



Earnings Release: Fourth Quarter & Full Year 2011

8 March 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 4Q2011 and full year 2011 results.

I-FINANCIAL HIGHLIGHTS

Full Year 2011

* Revenue reached EGP2,244 million,	21% increase over 2010.
* Gross profit reached EGP634 million,	9% increase over 2010.
* EBIT reached EGP285 million,	9% decline over 2010.
* Net income totaled EGP186 million,	19% decline over 2010.
* Dairy sales grew 9% y-o-y to EGP1,135 million	with gross margins at 26%
* Yogurt sales increased 53% y-o-y to EGP614 million	With gross margin at 35%.
* Juice sales grew 10% to EGP421 million	With gross margins at 27%.
* Concentrates sales grew 16% to EGP45 million,	with gross margins at 15%
* Agriculture sales reached EGP29 million,	With gross margins at 35%.

Fourth Quarter 2011

* Revenue reached EGP576 million,	14% increase over 4Q10.
* Gross profit reached EGP154 million,	6% increase over 4Q10.
* EBIT reached EGP49 million,	22% drop over 4Q10.
* Net income totaled EGP0.2million,	97% drop over 4Q10.
* Dairy sales grew 9% y-o-y to EGP315 million,	with gross margins at 23%.
* Yogurt sales increased 32% y-o-y to EGP140 million	with gross margin at 36%.
* Juice sales grew 2% to EGP107 million	with gross margins at 25%.
* Concentrates sales dropped 60% to EGP2 million	with gross margins at 47%.
* Agriculture sales reached EGP11 million	with gross margins at 18%.



To Our Shareholders

2011, the year of Arab uprisings, witnessed Egypt's most peaceful and powerful revolution led by the Egyptians youth, who constitute the real wealth of the Egyptian nation and will eventually lead Egypt's economic advancement.

Despite the challenging and difficult operating environment due to lack of security, economic downturn, Juhayna took firm and fast measures to ensure the safety of its employees, protect the company's assets while continue to supply consumers with their needs in addition to adjusting its investment plans to limit the effect of the negative trends.

The commercial sector underwent significant developments and thus we were able to achieve a top line growth of 21% to EGP 2,244 million in spite of the loss in exports.

On the agricultural and animal farming front, we reclaimed and cultivated 4,500 feddans at New Valley Governorate and Al Wahat District.

2011 also witnessed significant developments for the company. A settlement agreement was reached with Al Mohandes Insurance for EGP 100 million including salvages pertaining to the fire in our yogurt facility back in April 2010. Juhayna also signed EGP 328 million construction contract to provide construction, civil and electromechanical works for the new yogurt facility. Furthermore, a loan contract was concluded with the Commercial International Bank (CIB) for EGP 300 million to partially finance the construction of the plant.

We expect 2012 to witness more stability and build up economic momentum. We expect to allocate an investment of EGP 750 million for the current year. Much of that will be allocated to boost our local sales in addition to regaining our position in the export market; begin construction work on the new yogurt plant; and continue with our agricultural investments and building the dairy farm. Also, inauguration of six new distribution centers in addition to strengthening the organizational structure of the company is among our plans for 2012.

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

Safwan Thabet

Chairman & CEO



CONSOLIDATED INCOME STATEMENT

<i>EGP Million</i>	2011	2010
Net Sales	2,244	1,861
COGS	(1,609)	(1,279)
Gross Profit	635	583
<i>Gross Profit Margin</i>	28%	31%
Sales & Distribution Expense	(255)	(205)
General & administrative expense	(120)	(120)
Other Operating Revenue	26	54
EBIT	285	312
<i>EBIT Margin</i>	13%	17%
Investment Revenue	4	3
Finance cost	(40)	(59)
Net Profit Before Tax (EBT)	250	255
Income tax expense	(23)	(28)
Net profit After Tax	227	228
Factory fire loss	(41)	0
Net profit	186	228
<i>Net Profit Margin</i>	8%	12%

Juhayna Food industries reported a net profit of EGP 186 million in 2011 compared to EGP228 million one year earlier. The results were negatively impacted due to the following:

- EGP 40 million loss on insurance settlement regarding burnt yogurt plant.
- Increase in raw material prices, which have been passed on gradually to the selling price.
- Distribution expense increase on the back of expansion in the distribution fleet, with the aim of preserving our market share. This contributed positively to increase our local sales and compensate for the decline in export sales. These investments will positively influence our upward trend during the coming years.
- Events following January 25th revolution from higher costs especially wages, in addition to the consumer felling pressured to reduce expenses and shifting to the cheaper and smaller sized packages.

Note:

2010 earnings included a one-time item sale of land for EGP 20 million.



II-OPERATIONAL HIGHLIGHTS

1- January 25th revolution:

With the turbulent events that followed the Jan 25th Revolution due to absence of law and order, Juhayna took firm measures to ensure the safety of the employees, secure the company's assets while continue supplying the consumers with their needs.

2- Commercial sector expansion:

The commercial sector underwent significant expansion, almost doubling the distribution fleet, hiring 600 new supervisors, drivers and sales managers. Two new branches were inaugurated to drive up sales in the local market in an attempt to make up for the loss in export sales.

3- Investments in agriculture sector & dairy farming:

A total area of 4,500 feddans has been reclaimed and cultivated with agricultural crops and fruit trees at the New Valley Governorate and Al Wahat District. 42,000 tons of agricultural crops were produced.

4- Insurance settlement:

Juhayna finalized insurance settlement for damages related to the fire incident in the yogurt plant for EGP97 million in including the value of salvages.

5- Commencing construction on yogurt plant

Juhayna signed EGP 300 million loan contract to be used to partially finance the construction of the new yogurt plant. Furthermore, the construction contract for the new plant for EGP 328 million has been awarded to SIAC Industrial Construction and Engineering Company.



III-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 for full year 2011.

	Net Sales by Segment (EGP Mil)					
	4Q11	4Q10	Growth	2011	2010	Growth
Dairy	306	274	12%	1,086	921	18%
Yogurt	140	106	32%	614	402	53%
Juice	104	101	3%	411	373	10%
Concentrates	2	4	-48%	11	21	-46%
Agriculture	11	-	NM	29	-	NM
Total	564	485	16%	2,150	1,716	25%

1- DAIRY SEGMENT

During 2011 dairy sales grew behind higher volume and pricing. Gross profit margins dropped 652 basis points due to the increase in raw material prices primarily raw milk which was gradually passed on to the consumer. The shift in consumption patterns towards smaller pack sizes and lower priced products added to the margin decline.

	Dairy Segment Sales & Gross Profit (EGP Mil)					
	4Q11	4Q10	Growth	2011	2010	Growth
Sales (Ton)	44,658	44,731	0%	160,409	148,387	8%
Net Sales	306	274	12%	1,086	921	18%
Gross Profit	70	79	-12%	285	302	-6%
Gross Profit Margin	23%	29%	-603bps	26%	33%	-652bps



2- FERMENTED SEGMENT

Fermented sales reported a healthy y-o-y growth of 53%; the growth outpaced all the other segments. The growth in sales came on the back of volume increase 39% y-o-y in addition to and price increase. Margins declined 221 basis points due to higher raw material prices.

Fermented Segment Sales & Gross Profit (EGP Mil)

	EGP Mil					
	4Q11	4Q10	Growth	2011	2010	Growth
Sales (Ton)	13,586	11,105	22%	61,198	43,878	39%
Net Sales	140	106	32%	614	402	53%
Gross Profit	51	46	11%	212	148	44%
Gross Profit Margin	36%	43%	-714bps	35%	37%	-221bps

3- JUICE SEGMENT

Juice sales were most impacted by the events and the consumer's focus on more basic necessities. Price promotions were successful in driving up sales volume, particularly in the drink category (categorized by lower margins). However, the shift in consumer preferences towards cheaper and smaller size products in addition to higher raw material prices particularly that of mango concentrates, contributed to the pressured margins.

Juice Segment Sales & Gross Profit (EGP Mil)

	EGP Mil					
	4Q11	4Q10	Growth	2011	2010	Growth
Sales (Ton)	16,764	17,171	-2%	64,778	62,081	4%
Net Sales	104	101	3%	411	373	10%
Gross Profit	27	35	-23%	114	124	-8%
Gross Profit Margin	26%	34%	-864bps	28%	33%	-560bps



4- AGRICULTURAL SEGMENT

The agricultural sector underwent significant developments. An area of 4,500 feddans was reclaimed and cultivated. 42,000 tons of agricultural crops were produced of which 21,172 tons were sold.

Agriculture Segment Sales & Gross Profit (EGP Mil)

				EGP Mil		
	4Q11	4Q10	Growth	2011	2010	Growth
Sales (Ton)	6,460	-	NM	21,172	-	NM
Net Sales	11	-	NM	29	-	NM
Gross Profit	2	-	NM	10	-	NM
Gross Profit Margin	18%	-	NM	35%	-	NM

II-EXPORT SALES

The disruption in Libya affected our export sales. Libya accounts for 70% of our export sales.

Export Sales & Gross Profit (EGP Mil)

				EGP Mil		
	4Q11	4Q10	Growth	2011	2010	Growth
Sales (Ton)	2,484	4,422	-44%	14,677	29,164	-50%
Net Sales	12	20	-40%	93	145	-36%
Gross Profit	2	-1		8	20	-61%
Gross Profit Margin	13%	-7%		8%	14%	



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 21 sales and distribution branches. Currently Juhayna has a paid in capital of EGP 706 million, a work force of 3,700 employees and a production capacity of 2,900 tons/day.

