



Juhayna Releases Third Quarter 2014 Earnings

THIRD QUARTER 2014

Financial Results

REVENUE EGP 1,008 mn ▲15%	GROSS PROFIT EGP 259 mn ▼2%	EBIT EGP 112 mn ▼18%	NET INCOME EGP 54 mn ▼42%
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Sales Results

DAIRY EGP 504 mn ▲26%	YOGURT EGP 294 mn ▲1%	JUICE EGP 177 mn ▲9%	CONCENTRATES EGP 19 mn ▲40%	AGRICULTURE EGP 13 mn ▲48%
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NINE MONTHS 2014

Financial Results

REVENUE EGP 2,770 mn ▲11%	GROSS PROFIT EGP 735 mn ▼5%	EBIT EGP 261 mn ▼31%	NET INCOME EGP 137 mn ▼56%
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Sales Results

DAIRY EGP 1,393 mn ▲17%	YOGURT EGP 750 mn ▲7%	JUICE EGP 512 mn ▲8%	CONCENTRATES EGP 66 mn ▼16%	AGRICULTURE EGP 50 mn ▲4%
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(Cairo, Egypt) — Juhayna Food Industries (JUFO.CA on the Egyptian Exchange), a leading Egyptian dairy, yogurt and juice manufacturer, announced today its consolidated results for the third quarter of 2014, reporting a 15% year-on-year rise in total consolidated revenue to EGP 1,008 million, while net income of EGP 54 million was a 42% decline from the same period of last year.

In the nine months ending 30 September 2014, the company accordingly reports net income of EGP 137 million (down 56% over the same period of 2013) on revenues of EGP 2,770 million (an increase of 11% over 9M13).

Juhayna's total sales rose by 15% in 3Q14, showing strong growth particularly in the Dairy segment as sales values were up 26%, and volumes rising 12%. However, these were offset by a nearly 23% surge in cost of goods sold, largely on the back of rising raw materials prices, in addition to rises in financing expenses and a one-time donation to the national trust fund Tahya Misr.

Management expects modest improvement in margins heading into the final months of 2014.



Earnings Release

12 November 2014

Highlights of Juhayna's financial and operational results along with management's commentary on performance in the quarter follow below. Full financials are available for download on the company's website: www.juhayna.com.



TO OUR SHAREHOLDERS

3Q14 saw a significant year-on-year rise in the cost of raw materials, which was further impacted by a 35% rise in financing costs, in addition to a EGP 5 million donation to the Tahya Masr Trust Fund.

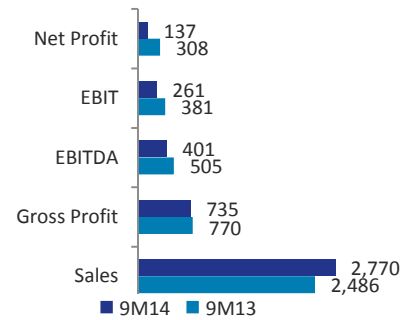
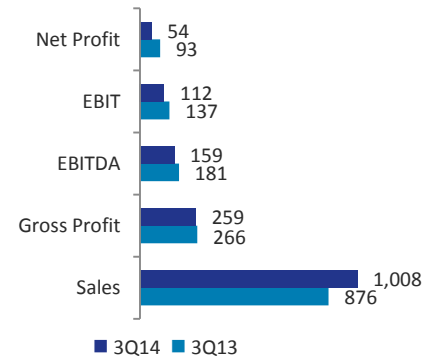
Against this backdrop, we are satisfied with our 3Q14 results in general and with the performance of our core dairy segment (where volumes are up 12% and sales rose 26%, with significant momentum both during the quarter). Perhaps most importantly, we remain confident in the prospects for both our company and our industry in 2015 and beyond, particularly as raw material costs have eased in the period and as we see signals of a broader economic improvement that should positively impact the nation's consumer market.

We continue to pursue our long-term investment program, which has seen us deploy in excess of EGP 392 million so far this year, highlights of which include the completion of the Egyfood plant and infrastructure on the dairy farm, in addition to having opened three new distribution centers: one each in Alexandria, Qena, and Shabramant in Giza.

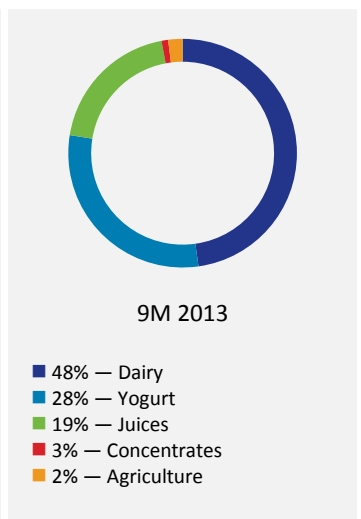
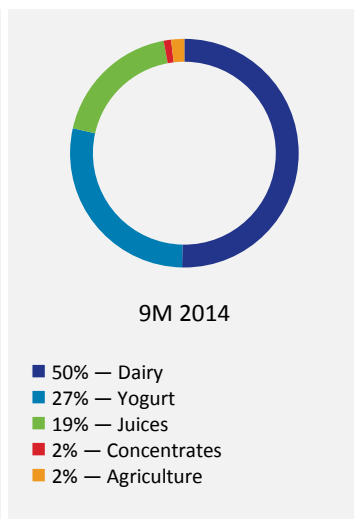
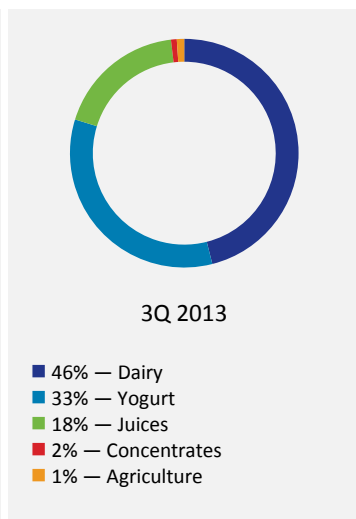
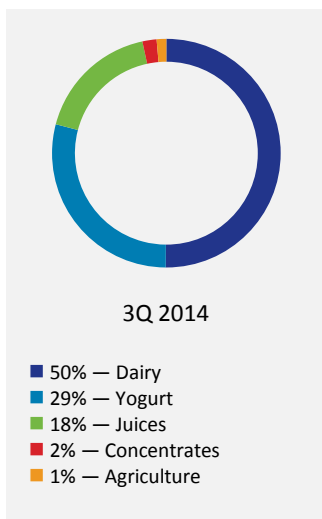
We are confident we are now witnessing signs of a recovery that point to a stronger 2015 in which we will capitalize on our current and future investment program to further extend our market leadership.

Safwan Thabet, Chairman & CEO

GROUP CONSOLIDATED PERFORMANCE



REVENUE BREAKDOWN



I. SEGMENT ANALYSIS

A. LOCAL SALES

Net Sales by Segment (EGP mn)

	3Q14	3Q13	Change	9M14	9M13	Change
Dairy	490	396	24%	1,339	1,127	19%
Yogurt	294	290	1%	750	702	7%
Juice	172	158	8%	495	460	8%
Concentrates	9	7	27%	28	22	27%
Agriculture	13	9	48%	50	48	4%
Total	977	860	14%	2,661	2,359	13%

1. DAIRY SEGMENT

Dairy Segment Sales & Gross Profit (EGP mn)

	3Q14	3Q13	Change	9M14	9M13	Change
Sales (Ton)	59,796	54,793	9%	167,368	156,022	7%
Net Sales	490	396	24%	1,339	1,127	19%
Gross Profit	114	100	14%	330	315	5%
Gross Profit Margin	23%	25%	(2pp)	25%	28%	(3pp)

2. YOGURT SEGMENT

Yogurt Segment Sales & Gross Profit (EGP mn)

	3Q14	3Q13	Change	9M14	9M13	Change
Sales (Ton)	23,188	23,692	-2%	60,133	61,763	-3%
Net Sales	294	290	1%	750	702	7%
Gross Profit	99	109	-9%	247	255	-3%
Gross Profit Margin	34%	38%	(4pp)	33%	36%	(3pp)

3. JUICE SEGMENT

Juice Segment Sales & Gross Profit (EGP mn)

	3Q14	3Q13	Change	9M14	9M13	Change
Sales (Ton)	23,183	23,729	-2%	69,547	68,964	1%
Net Sales	172	158	8%	495	460	8%
Gross Profit	50	50	0%	142	143	-1%
Gross Profit Margin	29%	31%	(2pp)	29%	31%	(2pp)

4. CONCENTRATES SEGMENT

Concentrates Segment Sales & Gross Profit (EGP mn)

	3Q14	3Q13	Change	9M14	9M13	Change
Sales (Ton)	891	650	37%	2,260	1,970	15%
Net Sales	9	7	27%	28	22	27%
Gross Profit	1	2	-74%	8	8	-5%
Gross Profit Margin	7%	35%	(28pp)	28%	37%	(9pp)

5. AGRICULTURAL SEGMENT

Agricultural Segment Sales & Gross Profit (EGP mn)

	3Q14	3Q13	Change	9M14	9M13	Change
Sales (Ton)	11,764	6,356	85%	42,759	39,655	8%
Net Sales	13	9	48%	50	48	4%
Gross Profit	(8)	2		(9)	11	
Gross Profit Margin	-61%	20%		-18%	24%	

B. EXPORT SALES

Export Sales & Gross Profit (EGP mn)

	3Q14	3Q13	Change	9M14	9M13	Change
Sales (Ton)	4,336	2,072	109%	15,103	14,368	5%
Net Sales	30	15	100%	109	127	-14%
Gross Profit	4	3	24%	17	38	-54%
Gross Profit Margin	12%	20%	(8pp)	16%	30%	(14pp)



II. CONSOLIDATED INCOME STATEMENT

(EGP '000)	3Q14	3Q13	9M14	9M13
Net Sales	1,007,832	875,590	2,770,017	2,486,245
Cost of Sales	(748,602)	(610,003)	(2,035,158)	(1,716,211)
Gross Profit	259,230	265,587	734,859	770,033
Gross Profit Margin	26%	30%	27%	31%
Other Income	6,133	5,536	16,321	23,860
Sales & Distribution Expenses	(109,732)	(92,287)	(353,935)	(284,473)
General & Administrative Expenses	(39,724)	(35,553)	(101,246)	(97,329)
Other (Expenses)	(3,038)	(6,296)	(14,175)	(30,616)
Board of Directors Remuneration	(70)	(341)	(720)	(736)
Results from Operating Activities	112,798	136,647	281,105	380,739
EBITDA	158,947	180,855	400,809	504,931
EBITDA Margin	16%	21%	14%	20%
Parent Company's Share in Associate's Net Income	1,480	-	2,887	1,405
End of Service Remuneration	(708)	-	(19,737)	-
Financing Income (Expense)	(42,732)	(29,906)	(91,610)	(26,665)
Net Profit Before Tax	70,838	106,741	172,644	355,479
Tax Differences from Previous Periods			601	424
Income Tax	(15,187)	(13,379)	(32,229)	(39,103)
Deferred Tax	(1,882)	(212)	(4,244)	(8,601)
Net Profit	53,769	93,150	136,773	308,200



III. CONSOLIDATED BALANCE SHEET

(EGP 000)	9M14	FY13
Property, Plant and Equipment	1,741,150	1,698,981
Projects Under Construction	1,332,254	1,071,427
Agricultural Resources	55,496	48,088
Investment in Equity – Accounted Investees	50,073	47,658
Other Long Term Debit Balances	784	790
Goodwill	97,093	97,093
Non-current Assets	3,276,850	2,964,038
Inventories	603,246	616,190
Trade and Other Receivables	212,848	190,497
Due From Related Parties	439	785
Cash and Cash Equivalents	435,805	575,933
Current Assets	1,252,338	1,383,405
Provisions	8,645	10,090
Banks – Overdraft	22,404	17,509
Banks – Credit Facilities	753,411	765,244
Short Term Loans	16,000	10,000
Creditors and Other Credit Balances	272,538	243,344
Income Tax	-	48,762
Long-Term Loans – Current Portions	280,550	256,895
Current Liabilities	1,353,548	1,351,845
Working Capital	(101,210)	31,560
Total Invested Funds	3,175,639	2,995,597
These Investments are Financed as Follows:	0	0
Issued and Paid up Capital	941,405	706,054
Legal Reserve	425,781	421,792
General Reserve – Insurance Premium	330,920	330,920
Retained Earnings	415,630	391,834
Net Profit for the Period after periodic dividends	136,681	313,080
Total Equity Attributed to the Shareholders of the Parent Company	2,250,418	2,163,681
Non Controlling Interest	774	639
Total Equity	2,251,192	2,164,320
Long Term Loans	762,964	675,112
Other Long Term Liabilities	86,375	83,996
Deferred Revenues	3,912	5,216
Deferred Tax Liabilities	71,197	66,953
Non-Current Liabilities	924,447	831,277
Shareholder's Equity and Non-Current Liabilities	3,175,639	2,995,597



ABOUT JUHAYNA FOOD INDUSTRIES

Juhayna Food Industries a leading producer and distributor of milk, juice and yogurt products. The company was established in 1983 by Safwan Thabet along with a number of other founders with paid-in capital of EGP 1.3 million. Production began in 1987 with a total production capacity of 35 tons per day and total sales of EGP 2.4 million. The company has since grown to become the most popular household name in the sector across Egypt.

Today, Juhayna owns seven plants in addition to 26 sales and distribution centers and a fleet size of over 1000 vans and trucks. The company presently has paid-in capital of EGP 941 million and a work force of more than 4,500 employees.

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FORWARD-LOOKING STATEMENTS

Statements contained in this Business Review that are not historical facts are based on current expectations, estimates, projections, opinions and beliefs of Juhayna Food Industries. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon. Certain information contained herein constitutes “targets” or “forward-looking statements,” which can be identified by the use of forward-looking terminology such as “may,” “will,” “seek,” “should,” “expect,” “anticipate,” “project,” “estimate,” “intend,” “continue” or “believe” or the negatives thereof or other variations thereon or comparable terminology. Actual events or results or the actual performance of Juhayna Food Industries may differ materially from those reflected or contemplated in such targets or forward-looking statements. The performance of Juhayna Food Industries is subject to risks and uncertainties.