



Obour Land for Food Industries S.A.E. (OLFI) announces budgeted top-line indicators for 2017, targeting between 25% to 30% revenue growth rate, and white cheese sales of 103 thousand tons

Cairo, Egypt | January 23, 2017 - Obour Land for Food Industries S.A.E. announced today its budgeted operational and financial top-line indicators for FY2017. The Company is targeting a double-digit annual growth in revenues ranging between 25% to 30%, and a total white cheese sales volume of around 103 thousand tons., and is also targeting to increase its carton-packed white cheese local market share to reach 42% by end of FY2017, and 45% by end of FY2018. The Company had been able to gradually increase its selling prices during the course of FY2016 by 46%, arriving at an average price per kilogram of carton-packed white cheese of EGP20 by the beginning of 2017; and should the EGP FX rate continues in its depreciating trend to the levels ranging between EGP19.5 to EGP20 per USD, the Company is planning to continue its gradual price escalation strategy to reach an average price per kilogram that ranges between EGP23 to EGP23.5 by 2Q2017, in order to pass-on the increase in raw material prices resulting from the EGP depreciation, while sustaining healthy sales volumes.

With regards to the ongoing expansions in other consumer product offerings, the Company has commenced the preparation and installation of its new milk, juice, mozzarella cheese, and processed cheese production lines, and is aiming to commence production operations by end of 2Q2017, while targeting a market share of around 6% from the local milk & juice packaged products' market during the first 2 years of operations. The Company is also aiming to increase its export sales through its cheese and juice product segments during the coming period, and is targeting a total export sales volumes that ranges between 3% to 5% from its total sales by 2Q2018, noting that the Company is currently exporting a limited proportion of its white-cheese production to Saudi Arabia, UAE, Kuwait, Qatar, Lebanon and USA.

The Company is also targeting to enhance its working capital position, through maintaining a sufficient strategic level of raw materials' inventory that covers production requirements for a period between 4 to 5 months, to capitalize on the current relatively low-cost inventory which covers over 3 months of production requirements, while targeting a Gross Profit Margin (GPM) that ranges between 21% to 23% during 1H2017, and mitigating the fluctuation risks in both global raw material prices and FX rates, noting that the current selling prices are yielding the Company a favorable GPM which exceeds 31%. Negotiations are ongoing with 3 local banks to finance working capital expansions, through increasing the total granted credit facilities' limits to reach around EGP300 million, expected to be granted with favorable conditions and an interest rate that ranges between 0.5% to 1% over the CBE's lending corridor rate.

The Company owns a sales and distribution fleet of 201 vehicles, and is planning to expand said fleet by adding an additional 60 to 70 vehicles to assist the Company in its market share enhancement and penetration, and support the sales and distribution of the new product offerings including milk, juice, mozzarella and processed cheese. The Company is currently negotiating with 3 financial leasing Companies to finance its new fleet, with a total estimated CAPEX of around EGP20 million, with an estimated flat annual interest rate of 5%, and a payment plan over 3 years.

The Company's management are currently studying the possibility of distributing either cash or bonus share dividends on FY2016 recorded profits, which will be subject to the Board of Director's preliminary approval, whom will convene once the Company's auditors finalize their auditing and attestation process, and the Company's general assembly meeting to ratify and approve the audited financials and dividends proposal.

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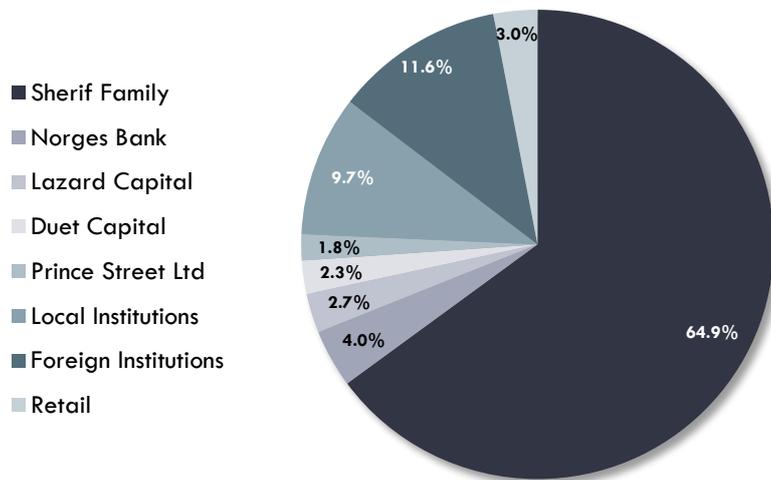
About Obour Land for Food Industries S.A.E. (OLFI)

Obour Land for Food Industries S.A.E., a leading white cheese manufacturer in Egypt, is a joint stock company established in 1997. Obour Land manufactures, markets and distributes a wide variety of carton packed and plastic tub white cheese products and has a robust distribution platform, with a direct and indirect outreach that covers all of Egypt. The Company's white cheese product offerings spans Feta, Istanbuly, Double Cream, Olive, Khazeen, Talaga and Barameely, all marketed under the well-known brand name "Obour Land".

As of December 2016, Obour Land operated a total of 13 production lines, including 12 Carton Pack production lines and one plastic tubs production line, with a total annual production capacity of c.134.4 thousand tons per annum. Obour Land is the number one white cheese producer & seller in Egypt boasting the largest market share by total sales value. The Company is listed on the Egyptian Stock Exchange, and is being traded under the symbol "OLFI.CA".

For more information, please visit: www.obourland.com/

Current Shareholders' Structure:



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