



INVESTOR PRESENTATION

Year End Results 2012/13



EXPOLANKA GROUP – BUSINESS SEGMENTS

Freight & Logistics



Travel & Leisure



International Trading & Manufacturing



Investments & Services



Expolanka GSAs



FINANCIAL SUMMARY

Key Financials 2013 vs. 2012 (LKR MN)

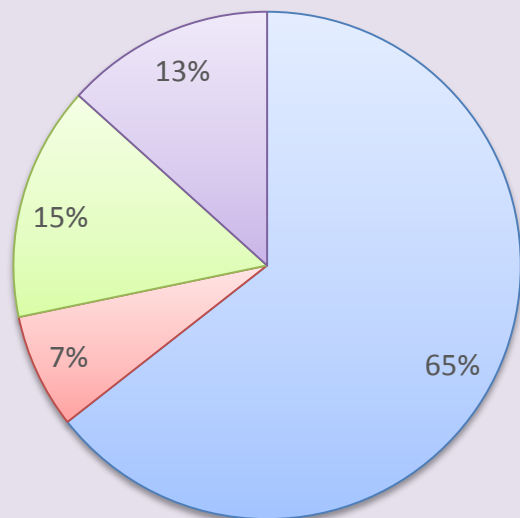
	2012/13	2011/12	Change %
Revenue	50,075	35,414	41%
Gross Profit	8,122	6,106	33%
EBIT	1,883	1,797	4.7%
Net Profit	1,278	1,209	5.7%
NP for Equity Holder	1,060	1,033	2.6%
ROE	12.5%	13.2%	

Key Highlights

- Focus was increase in Market Share for the FLM Sector
- Fixed Cost Increase due to new Investments, will start to yield results from 13/14
- Commodity Price Volatility affected the ITM Sector

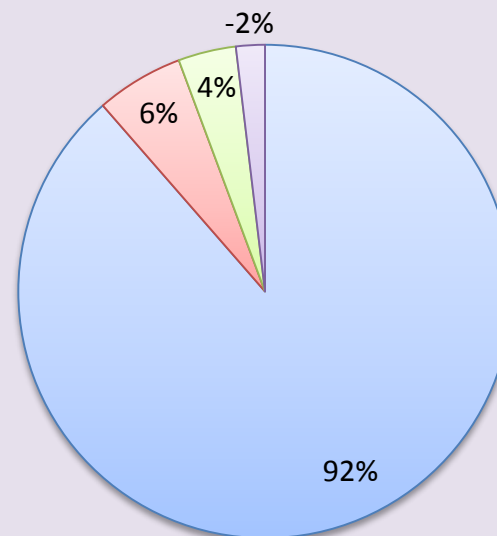
SECTOR ANALYSIS

Gross Profit



- Friight & Logistics
- ITM
- Travel & Leisure
- Investments & Services

Net Profit



- Friight & Logistics
- ITM
- Travel & Leisure
- Investments & Services



PROFITABILITY ANALYSIS

Profitability Contribution 12/13
(LKR MN)



Key Highlights

- T&L segment performance higher due to growth in Classic Travels and contribution of Akquasun
- FLM maintained profits with growth in volume despite lower yields
- ITM remained weak as a result of volatile prices
- GSA & Education Sectors Performed above expectation



GROUP STRATEGY: CONSISTANT WITH PAST YEAR

Value:

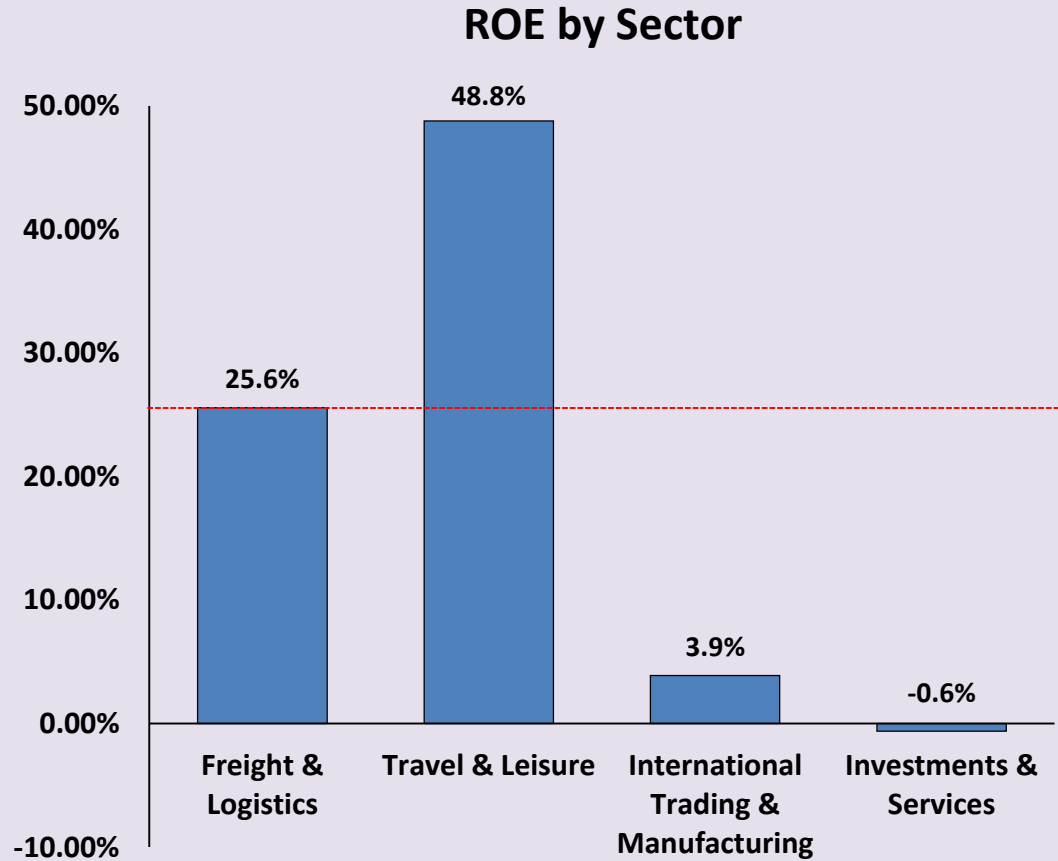
- Drive overall businesses to 25% ROE.

Focus:

- Emphasis on the Freight and Logistics sector.
- Concentrate on scalable businesses.

Realign:

- Restructure group portfolio to focus on ROE & scale.
- Spin-offs/divestments will be part of restructure



FINANCIAL OVERVIEW OF FREIGHT & LOGISTICS SECTOR

Key Financials for Freight & Logistics 2013 Vs. 2012 (LKR MN)

	2012/13	2011/12	Change
Gross Profit	5,232	4,190	24.87%
EBIT	1,485	1,502	1.1%
Net Profit	1,177	1,104	6.6%
ROE	25.6%	30.9%	

Key Highlights

- Overall volume improved by over 50% within the air exports/imports businesses
- Market Share Focus and Higher Freight Rates resulting in Lower Yields
- New Investments in USA was profitable, China and Hong Kong expected to breakeven 2013-14.
- Bangladesh witnessing significant Volume growth during the year
- Warehouse Construction Completed, Opening Early June 2013

FREIGHT VOLUMES BY KEY OPERATING SEGMENTS

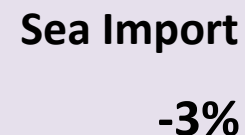
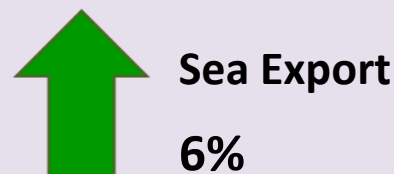
GP Composition 2012/13



Key Highlights

- High volume growth within the US trade lane – especially between Bangladesh-US & Sri Lanka-US
- Air imports showing continued strength on back of Asia strength
- Sea freight showed consistent growth, main area of focus for 13/14

F&L Volumes 2013 vs. 2012



FREIGHT VOLUME GROWTH

- **Focus for the year was to drive market share**
 - Budgeted Air Export Growth 20%
 - Actual Achieved 50%
- **Sri Lanka & Bangladesh key driver in volume growth in air exports**
 - Sri Lanka Volume Growth 55%
 - Bangladesh Volume Growth 85%
- **Positive contribution from the US trade lane**
- **Continued focus will be to increase volume in 13/14 as well driving profits through operational efficiencies**

F&L OUTLOOK 2013/14

- **Yields to stabilise**
- **NP margins will be the focus for 2013-14**
- **Volume Growth expected at 20%**
- **Contract logistics to start with warehouse operations in SL**

F&L DEVELOPMENTS

- **New office openings in Myanmar, Egypt & Maldives**
- **Value added services and warehousing operations in SL will position EFL as an end-to-end logistics player within the country**

WAREHOUSE COMPLEX



Expected Opening Mid June 2013

OVERVIEW OF TRAVEL AND LEISURE SECTOR

Key Financials for Travel & Leisure 2013 Vs. 2012 (LKR MN)

	2012/13	2011/12	Change
Gross Profit	594	277	114%
EBIT	103	51	102%
Net Profit	76	45	70%
ROE	48.8%	30.8%	

Key Highlights:

- Classic Travels exceeded budgetary expectations

New Initiatives:

- Continue restructure within the leisure sector particularly the DMC Business

Outlook:

- Volume expected to Grow
- Margins to remain Stable

OVERVIEW OF THE INTERNATIONAL TRADE AND MANUFACTURING SECTOR

Key Financials for Intl. Trading & Manu. 2013 Vs. 2012 (LKR MN)

	2012/13	2011/12	Change
Gross Profit	1,214	923	31%
EBIT	241	264	(9%)
Net Profit	50	119	(58%)
ROE	3.8%	10.9%	

Key Businesses:

- Perishable & Tea Exports
- Commodity Trading
- Recycling Solutions
- Value Added Products

Key Highlights:

- Tea Exports remained stable
- Commodity Trading was affected by Price Volatility

Outlook/Highlights/Strategies for 2013

- Restructure Non Core Business Units

OVERVIEW OF INVESTMENTS AND SERVICES SECTOR

Key Financials for Investments & Services 2013 Vs. 2012 (LKR MN)

	2012/13	2011/12	Change
Gross Profit	1,082	716	51%
EBIT	53	-21	352%
Net Profit	-25	-58	57%
ROE	-0.6%	-1.3%	

Key Businesses:

- Education
- GSA
- BPO Services

Key Highlights:

- Education Business continues to grow
- GSA Business Was Strengthened
- BPO Services was turned around

Outlook/Highlights/Strategies for 2013

- Divest Non Core Investments

GROUP STRATEGY

ROE

Drive Group ROE > 25%

All business should be able generate an ROE of 25% and have scale in operations

New projects & Investments should be able to generate an ROE > 25%

FOCUS

On Existing businesses

RESTRUCTURING

Spin offs/divestments of non-core businesses will drive ROE

Restructure strategic investments sector holding only core investments

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