



## Edita Food Industries Reports 4Q2015 Earnings

*Edita achieves record growth in earnings with an EBITDA margin of 29.4% in 4Q2015*

### Highlights for 4Q2015

<b>Revenues</b> EGP 646.2 mn ▲13.7% y-o-y	<b>Gross Profit</b> EGP 273.4 mn ▲21.7% y-o-y
<b>EBITDA</b> EGP 190.2 mn ▲32.4% y-o-y	<b>Net Profit After Minority</b> EGP 136.9 mn ▲32.7% y-o-y

The discussion and analysis in this report are based on the IFRS statements. For comparison of the results to Egyptian Accounting Standards, please refer to the section "Egyptian Accounting Standards Reconciliation to IFRS".



### 4Q/FY 2015 at a Glance

- Revenues increased 13.7% y-o-y in 4Q2015 to EGP 646.2 million on the back of significant growth in the croissant segment which, together with average price increases in the cake segment, also drove FY 2015 revenues to EGP 2,225.3 million, up 16.0% y-o-y.
- Gross Profit for the quarter was up 21.7% y-o-y to EGP 273.4 million with gross profit margin at 42.3% compared to 39.5% in the same period last year. On a full year basis, Gross Profit recorded EGP 867.5 million, up 20.4% y-o-y, with gross profit margin up 1.4 bps to 39.0%.
- EBITDA margin recorded 29.4% in 4Q2015, up from 25.3% in the same period last year owing to the launch of higher price point products including Molto Mix and Twinkies Extra. Meanwhile, EBITDA margin for FY2015 stood at 23.5% compared to 24.1% in FY2014 owed to increased SG&A expenses tied to the company's expansions during the year.
- Net Profit after Tax and Minority Interest stood at EGP 136.9 million in 4Q2015, up 32.7% y-o-y, with a margin of 21.2% compared to 18.2% in 4Q2014. On a full year basis, Edita posted a bottom line of EGP 349.1, up 31.3% y-o-y, with a 1.8 percent points increase in margin to 15.7%.
- The year 2015 was marked as a year of growth for Edita with significant investments in capacity additions which grew by 35.3% to 136.8 thousand tons per annum, all while achieving margin improvement.





### Results in a Nutshell

Edita Food Industries S.A.E. (EFID.CA on the Egyptian Exchange & EFIDq.L on the London Stock Exchange), a leader in the Egyptian packaged snack food market with number-one market shares in its core cake and croissant segments, announces its results for the fourth quarter of 2015, reporting revenues of EGP 646.2 million, up 13.7% y-o-y compared to 4Q2014. On a full year basis, Edita recorded revenues of EGP 2,225.3 million, up 16.0% from the FY2014 figure of EGP 1,918.5 million.

Revenue growth was primarily volume driven by the croissant segment which saw two new production lines commissioned during the first half of 2015. Meanwhile, average price increases in the cake segment also supported margins for the year where on September 27, 2015, Edita launched Twinkies Extra, an upsized Twinkies product at EGP 1 per pack, and delisted Twinkies (sold at 50 piasters).

The launch of new products with higher value propositions such as the Twinkies Extra and before that, the Molto Mix, which sells at a consumer price of EGP 2 higher than the average current croissant consumer price per SKU, falls in line with the company's strategy to increase average price points (and hence margins) given the evident market readiness. This allows Edita to preempt inflationary risks and secure long term, profitable growth.

Gross Profit in 4Q2015 came in at EGP 273.4 million and EGP 867.5 million for the full year, up 21.7% and 20.4% y-o-y, respectively. Gross Profit Margin (GPM) meanwhile came in at a healthy 42.3% in 4Q2015 and 39.0% in FY2015. Margin improvement was driven by the uptick in cake prices which saw the segment's GPM improve to 39.5% in FY2015, up from 38.5% the previous year, in addition to an overall improvement in the cost of sales ratio. Meanwhile, GPM at the croissant segment inched up slightly to 40.6% despite an 87.5% increase in production capacity to 52.3 thousand tons per annum.

At the EBITDA level, the company posted EGP 190.2 million in 4Q2015, up 32.4% y-o-y, with an EBITDA margin of 29.4% versus 25.3% in 4Q2014. Margin improvement in the quarter is owed to Edita's successful price point migration with the launch of Molto Mix (EGP 2) and Twinkies Extra (EGP 1) during the third quarter of the year beginning to bear fruit in 4Q2015. Margins were also buoyed by a global decline in commodity prices. EBITDA for the full year came in at EGP 521.9 million, up 12.7% compared to FY2014, with EBITDA margin sustained at a healthy 23.5% compared to 24.1% the previous year.

Edita's main operational achievements in FY2015 include the extension of its E07 Factory, which hosted the two new croissant lines with a total capacity of 24.4 thousand tons per annum as well as the new cake line with a capacity of 7.6 thousand tons per annum. Additionally, the new rusks line which doubled the segment's capacity to 7.4 thousand tons per annum was installed in December 2015, with product-to-market in February 2016. Meanwhile, Edita's new strudel line was commissioned in February 2016 with product-to-market expected in April 2016.

In April 2015, Edita finalized an agreement with Hostess Brands LLC relating to the extension of territory for the HTT brands to include 12 additional countries across the MENA region and the acquisition of know-how and technical assistance to 11 additional products from Hostess Brands LLC across the expanded region.





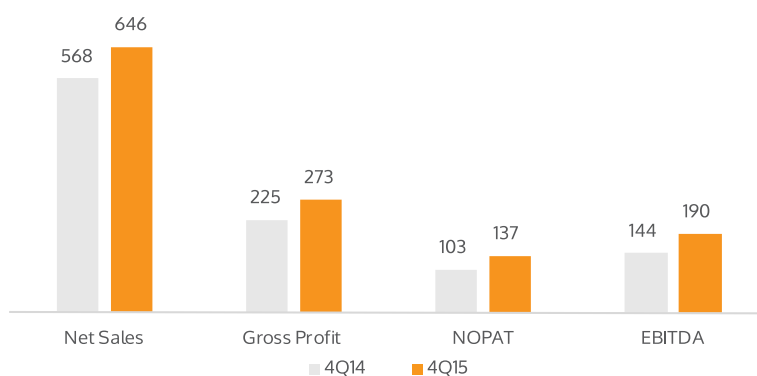
## 4Q2015 EARNINGS RELEASE

Cairo, Egypt | 3 March 2016

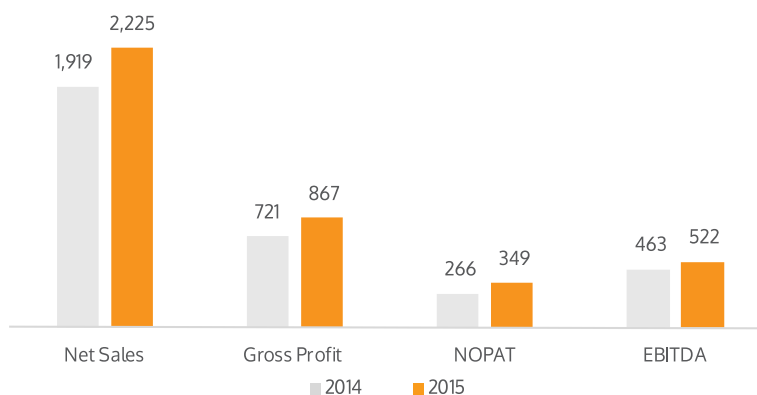


Going forward, Edita will continue to add new capacity, having recently secured a 55,000 square-meter plot of land located at the Zamil Polaris Industrial Complex in Sixth of October that will house its new E08 factory, while also further improving operational efficiencies at its existing facilities as the company embarks on a new phase of growth and maximizing shareholder value.

### Snapshot of Results 4Q2015 vs. 4Q2014 (EGP million)



### Snapshot of Results FY2015 vs. FY2014 (EGP million)



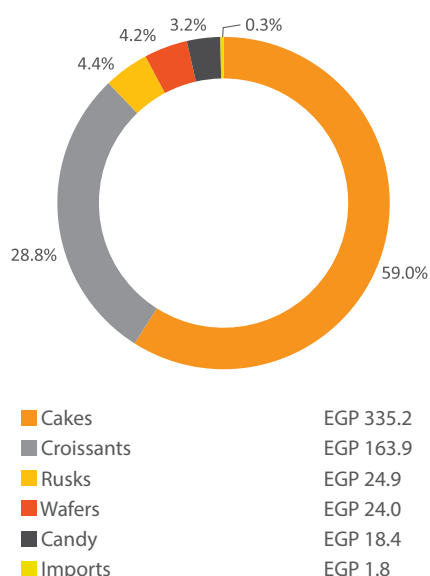
### Summary Income Statement (EGP mn)

	4Q14	4Q15	Change	2014	2015	Change
Revenue	568	646	13.7%	1,919	2,225	16.0%
Gross Profit	225	273	21.7%	721	867	20.4%
Margin	39.5%	42.3%		37.6%	39.0%	
EBITDA	144	190	32.4%	463	522	12.7%
Margin	25.3%	29.4%		24.1%	23.5%	
Net Profit	103	137	32.7%	266	349	31.3%
Margin	18.2%	21.2%		13.9%	15.7%	



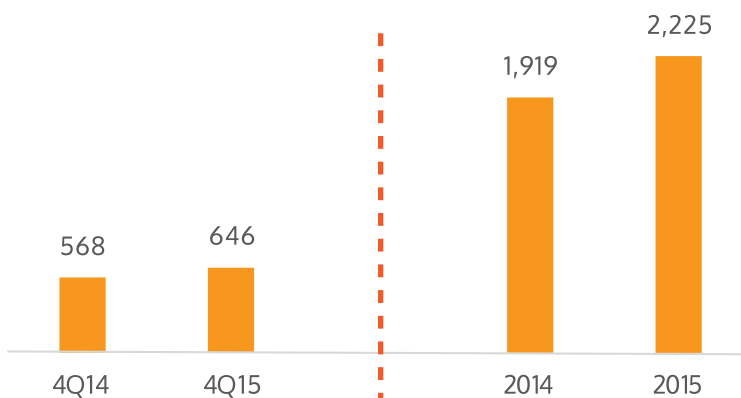


Segment Contribution  
to Revenue 4Q2014 (EGP mn)



## Revenues

Revenues Progression (in EGP million)



Total revenue for FY2015 increased 16.0% y-o-y to EGP 2,225 million compared to EGP 1,919 million in FY2014. Growth was mostly volume driven where Edita sold a total of 3.28 billion packs in FY2015 versus 3.07 billion packs in FY2014. Meanwhile, total tonnage sold in FY2015 stood at 114.6 thousand tons, up from 101.1 thousand tons in FY2014. Average price per pack in FY2015 was also up to EGP 0.68/pack from EGP 0.62/pack in FY2014, driven primarily by the aforementioned Twinkies upsizing.

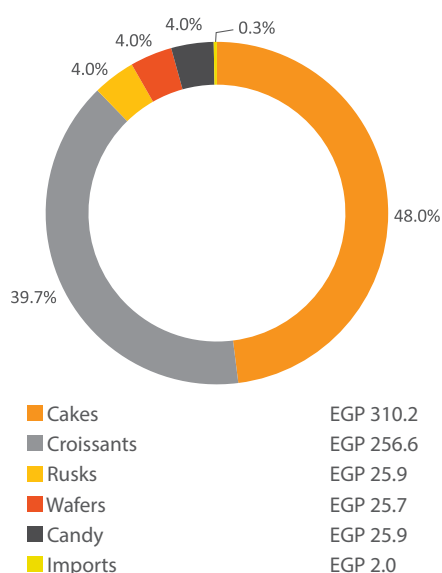
On a quarterly basis, 4Q2015 saw revenues increase by 13.7% y-o-y to EGP 646.2 million and by 20.7% q-o-q compared to 3Q2015. Revenue growth during the quarter came on the back of the two new croissant lines commissioned in 1H2015.

During 4Q2015, revenues from the croissant segment grew by 56.5% y-o-y and contributed 39.7% to Edita's total revenues for the quarter, up from 28.8% in 4Q2014 and 35.4% in 3Q2015. The average utilization rates on the croissant production lines during 4Q2015 was at 99% in spite of the capacity additions, reflecting strong demand in the market. For the full year 2015, Edita sold 850 million packs of croissant compared to 644 million in 2014.

During 4Q2015, revenue from cakes decreased 7.5% over 4Q2014 levels to EGP 310.2 million. The decline in the segment's revenues is owed to Edita's delisting of its EGP 0.50 Twinkies SKU and the introduction of the Twinkies Extra priced at EGP 1.0. During the previous quarter, the company had begun to intentionally bring down utilization rates in preparation for the delisting. Consequently, utilization rates for the cakes segment stood at 67% in 4Q2015 compared to 91% in the previous quarter. Nonetheless, on q-o-q basis revenues from the cakes segment grew 6.7% in 4Q2015 and contributed 48.0% to Edita's total revenues for the quarter, maintaining its position as the company's core product segment.

Sales of rusks were up 4.1% in 4Q2015 over 4Q2014 levels (20.5% up q-o-q) to EGP 25.9 million and constituted 4.0% of Edita's total net sales. The rusks segment continues to operate at 100% capacity utilization, and management believes that segment revenues will rebound significantly following the recent commission of the new production line in December 2015.

Segment Contribution  
to Revenue 4Q2015 (EGP mn)





## 4Q2015 EARNINGS RELEASE

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Wafer sales in 4Q2015 climbed 6.8% y-o-y and 101.6% q-o-q to EGP 25.7 million. Capacity utilization in the wafer segment stood at 97% during the quarter compared to 71% in 3Q2015, driven by seasonality and increased demand for Edita's coated wafer SKUs, which constitute c.80% of Edita's wafer sales.

Revenue from the candy segment grew by 40.5% y-o-y in 4Q2015 (up 35.1% q-o-q) to reach EGP 25.9 million, operating at an average utilization rate of 78% across the three lines, down from 89% the previous quarter. Improved revenues are owed to capacity enhancements as well as a higher soft candy output following the installation of a new packaging machine. Hereunder is the progression of blended factory prices for all product segments:

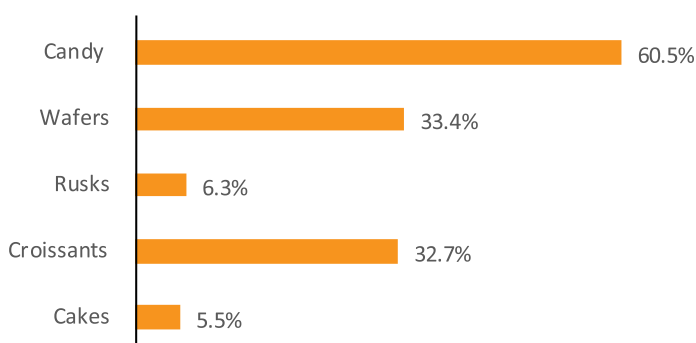
### Average Factory Prices

EGP	2014	2015	% Change
Cakes	0.52	0.57	8.2%
Croissant	0.88	0.88	0.5%
Rusks	0.81	0.81	-0.3%
Wafers	0.74	0.74	-0.3%
Candy	0.98	1.19	21.0%
Average Edita	0.62	0.68	8.7%

### Segment Revenues and Volumes Sold

	2015			2014		
	Net Sales (EGP mn)	Packs (millions)	Tons (000s)	Net Sales (EGP mn)	Packs (millions)	Tons (000s)
Cakes	1,205	2,127	65.1	1,142	2,181	64.0
Croissant	749	850	38.9	564	644	28.9
Rusks	94	117	3.9	89	110	3.6
Wafers	85	115	3.1	64	86	2.4
Candy	84	71	3.7	53	54	2.3
Imports	8	-	-	8	-	-
<b>Total</b>	<b>2,225</b>	<b>3,281</b>	<b>114.6</b>	<b>1,919</b>	<b>3,074</b>	<b>101.1</b>

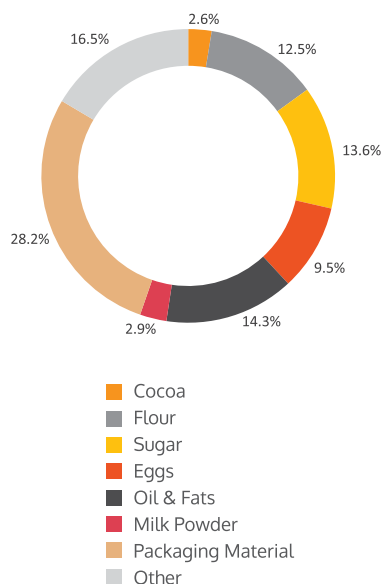
### 2015 Revenue Growth by Segment (y-o-y)



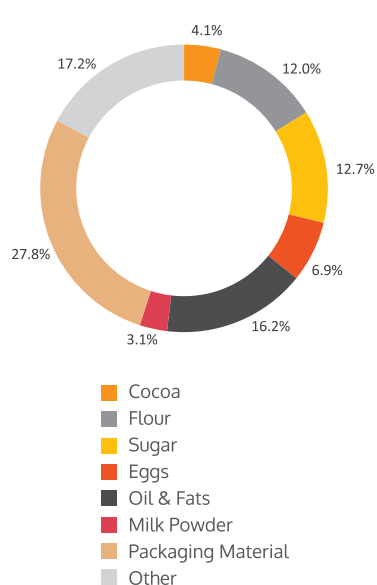




Direct Material Breakdown 4Q2014



Direct Material Breakdown 4Q2015



## Cost of Goods Sold<sup>1</sup>

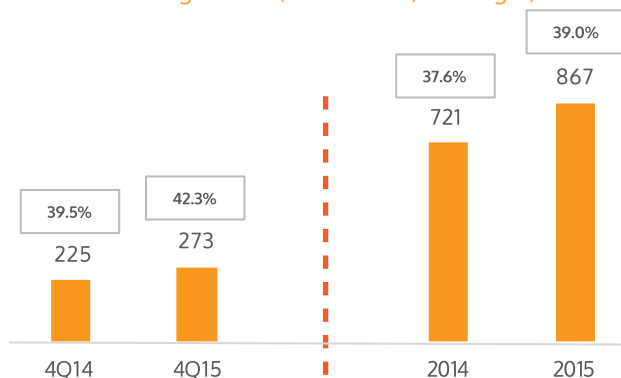
In 4Q2015, the cost of goods sold increased 8.5% over 4Q2014 levels to EGP 372.8 million, resulting in a COGS/sales ratio of 57.7%, down from 60.0% in 4Q2014.

During 4Q2015, the cost of sales (direct materials) grew by 7.9% y-o-y to EGP 293.5 million, at a rate below revenue growth thanks to the general decline in global commodity prices as well as Edita's efforts to book direct materials at favourable prices. On a full year basis, COGS/Sales ratio was down to 61.0% in FY2015 compared to 62.4% the previous year. It is worth noting that in FY2015 imported direct materials constituted 25% of total direct materials compared to 23% in FY2014. This is primarily owed to the weakening of the EGP versus the USD.

Meanwhile, Manufacturing Overheads (MOH) increased 7.3% y-o-y in 4Q2015 and remained somewhat flat compared to the previous quarter. For the full year 2015, MOH climbed 20% y-o-y primarily on the back of increased wages and salaries, as well as an increase in electricity and natural gas bills and additional costs related to machinery maintenance.

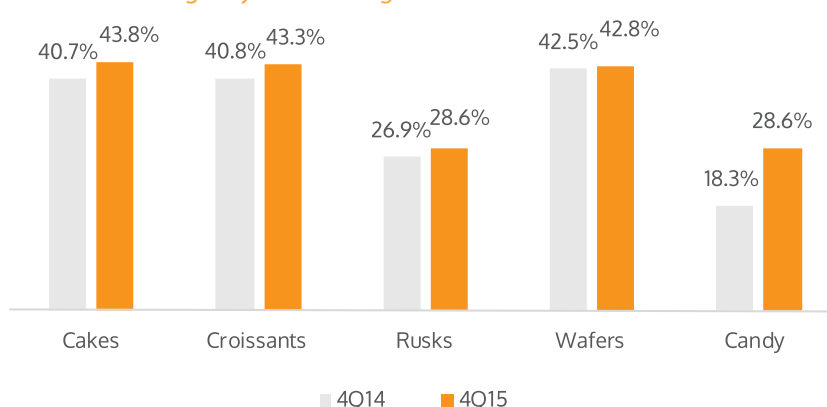
## Gross Profit

Gross Profit Progression (EGP million, % margin)



Gross profit in FY2015 increased 20.4% over FY2014 levels to EGP 867.5 million, with Edita's core cake and croissant product segments remaining the main contributors to the company's gross profit standing at EGP 779.7 million or 89.9% of the total gross profit.

## Gross Profit Margin by Product Segment

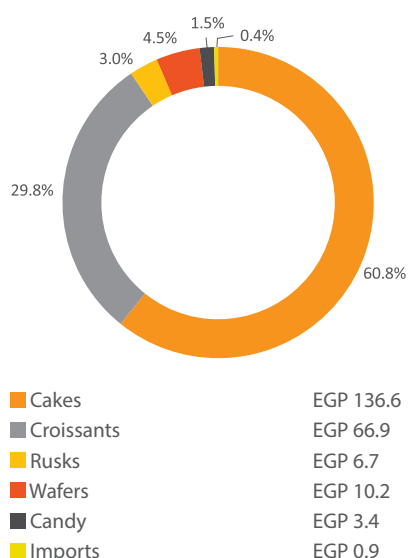


<sup>1</sup> Breakdowns within this section are derived from the company's management report.

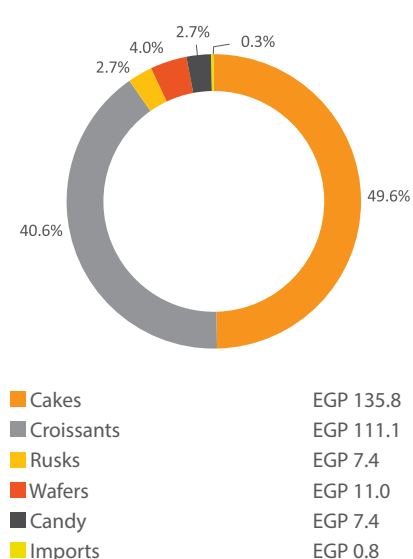




Contribution to Gross Profit by Product Segment 4Q2014 (EGP mn)



Contribution to Gross Profit by Product Segment 4Q2015 (EGP mn)



GPM stood at 39.0% in FY2015, an increase over the previous year's 37.6% which falls in line with the company's strategy of gradually migrating its product portfolio to higher price points. Additionally, margin improvement is also attributable to Edita's continued and successful efforts for line enhancements and increased production efficiencies across all factories, whether as a result of tweaking the processes or more focused and targeted production planning.

On a y-o-y basis, gross profit margins for all of the company's segments including the cakes, croissants, rusk, wafer and candy segments increased in 4Q2015 over 4Q2014 levels. Within the cakes segment, GPM came in at 43.8% in 4Q2015 compared to 40.7% in same period last year, owed to the delisting of EGP 0.5 Twinkies SKU and the introduction of EGP 1.0 Twinkies Extra in September 2015. It is worth noting that prior to the Twinkies upsizing, the SKU constituted 37% of the cake's segment revenues in the nine-month period of 2015. On a full year basis, GPM for the cakes segment recorded 39.5%, up from 38.5% in 2014.

Gross profit margin for the croissant business recorded 43.3% in 4Q2015, up from 40.8% in 4Q2014 and 39.3% in 3Q2015. The improved margin reflects the completion of the ramp up of the new croissant lines commissioned during the first half of 2015 as well as the increased utilization rate within the segment. For FY2015, GPM for the croissant segment stood at 40.6% compared to 40.1% in FY2014.

Within the wafer segment, gross profit margins inched up slightly to 42.8% in 4Q2015 from 42.5% in 4Q2014, mostly due to increased efficiencies. Rusks also saw margin improvement standing at 28.6% in 4Q2015 compared to 26.9% in the same period last year.

Meanwhile, gross profit margins within the candy segment surged to 28.6% in 4Q2015 from 18.3% in 4Q2014 as technical difficulties were overcome at the end of FY2014 and capacity enhancements were introduced to the production lines, including the installation of a new packaging machine which increased output.

## Other Expenses

The three main expense categories relating to operations are namely: Selling and Distribution Expenses (S&D), Advertising and Marketing Expenses (A&M) and General and Administrative Expenses (G&A). Total SG&A<sup>2</sup> reached EGP 104.7 million, up 27.7% over the 4Q2014 level and up 2.6% q-o-q.

S&D expenses increased 40.5% to EGP 51.9 million (8.0% of revenue) in 4Q2015 from EGP 36.9 million (6.5% of revenue) in 4Q2014. The increase reflects Edita's strategy of fostering and increasing sales through the various retail channels and increasing its geographic coverage, thus involving higher truck rentals as the company began outsourcing its primary distribution of products from its factories to the distribution centers. Additionally, Edita also incurred increases in wages, commissions and incentives. It must be noted that total S&D expenses include cost items relating to the addition of two new

<sup>2</sup> SG&A breakdown is derived from the company's management accounts to ensure an accurate depiction of each of Edita's expenses and how they reflect on the business.





distribution centres in 4Q2015, bringing the total number to 20 centres as of FY2015. A&M expenses decreased by 12.4% over 4Q2014 levels to EGP 19.8 million and constituted 3.1% of revenue. During 4Q2015, the bulk of advertising and marketing expenditure was directed at supporting the launch of the new Twinkies Extra SKU, primarily through above-the-line advertising. Additionally, advertising expenditures also included a below-the-line campaign to support the bake family in preparation for new capacities slated for operation in early 2016.

G&A expenses were up 47.2% over 4Q2014 to EGP 32.9 million, constituting 5.1% of revenues. For FY2015, G&A were up 28.8% and constituted 6.4% of revenues. The main contributor to the increase in G&A was the rise in salaries and wages having recorded a 23% y-o-y increase in FY2015, owed to the higher headcount as well as the usual 10% annual increase in salaries.

Profits from Operations increased 27.9% over 4Q2014 to EGP 159.9 million, with a margin of 24.8%.

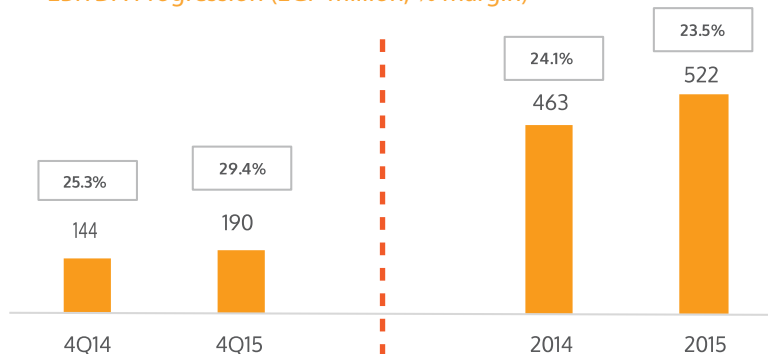
Interest expense in 4Q2015 totalled EGP 9.2 million, up from EGP 5.8 million in 4Q2014, as the company's debt increased in line with Edita's strategy to finance its expansions, equally through debt and the Company's own resources. Meanwhile, interest income increased to EGP 9.9 million in 4Q2015 from EGP 6.9 million in the same period last year, owed to a more flexible cash-management policy that has allowed Edita to capitalize on favourable opportunities in the market.

Edita booked an FX gain of EGP 5.2 million in 4Q2015 (a gain of EGP 1.4 million for FY2015) as a result of a revaluation of liabilities in foreign currency amid the weakening of the EUR against the USD in the fourth quarter of the year.

### EBITDA

EBITDA reached EGP 190.2 million in 4Q2015 with a margin of 29.4%, higher than 4Q2014 levels in both absolute and margin terms (a 32.4% rise over 4Q2014 with a 25.3% margin). The sharp increase in margin is mainly attributable to the Twinkies upsizing and consequent effect on the cake segment's margin, in addition to the croissant segment reaping the full impact of increased capacity in 4Q2015. On a full year basis, EBITDA recorded EGP 521.9 million with a 23.5% margin compared to FY2014 margin of 24.1%.

### EBITDA Progression (EGP million, % margin)

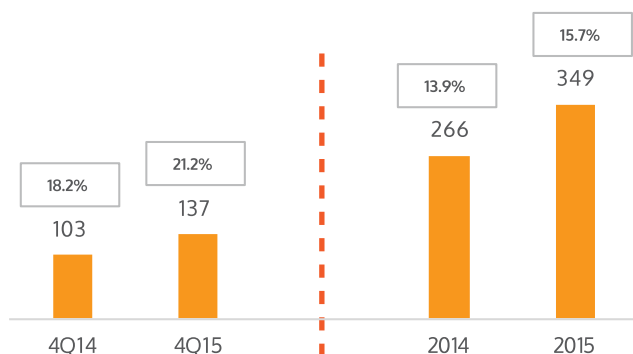






## Net Earnings

NOPAT Progression (EGP million, % margin)



Net Profit After Tax and Minority Interest for 4Q2015 came in at EGP 136.9 million, up 32.7% y-o-y and with a 21.2% margin. For FY2015, Edita posted a bottom line of EGP 349.1, up 31.3% y-o-y, with a 1.8 percentage points increase in margin to 15.7%.

## Balance Sheet

In FY2015 total assets increased to EGP 2.1 billion from EGP 1.6 billion from year-end FY2014. The bulk of the increase resulted from an increase in Property, Plant & Equipment, as the extension of the E07 plant materialized and the delivery of new lines was completed. Property, Plant & Equipment increased to EGP 1.143 billion in FY2015 from EGP 818.4 million at year-end 2014, while Projects under Construction decreased to EGP 156.0 million from EGP 197.4 million from the year before, upon completion of the new extension.

Total CAPEX for FY2015 reached EGP 361.8 million, of which EGP 255.6 million was expansion CAPEX. The completion of Hall B (an extension of the E07 factory) had a notable impact on CAPEX during FY2015, landing it at EGP 198.9 million. Total CAPEX relating to the acquisition of land for the new E08 factory amounted to EGP 56.7 million, including the cost of the plot and related infrastructure. Furthermore, EGP 68.7 million was spent on the new rusks line that began operations in February 2016, and EGP 33.1 million on the new strudel line.

Edita continued to maintain healthy Cash & Cash Equivalents and Treasury Bills with a balance of EGP 462.9 million at the end of December 2015, representing 21.7% of the Company's total assets.

With regards to Working Capital components, inventory levels continue to reflect Edita's policy of maintaining inventory coverage of all direct materials, one-month's-worth of sales for locally sourced material, and up to three months of imported material, with an average of 0.77 months during FY2015. The inventory of finished goods remained at an average of 2.1 days for FY2015. Trade Receivables decreased to EGP 7.0 million in FY2015, reflecting Edita's continued cash sales policy (an excess of 97% of sales continue to be conducted on a cash basis). Trade & Other Payables increased to EGP 251.1 million, as Edita was able to secure better payment terms (c.50 days) with several of its key suppliers.





The Current Portion of Long-Term Liabilities increased to EGP 145.2 million from EGP 125.2 million as of year-end 2014, and Long-Term Loans increased to EGP 346.2 million from EGP 204.5 million in the preceding year. This is owing to loan drawn downs to finance the Hostess contracts involving the acquisition of technical know-how for 11 new products and the territorial expansion of the HTT brands. Additionally, an EGP 170 million loan was withdrawn to finance the new rusk and strudel production lines.

Total Shareholders' Equity increased to EGP 1.175 billion at the end of FY2015, up from EGP 825.7 million in December 2014.

## Egyptian Accounting Standards Reconciliation to IFRS

The main differences found in Edita's financial statements between EAS and IFRS are due to several factors. First of all, the IFRS requires that employees' profit sharing be expensed, while the Egyptian Accounting Standards treat them as a distribution and hence do not include them within the income statement. Also, FX gains and losses as well as gains and losses on FX transactions in the calculation of EBITDA are treated differently. In 1Q15, net employee profit sharing paid was EGP 21.8 million. Additionally, an EGP 1.4 million of adjustments in EBITDA came from the FX gains and EGP 13.1 million from gain on sale of assets. Moreover, additional adjustments included one-off expenses in relation to the company's IPO amounting to EGP 2.2 million as well as EGP 2.5 million related to end-of-service provision. Hereunder is the reconciliation between Edita's financial statements in EAS with the IFRS-based financial statements for FY2015.

in EGP mn	2015 EAS	Adjustment	2015 IFRS
<b>Net Sales</b>	<b>2,225.4</b>		<b>2225.4</b>
COGS (excluding M.O.H)	1097.9		1,098
M.O.H	251.6	-8.4	260.0
<b>Gross Profit</b>	<b>875.9</b>	<b>-8.4</b>	<b>867.5</b>
<b>Gross Profit Margin</b>	<b>38.2%</b>		<b>39.0%</b>
Distribution Cost	-174.8	-5.9	-180.7
<b>General &amp; Admin. Exp.</b>	<b>-134.8</b>	<b>-7.5</b>	<b>-142.4</b>
Other Operational Gain- (Expenses)*	-115.6	0	-115.6
<b>Profit from Operations</b>	<b>450.6</b>	<b>-21.8</b>	<b>428.7</b>
<b>Profit from Operations Margin</b>	<b>20.2%</b>		<b>19.3%</b>
Provisions	-8.8	0	-9
Net Financing Cost	-4.0	0	-4.0
Other (Income)/Expenses	29.0	0	29.0
<b>Profit Before Income Tax</b>	<b>466.8</b>	<b>-21.8</b>	<b>444.9</b>
Income Tax Expense	-95.9	0	-95.9
<b>Net Profit After Tax</b>	<b>370.9</b>	<b>-21.8</b>	<b>349.1</b>
Net Profit After Tax Margin	16.7%		15.7%
<b>EBITDA</b>	<b>553.5</b>	<b>-31.6</b>	<b>521.9</b>
EBITDA Margin	24.9%		23.5%

\* Includes depreciation & royalty expense





## Market Developments

Despite the challenging macro environment in Egypt, the snack food market continued to grow across all segments in FY2015 at 17.4% to EGP 17.5 billion.

The packaged croissant market is one of the fastest growing segments within the snack food industry, growing at 50.8% in FY2015 to EGP 860 million. Edita is successfully capturing this growth by supporting an 87% increase in the company's croissant capacity additions, and thus benefiting from increasing penetration rates within the segment. For the Full year 2015, Edita continued to maintain its dominant market share of 67.8% compared to 68.4% in FY2014, according to AC Nielsen Retail Audits.

In FY2015, the cake segment grew by 14.4% to EGP 1,699 million. In the medium to long term, management believes the sector has strong potential as penetration rates continue to rise in addition to the frequency of consumption among consumers, in line with the expected long-term growth in disposable income. For the full year 2015, Edita continued to have a dominant market share of 63.6% compared to 67.3% in FY2014, according to AC Nielsen Retail Audits. The loss of market share in FY2015 is partially owed to lower production volumes of the Twinkies product in 4Q2015, as well as increased competition from both local producers and imported cake products. Edita's strategy is to launch new cake products to the market and capitalise on its ability to provide differentiated value propositions. Our backlog of new products consists of products developed in house as well as those developed through the newly-acquired technical know-how for 11 new products from Hostess.

The Wafer market grew by 22.3% during FY2015 to EGP1,805 million. Edita continues to gain market share by leveraging its competitive advantage within a fragmented market. For the full year, Edita's market share reached 7.7%, up from 5.5% in FY2014.

The Rusks segment grew a significant 41.7% in FY2015 to EGP 356 million, representing 5.1% of the salty snack segment (dominated by potato chips). During FY2015, Edita's market share was 37.2% down from 40.9% in FY2014. Nonetheless, in February 2016, the company has doubled its capacity after the installation of the new line, which expected to create a de-bottleneck effect in the rusks sales department and effectively enabled the company to regain market share.

The candy market grew by 2.3% during FY2015 to EGP 584 million. Edita managed to gain market share from 9.3% in FY2014 to 11.8% in FY2015.

### Selected Segments of the Snack Food Market in Egypt

Segment	2014 (EGP mn)	2015 (EGP mn)	% change
Salty Snack*	6,036	7,008	16.1%
Cakes	1,485	1,699	14.4%
Wafers	1,476	1,805	22.3%
Croissant	571	860	50.8%
Candy	570	584	2.3%
Total Market**	14,918	17,506	17.4%







\* Rusk market is 5.1% of total salty snacks

\*\* Total market also includes biscuits, chocolates and gum

Source: AC Nielsen Retail Audits





		Market Position	Market Share <sup>4</sup>	Relative Market Share <sup>1</sup>	Av. Consumer Price (EGP / US\$ <sup>2</sup> )	Brands	Brand Awareness <sup>3</sup>
88% of 4Q2015 Revenue	Cakes	#1	63.6%	9.1x	0.91 / 0.12	 	97%
	Croissants	#1	67.8%	3.1x	1.18 / 0.15		100%
	Rusks	#2	37.2%	0.6x	1.00 / 0.13		88%
	Wafers	#4	7.7%	0.3x	1.00 / 0.13		81%
	Candy	#3	11.8%	0.7x	2.43 / 0.31		NA

Source: AC Nielsen Retail Audit, IPSOS October 2015

1. Relative market share calculated as Edita's market share divided by market share of largest competitor.

2. US\$/EGP of 7.83 as of 31 December 2015 (CBE).

3. Brand awareness measures the share of respondents that were familiar with the brand in aided, spontaneous consumer surveys. Figures are as of October 2015.

4. Market share data reflecting FY2015

## Marketing

The Marketing Department continues to support the new capacities and products introduced through advertising in order to ensure enduring brand loyalty across all segments. We maintain close to 100% brand awareness in our core markets, namely the croissant and cake segments. Wafer and rusks brand awareness continues to improve, reaching 81% and 88%, respectively as of October 2015.

In line with the company's marketing strategy, advertising expenditure was focused on the new products, Molto Mix, and the Twinkies Extra, through outdoor, digital media, and TV campaigns, as well as through the continued branding of Edita's distribution trucks and vans. Our marketing approach focuses on increasing point of sale and visibility.

Portfolio strengthening and rationalization remained a priority in FY2015. Following the launch of Molto Mix and Twinkies Extra at higher price points relative to average price per segment, Edita currently has 63 SKUs under production, down from 67 SKUs at the end of FY2014.

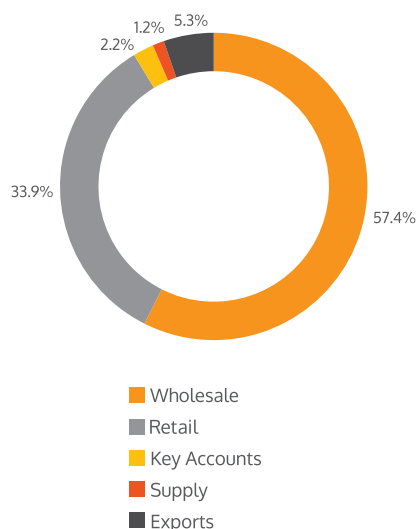
## Development of Average Consumer Price by Product Segment

	4Q2014	4Q2015	Growth(%)	FY2014	FY2015	Growth (%)
Cake	0.72	0.91	26%	0.68	0.74	9%
Croissant	1.13	1.18	4%	1.11	1.13	2%
Rusks	1.00	1.00	-	1.00	1.00	-
Wafer	1.00	1.00	-	1.00	1.00	-
Candy	1.93	2.43	26%	1.57	2.18	39%
<b>Total</b>	<b>0.85</b>	<b>1.04</b>	<b>22%</b>	<b>0.80</b>	<b>0.89</b>	<b>11%</b>





Revenue Contribution by  
Distribution Channel 4Q2014



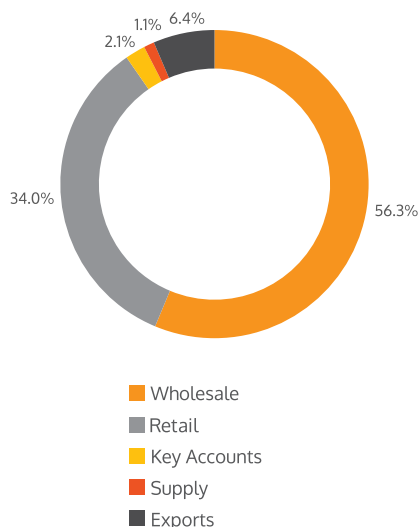
### Sales & Distribution<sup>3</sup>

During 4Q2015, Edita's sales by channel of distribution reflected the Company's strategy of increasing revenues through the retail and traditional sales points of sale versus wholesale distribution, while simultaneously growing sales through all sales channels. Gross sales through wholesale in FY2015 grew by 12.9% y-o-y to EGP 1,361 million and contributed 58.3% of total revenues, compared to 60.0% over the same period last year. Gross sales through retail and traditional trade grew by 20.6% y-o-y to EGP 759.0 million and constituted 32.5% of total revenues compared to 31.3% in FY2014. Revenue emanating from supply and key accounts (modern trade) remained at the same levels as the previous year and collectively contributed approximately 3% of total revenue.

Exports increased by 27.3% y-o-y in FY2015 to EGP 143 million and remained approximately 6% of total gross sales. The Palestinian Territories, Iraq, Syria, and Libya remain our core exporting countries, representing around 82.5% of total export revenue in FY2015. During 4Q2015, Edita exported to 13 countries across the MENA region and Africa including Kuwait, Kenya, Sudan and Tanzania.

By the end of 4Q2015, the total number of customers that Edita catered to directly increased to 64,519 points of sale, up from 63,097 a year earlier, reflecting the Company's strategy of expanding its proprietary distribution network across Egypt. In 4Q2015, the company has opened 2 new distribution centres located in 15 May City and Menofia governorate to bring the total to 20 distribution centres, up from 16 distribution centres end of FY2014.

Revenue Contribution by  
Distribution Channel 4Q2015



### Supply Chain

The Supply Chain Department continued to track global commodity prices in order to maximize Edita's operational efficiency by locking in prices of direct materials at attractive levels. In FY2015, the supply chain department secured an average of 7-8% lower prices compared to what was budgeted for most of the major direct materials. Additionally, the weakening of the Euro against the dollar supported Edita to book imported materials for 2016 at competitive prices.

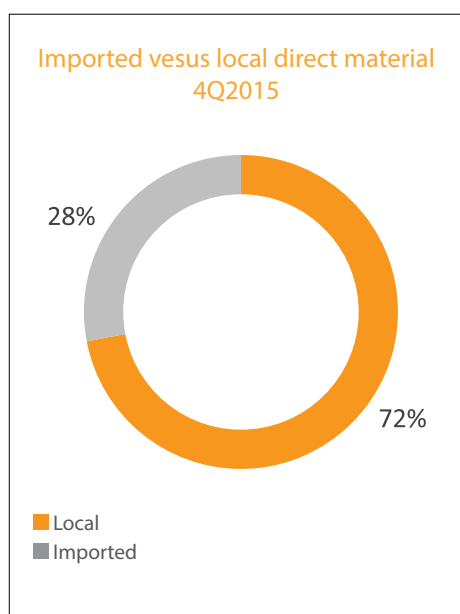
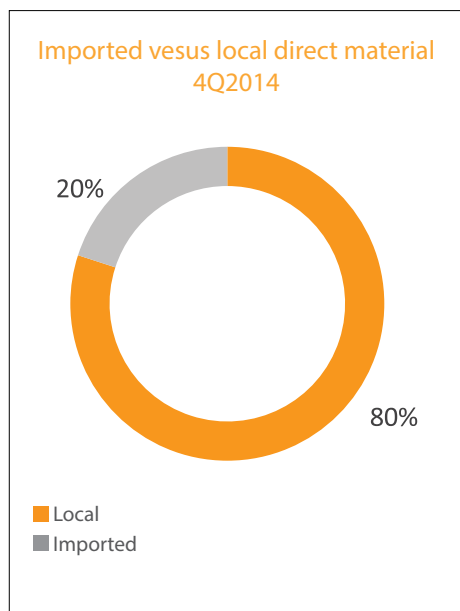
On the macro level, the environment is becoming more challenging in terms of sourcing foreign currency requirements, which may result in increased import process lead times. However, the company does not foresee any changes in inventory management policy as to 1 month for local materials and 3 months for imported materials. Due to the weakening of the EGP, imported direct materials constituted 25% of total direct costs in FY2015 compared to 23% in FY2014. It is worth mentioning that despite such a challenging environment, the company was able to conclude all of its contracts for 2016 for most of its locally sourced raw materials with suppliers in local currency (EGP).

Raw materials remain the largest constituent of the direct material bill, accounting for 72% of the total direct material costs in 4Q2015 versus packaging materials that accounted for 28% of direct costs.

<sup>3</sup> All figures in this section are gross figures and include the sales tax.





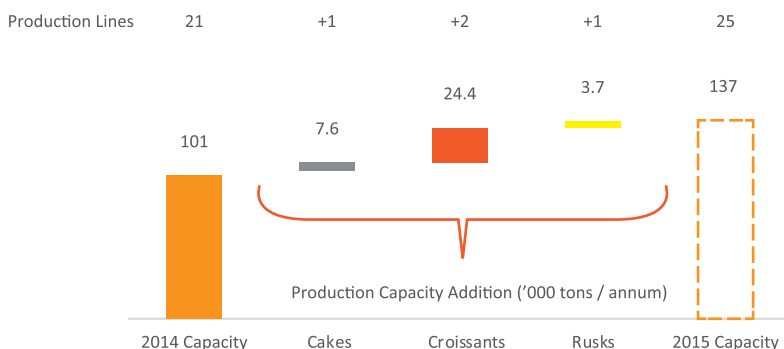


Planning activities showed significant improvement y-o-y during 4Q2015, in terms of increased daily production capacities across all the factories and production line utilizations. Inventory coverage of all production materials was kept at an average of 0.77 months and finished goods at an average of 2.1 days of sales for 4Q2015.

### Industrial Operations

During FY2015, Edita successfully increased its total production capacity by 35% from 101k tons per annum at the end of FY2014 to 137k tons per annum. Four production lines were added during the year including one cake line and two croissant lines in the 1H2015, and most recently, the rusks line in December 2015. Additionally, the Strudel line (capacity of 8.3K tons per annum) is currently under installation and is expected to become fully operational, with product-to-market by April 2016.

### Production Capacity Additions in 2015



In terms of quality control, 4Q2015 witnessed another achievement in the quality certification and accreditation domain by successfully passing the 2nd surveillance audit for ISO 9001:2008 (Quality Management system) and in the 1st surveillance audit for ISO 22000:2005 (Food safety management system).

### Human Resources

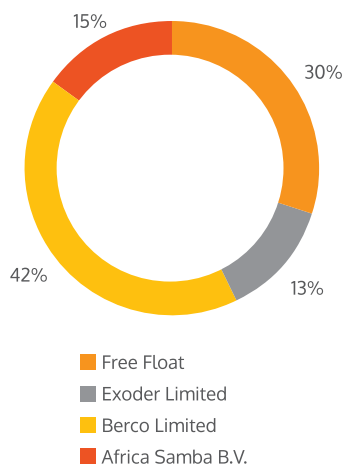
Believing that human capital is the main driving force behind the success of any company, Edita's human resource strategy is focused on driving high performing teams and empowering its employees. Edita is dedicated to the growth and development of its 5,542 employees, exemplified in its very low employee turnover in FY2015 which did not exceed 2%.

Given the strong growth in capacity during the year, Edita experienced shortages in its blue-collar employees. However, this gap was closed in 4Q2015 as we contracted several third parties to supply the company with labour that helped ease the momentary shortage.





### Shareholder Structure as of 4Q15



### Investor Contacts

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### About Edita Food Industries

Edita, founded in 1996 and headquartered in Egypt, is a leader in the growing Egyptian packaged snack-food market. The Company manufactures, markets and distributes a range of branded baked snack products including packaged cakes, croissants, rusks (baked wheat) and wafers as well as selected confectionary/candy products. The Company's local brand portfolio includes household names such as Todo, Molto, Bake Rolz, Bake Stix, Freska and MiMix. The Company also has exclusive ownership of the international HTT brands Twinkies, Hoho's and Tiger Tail in Egypt, Libya, Jordan, Palestine, Morocco, Algeria, Tunisia, Syria, Lebanon, Iraq, Bahrain, Oman, the UAE, Kuwait, Qatar and Saudi Arabia, and is party to a technical assistance and know-how agreement to manufacture 11 additional HTT brands across its territories. The Company holds strong number-one market positions in its core cake and croissant segments, a number-two market position in rusks and growing market positions in the wafers and candy segments. In 2014, the Company derived c. 94% of its revenue from Egypt and c. 6% from over 14 regional export markets. Learn more at [ir.edita.com.eg](http://ir.edita.com.eg)

### Forward Looking Statements

This communication contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events, and can be identified by the use of such words and phrases as "according to estimates", "aims", "anticipates", "assumes", "believes", "could", "estimates", "expects", "forecasts", "intends", "is of the opinion", "may", "plans", "potential", "predicts", "projects", "should", "to the knowledge of", "will", "would" or, in each case their negatives or other similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements containing information on future financial results, plans, or expectations regarding business and management, future growth or profitability and general economic and regulatory conditions and other matters affecting the Company.

Forward-looking statements reflect the current views of the Company's management ("Management") on future events, which are based on the assumptions of the Management and involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The occurrence or non-occurrence of an assumption could cause the Company's actual financial condition and results of operations to differ materially from, or fail to meet expectations expressed or implied by, such forward-looking statements.

The Company's business is subject to a number of risks and uncertainties that could also cause a forward-looking statement, estimate or prediction to differ materially from those expressed or implied by the forward-looking statements contained in this prospectus. The information, opinions and forward-looking statements contained in this communication speak only as at its date and are subject to change without notice. The Company does not undertake any obligation to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this communication.

