



JUHAYNA RELEASES:

First Quarter 2013 Earnings

8 May 2013

I. FINANCIAL HIGHLIGHTS

First Quarter 2013

Revenue of EGP 717 million	28% increase over 1Q12
Gross profit reached EGP 228 million	50% increase over 1Q12
EBIT reached EGP 104 million	92% increase over 1Q12
Net income excl one-off item reached EGP 72 million	67% increase over 1Q12
Foreign exchange valuation gains reached EGP 24 million	
Net income reached EGP 96 million	
Dairy sales grew 22% y-o-y to EGP 368 million	with gross margin of 30%
Yogurt sales increased 22% y-o-y to EGP 181 million	with gross margin of 37%
Juice sales increased 29% y-o-y EGP 129 million	with gross margin of 26%
Concentrates sales grew 456% y-o-y to EGP 26 million	with gross margin of 39%
Agriculture sales grew 93% y-o-y to EGP 12 million	with gross margin of 40%

(Cairo, Egypt) - Juhayna Food Industries (JUFO.CA), a leading Egyptian dairy, yogurt and juice manufacturer, announced today its consolidated results for the first quarter of 2013, reporting net income of EGP 72 million on total consolidated revenues of EGP 717 million. This represents a 28% year-on-year surge in revenues and a 67% improvement in net income compared with the same quarter of 2012.

Bottom-line earnings were positively impacted by a one-off item foreign exchange valuation gains of EGP 24 million. Accordingly, net income for the period amount to EGP 96 million.

The company reports strong y-o-y growth across all core segments including juice (29% sales growth), yogurt (22%) and dairy (22%).

“Continued strong sales despite macro-level headwinds in Egypt represent the payoff of our investments in infrastructure and brand equity; of the responsiveness of our marketing platform; and of consistent efforts to educate the market about health-conscious choices,” said Juhayna Chairman and Chief Executive Officer Safwan Thabet. “Against this backdrop, we launched two new distribution centers in 1Q13 — one in New Cairo and one in the Qalubiya governorate. We will continue to invest in staff at all levels, building on the 86 new hires we brought on board in the first quarter — while continuing to invest in the build-out of our Egyfood yogurt plants in Assiut and Sixth of October City.”

Highlights of Juhayna’s financial and operational results along with management’s commentary on performance in the quarter follow below. Full financials are available for download on the company’s website: www.juhayna.com.



TO OUR SHAREHOLDERS

I am delighted to report that Juhayna has turned in an outstanding performance in 1Q 2013 on the back of strong contributions from all segments. Our strong sales momentum in the first quarter comes as a direct result of our investment in people and infrastructure, as well as our sustained emphasis on marketing.

In the quarter just ended, we have hired 86 new staff to help drive sales across categories and SKUs in the years ahead under the leadership of our new Director of Marketing and Innovation, who brings to Juhayna more than 18 years of experience in consumer goods marketing at companies including Arla Foods. Also joining our family in the past quarter were a number of new hires for the manufacturing side of the business, including a Director of Factories with 25 years of experience in the food industry, including service to industry players such as Unilever.

Both of our new Director-level appointments will be busy in the months ahead as we focus on opening our new Egyfood yogurt plant in Assiut this coming May; similarly, we aim to partially open our Sixth of October Egyfood facility this summer.

This investment in sustainable growth comes as we continue to make progress on the marketing front (particularly in the juice segment); in the agriculture segment, where we are beginning an exciting new pilot program working with our suppliers at the same time as we proceed with investment in our own dairy farm to safeguard our supply of raw materials; and as we look for new opportunities to establish additional distribution centers nationwide, having added two in 1Q 2013 — one in New Cairo and one in the Qalubia governorate.

Against this backdrop, I am pleased to report that our General Assembly has approved the payment of an EGP 0.15 per share dividend for the year ended 31 December 2012 and that we have furthermore distributed employee profit sharing and Board of Directors bonuses in the range of EGP 152.3 million.

As we head into the second quarter of the year and gear up for the high season of Ramadan, I would like to thank our employees for their dedication and perseverance; our suppliers and retail partners for their continued faith; and our millions of consumers for their unwavering trust.

**Safwan
Thabet
Chairman &
CEO**

Figure 1: Revenue Breakdown for 1Q 2013 vs. 1Q 2012

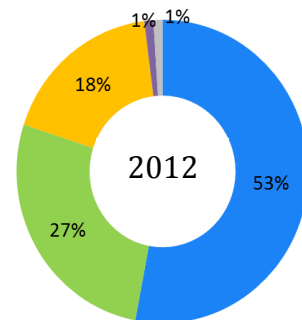
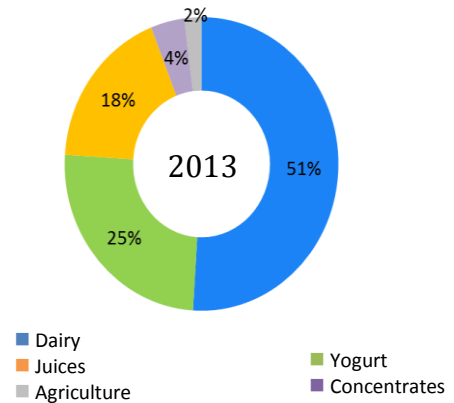
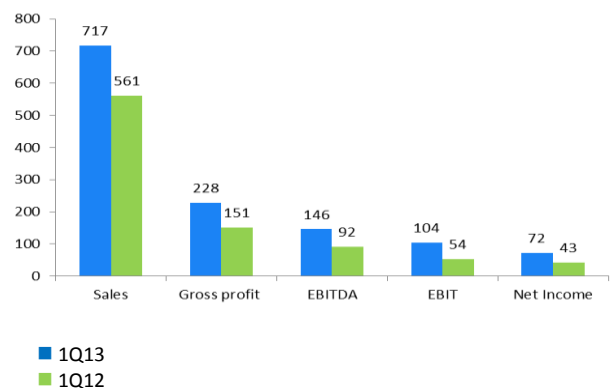


Figure 2: Group Consolidated Performance for 1Q13 vs. 1Q 2012





II. SEGMENT ANALYSIS

A. LOCAL SALES

The company reports strong 27% year-on-year sales growth across all five core businesses during 1Q13.

Net Sales by Segment (EGP mn)

	1Q12	1Q13	Change
Dairy	279	356	28%
Yogurt	149	181	22%
Juice	97	126	30%
Concentrates	3	6	63%
Agriculture	6	12	93%
Total	535	681	27%

1. DAIRY SEGMENT

Dairy sales in 1Q 2013 rose 28% year-on-year — in line with FY 2012 growth rates — on the back of continued marketing and advertising campaigns, consumer acceptance of new packaging, and rising awareness of the health benefits of packaged milk vs. raw / unpasteurized milk. Gross profit margin improved to 31% during the same period.

Dairy Segment Sales & Gross Profit (EGP mn)

	1Q12	1Q13	Change
Sales (Ton)	40,975	50,141	22%
Net Sales	279	356	28%
Gross Profit	74	109	47%
Gross Profit Margin	27%	31%	

2. YOGURT SEGMENT

As was the case in the dairy segment, yogurt sales grew 22% during 1Q13 with gross profit margin growing to 37% during the same period, which owes to the company's robust marketing and advertising efforts as well as continued investment in infrastructure. Management looks forward to the start of production at the company's Egyfoods plant in Assiut in May and to the partial launch of production at Egyfoods' Sixth of October facility this summer.

Yogurt Segment Sales & Gross Profit (EGP mn)

	1Q12	1Q13	Change
Sales (Ton)	14,267	17,085	20%
Net Sales	149	181	22%
Gross Profit	51	67	32%
Gross Profit Margin	34%	37%	



3. JUICE SEGMENT

Juice and drinks sales reported 30% y-o-y growth, with gross profit margin rising to 26% during the period. Sales growth comes on the back of sustained emphasis by Juhayna in its marketing and advertising efforts on health awareness. Among other initiatives to support growth across the segment, management is now rolling out kiosks and point-of-sale refrigerators to drive brand awareness and sales.

Juice Segment Sales & Gross Profit (EGP mn)

	1Q12	1Q13	Change
Sales (Ton)	15,381	19,378	26%
Net Sales	97	126	30%
Gross Profit	23	33	43%
Gross Profit Margin	24%	26%	

4. CONCENTRATES SEGMENT

The concentrate segment represents significant importance to Juhayna, where more than 50% of its production is being used in juice manufacturing by the company, while the surplus is being sold either to third parties or exported to Arab countries. Concentrate sales during 1Q13 (excluding sales to Juhayna) reported a y-o-y growth of 63%, with profit margin reaching 36% during the same period.

Concentrates Segment Sales & Gross Profit (EGP mn)

	1Q12	1Q13	Change
Sales (Ton)	239	513	115%
Net Sales	3	6	63%
Gross Profit	1	2	123%
Gross Profit Margin	27%	36%	

5. AGRICULTURAL SEGMENT

Net sales at the agricultural segment reports a sharp 93% improvement during 1Q13, with gross profit margin rising to 40% during the period, on the back of better weather conditions (which led to better crop yields and higher crop quality) as well as better pricing. Juhayna plans to also plant feed and fruit trees and grow agricultural produce on the farm's land. Agriculture sales in the first quarter were mainly potatoes.

Agricultural Segment Sales & Gross Profit (EGP mn)

	1Q12	1Q13	Change
Sales(Ton)	8,732	8,347	(4%)
Net Sales	6	12	93%
Gross Profit	1	5	308%
Gross Profit Margin	19%	40%	



B. EXPORT SALES

Export sales reports 35% y-o-y growth in 1Q13, driven by concentrates, with gross profit margin rising to 32% during the period.

Export Sales & Gross Profit (EGP mn)

	1Q12	1Q13	Change
Sales(Ton)	4,925	5,970	21%
Net Sales	26	36	35%
Gross Profit	1	11	879%
Gross Profit Margin	4%	32%	



III. CONSOLIDATED INCOME STATEMENT

(Million EGP)	1Q13	1Q12
Net Sales	717	561
Cost of Sales	(489)	(410)
Gross Profit	228	151
Gross Profit Margin	32%	27%
Sales & Distribution Expenses	(86)	(70)
General & Administrative Expenses	(29)	(25)
Other Income (Expenses)	(8)	(2)
Operational Results	104	54
EBITDA	146	92
EBITDA Margin	20%	16%
Parent Company's Share in Associate's Net Income	1	1
Financing Income (Expenses)	10	(12)
Profit Before Income Tax	115	44
Taxes Differences from Previous Years	-	2
Income Tax	(17)	(4)
Deferred Tax	(2)	2
Net Profit	96	43

Bottom-line earnings impacted by a one-off item foreign exchange valuation gains of EGP 24 million. Accordingly, net income for the period amount to EGP 96 million.



IV. CONSOLIDATED BALANCE SHEET

(Million EGP)	1Q13	FY12
Property, Plant and Equipment	1,496	1,480
Projects Under Construction	706	531
Agricultural Resources	31	30
Investment in Equity – Accounted Investees	44	43
Other Long Term Debit Balances	1	1
Goodwill	97	97
Non-current Assets	2,375	2,181
Assets Held for Sale	0.5	0.5
Inventories	567	348
Trade and Other Receivables	215	145
Due From Related Parties	2	1
Treasury Bonds	167	240
Cash and Cash Equivalents	572	530
Current Assets	1,524	1,264
Provisions	17	12
Banks – Overdraft	17	13
Banks – Credit Facilities	688	351
Short Term Loans	46	32
Creditors and Other Credit Balances	373	237
Income Tax	43	43
Long-Term Loans – Current Portions	184	152
Current Liabilities	1,369	840
Working Capital	155	424
Total Invested Funds	2,530	2,605
These Investments are Financed as Follows:		
Issued and Paid up Capital	706	706
Legal Reserve	407	402
General Reserve – Insurance Premium	331	331
Retained Earnings	392	237
Net Profit for the Period after Periodic Dividends	96	313
Total Equity Attributed to the Shareholders	1,932	1,988
Non-Controlling Interest	1	1
Total Equity	1,932	1,988
Long Term Loans	503	526
Other Long Term Liabilities	34	32
Deferred Revenues	7	7
Deferred Tax Liabilities	54	52
Non-Current Liabilities	598	617
Shareholder’s Equity and Non-Current	2,530	2,605



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 six plants in addition to 25 sales and distribution centers. The company presently has paid-in capital of EGP 706 million and a work force of 4,152 employees.

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.

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