



## Juhayna Releases First Quarter 2014 Earnings

### FIRST QUARTER 2014

#### Financial Results

<b>REVENUE</b> EGP 812 mn ▲ 13%	<b>GROSS PROFIT</b> EGP 218 mn ▼ 4%	<b>EBIT</b> EGP 78 mn ▼ 25%	<b>NET INCOME</b> EGP 43 mn ▼ 55%
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#### Sales Results

<b>DAIRY</b> EGP 428 mn ▲ 17%	<b>YOGURT</b> EGP 193 mn ▲ 7%	<b>JUICE</b> EGP 154 mn ▲ 19%	<b>CONCENTRATES</b> EGP 21 mn ▼ 18%	<b>AGRICULTURE</b> EGP 15 mn ▲ 23%
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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 first quarter of 2014, reporting a 13% year-on-year increase in total consolidated revenue to EGP 812 million. Gross profit for the quarter eased 4% y-o-y to EGP 218 million, with a gross margin of 27%, stable quarter-on-quarter but down five percentage points year-on-year. Net income, meanwhile, was EGP 43 million in 1Q14, a 55% decrease from the same period of 2013. As was the case in 4Q13, the impact of rising raw and powdered milk prices—and the company's decision to only partially pass those on to consumers—pressured margins.

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](http://www.juhayna.com).



TO OUR SHAREHOLDERS

In line with our previous guidance, 2014 is proving a year in which the industry will be forced to cope with the impact of raw-material and US-dollar-derived cost inflation. This is clear from our 1Q14 financials, where a 13% rise in sales to EGP 812 million nonetheless saw a 55% year-on-year erosion of net profits on the back of high raw materials prices; price hikes were particularly acute for raw and powdered milk.

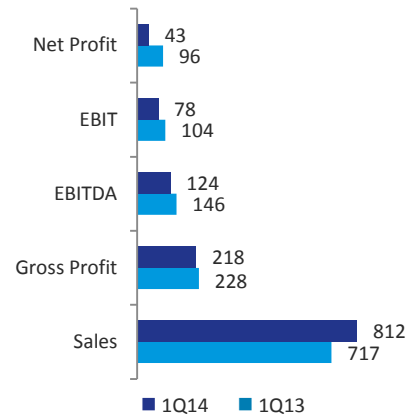
Our ongoing program to enhance our milk supply through the expansion of our dairy farm (as well as our support to our milk suppliers) will help secure supply and provide some hedge against volatility.

As was the case last year, we are staying the course with important investments across our vertically integrated enterprise, with capital expenditures in the first quarter coming in at EGP 136 million.

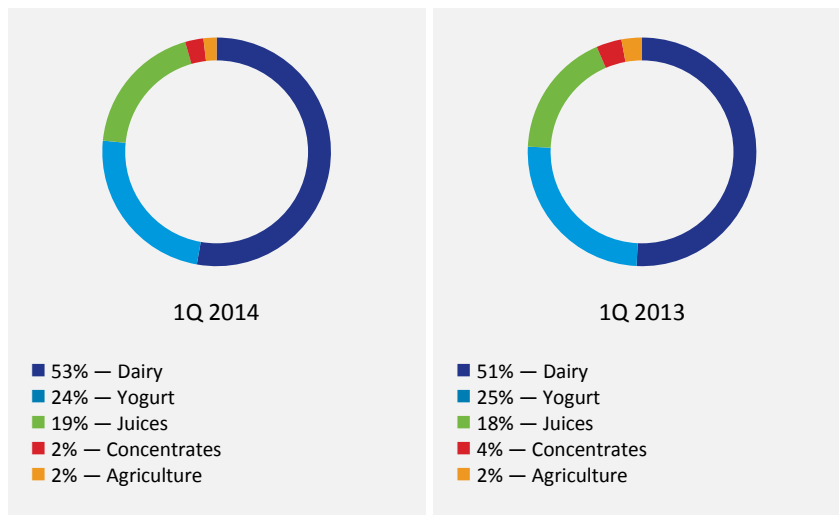
Continued investment is now paying off: We have begun the soft opening of our Egyfood yoghurt plant in Sixth of October City. We are on track to open a total of five distribution centers this year, further enhancing our national reach; and we have continued our investment in point-of-sale infrastructure, rolling out to thousands of new retail locations nationwide.

**Safwan Thabet**  
Chairman & CEO

GROUP CONSOLIDATED PERFORMANCE (EGP MN)



REVENUE BREAKDOWN





## I. SEGMENT ANALYSIS

### A. LOCAL SALES

Net Sales by Segment (EGP mn)

	1Q14	1Q13	Change
Dairy	415	356	17%
Yogurt	193	181	7%
Juice	150	126	19%
Concentrates	12	6	122%
Agriculture	15	12	23%
Total	786	681	15%

#### 1. DAIRY SEGMENT

Dairy Segment Sales & Gross Profit (EGP mn)

	1Q14	1Q13	Change
Sales (Ton)	53,837	50,141	7%
Net Sales	415	356	17%
Gross Profit	110	109	1%
Gross Profit Margin	26%	31%	(5 pp)

#### 2. YOGURT SEGMENT

Yogurt Segment Sales & Gross Profit (EGP mn)

	1Q14	1Q13	Change
Sales (Ton)	15,868	17,085	(7%)
Net Sales	193	181	7%
Gross Profit	61	67	(9%)
Gross Profit Margin	32%	37%	(5 pp)

#### 3. JUICE SEGMENT

Juice Segment Sales & Gross Profit (EGP mn)

	1Q14	1Q13	Change
Sales (Ton)	22,913	19,378	18%
Net Sales	150	126	19%
Gross Profit	39	33	19%
Gross Profit Margin	26%	26%	-

#### 4. CONCENTRATES SEGMENT

Concentrates Segment Sales & Gross Profit (EGP mn)

	1Q14	1Q13	Change
Sales (Ton)	837	534	57%
Net Sales	12	6	122%
Gross Profit	4	2	90%
Gross Profit Margin	31%	36%	(5 pp)

**5. AGRICULTURAL SEGMENT**

Agricultural Segment Sales &amp; Gross Profit (EGP mn)

	1Q14	1Q13	Change
Sales (Ton)	7,807	8,421	(7%)
Net Sales	15	12	23%
Gross Profit	1	5	(84%)
Gross Profit Margin	5%	40%	(35 pp)

**B. EXPORT SALES**

Export Sales &amp; Gross Profit (EGP mn)

	1Q14	1Q13	Change
Sales (Ton)	3,710	4,272	(13%)
Net Sales	26	36	(27%)
Gross Profit	3	11	(70%)
Gross Profit Margin	13%	32%	(19 pp)



## II. CONSOLIDATED INCOME STATEMENT

(EGP '000)	1Q14	1Q13
Net Sales	812,187	716,674
Cost of Sales	(594,033)	(489,152)
<b>Gross Profit</b>	<b>218,154</b>	<b>227,522</b>
<b>Gross Profit Margin</b>	<b>27%</b>	<b>32%</b>
Other Income	3,244	4,886
Sales & Distribution Expenses	(104,675)	(86,205)
General & Administrative Expenses	(34,423)	(29,154)
Other (Expenses)	(3,611)	(12,659)
Board of directors remuneration	(430)	(325)
<b>Results from Operating activities</b>	<b>78,258</b>	<b>104,065</b>
EBITDA	124,049	145,914
EBITDA Margin	15%	20%
Parent Company's Share in Associate's Net Income	0	696
Financing Income (Expenses)	(21,326)	10,252
<b>Profit Before Income Tax</b>	<b>56,932</b>	<b>115,014</b>
Income Tax	(10,725)	(16,878)
Deferred Tax	(3,022)	(2,266)
<b>Net Profit</b>	<b>43,185</b>	<b>95,870</b>



### III. CONSOLIDATED BALANCE SHEET

(EGP '000)	YTD14	FY13
Property, Plant and Equipment	1,722,176	1,698,981
Projects Under Construction	1,173,676	1,071,427
Agricultural Resources	46,789	48,088
Investment in Equity – Accounted Investees	47,658	47,658
Other Long Term Debit Balances	788.0	790.0
Goodwill	97,093	97,093
<b>Non-current Assets</b>	<b>3,088,179</b>	<b>2,964,038</b>
Inventories	600,275	616,190
Trade and Other Receivables	197,208	190,497
Due From Related Parties	1,378	785.4
Cash and Cash Equivalents	555,143	575,933
<b>Current Assets</b>	<b>1,354,005</b>	<b>1,383,405</b>
Provisions	9,702	10,090
Banks – Overdraft	128,531	17,509
Banks – Credit Facilities	639,539	765,244
Short Term Loans	10,000	10,000
Creditors and Other Credit Balances	265,745	243,344
Income Tax	48,762	48,762
Long-Term Loans – Current Portions	287,095	256,895
<b>Current Liabilities</b>	<b>1,389,375</b>	<b>1,351,845</b>
<b>Working Capital</b>	<b>(35,370)</b>	<b>31,560</b>
<b>Total Invested Funds</b>	<b>3,052,809</b>	<b>2,995,597</b>
These Investments are Financed as Follows:		
Issued and Paid up Capital	706,054	706,054
Legal Reserve	425,541	421,792
General Reserve – Insurance Premium	330,920	330,920
Portion of 2013 profits set aside	235,351	0
Retained Earnings	416,342	391,834
Net Profit for the Period after periodic dividends	43,167	313,080
<b>Total Equity Attributed to the Shareholders of the Parent Company</b>	<b>2,157,376</b>	<b>2,163,681</b>
Non Controlling Interest	601	639
<b>Total Equity</b>	<b>2,157,978</b>	<b>2,164,320</b>
Long Term Loans	726,873	675,112
Other Long Term Liabilities	93,202	83,996
Deferred Revenues	4,781	5,216
Deferred Tax Liabilities	69,975	66,953
<b>Non-Current Liabilities</b>	<b>894,831</b>	<b>831,277</b>
<b>Shareholder's Equity and Non-Current Liabilities</b>	<b>3,052,809</b>	<b>2,995,597</b>



## 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 six plants in addition to 25 sales and distribution centers. The company presently has paid-in capital of EGP 706 million and a work force of more than 4,500 employees.

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## FORWARD-LOOKING STATEMENTS

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