

## FFBL ^ Food segment to be main forte in 2017!!!

## Acquisition of Noon Pak is a major breakthrough

Fauji Fertilizer bin Qasim (FFBL) is setting up its footprints in the food segment. Fauji's have a brand image in cereals but they have always lacked in marketing as per our thinking. Recently Fauji's have started spending over advertisements (cereal ads) as the product should be eye-catching for shelf off-take.

We believe that this step is been taken in order to make Fauji's product more familiar with customers. Also Fauji's meat and other food products would be marketed in a growing culture where departmental stores are flourishing in cities.

## FFBL ~ where we see in next two years?

FFBL would be be able to launch all its subsidiaries by 2017. We believe that Fauji Food and Fauji Meat to be the major contributor in future as their prospects are available in ever growing segment & populace.

 Addition of Noon Pak ~ availed the established market for butter ~ best quality item since ages

After launch of Fauji Food we believe that many products might come under one umbrella and entity will keep on adding new products to its portfolio (we believe that next step might be towards dairy products currently they are indulge in making premium quality cereals)

FFBL ~ to reveal itself as a big player in food segment | be ready!!

Establishing themselves through adverts | we see this as a giant leap in preparing itself for following years

DAP margins are lower and entity needs to raise it's DAP prices in order to get immune from revised gas tariff | Consolidation basis entity would perform in future .... FFBL ~ some highlights:

- Dampening DAP margins ~ seems to remain dull in near future
- Entity needs to raise its DAP prices in order to protect itself from enhanced gas tariff ~ detrimental for farmer economy
- Gas supply remains a major issue for FFBL as import of LNG might resolve the issue but pricing policy needed to be reviewed
- Lower DAP margins promoting entity to diversify | Diversifying in Food segment
  Ever green segment
- Fauji's supply products of premium quality. This can be expected from upcoming food products launch
- Fauji's trying to get more familiar with customers | We like this step for their product positioning
- Promoting the brand name of Fauji's in food products

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