



Earnings Release: Second Quarter 2011

16 August 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 second quarter 2011 exhibiting strong sales and earnings growth.

KEY FIGURES

Second Quarter 2011

- **Revenue** reached EGP573 million, 38% increase over 2Q10.
- **Gross profit** reached EGP161 million, 27% increase over 2Q10.
- **EBIT** reached EGP74 million, 15% increase over 2Q10.
- **Net income** totaled EGP62 million, 54% increase over 2Q10.
- **Dairy** sales grew 15% y-o-y to EGP275 million, with gross margins at 25%
- **Fermented** sales grew 137% y-o-y to EGP144 million, with gross margin at 35%.
- **Juice** sales grew 17% y-o-y to EGP115 million, with gross margins at 27%.
- **Concentrates** sales grew 48% y-o-y to EGP24 million, with gross margins at 10%
- **Agriculture sales** reached EGP14 million, with gross margins at 48%.

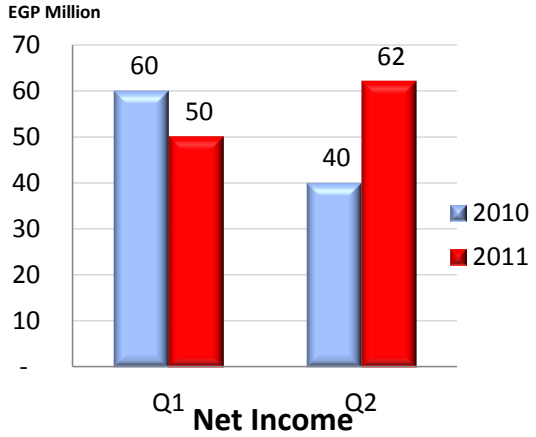
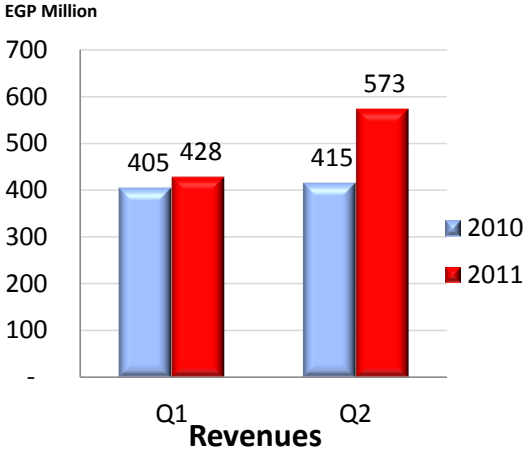
Consolidated results for the first half 2011.

First Half 2011

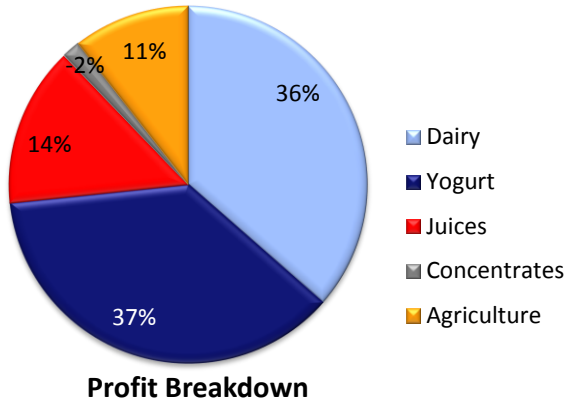
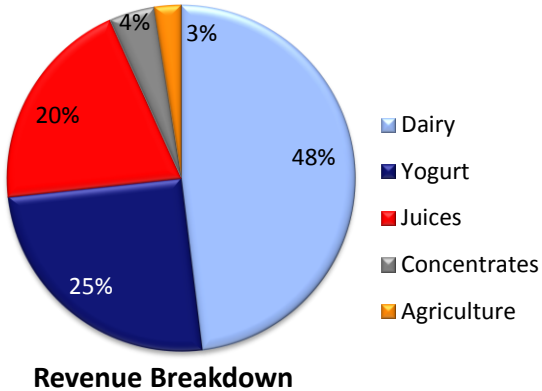
- **Revenue** reached EGP1 billion, 22% increase over 1H10.
- **Gross profit** reached EGP289 million, 10% increase over 1H10.
- **EBIT** reached EGP139 million, 10% decline over 1H10.
- **Net income** totaled EGP112 million, 12% increase over 1H10.
- **Dairy** sales grew 9% y-o-y to EGP506 million, with gross margins at 27%.
- **Fermented** sales grew 58% y-o-y to EGP248 million, with gross margin at 35%.
- **Juice** sales grew 10% to EGP192 million, with gross margins at 27%.
- **Concentrates** sales grew 57% to EGP37 million, with gross margins at 10%
- **Agriculture** sales reached EGP17 million, with gross margins at 50%.



Revenue & Net Income Progression



Revenue & Net Profit Breakdown for 2Q2011



MESSAGE FROM THE CEO

- We delivered another quarter of solid growth, generating total net revenue of EGP 573 million, an increase of 38% over 2Q2010. Total net income for the quarter stood at EGP62 million with a y-o-y growth of 54%.
- The commercial sector underwent significant developments and was solidified by a substantial increase in the size of its distribution fleet. Two new branches were inaugurated in Beni Suef and Suez Governorates. Furthermore, a new work force of 600 young and efficient representatives, supervisors and sales managers joined Juhayna.
- The agricultural sector witnessed significant progress where an area of 5,000 Feddans was reclaimed and began cultivation at New Valley Governorate (Farafara Oasis-District of Abu Monqar), and at Al Wahat District.
- During the past few months, the Egyptian economy succumbed to several economic pressures; however, the food sector remained one of the least affected. Furthermore, the current events and changes taking place in the Arab region dealt a blow to Egyptian exports. In spite of these unfavorable economic circumstances, the company was able to realize a sales growth of 22% during the first half of 2011.
- We remain confident that the future will bring about positive change. Thus we are committed to continue the development and implementation of our plans.

Safwan Thabet

Chairman & CEO



I- LOCAL SALES

Below is an overview of the net sales generated by each of the Group's segments from the Egyptian market for 2Q11.

	EGP Mil					
	2Q11	2Q10	Growth	1H11	1H10	Growth
Dairy	262	205	27%	486	405	20%
Yogurt	144	61	137%	248	156	58%
Juice	111	94	17%	186	169	10%
Concentrates	4	5	-17%	6	8	-24%
Agriculture	14	-	NM	17	-	NM
Total	535	366	46%	943	738	28%

1- DAIRY SEGMENT

The increase in raw material prices pressured the segment's gross margins. To offset this increase, the company adopted a policy of gradual increase in selling prices.

	EGP Mil					
	2Q11	2Q10	Growth	1H11	2H10	Growth
Sales (Ton)	38,503	33,153	16%	73,144	65,000	13%
Net Sales	262	205	27%	486	405	20%
Gross Profit	68	70	-3%	136	143	-5%
Gross Profit Margin	26%	34%		28%	35%	



2- FERMENTED SEGMENT

Fermented sales reported a y-o-y growth of 137% during 2Q2011 primarily due to increased production capacities. During 2Q2010, yogurt production was interrupted by a fire incident which broke out on April 2010. Furthermore, the segment experienced margin improvement due to higher selling prices.

	EGP Mil					
	2Q11	2Q10	Growth	1H11	2H10	Growth
Sales (Ton)	14,982	7,038	113%	25,869	17,695	46%
Net Sales	144	61	137%	248	156	58%
Gross Profit	51	15	238%	86	51	68%
Gross Profit Margin	35%	25%		35%	33%	

3- JUICE SEGMENT

Juice sales increased 17% y-o-y to EGP111 million, mainly stemming from higher sales volume and favorable product mix. Pressured gross profit margin came on the back of higher concentrate prices, primarily mango which is subject to seasonal variations.

	EGP Mil					
	2Q11	2Q10	Growth	1H11	2H10	Growth
Sales (Ton)	17,616	15,759	12%	29,165	27,944	4%
Net Sales	111	94	17%	186	169	10%
Gross Profit	31	35	-10%	52	62	-16%
Gross Profit Margin	28%	37%		28%	37%	



4- AGRICULTURAL SEGMENT

The company reclaimed and cultivated a total of 5,000 Feddans at the New Valley Governorate and Al Wahat District. During 1H2011, the crop sale of part of the cultivated area yielded a net profit of EGP 9 million.

				EGP Mil		
	2Q11	2Q10	Growth	1H11	2H10	Growth
Sales (Ton)	10,424	-	NM	12,890	-	NM
Net Sales	14	-	NM	17	-	NM
Gross Profit	7	-	NM	9	-	NM
Gross Profit Margin	48%			50%		

II-EXPORT SALES

Disturbances in neighboring countries particularly Libya accounted for the decline in export sales during 2Q2011.

				EGP Mil		
	2Q11	2Q10	Growth	1H11	2H10	Growth
Sales (Ton)	4,849	9,228	-47%	7,640	15,933	-52%
Net Sales	38	49	-23%	58	81	-29%
Gross Profit	4	6	-36%	6	6	-2%
Gross Profit Margin	11%	13%		11%	8%	



Outlook

We at Juhayna are quite optimistic about the future. Our performances for the past six months indicate steady growth despite all odds. Furthermore, as we are involved in strategic food products, we remain the sector least affected by political and economic unrest. Juhayna continues to work to fulfill its ambitions and goals and put into effect its vertical integration plans by investing in its dairy and fruit farms.

ABOUT JUHAYNA FOOD INDUSTRIES

Juhayna Food Industries is a leading producer and distributor of milk, juice and yogurt products. Juhayna commenced operations in 1987 with total sales of EGP2 million and reached EGP1.9 billion in 2010. The company owns six plants, in addition to 21 sales and distribution branches. Juhayna established itself as a household name throughout Egypt. The Group's extensive range of products under the brand name "Juhayna" are designed and marketed to target a diverse range of consumer and business customers.

