

Translation from Arabic

**Juhayna Food Industries
(An Egyptian Joint Stock Company)
Consolidated financial statements
for the period ended 30 September 2011
and review report**

**KPMG Hazem Hassan
Public Accountants & Consultancies
Pyramids Heights Office Park
Km 22 Cairo/Alex Road
Giza- Cairo – Egypt**

**Mohamed Hilal – Grant Thornton
Public Accountants
A member of Grant Thornton international
87 Ramsis St., Cairo**

Juhayna Food Industries
(An Egyptian Joint Stock Company)
Consolidated financial statements
for the period ended 30 September 2011

Contents

	Page
Review report	-
Consolidated financial position	1
Consolidated income statement	2
Consolidated statement of changes in shareholders' equity	3
Consolidated statement of cash flows	4
Notes to the consolidated financial statements	5 – 33

Translation from Arabic

Report on Limited Review of Interim Consolidated Financial Statements

To: The members of board of directors of Juhayna Food Industries S.A.E

Introduction

We have performed a limited review for the accompanying consolidated balance sheet of Juhayna Food Industries S.A.E, as of 30 September 2011 and the related consolidated statements of income, changes in equity and cash flows for the nine-months then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of Limited Review

We conducted our limited review in accordance with Egyptian Standard on Review Engagements 2410, "Limited Review of Interim Consolidated Financial Statements Performed by the Independent Auditor of the Entity." Except as described in Basis for qualified conclusion paragraph. A limited review of interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters in the Company, and applying analytical and other limited review procedures. A limited review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim consolidated financial statements.

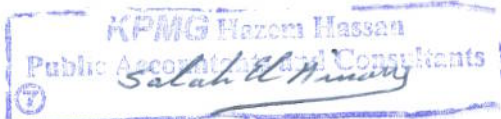
Qualified Conclusion

Based on our limited review, except for what will be discussed in the Basis for Qualified Conclusion paragraph nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not present fairly, in all material respects, the financial position of the Company as at 30 September 2011, and of its financial performance and its cash flows for the nine-months then ended in accordance with Egyptian Accounting Standards.

Basis for Qualified Conclusion

As mentioned at note (35) of accompanying notes for consolidated financial statements, the consolidated assets includes a balance of Al Mohandes Insurance Company amounting to approximately EGP 170 million, that represents the value of a compensation claim for the fire losses and damages of The Egyptian Company for Food Industries "Egyfood" (subsidiary company) assets, which has been exposed to fire accident on 22/4/2010, in order to recover the assets book value losses amounting to approximately EGP 137.21 million, even though the Company did not reach a final settlement yet with Al Mohandes Insurance Company till our report date, We were not been able to perform any alternative audit procedures to assure the effect of the final settlement on the accuracy and valuation of the balance of Al Mohandes Insurance Company as at 30 September 2011.

Without considering a qualification the Company is completing the legal procedures needed to call for the unordinary general assembly meeting to approve the execution of the company's treasury bills amounted to 20 362 521 shares and the reduction of the issued and paid up capital with nominal value of the treasury bills according to article no. 16 of registration and disclosure regulations of Egyptian stock market.



Salah El Missary
Register Auditors of Financial
Supervisory Authority No. (364)

A large, stylized handwritten signature in blue ink, which appears to be "H. H. L." with a long horizontal line extending to the right.

Mohamed Hilal – Grant Thornton
Register Auditors of Financial
Supervisory Authority No. (147)

Grant Thornton - Mohamed Hilal
Public Accountants
The Egyptian Member Firm of
Grant Thornton International

Cairo, 13 November 2011

	Note no.	30/9/2011 L.E.	31/12/2010 L.E.
Assets			
Non-current assets			
Property, plant and equipment	(13)	1 258 572 303	1 150 711 676
Projects under construction	(14)	181 610 615	137 816 754
Investments in equity accounted investees (investments in associates)	(12)	41 774 026	38 627 037
Other - long term - debit balances		808 660	814 864
Goodwill		97 092 890	97 092 890
Total non-current assets		1 579 858 494	1 425 063 221
Current assets			
Inventories	(15)	464 343 700	279 613 977
Debtors and other debit balances	(16)	303 450 706	298 811 116
Due from related parties	(31-1)	934 350	794 864
Cash and cash equivalents	(17)	618 135 065	723 928 572
Total current assets		1 386 863 821	1 303 148 529
Current liabilities			
Provisions	(18)	7 160 409	7 342 900
Banks -current accounts		4 139 936	4 631 116
Banks - credit facilities	(19)	399 955 529	227 340 611
Short term loans	(20)	7 959 252	10 021 159
Creditors and other credit balances	(21)	223 865 919	216 600 040
Income Tax		1 251 166	21 932 200
Long-term loans-current portion	(22)	130 297 316	135 124 816
Total current liabilities		774 629 527	622 992 842
Working capital (Net current liabilities)		612 234 294	680 155 687
Total invested funds		2 192 092 788	2 105 218 908
These investments are financed as follows:			
Shareholders' Equity			
Issued and paid up capital	(32)	726 416 332	726 416 332
Legal reserve		382 369 923	380 489 181
General reserve - issuance premium	(32-1)	404 500 682	404 500 682
Retained earnings		206 803 332	12 405 873
Treasury stocks	(34)	(93 942 775)	(93 942 775)
Net profit for the priod		185 636 201	213 568 361
Total equity attributable to the shareholders of the parent company		1 811 783 695	1 643 437 654
Non controlling interest		459 361	302 411
Total shareholders'equity		1 812 243 056	1 643 740 065
Non - current liabilities			
Long term loans	(22)	299 157 075	384 305 733
Other long term liabilities	(23)	37 320 981	39 697 356
Deferred revenues	(24)	9 127 515	10 431 452
Deferred tax liabilities	(25)	34 244 161	27 044 302
Total non-current liabilities		379 849 732	461 478 843
Total equity and non-current liabilities		2 192 092 788	2 105 218 908

The notes on pages from (5) to (32) are an integral part of these consolidated financial statements.

Financial General Manager
Sameh El-hodaiby

Chairman
Safwan Thabet

* Review report attached .

Juhayna Food Industries
(An Egyptian Joint Stock Company)
Consolidated income statement
For the period ended 30 September 2011

		The financial period from 1/1/2011 to 30/09/2011 L.E.	The financial period from 1/1/2010 to 30/09/2010 L.E.	The financial period from 1/7/2011 to 30/09/2011 L.E.	The financial period from 1/7/2010 to 30/09/2010 L.E.
Note no.					
	Net sales	1 667 806 711	1 355 916 171	667 401 411	536 434 055
	Cost of sales	(1 187 266 689)	(918 827 416)	(475 457 689)	(361 690 678)
	Gross profit	480 540 022	437 088 755	191 943 722	174 743 377
	Other operating income	(6) 22 086 906	45 384 624	9 295 727	6 892 356
	Distribution expense	(183 707 639)	(155 301 342)	(77 981 767)	(55 509 638)
	General & administrative expense	(7) (73 286 377)	(57 883 360)	(25 219 417)	(19 780 855)
	Compensations for fire losses	-	139 167 080	-	139 167 080
	Factory fire losses	-	(139 167 080)	-	(139 167 080)
	Other operating expense	(8) (10 328 754)	(20 223 563)	(2 200 308)	(12 112 447)
	Board of directors remuneration	(702 000)	(622 000)	(315 000)	-
	Profit from operations	234 602 158	248 443 114	95 522 957	94 232 793
	Parent company's share in associates' net income	3 261 024	-	613 606	-
	Finance cost	(9) (29 092 621)	(54 091 927)	(10 569 967)	(8 436 662)
	Net profit for the period before income tax	208 770 561	194 351 187	85 566 596	85 796 131
	Taxes differences from previous years	(1 006 955)	-	-	-
	Income tax expense	(14 869 023)	(15 845 522)	(7 121 467)	(6 188 883)
	Deferred tax	(7 199 859)	(4 477 030)	(4 911 533)	(5 936 782)
	Net profit for the period after income tax	185 694 724	174 028 635	73 533 596	73 670 466
	Distributed as follows				
	Parent company's share in profit	185 636 201	174 006 865	73 511 406	73 649 128
	Non controlling interest	58 523	21 770	22 190	21 338
		185 694 724	174 028 635	73 533 596	73 670 466
	Earning per share (L.E./share)	0.256	0.336	0.101	0.142
(34)					

The notes on pages from (5) to (32) are an integral part of these consolidated financial statements.

Jubayna Food Industries
(An Egyptian Joint Stock Company)
Consolidated statement of changes in shareholders' equity
For the period ended 30 September 2011

	Issued & paid up capital L.E.	Legal reserve L.E.	General reserve- issuance premium L.E.	Retained earnings L.E.	Treasury stocks L.E.	Net Profit for the year L.E.	Total L.E.
Balance as at 1 January 2010 before adjustments	377 955 350	10 746 245	-	28 926 573	(20 856 893)	176 439 183	573 210 458
Adjustments				2 361 148	-	-	2 361 148
Balance as at 1 January 2010 after adjustments	377 955 350	10 746 245	-	31 287 721	(20 856 893)	176 439 183	575 571 606
Reversal of beginning balance adjustments	-	10 962 161	-	(6 581 873)	-	16 188 290	20 568 578
Dividends for 2009	142 488 350	11 009 800	-	(24 158 766)	-	(193 604 403)	(64 265 019)
Capital increase through offering the shares for subscription	205 972 632	350 398 732	443 007 846	-	-	-	999 379 210
Expenses of offering the shares for subscription	-	-	(38 581 372)	-	-	-	(38 581 372)
Selling of treasury stocks	-	-	-	-	-	-	20 856 893
Purchasing of treasury stocks	-	-	-	-	(93 942 775)	-	(93 942 775)
Gain from selling of treasury stocks	-	-	-	14 107 012	-	-	14 107 012
Loss from selling of treasury stocks	-	-	-	(610 370)	-	-	(610 370)
Parent company's share in legal reserve and retained earnings of subsidiary companies	-	14 583 876	-	(9 660 979)	-	-	4 922 897
Cosolidation adjustments on 30 September 2010	-	(24 447 707)	-	1 275 612	-	955 160	(22 216 935)
Net profit for the period ended 30 September 2010	-	-	-	-	-	174 028 635	174 028 635
Balance as at 30 September 2010	726 416 332	373 253 107	404 426 474	5 658 357	(93 942 775)	174 006 865	1 589 818 360
Balance as at 1 January 2011	726 416 332	380 489 181	404 500 682	12 405 873	(93 942 775)	213 568 361	1 643 437 654
Reversal of beginning balance adjustments	-	24 447 707	-	(1 022 164)	-	(974 614)	22 450 929
Dividends for 2010	-	-	-	205 982 561	-	(205 982 561)	-
Parent Company's share in reserves & retained earnings for subsidiaries	-	2 333 503	-	6 102 320	-	-	8 435 823
Cosolidation adjustments on 30 September 2011	-	(24 900 468)	-	(16 665 258)	-	(6 611 186)	(48 176 912)
Net profit for the period ended 30 September 2011	-	-	-	-	-	185 636 201	185 636 201
Balance as at 30 September 2011	726 416 332	382 369 923	404 500 682	206 803 332	(93 942 775)	185 636 201	1 811 783 695

The notes on pages from (5) to (32) are an integral part of these consolidated financial statements.

Juhayna Food Industries
(An Egyptian Joint Stock Company)
Consolidated statement of cash flows
For the period ended 30 September 2011

	The Financial period ended 30/09/2011	The Financial period ended 30/09/2010
Note no.	L.E.	L.E.
Cash flows from operating activities		
Profit for the period before income tax	208 770 561	194 351 187
Adjustments for:		
Fixed assets' depreciation	106 810 427	92 957 292
Capital gains	(2 333 958)	(19 590 953)
Impairment in fixed assets	-	773 729
Reversal of impairment in fixed assets	(72 349)	-
Impairment in debtors and other debit balances	560 888	4 780 717
Reversal of impairment in debtors and other debit balances	(171 267)	(830 364)
Write down of inventories	-	1 199 166
Reversal of write down of inventories	-	(2 190 403)
Provision for claims-formed	147 823	4 360 000
Financial lease installments	9 075 993	9 247 645
Time deposits interests	(37 066 179)	(15 052 060)
Finance interests & expenses	62 931 735	66 288 275
	<u>348 653 674</u>	<u>336 294 231</u>
Change in working capital		
Inventories	(184 729 723)	(96 567 240)
Changes in debtors & other debit balances	(9 664 052)	39 741 802
Due from related parties	(139 486)	1 029 999
Creditors & other credit balances	(56 869 649)	(148 534 752)
Due to related parties	-	(145 201)
Collected time deposits interests	41 736 573	19 722 454
Paid finance interests & expenses	(56 323 691)	(65 041 806)
Provision for claims - used	(330 314)	(5 827 131)
Net cash flows from operating activities	<u>82 333 332</u>	<u>80 672 356</u>
Cash flows from investing activities		
Acquisition of fixed assets & projects under construction	(265 247 308)	(197 357 548)
Proceeds from sale of fixed assets	9 188 700	31 423 325
Change in investments in subsidiaries	(3 146 989)	14 985 000
Net cash flows used in investing activities	<u>(259 205 597)</u>	<u>(150 949 223)</u>
Cash flows from financing activities		
Proceeds from capital increase	-	999 379 210
Payment for bank credit facilities	172 614 918	(184 746 389)
Payment for bank loans	(92 038 065)	37 235 208
Payments for lease installments- sale with the right of lease back	(9 075 993)	(9 247 645)
Expenses of offering the shares for subscription	-	(38 581 372)
Change in other long-term debit balances	-	(819 000)
Payments for purchase of treasury stocks	-	(99 509 048)
Proceeds from sale of treasury stocks	-	34 963 904
Dividends paid	-	(26 398 293)
(Decrease) increase in minority interest	98 427	(270 996)
Net cash flows from financing activities	<u>71 599 287</u>	<u>712 005 579</u>
Change in cash & cash equivalents during the year	<u>(105 272 978)</u>	<u>641 728 712</u>
Cash & cash equivalents as at 1 January	714 168 107	61 788 949
Cash & cash equivalents as at 30 September	(17) <u>608 895 129</u>	<u>703 517 661</u>

The notes on pages from (5) to (32) are an integral part of these consolidated financial statements.

Juhayna Food Industries
(An Egyptian Joint Stock Company)
Notes to the consolidated financial statements
For the financial period ended 30 September 2011

1 Reporting the entity

The Company was established in 1995 according to the Investment Law No.(230) of 1989 as replaced by the investment incentives and guarantees law No. (8) Of 1997 and the decree of the Minister of Economic and Foreign Trade No. 636 of 1994 approving the Company's establishment.

The Company was registered in the commercial registry under No. 100994 on 10/1/1995. Company's period is 25 years starting from the date of registration in the commercial registry.

The Company is domiciled in Egypt. The address of the Company's registered office is 11 Aljihad Street- Lebanon Square- Almohandessien, and the address of the company's factories is 6 of October city- First Industrial Zone- piece no. 39 and 40, Arab Republic of Egypt. Mr. Safwan Thabet is the Chairman of the Board of Directors.

The Company is considered a holding Company.

The Company's purpose

The Company primarily is involved in the production, manufacture, packaging and packing of all types of dairy, products and all its derivatives, all types of cheeses, fruit juices, drinks and frozen material, preparing, manufacturing, packaging and packing all types of food materials and in general manufacturing of agriculture products.

2 Basis of preparation

2-1 Statement of compliance

The financial statements have been prepared in accordance with Egyptian Accounting Standards ("EAS"), and in the light of prevailing Egyptian laws.

2-2 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the balance sheet.

Available for sale investments are measured in fair value.

The methods used to measure fair values are discussed further in note (4).

2-3 Functional and presentation currency

These consolidated financial statements are presented in Egyptian pound, which is the Company's and its subsidiaries' functional currency.

2-4 Use of estimates and judgments

The preparation of financial statements in conformity with Egyptian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note (28) : lease classification.

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the period ended 30 September 2011

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial statements are included in the following notes:

- Note (13) : property, plant and equipment.
- Note (16) : impairment of trade and notes receivable.
- Note (18) : provisions.
- Note (25) : deferred tax.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

3-1 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Company, when the company is to control the financial and operating policies of those companies so as to obtain benefits from its activities. When assessing the extent of control it is taken into consideration the current and potential voting rights in the date of preparation of the financial statements. The investments in subsidiaries are recorded at cost less any impairment in value that charged to the income statement for each investment individually, only impairment loss is reversed to the extent that the carrying value of the asset does not exceed the carrying amount that would be calculated if the impairment loss is not taken into consideration.

Investments in equity accounted investees (associates)

Associates are those entities in which the Company has significant influence, but not control, over the financial and operating policies. Associates are accounted for using the equity method. The consolidated financial statements include the Company's share of the income and expenses of equity accounted investees, after adjustments to align the accounting policies with those of the Company, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Company's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Company has an obligation or has made payments on behalf of the investee.

Transactions eliminated on consolidation

Intra-group balances, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

3-2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the period ended 30 September 2011

3-3 Financial instruments

Non-derivative financial assets

The Company initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non – derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for sale financial assets.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans are measured at amortised cost using the effective interest method, less any impairment losses. Generally, trade and other receivables are stated at their nominal value less an allowance for any doubtful debts.

Loans and receivables comprise cash and cash equivalents, and trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. For the purposes of disclosing the statement of cash flows, Cash and cash equivalents comprise bank overdraft balances which is part of the company's funds management.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than (Not listed investments). When an investment is derecognised, gain or loss accumulated in equity is reclassified to profit or loss.

Available-for-sale financial assets comprise equity securities and debt securities.

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the period ended 30 September 2011

Non-derivative financial liabilities

The company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit and loss) are recognized initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument. The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when , and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liabilities simultaneously.

The Company classifies non – derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at the fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings , bank overdrafts, and trade and other payables.

Capital

Authorized capital

The Company's authorized capital amounts to L.E 5 billion.

Issued and paid up capital

The Company's issued and paid up capital amounts to L.E 726 416 332 divided into 726 416 332 shares at par value L.E 1 each.

Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own shares. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in share premium.

3-4 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses (note 13).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the period ended 30 September 2011

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain and loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognized net within other income/other expenses in profit or loss.

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced component is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

Description	Estimated useful life (Years)
Buildings & Construction	13.3- 50
Machinery & Equipment	1-10
Transportation & Transport Vehicles	1.5- 5
Tools	1.08 – 6.67
Office equipment & Furniture	1-10
Empty plastic containers & pallets	5
Computers	3.33

Depreciation commences when the fixed asset is completed and made available for use.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3-5 Projects under construction

Expenditures incurred on purchasing and constructing fixed assets are initially recorded in projects under construction until the asset is completed and becomes ready for use. Upon the completion of the assets, all related costs are transferred to fixed assets. Projects under construction are measured at cost less accumulated impairment losses (note no. 14). No depreciation is charged until the project is completed and transferred to fixed assets.

3-6 Plant wealth

This item represents in the amounts spent for cultivation of fruit trees and protect trees (Kazhurana) which were recognized as long term assets in the balance sheet in projects in progress caption and when it reaches the planned marginal productivity it will be classified as long-term assets (plant wealth), and will be depreciated over 50 and 25 years respectively according to the nature of those assets.

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the period ended 30 September 2011

3-7 Biological assets

A biological asset is measured on initial recognition and on every reporting date at its fair value less costs to the point of sale capability. A biological asset "harvested agricultural product" is measured at the point of harvest at fair value less costs to the point of sale capability. Profit or loss resulting from the initial recognition of a biological asset at fair value costs to the point of sale capability and from the change in fair value less costs to the point of sale capability of the biological asset is recorded in profit or loss for the period in which it arises, profit or loss resulting from the initial recognition of agricultural product at fair value less costs to the point of sale capability is recorded in profit or loss for the period in which it arises.

And when there is no market available to determine prices and values, which the alternative estimates of fair value have shown clearly that it cannot be relied upon, in this case the biological asset is measured at its cost less any accumulated amortization and any accumulated impairment of value. Once the possibility of measuring the fair value of these assets are reliably established, the company measures it at its fair value less costs to the point of sale capability.

3-8 Leases

Leases are classified as operating leases. The costs in respect of operating leases are charged on a straight-line basis over the lease term. The value of any lease incentive received to take on an operating lease (for example, rent-free periods) is recognized as deferred income and is released over the life of the lease.

3-9 Goodwill

Goodwill is initially measured at its cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities. After initial recognition, the group measures acquired goodwill at cost less impairment losses (note no. 3-11). Recognized goodwill impairment losses are not subsequently reversed.

3-10 Inventories

Inventories of raw materials, supplies, packaging & packing materials and spare parts are measured at the lower of cost or net realizable value. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Net realizable value is the estimated selling price, in the ordinary course of business, less estimated costs of the completion and selling expenses.

The inventory of work in process is measured at the lower of cost, which is determined based on the lower of the cost last process the work in process reached, or net realizable value.

Finished production is measured at the lower of manufacturing cost or net realizable value. The manufacturing cost comprises raw materials, direct labor, and cost includes an appropriate share of overheads based on normal operating capacity.

3-11 Impairment

Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the period ended 30 September 2011

Loans and receivables

The Company considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant loans and receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together receivables and held to-maturity investment securities with similar risk characteristics.

In assessing collective impairment the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against loans and receivables or held – to – maturity investment securities. Interest on the impaired asset continues to be recognized. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than biological assets, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognized if the carrying amount of an asset or its related cash – generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

The Company's corporate assets do not generate separate cash inflows and are utilized by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognized in profit or loss. An impairment loss in respect of other assets, that recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the period ended 30 September 2011

3-12 Defined contribution plans

The Company contributes to the government social insurance system for the benefits of its personnel in accordance with according to the social insurance Law No. 79 of 1975 and its amendments. Under this Law the employees and the employers contribute into the system on a fixed percentage – of- salaries basis. The Company's contributions are recognized in income statement using the accrual basis of accounting. The company's obligation in respect of employees' pensions is confined to the amount of aforementioned contributions.

3-13 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability, the unwinding of the discount is recognized as finance cost.

3-14 Revenue recognition

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognized when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

3-15 Finance income and finance costs

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gains on the disposal of available-for-sale financial assets, fair value gains on financial assets at fair value through profit or loss. Interest income is recognized as it accrues in profit or loss, using the effective interest method. Dividend income received from investments is recognized in profit or loss When the dividends are collectable, in the financial period in which these distributions are approved by the general assemblies of the investee companies.

Finance costs comprise interest expense on borrowings, fair value losses on financial assets at fair value through profit or loss, impairment losses recognized on financial assets.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

3-16 Income tax

Income tax on profit or loss for the year comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly on equity, in which case it is recognized in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the period ended 30 September 2011

3-17 Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3-18 Earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

3-19 Legal reserve

According to the Companies Law requirements and the statutes of the Company, 5% of the annual net profit shall be transferred to a legal reserve until the accumulated reserve reaches 50% of the issued share capital. The reserve is un-distributable; however, it can be used to increase the share capital or to offset losses. If the reserve falls below the defined level (50% of the issued share capital), then the Company is required to resume setting aside 5% of the annual profit until it reaches 50% of the issued share capital.

4 Determination of fair value

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non- financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

4-1 Biological assets

At fair value less costs to the point of sale capability.

5 Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the period ended 30 September 2011

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Board oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company's Board is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the B.O.D.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities.

Trade and other receivables

The Company is dealing with one main customer (related party), which in turn distributes the credit risk on a number of customers who enjoy strong and stable financial positions. It also deals with its customers through contracts and agreements concluded with them, in addition the Company (related party) review the credit limits granted to customers on a regular basis as it gets sufficient guarantees from its customers.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimizing its cash return on investments. Typically the company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Company maintains the following lines of credit:

A credit facility in a principal amount of L.E 399 955 529 on which the interest is charged at a variable interest rate for Facilities in Egyptian pound and US Dollars facilities.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

The Company incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by the Management.

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the period ended 30 September 2011

Currency risk

The Company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Company, primarily the L.E. The currencies in which these transactions primarily are denominated are Euro, USD, GBP and Swiss Francs (CHF).

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Interest rate risk

The Company adopts a policy of ensuring that its exposure to changes in interest rates on borrowings is on a fixed-rate basis, taking into account assets with exposure to changes in interest rates. This is achieved by entering into interest rate swaps.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of paid up capital and retained earnings. The Board of Directors monitors the return on capital, as well as the level of dividends to shareholders.

	30/9/2011 L.E	31/12/2010 L.E
Total liabilities	1 154 479 259	1 084 471 685
Less: cash and cash equivalents	(618 135 065)	(723 928 572)
Net debt	536 344 194	360 543 113
Total equity	1 812 243 056	1 643 740 065
Net debt to adjusted equity ratio	29.60%	21.93 %

6 Other operating income

	Financial period from 1/1/2011 to 30/9/2011 L.E	Financial period from 1/1/2010 to 30/9/2010 L.E	Financial period from 1/7/2011 to 30/9/2011 L.E	Financial period from 1/7/2010 to 30/9/2010 L.E
Export subsidy revenue	7 271 591	10 940 083	2 013 517	3 215 161
Deferred capital gains	1 303 938	1 303 938	434 646	434 646
Capital gain	2 348 170	19 624 911	2 344 889	-
Reversal of impairment of debtors	171 267	830 364	52 365	98 973
Reversal of impairment of fixed assets	113 425	-	(267)	-
Reversal of write down of inventory	-	2 190 403	-	1 161 016
Change in fair value of the biological assets	2 972 636	-	3 315 574	-
Provisions- no longer required	-	1 591 729	-	-
Other revenue	7 905 879	8 903 196	1 135 003	1 982 560
	22 086 906	45 384 624	9 295 727	6 892 356

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the period ended 30 September 2011

7 General & administrative expense

	Financial period from 1/1/2011 to 30/9/2011 L.E	Financial period from 1/1/2010 to 30/9/2010 L.E	Financial period from 1/7/2011 to 30/9/2011 L.E	Financial period from 1/7/2010 to 30/9/2010 L.E
Personnel expenses	41 726 728	28 402 740	15 169 584	10 281 693
Depreciation expense	7 736 570	7 791 031	2 636 101	2 729 781
Rents expense	3 958 668	4 031 156	1 321 745	1 773 824
Other administrative expense	19 864 411	17 658 433	6 091 987	4 995 557
	73 286 377	57 883 360	25 219 417	19 780 855

8 Other operating expenses

	Financial period from 1/1/2011 to 30/9/2011 L.E	Financial period from 1/1/2010 to 30/9/2010 L.E	Financial period from 1/7/2011 to 30/9/2011 L.E	Financial period from 1/7/2010 to 30/9/2010 L.E
Leasing installment	9 075 993	9 075 993	3 025 331	3 025 331
Losses resulting from theft of money and goods	488 763	-	-	-
Impairment of account receivables	560 888	4 780 717	(880 311)	4 770 454
Impairment in fixed assets	41 076	773 729	41 076	-
Capital Loss	14 212	33 958	14 212	9 382
Inventory write down	-	1 199 166	-	147 280
Provision for claims-formed	147 822	4 360 000	-	4 160 000
	10 328 754	20 223 563	2 200 308	12 112 447

9 Finance cost

	Financial period from 1/1/2011 to 30/9/2011 L.E	Financial period from 1/1/2010 to 30/9/2010 L.E	Financial period from 1/7/2011 to 30/9/2011 L.E	Financial period from 1/7/2010 to 30/9/2010 L.E
Interest expense	(62 931 735)	(66 646 946)	(23 926 732)	(19 705 858)
Interest income	37 066 179	15 052 060	13 038 168	12 493 181
Net foreign exchange(loss) / gain	(3 227 065)	(2 497 041)	318 597	(1 223 985)
	(29 092 621)	(54 091 927)	(10 569 967)	(8 436 662)

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the period ended 30 September 2011

10 Tax status

10-1 Juhayna Food Industries-S.A.E.(the Parent Company)

A. Corporation tax

The corporate tax due from the Company is an annual tax according to income tax law No. 91 for the year 2005 and payments due over the operating result on annual basis.

The period from the beginning of operation till year 2004

The Company has been inspected and all tax inspection differences were paid.

Year 2005

The tax inspection has been performed and the inspection forms have been received. The Company objected to the results and the internal committee is currently working on it.

Years from 2006 till 2010

The tax inspection has not been performed to date.

The Company is submits the annual tax returns for the income tax during legal duration required by law and settle the due tax -if any- according to tax return.

B. Salaries tax

The period from the beginning of operation till year 2003

The tax inspection has been performed & the inspection results forms were received and the differences have been settled.

Year 2004

The inspection has been performed. Further, the internal committee finalized its work, settlement was made and an item was referred to appeal committee, payment of tax is in progress.

From year 2005 till 2008

The tax inspection has been performed and the inspection forms have been received. The Company objected to the results and the internal committee is currently working on it.

Year 2009

The Inspection is in progress by related tax authority

Year 2010

The tax inspection has not been performed to date.

C. Stamp tax

The period from the beginning of operation till 31/7/2006

The tax inspection has been performed and paid.

From 1/8/2006 till 31/12/2009

The tax inspection has been performed and currently receiving the inspection forms.

Year 2010

The tax inspection has not been performed to date.

D. Sales tax

The tax inspection has been performed and paid till 31/12/2009.

Year 2010

The tax inspection has not been performed to date.

10-2 Subsidiaries

First: Corporation tax

The Companies that enjoy the corporate tax exemption.

Subsidiaries	Tax inspection ending date
Egyptian Company for Dairy and Juice Products	31/12/2011
The Egyptian Company For Food Industries "Egyfood"	31/12/2018
Modern Concentrates Industrial Company	31/12/2018
International Company For Modern Food Industries	31/12/2018
Inmaa for agriculture development & biological wealth	10 years from starting activity

Juwayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the period ended 30 September 2011

The Companies that are not exempted and have not been inspected as at 30/9/2011.

-Tiba for Trading and Distributing

-Al Marwa for Food Industries (inspected from the beginning of operation till 31/12/2004 and the company submits the annual tax returns during legal duration required by law no 91 of 2005.

Second: Salaries tax

Subsidiaries	Tax inspection ending date
Egyptian Company for Dairy and Juice Products	- Inspection was performed for the year 2005 till 2008 & The Company objected to the internal committee & The Inspection is in progress to 2009
Al-Marwa for Food industries	- Inspection was performed till 2006 & is in progress from 2007 to 2010 and payments have been made till 2010.
Tiba for Trading and Distributing	- Inspection is in progress from 2006 till 2009.
International Company For Modern Food Industries	- Inspection differences till 2005 have been settled and inspection is in progress from year 2006 to 2010.
The Egyptian Company For Food Industries "Egyfood"	- Inspection is in progress for the period from date of establishment till 31/12/2009. The Company pay tax regularly.
Modern Concentrates Industrial Company	- Has not been inspected yet. The Company pay tax monthly.
Inmaa for Agriculture Development Co.	- Has not been inspected yet. The Company pay tax monthly.

Third: Stamp tax

Subsidiaries	Tax inspection ending date
Egyptian Company for Dairy and Juice Products	- Inspection has been performed and payments have been made till 31/7/2006.
Al-Marwa for Food Industries	- Inspection has been performed from 1/1/2006 till 31/7/2006 and inspection forms received and paid.
Tiba for Trading and Distribution	- Inspection has been performed till 31/7/2006, payments have been made.
International Company For Modern Food Industries	- Has not been inspected yet.
The Egyptian Company for Food Industries "Egyfood"	- Has not been inspected yet.
Modern Concentrates Industrial Company	- The Company was addressed with an estimated claim and a request of re-inspection is in progress.
Inmaa for Agriculture Development Co.	- Has not been inspected yet.

Juwayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the period ended 30 September 2011

Fourth: Sales tax

Subsidiaries

Egyptian Company for Dairy and Juice Products

Al-Marwa for Food Industries

International Company For Modern Food Industries

The Egyptian Company For Food Industries "Egyfood"

Modern Concentrates Industrial Company

Tiba for Trading and Distribution

Tax inspection ending date

- The company is exempted from the sales tax and the company presents sales tax return on monthly basis, and the inspection was performed till 31/12/2007 and in progress for years 2008 ,2009 and 2010.
- Inspected and paid till 31/12/2009
- The company present sales tax return on monthly basis and not inspected till date.
- Inspected and paid till 2008.
- The company is registered in sales tax and the company present sales tax return on monthly basis. The company's activity is exempted from sales tax, and was inspected from the inception till 31/12/2009
- The company is registered in sales tax and the company present sales tax return on monthly basis and the company is exempted from tax according to law No. (11) of 1991 and its executive tariffs and Inspection has been performed and payments have been made till 31/12/2008.

Juhayna Food Industries
Notes to the consolidated financial statements for the period ended 30 September 2011

11- Segmentation reports

11-1 Segmentation reports for the period ended 30 September 2011

The segmentation reports was prepared on an activity segments basis, the primary report for the activity segments was prepared in accordance with the organizational and managerial chart of the Company and its subsidiaries.
Activity segmentations results include a direct participation unit in each sector activity.

The primary report for activity segmentations:

Revenues and expenses according to activity segmentations were as follows:

	Activity Segments				Undistributed items		Elementation of consolidated transactions		Total L.E
	Dairy sector L.E	Yogurt sector L.E	Juices sector L.E	Concentrates sector L.E	Agriculture sector L.E	The period ended 30/09/2011	The period ended 30/09/2011	The period ended 30/09/2011	
Sales	819 837 049	473 168 688	314 273 392	42 682 166	17 845 415	-	-	1 667 806 711	-
Sales between segments	713 300 465	411 667 877	274 734 102	36 939 222	-	-	(1 436 641 666)	-	-
Total sales	1 533 137 514	884 836 565	589 007 495	79 621 388	17 845 415	-	(1 436 641 666)	1 667 806 711	-
Cost of sales	(598 527 660)	(311 809 310)	(227 058 077)	(40 115 325)	(9 756 317)	-	-	(1 187 266 689)	-
Segments' gross profit	221 309 389	161 359 378	87 215 315	2 566 841	8 089 098	-	-	480 540 022	-
Other operating income	12 347 907	482 080	1 685 090	4 438 597	3 133 232	-	-	22 086 906	-
Distribution expense	(82 670 711)	(63 460 615)	(37 238 605)	(337 708)	-	-	-	(183 707 639)	-
General & administrative expense	(34 910 616)	(14 842 884)	(15 017 477)	(4 581 757)	(3 933 643)	-	-	(73 286 377)	-
Other operating expense	(4 991 875)	(3 192 719)	(2 040 563)	(103 597)	-	-	-	(10 328 754)	-
Board of Directors' remuneration	(465 659)	(69 564)	(39 777)	(72 000)	(55 000)	-	-	(702 000)	-
Profits from operation	110 618 436	80 275 677	34 563 983	1 910 376	7 233 687	-	-	234 602 158	-
Parent company's share in associates' net losses	-	-	-	-	3 261 024	-	-	3 261 024	-
Finance cost, (net)	(17 029 297)	(3 440 781)	(3 995 861)	(4 999 994)	373 312	-	-	(29 092 621)	-
Net profit for the period before income tax	93 589 138	76 834 896	30 568 121	(3 089 618)	10 868 023	-	-	208 770 561	-
Taxes differences from previous years	-	-	-	-	-	(1 006 955)	-	(1 006 955)	-
Income tax provision	-	-	-	-	-	(14 869 023)	-	(14 869 023)	-
Deferred tax	-	-	-	-	-	(7 199 859)	-	(7 199 859)	-
Net profit for the period after income tax	93 589 138	76 834 896	30 568 121	(3 089 618)	10 868 023	(23 075 837)	-	185 694 724	-
Other Information									
Depreciation	40 551 018	12 070 278	38 138 715	11 278 319	4 772 097	-	-	106 810 427	-
Assets	1266 822 197	486 478 916	685 336 092	205 674 050	225 318 170	97 092 890	-	2 966 722 315	-
Investments accounted for using Equity method	-	-	-	-	41 774 026	-	-	41 774 026	-
Liabilities	849 469 957	115 869 712	109 181 326	66 488 662	13 469 602	-	-	1 154 479 259	-

The Group operates in one geographical sector - Arab Republic of Egypt. Operating revenues primarily result from activities related to the food industry.

Juhayna Food Industries

Notes to the consolidated financial statements for the period ended 30 September 2011

11-2 Segmentation reports for the period ended 30 September 2010

The segmentation reports were prepared on an activity segments basis, the primary report for the activity segments was prepared in accordance with the organizational and managerial chart of the Company and its subsidiaries.

Activity segmentations results include a direct participation unit in each sector activity.

The primary report for activity segmentations:

Revenues and expenses according to activity segmentations were as follows:

	Activity Segments			Undistributed items		Elementation of consolidated transactions	
	Dairy sector L.E	Yogurt sector L.E	Juices sector L.E	Concentrates sector L.E	The period ended 30/09/2010	The period ended 30/09/2010	Total L.E
Sales	747 320 247	295 514 891	279 635 697	33 445 336	-	-	1 355 916 171
Sales between segments	612 714 077	233 807 530	191 312 672	69 399 369	-	(1107 233 648)	-
Total sales	1 360 034 324	529 322 421	470 948 369	102 844 705	-	(1 107 233 648)	1 355 916 171
Cost of sales	(504 781 817)	(193 734 517)	(190 455 157)	(29 855 925)	-	-	(918 827 416)
Segments' gross profit	242 538 430	101 780 374	89 180 540	3 589 411	-	-	437 088 755
Other operating income	34 237 461	5 725 132	2 440 395	2 981 636	-	-	45 384 624
Distribution expense	(65 751 792)	(43 121 442)	(46 005 029)	(423 079)	-	-	(155 301 342)
General & administrative expense	(32 441 362)	(13 438 942)	(9 636 906)	(2 366 150)	-	-	(57 883 360)
Compensations for fire losses	-	139 167 080	-	-	-	-	139 167 080
Factory fire losses	-	(139 167 080)	-	-	-	-	(139 167 080)
Other operating expense	(15 571 140)	(1 818 186)	(1 839 749)	(994 488)	-	-	(20 223 563)
Board of Directors' remuneration	(365 035)	(133 001)	(63 468)	(60 496)	-	-	(622 000)
Profits from operation	162 646 562	48 993 935	34 075 783	2 726 834	-	-	248 443 114
Parent company's share in associates' net losses	(28 373 948)	(9 342 318)	(8 215 869)	(8 159 792)	-	-	(54 091 927)
Finance cost	134 272 614	39 651 617	25 859 914	(5 432 958)	-	-	194 351 187
Net profit for the year before income tax	-	-	-	-	(15 845 522)	-	(15 845 522)
Income tax provision	-	-	-	-	(4 477 030)	-	(4 477 030)
Deferred tax	-	-	-	-	(20 322 552)	-	(20 322 552)
Net profit for the year after income tax	134 272 614	39 651 617	25 859 914	(5 432 958)	-	-	174 028 635
Other Information							
Depreciation	32 639 945	14 362 826	34 614 832	11 339 689	-	-	92 957 292
Assets	1244 030 740	370 548 899	690 600 939	209 036 568	-	-	2 713 616 829
Investments accounted for using Equity method	-	-	-	-	36 000 000	-	36 000 000
Liabilities	817 722 854	133 418 491	96 409 366	72 935 221	-	-	1 123 495 758

The Group operates in one geographical sector - Arab Republic of Egypt. Operating revenues primarily result from activities related to the food industry.

Notes to the consolidated financial statements for the period ended 30 September 2011

12- Investments in equity accounted investees (investments in associates)

Investments in associate companies are shown in the financial statements of the Group company which has significant influence on the future financial decisions of the investee company.

Name of the investee company	Share percentage	Current assets		Non current assets		Total assets		Current liabilities		Non current liabilities		Total liabilities		Revenues		Expenses		Net profit (loss)		Cost of investment	
		L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.
December 31, 2010																					
Melceys Company	39.988	28 977 577		79 439 256		108 416 833		11 847 267		-		11 847 267		59 084 091		51 887 934		7 196 157		38 627 037	
Balance as at 31 December 2010		<u>28 977 577</u>		<u>79 439 256</u>		<u>108 416 833</u>		<u>11 847 267</u>		<u>-</u>		<u>11 847 267</u>		<u>59 084 091</u>		<u>51 887 934</u>		<u>7 196 157</u>		<u>38 627 037</u>	
September 30, 2011																					
Melceys Company	39.988	25 352 902		98 905 865		124 258 767		19 519 185		300 273		19 819 458		58 067 725		49 912 718		8 155 007		41 774 026	
Balance as at 30 September 2011		<u>25 352 902</u>		<u>98 905 865</u>		<u>124 258 767</u>		<u>19 519 185</u>		<u>300 273</u>		<u>19 819 458</u>		<u>58 067 725</u>		<u>49 912 718</u>		<u>8 155 007</u>		<u>41 774 026</u>	

Juhayna Food Industries

Notes to the consolidated financial statements for the period ended 30 September 2011

13-Property, plant, and equipment

Description	Land* L.E.	Buildings & Constructions L.E.	Machinery & Equipment ** L.E.	Transportation & Transport Vehicles L.E.	Empty plastic containers & Pallets L.E.	display Refg.'s L.E.	wells L.E.	Office Furniture & Equipment L.E.	Computers L.E.	Total L.E.
Cost										
Cost as at 1/1/2010	41 125 846	179 230 369	1 056 585 653	77 572 665	20 115 069	-	-	7 319 920	29 326 530	1 433 325 401
Additions of the year	32 364 384	198 294 307	71 548 066	3 966 855	8 886 020	3 502 586	8 908 741	1 617 075	6 038 164	341 770 316
Disposals of the year	(5 929 200)	(2 034 294)	(14 502 345)	(7 686 108)	(5 845 914)	-	-	(59 478)	(1 676 014)	(37 807 628)
Change in the present value	(284 957)	-	-	-	-	-	-	-	-	(284 957)
Disposals of damaged assets (fire accident)	-	(16 666 463)	(139 821 726)	-	-	-	-	(128 914)	(826 507)	(158 793 365)
Cost as at 31/12/2010	67 276 073	358 823 919	973 809 648	73 853 412	23 155 175	3 502 586	8 908 741	8 748 603	32 862 173	1 578 209 767
Adjustments										
Additions of the period	2 799 282	5 871 801	101 208 907	78 564 296	(9 882 372)	-	-	-	-	(9 882 372)
Disposals of the period	-	-	(6 609 111)	(2 734 564)	7 734 312	717 856	7 598 835	1 382 052	9 352 492	221 615 832
Cost as at 30/9/2011	70 075 355	364 695 720	1 068 409 444	149 683 144	19 852 978	4 220 442	16 507 576	10 083 771	42 070 711	1 779 000 579
Accumulated depreciation										
Accumulated depreciation as at 1/1/2010	-	12 175 899	257 275 200	41 632 523	6 503 745	-	-	3 123 302	16 621 354	345 416 388
Depreciation of the year	-	6 692 772	89 726 120	11 894 389	7 715 713	97 886	-	694 909	6 899 138	126 340 692
Accumulated depreciation of Disposals	-	(708 246)	(6 054 049)	(7 441 134)	(84 974)	-	-	(21 209)	(1 666 623)	(16 003 869)
Accumulated depreciation of damaged assets (fire)	-	(728 995)	(27 487 682)	-	-	-	-	(16 912)	(280 736)	(28 777 971)
Impairment of fixed assets	-	-	-	113 425	409 426	-	-	-	-	522 851
Accumulated depreciation as at 31/12/2010	-	17 431 430	313 459 589	46 199 203	14 543 910	97 886	-	3 780 090	21 573 133	427 498 091
Adjustments										
Reclassifying	-	-	-	-	(9 882 372)	-	-	-	-	(9 882 372)
Depreciation of the period	-	319 008	2 710 351	(133 847)	(3 031 576)	-	-	-	-	-
Accumulated depreciation of disposals of the period	-	6 477 539	72 811 433	14 235 378	3 156 356	575 743	491 103	604 256	5 819 766	106 810 427
Reverse of impairment of fixed assets	-	-	(1 506 446)	(1 575 659)	(599 223)	-	-	(38 261)	(67 580)	(3 925 521)
Accumulated depreciation as at 30/9/2011	-	24 227 977	387 474 927	58 611 650	41 076	673 629	491 103	4 346 085	27 325 319	520 428 276
Net book value as at 30/9/2011	70 075 355	340 467 743	680 934 517	91 071 494	15 624 807	3 546 813	16 016 473	5 737 686	14 745 392	1 258 572 303
Net book value as at 31/12/2010	67 276 073	341 392 489	660 350 059	27 654 209	8 611 265	3 404 700	8 908 741	4 968 513	11 289 040	1 150 711 676

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the period ended 30 September 2011

The land item amounted to L.E 70 075 355 on 30/9/2011 includes an amount of L.E 64 318 566 representing the not registered land thus procedures of registering the land are in progress.

1- Land of Juhayna Food Industries Co.

Description	Amount L.E	Instrument Of possess
Pc. 38	1 099 065	Elementary contract
Pc. 39	1 099 065	Elementary contract
Pc. 40	1 100 500	Elementary contract
Service koridor No.1	1 072 585	Registration document
Service koridor No.2	803 205	Registration document
Marsa Allam	1 367 244	Elementary contract
Other	688 498	
	7 230 162	

2- Land of Tiba for Trad. & Distr. Co.

Description	Amount L.E	Instrument Of possess
Baleares land	15 495 080	Elementary contract
Olaykat arab land	2 589 300	Auction
Other	7 788 250	
	25 872 630	

3- Land of Aldawlia for Modern Industries Co.

Description	Amount L.E	Instrument Of possess
Pc. 112:118 m3 6 th of October	6 085 045	Registration document

4- Land of Almarwa for Food Industries Co.

Description	Amount L.E	Instrument Of possess
Pc. 43 m3 6 th of October	2 117 918	Deed

5- Land of Almasrya Co. (Egyfood)

Description	Amount L.E	Instrument Of possess
Pc. 19 A, 9 B m3 6 th of October	2 241 861	Registration document
Alsada Land	2 611 004	Registration document
	4 852 865	

6- Land of Modern Concentration Co.

Description	Amount L.E	Instrument Of possess
Pc. 42 m4 6 th of October	4 333 446	Deed

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the period ended 30 September 2011

7- Land of Inmaa for Agriculture Development & Biological wealth

The Land item includes as follows:

- Area of 2 500 Acres on Farafra zone amounted to L.E 1 287 500 with the virtue of elementary contract from Alwadi Algadeed governorate with purpose – only - of reclamation and cultivation.
- Area of 7 500 Acres on Farafra zone amounted to L.E 3 750 000 with purpose – only - of cultivation with the virtue of bank cheque no. 1472844 dated September 14, 2009 for the beneficiary the head of the centre office of Farafra city. The necessary legal procedures for convey of land are in progress.
- Area of 2 000 Acres amounted to L.E 2 000 000 in the virtue of a contract with Arabya for investment and development Company according to contract with the squatter dated May 4, 2010. The necessary legal procedures with government for legal convey of land are in progress
- Area of 2 000 Acres amounted to L.E 1 200 000 in the virtue of a contract with Abd Elazeem Abdallah according to contract with the squatter dated May 5, 2010. The necessary legal procedures with government for legal convey of land are in progress.
- Area of 3 146 Acres amounted to L.E 4 719 000 in the virtue of a contract with Abd elaziz Aly according to contract with the squatter dated September 5, 2010. The necessary legal procedures with government for legal convey of land are in progress.
- Area of 980 Acres amounted to L.E 870 000 in the virtue of a contract with Abd Elazeem Abdallah according to contract with the squatter dated January 27, 2011. The necessary legal procedures with government for legal convey of land are in progress.

14 Projects under constructions

	30/9/2011	31/12/2010
	L.E.	L.E.
Buildings and constructions in progress	77 764 205	23 945 824
Machineries under installation	38 986 561	54 871 999
Advance payments for fixed assets purchase	49 484 723	42 310 296
Land reclamation	10 583 298	4 149 904
Research, development and drilling	-	12 538 731
Fruit trees and Kazhurana	4 791 828	-
	181 610 615	137 816 754

15 Inventories

	30/9/2011	31/12/2010
	L.E.	L.E.
Raw materials	199 521 041	119 021 271
Packaging & packing materials	109 571 609	69 068 548
Finished products	107 459 328	62 920 655
Work in process	-	17 693
Plant wealth	16 124 374	5 001 756
Spare parts & miscellaneous supplies	28 636 761	23 584 054
L/C's for purchase raw material	57 951	-
	461 371 064	279 613 977
Change in fair value of biological assets (harvested)	2 972 636	-
	464 343 700	279 613 977

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the period ended 30 September 2011

16 Debtors and other debit balances

	30/9/2011	31/12/2010
	L.E	L.E
Trade receivables	67 234 845	70 943 313
Less: Impairment in trade receivables	(17 623 729)	(17 234 108)
	49 611 116	53 709 205
Notes receivables – Customers	3 271 856	4 593 537
Tetra Pak company	7 822 894	5 068 416
Suppliers – advance payments	25 124 627	13 654 862
Prepaid expenses	11 665 947	3 734 031
Export subsidy	8 338 112	7 824 149
Accrued revenues	132 296	16 190 013
Insurance policy compensation “Egyfood fire”*	170 093 014	176 600 585
Tax authority	5 716 313	8 821 481
Customs authority	1 013 042	875 843
Deposits with others	1 681 396	2 122 076
Accrued interest payable	9 412 709	-
Other debit balances	9 805 486	5 855 020
	303 688 808	299 049 218
Less: Impairment in debtors & other debit balances	(238 102)	(238 102)
	303 450 706	298 811 116

17 Cash and cash equivalents

	30/9/2011	31/12/2010
	L.E	L.E.
Time deposits	585 011 016	657 008 767
Banks – current accounts	15 958 524	46 994 544
Cheques under collection	-	180 533
Cash in hand	12 065 525	14 615 379
L /G’s cash margin	5 100 000	5 129 349
	618 135 065	723 928 572
Bank over draft	(4 139 936)	(4 631 116)
L /G’s cash margin (due after 3 months)	(5 100 000)	(5 129 349)
	608 895 129	714 168 107

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the period ended 30 September 2011

18 Provision of claims

Description	30/9/2011	31/12/2010
	L.E	L.E.
Balance at the beginning of the year	7 342 900	8 810 031
Formed during the year	147 823	4 360 000
Used during the year	(330 314)	(5 827 131)
Balance at the end of the year	7 160 409	7 342 900

19 Banks – credit facilities

This balance which amounted to L.E 399 955 529 as at 30 September 2011 (against L.E 227 340 611 as at 31 December 2010), represents the drawn down portion of the L.E. 866 million (in aggregate principal) bank facilities. Interest is charged on such drawn down amounts at a variable interest rate. These lending banks were provided with various guarantees granted by the group companies against these obtained facilities.

20 Short term loans

This balance which amounted to L.E. 7 959 252 as at 30 September 2011 (against L.E. 10 021 159 as at 31/12/2010) represents the short term instalments of the loans granted to the Parent Company by the Commercial International Bank, and the refinance granted by Credit Agricole Bank that are due for repayment within three months from the date of drawn down.

21 Trade and other credit balances

	30/9/2011	31/12/2010
	L.E	L.E
Suppliers	104 163 951	105 608 714
Notes payable	495 117	2 055 656
Accrued expenses	35 253 619	23 687 863
Fixed assets' creditors	3 287 733	19 445 031
Deferred insurance revenue "Egyfood factory fire accident"	32 858 604	39 385 982
Tax authority	4 951 429	4 003 852
Deposits from others	3 145 071	2 225 449
Tax income	15 156 724	-
Sales tax installments on the imported machineries and equipments	6 712 328	6 380 714
Deferred capital gains	1 738 584	1 738 584
Social insurance authority	672 763	372 411
Dividends payable for employees	403 600	165 994
Advances from customers	9 027 588	2 795 333
Other credit balances	5 998 808	8 734 457
	223 865 919	216 600 040

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the period ended 30 September 2011

22 Loans

Details	Long term loans	Long term loan – current portion	Total
	L.E	L.E	L.E
Granted loans to Company's Group from CIB.	134 654 653	58 046 105	192 700 758
Granted loans to Company's Group from HSBC.	164 502 422	72 251 211	236 753 633
Balance on 30/9/2011	299 157 075	130 297 316	429 454 391
Balance on 31/12/2010	384 305 733	135 124 816	519 430 549

23 Other long term liabilities

Description	30/9/2011 L.E.	31/12/2010 L.E.
The value of sales tax installments on the imported machineries and equipments due for settlement starting from February 2009 till December 2025 according to the scheduling agreed upon with the Sales Tax Authority. The installments due within one year amounted to L.E 6 712 328 as at 30/9/2011 (L.E. 6 380 714 as at 31/12/2010) are shown under the item of creditors and other credit balances in the consolidated balance sheet (Note 21). The value of accrued installments of the purchased land at Al-Wadi Al-Gadeed.	36 906 109	39 282 484
	414 872	414 872
	37 320 981	39 697 356

24 Deferred revenues

	30/9/2011 L.E	31/12/2010 L.E
The balance is represented in the long term capital gains deferred resulted from the sale of a plot of land located in Zayed city No.21 (Crazy water corridor) and the construction built thereon, The Company had deferred and derecognized the gain of L.E 17 385 789 in the consolidated income statement as the sale transaction was in the form of a sale with a right of re-lease within 10 years starting on January 2008 through to December 2017. The deferred revenue is to be amortized on straight line method base during the lease period starting from 1/1/2008. The amortization during the period ended 30/9/2011 amounted to L.E 1 303 938 while the short term portion amounted to L.E 1 738 584 as at 30/9/2011 (L.E. 1 738 584 as at 31/12/2010) included in the trade & other credit balances item of the consolidated balance sheet (Note 21).	9 127 515	10 431 452
	9 127 515	10 431 452

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the period ended 30 September 2011

25 Deferred tax assets and liabilities

Deferred tax liability amounted to L.E 34 244 161 on 30/9/2011 is representing the accrued tax generated from the difference between net book value of assets on accounting basis and net book value of assets on tax basis.

	Balance on 1/1/2011	Deferred tax from 1 st Jan To 30 September 2011	Balance on 30/9/2011
	L.E	L.E	L.E
Deferred tax liability from fixed assets	<u>27 044 302</u>	<u>7 199 859</u>	<u>34 244 161</u>

Recognized deferred tax assets

Deferred tax assets are representing in the following items:

	Liabilities	
	30/9/2011	31/12/2010
	L.E	L.E
Fixed assets	36 960 688	29 478 310
Deferred revenue	(2 716 527)	(2 434 008)
Net tax liabilities	<u>34 244 161</u>	<u>27 044 302</u>

26 Group companies

The following sets out the subsidiaries of Juhayna Food Industries Company that were acquired and controlled by the Company as at 30/9/2011 shown together with this respective contribution percentage held as at the balance sheet date.

Subsidiary Name	Contribution percentage 30/9/2011	Contribution percentage 31/12/2010	Country
Egyptian Co. for Dairy & Juice Products	99.99 %	99.99 %	Egypt
International Co. for Modern Food Industries	99.99 %	99.99 %	Egypt
The Egyptian Company for Food Industries "Egyfood"	99.98 %	99.98 %	Egypt
Tiba For Trading & Distributing	99.90 %	99.90 %	Egypt
Al-Marwa for Food Industries	99.91 %	99.91 %	Egypt
Modern Concentrates Industrial Co.	99.81 %	99.81 %	Egypt
Inmaa for Agriculture Development Co.	99.994 %	99.97 %	Egypt
Sister Company			
Milkiez	39.988 % Indirect	39.988 % Indirect	Egypt

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the period ended 30 September 2011

27 Financial instruments**Credit risk****Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	Carrying amount	
		30/9/2011	31/12/2010
		L.E.	L.E.
Cash & equivalents	(17)	618 135 065	723 928 572
Banks credit facilities	(19)	399 955 529	227 340 611
Short term loans	(20)	7 959 252	10 021 159
Total long term loans	(22)	429 454 391	519 430 549

Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount	Contractual cash flows
	L.E.	L.E.
Credit facilities	399 955 529	866 000 000

Currency risk**Exposure to currency risk**

The Group's exposure to foreign currency risk was as follows based on notional amounts:

	USD	Euro	AED	SAR	DKK	GBP
Debtors and other debit balances	3 274 671	83 563	-	-	-	-
Cash and cash equivalents	1 795 097	47 621	-	-	-	-
Credit facilities	(570)	-	-	-	-	-
Creditors and other credit balances	(6 468 188)	(117 195)	(1 045)	-	-	(99)
30 September 2011	(1 398 990)	13 989	(1 045)	-	-	(99)
31 December 2010	(6 211 225)	(225 342)	-	39 152	(121 233)	(454)

The following significant exchange rates applied during the year:

	Average rate		Actual closing Rate	
	9/2011	2010	9/2011	2010
USD	5.867	5.630	5.95	5.785
Euro	7.766	7.650	7.987	7.545
CHF	6.403	6.101	6.545	6.261
AED	1.601	1.508	1.596	1.606

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the period ended 30 September 2011

28 Financial lease contracts

The company signed a contract with Sajulis Leasing company to lease land and buildings and of system construction and leasing, as follows:

First: Land lease contracts (Sale with the right of lease back)

On 30/10/2007 the Company signed a contract with regard to a land lease (including the building built thereon), of land located on plot no. 21 of the Crazy water's corridor in Zayed City with a total area of 15 374.47 m². The contract terms became effective starting 1/1/2008. The following is a summary of the above mentioned contract:

Description	Lease value		Lease period Months	Purchase value at end of contract L.E	Monthly lease value L.E
	Contractual value	Accrued interest			
	L.E	L.E			
contract from 1/1/2008 to 31/12/2017	73 453 985	47 559 261	120	1	1 008 444

Juhayna for Food Industries Company acquired the above mentioned land and constructed a building thereon. Subsequently, the Company sold the land including the buildings to Segolease subject to the right of finance re-leases.

The Company has leased the administration building of Tiba for Trading and Distributing Company (Subsidiary) following the operating lease system for a monthly lease rent of L.E. 170 000 based upon the approval from the leaser's company.

The monthly finance lease's installments and the expenses related to the issue of this lease contract (sale with the right of re-sale) were allocated to the General and administrative expenses and other operating expenses item in the income statement. Thus, total installments of the financial year ended 30/9/2011 amounted to L.E. 9 075 993.

29 Contingencies

On 30 September 2011 the Company had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise. In the ordinary course of business the Company has given guarantees amounting to LE 14 391 300 the cover amount to L.E 5 100 000.

30 Capital commitments

The capital commitments related to setting up and acquiring fixed assets amounted to L.E 2 533 698 on 30/9/2011.

31 Related party transactions

The related parties are represented in the Company's shareholders and companies in which they own directly or indirectly shares giving them significant influence or controls over these companies.

The following is a summary of significant transactions concluded, during the current year, between the Company and its related parties.

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the period ended 30 September 2011

31-1 Due from related parties

Company's name	Nature of transaction	Total value of transactions		Balance as at	
		30/9/2011	31/12/2010	30/9/2011 L.E.	31/12/2010 L.E.
Bonian for Development & Investment	Current account	(500 000)	2 150 000	294 864	794 864
Milkiez	Current account	576 625	-	639 486	-
				934 350	794 864

32 Share capital

	30/9/2011 L.E	31/12/2010 L.E
Authorized capital	5 000 000 000	5 000 000 000
Issued & paid up capital (divided into 726 416 332 shares with nominal value L.E 1 each	726 416 332	726 416 332

32-1 General reserve - issuance premium

The balance of general reserve – issuance premium is representing the net value of issuing capital increase shares during 2010 amounted to L.E 999 379 210 for issuing 205.97 million shares after deducting amount of L.E 350 398 732 for legal reserve completion to be equal to 50 % of paid up capital and amount of L.E 205 972 632 for capital increase after deducting issuance fees amounted to L.E 38 507 164.

33 Treasury shares

A value of an amount to 20 362 521 of Treasury bills was purchased from Stock Support & Stability Fund according to prospectus approved by the General Authority For Financial Control, The shares was transferred from Stock Support & Stability Fund to company's treasury bills on 23/8/2010 by Misr for Central Clearing, Depository & Registry.

The Company is completing the legal procedures needed to call for the unordinary general assembly meeting to approve the execution of the company's treasury bills amounted to 20 362 521 shares after passing more than one year of the date of purchasing this shares and the reduction of the issued and paid up capital with nominal value of share to be amounted to L.E 706 053 811 in addition to modifying the articles no. (6, 7) of the statute of the company.

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the period ended 30 September 2011

34 Earning per share

Earnings per share of the year net profit is calculated using the weighted average method for the number of outstanding shares during the period as follows:

	Financial period from 1/1/2011 to 30/9/2011 L.E	Financial period from 1/1/2010 to 30/9/2010 L.E	Financial period from 1/7/2011 to 30/9/2011 L.E	Financial period from 1/7/2010 to 30/9/2010 L.E
Net profit for the year according to consolidated income statement	185 694 724	174 028 635	73 533 596	73 670 46
Less:				
Employees share	-	-	-	-
BOD shares	-	-	-	-
Net due to shareholders	185 694 724	174 028 635	73 533 596	73 670 46
Weighted average number of outstanding shares	726 416 322	518 456 372	726 416 322	518 456 37
Earning per share (L.E./share)	0.256	0.336	0.101	0.142

35 The fire accident of the factory of The Egyptian Company for Food Industries "Egyfood" (subsidiary company)

The factory of one of the Group Company's (The Egyptian Company for Food Industries "Egyfood") located in 6th of October city has been exposed to fire accident on 22/4/2010 which resulted in losses and damages in most of the Company's assets which are insured with a total value of L.E. 299 million. The said company managed to determine the final losses as per the book balances resulting from such assets with the amount of L.E. 137.21 million, and the said company evidenced a claim against Al Mohandes Insurance Company within the extent of the redemption value of such assets with the amount of L.E. 176.6 million while the insurance company did not finish counting and approving the damaged assets resulting from the fire and Al Mohandes Insurance Company is currently in process of carrying out an adjustment of the value of the said damaged assets. The company send another claim to the insurance company amounted to L.E 170 million represent the replacement value of damaged assets because of fire accident which has a book value of L.E. 137.21 million.

Sami Ay