



Juhayna Releases Fourth Quarter 2014 Earnings

FOURTH QUARTER 2014

Financial Results

REVENUE EGP 914 mn ▲13%	GROSS PROFIT EGP 256 mn ▲17%	EBIT EGP 90 mn ▲40%	NET INCOME EGP 33 mn ▲66%
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Sales Results

DAIRY EGP 540 mn ▲19%	YOGURT EGP 199 mn ▲6%	JUICE EGP 157 mn ▲7%	CONCENTRATES EGP 10 mn ▼20%	AGRICULTURE EGP 8 mn ▲50%
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FULL YEAR 2014

Financial Results

REVENUE EGP 3,684 mn ▲12%	GROSS PROFIT EGP 991 mn -	EBIT EGP 351 mn ▼21%	NET INCOME EGP 170 mn ▼48%
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Sales Results

DAIRY EGP 1,932 mn ▲18%	YOGURT EGP 949 mn ▲6%	JUICE EGP 669 mn ▲8%	CONCENTRATES EGP 76 mn ▼16%	AGRICULTURE EGP 58 mn ▲9%
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(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 full year 2014, reporting a 12% year-on-year rise in total consolidated revenue to EGP 3,684 million. Net income saw a 48% decline from last year to EGP 170 million while net profit margin declined five percentage points to 4.6%.

Fourth quarter revenues rose 13% year-on-year to EGP 914 million, buoyed by strong sales results from the Dairy segment, which grew 19% this quarter to EGP 540 million. Juhayna posted net income of EGP 33 million in 4Q14, a 66% improvement over the same period in 2013.

Top-line gains were partially offset by an uptick in cost of goods sold on the back of higher raw materials prices in addition to higher energy costs. In addition to the rise in exchange rates.

Furthermore, EGP 39 million year-on-year reduction in forex gains contributed to a 1.2% drop in net profit margins, while EGP 35 million rise in marketing costs led to a 0.5% drop in net profit margins.



TO OUR SHAREHOLDERS

I speak for all of us here at Juhayna when I say we look forward to a new beginning in 2015 as we close a year that was most challenging.

The year just ended saw Juhayna absorb a sharp rise in raw materials prices, with the impact being particularly pronounced in the cost of milk. We opted to pass only incremental price rises on to consumers in the first half of the year. In the second half, we refrained from further price increases as our raw materials costs began to improve.

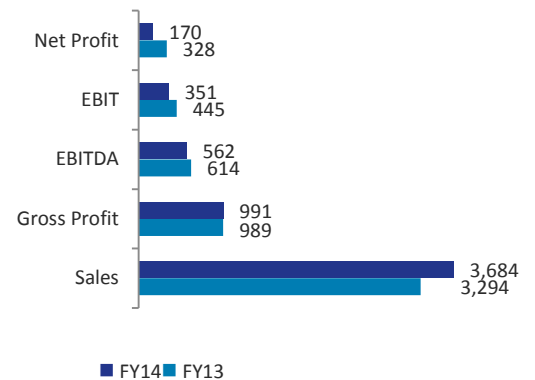
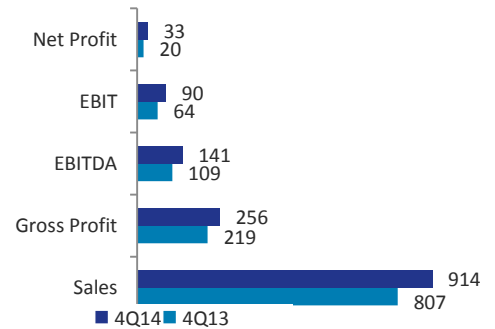
In parallel, we were forced in 2014 to absorb both increased foreign exchange costs and rising energy prices, both as a result of national-level policy decisions beyond our control.

Heading into 2015, we are optimistic that the ongoing economic recovery will see market demand grow; that the Central Bank of Egypt's drive to eliminate the parallel market for hard currency will be successful; that we 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.

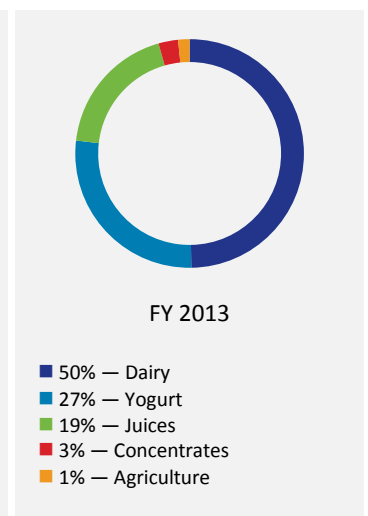
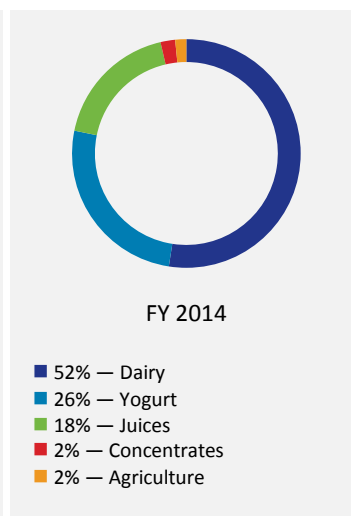
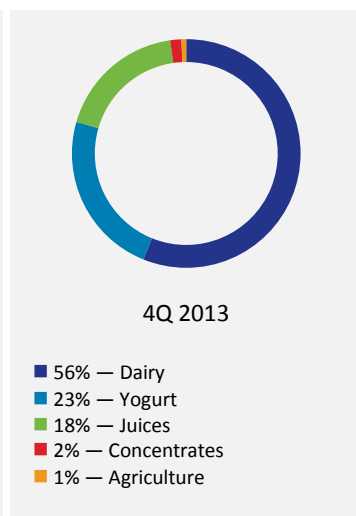
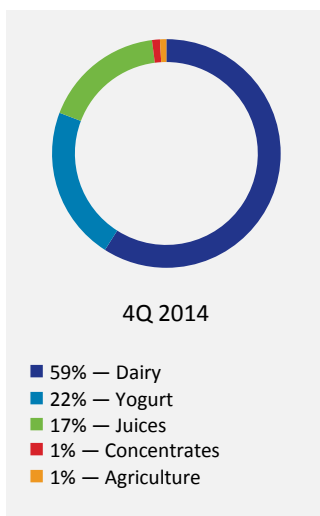
As always, we look forward with confidence to drive shareholder value, meet our consumer needs and strive for operational excellence in the coming period.

Safwan Thabet, Chairman & CEO

GROUP CONSOLIDATED PERFORMANCE



REVENUE BREAKDOWN





I. SEGMENT ANALYSIS

A. LOCAL SALES

Net Sales by Segment (EGP mn)

	4Q14	4Q13	Change	FY14	FY13	Change
Dairy	521	438	19%	1,860	1,565	19%
Yogurt	199	188	6%	949	891	6%
Juice	150	142	6%	645	602	7%
Concentrates	3	4	-38%	30	26	17%
Agriculture	8	5	50%	58	53	9%
Total	881	778	13%	3,542	3,137	13%

1. DAIRY SEGMENT

Dairy Segment Sales & Gross Profit (EGP mn)

	4Q14	4Q13	Change	FY14	FY13	Change
Net Sales	521	438	19%	1,860	1,565	19%
Gross Profit	136	106	29%	466	421	11%
Gross Profit Margin	26%	24%	2pp	25%	27%	(2pp)

2. YOGURT SEGMENT

Yogurt Segment Sales & Gross Profit (EGP mn)

	4Q14	4Q13	Change	FY14	FY13	Change
Net Sales	199	188	6%	949	891	6%
Gross Profit	69	59	17%	316	313	1%
Gross Profit Margin	35%	31%	4pp	33%	35%	(2pp)

3. JUICE SEGMENT

Juice Segment Sales & Gross Profit (EGP mn)

	4Q14	4Q13	Change	FY14	FY13	Change
Net Sales	150	142	6%	645	602	7%
Gross Profit	52	50	4%	194	193	0%
Gross Profit Margin	35%	35%	-	30%	32%	(2pp)

4. CONCENTRATES SEGMENT

Concentrates Segment Sales & Gross Profit (EGP mn)

	4Q14	4Q13	Change	FY14	FY13	Change
Net Sales	3	4	-38%	30	26	17%
Gross Profit	0	(1)	-	7.9	7.6	4%
Gross Profit Margin	4%	-14%	-	26%	29%	(3pp)



5. AGRICULTURAL SEGMENT

Agricultural Segment Sales & Gross Profit (EGP mn)

	4Q14	4Q13	Change	FY14	FY13	Change
Net Sales	8	5	50%	58	53	9%
Gross Profit	(7)	(0.1)	-	(16)	11	
Gross Profit Margin	-83%	-2%	-	-27%	21%	-

B. EXPORT SALES

Export Sales & Gross Profit (EGP mn)

	4Q14	4Q13	Change	FY14	FY13	Change
Net Sales	33	29	13%	142	156	-9%
Gross Profit	6	5	27%	23	42	-45%
Gross Profit Margin	18%	16%	2pp	16%	27%	(11pp)



II. CONSOLIDATED INCOME STATEMENT

(EGP '000)	FY14	FY13
Net Sales	3,684,060	3,293,706
Cost of Sales	(2,693,048)	(2,304,715)
Gross Profit	991,012	988,991
Gross Profit Margin	27%	30%
Other Income	24,099	29,742
Sales & Distribution Expenses	(469,307)	(406,393)
General & Administrative Expenses	(141,117)	(132,731)
Other (Expenses)	(23,435)	(25,523)
Board of Directors Remuneration	(10,375)	(9,546)
Results from Operating Activities	370,877	444,540
EBITDA	561,509	614,357
EBITDA Margin	15%	19%
Parent Company's Share in Associate's Net Income	3,744	4,811
End of Service Remuneration	(19,996)	
Financing Expenses	(126,772)	(57,704)
Net Profit Before Tax	227,853	391,648
Tax Differences from Previous Periods	601	424
Income Tax	(50,481)	(48,762)
Deferred Tax	(7,884)	(14,982)
Net Profit	170,090	328,327



III. CONSOLIDATED BALANCE SHEET

(EGP)	FY14	FY13
Property, Plant and Equipment	2,094,365,402	1,698,981,216
Projects Under Construction	1,067,146,333	1,071,427,199
Agricultural Resources	26,421,716	48,088,049
Investment in Equity – Accounted Investees	50,929,445	47,658,194
Other Long Term Debit Balances	781,776	790,048
Goodwill	97,092,890	97,092,890
Non-current Assets	3,336,737,562	2,964,037,596
Inventories	557,524,201	616,189,984
Trade and Other Receivables	194,757,012	190,496,653
Due From Related Parties	815,558	785,434
Cash and Cash Equivalents	425,167,281	575,932,728
Current Assets	1,178,264,052	1,383,404,799
Provisions	8,571,220	10,090,042
Banks – Overdraft	17,197,765	17,509,193
Banks – Credit Facilities	742,348,289	765,244,202
Short Term Loans	16,000,000	10,000,000
Creditors and Other Credit Balances	272,772,151	243,344,257
Income Tax	50,480,863	48,762,310
Long-Term Loans – Current Portions	254,163,157	256,895,019
Current Liabilities	1,361,533,445	1,351,845,023
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:		
Issued and Paid up Capital	941,405,082	706,053,811
Legal Reserve	435,553,732	421,792,281
General Reserve – Insurance Premium	330,920,428	330,920,428
Retained Earnings	414,262,886	391,834,289
Net Profit for the Period after periodic dividends	161,550,850	313,080,142
Total Equity Attributed to the Shareholders of the Parent Company	2,283,692,978	2,163,680,951
Non Controlling Interest	761,931	639,093
Total Equity	2,284,454,909	2,164,320,044
Long Term Loans	705,695,751	675,112,460
Other Long Term Liabilities	85,003,065	83,995,990
Deferred Revenues	3,477,116	5,215,700
Deferred Tax Liabilities	74,837,328	66,953,178
Non-Current Liabilities	869,013,260	831,277,328
Shareholder's Equity and Non-Current Liabilities	3,153,468,169	2,995,597,372



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 26 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

Statements contained in this Business Review that are not historical facts are based on current expectations, estimates, projections, opinions and beliefs of Juhayna Food Industries. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon. Certain information contained herein constitutes "targets" or "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "seek," "should," "expect," "anticipate," "project," "estimate," "intend," "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology. Actual events or results or the actual performance of Juhayna Food Industries may differ materially from those reflected or contemplated in such targets or forward-looking statements. The performance of Juhayna Food Industries is subject to risks and uncertainties.