



Earnings Release: Fourth Quarter & Full Year 2012

14 February 2013

(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 fourth quarter and full year 2012.

I-FINANCIAL HIGHLIGHTS

Fourth Quarter 2012

- | | |
|---|------------------------------|
| • Revenue reached EGP 747 million, | 30% increase over 4Q11. |
| • Gross profit reached EGP 237 million, | 54% increase over 4Q11. |
| • EBIT reached EGP 100 million, | 96% increase over 4Q11. |
| • Dairy sales grew 27% y-o-y to EGP 401 million, | with gross margins at 34% |
| • Yogurt sales increased 33% y-o-y to EGP 187 million, | with gross margin at 38% |
| • Juice sales increased 28% y-o-y EGP 136 million, | with gross margins at 33%. |
| • Concentrates sales grew 687%y-o-y to EGP 17 million, | with gross margins at 16%. |
| • Agriculture sales declined 48% y-o-y to EGP 6 million, | with gross margins at -294%. |

Full Year 2012

- | | |
|--|-----------------------------|
| • Revenue reached EGP 2,855 million, | 27% increase over 2011. |
| • Gross profit reached EGP 892 million, | 41% increase over 2011. |
| • EBIT reached EGP 407 million, | 43% increase over 2011. |
| • Net income totaled EGP 325 million, | 75% increase over 2011. |
| • Dairy sales grew 27% y-o-y to EGP 1,440 million, | with gross margins at 30%. |
| • Yogurt sales increased 30% to EGP 800 million, | with gross margins at 37%. |
| • Juice sales increased 27% to EGP 535 million, | with gross margins at 31%. |
| • Concentrates sales increased 16% to EGP 52 million, | with gross margins at 21%. |
| • Agriculture sales declined 2% to EGP 28 million, | with gross margins at -65%. |





To Our Shareholders

Juhayna Food Industries reported a strong fourth quarter which enabled us to place a strong finish for the year.

Juhayna Food Industries for 2012 reported net sales of EGP2.8 billion with a y-o-y growth of 27%, while earnings stood at EGP325 million marking a growth of 75%.

The results were a reflection of our confidence in the Egyptian consumer and our investment strategies of EGP650 million over the past year. The increase in the number of sales and distribution centers, distribution fleet expansion, the addition of new production and filling lines, product development, extensive marketing campaigns in addition to work force development , altogether contributed to the overall efficient operations.

We expect more stability during the current year which should ultimately lead to a better economic climate, as such we strive to:

- Continue to achieve record sales growth.
- Operate the new Egyfood yogurt plants before the summer and Ramadan seasons.
- Conduct a preliminary operation of the dairy farm.
- Establish new sales and distribution centers.
- Seek highly motivated and qualified personnel

We remain confident in our outlook. We will continue to proceed with our investment and operational plans geared towards developing and expanding our manufacturing, trading, agricultural and dairy farming operations.

Safwan Thabet

Chairman & CEO



Figure 1: Revenue Breakdown for Full Year 2012 vs. 2011

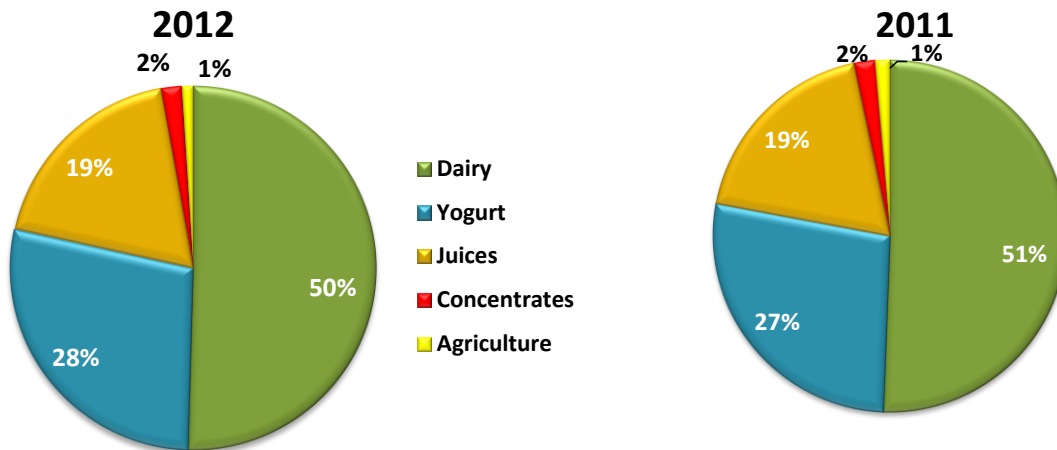
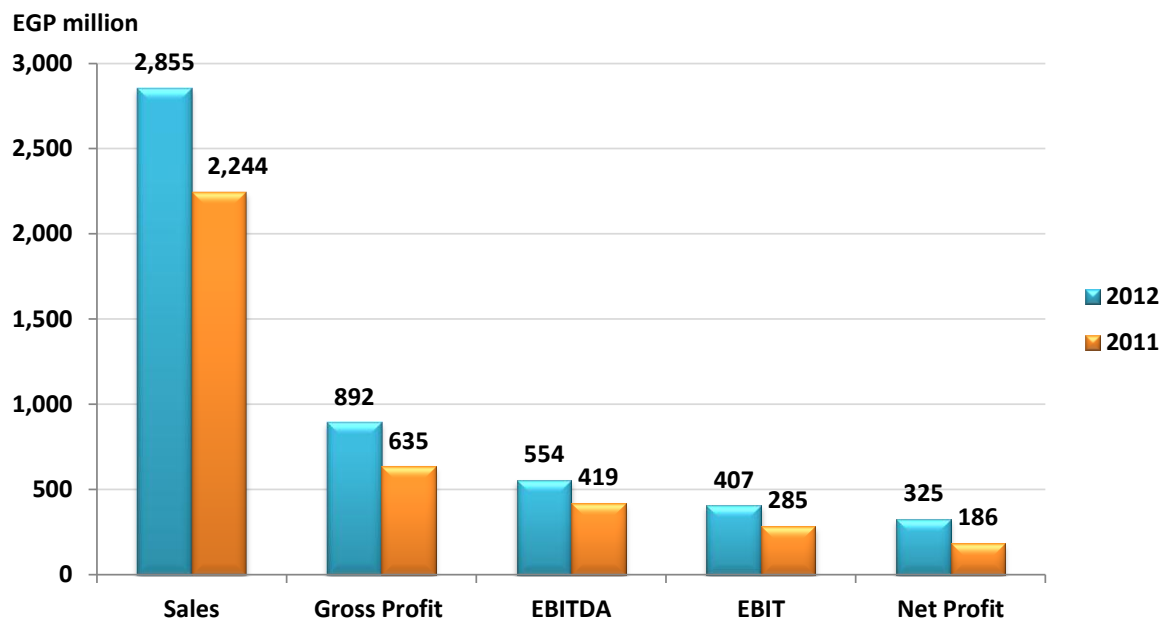


Figure 2: Group Consolidated Performance for Full Year 2012





CONSOLIDATED INCOME STATEMENT

| EGP Million | 2012 | 2011 | % Change |
|------------------------------------|------------|------------|---------------|
| Net Sales | 2,855 | 2,244 | 27% |
| COGS | (1,963) | (1,609) | 22% |
| Gross Profit | 892 | 635 | 41% |
| <i>Gross Profit Margin</i> | 31% | 28% | 295bps |
| Sales & Distribution Expense | (353) | (255) | 38% |
| General & administrative expense | (115) | (104) | 11% |
| Other Operating Revenue (Expenses) | (17) | 10 | |
| EBIT | 407 | 285 | 43% |
| <i>EBIT Margin</i> | 14% | 13% | 153bps |
| Egyfood Factory Fire Loss | | (41) | |
| Finance cost | (24) | (36) | -33% |
| Net Profit Before Tax (EBT) | 383 | 209 | 83% |
| Income tax expense | (57) | (23) | 151% |
| Net profit After Tax | 325 | 186 | 75% |
| Net profit | 325 | 186 | 75% |
| <i>Net Profit Margin</i> | 11% | 8% | 311bps |
| EBITDA | 554 | 419 | 32% |
| <i>EBITDA Margin</i> | 19% | 19% | 73bps |

COMMENTING ON FULL YEAR 2012 RESULTS

- The company reported a gross profit of EGP892 million with a y-o-y growth of 41% and a gross profit margin of 31%. The gross profit and margin expansion was driven largely by 27% sales growth, previous price increases, cost savings; all impacted the EGP 325 million net profit of the year and net profit margin of 11%.



III-SEGMENT ANALYSIS

I- LOCAL SALES

Below is an overview of the net sales generated by each of the Group's segments for 4Q2012 and full year 2012 compared to the same period last year. Net sales grew by 27% during 4Q2012 and 26% during 2012.

| Net Sales by Segment (EGP Mil) | | | | | | |
|--------------------------------|------|------|--------|-------|-------|--------|
| | 4Q12 | 4Q11 | Change | 2012 | 2011 | Change |
| Dairy | 386 | 306 | 26% | 1,347 | 1,086 | 24% |
| Yogurt | 187 | 140 | 33% | 800 | 614 | 30% |
| Juice | 133 | 104 | 28% | 520 | 411 | 27% |
| Concentrates | 3 | 2 | 30% | 17 | 11 | 50% |
| Agriculture | 6 | 11 | -48% | 28 | 29 | -2% |
| Total | 714 | 564 | 27% | 2,711 | 2,150 | 26% |

1- DAIRY SEGMENT

During 2012, dairy sales increased by 24% attained due to growth in sales capacities, marketing and advertising campaigns in addition to the development of the milk packages. Gross profit margin improved by 530bps to 32%.

| Dairy Segment Sales & Gross Profit (EGP Mil) | | | | | | |
|--|--------|--------|---------|---------|---------|--------|
| | 4Q12 | 4Q11 | Change | 2012 | 2011 | Change |
| Sales(Ton) | 53,615 | 44,665 | 20% | 191,074 | 160,414 | 19% |
| Net Sales | 386 | 306 | 26% | 1,347 | 1,086 | 24% |
| Gross Profit | 132 | 70 | 90% | 425 | 285 | 49% |
| Gross Profit Margin | 34% | 23% | 1151bps | 32% | 26% | 530bps |



2- YOGURT SEGMENT

Yogurt sales reported a y-o-y growth of 30% during 2012 and a gross profit margin of 37%.

| | Yogurt Segment Sales & Gross Profit (EGP Mil) | | | | | |
|----------------------------|---|--------|--------|--------|--------|--------|
| | 4Q12 | 4Q11 | Change | 2012 | 2011 | Change |
| Sales(Ton) | 17,821 | 13,582 | 31% | 76,274 | 61,194 | 25% |
| Net Sales | 187 | 140 | 33% | 800 | 614 | 30% |
| Gross Profit | 71 | 51 | 40% | 296 | 212 | 40% |
| Gross Profit Margin | 38% | 36% | 183bps | 37% | 35% | 251bps |

3- JUICE SEGMENT

Juice and drinks sales reported y-o-y growth of 27% during 2012. Gross profit margins improved 359 bps to 31% due to the company's focus on higher margin products through marketing and advertising campaigns.

| | Juice Segment Sales & Gross Profit (EGP Mil) | | | | | |
|----------------------------|--|--------|--------|--------|--------|--------|
| | 4Q12 | 4Q11 | Change | 2012 | 2011 | Change |
| Sales(Ton) | 20,157 | 16,771 | 20% | 80,140 | 64,784 | 24% |
| Net Sales | 133 | 104 | 28% | 520 | 411 | 27% |
| Gross Profit | 45 | 27 | 69% | 163 | 114 | 43% |
| Gross Profit Margin | 34% | 26% | 823bps | 31% | 28% | 359bps |



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 2012 (excluding sales to Juhayna) reported a y-o-y growth of 50%.

| | Concentrates Segment Sales & Gross Profit (EGP Mil) | | | | | |
|----------------------------|---|------|--------|-------|-------|--------|
| | | | | | | |
| | 4Q12 | 4Q11 | Change | 2012 | 2011 | Change |
| Sales(Ton) | 600 | 122 | 391% | 2,050 | 1,312 | 56% |
| Net Sales | 3 | 2 | 30% | 17 | 11 | 50% |
| Gross Profit | 0 | 3 | -95% | 3 | 1 | 103% |
| Gross Profit Margin | 5% | 147% | - | 17% | 13% | 457ps |



5- AGRICULTURAL SEGMENT

The agricultural sector witnessed significant decline in gross profit margins mainly due to the unexpected cold weather which caused crop losses. An export ban to Europe increased local supplies and drove prices down. Plans are currently underway to improve sales and gross profit margins.

| | Agricultural Segment Sales & Gross Profit (EGP Mil) | | | | | |
|----------------------------|---|-------|--------|--------|--------|--------|
| | 4Q12 | 4Q11 | Change | 2012 | 2011 | Change |
| Sales(Ton) | 3,557 | 6,460 | -45% | 31,243 | 21,172 | 48% |
| Net Sales | 6 | 11 | -48% | 28 | 29 | -2% |
| Gross Profit | -17 | 2 | -967% | -18 | 10 | -282% |
| Gross Profit Margin | -294% | 18% | - | -65% | 35% | - |

II-EXPORT SALES

Exports reported y-o-y growth of 54%. Gross profit margins improved 298 bps to 16%

| | Export Sales & Gross Profit (EGP Mil) | | | | | |
|----------------------------|---------------------------------------|-------|---------|--------|--------|--------|
| | 4Q12 | 4Q11 | Change | 2012 | 2011 | Change |
| Sales(Ton) | 4,300 | 2,480 | 73% | 22,951 | 14,675 | 56% |
| Net Sales | 33 | 12 | 174% | 144 | 93 | 54% |
| Gross Profit | 6 | 2 | 138% | 23 | 12 | 89% |
| Gross Profit Margin | 18% | 20% | -263bps | 16% | 13% | 298bps |





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 production 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.

The company owns six plants, in addition to 25 sales and distribution branches. Currently Juhayna has a paid in capital of EGP 706 million, a work force of 4,152 employees.

