



Earnings Release: Full Year 2010 Results

20 March 2011

(Cairo, Egypt) - Juhayna Food Industries (JUFO.CA), one of the leading dairy, yogurt and juice manufacturers and distributors in Egypt, announced its full year consolidated results ending December 31st 2010, reporting total consolidated net revenues of EGP1,861 million with 18.0% growth over 2009. Gross profit increased 13.5% to EGP583 million and gross profit margin descended 1.2% to 31.3%. EBIT increased 7.1% to EGP312 million while EBIT margin declined 1.7% to 16.8%. Net income totaled EGP228 million reflecting a 23.3% growth over 2009 with net profit margins up 0.5% to 12.2%.

Consolidated net revenues for 4Q10 reached EGP 506 million with a 20.5% growth over 4Q09. Gross profit reached EGP 146 million, 30.7% growth over 4Q09. Gross profit margin witnessed an improvement of 2.2 margin points to 28.8%. Net income declined 14.1% y-o-y to EGP 54 million. During 4Q09, net income of EGP63 million included a one-time sale of investment in Bonyan (EGP35.3 million). Excluding this effect, 4Q10 net income would register a y-o-y growth of 56.3%.

HIGHLIGHTS

Fourth Quarter 2010

- **Revenue** reached EGP506 million, 20.5% increase over 4Q09.
- **Gross profit** reached EGP146 million, 30.7% increase over 4Q09.
- **EBIT** reached EGP63 million, 4.2% decline over 4Q09.
- **Net income** totaled EGP54 million, 14.1% decline over 4Q09.
- **Dairy** sales grew 14.8% y-o-y to EGP289 million with gross margin flat at 26.0%.
- **Yogurt** sales increased 12.9% y-o-y to EGP 106 million, with gross margin at 43.2%.
- **Juice** sales grew 48.1% to EGP 105 million, with gross margins at 33.0%.

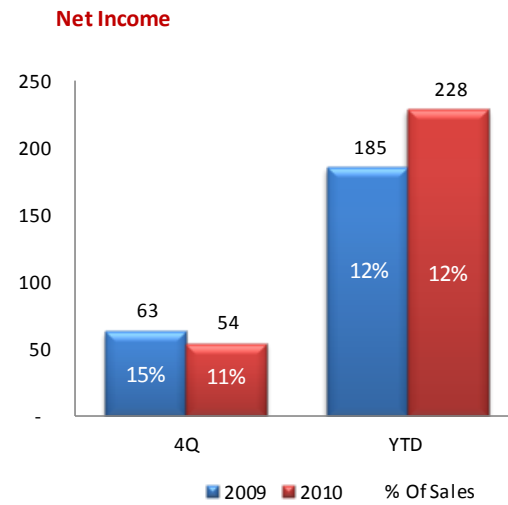
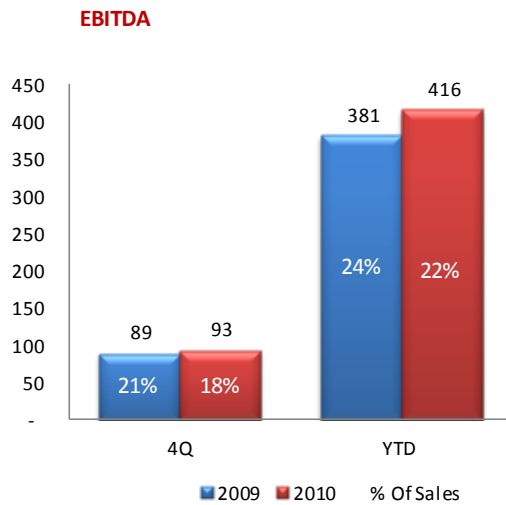
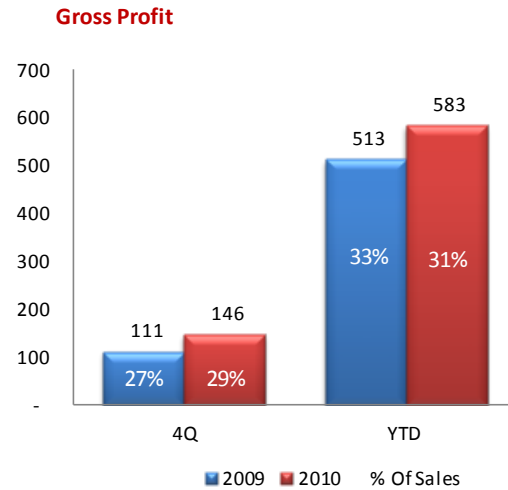
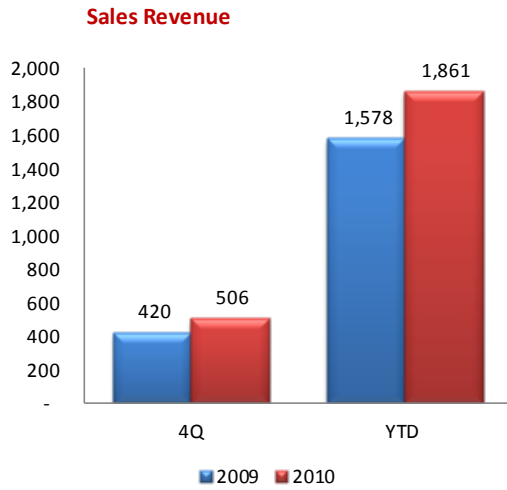
Full Year 2010

- **Revenue** reached EGP1,861 million, 18.0% increase over 2009.
- **Gross profit** reached EGP583 million, 13.5% increase over 2009, gross margin at 31.3%
- **EBIT** reached EGP312 million, 7.1% increase over 2009, EBIT margin at 16.8%.
- **Net income** totaled EGP228 million, 23.2% growth over 2009. Margins at 12.2%.
- **Dairy** revenues reached EGP 1,037 million (14.3% up y-o-y). Gross margin at 30.6%.
- **Yogurt** sales registered EGP 402 million, (10.3% up y-o-y). Gross margin at 36.8%.
- **Juice** sales reached EGP 384 million, (34.0% up y-o-y). Gross margin at 32.2%.



CONSOLIDATED GROUP PERFORMANCE FOR 4Q AND FY10

All figures in EGP million.



Calculation of gross profit numbers includes depreciation



MESSAGE FROM THE CEO

We delivered another year of strong results in 2010 with double digit sales and profit growth.

Such results were a direct impact of our strong marketing and sales campaigns and could have only been achieved through our capable organization

During 2010, the market continued to grow on all business segments. We have also been able to grow market share on both milk and juice segments, while recovering market position on yogurt.

The yogurt operation will be fully back to its pre-fire capacity levels by the end of the second quarter to supply the market with our full product line up.

Over the past few weeks, Egypt has witnessed a remarkable political transformation following the Jan 25th Revolution. On the short term, **it is natural that the country will witness a great deal of instability. Despite current challenges, I believe that Egypt is heading towards a healthier and a more stable business environment that would ultimately enhance the company's performance even further.**

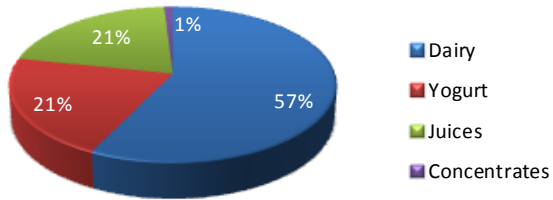
Safwan Thabet

Chairman & CEO

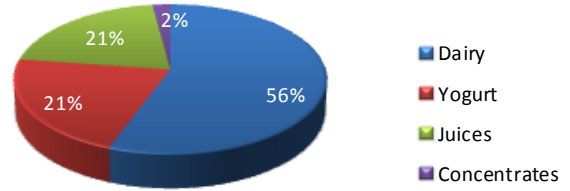


Revenue for 4Q and FY10 is split as follows:

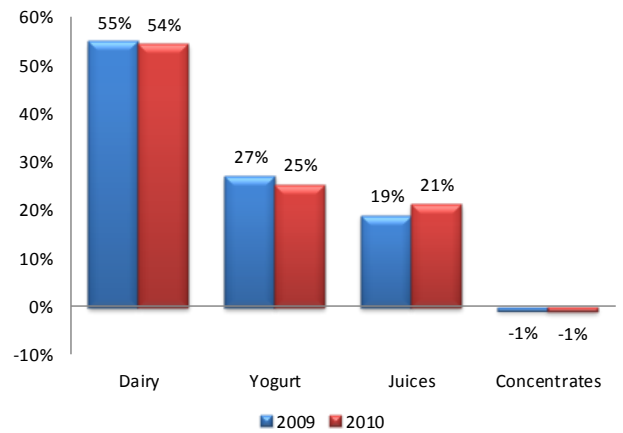
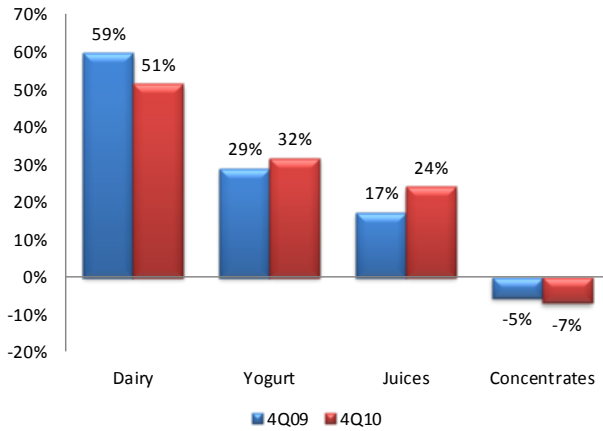
4Q 2010



2010



Gross profit for 4Q and FY10 is split as follows:



LOCAL SALES

Below is an overview of the net sales generated by each of the Group's segments from the Egyptian market for 4Q10 and 2010.

	EGP Mil					
	<u>Net Sales by Segment (Local)</u>					
	4Q10	4Q09	% Growth	2010	2009	% Growth
Dairy	274	221	24%	921	753	22%
Yogurt	106	94	13%	402	364	10%
Juice	101	68	50%	373	274	36%
Concentrates	4	1	247%	21	11	93%
Total	485	384	26%	1,716	1,402	22%

DAIRY SEGMENT

During 4Q10 dairy sales grew by 24% as we continue to witness the conversion from loose to packed milk.

	EGP Mil					
	<u>Dairy Segment Sales & Gross Profit (Local)</u>					
	4Q10	4Q09	% Growth	2010	2009	% Growth
Sales (Ton)	44,731	36,888	21%	148,388	124,396	19%
Net Sales	274	221	24%	921	753	22%
Gross Profit	79	65	22%	302	264	14%
Gross Profit Margin	29%	29%		33%	35%	



YOGURT SEGMENT

Despite the difficult second and third quarters with sales dropping 19%, 0% respectively (capacity loss due to fire incident), fourth quarter sales rebounded to a 13% y-o-y growth. Such growth came on the back of the swift recovery in yogurt capacity (80% capacity recovery) in 4Q10 which could only be achieved through the remarkable loyalty of our consumers.

	EGP Mil					
	Yogurt Segment Sales & Gross Profit (Local)					
	4Q10	4Q09	% Growth	2010	2009	% Growth
Sales (Ton)	11,105	10,629	4%	43,878	42,199	4%
Net Sales	106	94	13%	402	364	10%
Gross Profit	46	32	45%	148	139	7%
Gross Profit Margin	43%	34%		37%	38%	

JUICE SEGMENT

The juice category witnessed the highest growth rates reflecting noticeable market growth. During 4Q10 Juhayna added four new flavors to its queue of PURE category.

	EGP Mil					
	Juice Segment Sales & Gross Profit (Local)					
	4Q10	4Q09	% Growth	2010	2009	% Growth
Sales (Ton)	17,171	10,838	58%	62,081	45,764	36%
Net Sales	101	68	50%	373	274	36%
Gross Profit	35	20	75%	124	97	28%
Gross Profit Margin	34%	29%		33%	35%	



EXPORT SALES

We continue to drive our focus towards the local market. In 2010 export sales dropped y-o-y 17% to EGP 145 million. Gross profit increased 29% y-o-y to EGP20 million. Including export rebate, gross margins recorded 22% in 2010 vs. 17% in 2009.

	EGP Mil					
	<u>Export Sales & Gross Profit</u>					
	4Q10	4Q09	% Growth	2010	2009	% Growth
Sales (Ton)	4,422	7,398	-40%	29,164	38,785	-25%
Net Sales	20	36	-43%	145	176	-17%
Gross Profit	-1	-2		20	15	29%
Gross Profit Margin*	-7%	-5%		14%	9%	

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



FINANCIAL POSITION

We closed the year with a strong financial position with net operating cash flow of EGP306 million compared to EGP261 million in 2009. Net working capital reached EGP680 million in 2010 compared to negative EGP350 million in 2009. Following our IPO which took place in June 2010, Debt/Equity ratio as of December 31st 2010 was 0.5x.

Outlook

Juhayna enters 2011 with a position of financial as well as operational strength and a solid potential for growth. Much of our spending throughout 2011 will be towards our backward integration, with the objective of securing our raw milk needs, planting our fruit farm as well as expanding our distribution and geographical reach.



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.

