



# Analysts Briefing 4<sup>th</sup> Quarter 2013

January 27<sup>th</sup>, 2014



# Key Highlights of 4Q 2013

Tarang  
Consumer  
Promotion



Trade Activation  
of Olper's  
Ecolean Pack



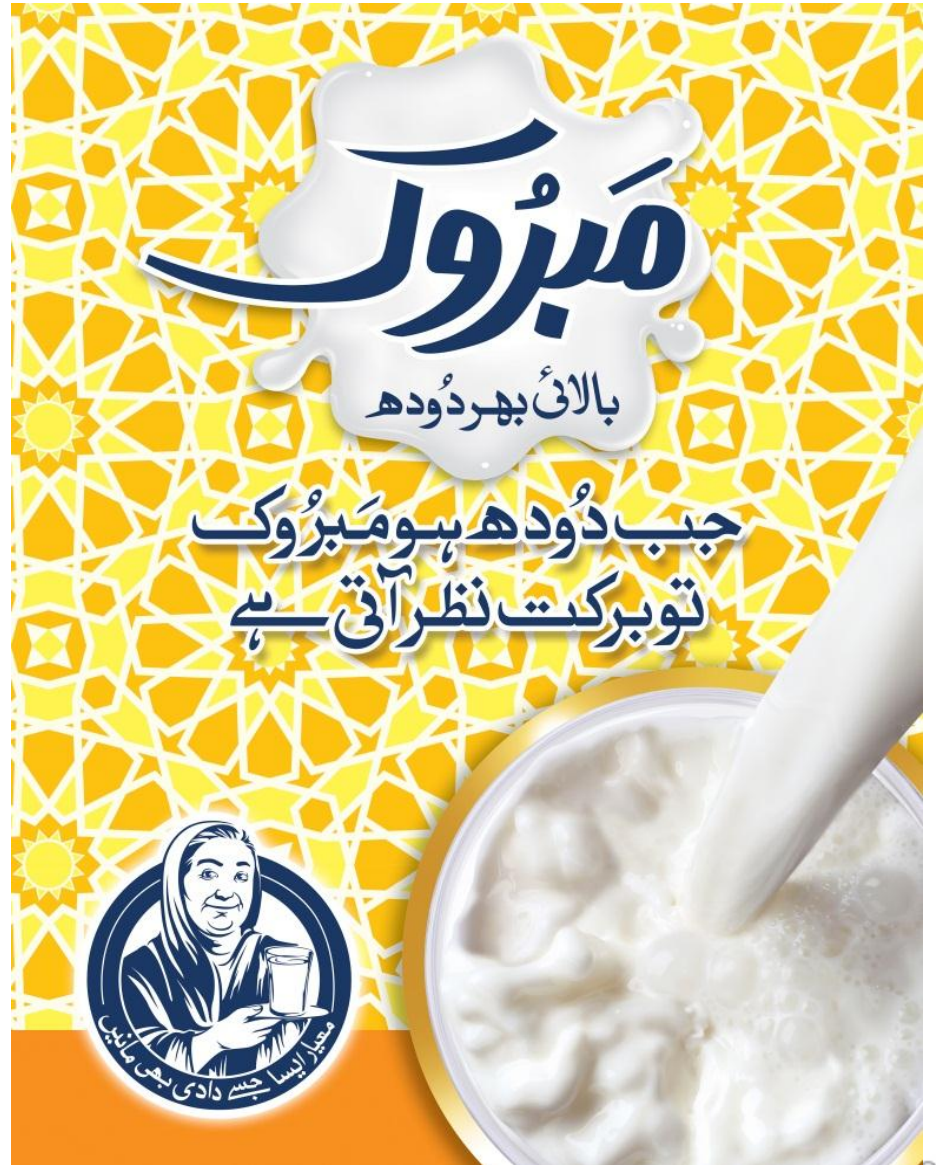
# Key Highlights of 4Q 2013

## Fresh Dairy Business

### Mabrook Launch

6 shops opened in Karachi  
4 shops under construction

Further shop locations are being  
finalized

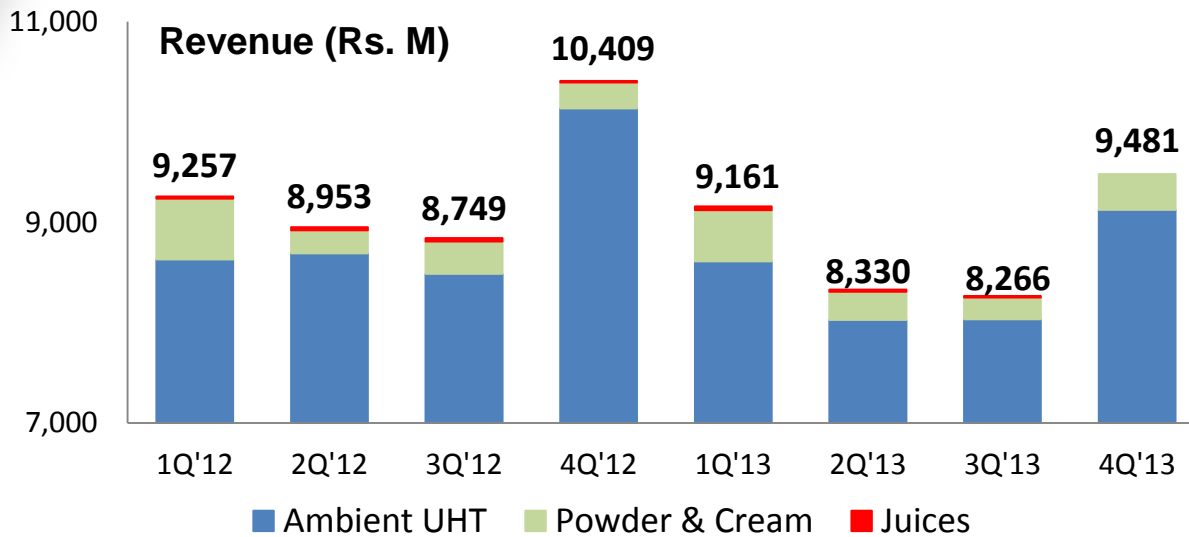




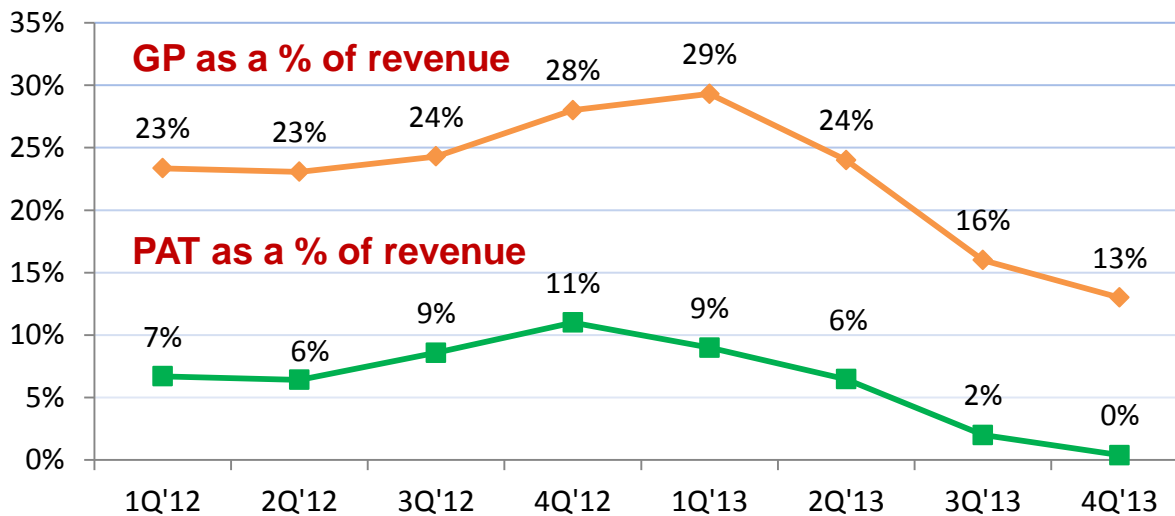
# Key Highlights of 4Q 2013

- **Distribution issues resolved**
- **15% Volume Uptick**  
Q4 sales volume increased by 15% over Q3 in Dairy & Juices segment
- **Highest Olper's Volume Ever**  
Olper's achieved its highest level of volume in Q4 since inception
- **Record Milk Collection Volume**  
Milk Collection also recorded close to highest ever volume since inception
- **Highest ever Milk Production at NARA Farm**
- **Transfer of Al-Safa to E Foods books**

# Business Update – Dairy & Beverages



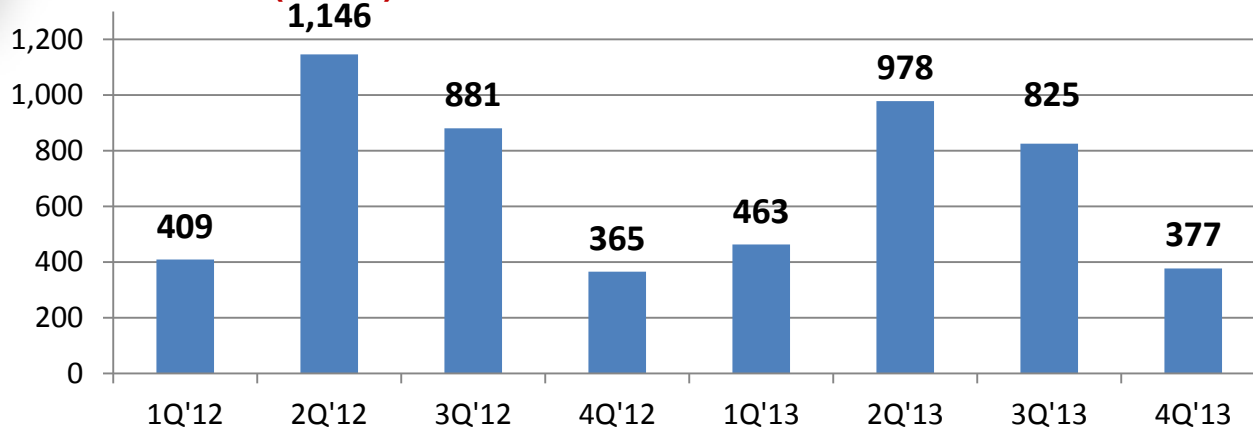
- Volume growth vs.Q3 – **15%**
- UHT Market Share as per Nielsen Nov 2013 data – **49%**



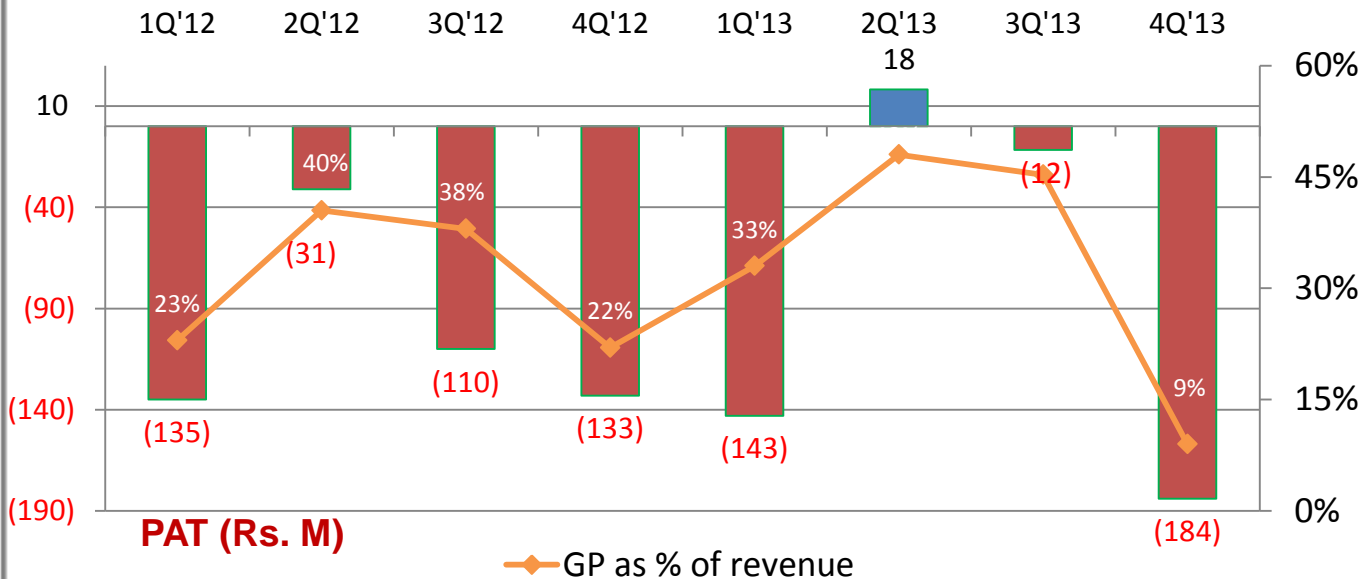
| QoQ Dip in GP%                                   |             |
|--|-------------|
| Impact of cost inflation                         | (1%)        |
| Impact of Price off on Tarang (Oct 1, 2013)      | (3%)        |
| Impact of price increase on Olpers (Oct 1, 2013) | 1%          |
| <b>Net drop in GP</b>                            | <b>(3%)</b> |

# Business Update – Ice cream & Frozen Desserts

Revenue (Rs. M)



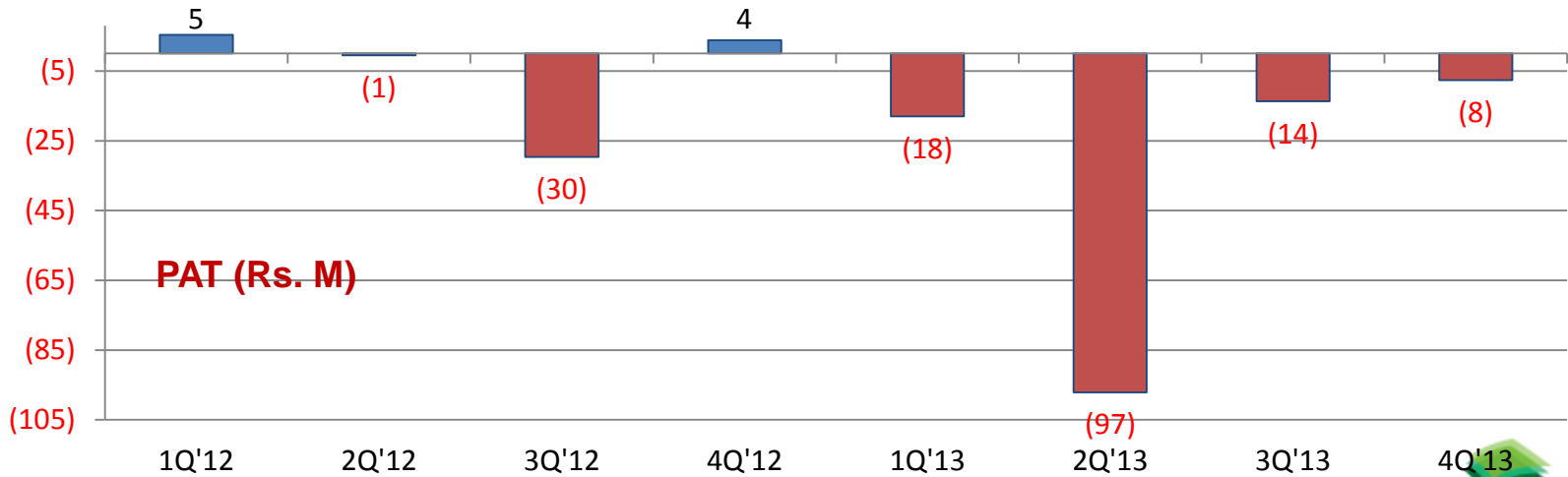
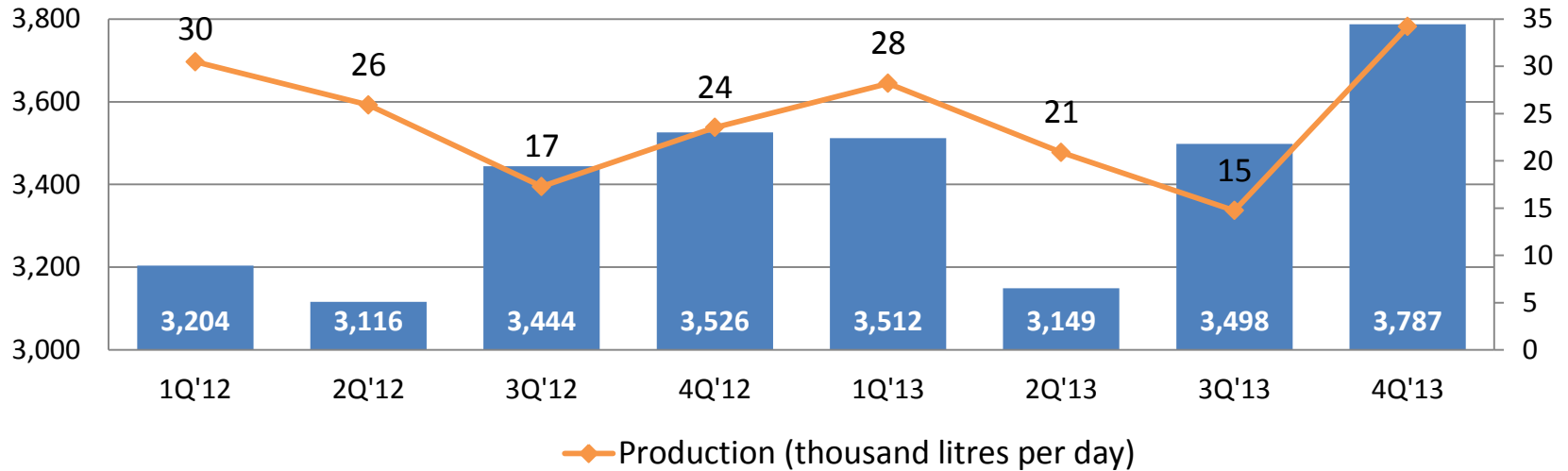
| 2013 vs 2012  |       |
|---------------|-------|
| Market Share  | 25%   |
| Volume Growth | (16%) |
| Value Growth  | (6%)  |



# Business Update – Farm

- HIGHEST EVER MILK PRODUCTION IN Q4**

## Herd Size



# Financial Results – Consolidated & Stand-Alone

| Segment                     | Stand-Alone   |               |            |              | Consolidated  |               |            |              |
|-----------------------------|---------------|---------------|------------|--------------|---------------|---------------|------------|--------------|
|                             | Revenue       |               | PAT        |              | Revenue       |               | PAT        |              |
| Rs. M                       | 2013          | 2012          | 2013       | 2012         | 2013          | 2012          | 2013       | 2012         |
| Dairy & Beverages           | 35,239        | 37,368        | 1,573      | 3,070        | 35,239        | 37,368        | 1,573      | 3,070        |
| Ice Cream & Frozen Desserts | 2,643         | 2,801         | (320)      | (409)        | 2,643         | 2,801         | (320)      | (409)        |
| Fresh Dairy                 | 3             | -             | (61)       | -            | 3             | -             | (61)       | -            |
| Farm                        | -             | -             | (137)      | (21)         | -             | -             | (137)      | (21)         |
| Business Development        | 6             | -             | (66)       | (45)         | 6             | -             | (66)       | (45)         |
| Sales tax                   | -             | -             | (128)      | -            | -             | -             | (128)      | -            |
| Canada                      | -             | -             | (650)      | -            | 38            | -             | (14)       | -            |
| WPPF benefit due to Canada  | -             | -             | -          | -            | -             | -             | 23         | -            |
|                             | <b>37,891</b> | <b>40,169</b> | <b>211</b> | <b>2,595</b> | <b>37,929</b> | <b>40,169</b> | <b>870</b> | <b>2,595</b> |



# Other Matters

## 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

## Omung

- Matter is pending in Lahore High Court
- We are engaging with all stakeholders to implement consistent food laws which is now a provincial matter after 18<sup>th</sup> amendment

## Meat

- 1<sup>st</sup> year pilot will be primarily B2B
- Since EFoods mandate is B2C, the pilot has been moved to ECorp
- Accordingly, all costs of the pilot in 2014 will be borne by ECorp



# Moving Forward – 2014

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- Focus to remain on growing Olper's, Tarang, Omung & Omore
- Improving Margins will remain a key consideration too
  - Olper's (one SKU) price increase already taken in January 2014
  - Powder Plant commercial operation in first week of February 2014
  - HFO Plant will be operational from April 2014
- Successful pilot of MABROOK
- Strategic decision on Al-Safa
- Developing exports of Olper's & Ghee



THANK YOU