



Juhayna Releases Third Quarter 2015 Earnings

THIRD QUARTER 2015

REVENUE EGP 1,135 mn ▲ 13% Y-o-Y	GROSS PROFIT EGP 416 mn ▲ 61% Y-o-Y	EBIT EGP 180 mn ▲ 61% Y-o-Y	NET INCOME EGP 88 mn ▲ 64% Y-o-Y	
DAIRY EGP 579 mn ▲ 15% Y-o-Y	YOGURT EGP 296 mn ▲ 1% Y-o-Y	JUICE EGP 241 mn ▲ 36% Y-o-Y	CONCENTRATES EGP 13 mn ▼ 33% Y-o-Y	AGRICULTURE EGP 6 mn ▼ 52% Y-o-Y

NINE MONTHS 2015

REVENUE EGP 3,103 mn ▲ 12% Y-o-Y	GROSS PROFIT EGP 1,088 mn ▲ 48% Y-o-Y	EBIT EGP 471 mn ▲ 80% Y-o-Y	NET INCOME EGP 219 mn ▲ 60% Y-o-Y	
DAIRY EGP 1,595 mn ▲ 15% Y-o-Y	YOGURT EGP 813 mn ▲ 8% Y-o-Y	JUICE EGP 587 mn ▲ 15% Y-o-Y	CONCENTRATES EGP 55 mn ▼ 17% Y-o-Y	AGRICULTURE EGP 54 mn ▲ 8% Y-o-Y

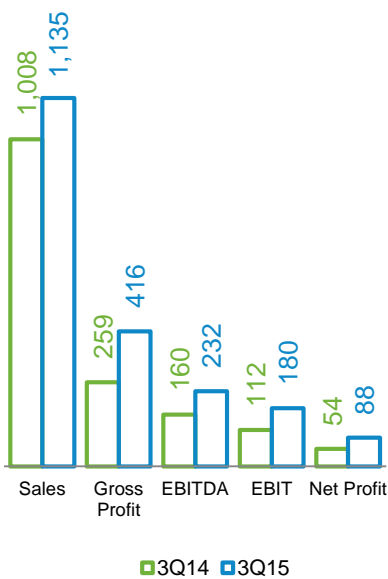
(Cairo, Egypt) — Juhayna Food Industries (JUFO.CA on the Egyptian Exchange), a leading Egyptian dairy, yogurt and juice manufacturer, announced today its consolidated results for the third quarter of 2015, reporting a 13% year-on-year rise in total consolidated revenue to EGP 1,135 million. Gross Profit saw a significant improvement of 61% to EGP 416 million compared to EGP 259 million in the same period last year. The jump in gross profit comes primarily on the back of stable raw material prices, which saw profit margin significantly improve by 11 percentage points to 37%, and eight percentage points to 35% in 3Q15 and 9M15, respectively. On a nine month basis, Juhayna reported a 12% increase in total consolidated revenue to EGP 3,103 million in 9M15 with net income standing at EGP 219 million, an impressive 60% y-o-y increase compared to 9M14. The improvement in bottom-line is owing to a lower effective income tax rate, and comes despite the company booking a non-recurring deferred tax of EGP 68 million.

Contributors to revenues continue to be weighed toward the dairy and yogurt segments at 51% and 26%, respectively, of consolidated revenues in 9M15. Meanwhile, Juhayna's juice segment posted the strongest year-on-year growth in 3Q15 with segment revenues climbing 36% to EGP 241 million driven by the launch on the new Premium product line.

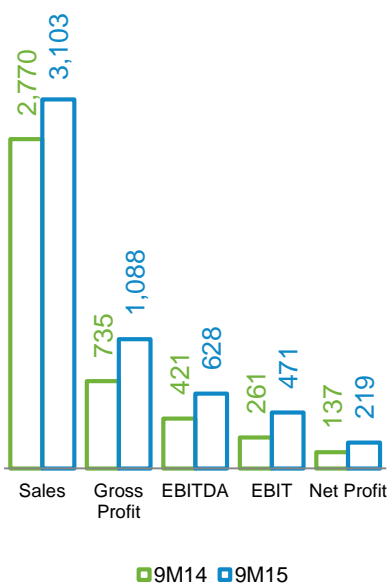
Highlights of Juhayna's financial and operational results along with management's commentary on performance in the quarter follow below. It is also worth noting that given the prevailing market conditions, and drawn from the fact that Juhayna operates in a highly competitive environment, management believes that it is in the best interest of shareholders to limit the disclosure of detailed segment analysis information. Juhayna's full financials are available for download on the company's website: www.juhayna.com.

GROUP CONSOLIDATED PERFORMANCE

3Q14 vs. 3Q15



9M14 vs. 9M15



TO OUR SHAREHOLDERS

Our performance during the third quarter of 2015 once again confirms the soundness of the group’s strategy, and gives reason for optimism about the market’s performance going forward. This quarter Juhayna recorded strong year-on-year growth in sales, which trickled down to our bottom-line having booked an impressive 64% year-on-year growth.

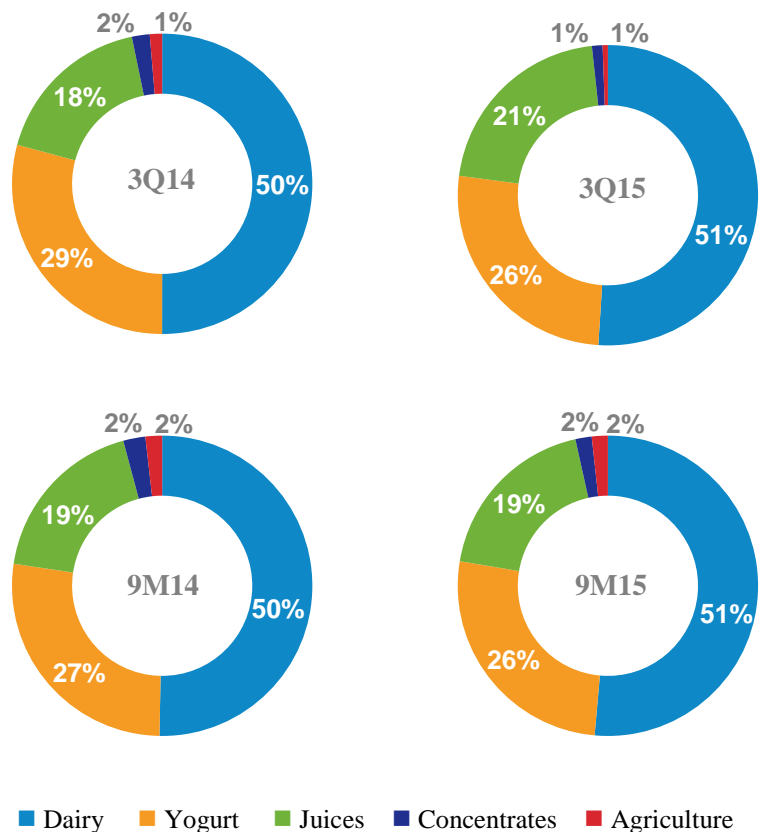
We remain committed to our expansion plans having spent some EGP 219 million during the nine month period, directed primarily at our dairy farms — where the procured high quality German Holstein cows have already started production — in addition to improving operational efficiency of the group’s commercial and industrial activities.

Juhayna has also secured three medium-term loans totaling EGP 480 million to help enhance the group’s working capital position, finance the ongoing operational expansion, as well as refinance existing debt.

We will continue to work tirelessly to provide our customers with a wide range of products that cater to the different needs of the market, all while maximizing shareholders’ value.

Safwan Thabet, Chairman & CEO

REVENUE BREAKDOWN



I. CONSOLIDATED INCOME STATEMENT

(EGP '000)	3Q15	3Q14	9M15	9M14
Net Sales	1,135,592	1,007,832	3,103,041	2,770,017
Cost of Sales	(719,502)	(748,602)	(2,015,519)	(2,035,158)
Gross Profit	416,090	259,230	1,087,522	734,859
<i>Gross Profit Margin</i>	37%	26%	35%	27%
Other Income	5,753	6,133	15,458	16,321
Sales & Distribution Expenses	(174,036)	(109,732)	(466,763)	(353,935)
General & Administrative Expenses	(36,951)	(39,724)	(106,602)	(101,246)
Other (Expenses)	(30,701)	(3,038)	(48,759)	(14,175)
Board of Directors Remuneration	(95)	(70)	(645)	(720)
Results from Operating Activities	180,060	112,798	480,211	281,105
EBITDA	231,743	159,654	628,454	420,546
<i>EBITDA Margin</i>	20%	16%	20%	15%
Parent Company's Share in Associate's Net Income	-	1,480	-	2,887
End of Service Remuneration	(152)	(708)	(9,654)	(19,737)
Financing Expenses	(45,373)	(42,732)	(126,477)	(91,610)
Net Profit Before Tax	134,536	70,838	344,080	172,644
Tax Differences from Previous Periods	1	-	231	601
Income Tax	(16,711)	(15,187)	(53,914)	(32,229)
Investment Tax Revenues	-	-	(4,099)	-
Deferred Tax	(29,591)	(1,882)	(67,687)	(4,244)
Net Profit	88,235	53,769	218,611	136,773



II. CONSOLIDATED BALANCE SHEET

(EGP '000)	9M15	FY14
Property, Plant and Equipment	2,752,435	2,094,365
Projects Under Construction	383,534	1,067,146
Agricultural Resources	13,707	26,422
Animal Wealth	18,123	-
Investment in Equity – Accounted Investees	50,929	50,929
Other Long Term Debit Balances	776	782
Goodwill	97,093	97,093
Non-current Assets	3,316,597	3,336,738
Inventories	579,455	557,524
Trade and Other Receivables	200,452	199,811
Due From Related Parties	-	816
Cash and Cash Equivalents	612,365	420,114
Current Assets	1,392,272	1,178,264
Provisions	11,671	8,571
Banks – Overdraft	22,200	17,198
Banks – Credit Facilities	715,943	742,348
Short Term Loans	-	16,000
Creditors and Other Credit Balances	313,062	272,772
Income Tax	-	50,481
Long-Term Loans – Current Portions	211,268	254,163
Current Liabilities	1,274,144	1,361,533
Working Capital	118,128	(183,269)
Total Invested Funds	3,434,725	3,153,468
These Investments are Financed as Follows:		
Issued and Paid up Capital	941,405	941,405
Legal Reserve	451,205	435,554
General Reserve – Insurance Premium	330,920	330,920
Retained Earnings	418,830	414,263
Net Profit for the Period after Periodic Dividends	218,543	161,551
Total Equity Attributed to the Shareholders of the Parent Company	2,360,904	2,283,693
Non-Controlling Interest	762	762
Total Equity	2,361,666	2,284,455
Long Term Loans	844,269	705,696
Other Long Term Liabilities	69,643	85,003
Deferred Revenues	16,623	3,477
Deferred Tax Liabilities	142,525	74,837
Non-Current Liabilities	1,073,059	869,013
Shareholder's Equity and Non-Current Liabilities	3,434,725	3,153,468

III. CONSOLIDATED CASH FLOW

(EGP '000)	9M15	9M14
Cash Flows from Operating Activities		
Net Profit for the Period Before Income Tax & Minority Interest in Profits	344,080	172,644
Adjustments for:		
Fixed Assets' Depreciation	150,870	138,179
Capital Gains (Losses)	(2,639)	(1,624)
Impairment in Fixed Assets	13,215	41
Change in Equity Accounted Investments	-	(2,414)
Impairment in Trade & Other Receivables	2,018	-
Impairment in Inventories	12,866	4,295
Provisions for Claims Filed	7,968	-
Financial Lease Installments	9,096	9,076
Credit Interests	(8,455)	(8,353)
Finance Interests & Expenses	144,810	111,348
	673,828	423,192
Collected Deposits Interests	8,384	8,353
Paid Finance Interests & Expenses	(137,291)	(106,158)
Change in:		
Inventories	(34,797)	8,649
Trade & Other Receivables	1,984	(22,586)
Due from Related Parties	816	346
Change in Creditors & Other Credit Balances	(78,989)	(74,705)
Dividend Paid to Employees	(22,336)	(30,406)
Provisions for Claims Used	(4,868)	(1,445)
Net Cash Flows from Operating Activities	406,731	205,241
Cash Flow from Investing Activities		
Acquisition of Fixed Assets & Projects Under Construction	(203,323)	(442,786)
Proceeds from Sale of Fixed Assets	67,420	3,195
Proceeds from Acquisition of Animal Wealth	(18,173)	(7,408)
Net Cash Flows (Used In) Investing Activities	(154,076)	(447,000)
Cash Flow from Financing Activities		
Proceeds from Bank Credit Facilities	(26,405)	(11,833)
Proceeds from Bank Loans	79,678	117,507
Proceeds for Lease Installments-Sale with the Right of Release	(9,076)	(9,076)
Dividend Paid to Shareholders	(109,536)	-
Increase/Decrease in Minority Interest	(68)	135
Net Cash Flows from Financing Activities	(65,406)	96,733
Increase (Decrease) in Cash & Cash Equivalents during the Period	187,249	(145,026)
Cash & Cash Equivalents as at 1 January	402,916	553,374
Cash & Cash Equivalents as at 30 September	590,165	408,348



ABOUT JUHAYNA FOOD INDUSTRIES

Juhayna Food Industries a leading producer and distributor of milk, juice and yogurt products. The company was established in 1983 by Safwan Thabet along with a number of other founders with paid-in capital of EGP 1.3 million. Production began in 1987 with a total production capacity of 35 tons per day and total sales of EGP 2.4 million. The company has since grown to become the most popular household name in the sector across Egypt. Today, Juhayna owns seven plants in addition to 28 sales and distribution centers and a fleet size of over 1000 vans and trucks. The company presently has paid-in capital of EGP 941 million and a work force of more than 4,000 employees.

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FORWARD-LOOKING STATEMENTS

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