



Earnings Release: Second Quarter & First Half 2012

9 August 2012

(Cairo, Egypt) -Juhayna Food Industries (JUFO.CA), one of the leading dairy, yogurt and juice manufacturers and distributors in Egypt, announced its consolidated results for the second quarter and First Half 2012.

I-FINANCIAL HIGHLIGHTS

Second Quarter 2012

- **Revenue** reached EGP 706 million, 23% increase over 2Q11
- **Gross profit** reached EGP 220 million, 37% increase over 2Q11.
- **EBIT** reached EGP 104 million, 39% increase over 2Q11
- **Net income** totaled EGP76 million, 23% increase over 2Q11.
- **Dairy** sales grew 25% y-o-y to EGP 344 million with gross margins at 29%
- **Yogurt** sales increased 36% to EGP 197 million With gross margin at 36%.
- **Juice** sales grew 22% to EGP140 million With gross margins at 33%.
- **Concentrates** sales decreased 48% to EGP 13 million, with gross margins at 28%
- **Agriculture** sales decreased 5% to EGP13 million, With gross margins at 3%.

First Half 2012

- **Revenue** reached EGP 1,267 million, 27% increase over 1H11.
- **Gross profit** reached EGP 372 million, 29% increase over 1H11
- **EBIT** reached EGP 158 million, 13% increase over 1H11.
- **Net income** totaled EGP 119 million, 6% increase over 1H11.
- **Dairy** sales grew 27% to EGP 644 million, with gross margins at 27%.
- **Yogurt** sales increased 40% to EGP 346 million, with gross margins at 35%.
- **Juice** sales grew 25% to EGP 240 million, with gross margins at 29%.
- **Concentrates** sales dropped 53% to EGP 17 million, with gross margins at 21%.
- **Agriculture** sales increased 15% to EGP 20 million, with gross margins at 8%.





To Our Shareholders


During the Second Quarter of the year, Juhayna Food Industries realized strong growth in sales and profits. In comparison to the same period last year, both net sales and net profits grew each by 23% reaching EGP706 million and EGP 76 million respectively. This growth is attributed to several factors:


- Investment in new production and packaging lines.
- Increase in advertisement and marketing campaigns for milk, yogurt and juice.
- Establishment of 5 new sales and distribution branches, expansion and renewal of distribution fleet with the addition of 140 new vehicles.
- Sales plans and strategies adopted by the company led to an increase in yogurt sales by 36%, milk by 25% and juice by 22%.

The company remains committed to its role in the economic development of Egypt and its confidence in the country's future economic growth; plans for expansion at an investment cost of EGP 253 million were approved by the Board of Directors for the first half of the year.

First: Industrial Sector

Milk production:

New production lines were installed in cooperation with Tetrapak  at El Masreya plant raising production capacity. Contracts were also concluded for the installation of new production and packaging lines "EDG" as well as increasing production and packaging lines of pouch milk.

The installation of palletizing and shrink lines by the Danish company Soco Systems  were undertaken in order to facilitate and ameliorate the flow movement of products.

Juice Sector:

Agreements were drawn with the German company Krones  for the installation of the Racking System. Agreements were also reached to purchase new production, packaging and palletizing lines with the German Company Combibloc .





Yogurt Sector:

Contracts were concluded with German Hassia OYSTAR The Packaging Group for the provision of yogurt production and packaging lines to meet increase in demand.

Second: Commercial and Distribution Sector

Contracts and agreements related to the establishment of new branches owned by the company in Assiut , Sohag, and El Tor and to other branches under lease in El Obour and Kafr El Skeikh Governorates were concluded. A 12,000 sqm terrain was bought in El Mansheya El Gadida, Moharaam Beik, Alexandria to construct central warehouses to serve Alexandria Governorate.

Increase and renewal of distribution fleet to reach a total of 140 vehicles.

Third: Agricultural and Milk Production:

Work is in progress to reclaim and cultivate land in Abu Monkar (New Valley) and El Esseila (Wahat Bahareya). It is expected to commence construction of the dairy farm by the beginning of next year.

Finally Juhayna continues to fulfill its expansion strategies to maintain its leading position in the Egyptian food and beverage market.

Safwan Thabet

Chairman & CEO



Figure 1: Revenue Breakdown for 2Q2012

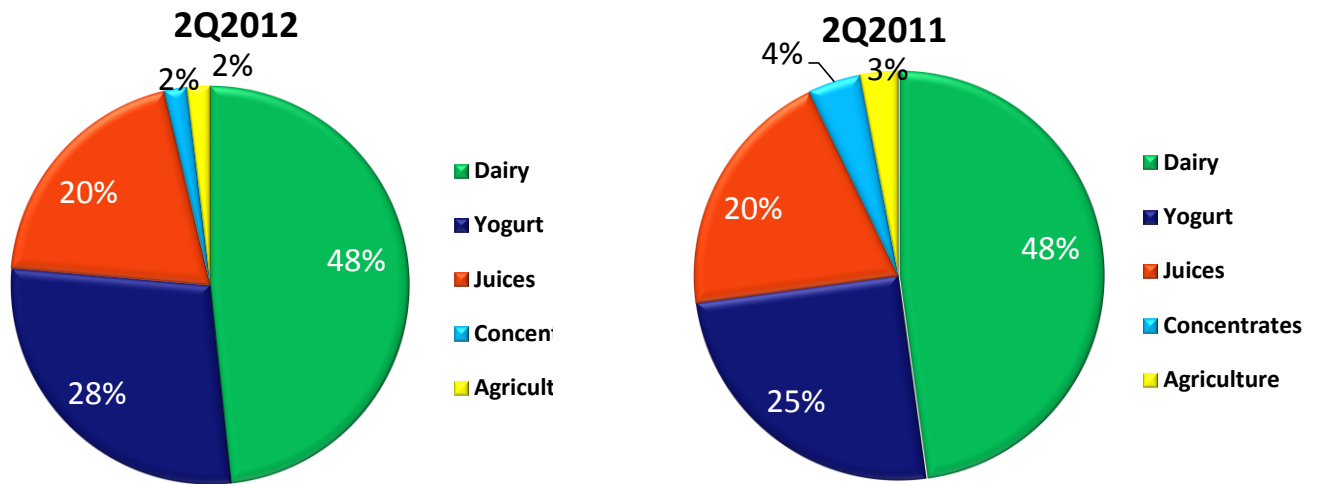
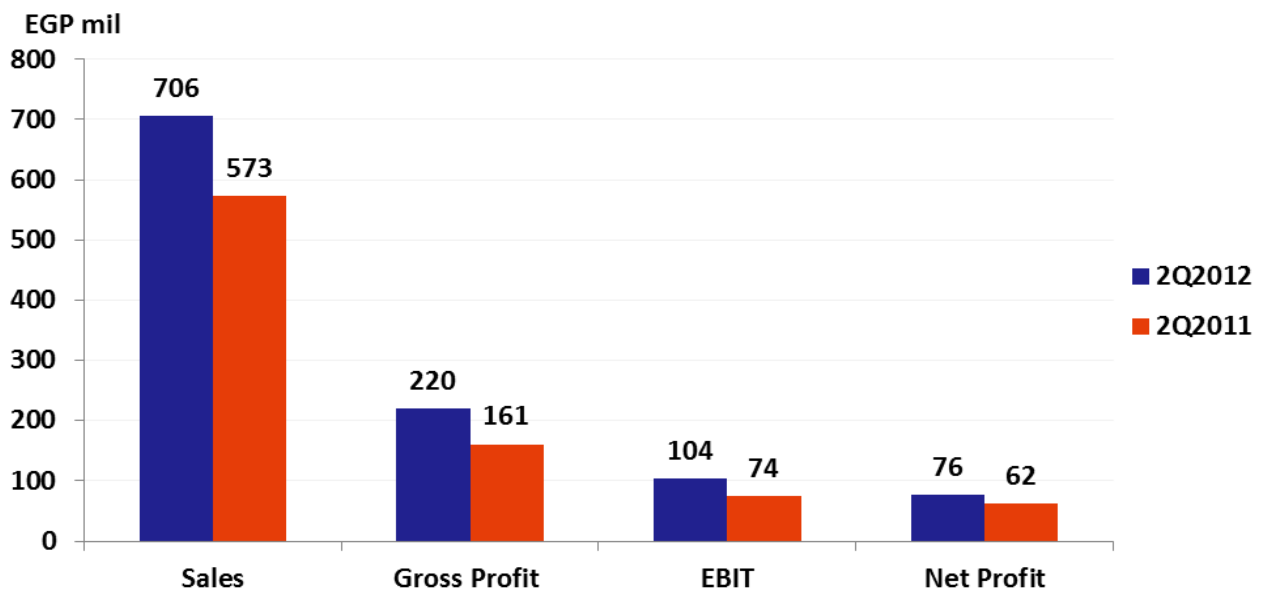


Figure 2: Group Consolidated Performance for 2Q2012





CONSOLIDATED INCOME STATEMENT

EGP Million	2Q2012	2Q2011	% Change	1H2012	1H2011	% Change
Net Sales	706	573	23%	1,267	1,000	27%
COGS	(486)	(412)	18%	(896)	(712)	26%
Gross Profit	220	161	37%	372	289	29%
<i>Gross Profit Margin</i>	31%	28%	314bps	29%	29%	49bps
Change in fair value of biological assets	-	(0)		-	(0)	
Sales & Distribution Expense	(91)	(64)	42%	(161)	(106)	53%
General & administrative expense	(30)	(25)	17%	(54)	(48)	13%
Other Operating Revenue	4	3	19%	2	5	-67%
EBIT	104	74	39%	158	139	13%
<i>EBIT Margin</i>	15%	13%	170bps	12%	14%	-145bps
Parent company share in associates net income	0	2	-86%	1	3	-46%
Finance cost	(16)	(11)	48%	(28)	(19)	51%
Net Profit Before Tax (EBT)	88	65	35%	131	123	7%
Income tax expense	(12)	(3)	252%	(12)	(11)	8%
Net profit After Tax	76	62	23%	119	112	6%
Net profit	76	62	23%	119	112	6%
Net Profit Margin	11%	11%	-1bps	9%	11%	-179bps
EBITDA	137	112	22%	228	211	8%
EBITDA Margin	19%	20%	-16bps	18%	21%	-310bps

COMMENTING ON 2Q2012 RESULTS

- The company was able to implement its strategy during the second quarter by raising milk prices to mitigate the adverse effects of higher raw material costs in addition to the cost saving measures which led to gross profit margin improvement.



II-SEGMENT ANALYSIS

I- LOCAL SALES

Below is an overview of the net sales generated by each of the Group's segments from the Egyptian market. Net sales grew by 25% during 2Q2012 and 27% during 1H2012.

Net Sales by Segment (EGP Mil)						
	2Q12	2Q11	% Change	1H2012	1H2011	% Change
Dairy	315	262	20%	594	486	22%
Yogurt	197	144	36%	346	248	40%
Juice	137	111	23%	233	186	25%
Concentrates	5	4	13%	8	6	36%
Agriculture	13	14	-5%	20	17	15%
Total	667	535	25%	1,201	943	27%

1- DAIRY SEGMENT

During 2Q2012, dairy sales grew 20%. The gross profit margin improved by 444bps y-o-y to 30% due to increase in pricing in an attempt to mitigate the adverse impact of higher raw material costs.

Dairy Segment Sales & Gross Profit (EGP Mil)						
	2Q12	2Q11	% Change	1H2012	1H2011	% Change
Sales(Ton)	45,215	38,503	17%	86,191	73,144	18%
Net Sales	315	262	20%	594	486	22%
Gross Profit	96	68	41%	170	136	25%
Gross Profit Margin	30%	26%	444bps	29%	28%	67bps



2- YOGURT SEGMENT

Yogurt sales reported a healthy y-o-y growth of 36%; the growth outpaced all the other segments. The growth in sales was principally due to higher volume growth 26%.

Yogurt Segment Sales & Gross Profit (EGP Mil)						
	2Q12	2Q11	Growth	1H2012	1H2011	Growth
Sales(Ton)	18,872	14,982	26%	33,140	25,869	28%
Net Sales	197	144	36%	346	248	40%
Gross Profit	71	51	39%	122	86	42%
Gross Profit Margin	36%	35%	78bps	35%	35%	44bps

3- JUICE SEGMENT

Juice and drinks sales grew by 23% during 2Q2012. Gross profit margins improved due to the company's focus on higher margin products through marketing and advertising campaigns.

Juice Segment Sales & Gross Profit (EGP Mil)						
	2Q12	2Q11	Growth	1H2012	1H2011	Growth
Sales(Ton)	21,010	17,616	19%	36,391	29,165	25%
Net Sales	137	111	23%	233	186	25%
Gross Profit	46	31	45%	69	52	31%
Gross Profit Margin	34%	28%	509bps	29%	28%	136bps



4- CONCENTRATES SEGMENT

Concentrate sales and gross profit margins continue to improve.

	Concentrates Segment Sales & Gross Profit (EGP Mil)					
	2Q12	2Q11	Growth	1H2012	1H2011	Growth
Sales(Ton)	443	337	31%	682	532	28%
Net Sales	5	4	13%	8	6	36%
Gross Profit	1	0	NM	2	0	NM
Gross Profit Margin	29%	-8%		28%	-6%	

5- AGRICULTURAL SEGMENT

The agricultural sector is currently undergoing significant investment expansions in land reclamation, agriculture and dairy farming.

	Agricultural Segment Sales & Gross Profit (EGP Mil)					
	2Q12	2Q11	Growth	1H2012	1H2011	Growth
Sales(Ton)	12,352	10,424	18%	21,084	12,890	64%
Net Sales	13	14	-5%	20	17	15%
Gross Profit	0.4	7	-94%	2	9	-81%
Gross Profit Margin	3%	48%	-4504bps	8%	50%	804bps



II-EXPORT SALES

Exports to Libya have been rising while opening new export markets contributed to the overall improvement in sales.

	Export Sales & Gross Profit (EGP Mil)					
	2Q12	2Q11	Growth	1H2012	1H2011	Growth
Sales(Ton)	6,863	4,849	42%	11,788	7,640	54%
Net Sales	40	38	5%	66	58	15%
Gross Profit	6	4	53%	7	6	22%
Gross Profit Margin	16%	11%	489bps	11%	11%	59bps





ABOUT JUHAYNA FOOD INDUSTRIES

Juhayna Food Industries a leading producer and distributor of milk, juice and yogurt products was established in 1983 by Safwan Thabet along with a number of other founders with a paid in capital of EGP 1.3 million.

Production began in 1987 with a capacity of 35 tons/day and total sales of EGP 2.4 million. Keeping a vigilant eye on consumer needs, Juhayna over the past 25 years established itself as the most popular household name throughout Egypt.

Currently, Juhayna with a paid up capital of EGP 706 million owns six plants in addition to 24 sales and distribution branches, employing a work force of 3,700 employees and having a production capacity of 2,900tons/day .

