



## Earnings Release: Third Quarter 2010

11 November 2010

(Cairo, Egypt) - Juhayna Food Industries (JUFO.CA), one of the leading dairy and juice manufacturers and distributors in Egypt, reported results for the third quarter with net income of EGP 74 million (+83% growth vs. 2Q 2010) boosted by 29% q-o-q higher sales.

Year to-date net profits rose to EGP 174 Million, +42% growth y-o-y. This is mainly attributed to strong local sales (+21% growth y-o-y) with Yogurt sales up +9% y-o-y after the successful recovery of the majority of its capacity.

### HIGHLIGHTS

#### Third Quarter 2010

- **Revenue** reached EGP 536 million (29% up q-o-q).
- **Gross profit** reached EGP 175 million (38% up q-o-q) at 33% of sales (vs. 31% in 2Q)
- **EBIT** reached EGP 94 million (46% up q-o-q) at 18% of sales (vs. 16% in 2Q)
- **Net income** totaled EGP 74 million, (83% up q-o-q) 14% of sales (vs. 10% in 2Q)
- **Dairy** revenues reached EGP 282 million (18% up q-o-q), gross margin at 31%
- **Yogurt** sales rose to EGP 139 million, ( 128% up q-o-q), gross margin at 36%.
- **Juice** sales registered EGP 105 million, (8% up q-o-q). Gross margin at 26%.

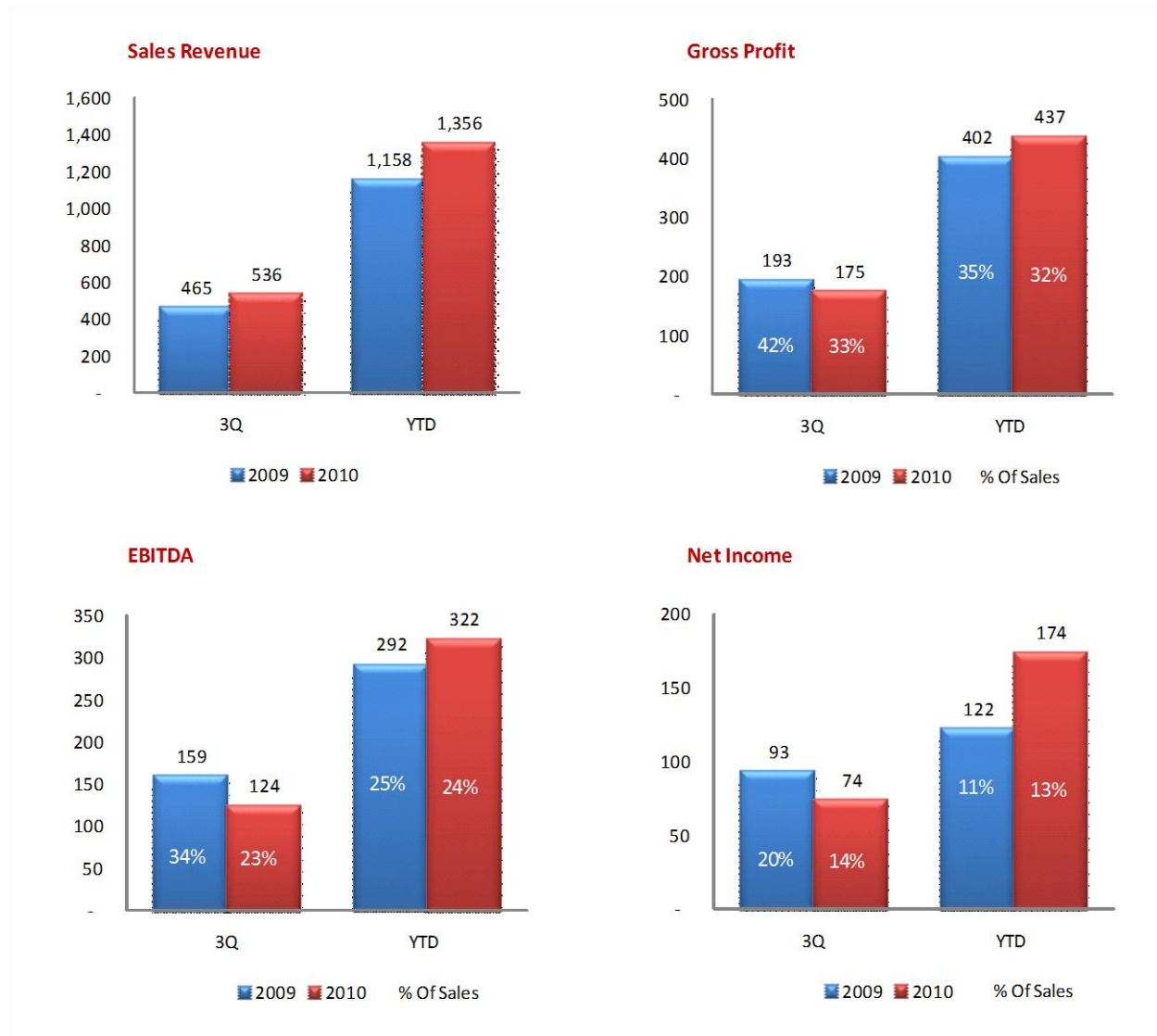
#### Year To Date 2010

- **Revenue** reached EGP 1,356 million (17% up y-o-y).
- **Gross profit** reached EGP 437 million (9% up y-o-y) at 32% of sales (vs. 35% in 2009).
- **EBIT** reached EGP 248 million (10% up y-o-y) at 18% of sales (vs. 19% in 2009)
- **Net income** totaled EGP 174 million, (42% up y-o-y) 13% of sales (vs. 11% in 2009)
- **Dairy** revenues reached EGP 747 million (14% up y-o-y). Gross margin remained at 32%
- **Yogurt** sales registered EGP 296 million, (9% up vs. y-o-y). Gross margin marked 34%.
- **Juice** sales reached EGP 280 million, (29% up y-o-y). Gross margin reached 32%.



## CONSOLIDATED GROUP PERFORMANCE FOR 3Q AND YTD\*

All figures in EGP million.



Calculation of gross profit numbers includes depreciation



## MESSAGE FROM THE CEO

I am pleased to announce Juhayna's third quarter and year-to-date results delivering on our expectations for market share, sales and profit growth.

We continue to witness healthy growth trends in our segments; Dairy, Yogurt, Juice.

It is worthy to mention – our solid team, with the support of our suppliers, delivered a remarkable achievement, recovering most of Yogurt capacity in less than four months since the factory fire incident. Our loyal consumers rewarded us with market share leadership within such a short period. We are progressing to complete the design of the new Yogurt factory.

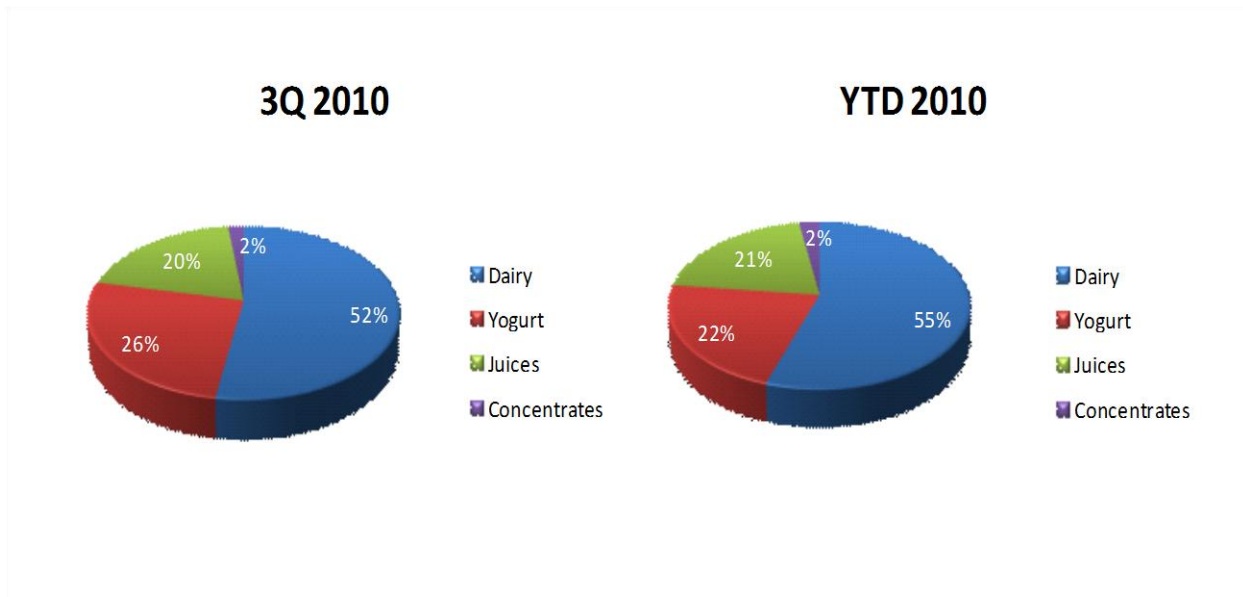
Looking ahead, we remain confident in the growth dynamics of our industry.

Safwan Thabet

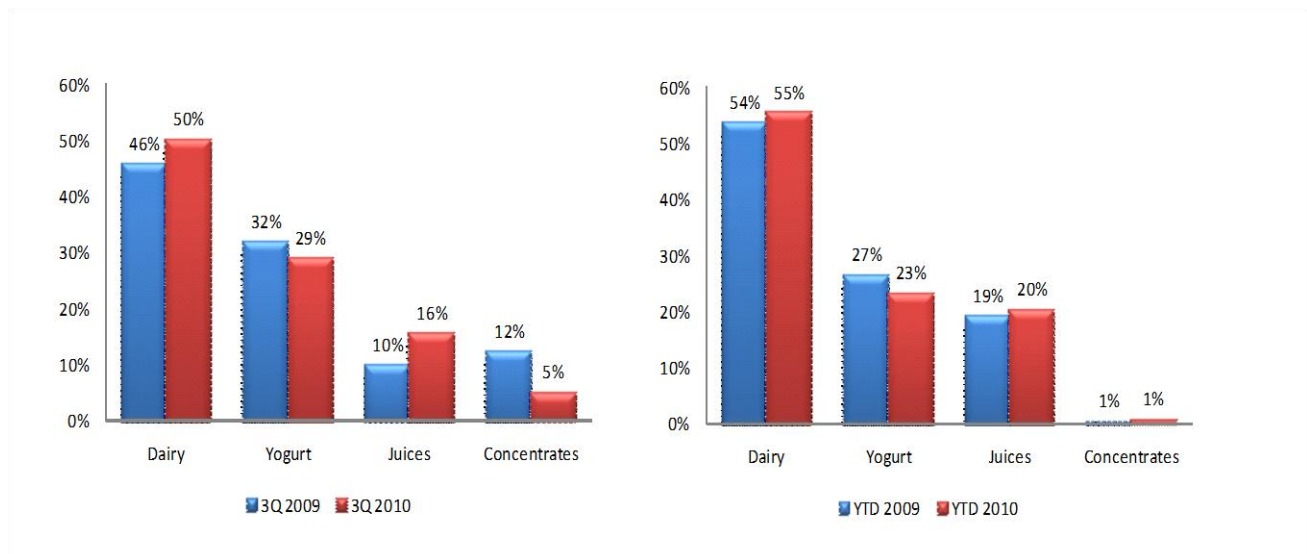
Chairman & CEO



Revenue for 3Q and YTD 2010 is split as follows:



Gross profit for 3Q and YTD 2010 is split as follows:



## LOCAL SALES

Below is an overview of the net sales generated by each of the Group's segments from the Egyptian market for 3Q 2010 and 3Q 2009 and indicating the percentage contribution to the Group's consolidated net sales for both periods.

	Net Sales by Segment (Local)					
	3Q 2010		3Q 2009		EGP Mil	
	Net Sales	%	Net Sales	%	Change EGP	%
Dairy	242	49%	203	48%	39	19%
Yogurt	139	28%	139	33%	0	0%
Juice	102	21%	79	19%	23	29%
Concentrates	9	2%	4	1%	5	140%
	<b>493</b>	<b>100%</b>	<b>425</b>	<b>100%</b>	<b>68</b>	<b>16%</b>

## DAIRY SEGMENT

Dairy represents the largest segment in Juhayna's portfolio.

	Dairy Segment Sales & Gross Profit (Local)					
	3Q			YTD		
	2010	2009	Var.	2010	2009	Var.
Sales (Ton)	38,657	33,464	16%	103,657	87,508	18%
Net Sales	242	203	19%	647	532	22%
Gross Profit	80	81		223	200	
%	33%	40%		34%	38%	

Dairy revenue grew by 19% in 3Q and 22% YTD driven by packaged Milk market expansion on account of loose milk. Gross margins remained healthy at 33% range.



## YOGURT SEGMENT

The recovery of the majority of Yogurt capacity had a noticeable positive impact on the quarter results. 3Q sales reached EGP 139 million, flat vs. same quarter in 2009, and compared to EGP 61 Million in 2Q. with gross profit margin at 36% (vs. 25% in 2Q 2010). Year-to-date, sales were 9% higher than year ago, despite having lower than full capacity.

	EGP Mil					
	<u>Yogurt Sales &amp; Gross Profit (Local)</u>					
	3Q			YTD		
	2010	2009	Var.	2010	2009	Var.
<b>Sales (Ton)</b>	15,078	16,283	-7%	32,773	31,570	4%
<b>Net Sales</b>	139	139	0%	296	270	9%
<b>Gross Profit</b>	51	62		102	107	
<b>%</b>	36%	44%		34%	40%	

## JUICE SEGMENT

Net sales grew by 29% over 3Q 2009 and the gross margin came at 27%, ahead of 2009. Year-to-date sales grew by 31% with gross profit margin reaching 33%.

	EGP Mil					
	<u>Juice Sales &amp; Gross Profit (Local)</u>					
	3Q			YTD		
	2010	2009	Var.	2010	2009	Var.
<b>Sales (Ton)</b>	16,966	13,262	28%	44,910	34,926	29%
<b>Net Sales</b>	102	79	29%	271	207	31%
<b>Gross Profit</b>	28	20		90	77	
<b>%</b>	27%	25%		33%	37%	



## EXPORT SALES

Export sales revenue grew by 10% in 3Q 2010 vs. 2009. Year-to-date, sales revenue dropped by 11%. We remain with our strategy to focus on the local market.

	EGP Mil					
	<u>Export Sales &amp; Gross Profit</u>					
	3Q			YTD		
	2010	2009	Var..	2010	2009	Var.
Sales (Ton)	8,809	9,247	-5%	24,742	31,387	-21%
Net Sales	44	40	10%	125	140	-11%
Gross Profit*	15	19		21	17	
%	34%	48%		17%	12%	

\* Note that above margins do not include export rebate of 8% of net sales.

## FINANCIAL POSITION

Juhayna's gross debt-to-equity ratio came at 0.5x as of end September, compared to 1.6x at the end of March. In addition, the company's net debt registered EGP 86 million at the end of September compared to EGP 897 million at the end of March 2010. This came on the back of the company's IPO, which increased the company's paid-in capital to EGP 726 million from EGP 520 million and resulted in cash proceeds of EGP 999 million. The majority of the cash position of EGP 708 Million is held in time deposits.

## OUTLOOK

To-date, we delivered c. 90% of sales and profits of full year 2009. This makes us optimistic about the future.



## **ABOUT JUHAYNA FOOD INDUSTRIES**

Juhayna Food Industries is a leading producer and distributor of milk, juice and yogurt products. Since it commenced operations in 1987, Juhayna established itself as a household name throughout Egypt. The Group's products are sold to both consumer and business customers. The company produces and markets a wide range of products under the brand name "Juhayna".

