



Earnings Release: First Quarter 2011

19 May 2011

(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 2011, reporting total consolidated net revenues of EGP427.6 million with 5.6% growth over 1Q10. Gross profit declined 5.9% to EGP127.8 million and gross profit margin descended 3.7% to 29.9%. EBIT dropped 27.8% to EGP64.7 million while EBIT margin dipped 7.0% to 15.1%. Net income totaled EGP50.1 million, a drop of 16.7% with net profit margins down 3.1% to 11.7%. During 1Q10 net income of EGP60.2 million included a one-time sale of investment (EGP19.7 million). Excluding this effect net income would register a y-o-y growth of 23.5%.

HIGHLIGHTS

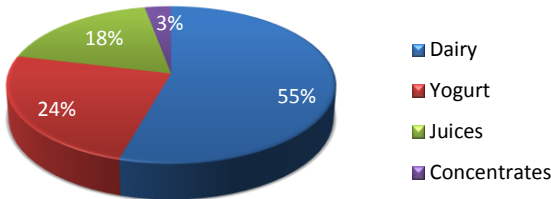
First Quarter 2011

- **Revenue** reached EGP427.6 million, 5.6% increase over 1Q10.
- **Gross profit** reached EGP127.8 million, 5.9% drop over 1Q10.
- **EBIT** reached EGP64.7 million, 27.8% drop over 1Q10.
- **Net income** totaled EGP50.1 million, 16.7% decline over 1Q10.
- **Dairy** sales grew 2.2% y-o-y to EGP231.2 million. Gross margins at 29.8%.
- **Yogurt** sales increased 8.4% y-o-y to EGP103.1 million, with gross margin at 34.0%.
- **Juice** sales grew 1.6% to EGP77.6 million, with gross margins at 26.7%.

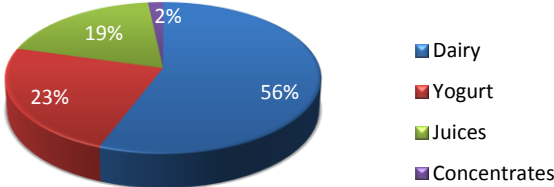


Revenue split for 1Q11 & 1Q10

Q1- 2011

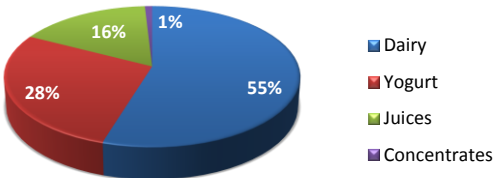


Q1- 2010

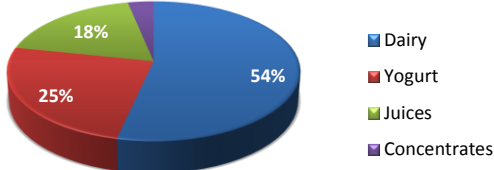


Gross profit split for 1Q11 & 1Q10

Q1- 2011



Q1- 2010



Calculation of gross profit numbers includes depreciation



MESSAGE FROM THE CEO

We are pleased with our 1Q11 results; we achieved top line growth across all three categories.

The level of dedication and hard work to all those involved at Juhayna was ideal and we owe a debt of gratitude to our colleagues for their courage and dedication during these challenging times.

During the early turbulent days of January 25th Revolution, Juhayna remained focused on serving its customers and ensured continuity of production.

Though the political unrest and continuous changes that have swept across the entire country have left it in a difficult state, we remain confident in our outlook for the rest of the year given the general improvement in the political arena and restored confidence and security. However; it should be emphasized that Juhayna Group is involved in strategic food products which are not easily affected by any form of political and economic unrest.

Safwan Thabet

Chairman & CEO



LOCAL SALES

Below is an overview of the net sales generated by each of the Group's segments from the Egyptian market for 1Q11.

	EGP Mil		
	Net Sales by Segment (Local)		
	1Q11	1Q10	% Growth
Dairy	224.2	200.1	12.1%
Yogurt	103.1	95.2	8.4%
Juice	75.7	74.4	1.6%
Concentrates	1.8	2.8	-34.7%
Agriculture	3.0	-	
Total	407.8	372.5	9.5%

DAIRY SEGMENT

During 1Q11 dairy sales grew by 12.1% to EGP224.2 million driven by higher selling prices. Gross profit margin dropped 6.3% y-o-y on the back of higher raw material prices

	EGP Mil		
	Dairy Segment Sales & Gross Profit (Local)		
	1Q11	1Q10	% Growth
Sales (Ton)	34,641	31,847	8.8%
Net Sales	224.2	200.1	12.1%
Gross Profit	68.0	73.3	-7.1%
Gross Profit Margin	30.3%	36.6%	



YOGURT SEGMENT

Yogurt sales grew 8.4% y-o-y during 1Q11 to EGP103.1 million. Margins witnessed a squeeze of 3.8% compared to 1Q10.

	EGP Mil		
	Yogurt Segment Sales & Gross Profit (Local)		
	1Q11	1Q10	% Growth
Sales (Ton)	10,887	10,657	2.2%
Net Sales	103.1	95.2	8.4%
Gross Profit	35.1	36.0	-2.5%
Gross Profit Margin	34.0%	37.8%	

JUICE SEGMENT

Gross profit margin dropped 8.6% y-o-y to 27.5% down from 36.1% during 1Q10. The cost of the fruit concentrates is subject to seasonal variations. The concentrates most demanded i.e. mango, orange...etc. suffered a decrease in production last season. This situation is expected to be reversed during the current season.

	EGP Mil		
	Juice Segment Sales & Gross Profit (Local)		
	1Q11	1Q10	% Growth
Sales (Ton)	11,549	12,185	-5.2%
Net Sales	75.7	74.4	1.6%
Gross Profit	20.8	26.9	-22.5%
Gross Profit Margin	27.5%	36.1%	



EXPORT SALES

We continue to drive our focus towards the local market. During 1Q11 we lost sales due to the turbulent neighboring region. Sales dropped y-o-y by 39.1% to EGP19.7 million. Gross profit margins improved on the back of higher selling prices.

	EGP Mil		
	Export Sales & Gross Profit		
	1Q11	1Q10	% Growth
Sales (Ton)	2,791	6,706	-58.4%
Net Sales	19.7	32.4	-39.1%
Gross Profit	2.0	-0.2	
Gross Profit Margin*	10.2%	-0.5%	

** Note that above margins do not include export rebate of 8% of net sales.*

Outlook

Our overall growth strategy is to continue to expand our distribution network and broaden our geographical reach. Meanwhile we pursue our agricultural operations which include cultivating a fruit farm and establishing a dairy farm.



ABOUT JUHAYNA FOOD INDUSTRIES

Juhayna Food Industries is a leading producer and distributor of milk, juice and yogurt products. Since it commenced operations in 1987, Juhayna established itself as a household name throughout Egypt. The Group's products are sold to both consumer and business customers. Juhayna manufactures and sells concentrate products to both local and export business customers. The Group's extensive range of products under the brand name "Juhayna" are designed for and marketed to target a diverse range of consumer and business customers.

