



engro foods

January 24, 2014

The General Manager
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Karachi
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The Secretary
Lahore Stock Exchange (Guarantee) Ltd.
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**FINANCIAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2013 - STANDALONE AND
CONSOLIDATED**

Dear Sir,

The audited **standalone** financial results of the Company for the year ended December 31, 2013 are as follows:

(Amounts in thousand except for earnings per share)
PROFIT AND LOSS ACCOUNT - STANDALONE

	2013	2012
	————— Rupees —————	
Net sales	37,890,688	40,168,919
Cost of sales	(29,717,514)	(29,848,301)
Gross profit	<u>8,173,174</u>	<u>10,320,618</u>
Distribution and marketing expenses	(5,017,370)	(4,654,275)
Administrative expenses	(966,293)	(795,690)
Other operating expenses	(339,672)	(429,763)
Other income	324,301	382,402
Operating profit	<u>2,174,140</u>	<u>4,823,292</u>
Other expenses	**(881,456)	-
Finance costs	(784,904)	(902,503)
Profit before taxation	<u>507,780</u>	<u>3,920,789</u>
Taxation	(296,820)	(1,325,616)
Profit for the year	<u><u>210,960</u></u>	<u><u>2,595,173</u></u>
Earnings per share		
- basic	<u>0.28</u>	<u>3.43</u>
- diluted	<u>0.28</u>	<u>3.40</u>
Add: Accumulated profit / (loss) brought forward	<u>1,610,222</u>	<u>(984,951)</u>
Unappropriated profit	<u><u>1,821,182</u></u>	<u><u>1,610,222</u></u>

** These include recognition of accumulated cash losses of Engro Foods Netherlands B.V., since inception amounting to Rs 673 million and a charge related to sales tax for the period when FBR temporarily removed zero rating status of dairy products amounting to Rs 208 million.

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On December 16, 2013, Engro Foods Limited acquired 100% shareholding in Engro Foods Netherlands B.V. (Subsidiary Company), from Engro Corporation Limited. Accordingly, the financial results of the Subsidiary Company have been consolidated from the date of acquisition.

The audited **consolidated** financial results of the Company for the year ended December 31, 2013 are as follows:

(Amounts in thousand except for earnings per share)
CONSOLIDATED PROFIT AND LOSS ACCOUNT

	2013	2012
	—————Rupees—————	
Net sales	37,929,238	40,168,919
Cost of sales	(29,752,008)	(29,848,301)
Gross profit	<u>8,177,230</u>	<u>10,320,618</u>
Distribution and marketing expenses	(5,020,269)	(4,654,275)
Administrative expenses	(975,371)	(795,690)
Other operating expenses	(340,473)	(429,763)
Other income	326,911	382,402
Operating profit	<u>2,168,028</u>	<u>4,823,292</u>
Other expenses	(208,456)	-
Finance costs	(785,467)	(902,503)
Profit before taxation	<u>1,174,105</u>	<u>3,920,789</u>
Taxation	(303,733)	(1,325,616)
Profit for the year	<u><u>870,372</u></u>	<u><u>2,595,173</u></u>
Earnings per share		
- basic	<u>1.14</u>	<u>3.43</u>
- diluted	<u>1.14</u>	<u>3.40</u>

Very truly yours



FAIZ CHAPRA
 Company Secretary


