



Farm Pride Foods Ltd.

Annual General Meeting 2011 Managing Director's Update





Business Overview for FY 2011

- 1st half financial performance significantly better than 2nd half
- Impact of Vic floods in Jan 2011, high dollar through FY 2011 and excess cage egg supply in 2nd and 3rd quarters of FY 2011
- Significant growth in supermarket demand for free range egg
- Introduced new free range capacity
- Feed prices moderated during period due to availability of significant quantities of feed wheat
- Continued trend improvement in EBITDA since FY2009
- Continued debt reduction

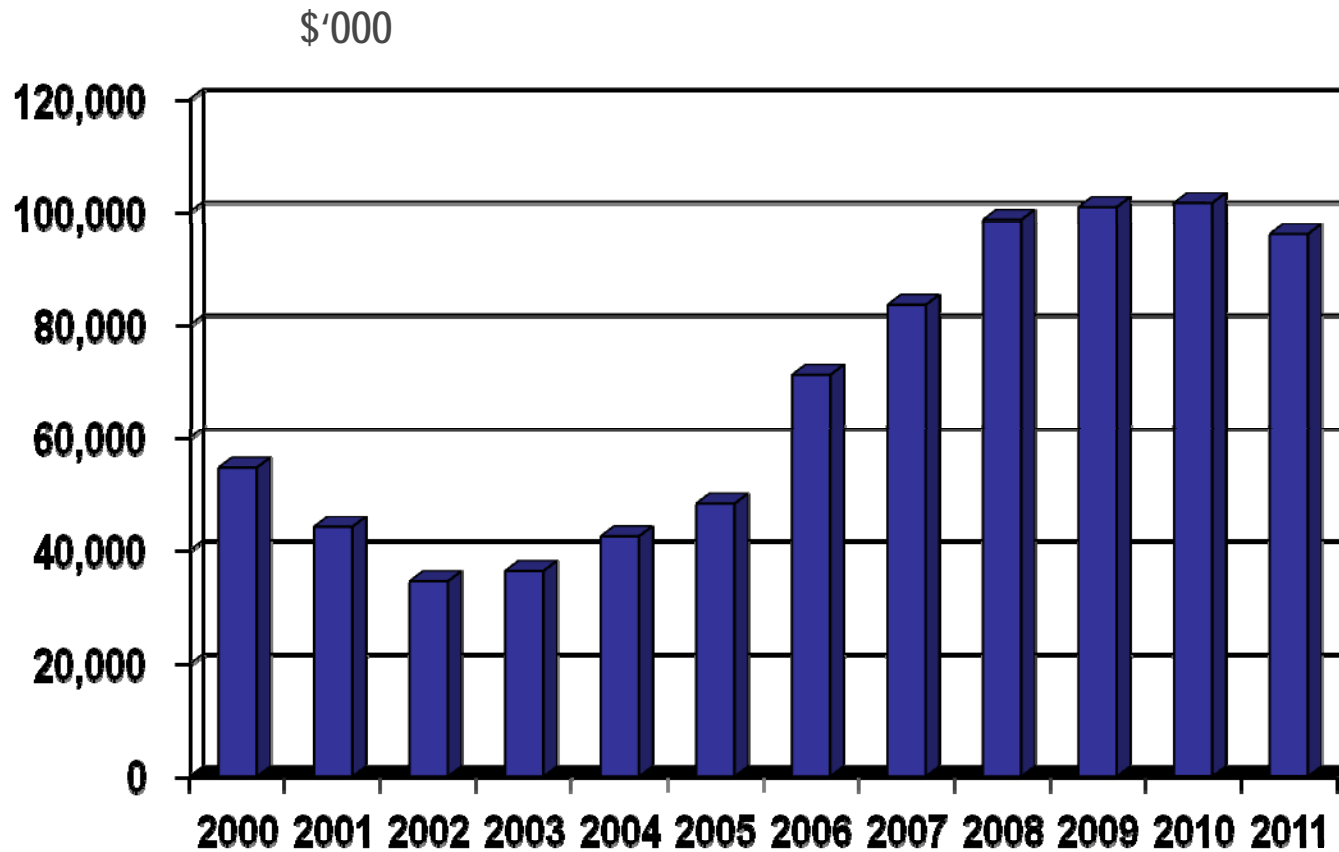


Financial Performance Summary *figures rounded

- Revenue of \$91.7m (\$95.8 for FY 2010)
- EBITDA of \$5.0m
 - \$3.75 (1st half)
 - \$1.25 (2nd half)
- Loss of \$0.5m:
 - \$1.0 profit (1st half)
 - (\$1.5) loss (2nd half)Includes \$0.6m bad debts and provisions



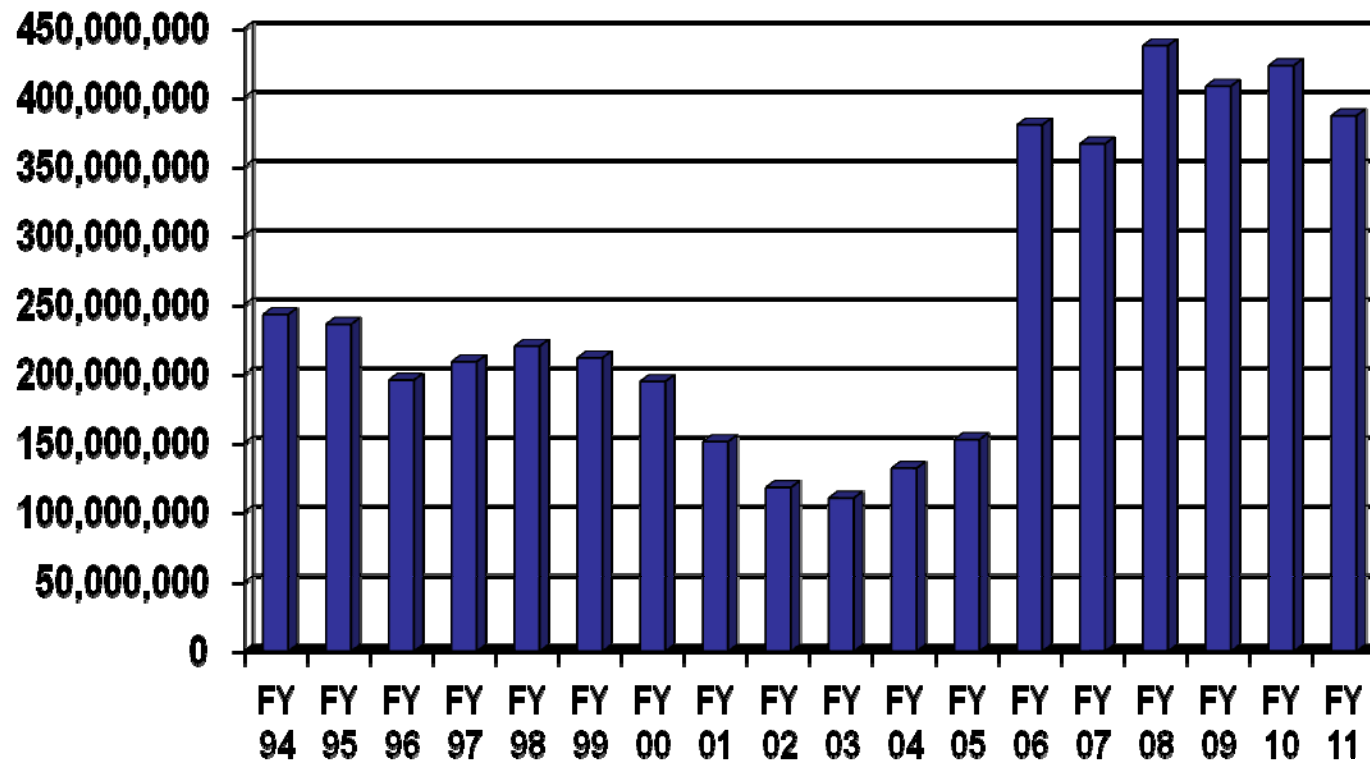
Gross Revenue





Eggs Sold(History)

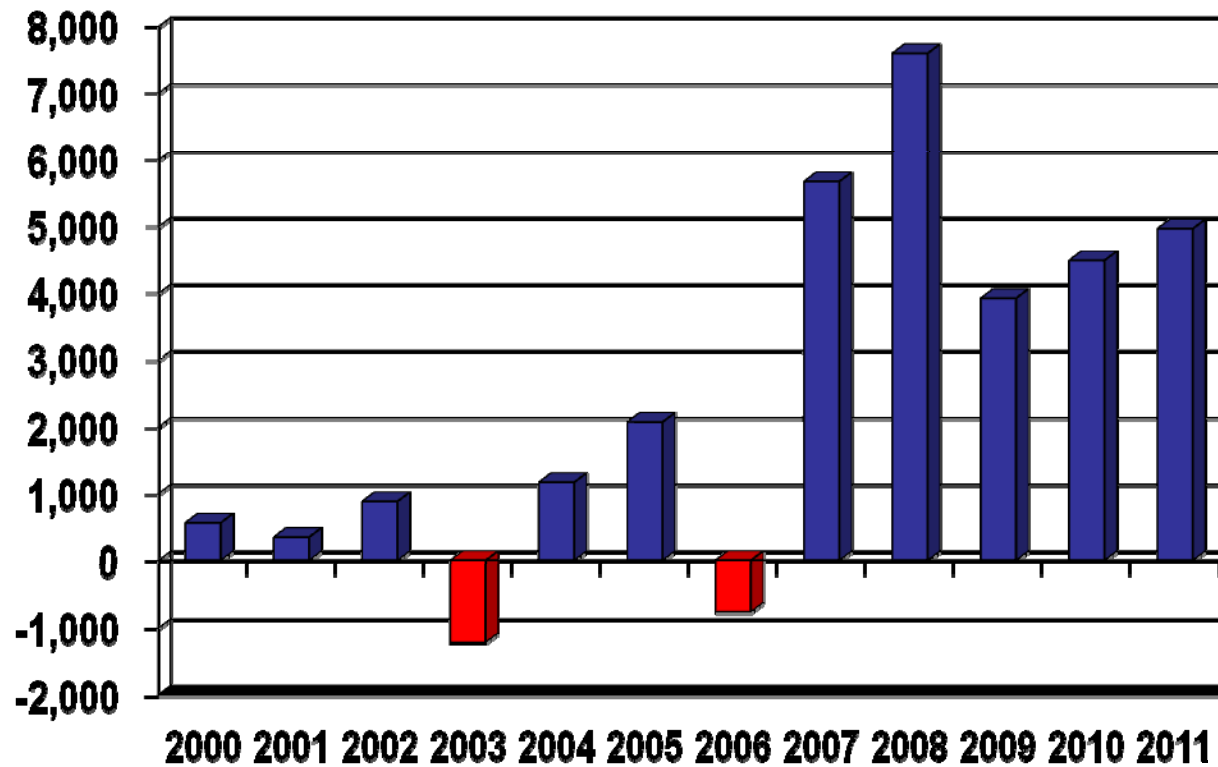
* Excludes Product Plant





EBITDA (excluding Goodwill Impairment)

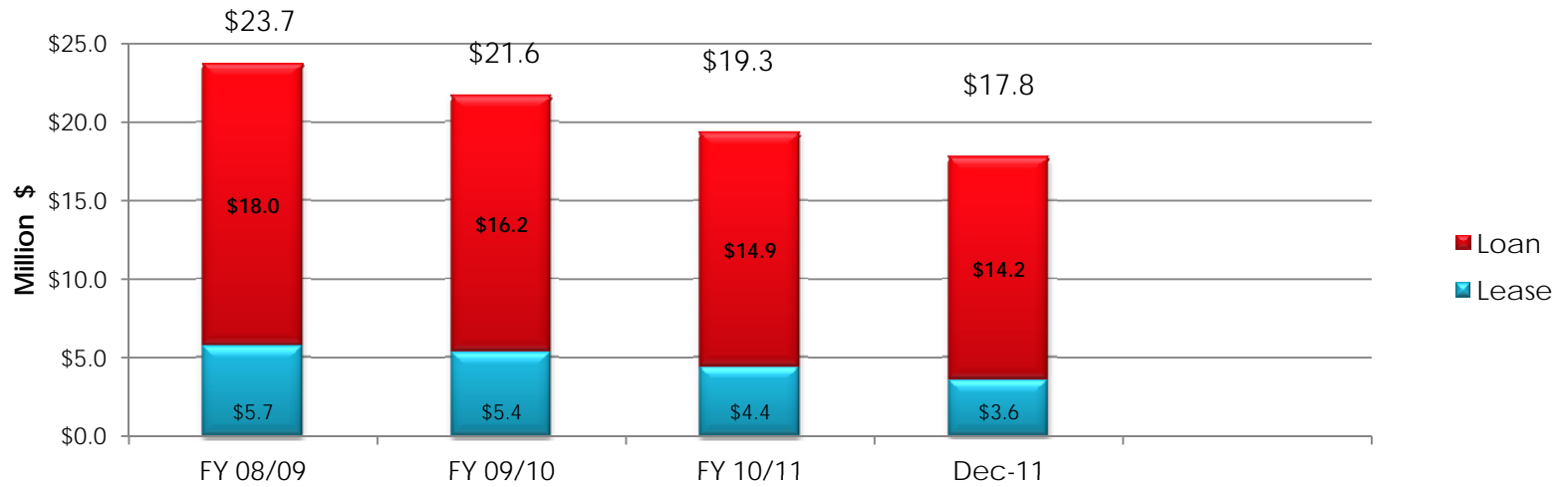
\$'000





Debt Reduction Chart

BORROWINGS





Debt Reduction

- Reduction of \$2.8m in Interest Bearing Liabilities during 2010/11 Financial Year
- Reduction of \$5.9m over 2.5 years to Dec 2011



Key Initiatives Underway

- Growth in Free Range and Barn capability
- Sale of under-utilised land at Keysborough
- Improvement of grading and processing capability





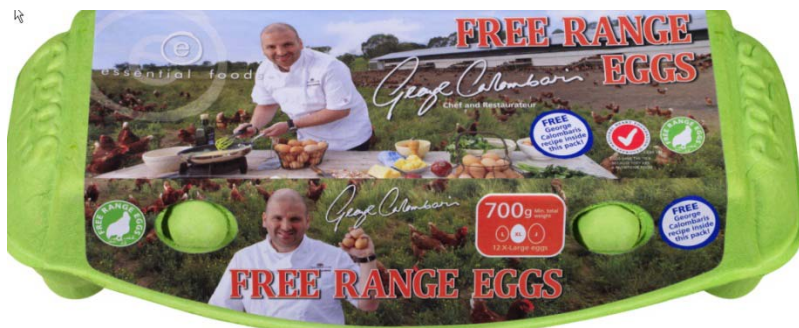
Why Focus on Free Range

- 20% annual growth in sales over past 15-20 years in supermarkets.
- 24% growth past 12 months, 31% over past 3 months.
- Current annual Free Range sales in Coles and Woolworths of 33m doz or 30% of all egg sold by volume and 40% by value.
- New external stocking density changes as part of new ESA standards will make significant amounts of current free range non compliant.
- New Egg Provenance (origin identification) Technology will place increased pressure on free range supply availability during 2012.



New Marketing Initiatives in FY2011

- Launch of George Calombaris range in Coles and Woolworths
- Continuing support of McGrath Foundation donating \$171k over the year





New Marketing Initiatives in FY2011

- Launch of 2 hard boiled egg pack
- Launch of new omelet range





1st Half of 2011/12 Financial Year

- Strong performance in free range sector and product business
- Continuing efficiency gains in all areas of the business
- Difficult market conditions with significant surplus industry wide of cage egg and high AUD.
- Expected EBITDA in excess of \$2.5 m



Outlook for Remainder of 2011/12 Financial Year

- Free range growth expected to continue but at slightly reduced growth rates.
- Feed prices to remain at current levels.
- Benefit from new initiatives toward the end of the year.
- Continuation of cage surplus expected to at least end of 3rd quarter.



Questions ?