



JUHAYNA RELEASES:

Fourth Quarter 2013 Earnings

27 February 2014

I. FINANCIAL HIGHLIGHTS

Fourth Quarter 2013

Revenue of EGP 807 million	8% increase over 4Q12
Gross profit was EGP 219 million	8% decrease from 4Q12
EBIT was EGP 64 million	36% decrease from 4Q12
Net income of EGP 20 million	76% decrease from 4Q12
Dairy sales grew 13% y-o-y to EGP 453 million	with a gross margin of 24%
Yogurt sales increased 1% y-o-y to EGP 188 million	with a gross margin of 31%
Juice sales increased 8% y-o-y EGP 148 million	with a gross margin of 35%
Concentrates sales decreased 26% y-o-y to EGP 13 million	with a gross margin of 8%
Agriculture sales decreased 6% y-o-y to EGP 5 million	with a gross margin of -2%

Full Year 2013

Revenue of EGP 3,294 million	15% increase over 2012
Gross profit reached EGP 989 million	11% increase over 2012
EBIT reached EGP 445 million	9% increase over 2012
Net income reached EGP 328 million	1% increase over 2012
Dairy sales grew 14% y-o-y to EGP 1,639 million	with a gross margin of 27%
Yogurt sales increased 11% y-o-y to EGP 891 million	with a gross margin of 35%
Juice sales increased 16% y-o-y EGP 619 million	with a gross margin of 32%
Concentrates sales grew 75% y-o-y to EGP 91 million	with a gross margin of 34%
Agriculture sales grew 88% y-o-y to EGP 53 million	with a gross margin of 21%

(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 fourth quarter of 2013, reporting an 8% year-on-year increase in total consolidated revenue to EGP 807 million. Gross profit for the quarter eased 8% y-o-y to EGP 219 million, with a gross margin of 27%, while net income for the quarter stood at EGP 20 million. Margins came under pressure as the company only partially passed on to the market the impact of rising raw milk prices in the quarter.

A sales recovery that began in 4Q13 left the Juhayna in a position to capture the upside of improving consumer sentiment in 2014.



On a full year basis, year, growth across the board was muted by the impact of lower-than-budgeted Ramadan sales (the Group's traditional high season) on the back of current events and a curfew then in effect. Full-year revenues rose 15% to EGP 3,294 million, while net income inched up just 1% to EGP 328 million on the back of margin pressure from slower 3Q13 sales, rising raw materials prices in 4Q13 and an uptick in financing expenses.

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

Following the challenges of 3Q13, when our traditional Ramadan high season was impacted by short shopping hours due to the curfew then in effect, I am pleased to report the start of a sales recovery in the final quarter of the year. While our margins have been impacted by a rise in milk costs that we have not yet fully reflected in consumer prices, we believe we are in a position to begin a margin recovery — bolstered by cost control measures — in 2014.

The real story of 2013 was the fact that we stayed the course with an ambitious EGP 750 million investment program that has seen us start production at our new EgyFood yogurt plant in Assiut, upgrade our logistics and distribution network, invest in dedicated point-of-sale refrigeration infrastructure, and invest in the hiring of more than 400 new employees.

As I write these words, we are days away from opening our Sixth of October City EgyFood plant as we continue to invest in our farm, logistics and distribution networks. These efforts, as previously disclosed, are backed by the EBRD loan, that institution's first investment in our nation's food and agriculture sector.

Whatever the challenges of 2014, we have the human talent, product range, infrastructure and marketing prowess we need to capture any market upswing that will accompany the stabilization of consumer sentiment.

Safwan Thabet
Chairman & CEO

Figure 2: Group Consolidated Performance

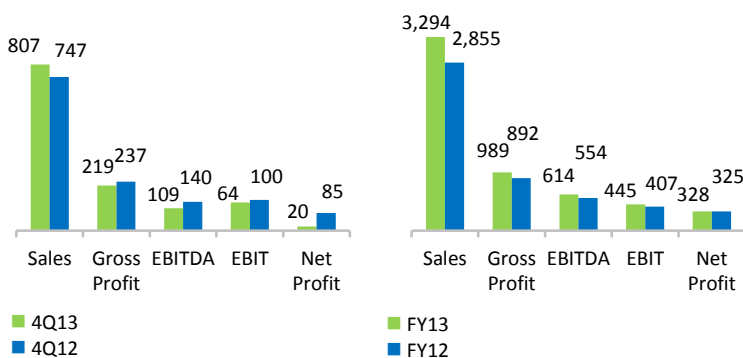
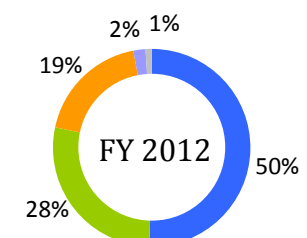
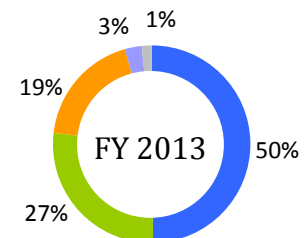
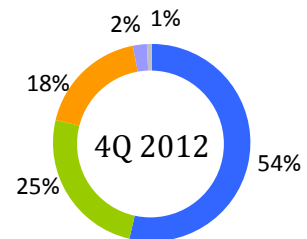
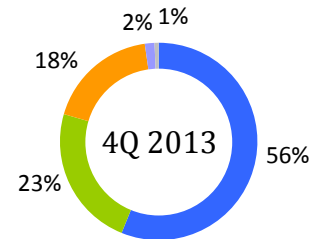


Figure 1: Revenue Breakdown



■ Dairy
■ Juices
■ Agriculture
■ Yogurt
■ Concentrates



II. SEGMENT ANALYSIS

A. LOCAL SALES

Net Sales by Segment (EGP mn)

	4Q12	4Q13	Change	2012	2013	Change
Dairy	386	438	14%	1,347	1,565	16%
Yogurt	187	188	1%	800	891	11%
Juice	133	142	7%	520	602	16%
Concentrates	3	4	61%	17	26	56%
Agriculture	6	5	-6%	28	53	88%
Total	714	778	9%	2,711	3,137	16%

1. DAIRY SEGMENT

Dairy Segment Sales & Gross Profit (EGP mn)

	4Q12	4Q13	Change	2012	2013	Change
Sales (Ton)	53,615	60,285	12%	191,074	216,305	13%
Net Sales	386	438	14%	1,347	1,565	16%
Gross Profit	132	106	-20%	425	421	-1%
Gross Profit Margin	34%	24%	(10pp)	32%	27%	(5pp)

2. YOGURT SEGMENT

Yogurt Segment Sales & Gross Profit (EGP mn)

	4Q12	4Q13	Change	2012	2013	Change
Sales (Ton)	17,821	15,683	-12%	76,274	77,446	2%
Net Sales	187	188	1%	800	891	11%
Gross Profit	71	59	-17%	296	313	6%
Gross Profit Margin	38%	31%	(7pp)	37%	35%	(2pp)

3. JUICE SEGMENT

Juice Segment Sales & Gross Profit (EGP mn)

	4Q12	4Q13	Change	2012	2013	Change
Sales (Ton)	20,157	20,973	4%	80,140	89,938	12%
Net Sales	133	142	7%	520	602	16%
Gross Profit	45	50	11%	163	193	19%
Gross Profit Margin	34%	35%	1pp	31%	32%	1pp



4. CONCENTRATES SEGMENT

Concentrates Segment Sales & Gross Profit (EGP mn)

	4Q12	4Q13	Change	2012	2013	Change
Sales (Ton)	600	272	-55%	2,050	2,280	11%
Net Sales	3	4	61%	17	26	56%
Gross Profit	0.1	-0.6	-	3	8	163%
Gross Profit Margin	5%	-14%	(19pp)	17%	29%	12pp

5. AGRICULTURAL SEGMENT

Agricultural Segment Sales & Gross Profit (EGP mn)

	4Q12	4Q13	Change	2012	2013	Change
Sales(Ton)	3,557	4,071	14%	31,243	43,726	40%
Net Sales	6	5	-6%	28	53	88%
Gross Profit	-17	-0.1	-	-18	11	-
Gross Profit Margin	-294%	-2%	-	-65%	21%	-

B. EXPORT SALES

Export Sales & Gross Profit (EGP mn)

	4Q12	4Q13	Change	2012	2013	Change
Sales(Ton)	4,300	4,310	0%	22,951	20,376	-11%
Net Sales	33	29	-11%	144	156	9%
Gross Profit	6	5	-21%	23	42	84%
Gross Profit Margin	18%	16%	(2pp)	16%	27%	11pp



III. CONSOLIDATED INCOME STATEMENT

(Million EGP)	4Q13	4Q12	2013	2012
Net Sales	807	747	3,294	2,855
Cost of Sales	(589)	(510)	(2,305)	(1,963)
Gross Profit	219	237	989	892
Gross Profit Margin	27%	32%	30%	31%
Sales & Distribution Expenses	(122)	(92)	(406)	(353)
General & Administrative Expenses	(35)	(27)	(133)	(107)
Other Income (Expenses)	1	(19)	(5)	(26)
Operational Results	64	100	445	407
EBITDA	109	140	614	554
EBITDA Margin	14%	19%	19%	19%
Parent Company's Share in Associate's Net Income	3	0.2	5	1
Financing Income (Expenses)	(31)	10	(58)	(25)
Profit Before Income Tax	36	110	392	383
Income Tax	(10)	(16)	(48)	(41)
Deferred Tax	(6)	(9)	(15)	(16)
Net Profit	20	85	328	325



IV. CONSOLIDATED BALANCE SHEET

(Million EGP)	2013	2012
Property, Plant and Equipment	1,699	1,480
Projects Under Construction	1,071	531
Agricultural Resources	48	30
Investment in Equity – Accounted Investees	48	43
Other Long Term Debit Balances	1	1
Goodwill	97	97
Non-current Assets	2,964	2,181
Assets Held for Sale	0	1
Inventories	616	348
Trade and Other Receivables	190	145
Due From Related Parties	1	1
Treasury Bonds	0	240
Cash and Cash Equivalents	576	530
Current Assets	1,383	1,264
Provisions	10	12
Banks – Overdraft	18	13
Banks – Credit Facilities	765	351
Short Term Loans	10	32
Creditors and Other Credit Balances	243	237
Income Tax	49	43
Long-Term Loans – Current Portions	257	152
Current Liabilities	1,352	840
Working Capital	32	424
Total Invested Funds	2,996	2,605
These Investments are Financed as Follows:		
Issued and Paid up Capital	706	706
Legal Reserve	421	402
General Reserve – Insurance Premium	331	331
Retained Earnings	392	237
Treasury Stocks	0	0
Net Profit for the Period	313	313
Total Equity Attributed to the Shareholders of	2,164	1,988
Non Controlling Interest	1	1
Total Equity	2,164	1,989
Long Term Loans	675	526
Other Long Term Liabilities	84	32
Deferred Revenues	5	7
Deferred Tax Liabilities	67	52
Non-Current Liabilities	831	617
Shareholder’s Equity and Non-Current	2,996	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 more than 4,000 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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