

Farm Pride Foods Limited

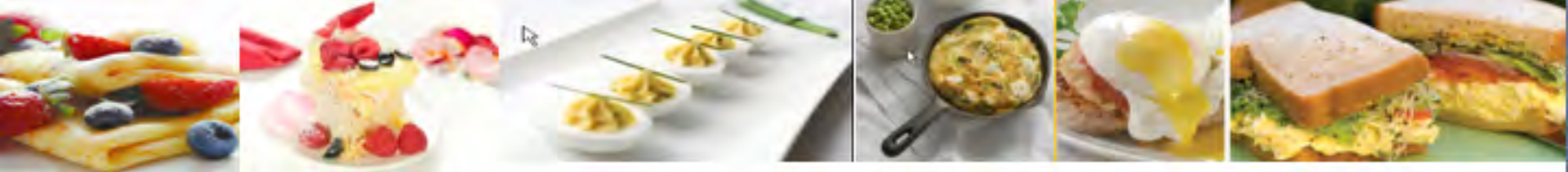
2014 Annual General Meeting





Peter Bell (Chairman)
welcomes you to our
Annual General Meeting of
Farm Pride Foods Ltd.





Farm Pride Foods Limited Board

Peter Bell

Chairman & Non-executive Director



Malcolm Ward

Non-executive Director



Bruce De Lacy

Interim CEO / Company Secretary/ CFO

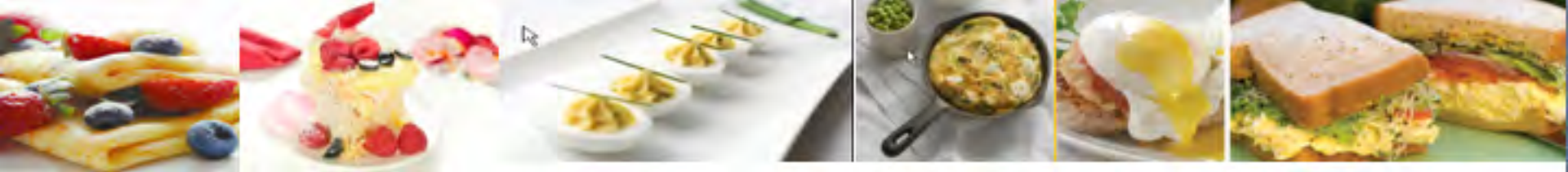




Items of business

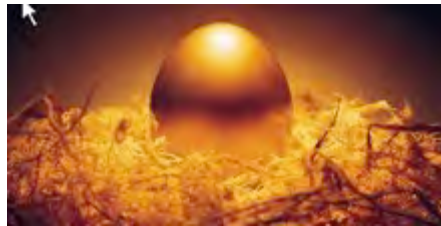
- Receive and consider the Financial Report, Directors Report, notes to Financial Statements and Auditors Report for the year ended 30 June 2014.
- Re-election of Mr. Peter Bell as a director of the company.
- Election of Mr. Bruce De Lacy as a director of the company.
- Adoption of Remuneration Report for the year ended 30 June 2014.





Item 1: Financial statements

To consider and receive the Financial Report, Directors Report and Auditors Report for the Company for the year ended 30 June 2014.

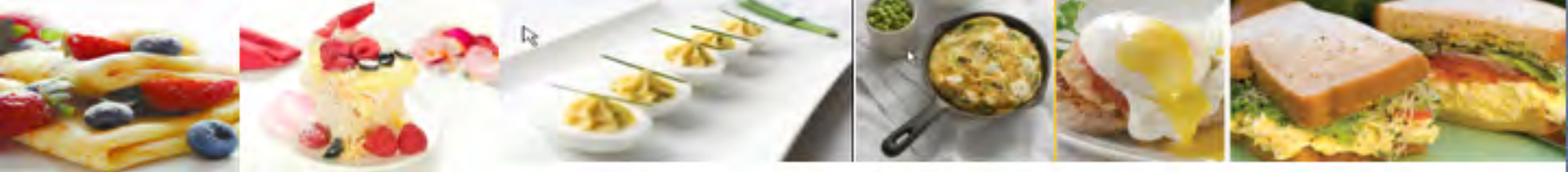




Item 2: Election of directors

- 2.1 Peter Bell is to retire by rotation and being eligible, offers himself for re-election as a director of the Company.

For	Against	Open	TOTAL	Abstain
37,979,560	92,402	570,379	38,642,341	16,440
98.28 %	0.24%	1.48%		



Item 2: Election of directors

2.2 Bruce De Lacy who was appointed to fill a casual vacancy offers himself for re-election.

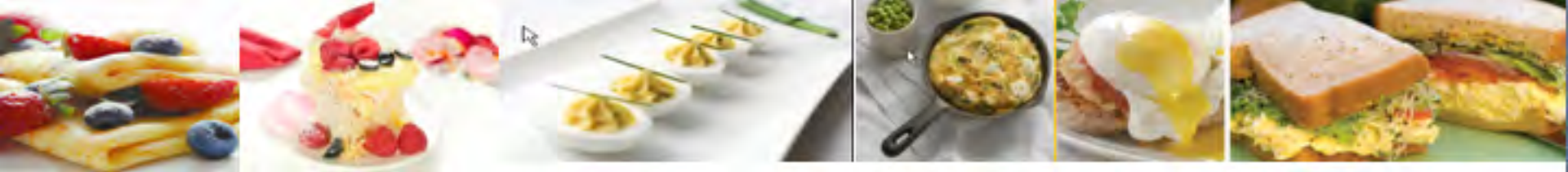
For	Against	Open	TOTAL	Abstain
37,979,560	92,402	570,379	38,642,341	16,440
98.28 %	0.24%	1.48%		



Item 3: Adoption of remuneration report

To adopt the Remuneration Report for the Company for the year ended 30 June 2014.

For	Against	Open	TOTAL	Abstain
7,607,785	235,656	571,379	8,414,820	18,668
90.41 %	2.80%	6.79%		



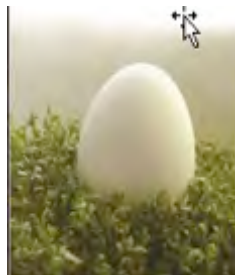
Interim Chief Executive Officer Update

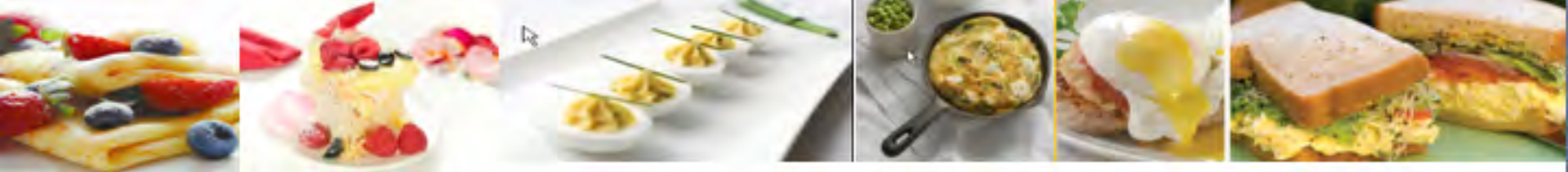




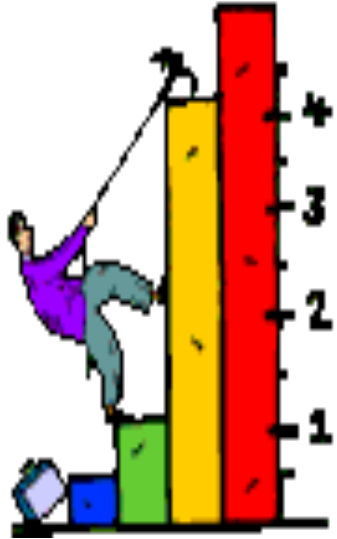
FY14 overview

- Statutory NPAT \$2.17million.
- Fulfilled commitment to undertake a major review of overhead costs in response to shareholder concerns.
- Second review undertaken in Q1FY15.
- Further reviews to be undertaken between Q2FY15 and Q4FY15.
- Better placed to meet the challenges of an industry over supply.





Results FY13 vs. FY14



	2013 \$'000	2014 \$'000	%
Profit after income tax	604	2,169	259.1
Current liabilities	32,858	26,575	(19.1)
Current assets	24,233	21,296	(12.1)
Earnings per share (cents)	1.09	3.93	260.6

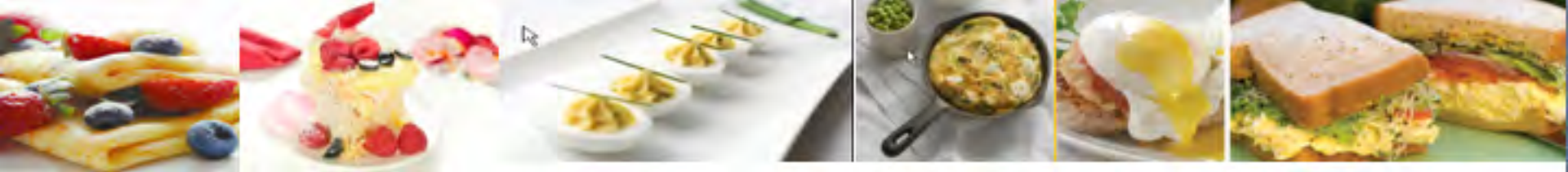


Delivering on strategy

Year on year:

- Borrowings reduced by 19%
- EBITDA increased by 24%
- Net cash flow provided by operating activities increased by 53%
- Further debt reduction and improving profitability now key focus for enhancing shareholder value

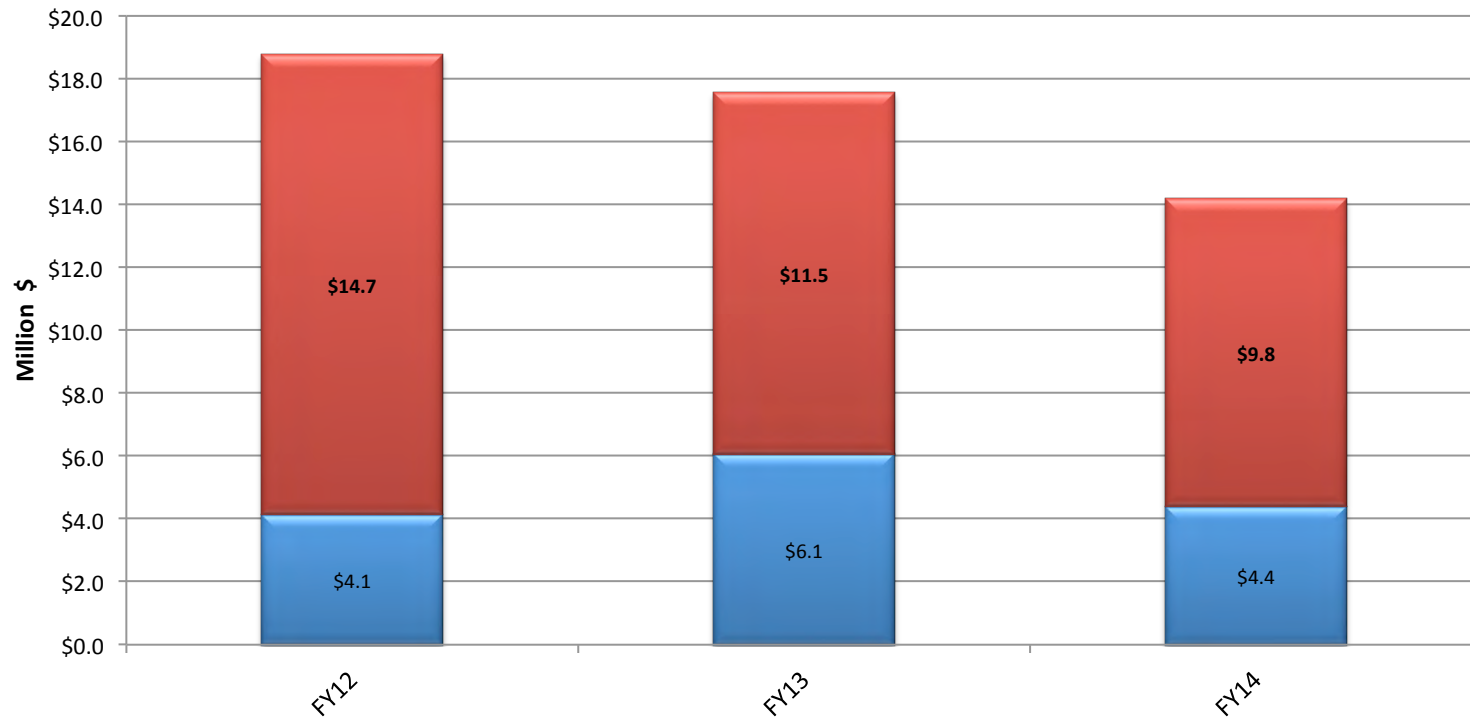




Borrowings - Bank + Lease Finance

■ Bank + RPL

■ Leases



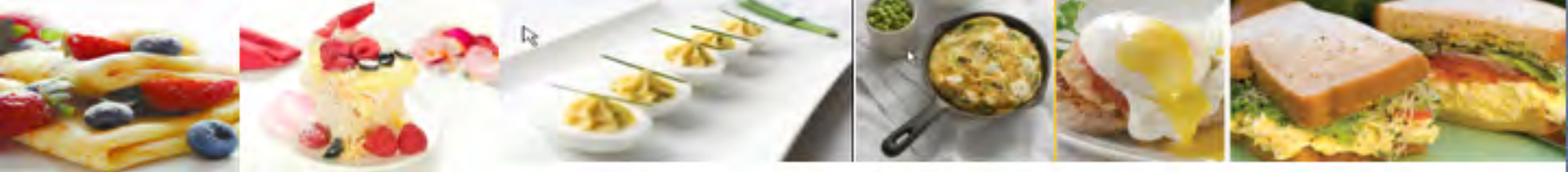


Net Tangible Assets



Net Cash Flow from Operating Activities





FY14 Performance highlights

- First half loss \$52,000. Second half profit \$2.224 million.
- EBITDA first half \$2.415 million. Second half \$4.917 million.
- Net cash provided by operating activities first half \$2.11 million. Second half \$2.65 million.
- Net cash used in financing activities first half \$0.86 million. Second half \$1.39 million.
- Gearing well within banking covenants.



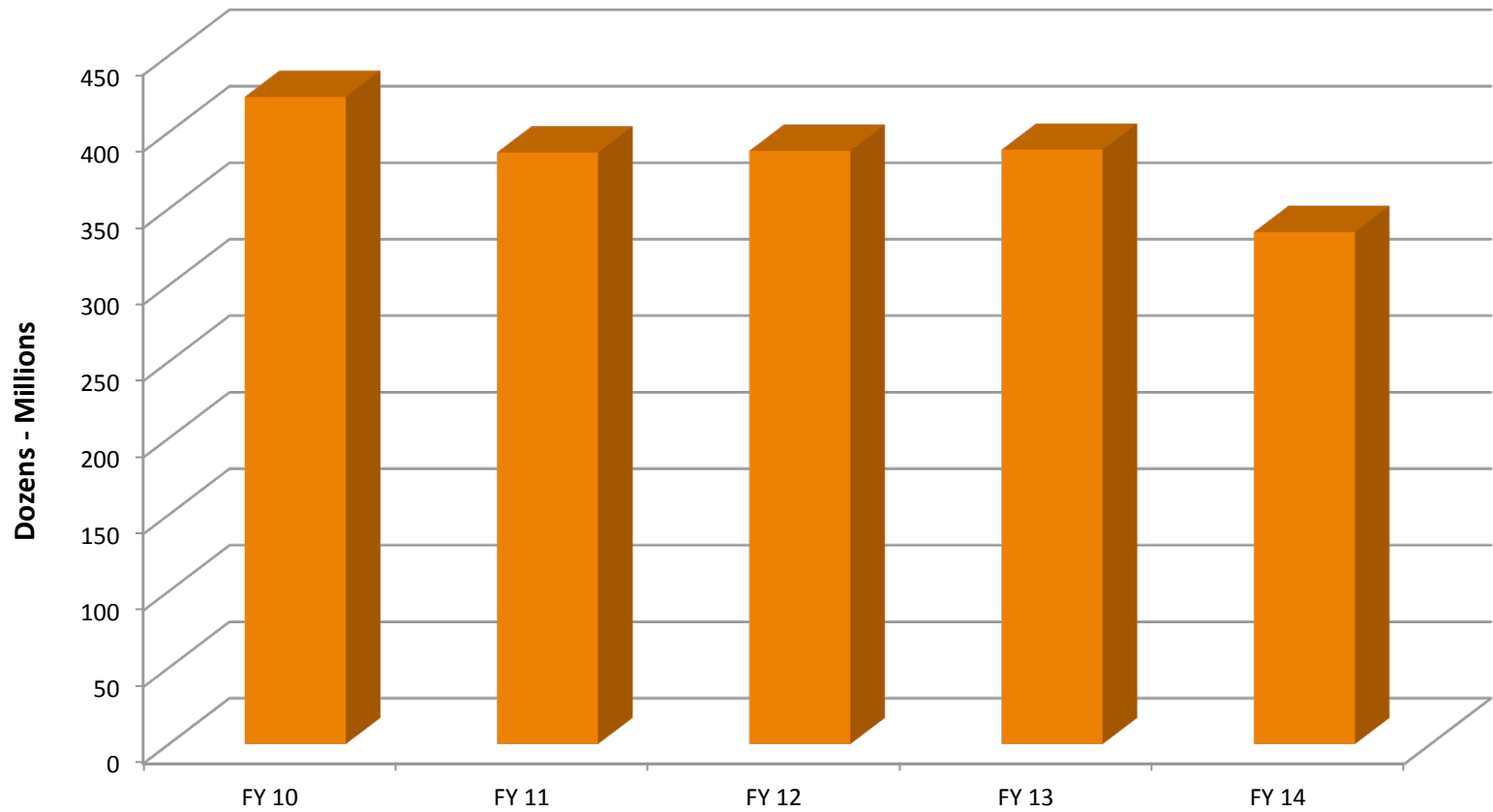


Shell business



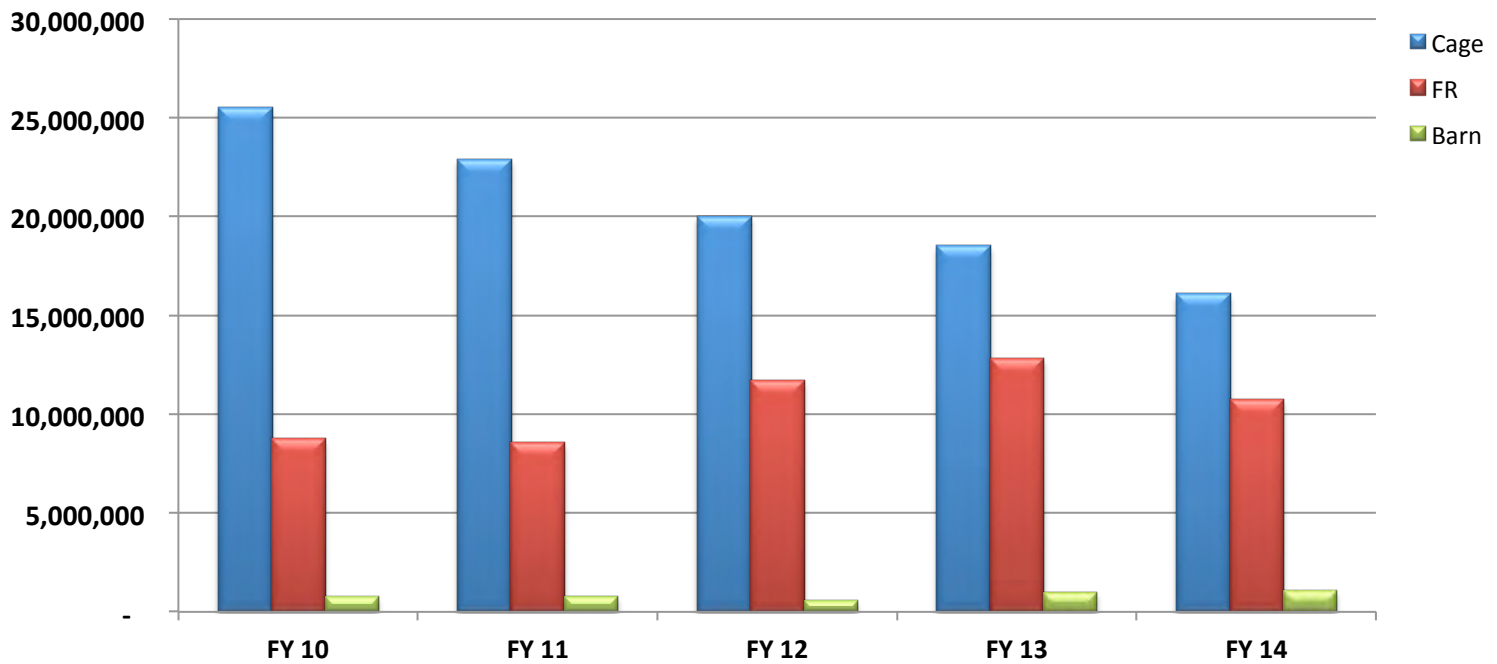


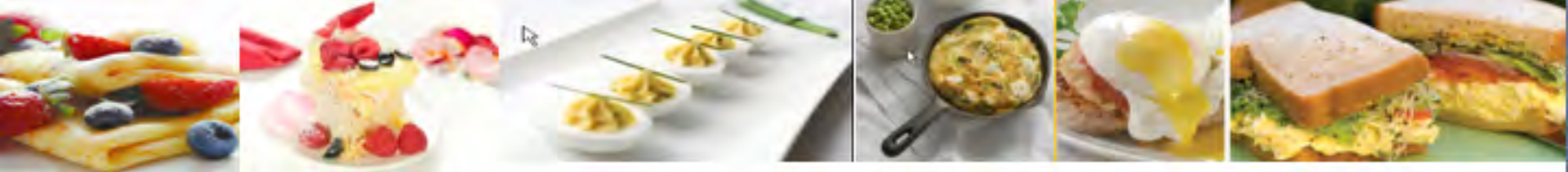
Eggs Sold (excluding product egg)





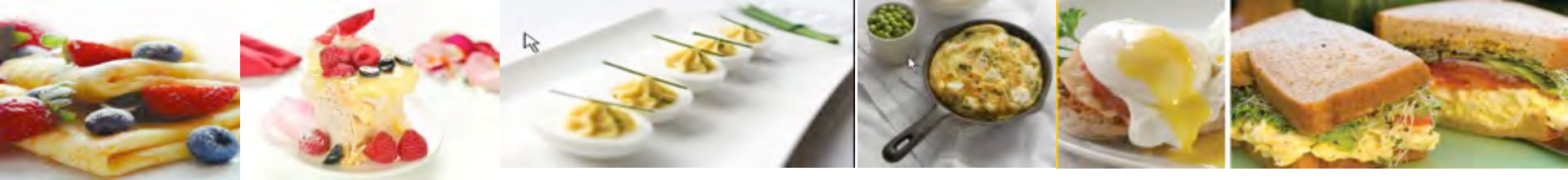
Eggs sold by category (doz.)



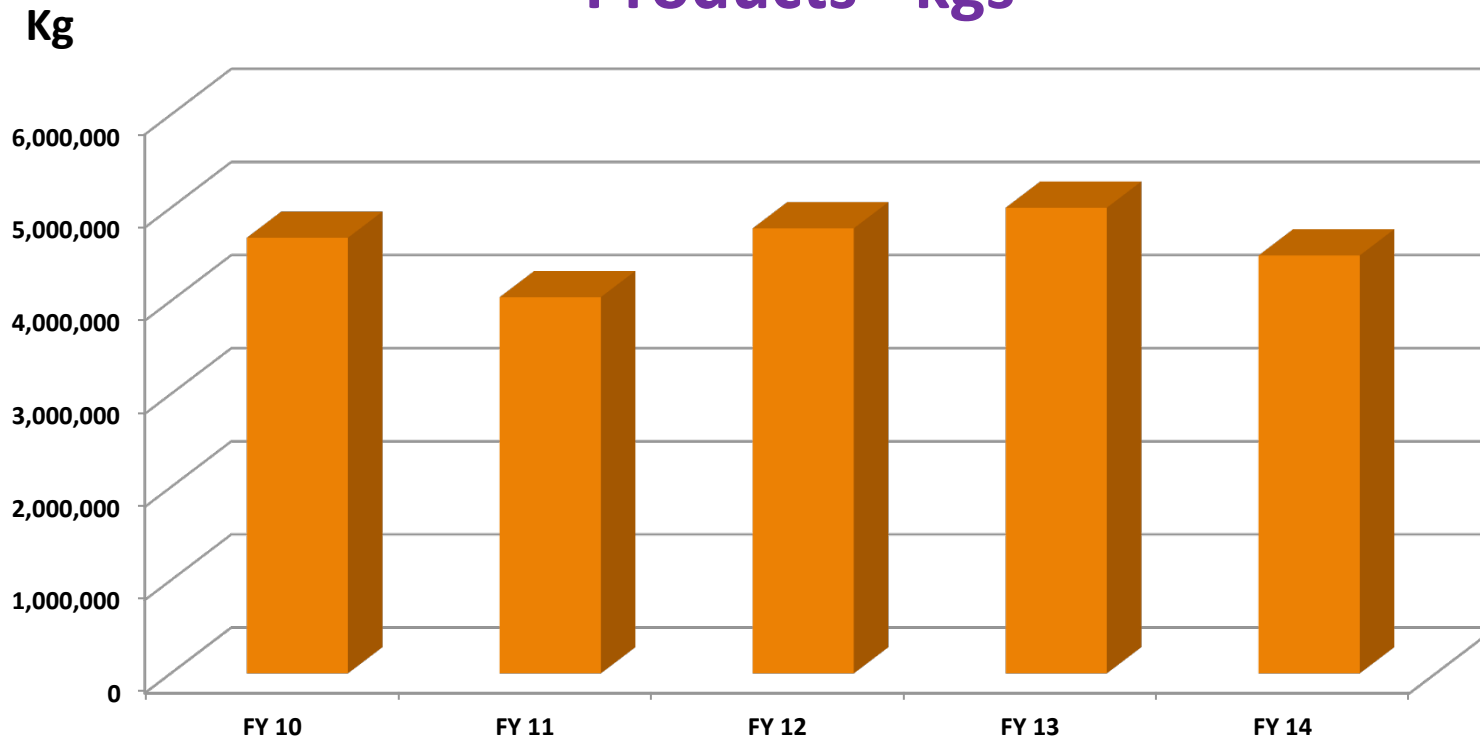


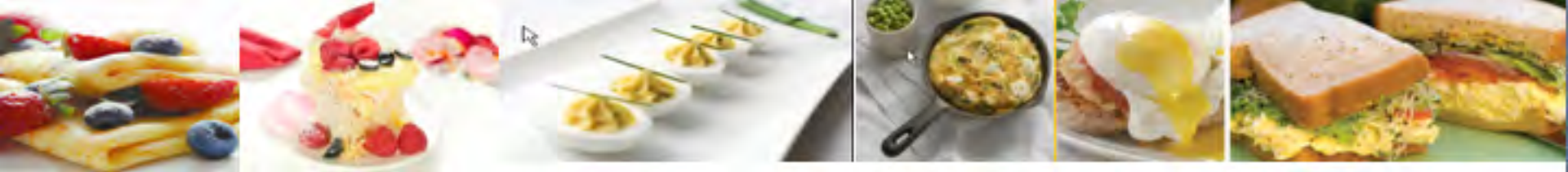
Product business





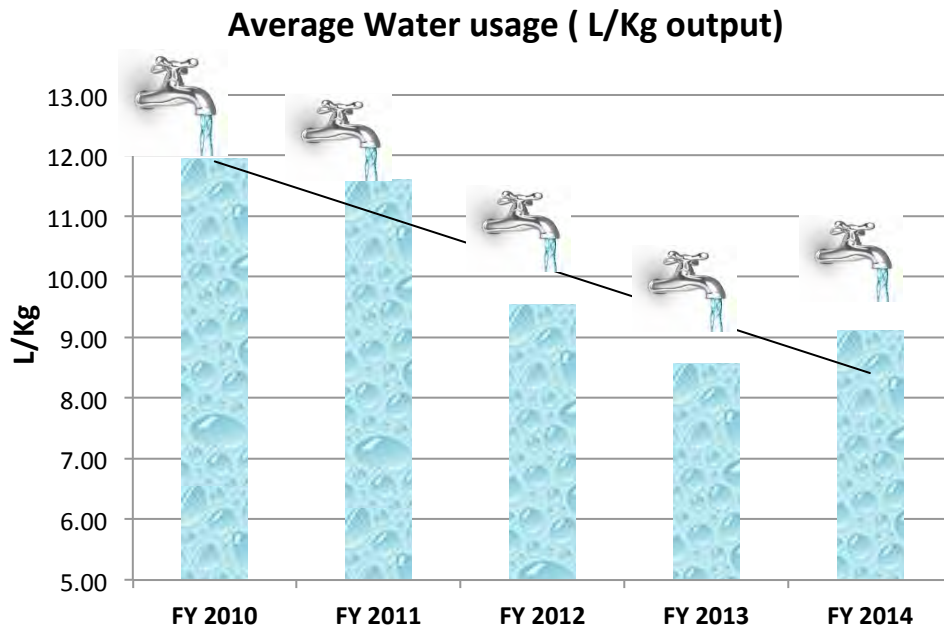
Sales of Manufactured Egg Products - kgs





Manufactured egg products

- Processes streamlined resulting in reduced volumes of water used(L/Kg)



- Additional procedures implemented to further reduce risk of contamination (E.coli).
- Installation of controllers on equipment to reduce foaming of egg product and energy used.
- Smart meters installed to allow monitoring of electricity usage to assist in cost analysis and increased savings.



What's new?

- On-pack promotion to coincide with movie / DVD launch.
- Prize supplied by movie house, creates a lot of consumer interest and point of difference versus other free range brands.



Walking with Dinosaurs

WIN 1 OF 30 EGGS-PLORER PRIZE PACKS WORTH OVER \$100

Prize pack contains Walking With Dinosaurs Blu-ray movie, lenticular lunchbag, 3D cap, projection torch and Walking With Dinosaurs book. **TO ENTER:** Purchase any promotional carton of specially marked Walking With Dinosaurs Farm Pride eggs and either describe in 25 words or less or draw what would an "eggasaurus" would look like; enter online at farmpride.com.au/promotions, or post to: Walking With Dinosaurs, Farm Pride, PO Box 141 Noble Park, VIC 3174. Promotion runs from 14 April 2014 until 6 June 2014. For full terms and conditions visit farmpride.com.au/promotions

Own it on Blu-ray, DVD and Digital HD May 14

WALKING WITH DINOSAURS THE MOVIE

THE GREATEST ADVENTURE IN 70 MILLION YEARS

FARM PRIDE

Free Range Eggs

Our most recent promotion, with social media activity and happy winners



Cracka the Farm Pride Egg
16 Jun at 3:12pm

I had a great time picking the winners of our Walking with Dinosaurs - The Movie competition. Here are some of the winners and the full list is on our website.



Next..... The Hobbit - The Battle of Five Armies

THE HOBBIT
THE BATTLE OF THE FIVE ARMIES
IN CINEMAS SOON

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Prize pack contains Walking With Dinosaurs Blu-ray movie, lenticular lunchbag, 3D cap, projection torch and Walking With Dinosaurs book. **TO ENTER:** Purchase any promotional carton of specially marked Walking With Dinosaurs Farm Pride eggs and either describe in 25 words or less or draw what would an 'Eggasaurus' would look like; enter online at farmpride.com.au/promotions, or post to: Walking with Dinosaurs, Farm Pride, PO Box 141 Noble Park, VIC 3174. Promotion runs from 14 April 2014 until 6 June 2014. For full terms and conditions visit farmpride.com.au/promotions

Free Range Eggs

12 X-Large eggs

700g Min. total weight

FARM PRIDE

WIN 1 OF 30 EGGS-PLORER PRIZE PACKS WORTH OVER \$100
SEE TOP FOR DETAILS

THE HOBBIT
THE BATTLE OF THE FIVE ARMIES
IN CINEMAS SOON

Free Range Eggs

12 X-Large eggs

700g Min. total weight

FARM PRIDE

MGM NEW LINE CINEMA ROADSHOW FILMS

WWW.HOBBITMOVIES.COM.AU

© 2014 Warner Bros. Ent. Inc. The FARM: The Battle of the Five Armies and the FARM: some of the characters, events, items and other things are trademarks of The Saul Zaentz Company d/b/a Tolkien Enterprises under license to New Line Productions, Inc. All Rights Reserved.

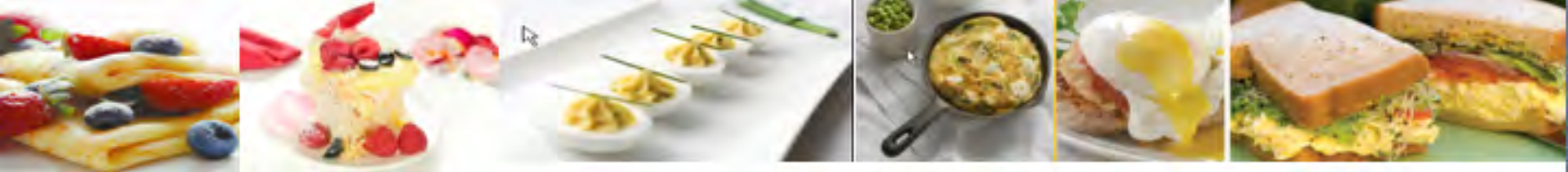
This promotion will run from Nov to Jan to celebrate the Dec 26 release in movies



Carton Packaging plant has been manufacturing green egg cartons for all our free range egg carton brands.

Now manufacturing pink coloured egg cartons for McGrath Foundation "pink" free range and barn laid eggs.





Due to community concerns about food quality in general, Farm Pride will shortly launch a range of smaller frozen 950ml egg white, egg yolk and whole egg.

Aimed at smaller bakeries, food service customers and distributors who can't defrost current 10kg product and use within shelf life.





Egg white mix



Contains the equivalent of 34 egg whites - No waste yolk
Suitable for whipping - ideal for meringues, breads and mousses

990ml



Whole egg mix



Contains the equivalent of 14.5 Large eggs
No waste - ideal for cakes, batters and sauces

990ml



Sugared egg yolk



Contains the equivalent of 30 egg yolks
No wasted whites - ideal for custards, cakes and ice creams

990ml



Salted egg yolk



Contains the equivalent of 30 egg yolks - No wasted whites
Ideal for creamy sauces and emulsions

990ml



Scrambled egg mix



Contains 30 eggs - No waste - just heat and serve

990ml



Quality assurance



- All Farm Pride sites have now achieved annual audit status for SQF 2000 Food Safety Standard.
- In the past 12 months improvements made in reducing contamination risk in processing areas. Including:
 - Improved sanitation program.
 - Changes in policies to provide further protection from carry over from contaminated areas.
 - Foot dips at all entries.
 - Further staff training
- Improved systems and analysis of data means improved quality of end product and reduced customer complaints and rejections.



Health and safety



- Safety is a priority for our business and improvements to processes and equipment are regularly reviewed.
- Staff training and focus on health and safety has increased.
- New WinOHS software allows us to better report and monitor incidents that have occurred across various areas of the business.





Outlook

- Industry conditions weakening reflecting impact of increased egg production.
- Average egg prices expected to ease over the next 6 to 8 months.
- Continuing to assess opportunities to remove cost and increase profit by better utilising capacities at each site.
- Free Range and Cage Free demand remains strong and increasing. Additional capital requirements for transition to more cage free production.
- Continuation of easing demand for cage eggs. May rebound if economic conditions tighten.
- 1H15 EBITDA expected to be similar to 2H14.
- Weaker volumes.
- Downward price pressure increases 2Q15.
- 2H15 EBITDA expected to benefit from full impact of cost savings.
- Further progress and focus on increasing EBITDA and reducing net debt.



QUESTIONS ?

THANK YOU

