

Earnings Release: First Quarter 2012

7th May 2012

(Cairo, Egypt) -Juhayna Food Industries (JUFO.CA), one of the leading dairy, yogurt and juice manufacturers and distributors in Egypt, announced its consolidated results for the first quarter ended March 31st 2012.

I-FINANCIAL HIGHLIGHTS

- * **Revenue** reached EGP561 million, 31% increase over 1Q2011.
- * **Gross profit** reached EGP151 million, 18% increase over 1Q2011.
- * **EBIT** reached EGP54 million, 16% decline over 1Q2011.
- * **Net income** totaled EGP43 million, 14% decline over 1Q2011.
- * **Dairy** sales increased 30% y-o-y to EGP300 million, with gross margins at 25%
- * **Yogurt** sales increased 45% y-o-y to EGP149 million, with gross margin at 34%.
- * **Juice** sales increased 29% to EGP100 million, with gross margins at 23%.
- * **Concentrates** sales dropped 63% to EGP5 million, with gross margins at 4%
- * **Agriculture sales** increased 109% to EGP6 million, with gross margins at 19%.



To Our Shareholders

During the first quarter 2012, Juhayna realized net sales growth of 31% compared to the same period last year to reach EGP 561 million. All segments contributed to this growth. The yogurt segment reported a y-o-y growth of 45%, dairy 30% and juices reported 29% compared to the same period a year earlier. The sales growth was due to:

- Expansion of the distribution fleet and the inauguration of two new distribution centers in 2011.
- Recovery of the export market particularly Libya, Juhayna's major export market.

First Quarter 2012 witnessed the following:

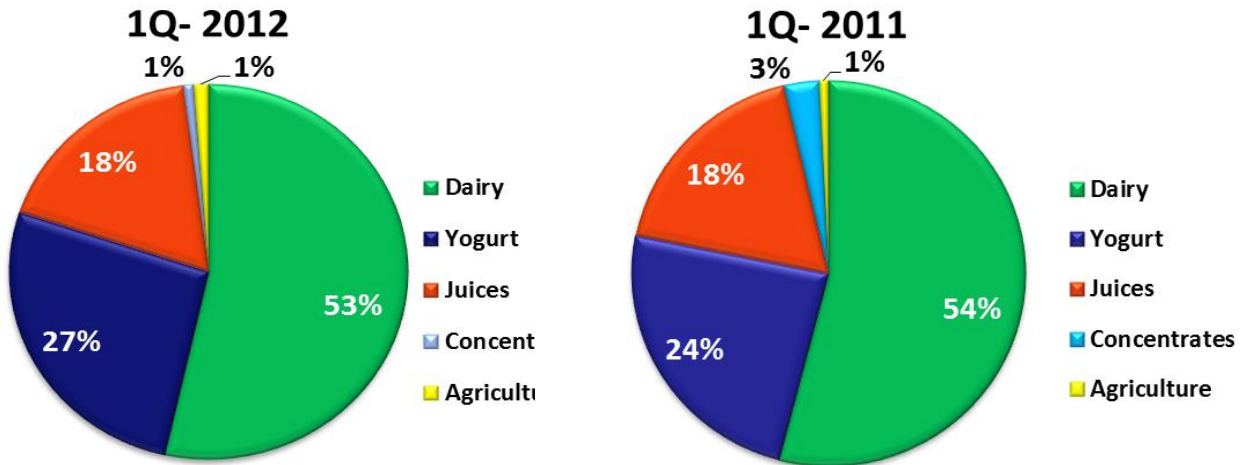
- The General Assembly meeting approved dividend distribution for the period ending December 31st 2011 of EGP0.15/share (15% of the par value), employees' profits and Board of Directors' bonuses in accordance with the law amounted to EGP148.6 million.
- Organizing and restructuring of the agricultural sector through the establishment of two new companies, one specialized in land reclamation and agriculture, the other in livestock, with an issued capital of EGP50 million per company.
- Opening a new distribution center in Al Obour City- East of Cairo, the latest addition to the company's investment expansion in the commercial sector.
- The outbreak of the Foot and Mouth disease (FMD) among cattle in Egypt. Fortunately most of the farms that supply our company with raw milk have been vaccinated against the disease and as such only a meager 7% of the amount of raw milk delivered to the company was affected.

Juhayna is committed to its expansion strategies for the remainder of the year, while continues to maintain its leadership position in the Food and Beverage market in Egypt.

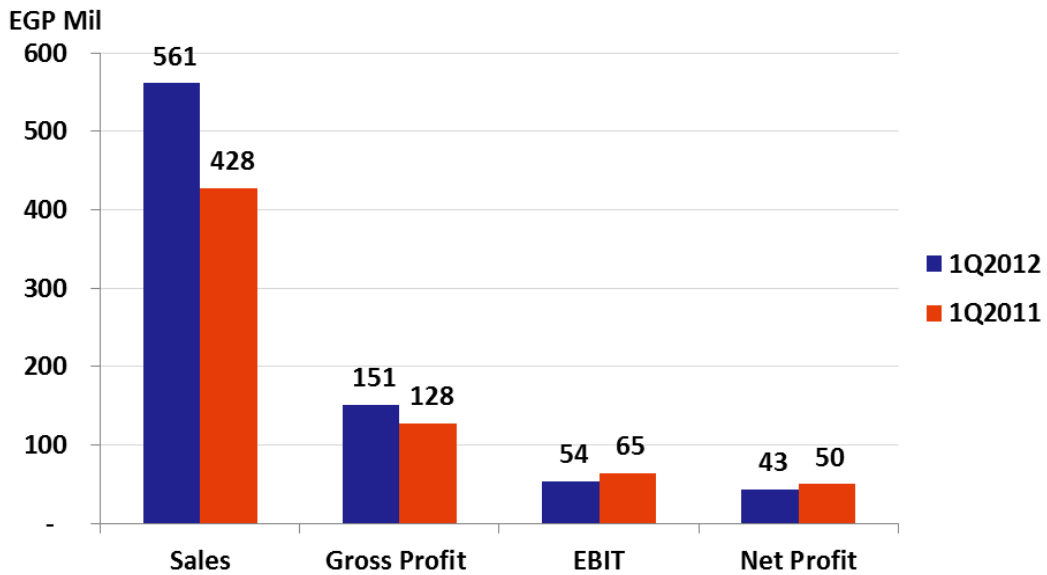
Safwan Thabet

Chairman & CEO

Revenue Breakdown for 1Q2012



Group Consolidated Performance for 1Q2012



CONSOLIDATED INCOME STATEMENT

EGP Million	1Q2012	1Q2011	% Change
Net Sales	561	428	31%
COGS	(410)	(300)	37%
Gross Profit	151	128	18%
Gross Profit Margin	27%	30%	-291bps
Sales & Distribution Expense	(70)	(42)	69%
General & administrative expense	(31)	(26)	18%
Other Operating Revenue	4	5	-15%
EBIT	54	65	-16%
EBIT Margin	10%	15%	-549bps
Investment Revenue	1	1	30%
Finance cost	(12)	(8)	56%
Net Profit Before Tax (EBT)	43	58	-25%
Income tax expense	(0)	(8)	-96%
Net profit After Tax	43	50	-14%
Net profit	43	50	-14%
Net Profit Margin	8%	12%	-406bps
EBITDA	91	98	-7%
EBITDA Margin	16%	23%	-676bps

COMMENTING ON 1Q2012 RESULTS

- Higher raw material costs continue to place pressure on margins which led the company to make plans to boost sales growth, reduce costs and enhance profitability to gradually improve margins.
- Increased sale and distribution expense due to expanded fleet size, in addition to increase in wages and salaries, contributed to increased expenditure compared to last year. However, investment expansion will reflect positively on sales growth.



III-SEGMENTS ANALYSIS

I- LOCAL SALES

Below is an overview of the net sales generated by each of the Group's segments from the Egyptian market for 1Q2012.

Net Sales by Segment (EGP Mil)

	1Q12	1Q11	% Change
Dairy	279	224	24%
Yogurt	149	103	45%
Juice	97	76	28%
Concentrates	3	2	87%
Agriculture	6	3	109%
Total	535	408	31%

1- DAIRY SEGMENT

During 1Q2012 dairy sales grew 24% compared to 1Q2011 due to expansion of distribution fleet in addition to opening new distribution centers.

Gross profit margins dropped 367 basis points from 30% to 27% in 1Q2012 due to the increase in raw material prices, while a plan to gradually increase consumer prices is being put into effect.

Dairy Segment Sales & Gross Profit (EGP Mil)

	1Q12	1Q11	% Change
Sales (Ton)	40,975	34,641	18%
Net Sales	279	224	24%
Gross Profit	74	68	9%
Gross Profit Margin	27%	30%	-367bps



2- YOGURT SEGMENT

Yogurt sales reported a healthy y-o-y growth of 45% during 1Q2012; the growth outpaced all the other segments.

Yogurt Segment Sales & Gross Profit (EGP Mil)

	1Q12	1Q11	% Change
Sales (Ton)	14,267	10,887	31%
Net Sales	149	103	45%
Gross Profit	51	35	45%
Gross Profit Margin	34%	34%	3bps

3- JUICE SEGMENT

Juice sales reported a noticeable recovery in both volume and sales growth of 33% for the former and 28% for the latter. However, margins remain depressed by the shift in consumer preferences towards cheaper and smaller size products (low margin products).

Juice Segment Sales & Gross Profit (EGP Mil)

	1Q12	1Q11	% Change
Sales (Ton)	15,381	11,549	33%
Net Sales	97	76	28%
Gross Profit	23	21	10%
Gross Profit Margin	24%	28%	-390bps



4- CONCENTRATE SEGMENT

The concentrate segment represents significant importance to Juhayna, where more than 50% of its production is being used in juice manufacturing by the company, while the surplus is being sold either to third parties or exported to Arab and North African countries.

Concentrate sales during 1Q2012 (excluding sales to Juhayna) reported a y-o-y growth in volume of 23% and sales of 87%.

Concentrate Segment Sales & Gross Profit (EGP Mil)

	1Q12	1Q11	% Change
Sales (Ton)	239	195	23%
Net Sales	3	2	87%
Gross Profit	1	0	NM
Gross Profit Margin	27%	0%	NM

1- AGRICULTURAL SEGMENT

The agricultural sector is currently undergoing significant investment expansions in dairy farms, land reclamation and agriculture. During 1Q2012, sales reported a y-o-y growth of 109% and gross profit margins stood at 19%.

Agriculture Segment Sales & Gross Profit (EGP Mil)

	1Q12	1Q11	% Change
Sales (Ton)	8,732	2,466	254%
Net Sales	6	3	109%
Gross Profit	1	2	-33%
Gross Profit Margin	19%	59%	-3975bps



II-EXPORT SALES

Libya, Juhayna's primary export market have begun to witness signs of recovery and sales resumption.

Export Sales & Gross Profit (EGP Mil)

	1Q12	1Q11	% Change
Sales (Ton)	4,925	2,791	76%
Net Sales	26	20	34%
Gross Profit	1	2	-43%
Gross Profit Margin	4%	10%	-583bps



ABOUT JUHAYNA FOOD INDUSTRIES

Juhayna Food Industries a leading producer and distributor of milk, juice and yogurt products was established in 1983 by Mr. Safwan Thabet along with a number of other founders with a paid in capital of EGP 1.3 million.

Production began in 1987 with a production capacity of 35 tons/day and total sales of EGP 2.4 million. Keeping a vigilant eye on consumer needs, Juhayna over the past 25 years established itself as the most popular household name throughout Egypt.

The company owns six plants, in addition to 24 sales and distribution branches. Currently Juhayna has a paid in capital of EGP 706 million, a work force of 3,700 employees and a production capacity of 2,900 tons/day.

