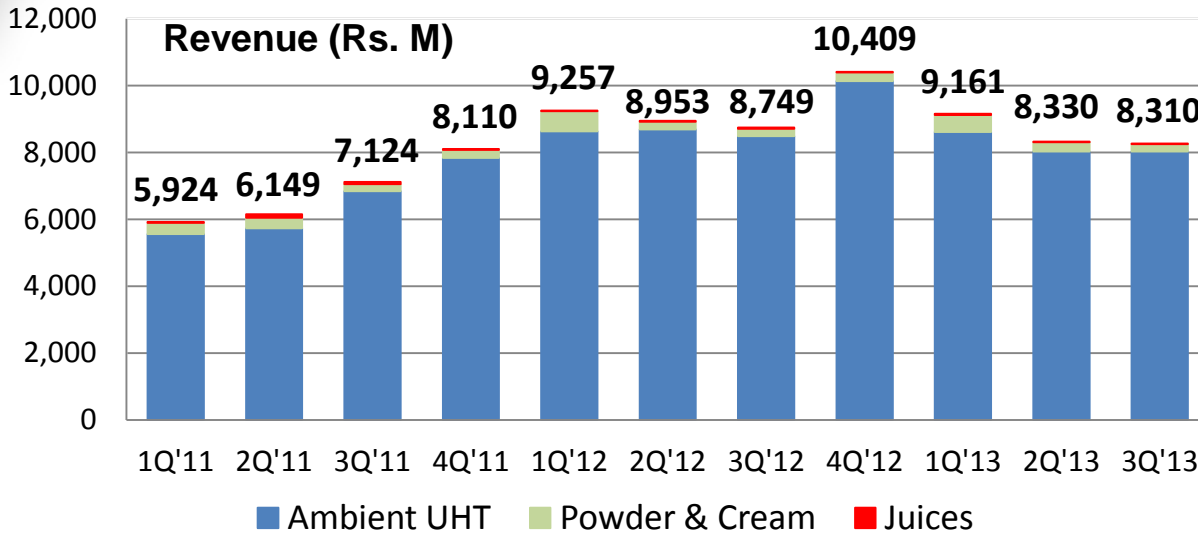
Chocolate Vanilla

&

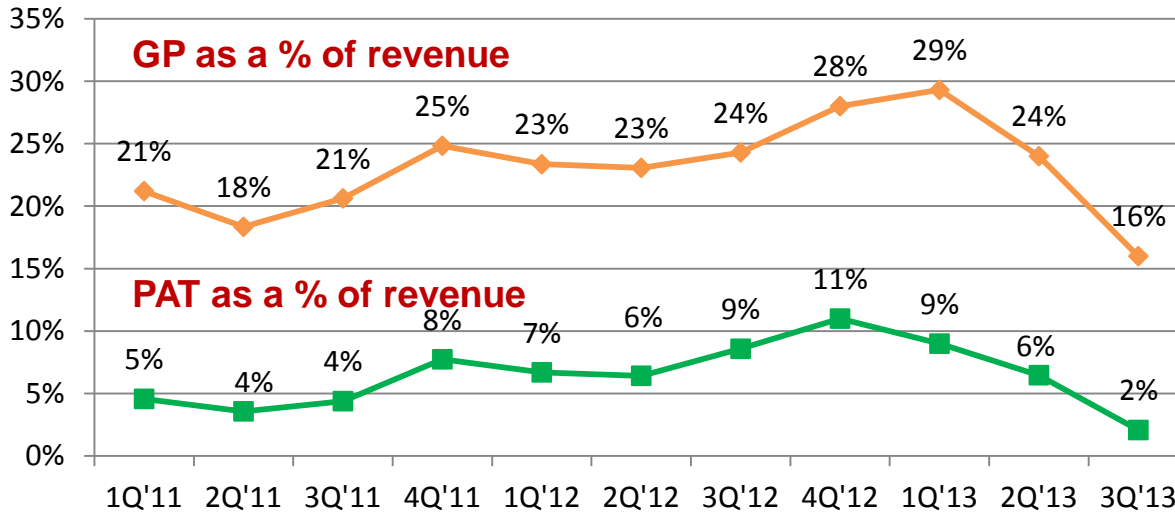
Caramel with
Butterscotch



Business Update – Dairy & Beverages

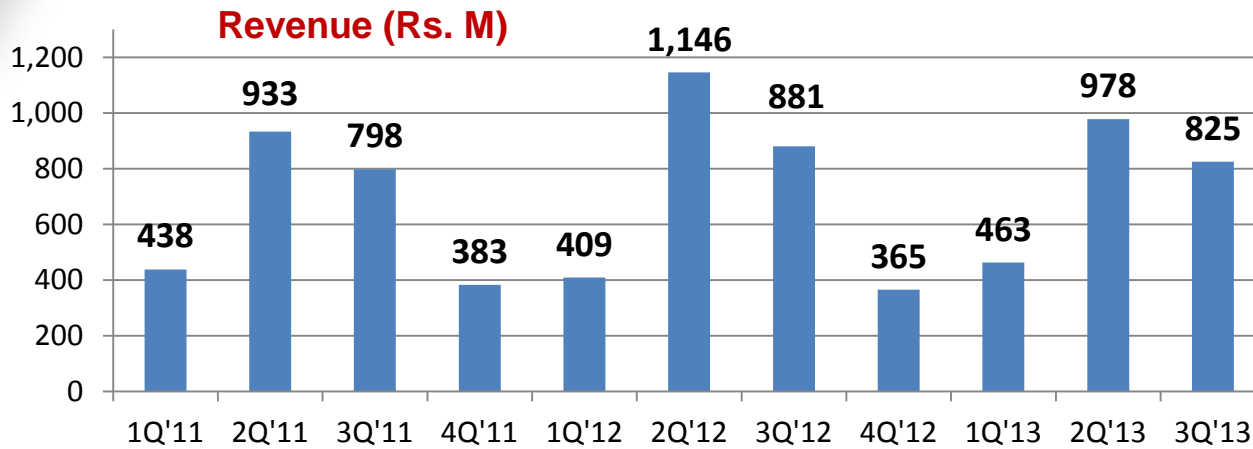


3Q'12 vs. 3Q'13	
Ambient UHT Market Share: Aug 2013 (Nielsen)	51%
Ambient UHT Volume Growth	(10%)
Ambient UHT Value Growth	(5%)

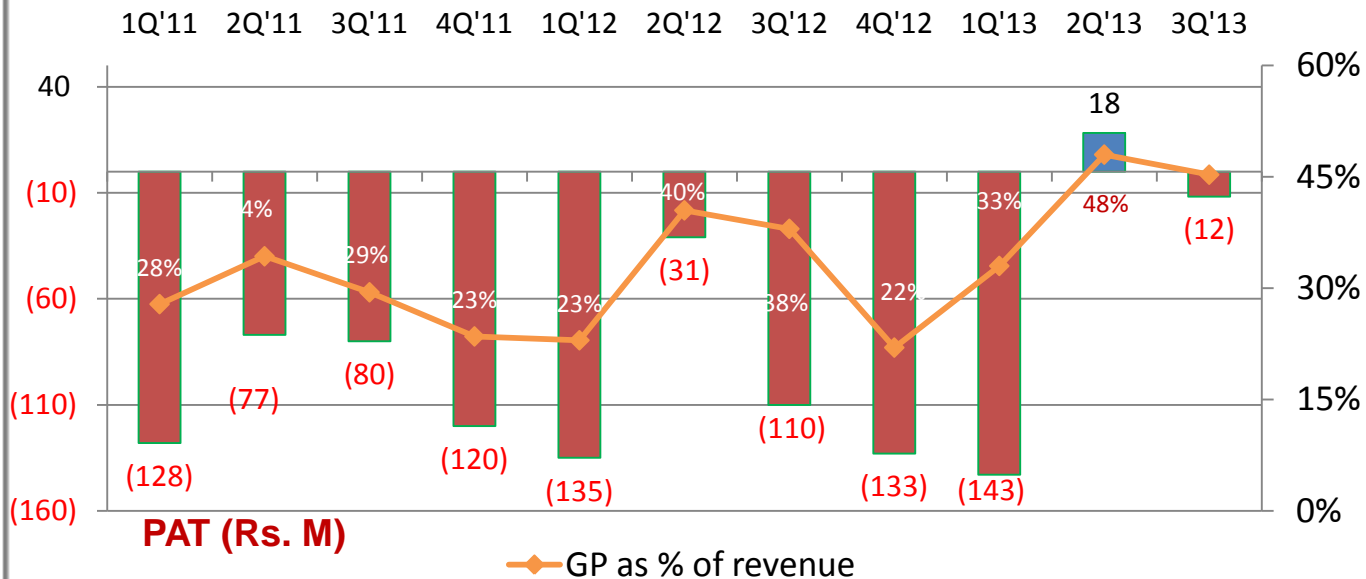


QoQ Dip in GP%	
Cost inflation	(2.5%)
Impact of Raw Material prices	(3.5%)
Impact of Price off on Olper's	(1.5%)
Net drop in GP	(8%)

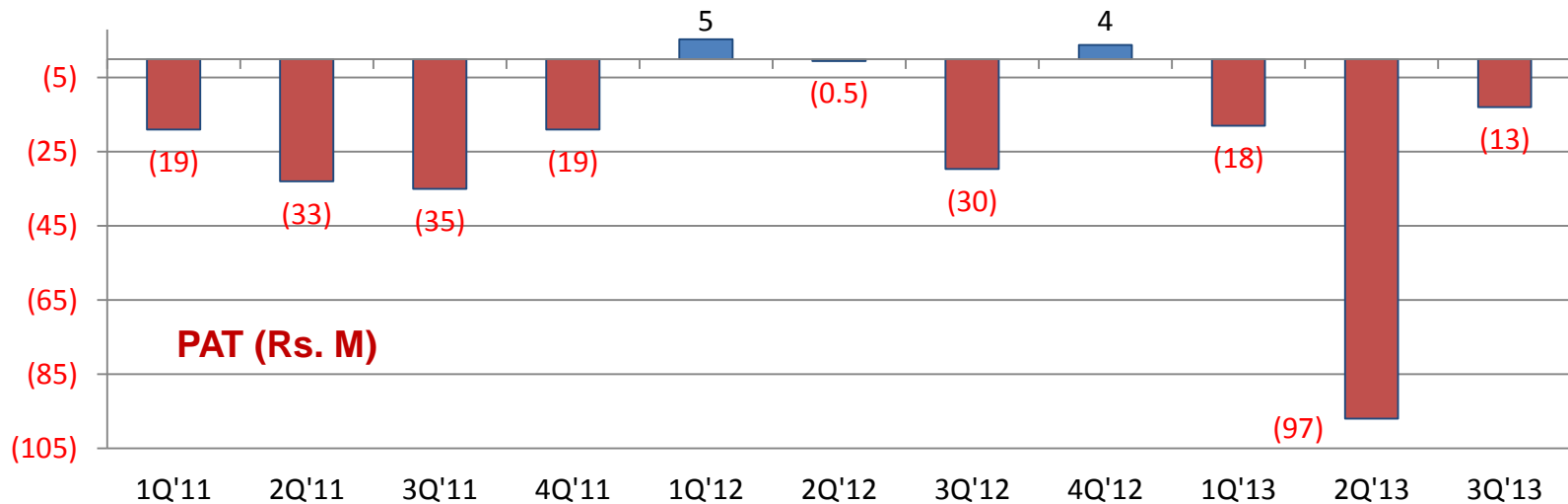
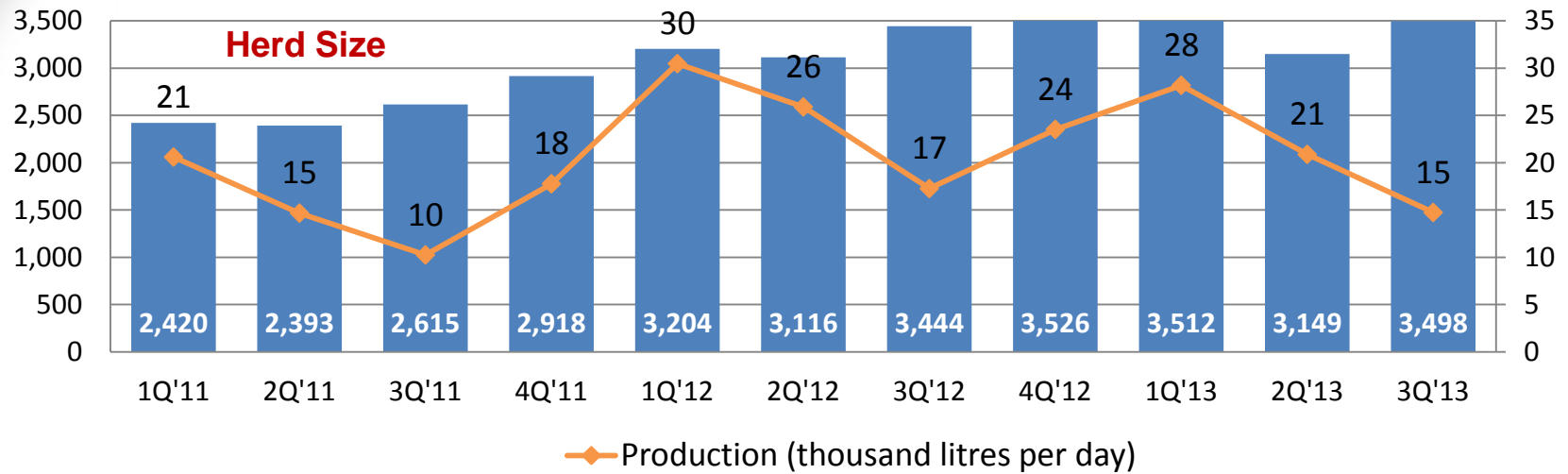
Business Update – Ice cream & Frozen Desserts



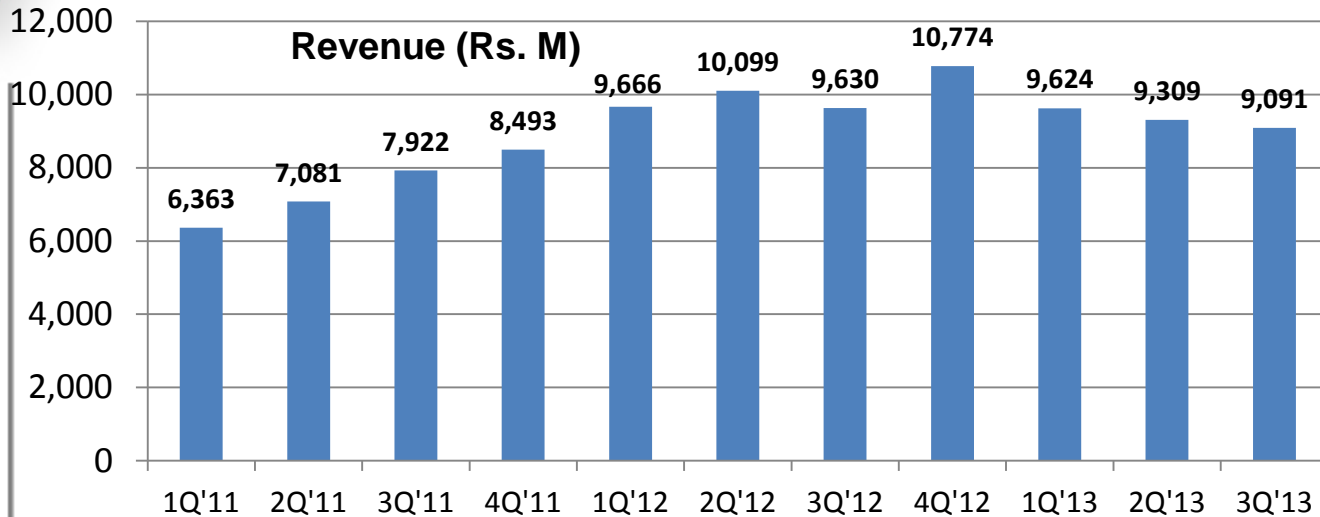
3Q'12 vs. 3Q'13	
Market Share	26%
Volume Growth	(16%)
Value Growth	(6%)



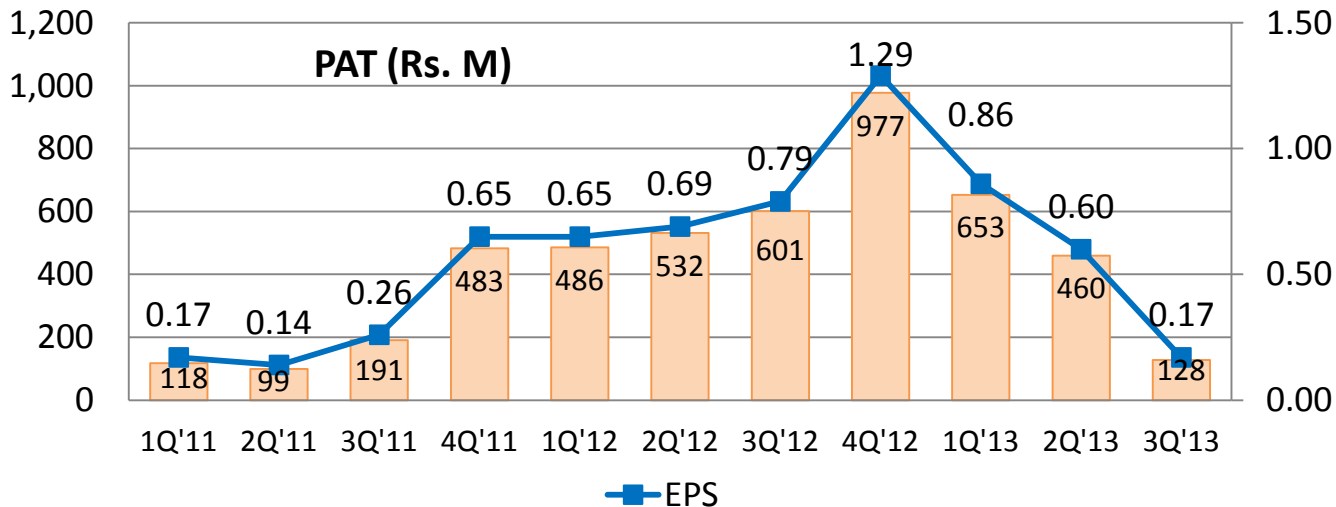
Business Update – Farm



Overall Performance



- 2% decline QoQ
- 5% decline YoY

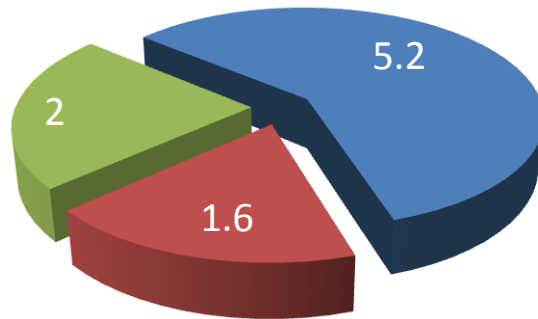


- 72% decline in EPS QoQ
- 24% decline in EPS YoY

Investment and Balance sheet

CAPEX – Rs bn

■ Cash Outlay ■ Committed ■ Remaining



- remaining CAPEX will be committed by end 2013 / early 2014

Healthy Balance sheet

Long Term Debt to Equity Ratio 31 : 69

Current Ratio 1.9 : 1

Ending Cash Balance Rs. 499 Mln

Contingencies

SHC judgment on Minimum Tax:

- SHC judgment (May 2013) in case of a textile company - minimum tax is not recoverable if the Company had taxable loss in that year;
- Efoods recoupable minimum tax of Rs. 607 million;
- As advised by consultants, this decision is against the intention of law; and
- We believe that this will be reversed in Supreme court

Sales tax Exemption – one month impact:

- In recent budget, Dairy products were put in “Exempt” category from 13th June;
- Subsequently, the “Zero-Rating” status was restored thru SRO dated 18th July;
- As advised by Tax consultant, effective date is from 13th June.
- Hence, Input Sales Tax paid during 13th June to 18th July (approx. Rs. 208 million) has been recorded as receivable (and not as expense).



THANK YOU