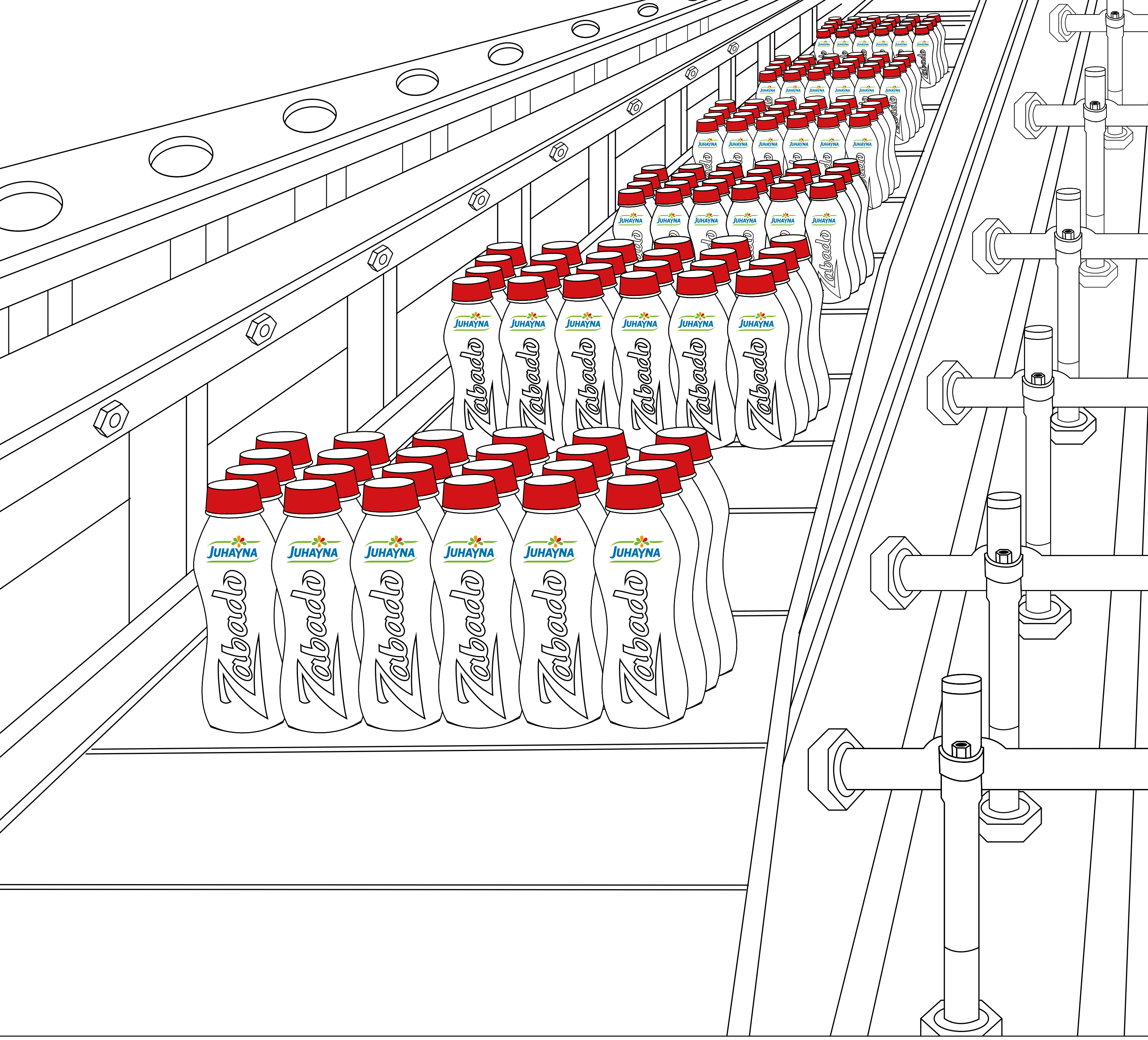


EGYPT'S
MANUFACTURING PIONEER

Annual Report **2014**

CONTENTS

JUHAYNA AT A GLANCE

1987
Start of Production

2014
Launch of Operations at Egyfood Yogurt Plant in Sixth of October City

6,000
Feddans of Reclaimed and Cultivated Land

1,000+
Vans & Trucks

7
Manufacturing Facilities

26
Distribution Centers, Three added in 2014

200+
SKUs

50,000
Retail Outlets

A WORD FROM OUR CHAIRMAN

Dear Shareholders,

The year 2014 was particularly challenging for us at Juhayna and the dairy industry in Egypt as a whole, but I am pleased to note that in spite of these challenges we saw our top-line performance improve 12% year-on-year.

Our operational achievements for the year included: the launch of production at our Sixth of October City EgyFood yogurt plant; the launch of three new distribution centers (in Qena, Alexandria, and Shabramant); continued investment in branded refrigerators, rolling out to thousands of retail locations nationwide; and the finalization of the build-out of our dairy farm and livestock program.

This past year also saw us increase Juhayna's paid-up capital to EGP 941 million from EGP 706 million, with the full EGP 235 million in additional capital being financed from the company's profits and retained earnings.

Naturally, we are looking forward to a new beginning in 2015 as we close a year that also saw sharp rises in raw material prices in the first half — particularly noticeable in the cost of milk, increased foreign exchange costs, and rising energy prices. These factors combined to drive net income down by 48%.

Looking ahead to 2015, I am optimistic that economic recovery will drive up market demand and consumer confidence, that we will have visibility on our energy costs under the new pricing regime for industry, and that we will begin to reap the fruits of our investment in new capacity.

In the coming year, we will continue to focus on ramping up our manufacturing capabilities in order to provide the market with innovative, high-quality products that adhere to the strictest international standards for health and safety.

In closing, I would like to thank our talented staff and in particular our leadership for their dedication to Juhayna's success. The efforts of our team are the foundation upon which the strength of our brand and product portfolio rest.

Safwan Thabet
Chairman & CEO

EFFICIENCY IS THE KEY WORD

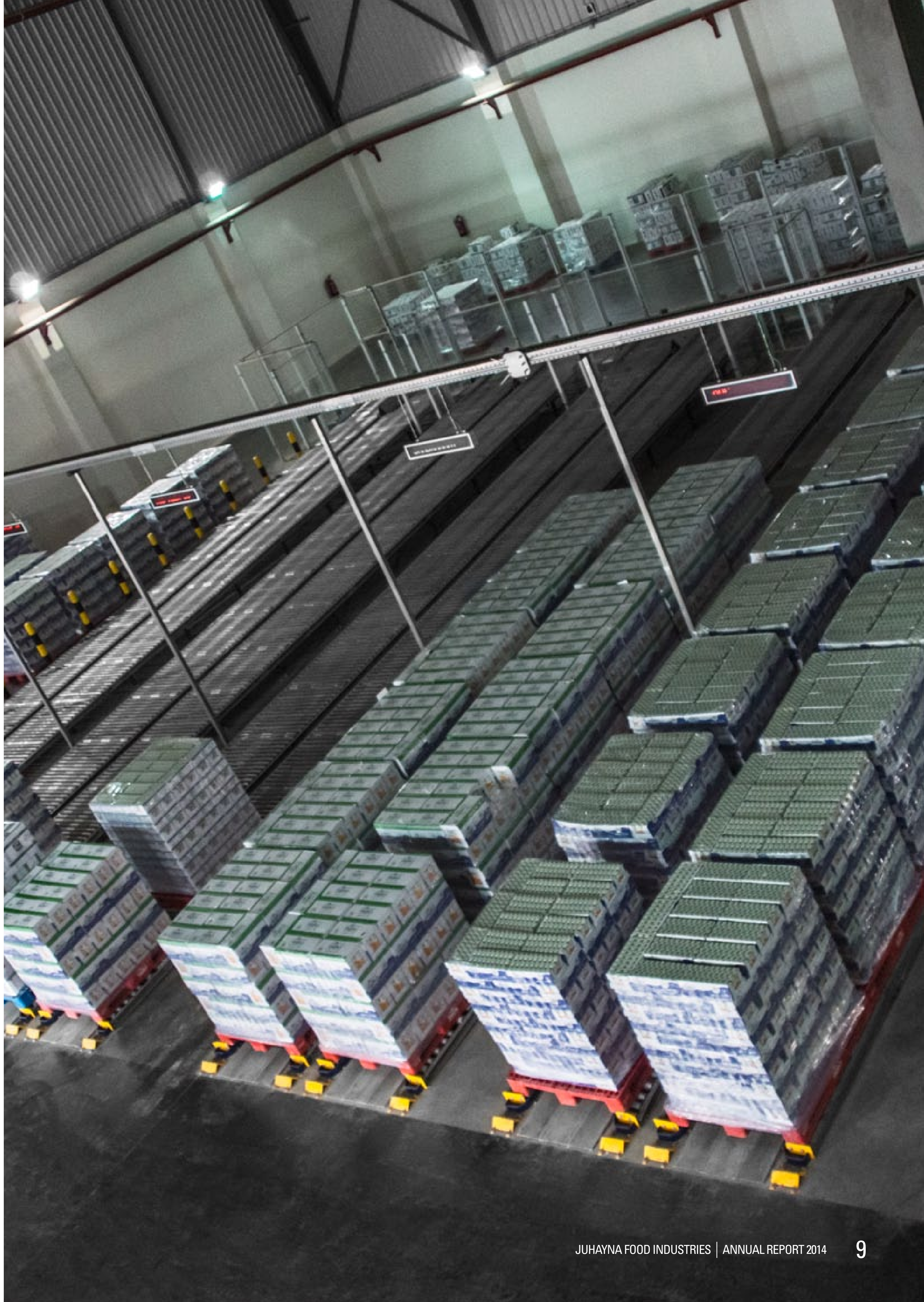
Achim Wuellner, Group Factories Director, aims to set a new quality benchmark for Juhayna

Achim Wuellner, a 25-year veteran of the food and pharmaceuticals industries from Germany, joined Juhayna in January 2013 as Group Factories Director. Since that time, he has worked diligently with the company's senior management to finalize the completion of a strategic plan to build dedicated factories per product category. His expertise in both the nuts and bolts of running high-tech food production facilities and developing strategies that maximise efficiencies have made him an invaluable asset to the company as it embarks on its next phase of growth.

"After the fire that took place in our yogurt manufacturing facility in 2010, we have been temporarily producing yogurt at two different dairy facilities. Since the launch of the Egyfood yogurt factory in 2014, we can now safely say that we have achieved a very important strategic milestone that we have been working toward for the past three years," said Wuellner, who is currently responsible for operations at Juhayna's seven factories as well as for setting the Group's overall manufacturing strategy and quality-assurance guidelines.

"We don't want to be just a manufacturing leader in terms of the size of our business," said Wuellner. "We also want to be the ones to set the benchmark in terms of quality in all our products."

"Our major focus in manufacturing in the last two years was on building and launching the two new Egyfood factories in Sixth of October City and Assiut. We are particularly proud of the Assiut factory because for Juhayna, it is the first factory outside Sixth of October City. Upper Egypt accounts for 16% of Juhayna's yogurt sales, so having a factory there brings us closer to our customers and consumers, and at the same time provides job opportunities for the local workforce and allows



us to source milk from small farms in the neighboring villages.

“We also made some major investments in our Dawleya juice factory last year, like the installation of our new high-bay warehouse, which has significantly expanded our storage capacity. The state-of-the-art, fully automated warehouse has three automated stacker cranes which give us a storage capacity of 6,000 pallets. The design allows us to extend capacity by an additional two cranes, thus giving us a total storage capacity of 10,000 pallets. This is the first fully automated warehouse of its kind in Egypt and only one of three in the Middle East, and stands as a testament to our solid commitment to being on the cutting edge of technology,” explained Wuellner.

“In addition to the warehouse, which will allow the company to meet the demand for storage capacities for our juice products during the peak summer season, Dawleya also ramped-up production capacities by installing a new filling and packing line for juice carton products. “

“We used a challenging year — 2014 — to better position ourselves for growth and profitability in the years to come with the overall goal of improving quality and meeting sales demand in a timely manner with the full volumes.”

“Efficiency will be the key word for us going forward. Introducing more efficient systems of production and maintenance will translate into higher output and lower waste for all our production lines, with the ultimate goal being reduced operational costs.”

What’s next?

“The focus for the past few years has been on expanding and improving our manufacturing base. We will continue on this path of improvement alongside a strong focus on quality and efficiency in order to provide our customers with the highest-quality products and the best value for their money within all our product categories.”

Wuellner’s previous experience includes running large-scale production and packaging operations in his native Germany. He began his career at Unilever, where he spent 14 years in various posts including Project Engineer, Chief Engineer, and Factory Manager for Unilever’s foods business. After Unilever, he worked as Managing Director for a large family-owned FMCG company that manufactured a total of 850 SKUs. He then ran a pharmaceuticals start-up for eight years before moving to Egypt.

2014 FINANCIAL HIGHLIGHTS

Juhayna Revenues

rose to EGP 3.6 billion, a 12% increase over 2013.

Consolidated Gross Profit

reached EGP 991 million, while the gross profit margin dropped 3 ppt. to 27%. This decrease in gross profit margins can be attributed to higher raw material prices.

Net Income

saw a 48% decline from last year to EGP 170 million, while net profit margin declined 5 ppt. to 4.6%.

EBIT

dropped to EGP 351 million, a 21% decrease over 2013.

Dairy Sales

grew 18% y-o-y to EGP 1.9 billion. Gross profit for the LOB climbed up 9% to EGP 473 million, while gross profit margins for the segment dropped by 3 ppt. to reach 24%.

Yogurt Sales

rose 6% to EGP 949 million, with gross profit up 1% y-o-y to EGP 316 million. Gross profit margin inched down 2 ppt. to 33%.

Juice ales

increased 8% to EGP 669 million. Gross profit for the LOB grew slightly over last year, reaching EGP 198 million, up from EGP 197 million in 2013, while gross profit margin declined by 2ppt. to 30%.

Concentrates Sales

witnessed a 16% decline to EGP 76 million, with gross profit for the segment dropping accordingly 37% to EGP 20 million. Gross profit margins dropped to 26%, a decrease of 8 ppt.

Agriculture Sales

climbed 9% to EGP 58 million, with gross profit for the LOB falling to EGP -16 million. Gross profit margins fell to -27% in 2014.

The year 2014 proved to be one in which the industry was forced to cope with the impact of raw material price hikes, which were particularly acute for milk. Passing price rises on to the market in a gradual manner slightly mitigated the effects of escalating costs. Furthermore, during the second half of the year the company decided to refrain from further price increases as the costs of raw materials started to improve.

Against this backdrop, management pressed forward with its core plan for 2013 and 2014 of boosting manufacturing capabilities and production capacities while pushing through innovative technical upgrades. Hence, Juhayna's sustained investment program for 2014, which built on the success of the 2013 program, reached EGP 500 million.

Moreover, we increased Juhayna's paid-up capital to EGP 941 million from EGP 706 million, with the full EGP 235 million in additional capital being financed from the company's profits and retained earnings.

Beginning in 2013, Juhayna started implementing the manufacturing expansion plan, which culminated in a number of operational milestones in 2014. Among these was the launch of full operations at the EgyFoods yogurt factory located in Sixth of October City during the first half of 2014.

To address supply issues, Juhayna spent two years developing its own dairy farm on 500 feddans of reclaimed farmland, and recently purchased 650 pregnant Holstein heifers from Germany that arrived to the farm in May 2015.

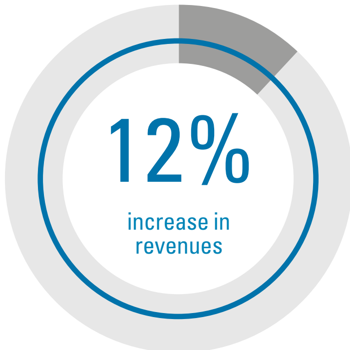
In line with company plans to overhaul the manufacturing sector, Juhayna sought to expand its logistical network. As of 2014, Juhayna now has three new operational distribution centres in Qena, Alexandria, and Shabramant in Giza.

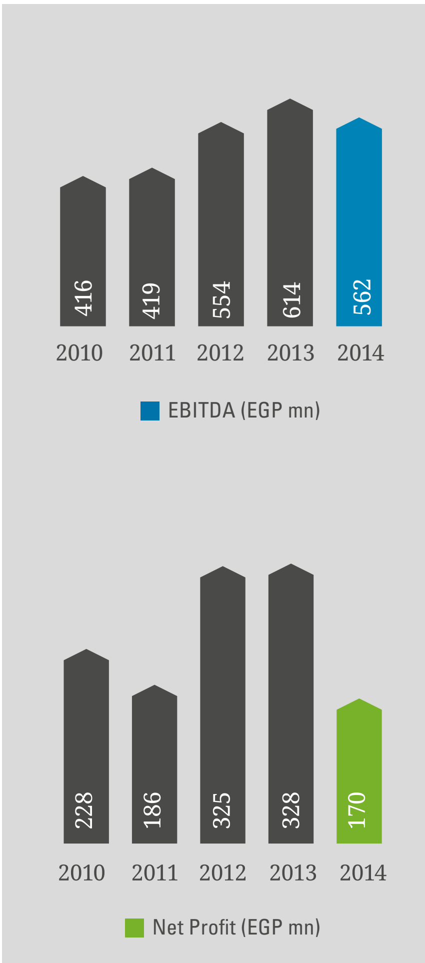
Outlook

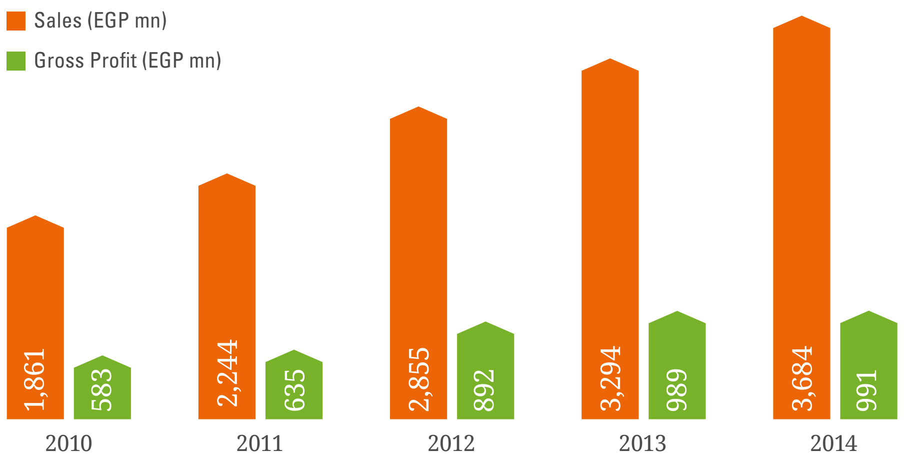
The significant investments made to strengthen manufacturing and distribution capabilities in 2013 and 2014 were the primary growth drivers for the company and will play an even greater role in the coming years. Juhayna is well positioned to adapt to fluctuating market conditions as it has continued to innovate both in terms of operational structure and product development.

Economic reform and the conclusion of the drawn out political transition coupled with strong market fundamentals should see the Egyptian economy rebound within the coming year. Capacity built up during the previous years will serve as a springboard to capture that upside potential as the rebound comes to fruition.

To this end, Juhayna will continue to focus on expanding its production lines, upgrading its technology, and diversifying its product range to stay ahead of the evolving marketplace.







LINES OF BUSINESS

From affordable packaged milk and traditional family-packs of spoonable yogurt to premium juices and flavored yogurt drinks, Juhayna's diverse range of products is a key aspect of our success.

DAIRY

YOGURT

JUICE

CONCENTRATES

AGRICULTURE

COMMERCIAL

DAIRY

Business Review

Since its founding in 1983 as a dairy company, Juhayna continues to inspire consumer confidence in the excellence of its dairy products, a fact represented in the business segment's outstanding performance over its 32-year history. Juhayna's dairy segment focuses on the production of plain and flavored milk, cream, and white cheese, as well as speciality products for global manufacturers, retail outlets, and leading restaurant chains.

Over the years, Juhyana's dairy segment has cultivated an ever increasing number of customers loyal to its milk brands. Innovations in quality and packaging have allowed the company to reinvent the industry in Egypt and the region and afford it a comfortable lead above all its dairy competitors and a significant market share that currently stands at 68%.

Production operations are primarily carried out through two state-of-the-art facilities with a combined daily production capacity of 2,000 tons located in Sixth of October City, an industrial and manufacturing hub west of Cairo.

The first of these factories to be established was the Juhayna Factory, a 22,000 sqm facility built in 1983, which has since undergone a number of upgrades. With a daily production capacity of 1,000 tons, the Juhayna Factory features fully automated production — from pasteurization to packaging — and employs a staff of 366 in production, engineering, and administrative functions.

As part of a push to expand its domestic market share, Juhayna acquired the El-Masreya facility in 2005. The fully automated 25,000 sqm factory has a production capacity of 1,000 tons per day and employs 265 technicians, engineers, and administrators.

2014 Highlights

Despite the difficult market conditions Egypt witnessed in 2014, Juhayna's dairy line of business continued to perform well.

Dairy net sales rose 18% to reach EGP 1.93 billion. Higher costs of goods led to a 3 ppt. drop in gross

68% market share of milk in 2014

18% increase in sales revenues y-o-y in 2014

profit margin, which stood at 24% on the back of EGP 473 million in gross profits.

While 2013 was marked by an increased focus on product launches, operational successes in 2014 came as a result of a concerted strategy to increase capacity and boost manufacturing capabilities. When fires significantly damaged Juhayna's EgyFoods yogurt factory in 2010, the company adapted to the production shortfall by installing yogurt production lines in both the Juhayna Dairy factory and the El-Masreya factory. With the launch of two new EgyFoods facilities in Assiut and Sixth of October in 2013 and 2014, respectively, the Juhayna and Masreya factories have now been fully rededicated to dairy production.

In keeping with its core principle of introducing state-of-the-art manufacturing technologies, Juhayna introduced the aesthetically pleasing and highly sterile Tetra Pak TBA Edge packaging to the Egyptian market in 2012.

In the company's ongoing efforts to ensure a continuous supply of high-quality raw milk, Juhayna initiated two major projects, the first of which was the "Farms Upgrade Program." As part of the program, Juhayna purchased 1,120 new pregnant Holstein heifers from Germany and distributed them across 70 local farms that supplied the company's raw milk needs over the course of 2013 and 2014.

The second project involved the rollout of a major strategy to control the quality of raw milk inputs through the development of a new 500 feddan dairy farm. Juhayna has already purchased 650 cows for the new farm that arrived in May 2015. This purchase is the first shipment of the targeted 4,000 cows that will populate the farm.

Operational successes in 2014 came as a result of a concerted effort to increase capacity and boost manufacturing.

YOGURT

Business Review

Juhayna's yogurt segment includes spoonable as well as drinkable yogurts, and is comprised of over six successful and highly recognisable brands in the Egyptian market — such as Rayeb and Zabado — ranging in size from single serving to restaurant bulk use. Founded in 1987, Juhayna's yogurt line of business has consistently maintained a leadership position in the domestic yogurt market by emphasising quality and health. Currently, Juhayna holds a 32% market share of spoonable yogurts and a 45% market share of drinkable yogurt.

Our yogurts are produced in two new specialised facilities that were established over the last two years to meet local demand and ensure the highest levels of quality, hygiene, and safety of our products. Juhayna launched its yogurt manufacturing facility in Assiut in 2013 — the first of its kind in Upper Egypt — while 2014 saw the inauguration of its 35,000 sqm state-of-the-art facility in Sixth of October City.

2014 Highlights

Overall, the yogurt market proved volatile in 2014. This came primarily as a result of Egypt's macroeconomic challenges, which reached their peak in 2013 and continued to affect the country in 2014. However, thanks to Juhayna's efforts, the company managed to mitigate the worst of these effects.

32% market share of spoonable yogurt in 2014

6% increase in sales revenues y-o-y in 2014

Yogurt production capacity has increased to 700 tons per day in 2014 from 450 tons per day in 2013.

The prominent challenge in 2014 was the substantial inflation in the cost of goods and raw materials nationwide. Despite these conditions, however, Juhayna's yogurt segment saw a 6% year-on-year increase in sales in 2014, reaching EGP 949 million. However, gross profit margin declined 2 ppt. to 33%, with gross profit recording EGP 316 million, inching up only 1% from EGP 313 million in 2013. Management notes that a resurgence in the yogurt segment is underway, supported by Juhayna's long-term vision and strategy.

Juhayna has managed to weather the storm by investing in its manufacturing and quality control and assurance capabilities. The establishment of the state-of-the-art EgyFoods facility in Sixth of October has increased our yogurt production capacity from 450 tons per day in 2013 to 700 tons per day in 2014.

The 35,000 sqm factory features the most up-to-date technology, including fully automated and computerised processing and fermentation equipment and temperature controls.

The new Sixth of October facility joins the EGP 200 million factory in Assiut that has been operating for over a year and was established as part of our drive to increase our presence in Upper Egypt, a region which stands as among the fastest growing for yogurt consumption.

45% market share of drinkable yogurt in 2014

JUICE

Business Review

Since its founding in 1987, Juhayna's juice segment has consistently maintained a leadership position in the highly competitive juice market in Egypt by developing the flavorful and healthy beverages that have become iconic in the region and a staple in Egyptian households.

The fruit pulps and concentrates used to make our juices are manufactured from the highest-quality fresh fruits, squeezed and distilled using the most up-to-date technology in accordance with global standards.

Juhayna's primary juice manufacturing and packaging facility is the state-of-the-art El-Dawleya factory located in Sixth of October City. Established in 2009, the 36,000 sqm facility has an average production capacity of 750 tons per day, with a fully automated production process and a total of 208 employees.

2014 Highlights

Juice sales climbed 8% to EGP 669 million; gross profit for the segment was flat at 198 million, while gross profit margin witnessed a drop of 2 ppt.

On the manufacturing front, two new production lines were installed, including a filling line that greatly expedited processes along the production chain. A new pasteuriser was also installed.

A new high bay automated warehouse was added to the El-Dawleya factory in 2014 — the first automated warehouse in Egypt and the third ever in the Middle East, with a storage capacity of 6,000 pallets. This added capacity leaves Juhayna in an ideal position to capitalise on the projected spike in demand over the next few years.

25% market share of juice in 2014

8% increase in sales revenues y-o-y in 2014

CONCENTRATES

Business Review

Juhayna's position as the largest juice manufacturer in Egypt could not have been achieved without a concentrates production and distribution segment. Not only is Juhayna's concentrates line of business a key strategic component of Juhayna's value chain — with 75% of its concentrates production used in juice manufacturing by the company — its operations are sophisticated enough to sustain itself as an independent business unit. The concentrates LOB supplies a wide variety of customers ranging from private consumers to multinational corporations.

The production of concentrates takes place in two manufacturing facilities in Sixth of October City, with a production capacity of 300 tons per day. The El-Marwa factory — which was established in 1998 — is a 10,000 sqm manufacturing facility specialising in a variety of fruit pulps and concentrates made from tropical fruits such as mango, guava, strawberries, peaches, and apricots.

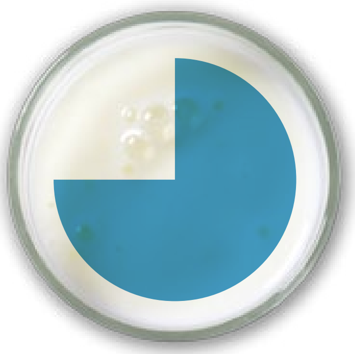
In order to meet the increase in demand for juice and to maximise capacity, Juhayna established the Modern Concentrates Factory in 2007. The 6,000 sqm facility produces concentrates from citrus fruits such as orange, lemon, and grapefruit, at a daily production capacity of 720 tons.

2014 Highlights

Weak exports and increase in raw material prices — primarily fruits — contributed to the decline in the concentrates division.

Net sales dropped by 16% to EGP 76 million. These results were reflected in the segment's gross profits, which fell 37% to EGP 20 million, down from EGP 31 million in 2013. As a result, gross profit margin dropped 8 ppt. to 26%.

75% of concentrate production is used in Juayna's own juice manufacturing operations



AGRICULTURE

Business Review

Juhayna's agricultural activities focus primarily on livestock, land reclamation, milk production and produce farming. The Group conducts its operations through Enmaa for Livestock Company, which operates our dairy farm and Enmaa for Reclamation and Agriculture, which reclaims land for cultivation and farming.

2014 Highlights

Agriculture sales grew 9% year-on-year to reach EGP 58 million. Gross profit for the division fell to a negative EGP 16 million.

Juhyana is in the process of increasing and improving utilization of its agricultural assets to maximize production capacity.

A leading driver of growth for this segment remains the continuous investment by Juhayna in developing the agricultural infrastructure of the company through the "Farms Upgrade Program," whose existing supply of 780 Holstein heifers was supplemented in 2014 with an additional 352 cows, bringing the total number of cows up to 1,120, distributed among 70 farms.

Capacity for the agricultural sector is projected to grow significantly upon completion of the new dairy farm that is being developed on 6,000 feddans of reclaimed farmland. Juhayna has already purchased the first herd of 650 cows from Germany, which arrived to the new farm in May 2015. The company is targeting a herd size of 4,000.

9% increase in sales revenues y-o-y in 2014

COMMERCIAL

Business Review

One of Juhayna's greatest competitive advantages and a key force behind its viability as a vertically integrated entity is its distribution network — one of Egypt's largest. As such, the Group prioritizes the expansion of its commercial operations segment every year. The distribution arm of the Group has grown to include 26 distribution centres, 50,000 retail outlets, and a fleet of over 1,000 vehicles.

Tiba for Trade & Distribution is the commercial arm of the Group (99.9% owned by Juhayna), responsible for selling and distribution activities as well as commercial franchises and third-party protection. Established in 2006, Tiba is also responsible for all planning and communication strategy functions vis-à-vis local and international clients.

2014 Highlights

In 2014, Juhayna continued to build upon its well-established distribution network. The year saw the activation of three new distribution centres in Qena, Alexandria, and Shabramant in Giza — locations which stretch from Upper Egypt to the Mediterranean coast. The company now operates 26 distribution centres. An additional 220 new vehicles came online in 2014, bringing the total number of trucks and vans to over 1,000, a level the company feels is sufficient to handle the added capacity brought about by its 2014 expansion plans.

In 2014 Juhayna added three new distribution centers in Qena, Alexandria, and Shabramant (Giza).

STRATEGY

Juhayna prides itself on having consistently maintained its position as the dominant market player in the Egyptian food industry over the years, even in the face of ever-changing economic and political hurdles. Accomplishing this — as the leading vertically integrated company in Egypt with a sizeable, expansive, and diverse range of operations — required dexterity and a visionary long-term strategy. It is this that has allowed Juhayna to weather the storms and positioned it to seize the upside of the projected economic rebound in 2015.

The emphasis in 2013 was on innovative product offerings, quality, and increased marketing; the focus in 2014 was on maximizing our manufacturing capabilities and production capacity in addition to progressing towards a more vertically integrated business model from a manufacturing standpoint. Doing so will afford Juhayna the ability to sustain its businesses while serving as a springboard to capitalise on the anticipated rebound in 2015.

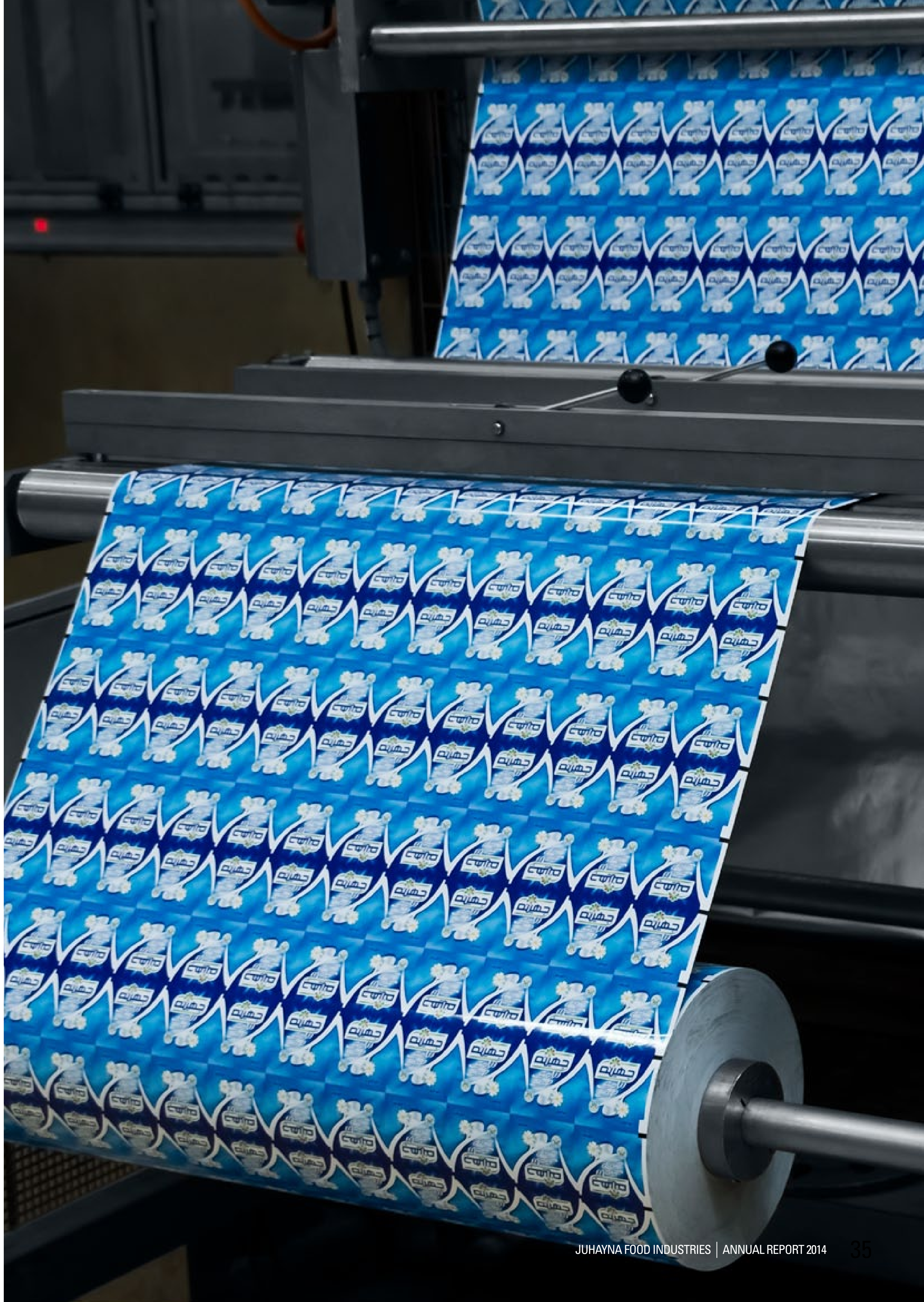
As such, 2014 milestones were centred on the manufacturing front. These include the launch of full operations at the Sixth of October EgyFoods yogurt factory, a development that raised yogurt production from 450 to 700 tons per day.

The launch of EgyFoods factories in Assiut and Sixth of October allowed the Juhayna and El-Masreya dairy factories to be rededicated entirely to dairy production.

We remained steadfast in our strategy to upgrade and refurbish existing facilities with the most advanced technologies, such as the installation of two new production lines and a new pasteuriser at El-Dawleya juice factory. This greatly expanded and expedited processes along the juice segment's production chain.

Our ongoing program to enhance our milk supply through the expansion of our dairy farm — as well as our support to our milk suppliers — will help secure supply and provide some hedge against raw material price volatility. As of 2014, Juhayna has reclaimed around 6,000 feddans of land, which it has populated with 650 Holstein heifers it recently purchased from Germany, which arrived to the farm in May 2015.

A focal point for the company this year was to ensure its distribution infrastructure grew in line with expanded capacities. To that end, 2014 saw the establishment of three new distribution centres in Qena, Alexandria, and Shabramant in Giza.



MANAGEMENT OVERVIEW

EXECUTIVE MANAGEMENT

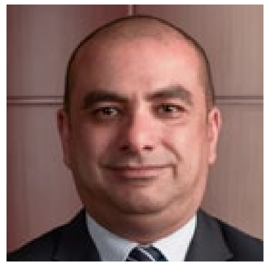
Safwan Thabet
Chairman of the BoD and CEO

Seif El-Din Thabet
Deputy Chief Executive Officer

Achim Wuellner
Group Factories Director

Claus Pedersen
Marketing & Innovation Director

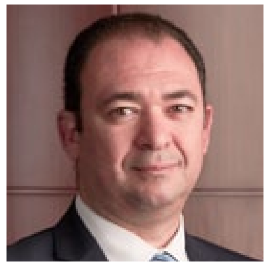
Sameh El-Hodaiby
Financial Affairs Director



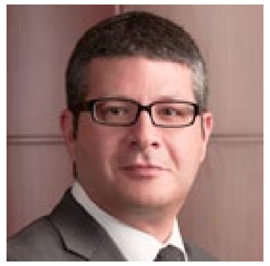
Amr Ghazaly
General Manager of Tiba for Trade & Distribution

Wael Zakaria
General Manager of El-Enmaa for Agricultural Development & Livestock

Hisham Zaki
Administrative Affairs and Government Relations Director



Mohamed El-Qady
Human Resources Director



Mohamed Ragaei
Acting Supply Chain Director

BOARD OF DIRECTORS

Safwan Thabet
Chairman of the BoD and CEO

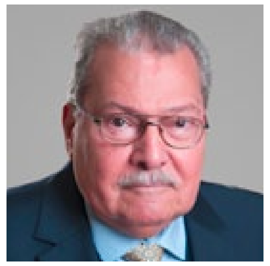
Mr. Thabet has been Chairman of the Board of Directors and Chief Executive Officer of Juhayna since founding the Group in 1983. He has played a central role in the development of the Egyptian food sector for more than 30 years through various appointments and positions, including: Member of the Board of the Federation of Egyptian Industries (FEI), Member of the Board of the Chamber of Food Industries, Chairman of the Board of the Sixth of October Investors' Association (OIA), and Member of the Board of the Sixth of October Development & Investment Company (SODIC).

Seif El-Din Thabet
Deputy Chief Executive Officer

Mr. Thabet was admitted to the Board of Directors in February 2006. He is currently Deputy Chief Executive Officer at Juhayna, and previously worked as Operations Director and Human Resources Director. Mr. Thabet began his career at Juhayna in 2004, holding a number of managerial positions, including Sales and Marketing Manager and Project Manager. He previously held positions at German-based Muller Dairy. He was appointed as the first Plant Manager for Juhayna's juice factory, El-Dawleya, and is currently Vice President of the Dairy Division at the Chamber of Food Industries and former Treasurer at the Food Export Council.

Akil Bisheer
Non-Executive Member

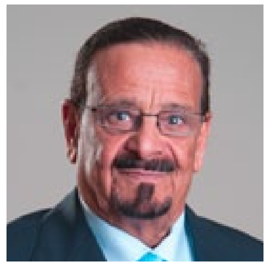
Mr. Bisheer has been a Non-Executive Member of the Board since 2010 and has recently been appointed the Chairman of Al Enmaa for Agricultural Development & Livestock. Prior to joining Juhayna, Mr. Bisheer held top managerial positions at Telecom Egypt for over a decade, acting as Chairman and CEO (2000-2009) and Chairman of the Board of Directors (2009-2012). He previously worked as General Manager and Managing Director at Giza Systems Engineering (1978-2000), and also acted as Vice Chairman of Al Ahly Computer Equipment and Vice President of Misria Computer Systems.



Ahmed El-Abin
Non-Executive Member

Mr. El-Abin has been a Non-Executive Member of the Board since 1985. He has also been a Member of the Board of Directors of the Scientific Center of Documents and Information at Cairo University since 2009. Mr. El-Abin is the founder of the Academic Library in Cairo and Co-Founder of Mars Publishing House in Riyadh, Saudi Arabia. He was also responsible for the foreign language books department at Al-Ahram Institute.

Board of Directors



Mohamed El-Dogheim
Non-Executive Member

Mr. El-Dogheim has been a Non-Executive Member of the Board since 1983. He is also a member of the Saudi Egyptian Business Council and the Chamber of Commerce of Al-Dawadmi Governate in Saudi Arabia. Mr. El-Dogheim previously held a variety of positions in Saudi Arabia at the Ministry of Finance in Dammam, the Ministry of Transport, and the Ministry of Islamic Affairs and Endowments in Riyadh. He also worked as a Financial Controller, Financial Director, and Budget Director at the Ministry of Water and Electricity in Riyadh.

Yasser El-Mallawany
Non-Executive Member

Mr. El-Mallawany has been a Non-Executive Member of the Board since 2000. He has acted as CEO of EFG Hermes Holding Company SAE since 2008 and Vice President of the Board of Trustees of the EFG Hermes Foundation since 2006. He was also appointed as the Chairman of the Board of EFG Hermes Private Equity and as a Non-Executive Chairman at ACE Insurance Company. Mr. El-Mallawany has also served as Vice Chairman of the Commercial International Investment Company (CIIC) since 2003, and spent 16 years at Commercial International Bank (CIB) as General Manager of the Corporate Banking Division. He is a member of the Advisory Council of the Emerging Markets Private Equity Association (EMPEA).

Ziad Bahaa El-Din
Non-Executive Member

Dr. Bahaa El-Din joined Juhayna's Board of Directors as a Non-Executive Member in March 2015 with an illustrious background in law and policymaking. In addition to serving as the Egyptian Minister of International Cooperation and Deputy Prime Minister from 2013-14, Bahaa El-Din worked as an attorney for several reputable law firms such as Arnold and Porter before founding his own in 2001. Previously, he also served as the Senior Legal Advisor to Egypt's Minister of Economy between 1997 and 2000. Currently, Bahaa El-Din is a senior legal advisor for Thebes Consultancy and a Non-Executive Board Member for HSBC, SEKEM, the American University in Cairo, and the National Bank of Egypt.

Heba Thabet
Executive Member

Ms. Thabet has been an Executive Member of the Board since February 2006 and is currently handling marketing and communication projects for the company. Ms. Thabet previously handled marketing for the Juice Division. She previously held the title of Associate Director of External Affairs, where she was responsible for the Group's media and public relations activities. Ms. Thabet has worked in the Marketing Department for the Fresh Produce Division since joining Juhayna in 2001. She is also a member of the Business Advisory Board for SIFE Egypt, the International Public Relations Association (IPRA), and the Committee for Social Responsibility at the American Chamber of Commerce in Egypt.

Mariam Thabet
Non-Executive Member

Ms. Thabet has been a Non-Executive Member of the Board since 2010 and currently focuses on Strategic Planning for the Group, where she works to develop production divisions at Juhayna. She previously held the title of Assistant Procurement Manager for the Group.

CORPORATE CITIZENSHIP

Enriching the communities in which we do business has always been a core tenet of Juhayna and one that is imbued in every aspect of its business and operations. As the company continues to grow, we see it as a fundamental responsibility that we aid in the growth of the community at large and support those most in need. Over the years, in its effort to be a better corporate citizen, Juhayna has been an active partner in a number of initiatives and worthwhile causes that have brought meaningful change to our community.

Most recently, Juhayna donated EGP 50 million to the Tahya Misr Fund (Long Live Egypt), an initiative launched by the Central Bank of Egypt to boost the Egyptian economy through donations and contributions.

Bolstering Healthcare in Upper Egypt

In 2013, Juhayna focused on improving health by promoting more wholesome dietary habits and increasing nutritional awareness. In 2014, the company sought to tackle the issue of healthcare in a more direct and impactful manner by partnering with the Shifa Foundation and the Orman Charity Association, two of the largest charitable institutions in Egypt, to build the Shifa Orman Hospital in Tiba, Luxor. Construction on the hospital began in 2014; upon its completion in 2016, it will be the first medical centre specializing in oncology in Upper Egypt.

Due to the underdeveloped healthcare infrastructure in the region, patients suffering from both benign and malignant tumors had no recourse for treatment, save commuting for long distances at a time to outlying governorates, and more often than not, to Cairo (a journey which could take 12 hours overland). With a contribution of EGP 10 million and by providing further material support, Juhayna aims to alleviate the suffering of cancer patients in Upper Egypt by helping bring to life an easily accessible and local state-of-the-art oncology facility in addition to diminishing the burden of an already overtaxed regional healthcare system.

Proud Sponsor of the Special Olympics

In addition to Juhayna's ongoing efforts to support sports initiatives, the company in 2014 became the proud sponsor of the Eighth Middle East and North Africa Special Olympics, a landmark event in Egypt hosting 666 athletes from 14 competing nations. The event, which was held under the auspices of Egypt's President Abdel-Fattah El-Sisi, featured 16 athletic tournaments ranging from competitive team sports (such as football and basketball) to individual performance activities (such as weightlifting and gymnastics), showcasing the talent, skill, dexterity, endurance, and drive of those not typically associated with such activities.

In addition to sports events, the Special Olympics in Egypt featured a number of important panels discussing the role of athletes with disabilities, with spokespeople highlighting both the plight and capabilities of those with special needs and disabilities in a region which has been traditionally behind in providing them with support mechanisms. Other panel discussions, which included important sports and health officials in addition to representatives of leading special-needs organizations from the participating MENA nations, focused on building a strong regional support network for the disabled.

FINANCIAL STATEMENTS

Financial Statement | Translation from Arabic

Report on Consolidated Financial Statements

To: The shareholders of Juhayna Food Industries S.A.E

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

Introduction

We have audited consolidated balance sheet of Juhayna Food Industries S.A.E, as of 31 December 2014 and the related consolidated statements of income, changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

These consolidated financial statements are the responsibility of Company's management. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Egyptian Accounting Standards and in the light of the prevailing Egyptian laws, management responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; management responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Egyptian Standards on Auditing and in the light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as at 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with Egyptian Accounting Standards.

Without qualifying our opinion, and as described in detail in note (28) of the notes to the financial statements, Given the current economic conditions faced by the Arab Republic of Egypt and the shortage of cash in foreign currency by the official banking markets which increased the exchange rates and operation risks, the Company's management applies exceptional policies to manage these risks, by covering some of its foreign currency cash needs with exceptional exchange rates, which differ from quoted prices in official banking markets, after getting approval along with the related internal documents by the Company's senior management, to the best estimate of the price from its point of view.

Cairo, 17 February 2015

Salah EL Missary
Capital Authority Controller
Register N0.(364)
KPMG Hazem Hassan

Hossam Hilal
Capital Authority Controller
Register N0.(147)
Mohamed Hilal – Grant Thornton

Consolidated balance sheet

As at 31 December 2014

	Note no.	31/12/2014 L.E.	31/12/2013 L.E.
Assets			
Property, plant and equipment	(11)	2 094 365 402	1 698 981 216
Projects under construction	(12)	1 067 146 333	1 071 427 199
Plant wealth	(13)	26 421 716	48 088 049
Investments in equity - accounted investees	(10)	50 929 445	47 658 194
Other - long term - debit balances		781 776	790 048
Goodwill	(33)	97 092 890	97 092 890
Non-current assets		**3 336 737 562**	**2 964 037 596**
Inventories	(15)	557 524 201	616 189 984
Trade and other receivables	(16)	194 757 012	190 496 653
Due from related parties	(32-1)	815 558	785 434
Cash and cash equivalents	(17)	425 167 281	575 932 728
Current assets		**1 178 264 052**	**1 383 404 799**
Current liabilities			
Provisions of claims	(22)	8 571 220	10 090 042
Banks - overdraft		17 197 765	17 509 193
Banks - credit facilities	(20)	742 348 289	765 244 202
Short term loans	(21)	16 000 000	10 000 000
Creditors and other credit balances	(23)	272 772 151	243 344 257
Income tax		50 480 863	48 762 310
Long-term loans-current portion	(19)	254 163 157	256 895 019
Current liabilities		**1 361 533 445**	**1 351 845 023**
(Net current liabities) working capital		**(183 269 393)**	**31 559 776**
Total invested funds		**3 153 468 169**	**2 995 597 372**
These investments are financed as follows:			
Equity			
Issued and paid up capital	(18)	941 405 082	706 053 811
Legal reserve		435 553 732	421 792 281
General reserve - issuance premium	(18-1)	330 920 428	330 920 428
Retained earnings		414 262 886	391 834 289
Net profit for the period/year after periodic dividends		161 550 850	313 080 142
Total equity attributable to the shareholders of the parent company		**2 283 692 978**	**2 163 680 951**
Minority interest		761 931	639 093
Total equity		**2 284 454 909**	**2 164 320 044**
Non-current liabilities			
Long term loans	(19)	705 695 751	675 112 460
Other long term liabilities	(24)	85 003 065	83 995 990
Deferred revenues	(25)	3 477 116	5 215 700
Deferred tax liabilities	(26)	74 837 328	66 953 178
Non-current liabilities		**869 013 260**	**831 277 328**
Shareholders' equity and non current liabilities		**3 153 468 169**	**2 995 597 372**

The notes on pages from (5) to (37) are an integral part of these consolidated financial statements.

Finance Director Sameh El-hodaiby	Chairman Safwan Thabet

*Auditors' report attached.

Financial Statement | Translation from Arabic

Consolidated income statement

For the year ended 31 December 2014

	Note no.	The financial year ended 12/31/2014 L.E.	The financial year ended 12/31/2013 L.E.
Net sales		3 684 060 043	3 293 706 045
Cost of sales		(2 693 047 871)	(2 304 715 283)
Gross profit		**991 012 172**	**988 990 762**
Other income	(5)	24 099 421	29 741 586
Sales & distribution expenses		(469 306 956)	(406 392 764)
General & administrative expenses	(6)	(141 116 792)	(132 731 007)
Other expenses	(7)	(23 435 397)	(25 522 641)
Board of directors remuneration		(10 375 040)	(9 545 500)
Results from operating activities		**370 877 408**	**444 540 436**
Holding company's share in associates' net income		3 743 537	4 810 976
End of service bonus	(7-1)	(19 996 076)	-
Finance income and finance costs	(8)	(126 771 520)	(57 703 896)
Profit before income tax		**227 853 349**	**391 647 516**
Taxes differences from previous years		601 345	424 456
Income tax expense		(50 480 863)	(48 762 310)
Deferred tax		(7 884 151)	(14 982 368)
Net profit for the period		**170 089 680**	**328 327 294**
Distributed as follows			
Parent Company's share in profit		169 963 652	328 174 479
Minority interest		126 028	152 815
		170 089 680	**328 327 294**

The notes on pages from (54) to (84) are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

For the year ended 31 December 2014

	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 L.E.	Total L.E.
Balance as at 1 January 2013	706 053 811	401 654 644	330 920 428	236 914 651	312 576 862	520 495	1 988 640 891
Reversal of beginning balance adjustments	-	24 117 719	-	(19 088 603)	26 796 198	-	31 825 314
Dividends for 2012	-	-	-	110 632 405	(262 975 565)	-	(152 343 160)
Holding Company's share in reserves & retained earnings of subsidiaries	-	20 084 117	-	(22 329 485)	-	-	(2 245 368)
Consolidation adjustments on 31 December 2013	-	(24 064 199)	-	85 705 321	(91 491 832)	-	(29 850 710)
Minority interest	-	-	-	-	-	(34 217)	(34 217)
Net profit for the year ended 31 December 2013	-	-	-	-	328 174 479	152 815	328 327 294
Balance as at 31 December 2013	**706 053 811**	**421 792 281**	**330 920 428**	**391 834 289**	**313 080 142**	**639 093**	**2 164 320 044**
Balance as at 1 January 2014	706 053 811	421 792 281	330 920 428	391 834 289	313 080 142	639 093	2 164 320 044
Reversal of beginning balance adjustments	-	24 119 315	-	(85 956 852)	91 491 832	-	29 654 295
Dividends for 2013	235 351 271	-	-	19 325 435	(304 169 677)	-	(49 492 971)
Holding Company's share in reserves & retained earnings of subsidiaries	-	13 358 227	-	(7 160 461)	-	-	6 197 766
Consolidation adjustments on 31 December 2014	-	(23 716 091)	-	96 220 475	(108 941 127)	(3 190)	(36 439 933)
Net profit for the year ended 31 December 2014	-	-	-	-	170 089 680	126 028	170 215 708
Balance as at 31 December 2014	**941 405 082**	**435 553 732**	**330 920 428**	**414 262 886**	**161 550 850**	**761 931**	**2 284 454 909**

The notes on pages from (54) to (84) are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2014

	Note no.	The Financial year ended 12/31/2014 L.E.	The Financial year ended 12/31/2013 L.E.
Cash flows from operating activities			
Net profit for the year before income tax and minority interest in profits		227 853 349	391 647 516
Adjustments for:			
Fixed assets' depreciation	(11)	186 987 928	170 941 543
Capital gains		209 289	(5 935 866)
Impairment in fixed assets		40 864	11 879 819
Reversal of impairment in fixed assets		(1 279 242)	(2 074 304)
Change in Investments in equity accounted investees		(3 271 251)	(4 548 877)
Impairment in trade and other receivables		-	(106 580)
Reversal of impairment in trade and other receivables		(180 604)	-
Impairment in inventories		6 337 167	861 145
Reversal of Impairment in inventories		(2 029 634)	-
Provision for claims-formed		-	104 632
Financial lease installments		12 101 324	12 101 325
Other income		-	(3 160 490)
Credit interests		(11 918 600)	(21 818 676)
Finance interests & expenses		144 005 431	123 305 380
		558 856 021	**673 196 567**
Collected time deposits interests		11 918 600	21 848 975
Interest finance expenses paid		(140 626 112)	(121 376 598)
Changes in:			
Inventories		54 358 250	(269 451 035)
Trade and other receivables		(4 075 082)	(45 292 017)
Due from related parties		(30 124)	552 129
Creditors & other credit balances		(42 515 729)	(55 564 430)
Dividends paid to employees		(30 405 825)	(26 145 065)
Provision for claims used		(1 518 822)	(1 569 122)
Net cash flows from operating activities		**405 961 177**	**176 199 404**
Cash flows from investing activities			
Acquisition of fixed assets & projects under construction		(655 920 029)	(914 275 716)
Proceeds from sale of fixed assets		118 172 773	26 967 214
Proceeds from(acquisition) of treasury stock		-	240 029 217
Acquisition of animal wealth		(17 648 570)	(18 496 704)
Proceeds from fire indemnification		-	119 900
Net cash flows (used in) investing activities		**(555 395 826)**	**(665 656 089)**
Cash flows from financing activities			
Proceeds from (payments) bank credit facilities		(22 895 913)	414 147 159
Proceeds (payments) from bank loans		33 851 429	231 854 785
Proceeds for lease installments- sale with the right of release		-	3 160 490
Payments in lease installments - sales with the right of release		(12 101 324)	(12 101 325)
Dividends paid to share holders		-	(105 908 072)
Increase in minority interest		122 839	118 598
Net cash flows from financing activities		**(1 022 969)**	**531 271 635**
Increase (Decrease) in cash & cash equivalents during the period		**(150 457 618)**	**41 814 950**
Cash & cash equivalents at 1 January		553 373 535	511 558 585
Cash & cash equivalents at 31 December	(17)	**402 915 917**	**553 373 535**

Notes to the consolidated financial statements

For the financial year ended 31 December 2014

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 address of the Company's registered office is 11 Aljihad Street- Lebanon Square- Almohandessien. The address of the company's factories is 6 of October city- First Industrial Zone- piece no. 39 and 40, 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.

Registration in the Stock Exchange

The Company is listed in the Egyptian Stock Exchanges.

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.

The financial statements were authorized for issue by the Board of Directors on 15/02/2015.

2-1 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.
- Non-derivative financial liabilities at fair value through profit or loss are measured at fair value (note 4-1).
- Biological assets and Agricultural crops at fair value after reduce the cost of sale (note 4-2).

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 functional currency.

2-4 Use of estimates and judgments

The preparation of consolidated 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 (3-9) : lease classification.

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 (16) : impairment of trade and notes receivable.
- Note (22) : provisions & contingent liabilities
- Note (26) : deferred tax.

3- Significant accounting policies

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

3-1 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Company. The financial statement of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

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. Investments in associates is accounted for using the equity method and is recognized initially at cost. The cost of the investment include transaction costs. 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 commences until the date that significant influence 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 interests that from part thereof is reduced to zero, 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 that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Financial Statement | Translation from Arabic

3-3 Financial instruments

Non-derivative financial assets

The Company initially recognises 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.

Receivables

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.

Generally, short-duration trade and other receivables with no stated interest rate are stated at their nominal value (original invoice amount) less an allowance for any doubtful debts.

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 from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

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. Available –for-sale financial assets are recognized initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for sale debt instruments, presented in fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

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

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 as at fair value through profit or 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.

Financial Statement | Translation from Arabic

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

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. Generally, trade payables are recorded at their nominal value.

Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Capital

Authorized capital

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

Issued and paid up capital

The Company's issued and fully paid up capital at the beginning of the year was amounted to L.E 941 405 082 (Nine hundred forty one million and four hundred five thousands and eighty two) divided into 941 405 082 (Nine hundred forty one million and four hundred five thousands and eighty two) 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

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses (note 11).

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.

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- 8
Tools	1.08 – 10
Office equipment & Furniture	1-10
Empty plastic containers & pallets	5
Computers	3.33-5
Wells	25 or Wells useful life

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.

Estimates for some of property, plant and equipment have been modified during year 2013 (note 11)

3-5 Projects under construction
Expenditures incurred on purchasing and constructing fixed assts 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. 12). No depreciation is charged until the project is completed and transferred to fixed asset

3-6 Government grants
Government grants related to assets – including non monetary grants which recorded at fair value – presented in finical statement as deferred income (grants considered deferred income and recorded in income statement according to regular systematic basis over the estimated useful life of assets)

3-7 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 (25 and 50) years respectively according to the nature of those assets.

Financial Statement | Translation from Arabic

3-8 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 .

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 it’s fair value less costs to the point of sale capability.

3-9 Leases
Company is the lessee:
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.

3-10 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. Recognized goodwill impairment losses are not subsequently reversed.

3-11 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.

3-12 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.

Non-financial assets
The carrying amounts of the Company's non-financial assets, other than biological assets, investment property, 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, the recoverable amount is tested annually for impairment.

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

Impairment losses are recognized in profit or loss. For other assets, 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 recognised.

3-13 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.

3-14 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.

3-15 Revenue
Goods sold
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 customer, 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. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognized.

3-16 Rental income
Rental income from other assets is recognized in other income.

3-17 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 recognised as it accrues in profit or loss, using the effective interest method. Dividend income received from investments is recognised in profit or loss on the date of collection.

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.

3-18 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.

3-19 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.

3-20 Assets held for sale or held for distribution
Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale or held-for-distribution if it is highly probable that they will be recovered primarily through sale or distribution rather than through continuing use.

Immediately before classification as held-for-sale or held-for-distribution, the assets, or components of a disposal group, are premeasured in accordance with the Company's other accounting policies. Thereafter, generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Company's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognized in profit or loss. Gains are not recognized in excess of any cumulative impairment loss.

Once classified as held-for-sale or held-for-distribution, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

3-21 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

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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), than the Company is required to resume setting aside 5% of the annual profit until it reaches 50% of the issued share capital.

3-22 End of service benefits

End of service benefits are recognized as an expense when the company is committed clearly- without having the possibility of cancellation – a formal detailed plan to either finish the work before the normal retirement date or to provide end of service benefits as a result of the company's offer to encourage resignations (voluntary) / left the work voluntary.

If the bonus is payable for a period of more than 12 months after the date of preparation of the financial statements, they is reduced to their present value.

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 Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

4-2 Biological assets

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

5 Other operating revenue

	Financial year ended 31/12/2014 L.E	Financial year ended 31/12/2013 L.E
Export subsidy revenue	8 265 817	11 539 507
Deferred capital gains	1 738 584	1 738 584
Capital gain	2 249 619	5 935 866
Reversal of impairment of Inventories	2 029 634	-
Reversal of impairment of receivables	180 604	106 580
Reversal of impairment of fixed assets	1 279 242	2 074 304
Drawback of sales tax	1 305 701	1 215 209
Other revenue	7 050 220	7 131 536
	24 099 421	29 741 586

6 General & administrative expenses

	Financial year ended 31/12/2014 L.E	Financial year ended 31/12/2013 L.E
Personnel expenses	71 275 844	71 749 309
Depreciation expense	14 254 065	15 049 862
Rents expense	9 010 879	7 860 086
Other administrative expense	46 576 004	38 071 750
	141 116 792	132 731 007

7 Other expenses

	Financial year ended 31/12/2014 L.E	Financial year ended 31/12/2013 L.E
Financial lease installments	12 101 325	12 101 325
Impairment of fixed assets	40 864	11 879 819
Capital losses	2 458 908	252 364
Impairment of inventories	6 337 167	861 145
Impairment of receivables	2 392 271	-
Provision for claims	-	104 632
Other	104 862	323 356
	23 435 397	25 522 641

7-1 On 15/5/2014, the BOD decided to approve the payment of end of service benefits to some employees of the company, according to Egyptian labor law and within the framework of the administration's plan to restore the organizational structure of the company amounted L.E 19 996 076 during 2014.

8 Finance income and finance costs

	Financial year ended 31/12/2014 L.E	Financial year ended 31/12/2013 L.E
Finance interest & expense	144 005 431))	(123 305 380)
Credit interest	11 918 600	21 818 676
Net finance cost	(132 086 831)	(101 486 704)
Foreign exchange gains	5 315 311	43 897 328
Change in fair value	-	(114 520)
	126 771 520))	(57 703 896)

9- Segmentation reports

9-1 Segmentation reports for the year ended 31 December 2014

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							
	Dairy sector L.E 12/31/2014	Yogurt sector L.E 12/31/2014	Juices sector L.E 12/31/2014	Concen-trates sector L.E 12/31/2014	Agriculture sector L.E 12/31/2014	Undistrib-uted items L.E 12/31/2014	Elemenation of transactions L.E 12/31/2014	Total L.E 12/31/2014
Sales	1932 457 426	948 574 315	668 991 741	76 167 774	57 868 787	-	-	3 684 060 043
Sales between segments	1666 010 741	773 510 241	558 597 688	97 342 165	-	-	(3095 460 835)	-
Total sales	3 598 468 167	1 722 084 556	1 227 589 429	173 509 939	57 868 787	-	(3 095 460 835)	3 684 060 043
Cost of sales	**(1459 674 326)**	**(632 657 083)**	**(470 747 147)**	**(56 315 680)**	**(73 653 635)**	-	-	**(2 693 047 871)**
Segments' gross profit	**472 783 100**	**315 917 232**	**198 244 594**	**19 852 094**	**(15 784 848)**	-	-	991 012 172
Other operating income	12 205 228	4 415 061	3 754 262	3 246 681	478 189	-	-	24 099 421
Expenses	(344 651 685)	(266 453 688)	(154 605 895)	(7 398 947)	(17 891 566)	-	-	(791 001 781)
Profits from operation	**140 336 643**	**53 878 605**	**47 392 961**	**15 699 828**	**(33 198 225)**	-	-	224 109 812
Holding company's share in associates' net income	-	-	-	-	3 743 537	-	-	3 743 537
Net profit for the year before income tax	**140 336 643**	**53 878 605**	**47 392 961**	**15 699 828**	**(29 454 688)**	**-**	-	**227 853 349**
Taxes differences from previous years	-	-	-	-	-	601 345	-	601 345
Income tax	-	-	-	-	-	(50 480 863)	-	(50 480 863)
Deferred tax	-	-	-	-	-	(7 884 151)	-	(7 884 151)
Net profit for the period after income tax	**140 336 643**	**53 878 605**	**47 392 961**	**15 699 828**	**(29 454 688)**	**(57 763 669)**	**-**	**170 089 680**
Other Information								
Depreciation	**68 145 131**	**34 105 672**	**55 987 825**	**14 858 280**	**13 880 313**	**-**	**-**	**186 977 221**
Assets	**1 233 536 704**	**1 350 826 494**	**999 003 561**	**259 719 235**	**572 828 090**	**99 087 530**	**-**	**4 515 001 614**
Investements accounted for using Equity method	-	-	-	-	-	50 929 445	-	50 929 445
Liabilities	**853 801 586**	**833 896 375**	**385 681 865**	**107 297 796**	**49 869 083**	-	**-**	**2 230 546 705**

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

9-2 Segmentation reports for the year ended 31 December 2012

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							
	Dairy sector L.E 12/31/2013	Cooling sector L.E 12/31/2013	Juices sector L.E 12/31/2013	Concentrates sector L.E 12/31/2013	Agriculture sector L.E 12/31/2013	Undistributed items L.E 12/31/2013	Elemenation of cosolidated transactions L.E 12/31/2013	Total L.E 12/31/2013
Sales	1639 045 302	890 741 070	619 490 870	91 153 783	53 275 020			3293 706 045
Sales between segments	1434 256 589	738 459 227	525 878 818	68 066 223			(2766 660 857)	-
Total sales	**3 073 301 891**	**1 629 200 297**	**1 145 369 688**	**159 220 006**	**53 275 020**	-	**(2 766 660 857)**	**3 293 706 045**
Cost of sales	**(1203 424 532)**	**(577 304 590)**	**(422 156 126)**	**(59 744 833)**	**(42 085 202)**	-	-	**(2 304 715 283)**
Segments' gross profit	435 620 770	313 436 480	197 334 744	31 408 950	11 189 818	-	-	**988 990 762**
Other operating income	18 248 988	3 053 112	3 592 995	4 428 388	418 103	-	-	29 741 586
Expenses	(292 062 804)	(194 143 152)	(127 540 167)	(7 933 238)	(10 216 447)	-	-	(631 895 808)
Profits from operation	161 806 954	122 346 440	73 387 572	27 904 100	1 391 474	-	-	**386 836 540**
Holding company's share in associates' net profit	-	-	-	-	4 810 976	-	-	4 810 976
Net profit for the period before income tax	**161 806 954**	**122 346 440**	**73 387 572**	**27 904 100**	**6 202 450**	-	-	**391 647 516**
Taxes differences from previous years	-	-	-	-	-	424 456	-	424 456
Income tax	-	-	-	-	-	(48 762 310)	-	(48 762 310)
Deferred tax	-	-	-	-	-	(14 982 368)	-	(14 982 368)
Net profit for the period	**161 806 954**	**122 346 440**	**73 387 572**	**27 904 100**	**6 202 450**	**(63 320 222)**	-	**328 327 294**
Other Information								
Depreciation	**64 863 593**	**25 266 111**	**53 531 065**	**15 301 858**	**11 978 916**	-	-	**170 941 543**
Assets	**1 431 400 318**	**1154 538 847**	**922 683 936**	**268 556 147**	**471 606 274**	**98 656 873**	-	**4 347 442 395**
Investements accounted for using Equity method						**47 658 194**	-	**47 658 194**
Liabilities	**1032 908 015**	**702 747 213**	**322 443 182**	**101 459 765**	**23 564 176**	-	-	**2 183 122 351**

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

10- 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 L.E.	Non current assets L.E.	Total assets L.E.	Current liabilities L.E.	Non current liabilities L.E.	Total liabilities L.E.	Revenues L.E.	Expenses L.E.	Net profit (loss) L.E.	Cost of investment L.E.
December 31, 2013											
Milkiez . Company	39.988	28 718 485	109 209 597	137 928 082	18 770 848	-	18 770 848	116 236 480	104 205 430	12 031 050	47 658 194
Balance as at 31 December 2013		**28 718 485**	**109 209 597**	**137 928 082**	**18 770 848**	**-**	**18 770 848**	**116 236 480**	**104 205 430**	**12 031 050**	**47 658 194**
December 31, 2014											
Milkiez Company	39.988	26 740 364	116 394 480	143 134 844	14 759 031	1 041 000	15 800 031	82 456 406	73 094 754	9 361 652	50 929 445
Balance as at 31 December 2014		**26 740 364**	**116 394 480**	**143 134 844**	**14 759 031**	**1 041 000**	**15 800 031**	**82 456 406**	**73 094 754**	**9 361 652**	**50 929 445**

* Figures of 30 September 2014 have been used to apply the equity method on 31 December 2014.

Notes to the interim consolidated financial statements for the period ended 31 December 2014

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11-Property, plant, and equipment

Description	Land* L.E.	Buildings & constructions L.E.	Machinery & equipment L.E.	Transportation & transport vehicles L.E.	Tools L.E.	Empty plastic containers & Paletts 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 1/1/2013	124 005 382	502 504 967	1 182 901 921	164 332 901	46 119 251	23 861 803	4 223 515	19 094 191	12 139 926	53 570 665	2 132 754 522
Additions of the year	22 614 857	159 947 505	121 607 848	65 202 630	9 217 274	5 299 022	16 014 370	47 659	4 220 119	10 536 030	414 707 314
Disposals of the year	(4 218 733)	(7 125 499)	(15 357 680)	(10 979 499)	(12 805)	(2 506 475)	(37 641)	-	(139 653)	(229 738)	(40 607 723)
Reclassification	9 391 037	(17 428 147)	7 047 352	-	-	-	-	-	418 460	571 298	
Impairment in fixed assets	-	-	(9 805 516)	-	-	-	-	-	-	-	(9 805 516)
Cost as at 31/12/2013	151 792 543	637 898 826	1 286 393 925	218 556 032	55 323 720	26 654 350	20 200 244	19 141 850	16 638 852	64 448 255	2 497 048 597
Additions of the period	52 996 812	165 309 799	382 299 713	3 483 169	13 757 253	5 817 165	45 311 502	8 177 248	8 211 866	7 313 876	692 678 403
Disposals of the period	(5 186 673)	(50 061 196)	(261 645 548)	(5 428 137)	(3 869 022)	(4 555 608)	(100 014)	-	(2 247 684)	(1 815 555)	(334 909 437)
Impairment in fixed assets	-	-	1 279 242	-	-	-	-	-	-	-	1 279 242
Cost as at 31/12/2014	199 602 682	753 147 429	1 408 327 332	216 611 064	65 211 951	27 915 907	65 411 732	27 319 098	22 603 034	69 946 576	2 856 096 805
Accumulated depreciation											
Accumulated depreciation as at 1/1/2013	-	35 381 058	473 685 289	65 222 831	19 268 254	13 540 858	1 728 893	1 373 369	5 473 031	37 356 555	653 030 138
Depreciation of the year	-	13 219 999	110 718 012	22 193 145	5 645 218	5 929 349	2 023 793	823 960	1 218 468	9 169 599	170 941 543
Accumulated depreciation of disposals of the year	-	(1 240 968)	(11 982 846)	(9 909 059)	(11 696)	(2 506 475)	(18 121)	-	(104 638)	(130 497)	(25 904 300)
Reclassification	-	(752 321)	571 833	-	-	-	-	-	33 302	147 186	-
Accumulated depreciation as at 31/12/2013	-	46 607 768	572 992 288	77 506 917	24 901 776	16 963 732	3 734 565	2 197 329	6 620 163	46 542 843	798 067 381
Depreciation of the period	-	14 656 684	116 496 362	20 517 412	6 643 248	6 642 202	9 346 720	978 469	1 853 644	9 842 480	186 977 221
Accumulated depreciation of disposals of the period	-	(7 869 991)	(202 098 239)	(4 755 978)	(1 932 987)	(4 032 048)	(45 164)	-	(858 029)	(1 761 627)	(223 354 063)
Impairment in fixed assets	-	-	40 864	-	-	-	-	-	-	-	40 864
Accumulated depreciation as at 31/12/2014	-	53 394 461	487 431 275	93 268 351	29 612 037	19 573 886	13 036 121	3 175 798	7 615 778	54 623 696	761 731 403
Net book value as at 31/12/2014	199 602 682	699 752 968	920 896 057	123 342 713	35 599 914	8 342 021	52 375 611	24 143 300	14 987 256	15 322 880	2 094 365 402
Net book value as at 31/12/2013	151 792 543	591 291 058	713 401 637	141 049 115	30 421 944	9 690 618	16 465 679	16 944 521	10 018 689	17 905 412	1 698 981 216

* Fully depreciated assets are amounted to L.E.104 282 593 as at 31 December 2014.

The land item amounted to L.E 199 602 682 on 31/12/2014 includes an amount of L.E 148 576 570 representing the not registered land thus procedures of registering the land are in progress.

11-1 Land of Juhayna Food Industries Co.

Description	Amount L.E	Instrument of possess
Marsa Allam	1 367 244	Letter Allocation
	1 367 244	

11-2 Land of Tiba for Trad. & Distr. Co.

Description	Amount L.E	Instrument of possess
New Mansheya (Alex.) Land	25 957 967	Preliminary contract
Bolaris land	17 357 980	Preliminary contract
Demyat land	10 942 734	Preliminary contract
Obour land	9 002 650	Preliminary contract
Mansoureya land – shabrament	7 408 350	Preliminary contract
New cairo land pc.60,62	6 868 125	Letter Allocation
Olaykat Arab land	2 589 300	Preliminary contract
Other	15 638 923	
	95 766 029	

11-3 Land of Egyptian Co. for Dairy Products

Description	Amount as per Egyptian Co. for Dairy & Juice Products L.E.	Adjustments of Consolidated financial statement L.E.	Amount as per Consolidated financial statement L.E.	Instrument of possess
The service axis 1,2- 6th of October	2 415 388	(539 598)	1 875 790	Letter Allocation
* Pc38- 6th of October	4 542 099	(1 231 216)	3 310 883	Preliminary contract
	6 957 487	(1 770 814)	5 186 673	

* These land was purchased from Juhayna company (parent company) on 1/4/2014 and recorded by its name, and The Egyptian Co. for Dairy Products are recording the land on its behalf.

11-4 Land of International Co. for Modern Industries Co.

Description	Amount L.E	Instrument of possess
Pc. 112:118 m3 6th of October	11 060 593	Specification document

11-5 Land of Almasrya Co. (Egyfood)

Description

Description	Amount L.E	
Pc. 19 A, 9 B m3 6th of October	2 241 861	Specification document
Pc. 24 B	2 611 004	Specification document
	4 852 865	

11-6 Land of Modern Concentration Co.

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

11-7 Land of Inmaa for Agriculture Development & Biological wealth

The Land item includes the follows:

Area of 2 500 Acres on Farafra zone amounted to L.E 1 250 000 with the virtue of preliminary 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.

11-8 Land of Inmaa for live stock

Area of 550 Acres amounted to L.E 1 089 000 in the virtue of a preliminary contract from Inmaa for Agriculture Development & Biological wealth. The necessary legal procedures with government for legal convey of land are in progress.

11-9 Land of Inmaa for Agriculture Development

Area of 8 364 Acres amounted to L.E 16 560 720 in the virtue of a preliminary contract from Inmaa for Agriculture Development & Biological wealth. The necessary legal procedures with government for legal convey of land are in progress.

Area of 2 000 Acres amounted to L.E 3 000 000 in the virtue of a contract with the seizure (Mohamad Mahrous Ahmad) dated 21 March 2013 and all the necessary legal procedures with government for legal convey of land are in progress.

Area of 240 Acres amounted to L.E 360 000 in the virtue of a contract with the seizure (Mohamad Ali Farag) dated 21 March 2013 and all the necessary legal procedures with government for legal convey of land are in progress.

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11-10 Changes in Accounting estimated for Fixed Assets

Enma company for agriculture development & biological wealth (subsidiary company) held a capacity test through the period 31 December 2013 for the owned operating assets that resulted on change the estimated useful life and economic benefits for this type of assets and became expected that it will going to produce for a more period than has been determined before which lead to increase in the expected useful life for these assets

Changes in Accounting estimated for Fixed Assets

During the year, The company held a capacity test that resulted on change the estimated useful life and economic benefits for this type of assets and became expected that it will going to produce for a more period than has been determined period before which lead to increase the expected useful life for these assets

	Depreciation before change	Depreciation after change	Difference
	.L.E	.L.E	.L.E
Buildings Under construction	077 636	375 222	(702 413)
Agriculture machinary	666 658 3	171 881 3	505 222
Wells	388 698	388 698	-
Transportation & Transport Vehicles	478 259	847 250	(631 8)
Computers	253 218	219 365	966 146
Office equipment & Furniture	906 83	052 124	146 40
	768 554 5	052 542 5	(716 12)

11-11 Land grants

Company management has acquired five plots of land as a governorate grant for the establishment of projects in the areas and provinces where the lands located and this is by issuing letters of guarantee by the company for the governorate with total value 2 516 750 LE, in case that the company did not obligate the conditions of acquiring these lands , the letters of guarantee will be liquidated to beneficiaries and these are the lands as follows :-

land plots from 637 to 650 in Assuit its total area 30 000 m2 to establish a project for keeping & cooling dairy products in refrigerators for cooling the juices and concentrates

Plots number (67,68,69,75,76) in Beni suef to its total area 10.335 thousands m2 to establish a factory for the production of natural juices , dairy products , white cheese freezing & cooling vegetables , fruits , meat & fish

Land plot in sohag its total area 10000 m2 to establish a refrigerator for keeping foodstuff
Land plot in qena NO. (186,187,188 , huge area of 185) its total area 5960 m2 to establish a factory for keeping , cooling and freezing dairy products , juices and concentrates
Land plot in Aswan – Industrial area, Al Alaki Valley. its total area 10000 m2 to establish a factory for keeping, cooling and freezing foodstuff.

12 Projects under constructions

	31/12/2014	31/12/2013
	L.E.	L.E.
Buildings and constructions in progress	576 270 498	547 049 505
Machineries under installation	446 942 461	260 518 111
Advance payments for fixed assets purchase	43 933 374	263 859 583
	1067 146 333	1071 427 199

13 Plant wealth

	31/12/2014	31/12/2013
	L.E.	L.E.
Land reclamation	11 967 522	36 411 757
Fruit trees	14 033 416	11 414 888
Protection trees (Kazhurana)	420 778	261 404
	26 421 716	**48 088 049**

14 Tax status

14-1 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 2005

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

Year 2006, 2007

The tax inspection is currently being ended against the internal committee.

Years from 2008 till 2013

The company hasn't been inspected yet.
The Company 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 2010

The tax inspection has been performed & the inspection results forms were received and the differences have been settled.
Year from 2011 till 2013
The company hasn't been inspected yet.

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 31/12/2012

The Inspection is in progress by related tax authority.

C. Sales tax

The tax inspection has been performed and paid till 31/12/2012

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14-2 Subsidiaries

First: Corporation tax

The Companies that enjoy the corporate tax exemption	Tax inspection ending date
Subsidiaries	
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 the beginning of the activity

The Companies that are not exempted.
Egyptian Company for Dairy Products
(the tax inspection has been performed and paid till 2004)

Tiba for Trading and Distributing
The Inspection is in progress by related tax authority for year 2009

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 91of 2005and company is Subject to tax in 1-1-2010.

Second: Salaries tax

Subsidiaries	Tax inspection ending date
Egyptian Company for Dairy Products	- Inspection was performed from starting activity till 2011 and paid.
Al-Marwa for Food industries	- Inspection was performed from starting activity till 2010 and paid.
Tiba for Trading and Distributing	- Inspection is in progress for years from 2006 to 2012.
International Company For Modern Food Industries	- Inspection was performed from starting activity till 2010 and paid.
The Egyptian Company For Food Industries "Egyfood"	- The company hasn't been inspected yet.
Modern Concentrates Industrial Company	- Inspection was performed from starting activity till 2012 and paid.
Inmaa for Agriculture Development Co. and biological wealth	- Has not been inspected yet. The Company pay tax monthly.

Third: Stamp tax

Subsidiaries	Tax inspection ending date
Egyptian Company for Dairy Products	- Inspection has been performed and paid till 31/7/2006.
Al-Marwa for Food Industries	- Inspection has been performed and paid till 31/12/2013.
Tiba for Trading and Distribution	- Inspection has been performed and paid till 2011 .
International Company For Modern Food Industries	- Tax inspection has been performed and a and the Company was estimated claims and re-inspection was required till 31/12/2011 .
The Egyptian Company for Food Industries "Egyfood"	- Has not been inspected yet.
Modern Concentrates Industrial Company	- Inspection was performed from starting activity till 31/7/2006 and paid.
Inmaa for Agriculture development & biological wealth	- Has not been inspected yet.

Fourth: Sales tax

Subsidiaries	Tax inspection ending date
Egyptian Company for Dairy Products	-The company is exempted from the sales tax and the company presents sales tax return on monthly basis, and the inspection was performed till 31/12/2012.
Al-Marwa for Food Industries	-Inspected and paid till 31/12/2013
International Company For Modern Food Industries	-The company present sales tax return on monthly basis and inspected and paid till 2011.
The Egyptian Company For Food Industries "Egyfood"	-Inspected and paid till 2013.and tax differences has been paid
Modern Concentrates Industrial Company	-The company presents sales tax return on monthly basis. The company's activity is exempted from sales tax, and was inspected from the inception till 31/12/2013 and paid and inspection differences has been paid
Tiba for Trading and Distribution	-The company presents 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 till 31/12/2012 and tax differences were paid
Inmaa for Agriculture Development Co.	-The company presents sales tax return on monthly &has not been inspected yet

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15 Inventories

	31/12/2014 L.E.	31/12/2013 L.E.
Raw materials	151 873 793	259 267 094
Packaging & packing materials	94 698 775	101 610 456
Finished products	215 299 840	193 212 459
Spare parts & miscellaneous supplies	40 249 672	40 180 050
L/C's for goods purchase	22 813 446	15 744 193
Biological assets	32 588 675	732 175 6
	557 524 201	**616 189 984**

16 Trade and other receivables

	31/12/2014 L.E.	31/12/2013 L.E.
Trade receivables	80 654 155	86 157 684
Less: Impairment in trade receivables	(12 644 167)	(12 900 619)
	68 009 988	**73 257 065**
Notes receivables	31 334 992	8 256 033
Tetra Pak company	2 669 058	630 173
Suppliers – advance payments	13 507 830	32 155 658
Prepaid expenses	4 192 321	4 398 132
Export subsidy	12 337 645	13 010 385
Accrued revenues	2 294 588	132 296
Tax authority	30 919 375	21 644 113
Customs authority	7 081 285	20 766 982
Deposits with others	5 855 007	4 594 981
Other debit balances	20 538 265	269 259 13
	198 740 354	**192 105 087**
Less: Impairment in other debit balances	3 983 342))	(434 608 1)
	194 757 012	**190 496 653**

17 Cash and cash equivalents

	31/12/2014 L.E.	31/12/2013 L.E.
Time deposits *	182 512 376	256 395 558
Banks – current accounts	132 672 34	070 506 7
Cash in hand	946 051 4	488 227
Cash in transit	422 877 4	4 493 175
L /G's cash margin	599 053 5	5 050 000
	281 167 425	575 932 728
Bank over draft	(765 197 17)	(17 509 193)
L /G's cash margin (due after 3 months)	(599 053 5)	(5 050 000)
Cash and cash equivalents in the statement of cash flows	**917 915 402**	**553 373 535**

* The above mentioned time deposits are maturing within 3 months.

18 Share capital

	31/12/2014 L.E.	31/12/2013 L.E.
Authorized capital	5 000 000 000	5 000 000 000
Issued & paid up capital (divided into 941 405 082 shares with nominal value L.E 1 each)	941 405 082	706 053 811

The extra ordinary general assembly meeting dated 5 February 2012 decided capital reduction by the nominal value of treasury stock amounted to L.E 20 362 521 to be amounted to L.E 706 053 811 divided into 706 053 811 shares at par value L.E 1 each. The reduction in capital and in the numbers of shares was registered in the commercial register on 23 April 2012.

Based on the decision of the Board of Directors on February 26, 2014, which included a dividend free shares from the year profits and the decision & approval of the Ordinary General Assembly and of the Company dated 27.03.2014 to increase the company's issued capital from the dividends of the financial year ended December 31, 2013, which amounting to L.E. 235 351 271 equal to 33.33% of the company's issued capital as free shares deduction from the profit for the year ended December 31, 2013 by distributing one free share for each shareholder holds five shares of the company's shares. This increase has been recorded in the commercial register on 29/5/2014.

a- 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 toL.E 38 507 164.

The Company had reduced issuance premium during the period by an amount of L.E 73 580 254 representing the difference between nominal value and the cost of purchasing treasury stock which reduced the capital with its value due to the increase more than one year of the acquisition according to extra ordinary general assembly meeting dated February 5th 2012.

19 Loans

Details	Long term loans – current portion	Long term loans	Total
	L.E	L.E	L.E
Granted loans to Company's Group from CIB.	000 766 135	543 703 333	543 469 469
Granted loans to Company's Group from European Bank for Reconstruction & Development	817 181 32	183 818 152	000 000 185
Granted loans to Company's Group from HSBC.	591 942 40	070 299 73	661 241 114
Granted loans to Company's Group from QNB.	000 000 20	000 000 70	000 000 90
Granted loans to Company's Group from Barclays.	749 272 25	75 874 955	704 147 101
Balance at 31/12/2014	**157 163 254**	**751 695 705**	**908 858 959**
Balance at 31/12/2013	**256 895 019**	**675 112 460**	**479 007 932**

20 Banks – credit facilities

This balance which amounted to L.E 742 348 289 as at 31/12/2014 (against L.E 765 244 202 as at 31/12/2013), represents the drawn down portion of the L.E. 1 525 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.

Short term loans

This balance which amounted to L.E. 16 000 000 as at 31/12/2014 (against L.E. 10 000 000 as at 31/12/2013) represents the short term instalments of the loans granted to the Parent Company by the Commercial International Bank.

22 Provision for claims

Description	Balance on 1/1/2014	Provision formed during the year	Provision used during the year	Balance on 31/12/2014
	L.E	L.E	L.E	L.E.
Provision for claims	10 090 042	-	(822 518 1)	220 571 8
	10 090 042	**-**	**(822 518 1)**	**220 571 8**

23 Creditors and other credit balances

	31/12/2014	31/12/2013
	L.E.	L.E.
Suppliers	140 397 215	130 742 724
Notes payable	694 079 4	-
Accrued expenses	66 588 419	628 117 53
Fixed assets' creditors	427 520 9	006 782 7
Tax authority	18 824 534	13 865 175
Deposits from others	197 453 4	369 509 10
Sales tax installments on the imported machineries and equipments	119 911 7	6 435 851
Deferred capital gains	1 738 584	584 738 1
Due to Sodic company- current portion	082 266 9	680 591 11
Due to Geran company – current portion	749 268 1	-
Social insurance authority	199 619 2	120 557 2
Dividends payable	143 11	222 695
Advances from customers	214 262 3	799 343 2
Other credit balances	574 831 2	099 965 1
	272 772 151	**243 344 257**

24 Other long term liabilities

Description	31/12/2014	31/12/2013
	L.E.	L.E.
The value of sales tax installments on the imported machineries and equipment due from October 2015 till December 2025 according to the scheduling agreed upon with the Sales Tax Authority. The installments due within one year amounted to L.E 7 911 119 as at 31/12/2014 (L E 6 435 851 as at 31/12/2013) are shown under the caption of creditors and other credit balances in the consolidated balance sheet (Note 23).	501 598 56	990 995 83
- The amount due to (Jeran for real state and investments Company) as a value of purchasing an administrative building according to agreed contract amounted to L.E 8 576 400. A down payments was paid amounted to L.E 3 981 900 and the rest will be settled over 6 equal installments starting from January 2014.	996 190 2	-
- The amount due to (Sodic Siac for real state and investments Company) as a value of purchasing an administrative building according to agreed contract dated 30/12/2012 amounted to L.E 83 106 655. A down payments was paid amounted to L.E 34 241 007 and the rest will be settled over 18 equal installments starting from March 2015.	568 213 26	-
	065 003 85	990 995 83

25 Deferred revenues

	31/12/2014 L.E.	31/12/2013 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 amounted to L.E 1 738 584 while the short term portion amounted to L.E 1738 584 as at 31/12/2014 (L.E. 1 738 584 as at 31/12/2013) included in the trade & other credit balances item of the consolidated balance sheet (Note 23).	116 477 3	700 215 5
	116 477 3	**700 215 5**

26 Deferred tax liabilities

Deferred tax liability amounted to L.E 74 837 328 on 31/12/2014 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 1/1/2014 L.E	Deferred tax from 1st Jan to 31 December 2014 L.E	Balance on 31/12/2014 L.E
Deferred tax liability from fixed assets	**66 953 178**	**7 884 150**	**74 837 328**

Recognized deferred tax assets and liabilities

Deferred tax assets are representing in the following items:

	Liabilities 31/12/2014 L.E.	31/12/2013 L.E.
Fixed assets	76 575 912	68 691 754
Deferred revenue	(576 738 1)	(1 738 576)
Net tax liabilities	**328 837 74**	**66 953 178**

27 Group companies

The following sets out the subsidiaries of Juhayna Food Industries Company that were acquired and controlled by the Company as at 31/12/2014 shown together with this respective contribution percentage held as at the balance sheet date.

Subsidiary Name	Contribution percentage 31/12/2014	Contribution percentage 31/12/2013	Country
Egyptian Co. for Dairy 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.	Indirect 99.994 %	Indirect 99.994 %	Egypt
Inmaa for Live Stock	99.964 Indirect	99.964 Indirect	Egypt
Inmaa for Agriculture and improvement	99.964 Indirect	99.964 Indirect	Egypt
Sister Company			
Milkiez	39.988 % Indirect	39.988 % Indirect	Egypt

28 Financial instruments

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.

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 mar-

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ket 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
The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer including the default risk of the industry in which customers operate, as these factors may have an influence on credit risk

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.

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:

		Carrying amount	
	Note	31/12/2014	31/12/2013
		L.E.	L.E.
Trade receivables	(16)	988 009 68	73 257 065
Banks credit facilities	(20)	289 348 742	765 244 202
Short term loans	((21	000 000 16	000 000 10
Total long term loans	((19	908 858 959	479 007 932

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 742 348 289 on which the interest is charged at a variable interest rate for Facilities in Egyptian pound and US Dollars facilities.

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	289 348 742	1 525 000 000

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.

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, 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.

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

	USD	Euro	SAR	GBP
Trade and other debit balances	307 031 1	-	-	-
Cash and cash equivalents	901 093 29	051 902	96	759 1
Credit facilities	(972 440 9)	(472)	-	-
Trade and other payables	(5 023 015)	(409 793 1)	-	(40 422)
31 December 2014	**221 661 15**	**(891 830)**	**96**	**(38 663)**
31 December 2013	**21 517 171**	**591 092**	**96**	**(7 283)**

The following significant exchange rates applied during the period:

	Average rate		Actual closing Rate	
	2014	2013	2014	2013
USD	7.064	6.694	7.165	6.964
Euro	9.142	9.093	8.695	9.589

Given the current economic conditions faced by the Arab Republic of Egypt, the Company's management faces the market risks represented in the difficulty of foreign currency cash management declared at official prices, due to the shortage of cash in foreign currency in the official banking markets.

This has affected the Company's ability to provide its foreign currency operating needs to ensure the continuing of its operations / production process on a regular basis.

The Company's management resorted, in the context of applying exceptional policies to manage market and operation risks, to cover some of its foreign currency cash requirements with exceptional exchange rates, during the period, which differ from quoted prices in official banking markets, in light of the circumstances, after getting approval along with the related internal documents by the Company's senior management, to the best estimate of the price from its point of view.

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.

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.

	31/12/2014	31/12/2013
	L.E.	L.E.
Total liabilities	705 546 230 2	2 183 122 351
Less: cash and cash equivalents	(281 167 425)	(575 932 728)
Net debt	424 379 805 1	1 607 189 623
Total equity	909 454 284 2	2 164 320 044
Net debt to equity ratio	79.03%	74.26%

There were no changes in the company's approach to capital management during the period.

29 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:

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

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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. 220 000 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 other operating expenses item in the income statement Thus, total installments of the financial period ended 31/12/2014 amounted to L.E. 12 101 325.

30 Contingencies

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 22 878 793 the covered amount L.E 10 131 147.

31 Capital commitments

The capital commitments related to setting up and acquiring fixed assets amounted to L.E 94 791 223 on 31/12/2014.

32 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 period, between the Company and its related parties.

32-1 Due from related parties

Company's name	Nature of transaction	Total value of transactions		Balance as at	
		31/12/2014	31/12/2013	31/12/2014	31/12/2013
		L.E.	L.E.	L.E.	L.E.
Milkiez	Customer	587 775	4 354 419	558 815	785 434
	Vendor	30 770	42 799		
				558 815	785 434

33 Goodwill

	31/12/2014 L.E.	31/12/2013 L.E.
Goodwill resulting from acquiring the Egyptian Company for Dairy & Juice Products	934 433 46	46 433 934
Goodwill resulting from acquiring Al-Marwa for Food Industries Company	956 658 50	50 658 956
	890 092 97	97 092 890

34 Political and economical events

The Arab Republic of Egypt has encountered certain events that have a significant impact on the economic sectors in general, a matter which may lead to a substantial decline in the economic activities in the foreseeable future.

Therefore, there is a possibility that the above mentioned events will have a significant impact on the Company's assets, liabilities, their recoverable/settlement amounts and the results of operations in the foreseeable future.

At the present, it is not possible to quantify the effect on the Company's assets and liabilities included in the company's financial statements, since quantifying the effect of these events relies on the expected extent and the time frame, when these events and their consequences, are expected to be finished.

On 4 June 2014, law no. 44 for the year 2014 has been issued for an additional temporarily annual tax – which is imposed for three years from current tax period – by 5% on taxable income which exceeds one million Egyptian pound for the income of natural and juridical persons according to the provisions of income tax law, assessment and settlement to be in accordance with these provisions. Law is effective from 5 June 2014.

35 Sale of Selling & productive assets

The company's extra ordinary general assembly decided at 27 March 2014 to sale of the company's productive assets to the Egyptian company for dairy products (a subsidiary) with a net book value amounted to LE 108 027 167 & a selling value amounted to LE 118 149 252, and to take the advantage of standardization the administrative and operational processes in increasing the production efficiency and to standardize the ways of controlling the production processes, as well as to approve the sale of the company's sales branches to Tiba Company for trade and distribution (a subsidiary) with a net book value amounted to 9 784 836 LE and a selling value amounted to LE 19 214 846,and it is the specialized company in the logistic works and that is to standardize the works of selling and distribution and to take a benefit from the expertise of Tiba Company in this area ,and the realizable value of those assets have been adopted according to the valuation report prepared by an independent consultant office.

The implementation process of sale of the productive asset to the Egyptian company for dairy products, and all the productive and operational processes became to be done at the Egyptian company for dairy products starting from 1 April 2014 and also the selling branches have been sold to Tiba Company for trade and distribution.

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