



Earnings Release: Second Quarter 2010

10 August 2010

(Cairo, Egypt) - Juhayna Food Industries (JUFO.CA), one of the leading packaged dairy and juice manufacturer and distributor in Egypt, reports results in its first quarterly release since going public on June 15, 2010.

Juhayna announces today its consolidated results for the second quarter 2010, reporting net income after tax of LE 40.2 million. The results are paced by local sales growth, particularly in juice and dairy milk products, and come despite a fire in Juhayna's yogurt factory, reflecting the company's efforts to overcome this event. Results were driven by higher volume and more efficient operations.

HIGHLIGHTS

Second Quarter 2010

- **Revenue** reached LE 414.7 million (9% up Q-o-Q).
- **Gross profit** reached LE 126.5 million (17% up Q-o-Q) at 31% of sales (vs. 28% in 2009).
- **EBIT** reached LE 64.6 million (51% up Q-o-Q) at 16% of sales (vs. 11% in 2009)
- **Net income** totaled LE 40.2 million, (215% up Q-o-Q) 10% of sales (vs. 5% in 2009)
- **Dairy** revenues reached LE 239.4 million (9% up Q-o-Q). Gross margin stood at 32%
- **Yogurt** sales registered LE 61.0 million, (19% down Q-o-Q). Gross margin stood at 25%.
- **Juice** sales reached LE 97.8 million, (30% up Q-o-Q). Gross margin reached 36%.

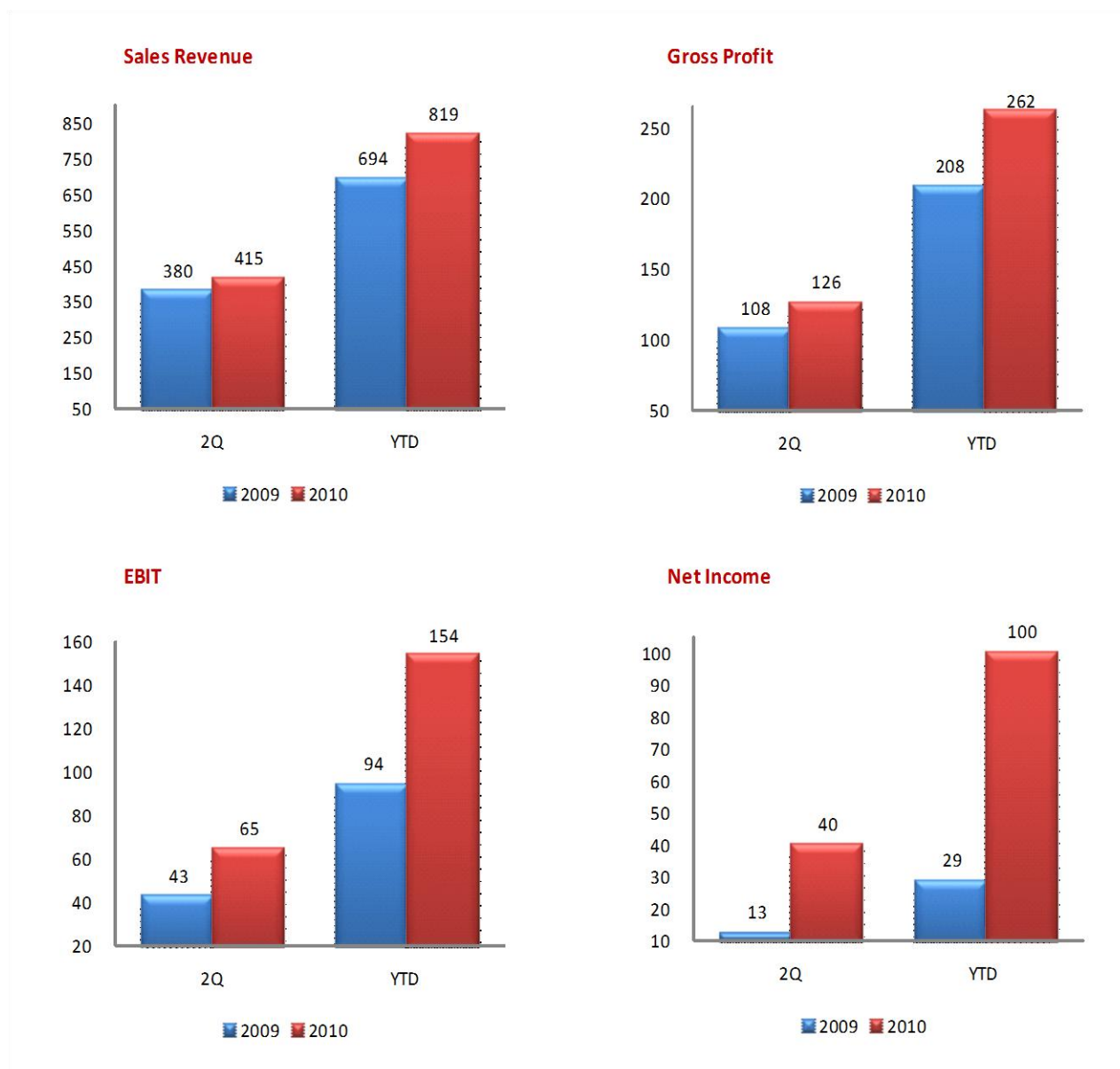
First Half 2010

- **Revenue** reached LE 819.5 million (18% up vs. ya).
- **Gross profit** reached LE 262.3 million (26% up vs. ya) at 32% of sales (vs. 30% in 2009).
- **EBIT** reached LE 154.2 million (64% up vs. ya) at 19% of sales (vs. 14% in 2009)
- **Net income** totaled LE 100.4 million, (245% up vs. ya) 12% of sales (vs. 4% in 2009)
- **Dairy** revenues reached LE 465.5 million (12% up ya). Gross margin stood at 33%
- **Yogurt** sales registered LE 156.2 million, (19% up vs. ya). Gross margin stood at 33%.
- **Juice** sales reached LE 174.2 million, (29% up vs. ya). Gross margin reached 36%.



CONSOLIDATED GROUP PERFORMANCE FOR 2Q 2010*

All figures in LE million.



*In the calculation of gross profit numbers, costs include depreciation



MESSAGE FROM THE CEO

It is a pleasure to report our first quarterly results since Juhayna went public.

Market dynamics remained largely as per recent trends. Market continues to grow, paced by more marketing efforts by Juhayna and the industry to encourage consumers to switch from loose to hygienic packaged milk, which is supported by the Ministry of Health's advertising campaign.

In 12 weeks since the fire incident at its Yogurt plant, Juhayna is now back to producing 75% of spoonable yogurt and 85% of drinkable yogurt. This achievement was a result of: i) having multiple and specialized production facilities providing flexibility to deal with tough challenges. ii) close partnership with both overseas and regional suppliers (in Germany, Sweden, Denmark, Saudi Arabia) and iii) strong management team and great commitment of our employees.

On behalf of the board and the shareholders, I would like to thank our suppliers, employees and also our customers who accommodated and welcomed our fast return to the market.

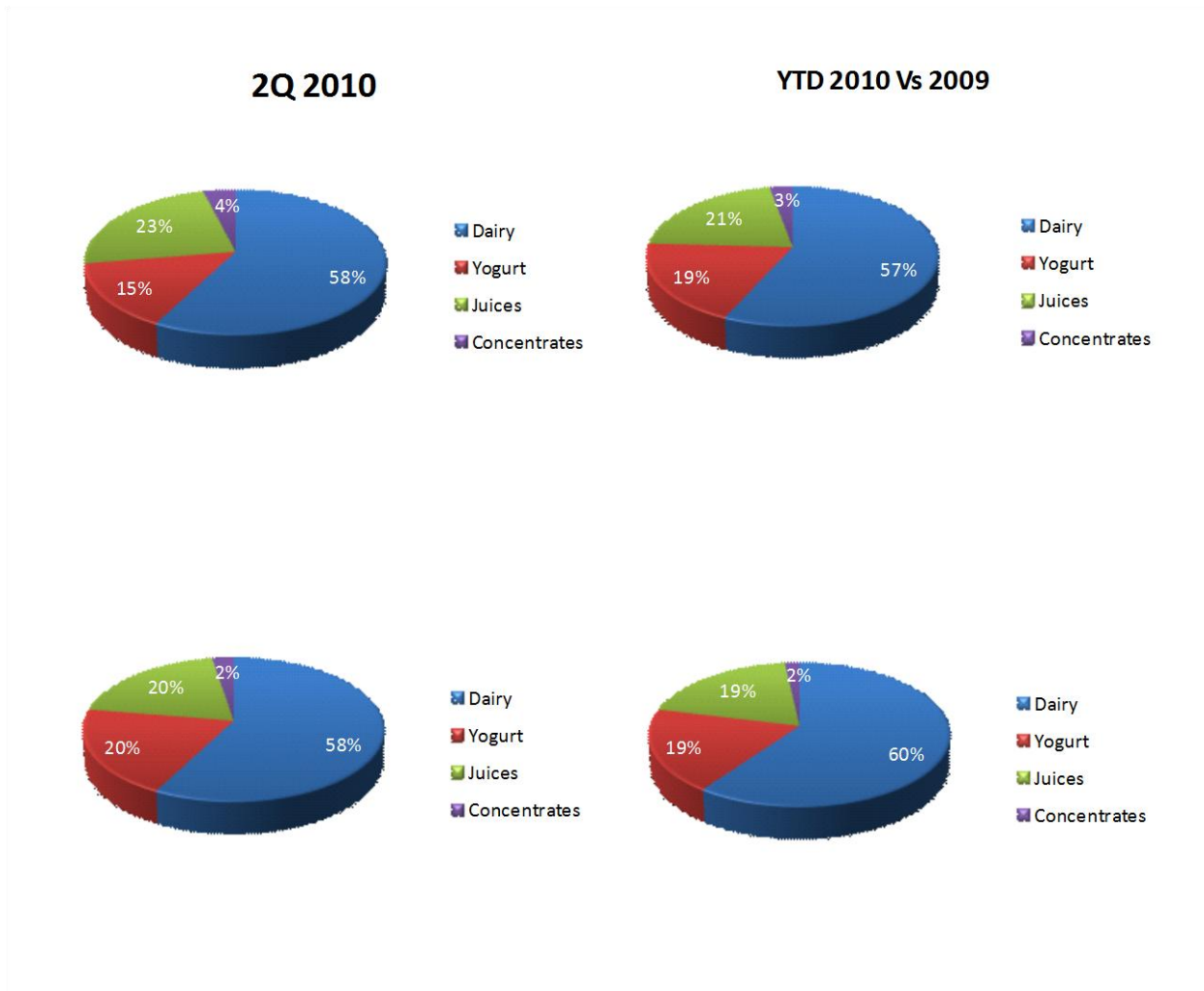
Juhayna submitted the insurance claim (replacement value LE 176.6 million – net book value LE 139.3 million) and the processing of our insurance claim is ongoing.

The 1st half results are indeed strong. We are proud of delivering a good revenue growth with healthy profit margins in a dynamic market.

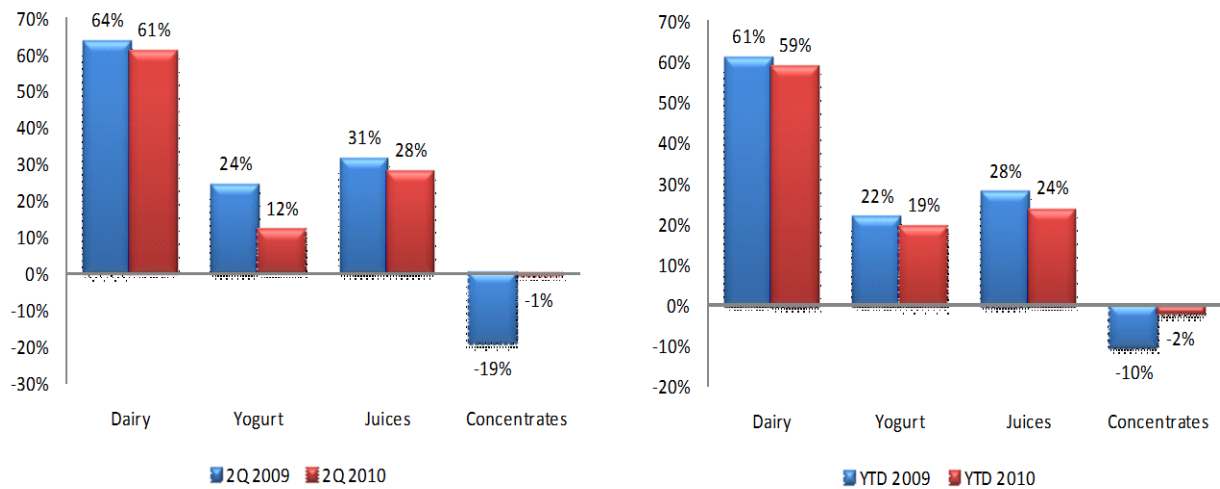
Safwan Thabet, Chairman & CEO



Revenue for 2Q 2010 is split as follows:



Gross profit for 2Q 2010 is split as follows:



LOCAL SALES

Set forth below is an overview of the net sales generated by each of the Group's segments from the Egyptian market for 2Q 2010 and 2Q 2009 and indicating the percentage contribution to the Group's consolidated net sales for both periods.

	Net Sales by Segment (Local)					
	2Q 2010		2Q 2009		LE Mil	
	Net Sales	%	Net Sales	%	Change	
	LE	%	LE	%	LE	%
Dairy	205	56%	169	53%	37	22%
Yogurt	61	17%	76	24%	-15	-19%
Juice	94	26%	71	22%	23	33%
Concentrates	5	1%	5	2%	0	1%
	366	100%	321	100%	45	14%

DAIRY SEGMENT

Juhayna is one of the leading dairy manufacturer and distributor. The Group has a particularly strong market share in all milk products.

	Dairy Segment Sales & Gross Profit (Local)					
	Q2			YTD		
	2010	2009	Var.	2010	2009	Var.
Sales (Ton)	33,153	27,988	18%	65,000	54,044	20%
Net Sales	205	169	22%	405	329	23%
Gross Profit	70	62		143	119	
%	34%	37%		35%	36%	

Packaged milk market growth continued to gather momentum. The two major market survey providers - MEMRB and AC Nielsen - reported market growth figures of 20%-plus. These growth rates were much higher than the single-digit growth rates in recent years. Juhayna's local milk revenue grew by 23% in 2Q 2010.



YOGURT SEGMENT

Yogurt sales reached LE 61.0 million, a decrease of 19% over 2Q 2009. The gross margin was 25% versus 34% in 2Q 2009. This was due to the disruption of operation.

	LE Mil					
	Yogurt Sales & Gross Profit (Local)					
	Q2			YTD		
	2010	2009	Var.	2010	2009	Var.
Sales (Ton)	7,038	8,937	-21%	17,695	15,287	16%
Net Sales	61	76	-19%	156	131	19%
Gross Profit	15	26		51	45	
%	25%	34%		33%	34%	

For the January-June 2010 period, sales were still up by 19% versus a year ago, while the gross margin came at 33% and in line with year ago.

Our market share went down to 16% in May and 10% in June. As expected, total market growth slowed down in these two months to 10% and 6%, respectively, versus 25% in the January-April 2010 period. The Group believes that this was the direct result of Juhayna being out of the market for much of the quarter. With us now back into production, the yogurt market growth is expected to rebound from 3Q 2010 onwards.

JUICE SEGMENT

Net sales grew by a healthy 33% over 2Q 2009 and the gross margin came at 37%. The gross margin, however, was lower than 2Q 2009 margin of 47%, and this was mainly due to the effect of depreciation charges related to our newly started juice factory.

	LE Mil					
	Juice Sales & Gross Profit (Local)					
	Q2			YTD		
	2010	2009	Var.	2010	2009	Var.
Sales (Ton)	15,759	12,172	29%	27,944	21,663	29%
Net Sales	94	71	33%	169	127	33%
Gross Profit	35	33		62	57	
%	37%	47%		37%	45%	



EXPORT SALES

Sales, as expected, were lower than in 2Q 2009 following the company's decision to make a pricing correction resulting in improved profit margins.

	Export Sales & Gross Profit					LE Mil
	Q2			YTD		
	2010	2009	Var.	2010	2009	Var.
Sales (Ton)	9,228	13,362	-31%	15,933	22,140	-28%
Net Sales	49	60	-18%	81	100	-19%
Gross Profit	6	-4		6	-2	
%	13%	-6%		8%	-2%	



FINANCIAL POSITION

Juhayna's gross debt-to-equity ratio improved considerably at the end of June 2010, reaching 0.5x compared to 1.6x at the end of March 2010. In addition, the company's net debt decreased substantially to LE 49.9 million at the end of June 2010 compared to LE 897.4 million at the end of March 2010. This came on the back of the company's IPO, which increased the company's paid-in capital to LE 726.4 million from LE 520.4 million and resulted in cash proceeds of LE 999 million.

OUTLOOK

We are optimistic about the dynamic growth in all our business categories.

We expect to mostly return to the Yogurt segment by 4Q 2010 in our current facilities. Meanwhile, we are at the final stage in design the new Yogurt factory, financing secured through a bank loan as well as the insurance proceeds.

Our stated integration strategy continues to focus on: i) Expanding in milk farming, ii) Developing the farm for fruit and other crops and iii) Tapping into the food sector.

The market growth rates as well as the group's ability to fast return to the Yogurt segment will help maintain sales growth and healthy profit margins.

ABOUT JUHAYNA FOOD INDUSTRIES

Juhayna Food Industries is a leading producer and distributor of packaged 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.

