2012 ANNUAL REPORT

DISTRIBUTION STRENGTH

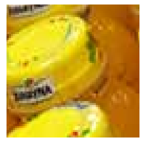





BRINGING OUR PRODUCTS TO THE CONSUMER SAFELY AND EFFICIENTLY

Juhayna has built an unparalleled nationwide network that includes 25 modern, automated distribution centers. The network is supported by a fleet of 905 vans and trucks to ensure safe and timely delivery of our products to 45,000 retail outlets throughout Egypt.

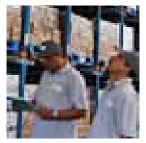
6 Manufacturing Facilities
Producing top-of-the-line dairy, yogurt and juice products



45,000 Retail Outlets
Serving millions of customers across 27 governorates

25 Distribution Centers
Reaching millions of customers throughout Egypt

905 Vans and Trucks
Delivering fresh, healthy products



5 New Distribution Centers
Inaugurated in 5 governorates in 2012

2 New Yogurt Plants
Under construction in Assiut and Sixth of October City to help meet growing consumer demand

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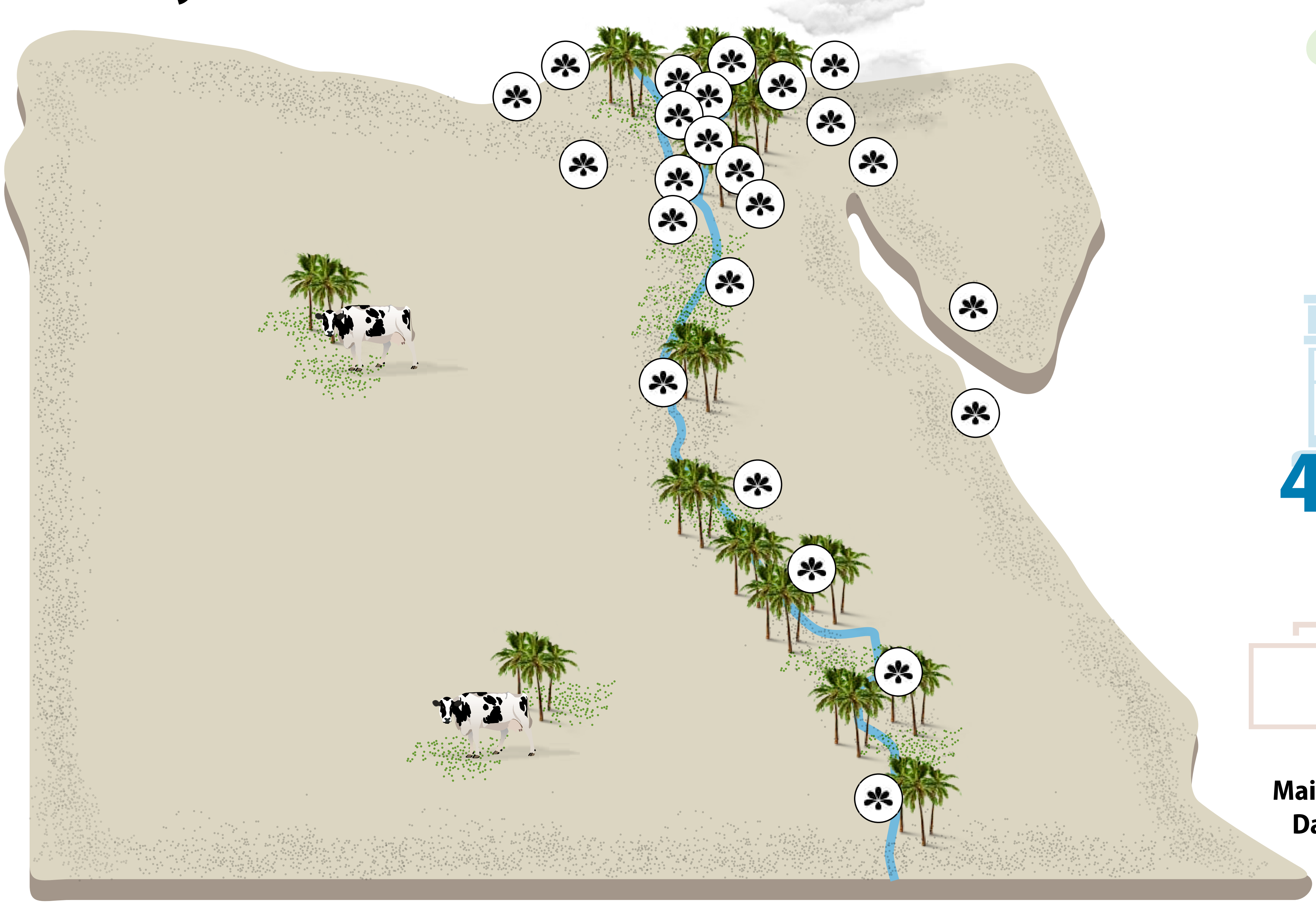
Juhayna at a Glance



Established in
1983

209
SKUs

45,000
Retail Outlets

905
Vans & Trucks

3
Main Lines of Business
Dairy, Yogurt, Juice

6
Manufacturing Facilities

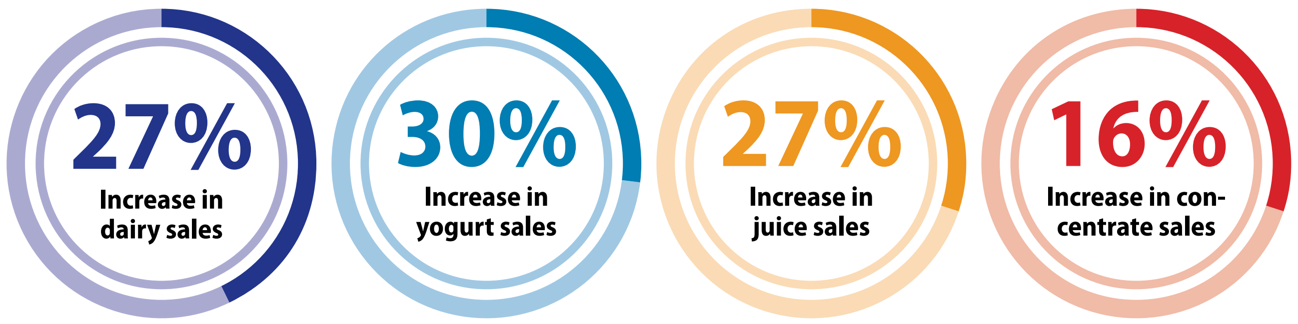
25
Distribution Centers

5,500 feddans
Of Reclaimed & Cultivated Land

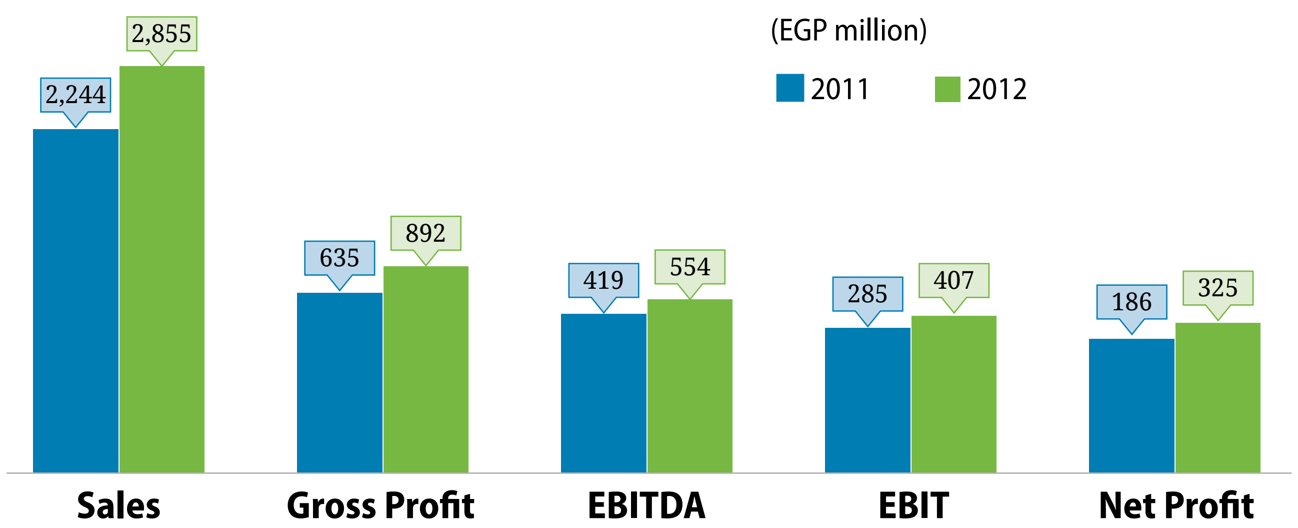
21,300 feddans
For Agriculture & Dairy Farming

65,000 sqm
Under Construction at Two New Yogurt Plants

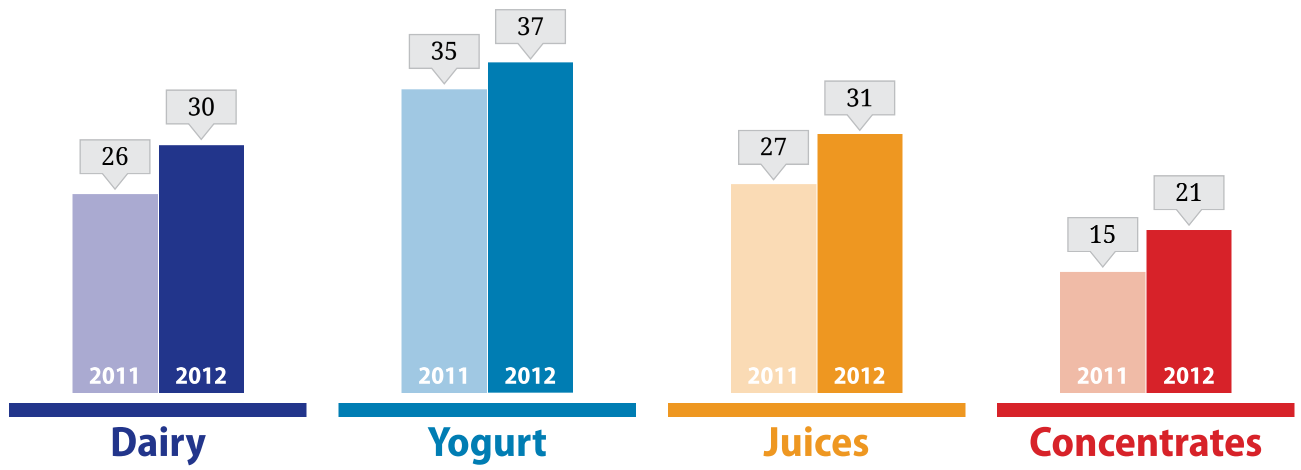
Financial Highlights 2012



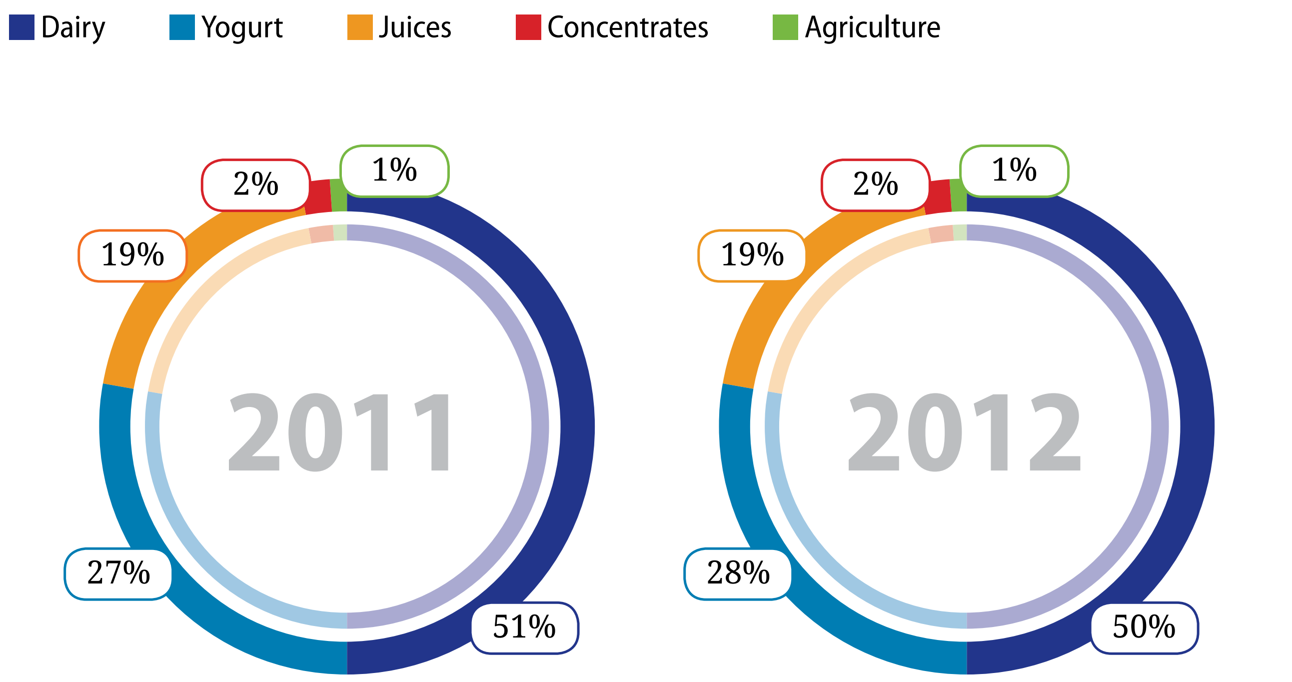
Group Consolidated Performance (2011 vs. 2012)



Gross Profit Margin by Product (2011 vs. 2012)



Revenue Breakdown (2011 vs. 2012)



billion
EGP 2.9
in revenue, up 27%

million
EGP 325
in net income, up 75%

A Word From Our Chairman

Dear Shareholders,

It is my pleasure to share with you some of Juhayna's successes from 2012, a year that saw both top- and bottom-line growth as we expanded our distribution and product offering and firmly positioned the company for future growth. The solid performance that Juhayna witnessed this year is proof that a business model that is proactive rather than reactive can help mitigate the effects of negative market forces and achieve positive results.

Just three years after listing our stock on the Egyptian Exchange, we have achieved a share price of EGP 10, our highest to date and a more than three-fold improvement since our all-time low of EGP 3.30 per share in November 2011. This is a truly proud moment for Juhayna, and is especially worthy of celebration in view of the economic and market pressures in Egypt since our IPO in June 2010. We are deeply grateful to our loyal shareholders and hard-working Juhayna employees for their commitment and dedication. This record share price is a victory for us all.

A key to this success in 2012 was our focus on expanding our customer base by offering products that are tailored to evolving market demand. On the commercial side of the business, we worked diligently to expand our market presence through new distribution centers and a larger fleet. We are extremely proud of our distribution arm, which now includes 25 state-of-the-art distribution centers. The addition of warehouses in Assiut, Kafr El Sheikh, El Obour, El Tor, and Sohag this year has given us unparalleled reach, which is a key competitive advantage in our industry.

This year also saw us engage in extensive marketing campaigns to raise consumer awareness and loyalty for our market-leading brand. For our milk products, a new ad campaign was released in tandem with the launch of our new TBA Edge packaging, celebrating the new line as well as promoting the health benefits of packaged milk. Likewise for the yogurt line of business, Juhayna released a series of ads dually focused on the product and the wider health benefits of packaged yogurt. We also launched two consumer-targeted advertising campaigns for our premium juice brand Pure and our second-tier Bekhero line.

During the year just ended, we made improvements to two additional pillars of our success: production and personnel. On the production side, we secured key financing to add new filling and production lines, including a new production line for juice and yogurt manufacturing. In terms of personnel, we had two new executives join our team; a new group factories director and a new marketing and innovation director who assumed their responsibilities at the beginning of 2013. Juhayna's diversified sales force is now close to 2,000 employees strong, accounting for over 50% of the company's total work force.

Our work force development initiatives for the year have included technical and skills-oriented training programs for employees, as well as a talent management program that we debuted in 2013. This new program seeks to identify our strongest employees, promote talent development and strategically place them in key functions throughout the company where they can have the greatest impact.

Thanks to these key initiatives, we have seen a 27% increase in year-on-year net sales in 2012 to EGP 2.9 billion. Earnings likewise increased 75% from last year to EGP 325 million, a commendable achievement in its own regard but even more so given the challenging operational environment in 2012.

Going forward, we plan to continue generating sales and profit growth by focusing on expanding our established brands and further pursuing our forward-looking investment strategy. Juhayna has outlined EGP 1.2 billion in investments for 2013, which will help to establish new sales and distribution centers, initiate preliminary operations on our new dairy farm, expand our workforce and take forward our initiatives in traditional, digital and social media and marketing campaigns. We are also targeting the start of operations at the new EgyFood yogurt plant ahead of the summer and Ramadan, when demand typically surges.

I would like to express my deepest gratitude to our motivated staff. We have made significant progress in all aspects of our business, and this is a direct reflection of your hard work and dedication over the past year.

Thanks to the dedication of our highly-qualified employees and the leadership of our experienced management teams, I remain, as ever, confident in our ability to continue creating value for our shareholders who can rest assured that Juhayna is in a better position than ever to capture new growth opportunities as the Egyptian economy begins to recover in the years ahead. I thank you for your unwavering trust in Juhayna: we will continue to work to earn it.

Safwan Thabet
Chairman of the BoD and CEO

Management Discussion and Analysis

> "Our ability to interpret and respond to evolving consumer habits and changing market trends in a timely and efficient manner has been key to our success."

2012 Financial Highlights

- **Juhayna revenue** rose to EGP 2.9 billion, a 27% increase over 2011. Growth was fueled by distribution fleet expansion, the addition of new production and filling lines, product development and extensive marketing campaigns—a reflection of our confidence in the Egyptian market and pay offs from our EGP 650 million investment strategy over the past year.
- **Consolidated gross profit** reached EGP 892 million, up 41% from 2011. **Gross profit margin** rose 295bps to 31%. The gross profit and margin improvements were largely driven by the 27% increase in sales, previous price increases and cost saving measures.
- **EBIT** rose to EGP 407 million, a 43% increase year-on-year.
- **Net income** saw strong growth in 2012, up 75% from 2011 to EGP 325 at year-end 2012. **Net profit margin** rose 311bps to 11%.
- **Dairy sales** grew 27% year-on-year to EGP 1.44 billion thanks to increased sales capacities, improvements in milk packaging, and marketing and advertising campaigns. **Gross profit** for the LOB climbed 50% to EGP 439 million, with **gross profit margin** up 471bps to 30%.
- **Yogurt sales** rose 30% to EGP 800 million with **gross profit** up 40% y-o-y to EGP 296 million. **Gross profit margin** was up 251bps to 37%.
- **Juice sales** increased 27% to EGP 535 million. **Gross profit** for the LOB improved 44% to EGP 164 million. **Gross profit margin** was up 369bps to 31% due to the company's focus on higher margin products through marketing and advertising campaigns.
- More than 50% of Juhayna concentrate production is used for internal juice manufacturing, with the surplus sold to third parties or exported. **Concentrates sales** rose 16% year-on-year to EGP 52 million. **Gross profit** for the LOB stood at EGP 11 million, with a **gross profit margin** of 21%, up 621bps from 2011.
- **Agriculture sales** dipped 2% to EGP 28 million as unexpected cold weather caused crop losses. An export ban to Europe served to increase local supplies, creating a glut in the market and driving prices down. **Gross profit** for the LOB fell to EGP -18 million with **gross profit margins** down to -65%.

Staying Ahead of the Game

Investments, expansions and proactive measures that have helped us achieve growth

Although the year just passed was a challenging one for the Egyptian manufacturing sector, Juhayna's 2012 Group performance met or surpassed pre-revolution levels, with margins, sales and volumes up on the back of investments in distribution. Our competitive advantages and corporate strengths remain as solid as ever, and we congratulate our team on a job well done during a year filled with many challenges.

During the course of 2012, Juhayna successfully carried out EGP 650 million in investment and expansion plans, substantially increasing our retail and distribution network to satisfy the needs and cater to the habits of our Egyptian consumers. We also invested in product development and extensive marketing campaigns, as well as human resource development, all of which helped improve the overall efficiency of our operations.

We acquired EGP 140 million in loans from CIB to finance new filling and production lines, and another EGP 150 million from Barclay's for our new distribution centers across Egypt. This financing helped us to increase our retail outlets from 36,000 to 45,000—a 25% increase year-on-year. We also added an additional 140 trucks and vans to our distribution fleet and opened five new distribution centers in Assiut, Kafr El Sheikh, El Obour, El Tor, and Sohag. We also have a new automated juice warehouse set to open in the next one to two years.

One of our most important characteristics as a company is our agility in responding to evolving consumer habits. Interpreting and reacting to changing market trends was a key to our success this year. In 2011, we saw consumers switching from premium to second-tier milk and juice products in lower-cost packaging. To meet this new demand, we expanded our second-tier product lines. As consumer confidence was restored, we saw our investments in premium packaging bear fruit in 2012. Consumers likewise responded well to more promotional or bulk packaging, which we feel will continue to be a consumer trend going forward.

In other packaging news, in May 2012 Juhayna introduced a new technological innovation in packaging: TBA-Edge. A by-product of an EGP 120 million investment initiative, TBA-Edge guarantees the highest levels of sterilization with modern appeal tailored to Egyptian consumers. We also signed agreements with leading foreign production and packaging experts to update our manufacturing systems and keep up to date with cutting edge technology and international best practices. German Hassia will provide yogurt production and packaging lines; Krones will install new racking systems; and Combibloc will furnish new juice production, packaging and palletizing lines.

On a personnel level, we also made some proactive changes in 2012 that reflect Juhayna's forward-looking strategic direction. We are excited to announce that a new group factories director and a new marketing and innovation director have joined the Juhayna team. We look forward to collaborating with them to further strengthen our brand.

Outlook

Juhayna expects continued growth across all lines of business largely supported by growing demand and continued consumer conversion from loose to packaged products thanks to growing public health and safety awareness. To address this demand, we are increasing production by investing in two new yogurt factories and widening our distribution networks to reach more consumers than ever before.

Going forward, we expect to continue to successfully manage downside risk thanks in large part to the structure of our operations. In 2012, there have been numerous labor disputes and protests across Egypt. Juhayna has worked

hard to keep employees satisfied through proactive measures. Fortunately, the structure of our work force also mitigates much of the risk of labor unrest. Due to the highly automated nature of our manufacturing process, the majority of our work force is highly skilled and accordingly well-compensated technicians and engineers.

While exogenous shocks, particularly in terms of political instability or insecurity, can impact market sentiment for many national industries, the food and beverage industry has been relatively cushioned from this effect. Thankfully, we have not felt the post-revolution downturn too intensely; as a consumer foods play, we continue to be somewhat insulated from economic shocks. We believe this is a strength that will help us going forward, despite the uncertain political terrain.

Our History

“ **Pioneering the production of dairy and juice products for almost 3 decades, Juhayna has set a new benchmark for excellence in the Egyptian food manufacturing sector.** ”

TIMELINE

1983

Juhayna was founded in 1983, under the leadership of Safwan Thabet, with a state-of-the-art manufacturing facility in Sixth of October. Through its partnership with global packaging giant Tetra Pak (then called Alfa-Laval) — among the first in Egypt — Juhayna quickly becomes a market pioneer in the production of packaged milk, yogurt and juice.

1987

Juhayna launches the production of packaged milk, yogurt and juice in 1987, manufactured according to the highest standards of production technology and quality.

1988

In 1988, Juhayna begins exporting its products, establishing a wide customer base in Europe and the Middle East.

1999

In 1999, Juhayna begins sponsoring the Al-Ahly Football Club, one of the largest and most prominent sports franchises in Egypt.

2000

Juhayna launches its new Whipping Cream product, the first of its kind in Egypt, in 2000.

2001

In 2001, Juhayna introduces the first fruit-flavored drinkable yogurt in the Egyptian market, “Zabado,” which becomes an instant best-seller and consumer favorite.

2005

In 2005, the Group acquires El Masreya Company for Dairy Products, whose factory Juhayna converts to solely produce dairy products, boosting production capacity from 100 to 600 tons per day.

2007

In 2007, Juhayna establishes Tiba for Trade & Distribution as the new commercial arm of the Group. Tiba takes over management of Juhayna’s nationwide network of retail outlets, as well as planning and communication strategy functions vis-à-vis local and international clients.

2008

2008 is a huge year for Juhayna, with numerous acquisitions, new factories and investments in agricultural and livestock.

- Juhayna acquires the Egyfood factory to produce its drinkable and spoonable yogurt products (Yogurts, Zabado and Rayeb), boosting production capacity to 400 tons per day.
- The Group acquires the HAACP-certified El Marwa factory for processing seasonal fruit concentrates and juice products to supply local and international markets alike.
- Juhayna continues its vertical integration by establishing the Al Enmaa for Agricultural Development and Livestock Company, tasked with the ownership and operation of dairy farms, land reclamation for agricultural production, providing fodder for cows and cultivating oranges to produce concentrate.
- Juhayna undertakes a joint venture with Milky’s farm to secure supply of raw milk and further vertically integrate their business model.

2009

Juhayna establishes the Modern Concentrates factory, a HAACP-certified, state-of-the-art manufacturing facility specializing in the production of citrus fruit concentrates for both internal and third party supply in Egypt and abroad.

In partnership with global firms like SIG Combibloc, Krones, GEA, WILD and Meurer, Juhayna further develops its packaging techniques and establishes the El Dawleya factory, the largest juice factory in Egypt and the Middle East.

2010

In 2010, Juhayna begins trading shares on the Egyptian Stock Exchange (EGX), in the process winning the award for “Best African IPO” from a leading international investment and communications group, Africa Investor, at a joint summit with the New York Stock Exchange promoting investment on the continent.

2011

Despite the economic difficulties in the wake of the revolution, Juhayna forges ahead with its investment and expansion plans in 2011, testaments to its unwavering confidence in the future of Egypt.

2012

In May 2012, Juhayna introduces a new technological innovation in packaging, TBA-Edge. A by-product of an EGP 120 million investment initiative and collaboration with Swedish packaging leader Tetra Pak, TBA-Edge guarantees the highest levels of sterilization with modern appeal tailored to Egyptian consumers.

Founded in 1983, Juhayna quickly became a market pioneer in the production of packaged milk, yogurt and juice.

Lines of Business Review

“Our distribution strength is directly reflected in our market share: We are #1 in milk and premium juice, have a 33% share of the yogurt segment, and account for 50% of all drinkable yogurts.”

Business Segments and Legal Structure

DAIRY
SEGMENT

Juhayna Food Industries
100%

Masreya Dairy Co. (99.9%)

Plain milk
Juhayna - Bekhero - Foam milk

Flavored milk
Mix - Jino

White cheese
Feta - Istanbouli

Cream
Whipping - Cooking - Sour - Ice cream mix

YOGURT
SEGMENT

Egyptian Food Industries (Egyfood)
99.9%

Spoonable yogurt
Plain - Light - Actilife - Mix - Fruit

Drinkable yogurt
Rayeb - Zabado

JUICE
SEGMENT

International Co. for Modern Food Industries (El Dawleya)
99.9%

Carton
Nectar - Pure - Bekhero

Bottle
Tingo

CONCENTRATES
SEGMENT

El Marwa Food Industries Co.
99.9%

Modern Concentrate Co. (99.9%)

AGRICULTURE & FARMING SEGMENT

Al Enmaa for Agricultural Development & Livestock
99.9%

Enmaa for Reclamation & Agriculture (99.9%)

Enmaa for Livestock (99.9%)

Milky's Dairy Co. (40%)

COMMERCIAL ARM

Tiba for Trade and Distribution
99.9%

Dairy

Business Review

Juhayna is a market pioneer in the dairy sector. The company originated as a dairy manufacturer in 1983 and has today grown to become Egypt's number one packaged milk producer with a market share of 68%.

Juhayna's dairy line of business focuses on the production of plain and flavored milk, cream, and white cheese, as well as specialty products for global manufacturers and leading restaurant chains such as McDonald's Egypt. Our dairy operations are primarily carried out through two factories in the Sixth of October City, west of Cairo.

The Juhayna Factory is a 22,000m^2 facility located in Sixth of October with a daily production capacity of 1,000 tons. The factory, which was originally established in 1983, has undergone several upgrades in its 30 years of operations, and now features fully automated production, from pasteurization to packaging. The plant employs a staff of 465 in production, engineering and administrative functions.

Our second dairy production facility, El Masreya, is a 25,000m^2 factory that was acquired by Juhayna in 2005 as part of a push to expand domestic market share. The factory is fully automated, with a 1,000-ton per day production capacity and a staff of 300 technicians, engineers and administrators.

Dairy Segment Sales & Gross Profit (EGP Mil)

	4Q12	4Q11	Change	2012	2011	Change
Sales (Ton)	55,969	46,248	21%	206,791	169,422	22%
Net Sales	401	315	27%	1,440	1,135	27%
Gross Profit	135	71	89%	439	293	50%
Gross Profit Margin	34%	23%	1107bps	30%	26%	471bps

Highlights 2012

Juhayna's dairy operations performed exceptionally well in 2012. Dairy sales were up 27% year-on-year to EGP 1.44 billion thanks to increased sales capacities, improved milk packaging, and strong marketing and advertising campaigns. Gross profit for the LOB climbed 50% to EGP 439 million, with gross profit margin up 471bps to 30%. The strength of the dairy segment, which is the backbone of the Group's operations, is a testament to the company's agile, forward-looking strategy.

One of the major highlights of 2012 was an EGP 120 million investment initiative that led to the introduction of the Tetra Pak TBA Edge packaging for milk products. In May 2012, the TBA Edge packaging was introduced to Egyptian consumers and quickly gained wide market appeal. The sleek, modern packaging is practical, aesthetically pleasing and ensures the highest levels of sterilization. Juhayna has always taken pride in being on the cutting edge of technology when it comes to manufacturing and packaging. We were the third company worldwide and the first in the Middle East to implement this innovative line of packaging, which is currently used at our El Masreya and Juhayna facilities.

In response to 2011 market trends that saw cost-conscious consumers switch from premium to second-tier milk in lower-cost packaging, Juhayna quickly reacted to the increased price sensitivity by expanding second-tier product lines. As we saw consumer confidence restored in 2012, our investments in the new TBA Edge premium packaging began to bear fruit, with sales up this year. Going forward, we will also continue to focus on the promotional and bulk packaging that are increasingly consumer favorites.

Yogurt

Business Review

Juhayna's yogurt operations include spoonable as well as drinkable yogurts, such as Zabado and Rayeb, two of the most popular and recognizable brand names on the Egyptian market. The yogurt line of business enjoys a healthy 33% share of traditional yogurt sales and a 50% share of drinkable yogurts on the local market.

Our yogurts are currently manufactured in the Juhayna and El Masreya dairy facilities as we await the opening of a new yogurt factory to replace the Egyfood factory, which was damaged in a fire in 2010.

The new Egyfood factory, scheduled to launch in the second half of 2013, is a 35,000 square meter state-of-the art facility located in Sixth of October City for manufacturing both spoonable and drinkable yogurts. The factory will feature the most up-to-date technology, including fully automated and computerized processing and fermentation equipment and temperature controls. By investing in the latest technology, we will continue to ensure the highest levels of quality, hygiene and safety of our products.

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

Highlights 2012

Juhayna's yogurt line of business saw considerable growth in 2012, with a 30% increase in sales reaching sales revenue of EGP 800 million. We also grew our bottom line, with gross profits up 40% year-on-year to EGP 296 million and gross profit margins at 37%, a 251bps improvement from 2011.

Significant progress was made on the construction of the new Egyfood yogurt facility, which will enhance our overall yogurt capacity to 700 tons/day.

A second yogurt plant began production in mid-May 2013 in Assiut Governorate. Spanning 30,000 square meters and with a 25,000-ton capacity per annum, the new plant will provide 200 new jobs and source raw milk from small, local dairy farmers. The plant will be serviced by the new sales and distribution center that was recently opened in the area.

The Assiut yogurt facility is a part of our drive to increase our presence in Upper Egypt, which currently stands as among the fastest growing regions for yogurt consumption. Approximately 40% of our total EGP 1.2 billion investments in 2013 will be channeled towards expanding our presence in the region.

In 2012, we also signed an agreement with leading German packaging expert, Hassia, to upgrade our yogurt production and packaging in line with international best practices.

Juice and Concentrates

Business Review

Juhayna is a market leader in the Egyptian juice sector, and the number one player in premium juice sales with our Pure brand juices. We produce our high quality juices and concentrates at three different manufacturing facilities in Greater Cairo, ensuring efficient distribution and sufficient capacity of our fruit juices and fruit concentrates.

More than 50% of our concentrate production is used to supply internal juice manufacturing, with the surplus exported regionally or sold to third parties.

The El Dawleya juice factory, established in 2009, is a 36,000m^2 facility. The plant has an average production capacity of 750-tons per day, with a fully automated production process and a total of 170 employees.

The El Marwa factory, acquired in 2008, is a 10,000m^2 manufacturing facility specializing in a variety of fruit pulps and concentrates made from a variety of fruits such as mango, guava, strawberries, peaches and apricots. The factory has a production capacity of 300-tons per day and employs 130 workers in tandem with the Modern Concentrates factory.

The Modern Concentrates factory, established in 2009, is a 6,000m^2 facility that produces concentrates from citrus fruits such as orange, lemon and grapefruit, with a daily production capacity of 720-tons.

Highlights 2012

Juhayna's juice operations reported a solid performance in 2012. Juice sales were up 27% to EGP 535 million and gross profit for the LOB improved 44% to EGP 164 million, with gross profit margins up 369bps to 31% thanks to our focus on higher margin products through marketing and advertising campaigns. Concentrate sales also rose during the period, up 16% to EGP 52 million. Gross profits for concentrates stood 66% higher at EGP 11 million, with a gross profit margin of 21%, a 621bps improvement from 2011.

Operational milestones in the juice and concentrate line of business included progress on our new automated juice warehouse, scheduled to open in 2014, in addition to the purchase of a new Combibloc filling line to meet the demands of our wide consumer base. We also expanded our second-tier product offering in response to price sensitivity and a consumer shift away from premium products in 2011. Restored consumer confidence helped boost sales in 2012, with sales and volumes up year-on-year. Consumers are also responding well to our expanded offering of promotional and bulk packaging, which we believe will be a consumer trend going forward.

Juice Segment Sales & Gross Profit (EGP Mil)

	4Q12	4Q11	Change	2012	2011	Change
Sales (Ton)	20,919	17,400	20%	83,609	67,197	24%
Net Sales	136	107	28%	535	421	27%
Gross Profit	45	26	72%	164	114	44%
Gross Profit Margin	33%	25%	854bps	31%	27%	369bps

A new agreement was signed in 2012 with international packaging giant, Combibloc, to furnish new juice production, packaging and palletizing lines. The upgrade will enhance our production process and ensure that we remain on the cutting edge of international manufacturing technology.

The Group also signed agreements this year with Krones to install new racking systems to help keep our manufacturing systems up to date with the latest technology and international standards of excellence.

Concentrates Segment Sales & Gross Profit (EGP Mil)

	4Q12	4Q11	Change	2012	2011	Change
Sales (Ton)	1,784	390	357%	5,815	4,565	27%
Net Sales	17	2	687%	52	45	16%
Gross Profit	3	4	-30%	11	7	66%
Gross Profit Margin	16%	180%	—	21%	15%	621bps

Agriculture

Business Review

Juhayna's agricultural activities focus primarily on livestock, land reclamation, agricultural produce and milk production. We conduct our operations through three subsidiaries: Enmaa for Livestock Company operates our dairy farm; Enmaa for Reclamation and Agriculture reclaims land for cultivation and farming; and Milky's for Milk Production specializes in breeding dairy cows. Milky's is the result of a joint venture in which Juhayna controls roughly 40%. With a herd of 3,500 cattle, Milky's currently supplies roughly 10% of Juhayna's raw milk needs.

Highlights 2012

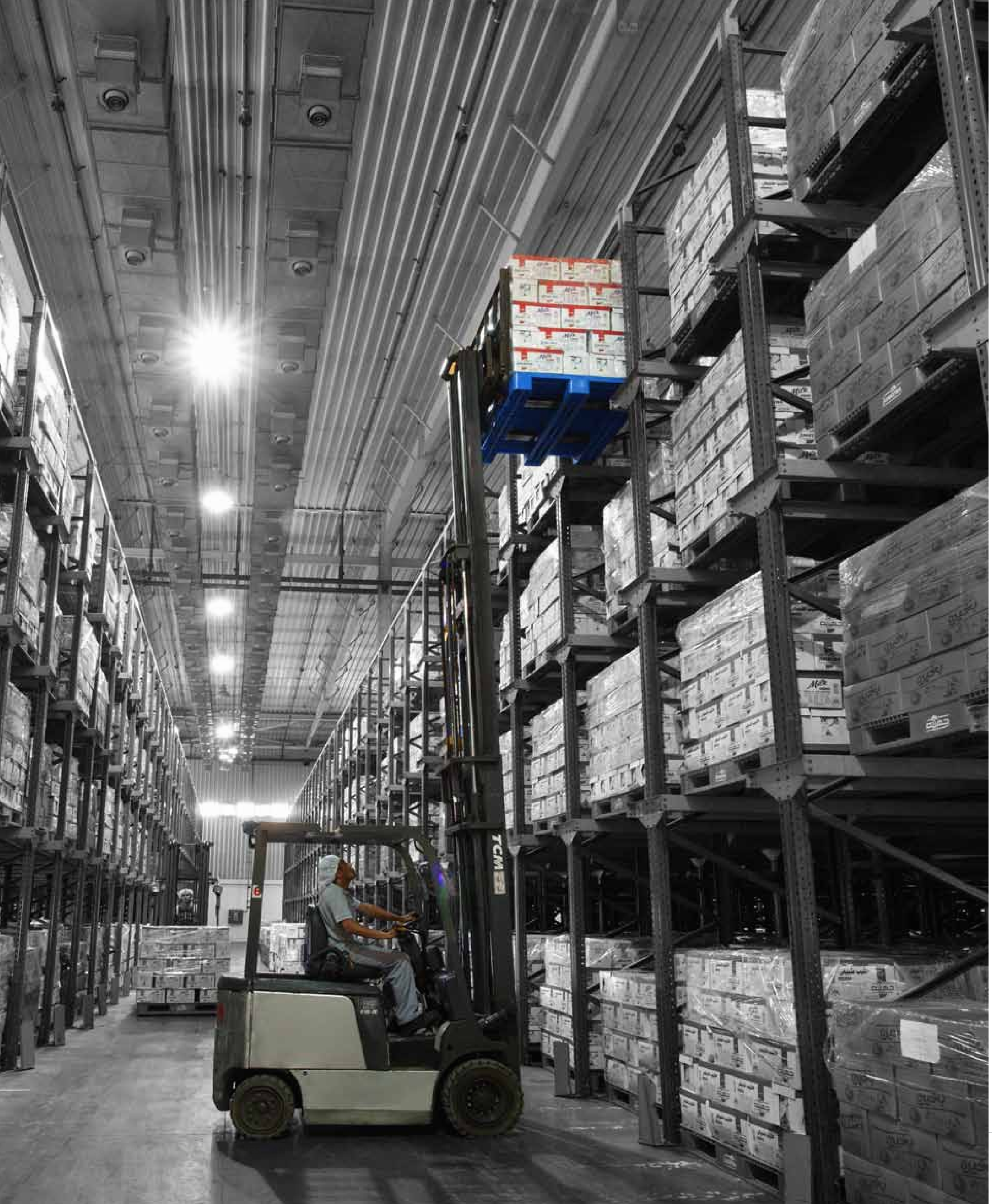
Our agricultural operations saw a slight dip in sales; down 2% to EGP 28 million as unexpected cold weather spurred crop losses. Domestic supplies were also up after an export ban to Europe saturated the local market, driving prices down. Gross profit fell to EGP -18 million with gross profit margins down to -65% this year.

Despite the less than optimal financial results, 2012 witnessed operational progress in our Agriculture segment. In 2013, we will complete the first phase of our first fully owned dairy farm. We purchased roughly 21,300 feddans of land, 5,500 of which we have already reclaimed for cultivation and farming. We plan to grow cattle feed, fruit trees and other produce on the land as well.

The farm will have a herd of 4,000 milking cows which we will import starting early in 2014. The dairy project will help us to better control our supply chain, allowing us to secure 30-40% of our raw milk needs, and taking us one step closer to full vertical integration.

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%	—



Commercial

Business Review

Juhayna's biggest competitive advantage is distribution strength. We have the largest distribution network in Egypt with 25 distribution centers, 45,000 retail outlets and a fleet of 905 vehicles.

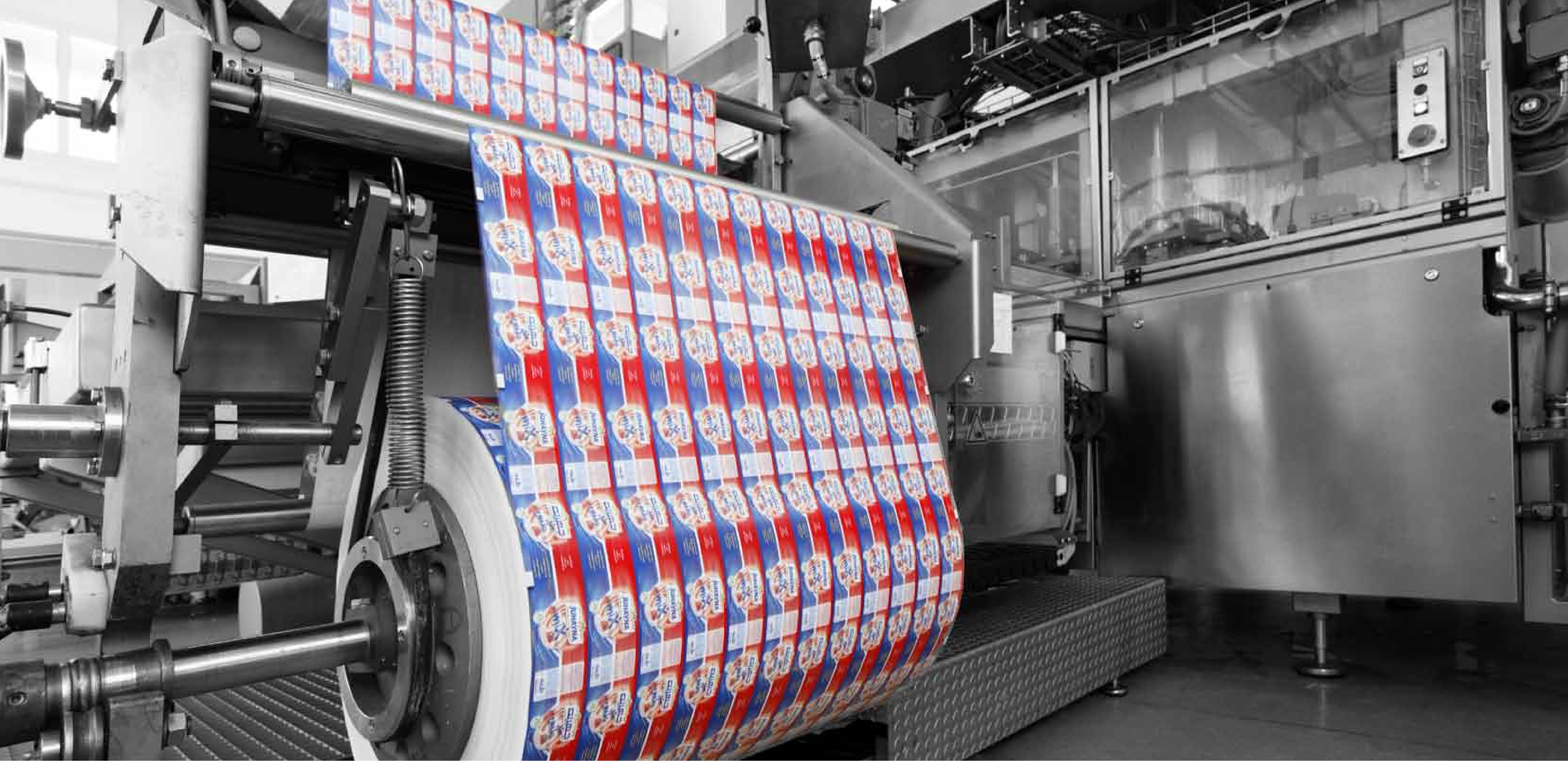
Our distribution strength is directly reflected in our market share: We are #1 in milk and premium juice, have a 33% share of the yogurt segment, and account for 50% of all drinkable yogurts.

Tiba for Trade & Distribution is the commercial arm of the Group, responsible for marketing and distribution activities as well as commercial franchises and third party protection. Established in 2007, Tiba is also responsible for all planning and communication strategy functions vis-à-vis local and international clients.

Highlights 2012

The exponential growth of our distribution network is perhaps the crowning achievement of our operations in 2012. With the addition of 140 new vans and trucks, 9,000 new retail outlets, and five new distribution centers in Assiut, Kafr El Sheikh, El Obour, El Tor, and Sohag our geographical presence is unparalleled in the market.

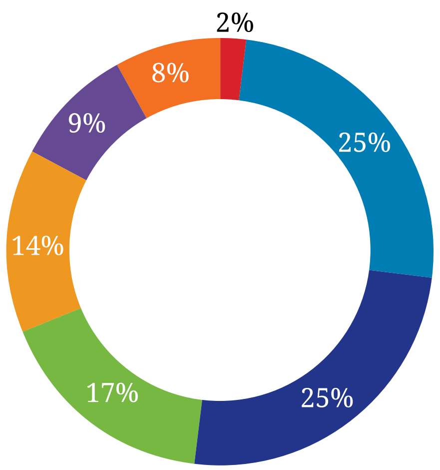
The expanded presence has helped us boost 2012 sales in all our lines of business, reaching more consumers with a variety of products that suit market needs.



Our Industry

> "In Egypt, the packaged milk market more than tripled between 2009 and 2012, the juice market grew by a CAGR of 30%, and the yogurt segment nearly doubled. Add these trends to rising purchasing power combined with a burgeoning population, and market forecasts bode well for continued strong growth in the future."

Industry Facts and Figures



Macro Area	CAGR % 2006-2011
Western Europe	0.5%
Asia	6.0%
North America	0.4%
South America	1.6%
Eastern Europe	1.7%
Middle East and Africa	6.5%
Asia-Pacific	1.9%

Source: Euromonitor
Market Size – Historic – Total Volume %

The Egyptian dairy and juice markets continue to demonstrate a great deal of potential. While per capita consumption remains relatively low across the three main segments—dairy, yogurt and juice—all three categories have experienced double digit annual market growth in the past few years.

On average, Egyptian consumers drink approximately 22 kg of dairy per year, as opposed to 123 in the UAE or 160 in Ireland. Egyptian yogurt consumption has similarly under performed relative to its regional and global counterparts, with Egyptians consuming an average 3 kg per annum, compared with 12 in Morocco and nearly 38 in the Netherlands.

The graph below demonstrates Egypt's under-penetrated dairy market, with Egyptians consuming relatively small amounts of dairy products per capita not only relative to their neighbors, but notably in relation to GDP per capita.[1]

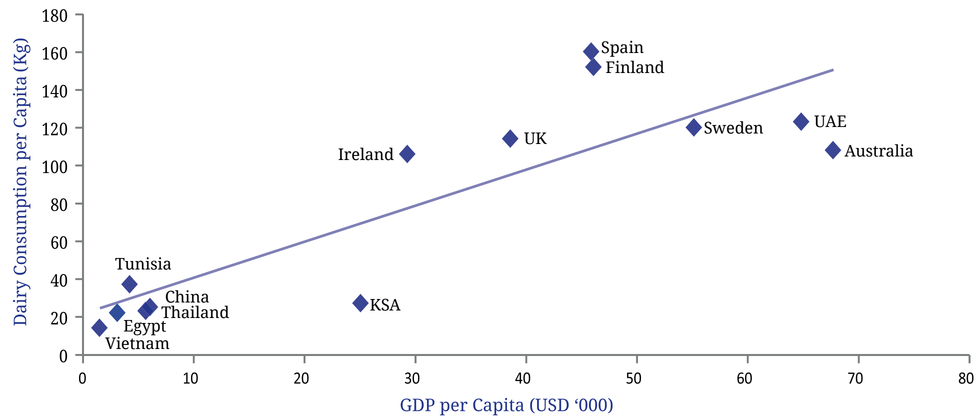
However, consumption rates belie the robust growth of the region's dairy market. In the second half of the last decade, the Middle East and Africa was the region with the strongest dairy market growth, an average of 6.5% per annum from 2006-2011, yielding significant opportunities for well-positioned dairy producers.[2]

In Egypt, the packaged milk market more than tripled between 2009 and 2012, compared to the overall milk market, which grew by a CAGR of only c16%. During the same period, the juice market grew by a CAGR of 30%, and the yogurt segment nearly doubled. Add these trends to rising purchasing power combined with a burgeoning population, and market forecasts bode well for continued strong growth in the future.

As a developing market, the gradual conversion from loose to packaged milk has been a key to increasing market share. In 2009, according to the National Council for Production and Economic Affairs and leading retail research group MEMRB[3], loose milk accounted for 88% of milk sold in Egypt. A few years later, loose milk now accounts for roughly 71% of the Egyptian milk market, a figure that continues to shrink as consumer habits and government health recommendations increasingly favor more hygienic, packaged products.

The Egyptian yogurt market has experienced a similar shift from loose to packaged products, with 69% sold in packaged form as of the end of 2012, up from only 52% in 2009. Increasing health awareness and a tightening price differential between loose and packaged yogurt are credited with this aggressive conversion. The entrance of international brands such as Danone and Lactel has also helped develop local taste for yogurt, which has traditionally been well below European and even Middle Eastern regional averages.

Milk Consumption Per Capita in Kg vs. GDP Per Capita in USD (2012)



1 FAPRI 2009, EIU (pg 70 of Juhayna prospectus)

2 Euromonitor, data from Parmalat AR11, pg 20-21, http://www.parmalat.com/attach/content/3627/Parmalat%20UK.pdf

3 Juhayna prospectus, 70

Strategy

> "The investment in expanding distribution began to truly bear fruit in 2012 with improved margins, sales and volumes across the board."

Strategy

Our forward-looking strategy has allowed us to maintain growth and profitability despite volatile market conditions. Coming out of a difficult first year post-revolution that saw increasing commodity prices, a deteriorating security situation and shifting consumer patterns away from premium products towards more economical second tier categories, Juhayna had to react quickly.

The company's successful results in 2012 can be largely attributed to the ability to react and predict market trends. We were quick to respond to changing consumer patterns in 2011, which saw a shift towards smaller, less expensive products. Juhayna responded accordingly by expanding second tier product lines in 2012 to meet new demand. As consumers shifted back to premium brands and promotional bulk packaging throughout the course of 2012, we were also ready.

With the export and tourism markets in decline post-revolution, we made a decision in 2011 to invest and expand our distribution facilities. This strategic move had an immediate impact on our growth with a 21% year-on-year increase in sales in 2011. The investment in expanding distribution began to truly bear fruit in 2012 with improved margins, sales and volumes across the board.

Juhayna remains committed to its strategy of investment and expansion throughout Egypt with a particular emphasis on continuing to maximize the strength of our distribution network, and progressing towards a more vertically integrated business model. We are taking major steps to expand our production and distribution coverage, investing EGP 1.2 billion in 2013—40% of which we are directing towards Upper Egypt, an area of fast-growing consumption and demand.

In 2013 we will complete the first phase of our first fully owned dairy farm. We currently rely on almost 90 different farms to supply us with 80-90% of our raw milk needs, with the remaining 10% coming from our joint venture with Milky's Dairy Farm. As the new farm becomes operational, we will increase our control of raw milk supplies to 30-40% thanks to 4,000 milking cows imported beginning in early 2014. This will help us to ensure supply and quality, as well as control costs and maximize margins over time.

We purchased 21,300 feddans, 5,500 of which have already been reclaimed and cultivated. We also plan to grow cattle feed, fruit trees, and other produce on the land.

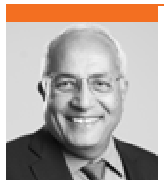
With the launch of our new Egyfood yogurt factory in 2013, we will be able to resume the production that had been moved to two of our dairy factories after the Egyfood factory fire in 2010. The plant is being built on 35,000m^2 of land, and is scheduled to begin operations towards the end of 2013.

We have also decided to expand our yogurt production to Upper Egypt, a market that accounts for 15% of yogurt sales and has one of the highest and fastest growing yogurt consumption rates in the country, making it an excellent location for both the new distribution center that opened in 2012, and the new manufacturing facility. The EGP 200 million plant has a 25,000-ton per year production capacity, providing 200 new jobs and giving small, local dairy farmers the much-needed opportunity to sell their raw milk to the plant for profit.

Management Overview

“We believe that this rigorous, clearly defined approach to management, structures and policies is the foundation of any successful business.”

Executive Management

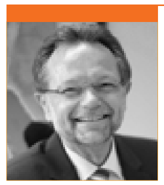


Safwan Thabet
Chairman of the BoD and CEO

Mr. Thabet has been Chairman of the Board of Directors and Chief Executive Officer of Juhayna since founding the Group in 1983. He has played a central role in the development of the Egyptian food sector for more than 30 years through various appointments and positions, including: Member of the Board of the Federation of Egyptian Industries (FEI), Member of the Board of the Chamber of Food Industries, Chairman of the Board of the Sixth of October Investors' Association (OIA), and Member of the Board of the Sixth of October Development & Investment Company (SODIC).

Hugo Harbo
Projects Director

Mr. Harbo has been with Juhayna for 14 years, first assuming the role of General Manager of Factories. Before joining Juhayna, he held the position of General Manager at some of the most prominent dairy companies in Denmark, including Bornholm, Denmark Protein and Dairy Denmark, in addition to MD Foods, which later merged with Arla Foods.



Achim Wuellner
Group Factories Director

Mr. Wuellner joined Juhayna in 2013. Before joining the Group, he held managerial positions in the foods and pharmaceutical industry for 25 years, gaining wide experience in branded and private label products and broad expertise in running large-scale production and packaging operations. He began his career at Unilever, serving in various positions during his 14 years with the company, including Project Engineer, Chief Engineer and Factory Manager at Unilever's Foods business. After Unilever, he worked as Managing Director for several family-owned companies in the foods and pharmaceutical sector.

Amr Ghazaly
General Manager of Tiba for Trade & Distribution

Mr. Ghazaly joined Juhayna in 2011 as General Manager for its subsidiary company Tiba for Trade & Distribution. Prior to joining Juhayna, Mr. Ghazaly spent seven years at Coca-Cola Egypt (1995-2002) as a General Manager of Sales Development and General Manager of Factories in North Upper Egypt. He was also appointed Regional Sales Manager at Coca-Cola Saudi Arabia (2002-2007) and General Manager of the Commercial Sector at Coca-Cola Libya (2009-2011).

Sameh El Hodaiby
Financial Affairs Director

Mr. El Hodaiby is currently Director of Financial Affairs at Juhayna, having begun his tenure with the Group in 2006 as Chief Financial Officer of one of Juhayna's factories, and later becoming Chief Financial Officer and Financial Controller for Juhayna in 2008. Before joining Juhayna, he was Accounts Manager at SODIC and an Auditor at Grant Thornton in Cairo. He is a member of the Accountants and Auditors Register.

Claus Pedersen
Marketing and Innovation Director

Mr. Pedersen joined Juhayna in February 2013 with 18 years of consumer goods marketing experience. He spent six years (2001-2007) as Global Marketing Manager for Arla Food Ingredients, and most recently served as General Manager for Arla Foods in Vietnam, where he was responsible for setting up the company and launching a range of nutritional products for children.

Sherif Abdelkader
Marketing Director

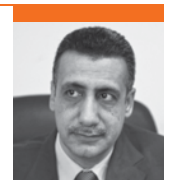
Mr. Abdelkader, Marketing Director, joined Juhayna in January 2013 He has more than 17 years of marketing experience. Mr. Abdelkader previously headed Juhayna's marketing department from 2003 to 2009. He spent 7 years at Unilever Egypt (1995-2002) as a marketing manager and has also served as a chief marketing officer at Gozour dairy (Citadel) (2009-2011). For a year he assumed a regional marketing role with Aujan Beverages in Dubai (2011-2012), heading the brand Rani in the Middle East.

Hany Kamel
Managing Director of Milky's and General Manager of El Enmaa for Agricultural Development & Livestock

Mr. Kamel has occupied the position of Managing Director of Milky's since its founding in 2008, on the back of a partnership and cooperation agreement between Juhayna and the Kamel family. He is also General Manager of El Enmaa for Agricultural Development & Livestock and Founder and Managing Director of Organic Foods.

Hisham Zaki
Administrative Affairs and Government Relations Director

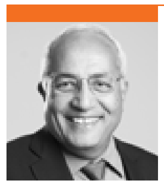
Mr. Zaki has been Administrative Affairs and Government Relations Director at Juhayna since 2006. He began his career with Juhayna in 1982, taking on a variety of positions including Sales Manager for Juhayna (1999-2001) and General Manager for both Tiba for Trade & Distribution and El Masreya for Dairy and Juice Company (El Masreya).



Wael Zakaria
Supply Chain Director

Mr. Zakaria was appointed as Group Supply Chain Director in May 2012. Prior to joining Juhayna, he spent 14 years at Procter & Gamble (Middle East and Africa). He occupied a number of positions, including Head of Production, Operations and Packaging in Saudi Arabia and Manager of one of the firm's factories in Morocco. He also worked as Head of Planning at P&G's Headquarters in Geneva, where he was responsible for allocating production at the firm's factories and for the distribution of the firm's Nappy brand in the Middle East and Africa. From 2006-2012, Mr. Zakaria was Vice President of Manufacturing and Technology at Savola Foods.

Board of Directors



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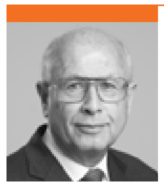
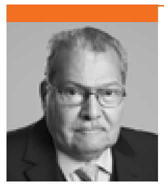


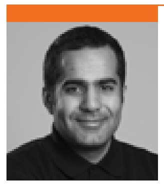
Akil Bisheer
Non-Executive Member

Mr. Bisheer has been a Non-Executive Member of the Board since 2010. Prior to joining Juhayna, he held top managerial positions at Telecom Egypt for over a decade, acting as Chairman and CEO (2000-2009) and Chairman of the Board of Directors (2009-2012). He previously worked as General Manager and Managing Director at Giza Systems Engineering (1978-2000) and also acted as Vice Chairman of Al Ahly Computer Equipment and Vice President of Misria Computer Systems.



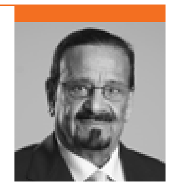
Ahmed El Abin
Non-Executive Member

Mr. El Abin has been a Non-Executive Member of the Board since 1985. He has also been a Member of the Board of Directors of the Scientific Center of Documents and Information at Cairo University since 2009. Mr. El Abin is the founder of the Academic Library in Cairo and Co-Founder of Mars Publishing House in Riyadh, Saudi Arabia. He was also responsible for the foreign language books department at the Al Ahram Institute.



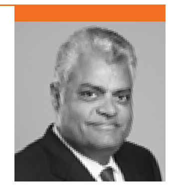
Seif El-Din Thabet
Non-Executive Member

Mr. Thabet was admitted to the Board of Directors in February 2006. He is currently Operations Director at Juhayna, and previously worked as Human Resources Director. Mr. Thabet began his career at Juhayna in 2004, holding a number of managerial positions, including Sales and Marketing Manager and Project Manager. He previously held positions at German-based Muller Dairy. He was appointed as the first Plant Manager for Juhayna's Juice Factory, El Dawleya; and is currently Vice President of the Dairy Division at the Chamber of Food Industries and former Treasurer at the Food Export Council.



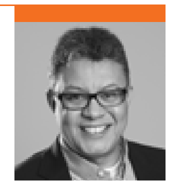
Mohammed El Dogheim
Non-Executive Member

Mr. El Dogheim has been a Non-Executive Member of the Board since 1983. He is also a member of the Saudi Egyptian Business Council and the Chamber of Commerce of El Dawadmi Governorate in Saudi Arabia. Mr. El Dogheim previously held a variety of positions in Saudi Arabia at the Ministry of Finance in Dammam, the Ministry of Transport and the Ministry of Islamic Affairs and Endowments in Riyadh. He also worked as a Financial Controller, Financial Director and Budget Director at the Ministry of Water and Electricity in Riyadh.



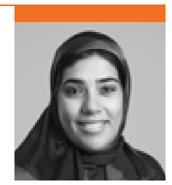
Yasser El Mallawany
Non-Executive Member

Mr. El Mallawany has been a Non-Executive Member of the Board since 2000. He has acted as CEO of EFG Hermes Holding Company SAE since 2008 and Vice President of the Board of Trustees of the EFG Hermes Foundation since 2006. He was also appointed as the Chairman of the Board of EFG Hermes Private Equity and as a Non-Executive Chairman at ACE Insurance Company. Mr. El Mallawany has also served as Vice Chairman of the Commercial International Investment Company (CIIC) since 2003 and spent 16 years at Commercial International Bank (CIB) as General Manager of the Corporate Banking Division. He is a member of the Advisory Council of the Emerging Markets Private Equity Association (EMPEA).



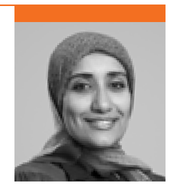
Ayman Ismail
Non-Executive Member

Mr. Ismail has been a Non-Executive Member of the Board since January 2010. Before joining the board, Mr. Ismail spent two years as partner, chairman and CEO of Dar Al Mimar Group (DMG), an engineering contracting company. He has 26 years of senior management experience at Procter & Gamble and Pepsi Co.



Heba Thabet
Non-Executive Member

Ms. Thabet has been a Non-Executive Member of the Board since February 2006 and is currently Associate Director of Marketing for the Juice Division. She previously held the title of Associate Director of External Affairs, where she was responsible for the Group's media and public relations activities. Ms. Thabet has worked in the Marketing Department for the Fresh Produce Division since joining Juhayna in 2001. She is also a member of the Business Advisory Board for SIFE Egypt, the International Public Relations Association (IPRA), and the Committee for Social Responsibility at the American Chamber of Commerce in Egypt.



Mariam Thabet
Non-Executive Member

Ms. Thabet has been a Non-Executive Member of the Board since 2010 and currently focuses on Strategic Planning for the Group, where she works to develop production divisions at Juhayna. She previously held the title of Assistant Procurement Manager for the Group.

Governance

“Our values are about much more than company reputation and responsibility towards shareholders — they are a reflection of the way we conduct business, and the healthy and productive working environment we work hard to cultivate.”

Corporate Governance

Leadership, Excellence and Integrity

At Juhayna, we are committed to maintaining a business that is led by decisive leadership, the pursuit of excellence, and operational integrity. These principles are an integral component of our corporate culture as evidenced by our long-standing history and reputation as an ethical and transparent industry player. We are held accountable by all our stakeholders be they customers, clients, partners, suppliers, or shareholders.

Executive Management & Board of Directors

While Juhayna is a family-owned business, we adhere to international best practices in corporate governance. Everyone from the Chairman to lines of business managers to factory employees are required to operate in a transparent, impartial and accountable manner. We believe that this rigorous, clearly defined approach to management, structures and policies is the foundation of any successful business. It not only provides channels for appropriate decision-making and accountability, but reassures shareholders that their investments are in safe hands and customers that the products that they have come to trust from Juhayna are manufactured in a world class operation that is committed to providing the market with safe and healthy products.

All of our Board Members except one are non-executives, and the majority of the Board is comprised of non-family members. Directors hold office until such time as a qualified successor is elected.

Audit Committee

In accordance with the EGX Listing Rules, the Board has constituted an Audit Committee, comprised of three Non-Executive Directors. The Audit Committee is chaired by Mr. Yasser El Mallawany and also includes Mr. Ahmed Amin El Abin and Mr. Mohammed El Dogheim, all of whom were appointed on 13 April 2010. The Audit Committee reports to and is accountable to the Board.

The primary functions delegated by the Board to the Audit Committee are to assist the Board in fulfilling its oversight responsibilities in connection with:

- The inspection and review of the internal audit procedures of the Group
- The inspection and review of the accounting standards applied in the Group and any changes resulting from the application of new accounting standards
- The inspection and review of internal audit procedures, plans and results
- The inspection and review of the periodic administrative information that is presented to the different levels of management and the methods of such preparation and timing of submission
- Ensuring the implementation of appropriate supervisory procedures in order to protect the assets of the Group
- Ensuring that the Group adheres to the recommendations of the auditors and EFSA
- The inspection of the procedures carried out in preparing and reviewing the financial statements, offerings relating to securities and estimated budgets, cash flow and income statements
- Advising on the appointment of auditors to perform services other than the preparation of the financial statements
- The inspection and review of the auditors report regarding the financial statements and discussing the comments included, in addition to working on resolving any misunderstandings between the Board and the auditors
- Ensuring the preparation by an independent financial advisor of a report regarding any related party transactions before being ratified
- Ensuring the application of the necessary supervisory methods to maintain the Group assets, conduct periodic evaluation of administrative procedures and prepare reports to the Board

The Board is required to adopt the Audit Committee’s recommendations within fifteen days of receiving notice of such recommendations. If the Board does not follow the recommendations, the chairman of the Audit Committee must notify both the EFSA and EGX.

Corporate Social Responsibility

Juhayna is an Active Participant in the Local Community

Giving back to the community is a core commitment at Juhayna. We strive to provide education and support to those most in need and work with purpose-driven organizations striving to make a difference in the country we are proud to call home.

Juhayna Supports Healthy Schools

As a leading producer of healthy foods and beverages, Juhayna is committed to improving the overall health awareness in Egyptian society. To achieve this goal, in cooperation with the Minister of Education, we launched a nutrition awareness campaign at public schools in Upper Egypt and helped upgrade school facilities, touching the lives of approximately 16,000 students across different governorates. We also organized numerous recreational activities that were well attended by students who displayed an eager desire to learn about health and nutrition. The community at large was given seminars on proper dietary nutrition and the health risks associated with malnutrition. Going forward, Juhayna plans to extend its platform to educate others about the importance of nutrition for mental and physical development and health.

Juhayna "Gold Sponsor" of the Children's Cancer Hospital Nutrition Conference

Juhayna has been a proud sponsor of the Children's Cancer Hospital (57357) since its inception. The company participated in the hospital's original fund-raising campaign "Donate: Even if it's a Pound" and has been heavily involved with various initiatives in the hospital such as "Milk Day" when volunteers from Juhayna joined hospital staff to plan activities and awareness campaigns on the hazards of loose milk.

The company recently sponsored the Nutrition Conference at the Children's Cancer Hospital to focus on spreading awareness about nutrition and cancer prevention. Held under the auspices of the Egyptian Council for Healthy Nutrition, the conference honored 25 Egyptian scientists for their work in the field of nutrition and was attended by prominent members of Egypt's scientific community such as Minister of Scientific Research, Dr. Nadia Zacharia. Dr. Morsy Al Soda, Professor of Dairy Microbiology at Alexandria University, also took part in the conference, detailing the health benefits of packaged milk versus the risks of loose or bulk milk in her speech entitled, "Milk: Elixir of Life or Food Pathogen?"

Juhayna Celebrates National Orphan's Day

Juhayna organized a Ramadan iftar for 100 orphans at the Smart Village to coincide with National Orphan's Day in 2012. The Celebration included children's entertainment and activities, such as magic shows and face painting. Our staff distributed gifts and Juhayna products to the children during this fun-filled and festive event.

Juhayna also participated in the annual "Orphan Day" event held at the Maadi British School. The event was attended by 1,500 orphans who participated in various educational and sports activities organized by Juhayna to promote good mental and physical health.

Juhayna and SIFE Launch the "Drink Healthy, Stay Healthy" Initiative

Juhayna, in conjunction with SIFE (Students in Free Enterprise), an international non-profit organization that works with business and university students, organized a competition among 11 Egyptian universities aimed at raising awareness on the general benefits of milk and the health dangers of loose milk, with the top three universities awarded prizes. This year's competition featured student representatives from Upper and Central Egypt, including the French University, Cairo University, Assiut University and Fayoum University.

The panel judges at the competition included industry experts such as Dr. Morsy Al Soda, professor of Dairy Microbiology at Alexandria University's Faculty of Agriculture.

Juhayna has sponsored SIFE since 2008, helping make possible its annual national student competition geared towards identifying the top community development projects, which are then presented at the international level.

Juhayna Food Industries

(An Egyptian Joint Stock Company)

Consolidated financial statements for the year ended 31 December 2012

Translation from Arabic

Contents

AUDITORS' REPORT

Translation from Arabic

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Juhayna Food Industries Company "An Egyptian Joint Stock Company", which comprise the consolidated balance sheet as at 31 December 2012 and the consolidated statements of income, changes in shareholders' equity, and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the consolidated financial statements

These consolidated financial statements are the responsibility of Company's management. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Egyptian Accounting Standards and in the light of the prevailing Egyptian laws, management responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; management responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Egyptian Standards on Auditing and in the light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Juhayna Food Industries Company as at 31 December 2012, and of its financial performance and its cash flows for the year then ended in accordance with the Egyptian Accounting Standards and the Egyptian laws and regulations relating to the preparation of these consolidated financial statements.

Salah EL Messary
Capital Authority Controller
Register N0.(364)
KPMG Hazem Hassan

Hossam Helal
Capital Authority Controller
Register N0.(147)
Mohamed Helal – Grant Thornton

Cairo 14 February , 2013

Consolidated balance sheet

As at 31 December 2012

Translation from Arabic

	Note no.	31/12/2012 L.E.	31/12/2011 L.E.
Assets			
Property, plant and equipment	(11)	1 479 724 384	1 328 743 778
Projects under construction	(12)	530 576 491	195 147 105
Plant wealth	(13)	29 591 345	19 135 323
Investments in equity - accounted investees	(10)	43 109 317	42 329 048
Other - long term - debit balances		798 320	806 592
Goodwill	(34)	97 092 890	97 092 890
Non-current assets		**2 180 892 747**	**1 683 254 736**
Inventories	(15)	347 600 094	397 182 013
Trade and other receivables	(16)	145 120 083	188 012 096
Due from related parties	(33-1)	1 337 563	1 481 475
Treasury bills		240 029 217	-
Cash and cash equivalents	(17)	529 817 146	688 413 238
Assets held for sale		538 899	3 000 000
Current assets		**1 264 443 002**	**1 278 088 822**
Provisions	(23)	11 554 532	7 610 466
Banks - overdraft		13 208 561	58 406 259
Banks - credit facilities	(21)	351 097 043	448 000 911
Short term loans	(22)	32 476 634	8 352 761
Creditors and other credit balances	(24)	236 719 943	148 610 953
Income tax		43 067 213	12 818 649
Long-term loans-current portion	(20)	152 034 537	131 809 926
Current liabilities		**840 158 463**	**815 609 925**
Working capital		**424 284 539**	**462 478 897**
Total invested funds		**2 605 177 286**	**2 145 733 633**
These investments are financed as follows:			
Equity			
Issued and paid up capital	(18)	706 053 811	726 416 332
Legal reserve		401 654 644	390 106 391
General reserve - issuance premium	(18-1)	330 920 428	404 500 682
Retained earnings		236 914 651	201 846 829
Treasury stocks		-	(93 942 775)
Net profit for the year after periodic dividends		312 576 862	182 867 264
Total equity attributable to the shareholders of the parent company		**1 988 120 396**	**1 811 794 723**
Minority interest		**520 495**	**411 247**
Total equity		**1 988 640 891**	**1 812 205 970**
Long term loans	(20)	525 641 523	252 495 807
Other long term liabilities	(25)	31 969 777	36 270 276
Deferred revenues	(26)	6 954 285	8 692 869
Deferred tax liabilities	(27)	51 970 810	36 068 711
Non-current liabilities		**616 536 395**	**333 527 663**
Shareholders' equity and non current liabilities		**2 605 177 286**	**2 145 733 633**

The notes on pages from (66) to (96) are an integral part of these consolidated financial statements.

Finance Director
Sameh El-hodaiby

Chairman
Safwan Thabet

Consolidated income statement

For the period ended 31 December 2012

Translation from Arabic

	Note no.	The financial year ended 12/31/2012 L.E.	The financial year ended 12/31/2011 L.E.
Net sales		2 854 969 787	2 243 609 514
Cost of sales		(1 962 751 206)	(1 608 646 351)
Gross profit		**892 218 581**	**634 963 163**
Other operating income	(5)	26 598 652	25 644 593
Sales & distribution expenses		(352 867 208)	(255 402 549)
General & administrative expenses	(6)	(106 874 171)	(97 569 780)
Other expenses	(7)	(43 875 412)	(15 544 312)
Board of directors remuneration		(8 500 000)	(6 702 000)
Results from operating activities		**406 700 442**	**285 389 115**
Holding company's share in associates' net income		1 165 472	4 054 782
Loss on fire factory damage		-	(40 758 896)
Change in biological asset fair value		-	(1 291 223)
Finance income and finance costs	(8)	(25 165 812)	(38 606 526)
Profit before income tax		**382 700 102**	**208 787 252**
Taxes differences from previous years		1 684 087	(1 006 955)
Income tax expense		(43 067 213)	(12 818 649)
Deferred tax		(15 902 099)	(9 024 409)
Net profit for the period		**325 414 877**	**185 937 239**
Distributed as follows			
Parent Company's share in profit		325 327 227	185 887 359
Minority interest		87 650	49 880
		325 414 877	**185 937 239**
Earning per share (L.E./share)	(19)	**0.395**	**0.203**

The notes on pages from (66) to (96) are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

For the period ended 31 December 2012

Translation from Arabic

	Issued & paid up capital L.E.	Legal reserve L.E.	General reserve-issuance premium L.E.	Retained earnings L.E.	Treasury stocks L.E.	Net Profit for the year L.E.	Total L.E.
Balance as at 1 January 2011	726 416 332	380 489 181	404 500 682	12 405 873	(93 942 775)	213 568 361	1 643 437 654
Reversal of beginning balance adjustments	-	24 447 707	-	(1 022 164)	-	(974 614)	22 450 929
Dividends for 2010	-	-	-	205 982 561	-	(205 982 561)	-
Holding Company's share in reserves & retained earnings of subsidiaries	-	3 023 093	-	(10 456 203)	-	-	(7 433 110)
Consolidation adjustments on 31 December 2011	-	(24 322 057)	-	(6 331 239)	-	(1 894 813)	(32 548 109)
Net profit for the period ended 31 December 2011				-	-	185 887 359	185 887 359
Profit dividends for 2011							
Share of company from some subsidiary companies on 31 December 2011	-	6 468 467	-	1 268 001	-	(7 736 468)	-
Balance as at 31 December 2011	726 416 332	390 106 391	404 500 682	201 846 829	(93 942 775)	182 867 264	1 811 794 723
Balance as at 1 January 2012	726 416 332	390 106 391	404 500 682	201 846 829	(93 942 775)	182 867 264	1 811 794 723
Reversal of beginning balance adjustments	-	24 322 057	-	6 331 239	-	9 631 669	40 284 965
Dividends for 2011	-	-	-	(152 690)	-	(178 449 703)	(178 602 393)
Capital reduction by the treasury stocks value	(20 362 521)	-	(73 580 254)	-	93 942 775	-	-
Holding Company's share in reserves & retained earnings of subsidiaries	-	11 343 915	-	9 800 670	-	-	21 144 585
Consolidation adjustments on 31 December 2012	-	(24 117 719)	-	19 088 603	-	(26 799 595)	(31 828 711)
Net profit for the year ended 31 December 2012	-	-	-	-	-	325 327 227	325 327 227
Balance as at 31 December 2012	706 053 811	401 654 644	330 920 428	236 914 651	-	312 576 862	1 988 120 396

The notes on pages from (66) to (96) are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

For the Period ended 31 December 2012

Translation from Arabic

	Note no.	The Financial year ended 12/31/2012 L.E.	The Financial year ended 12/31/2011 L.E.
Cash flows from operating activities			
Net profit for the year before income tax and minority interest in profits		382 700 102	208 787 252
Adjustments for:			
Fixed assets' depreciation		150 641 359	138 565 308
Capital gains		(4 297 521)	(7 259 884)
loss from egyfood factory fire		-	40 758 896
Impairment in fixed assets		9 519 029	216 512
Reversal of impairment in fixed assets		-	(113 425)
Fair value loss in held for sale assets		3 319 555	-
Change in Investments in equity accounted investees (investments in associates)		(780 269)	(3 702 011)
Change in biological asset current value		-	1 291 223
Impairment in trade and other receivables		1 205 551	1 483 707
Reversal of impairment in trade and other receivables		(1 260 972)	(461 231)
Write-down of inventories		5 869 019	341 807
Provision for claims-formed		5 407 644	689 414
Financial lease installments		12 101 325	12 101 325
Other revenues		(3 764 632)	(3 422 400)
Time deposits interests		(38 649 071)	(48 012 541)
Finance interests & expenses		92 614 586	83 733 952
		614 625 705	424 997 904
Changes in:			
Inventories		43 712 900	(119 201 066)
Trade and other receivables		19 788 193	67 418 154
Due from related parties		143 912	(865 760)
Creditors & other credit balances		18 165 185	112 575 953
Employees profit share		(21 388 961)	-
Collected time deposits interests		55 964 852	46 649 656
Paid finance interests & expenses		(103 483 779)	(84 642 925)
Provision for claims used		(1 463 578)	(431 848)
Net cash flows from operating activities		626 064 429	221 348 162
Cash flows from investing activities			
Acquisition of fixed assets & projects under construction		(655 628 441)	(404 347 212)
Proceeds from sale of fixed assets		7 677 925	18 440 925
Acquisition of treasury bills		(231 127 485)	-
Acquisition of biological wealth		(8 636 819)	-
Proceeds from fire indemnification		63 000 000	-
Net cash flows used in investing activities		(824 714 820)	(385 906 287)
Cash flows from financing activities			
Bank credit facilities payments		(96 903 868)	220 660 300
Proceeds from (payment for) bank loans		317 494 200	(136 793 214)
Proceeds for lease installments- sale with the right of release		3 764 632	3 422 400
Payments for lease installments- sale with the right of release for financial		(12 101 473)	(12 101 325)
Dividends paid to shareholders		(127 060 742)	-
Increase in minority interest		109 248	108 836
Net cash flows from financing activities		85 301 997	75 296 997
Decrease in cash & cash equivalents during the period		(113 348 394)	(89 261 128)
Cash & cash equivalents at 1 January		624 906 979	714 168 107
Cash & cash equivalents at 31 December	(17)	511 558 585	624 906 979

The notes on pages from (66) to (96) are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

For the financial year ended 31 December 2012

Translation from Arabic

1 Reporting the entity

The Company was established in 1995 according to the Investment Law No.(230) of 1989 as replaced by the investment incentives and guarantees law No. (8) of 1997 and the decree of the Minister of Economic and Foreign Trade No. 636 of 1994 approving the Company's establishment.

The Company was registered in the commercial registry under No. 100994 on 10/1/1995. Company's period is 25 years starting from the date of registration in the commercial registry.

The address of the Company's registered office is 11 Aljihad Street- Lebanon Square- Almohandessien. The address of the company's factories is 6 of October city- First Industrial Zone- piece no. 39 and 40, Mr. Safwan Thabet is the Chairman of the Board of Directors.
The Company is considered a holding Company.

The Company's purpose

The Company primarily is involved in the production, manufacture, packaging and packing of all types of dairy, products and all its derivatives, all types of cheeses, fruit juices, drinks and frozen material, preparing, manufacturing, packaging and packing all types of food materials and in general manufacturing of agriculture products.

Registration in the Stock Exchange

The Company is listed in [1] of Egyptian Stock Exchanges.

2 Basis of preparation

2-1 Statement of compliance

The financial statements have been prepared in accordance with Egyptian Accounting Standards ("EAS"), and in the light of prevailing Egyptian laws.

The financial statements were authorized for issue by the Board of Directors on 13/02/2013.

2-2 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the balance sheet.

- Derivative financial instrument measured at fair value
- Non-derivative financial liabilities at fair less costs to sell. (note 4-1).
- Biological assets and Agricultural crops at fair value after reduce the cost of sale (note 4-2).

The methods used to measure fair values are discussed further in note (4).

2-3 Functional and presentation currency

These consolidated financial statements are presented in Egyptian pound, which is the Company's functional currency.

2-4 Use of estimates and judgments

The preparation of financial statements in conformity with Egyptian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

- Note (3-9) : lease classification.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial statements are included in the following notes:

- Note (15) : write down of inventories.
- Note (16) : impairment of trade and notes receivable.
- Note (23) : provisions & contingent liabilities
- Note (27) : deferred tax.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these interim consolidated financial statements.

3-1 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Company. The financial statement of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in equity accounted investees (associates)

Associates are those entities in which the Company has significant influence, but not control, over the financial and operating policies. Investments in associates is accounted for using the equity method and is recognized initially at cost . The cost of the investment include transaction costs . The consolidated financial statements include the Company's share of the income and expenses of equity accounted investees, after adjustments to align the accounting policies with those of the Company, from the date that significant influence commences until the date that significant influence ceases. When the Company's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest including any long-term interests that from part thereof is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Company has an obligation or has made payments on behalf of the investee.

Transactions eliminated on consolidation

Intra-group balances, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

3-2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

3-3 Financial instruments

Non-derivative financial assets

The Company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date, which is date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non – derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for sale financial assets.

Held - to - maturity financial assets

If the Company has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition held-to-maturity financial assets are measured at amortized cost using the effective interest method, less any impairment losses, Held – to – maturity financial assets comprise debentures.

Receivables

Receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs.

Generally, short-duration trade and other receivables with no stated interest rate are stated at their nominal value (original invoice amount) less an allowance for any doubtful debts.

Receivables comprise cash and cash equivalents, and trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets. Available –for-sale financial assets are recognized initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for sale debt instruments, presented in fair value reserve in equity. When an investment is derecognized, the gain or loss accumulated in equity is reclassified to profit or loss.

Available-for-sale financial assets comprise equity securities and debt securities.

Non-derivative financial liabilities

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated as at fair value through profit or loss) are recognized initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

The Company classifies non – derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognized initially at the fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

Other financial liabilities comprise loans and borrowings , bank overdrafts, and trade and other payables. Generally, trade payables are recorded at their nominal value.

Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Capital

Authorized capital
The Company's authorized capital amounts to L.E 5 billion.

Issued and paid up capital
The Company's issued and fully paid up capital at the beginning of the year was amounted to L.E 726 416 332 divided into 726 416 332 shares at par value L.E 1 each.

The extra ordinary general assembly meeting dated 5 February 2012 approved a capital reduction by the nominal value of treasury stock amounted to L.E 20 362 521 to be L.E 706 053 811 divided into 706 053 811 shares at par value L.E 1 each.

Repurchase, disposal and reissue of share capital (treasury shares)
When share capital recognized as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is presented in share premium.

3-4 Property, plant and equipment

Recognition and measurement
Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses (note 11).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain and loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognized net within other income/other expenses in profit or loss.

Subsequent costs
The cost of replacing a component of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced component is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation
Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Land is not depreciated.
The estimated useful lives for the current and comparative periods are as follows:

Description	Estimated useful life (Years)
Buildings & Construction	13.3- 50
Machinery & Equipment	1-10
Transportation & Transport Vehicles	1.5- 8
Tools	1.08 – 10
Office equipment & Furniture	1-10
Empty plastic containers & pallets	5
Computers	3.33-5
Wells	25 or Wells useful life

Depreciation commences when the fixed asset is completed and made available for use.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Estimates for sometimes of property, plant and equipment have been modified during year 2012 (note 11)

3-5 Projects under construction
Expenditures incurred on purchasing and constructing fixed assets are initially recorded in projects under construction until the asset is completed and becomes ready for use. Upon the completion of the assets, all related costs are transferred to fixed assets. Projects under construction are measured at cost less accumulated impairment losses (note no. 12). No depreciation is charged until the project is completed and transferred to fixed asset

3-6 Government grants
Government grants related to assets – including non monetary grants which recorded at fair value – presented in finical statement as deferred income (grants considered deferred income and recorded in income statement according to regular systematic basis over the estimated useful life of assets)

3-7 Plant wealth
This item represents in the amounts spent for cultivation of fruit trees and protect trees (Kazhurana) which were recognized as long term assets in the balance sheet in projects in progress caption and when it reaches the planned marginal productivity it will be classified as long-term assets (plant wealth), and will be depreciated over 25 and 50 years respectively according to the nature of those assets.

3-8 Biological assets
A biological asset is measured on initial recognition and on every reporting date at its fair value less costs to the point of sale capability. A biological asset "harvested agricultural product " is measured at the point of harvest at fair value less costs to the point of sale capability. Profit or loss resulting from the initial recognition of a biological asset at fair value costs to the point of sale capability and from the change in fair value less costs to the point of sale capability of the biological asset is recorded in profit or loss for the period in which it

arises, profit or loss resulting from the initial recognition of agricultural product at fair value less costs to the point of sale capability is recorded in profit or loss for the period in which it arises.

When there is no market available to determine prices and values, which the alternative estimates of fair value have shown clearly that it cannot be relied upon, in this case the biological asset is measured at its cost less any accumulated amortization and any accumulated impairment of value. Once the possibility of measuring the fair value of these assets are reliably established, the Company measures it at it's fair value less costs to the point of sale capability.

3-9 Leases

Company is the lessee:

Leases are classified as operating leases. The costs in respect of operating leases are charged on a straight-line basis over the lease term. The value of any lease incentive received to take on an operating lease (for example, rent-free periods) is recognized as deferred income and is released over the life of the lease.

3-10 Goodwill

Goodwill is initially measured at its cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities. After initial recognition, the group measures acquired goodwill at cost less impairment losses. Recognized goodwill impairment losses are not subsequently reversed.

3-11 Inventories

Inventories of raw materials, supplies, packaging & packing materials and spare parts are measured at the lower of cost or net realizable value. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Net realizable value is the estimated selling price, in the ordinary course of business, less estimated costs of the completion and selling expenses.

The inventory of work in process is measured at the lower of cost, which is determined based on the lower of the cost last process the work in process reached, or net realizable value.

Finished production is measured at the lower of manufacturing cost or net realizable value. The manufacturing cost comprises raw materials, direct labor, and cost includes an appropriate share of overheads based on normal operating capacity.

3-12 Impairment

Non –derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Financial assets measured at amortized cost

The Company considers evidence of impairment for financial assets measured at amortized cost (loans and receivables and held –to-maturity investment securities) at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against loans and receivables or held – to – maturity investment securities. Interest on the impaired asset continues to be recognized. When an event occurring after the impairment was recognized causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than biological assets, investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives, the recoverable amount is tested annually for impairment.

An impairment loss is recognized if the carrying amount of an asset or cash – generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses are recognized in profit or loss. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3-13 Defined contribution plans

The Company contributes to the government social insurance system for the benefits of its personnel in accordance with according to the social insurance Law No. 79 of 1975 and its amendments.

Under this Law the employees and the employers contribute into the system on a fixed percentage – of- salaries basis. The Company's contributions are recognized in income statement using the accrual basis of accounting. The company's obligation in respect of employees' pensions is confined to the amount of aforementioned contributions.

3-14 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

3-15 Revenue

Goods sold

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates.

Revenue is recognized when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognized as a reduction of revenue as the sales are recognized.

3-16 Rental income

Rental income is recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

3-17 Finance income and finance costs

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gains on the disposal of available-for-sale financial assets, fair value gains on financial assets at fair value through profit or loss. Interest income is recognized as it accrues in profit or loss, using the effective interest method. Dividend income received from investments is recognized in profit or loss on the date of collection.

Finance costs comprise interest expense on borrowings, fair value losses on financial assets at fair value through profit or loss, impairment losses recognized on financial assets.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

3-18 Income tax

Income tax on profit or loss for the year comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly on equity, in which case it is recognized in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

3-19 Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3-20 Assets held for sale or held for distribution

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale or held-for-distribution if it is highly probable that they will be recovered primarily through sale or distribution rather than through continuing use.

Immediately before classification as held-for-sale or held-for-distribution, the assets, or components of a disposal group, are remeasured in accordance with the Company's other accounting policies. Thereafter, generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Company's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognized in profit or loss. Gains are not recognized in excess of any cumulative impairment loss.

Once classified as held-for-sale or held-for-distribution, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

3-21 Legal reserve

According to the Companies Law requirements and the statutes of the Company, 5% of the annual net profit shall be transferred to a legal reserve until the accumulated reserve reaches 50% of the issued share capital. The reserve is un-distributable; however, it can be used to increase the share capital or to offset losses. If the reserve falls below the defined level (50% of the issued share capital), than the Company is required to resume setting aside 5% of the annual profit until it reaches 50% of the issued share capital.

4 Determination of fair value

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

4-1 Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

4-2 Biological assets

At fair value less costs to the point of sale capability.

5 Other operating revenue

	Financial Year ended 31/12/2012 L.E	Financial Year ended 31/12/2011 L.E
Export subsidy revenue	11 640 236	7 080 454
Deferred capital gains	1 738 584	1 738 584
Capital gain	4 320 442	7 259 884
Reversal of impairment of receivables	1 260 972	461 231
Reversal of impairment of fixed assets	-	113 425
Refund of sales tax	1 649 481	-
Other revenue	5 988 937	8 991 015
	26 598 652	25 644 593

6 General & administrative expenses

	Financial Year ended 31/12/2012 L.E	Financial Year ended 31/12/2011 L.E
Personnel expenses	57 507 229	54 486 227
Depreciation expense	13 131 394	10 437 947
Rents expense	6 088 534	4 085 934
Other administrative expense	30 147 014	28 559 672
	106 874 171	97 569 780

7 Other expenses

	Financial Year ended 31/12/2012 L.E	Financial Year ended 31/12/2011 L.E
Leasing installment	12 101 325	12 101 325
Losses resulting from thefts of money & goods	414 180	488 763
Impairment of account receivables / other debit balance	1 205 551	1 483 707
Impairment of fixed assets	9 519 029	216 512
Loss from fair value of assets held for sale	3 319 555	-
Capital loss	22 921	222 784
Inventory write-down	5 869 019	341 807
Provision for claims	5 407 644	689 414
Other	6 016 191	-
	43 875 412	15 544 312

8 Finance income and finance costs

	Financial Year ended 31/12/2012 L.E	Financial Year ended 31/12/2011 L.E
Interest expense	(92 614 586)	(83 733 952)
Interest income	38 649 071	48 012 541
Net financed interest	(53 965 515)	(35 721 411)
Net foreign exchange(loss) / gain	28 895 311	(2 810 286)
Present value change	(95 608)	(74 829)
	(25 165 812)	(38 606 526)

9 Segmentation reports

9-1 Segmentation reports for the year ended 31 December 2012

The segmentation reports was prepared on an activity segments basis, the primary report for the activity segments was prepared in accordance with the organizational and managerial chart of the Company and its subsidiaries.

Activity segmentations results include a direct participation unit in each sector activity. The primary report for activity segmentations:

Revenues and expenses according to activity segmentations were as follows:

	Activity Segments							
	Dairy sector	Yogurt sector	Juices sector	Concentrates sector	Agriculture sector	Undistributed items	Elimination of consolidated transactions	Total
	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E
	The year ended 12/31/2012	The year ended 12/31/2012	The year ended 12/31/2012	The year ended 12/31/2012	The year ended 12/31/2012	The year ended 12/31/2012	The year ended 12/31/2012	The year ended 12/31/2012
Sales	1 440 103 056	799 529 589	534 976 515	52 032 285	28 328 342	-	-	2 854 969 787
Sales between segments	1 275 073 876	689 538 817	456 074 116	75 042 900	-	-	(2 495 729 709)	-
Total sales	2 715 176 932	1 489 068 406	991 050 631	127 075 185	28 328 342	-	(2 495 729 709)	2 854 969 787
Cost of sales	(1001 015 388)	(503 108 086)	(370 757 232)	(41 256 499)	(46 614 001)			(1 962 751 206)
Segments' gross profit	439 087 668	296 421 503	164 219 283	10 775 786	(18 285 659)	-	-	892 218 581
Other operating income	17 964 225	2 523 380	3 291 631	2 714 497	104 919	-	-	26 598 652
Sales & distribution expense	(141 519 393)	(128 734 181)	(78 857 936)	(19 539)	(3 736 159)	-	-	(352 867 208)
General & administrative expense	(36 903 545)	(35 892 489)	(23 502 241)	(3 570 594)	(7 005 302)	-	-	(106 874 171)
Other operating expense	(33 792 667)	(3 360 889)	(2 763 332)	(281 491)	(3 677 033)	-	-	(43 875 412)
Board of Directors' remuneration	(572 093)	(5 116 698)	(2 606 209)	(135 000)	(70 000)	-	-	(8 500 000)
Profits from operation	244 264 195	125 840 626	59 781 196	9 483 659	(32 669 234)	-	-	406 700 442
Holding company's share in associates' net profit					1 162 075	-	-	1 162 075
Finance cost, (net)	(24 938 182)	6 681 483	(4 013 799)	(5 830 302)	2 934 988	-	-	(25 165 812)
Net profit for the year before income tax	219 326 013	132 522 109	55 767 397	3 653 357	(28 572 171)	-	-	382 696 705
Taxes differences from previous years	-	-	-	-	-	1 684 087	-	1 684 087
Income tax expense	-	-	-	-	-	(43 067 213)	-	(43 067 213)
Deferred tax	-	-	-	-	-	(15 902 099)	-	(15 902 099)
Net profit for the year	219 326 013	132 522 109	55 767 397	3 653 357	(28 572 171)	(57 285 225)	-	325 411 480
Other Information								
Depreciation	52 075 487	23 778 849	50 731 426	15 021 282	9 034 315	-	-	150 641 359
Assets	1 268 651 221	801 550 196	708 062 430	209 364 567	359 696 710	98 007 228	-	3 445 332 352
Investments accounted for using Equity method	-	-	-	-	43 105 920	-	-	43 105 920
Liabilities	813 324 091	439 529 817	127 660 053	54 081 197	22 099 700	-	-	1 456 694 858

The Group operates in one geographical sector - Arab Republic of Egypt. Operating revenues primarily result from activities related to the food industry.

9-2 Segmentation reports for the year ended 31 December 2011

The segmentation reports was prepared on an activity segments basis, the primary report for the activity segments was prepared in accordance with the organizational and managerial chart of the Company and its subsidiaries. Activity segmentations results include a direct participation unit in each sector activity.

The primary report for activity segmentations:

Revenues and expenses according to activity segmentations were as follows:

	Activity Segments							
	Dairy sector	Yogurt sector	Juices sector	Concentrates sector	Agriculture sector	Undistributed items	Elimination of consolidated transactions	Total
	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.
	The year ended 12/31/2011	The year ended 12/31/2011	The year ended 12/31/2011	The year ended 12/31/2011	The year ended 12/31/2011	The year ended 12/31/2011	The year ended 12/31/2011	The year ended 12/31/2011
	1135 143 863	613 638 128	420 926 743	44 865 419	29 035 361	-	-	2 243 609 514
Sales between segments	987 278 645	534 840 284	364 758 791	59 334 625		-	(1 946 212 345)	-
Total sales	2 122 422 508	1 148 478 412	785 685 534	104 200 044	29 035 361	-	(1 946 212 345)	2 243 609 514
Cost of sales	(842 510 643)	(401 567 841)	(307 272 238)	(38 312 526)	(18 983 103)	-	-	(1 608 646 351)
Segments' gross profit	292 633 220	212 070 287	113 654 505	6 552 893	10 052 258	-	-	634 963 163
Other operating income	12 625 068	6 824 882	4 915 082	1 113 043	166 518	-	-	25 644 593
Selling & Distribution expense	(124 001 533)	(80 439 757)	(50 877 151)	(84 108)	-	-	-	(255 402 549)
General & administrative expense	(47 715 179)	(25 793 958)	(17 693 436)	(919 662)	(5 447 545)	-	-	(97 569 780)
Other operating expense	(8 070 947)	(4 363 007)	(2 992 816)	(117 542)	-	-	-	(15 544 312)
Board of Directors' remuneration	(3 439 895)	(1 859 545)	(1 275 560)	(72 000)	(55 000)	-	-	(6 702 000)
Profits from operation	122 030 734	106 438 902	45 730 624	6 472 624	4 716 231	-	-	285 389 115
Holding company's share in associates' net income	-	-	-	-	4 054 782	-	-	4 054 782
Loss on fire factory damage		(40 758 896)						(40 758 896)
Change in biological asset fair value					(1 291 223)			(1 291 223)
Finance cost, (net)	(19 287 972)	(10 426 726)	(7 152 241)	(1 433 949)	(305 638)	-	-	(38 606 526)
Net profit for the year before income tax	102 742 762	55 253 280	38 578 383	5 038 675	7 174 152	-	-	208 787 252
Taxes differences from previous years	-	-	-	-	-	(1 006 955)	-	(1 006 955)
Income tax expense	-	-	-	-	-	(12 818 649)	-	(12 818 649)
Deferred tax	-	-	-	-	-	(9 024 409)	-	(9 024 409)
Net profit for the year after income tax	102 742 762	55 253 280	38 578 383	5 038 675	7 174 152	(22 850 013)	-	185 937 239
Other Information								
Depreciation	47 978 867	14 099 614	54 913 771	14 958 081	6 614 975	-	-	138 565 308
Assets	1200 314 974	475 596 047	692 600 173	204 920 145	289 874 321	98 037 898	-	2 961 343 558
Investments accounted for using Equity method	-	-	-	-	42 329 048	-	-	42 329 048
Liabilities	768 865 258	156 664 592	134 767 347	74 065 309	14 775 082	-	-	1 149 137 588

The Group operates in one geographical sector - Arab Republic of Egypt. Operating revenues primarily result from activities related to the food industry.

10- Equity - accounted investees (investments in associates)

Investments in associate companies are shown in the financial statements of the Group company which has significant influence on the future financial decisions of the investee company.

Name of the investee company	Share percentage %	Current assets L.E.	Non current assets L.E.	Total assets L.E.	Current liabilities L.E.	Non current liabilities L.E.	Total liabilities L.E.	Revenues L.E.	Expenses L.E.	Net profit (loss) L.E.	Cost of investment L.E.
December 31, 2011											
Milkiez Company	39.988	25 920 191	95 612 648	121 532 839	15 351 078	354 391	15 705 469	89 378 074	79 238 076	10 139 998	42 329 048
Balance as at 31 December 2011		25 920 191	95 612 648	121 532 839	15 351 078	354 391	15 705 469	89 378 074	79 238 076	10 139 998	42 329 048
December 31, 2012											
Milkiez Company	39.988	24 184 136	109 800 988	133 985 124	26 183 946	22 551	26 206 497	63 317 507	60 330 904	2 986 603	43 109 317
Balance as at 31 December 2012		24 184 136	109 800 988	133 985 124	26 183 946	22 551	26 206 497	63 317 507	60 330 904	2 986 603	43 109 317

11- Property, plant, and equipment

Description	Land* L.E.	Buildings & constructions L.E.	Machinery & equipment L.E.	Transportation & transport vehicles L.E.	Tools L.E.	Empty plastic containers & palettes L.E.	Display refg.'s L.E.	Wells L.E.	Office furniture & equipment L.E.	Computers L.E.	Total L.E.
Cost											
Cost as at 1/1/2011	67 276 073	358 823 919	973 809 648	73 853 412	27 269 437	23 155 175	3 502 586	8 908 741	8 748 603	32 862 173	1 578 209 767
Adjustments	-	-	-	-	-	(9 882 372)	-	-	-	-	(9 882 372)
Reclassification	-	-	-	(1 420 484)	1 420 484	-	-	-	-	-	-
Additions of the year	18 030 265	42 023 740	147 281 112	82 385 296	7 281 805	7 954 357	717 856	9 719 612	1 597 938	11 554 621	328 546 602
Disposals of the year	-	-	(6 609 111)	(10 002 703)	(352 015)	(2 003 812)	-	-	(46 884)	(656 781)	(19 671 306)
Cost as at 31/12/2011	85 306 338	400 847 659	1 114 481 649	144 815 521	35 619 711	19 223 348	4 220 442	18 628 353	10 299 657	43 760 013	1 877 202 691
Additions of the period	38 699 044	111 103 240	111 731 093	28 699 627	10 863 436	5 108 228	3 073	532 781	1 903 680	10 387 230	319 031 432
Desposile	-	(9 445 932)	(34 312 281)	(8 572 897)	(363 896)	(1 896 115)		(66 943)	(63 411)	(576 578)	(55 298 053)
Impairment in fixed assets	-	-	(8 998 540)	(609 350)	-	-	-	-	-	-	(9 607 890)
Cost as at 31/12/2012	124 005 382	502 504 967	1 182 901 921	164 332 901	46 119 251	22 435 461	4 223 515	19 094 191	12 139 926	53 570 665	2 131 328 180
Accumulated depreciation											
Accumulated depreciation as at 1/1/2011	-	17 431 430	313 459 589	46 199 203	10 412 850	14 543 910	97 886	-	3 780 090	21 573 133	427 498 091
Adjustments	-	-	-	-	-	(9 882 372)	-	-	-	-	(9 882 372)
Reclassification	-	-	-	(934 629)	934 629	-	-	-	-	-	-
Depreciation of the year	-	8 679 051	97 572 011	13 470 756	3 619 290	4 967 294	786 764	697 449	815 672	7 957 021	138 565 308
Accumulated depreciation of disposals of the year	-	-	(1 506 446)	(4 512 211)	(133 817)	(1 393 852)	-	-	(38 261)	(240 614)	(7 825 201)
Impairment (reverse of impairment) of fixed assets	-	-	-	(113 425)	-	216 512	-	-	-	-	103 087
Accumulated depreciation as at 31/12/2011	-	26 110 481	409 525 154	54 109 694	14 832 952	8 451 492	884 650	697 449	4 557 501	29 289 540	548 458 913
Depreciation of the period	-	10 454 314	100 886 635	18 033 411	4 610 631	5 559 139	844 243	742 865	966 851	8 543 270	150 641 359
Accumulated depreciation of disposals of the year	-	(1 183 737)	(36 726 500)	(6 831 410)	(175 329)	(1 896 115)	-	(66 945)	(51 321)	(476 255)	(47 407 612)
Accumulated depreciation of impairment of fixed assets	-	-	-	(88 864)	-	-	-	-	-	-	(88 864)
Accumulated depreciation as at 31/12/2012	-	35 381 058	473 685 289	65 222 831	19 268 254	12 114 516	1 728 893	1 373 369	5 473 031	37 356 555	651 603 796
Net book value as at 31/12/2012	124 005 382	467 123 909	709 216 632	99 110 070	26 850 997	10 320 945	2 494 622	17 720 822	6 666 895	16 214 110	1 479 724 384
Net book value as at 31/12/2011	85 306 338	374 737 178	704 956 495	90 705 827	20 786 759	10 771 856	3 335 792	17 930 904	5 742 156	14 470 473	1 328 743 778

* Fully depreciated assets are amounted to L.E. 186 703 173 as at 31 December 2012.

The land item amounted to L.E 124 005 382 on 31/12/2012 includes an amount of L.E 107 611 779 representing the not registered land thus procedures of registering the land are in progress.

11-1 Land of Juhayna Food Industries Co.

Description	Amount L.E	Instrument of possess
Service koridor No.1	1 072 585	Registration document
Service koridor No.2	803 205	Registration document
Marsa Allam	1 367 244	Preliminary contract
Other	1 005 171	
	4 248 205	

11-2 Land of Tiba for Trad. & Distr. Co.

Description	Amount L.E	Instrument of possess
New Mansheya (Alex.) Land	25 715 403	Preliminary contract
Baleares land	15 495 080	Preliminary contract
Olaykat Arab land	2 589 300	Auction
Other	21 963 839	
	65 763 622	

11-3 Land of Aldawlia for Modern Industries Co.

Description	Amount L.E	Instrument of possess
Pc. 112:118 m3 6th of October	11 060 593	Registration document

11-4 Land of Almarwa for Food Industries Co.

Description	Amount L.E	Instrument of possess
Pc. 43 m4 6th of October	2 117 918	Deed

11-5 Land of Almasrya Co. (Egyfood)

Description	Amount L.E	Instrument of possess
Pc. 19 A, 9 B m3 6th of October	2 241 861	Registration document
Alsada Land	2 611 004	Registration document
	4 852 865	

11-6 Land of Modern Concentration Co.

Description	Amount L.E	Instrument of possess
Pc. 42 m4 6th of October	4 333 446	Deed

11-7 Land of Inmaa for Agriculture Development & Biological wealth

The Land item includes as follows:

- Area of 2 500 Acres on Farafra zone amounted to L.E 1 426 380 with the virtue of preliminary contract from Alwadi Algadeed governorate with purpose – only - of reclamation and cultivation.
- Area of 7 500 Acres on Farafra zone amounted to L.E 3 750 000 with purpose – only - of cultivation with the virtue of bank cheque no. 1472844 dated September 14, 2009 for the beneficiary the head of the centre office of Farafra city. The necessary legal procedures for convey of land are in progress.

11-8 land of Inmaa for Biological Wealth

- Area of 550 Acres amounted to L.E 550 000 in the virtue of a contract with the squatter dated May 4, 2010. The necessary legal procedures with government for legal convey of land are in progress.

11-9 Land of Inmaa for Agriculture Development

- Area of 1 450 Acres amounted to L.E 1 450 000 in the virtue of a contract with the squatter dated May 4, 2010. The necessary legal procedures with government for legal convey of land are in progress.
- Area of 2000 Acres amounted to L.E 1 200 000 in the virtue of a contract with the squatter dated May 5, 2010. The necessary legal procedures with government for legal convey of land are in progress.
- Area of 3 146 Acres amounted to L.E 4 719 000 in the virtue of a contract with the squatter dated September 5, 2010. The necessary legal procedures with government for legal convey of land are in progress.
- Area of 980 Acres amount to L.E 870 000 in the virtue of a contract with the squatter dated January 27, 2011. The necessary legal procedures with government for legal convey of land are in progress.
- Area of 700 Acres amount to L.E 1 269 750 in the virtue of a contract with the squatter dated January 3, 2012. The necessary legal procedures with government for legal convey of land are in progress.

11-10 Changes in Accounting estimated for Fixed Assets (cars)

Enma company for agriculture development & biological wealth (subsidiary company) held a test on the ending period 30 June 2012 for operating assets where the company owned this test result on change the useful life and economic benefits that estimated for this type of assets and became expected that it will going to produce for a period more than the determined period before which lead to increase the useful life for this assets

Confirmation done by the effect of this changes during the current period & further period on the depreciation expense which stated in the income statement as an expense

	2012
(Decrease) in depreciation expense	225 219

Tiba company for trade and distribution (subsidiary company) held attest for operating the cars where the company owned on 31 December 2011 this test result on change the useful life and economic benefits that estimated for this type of assets which board of directors are going to sell it after 5 years and became estimated that its going to produce for 8 years from date of purchased which lead to increase useful life for the cars.

Confirmation done by the effect of this changes during the year 2011 and 2012 on the depreciation expense which stated in the income statement as an expense

	2012	2011
(Decrease) in depreciation expense	5 464 529	7 543 863

11-11 land grants

Company management has acquired four plots of land as a governorate grant for the establishment of projects in the areas and provinces where the lands located and this is by issuing letters of guarantee by the company for the governorate with total value 2 516 750 LE, in case that the company did not obligate the conditions of acquiring these lands , the letters of guarantee will be liquidated to beneficiaries and these are the lands as follows :-

- land plots from 637 to 650 in Assuit its total area 30 000 m2 to establish a project for keeping & cooling dairy products in refrigerators for cooling the juices and concentrates
- Plots number (67,68,69,75,76) in Beni suef to its total area 10.335 thousands m2 to establish a factory for the production of natural juices, dairy products, white cheese freezing & cooling vegetables, fruits, meat & fish
- Land plot in sohag its total area 10000 m2 to establish a refrigerator for keeping foodstuff
- Land plot in qena NO. (186,187,188 , huge area of 185) its total area 5960 m2 to establish a factory for keeping, cooling and freezing dairy products, juices and concentrates

12 Projects under constructions

	31/12/2012 L.E.	31/12/2011 L.E.
Buildings and constructions in progress	248 899 103	60 956 198
Machineries under installation	50 792 185	36 670 541
Advance payments for fixed assets purchase	230 885 203	97 520 366
	530 576 491	195 147 105

13 Plant wealth

	31/12/2012 L.E.	31/12/2011 L.E.
Land reclamation	21 219 345	13 865 411
Fruit trees	8 206 770	5 176 250
Protection trees (Kazhurana)	165 230	93 662
	29 591 345	19 135 323

14 Tax status

14-1 Juhayna Food Industries-S.A.E.(the Parent Company)

A. Corporation tax

The corporate tax due from the Company is an annual tax according to income tax law No. 91 for the year 2005 and payments due over the operating result on annual basis.

The period from the beginning of operation till year 2004

The Company has been inspected and all tax inspection differences were paid.

Year 2005, 2006

The tax inspection has been performed and the inspection forms have been received. The Company objected to the results and the internal committee is currently working on it.

Years from 2007 till 2010

The tax inspection has not been performed to date.
The Company submits the annual tax returns for the income tax during legal duration required by law and settle the due tax –if any- according to tax return.

B. Salaries tax

The period from the beginning of operation till year 2008

The tax inspection has been performed & the inspection results forms were received and the differences have been settled.

Year 2009 till 2010

The Inspection is in progress by related tax authority.

C. Stamp tax

The period from the beginning of operation till 31/7/2006

The tax inspection has been performed and paid.

From 1/8/2006 till 31/12/2009

The tax inspection has been performed and currently receiving the inspection forms.

Year 2010

The tax inspection has not been performed to date.

D. Sales tax

The tax inspection has been performed and paid till 31/12/2009

Year 2010

The tax inspection has not been performed to date.

14-2 Subsidiaries

First: Corporation tax

The Companies that enjoy the corporate tax exemption

Subsidiaries	Tax inspection ending date
The Egyptian Company For Food Industries “Egyfood”	31/12/2018
Modern Concentrates Industrial Company	31/12/2018
International Company For Modern Food Industries	31/12/2018
Inmaa for agriculture development & biological wealth	10 years from starting activity

The Companies that are not exempted.

Egyptian Company for Dairy and Juice Products(the tax inspection has been performed and paid till 2004)

Tiba for Trading and Distributing (the tax inspection has not been performed to date)

Al Marwa for Food Industries (inspected from the beginning of operation till 31/12/2004 and the company submits the annual tax returns during legal duration required by law no 91 of 2005 and company is Subject to tax in 1-1-2011.

Second: Salaries tax

Subsidiaries	Tax inspection ending date
Egyptian Company for Dairy and Juice Products	- Inspection was performed from starting activity till 2008 and paid & The Company objected inspection is in progress to 2009till 2010
Al-Marwa for Food industries	- Inspected and paid till 2006 and inspection is in progress from 2007 till 2010.
Tiba for Trading and Distributing	- Inspection is in progress for years from 2006 to 2009.
International Company For Modern Food Industries	- Inspection differences till 2005 have been settled and inspection is in progress from year 2006 to 2010.
The Egyptian Company For Food Industries “Egyfood”	- Inspection is in progress for the period from date of establishment till 31/12/2009. The Company pay tax regularly.
Modern Concentrates Industrial Company	- Has not been inspected yet. The Company pay tax monthly.
Inmaa for Agriculture Development Co.	- Has not been inspected yet. The Company pay tax monthly.

Third: Stamp tax

Subsidiaries	Tax inspection ending date
Egyptian Company for Dairy and Juice Products	- Inspection has been performed and payments have been made till 31/7/2006.
Al-Marwa for Food Industries	- Inspection has been performed till 31/12/2010, payments have been made.
Tiba for Trading and Distribution	- Inspection has been performed till 31/12/2008 and paid, Inspection in progress from 1/1/2009 till 31/12/2011.
International Company For Modern Food Industries	- Has not been inspected yet.
The Egyptian Company for Food Industries “Egyfood”	- Has not been inspected yet.
Modern Concentrates Industrial Company	- The Company was addressed with an estimated claim and a request of re-inspection is in progress.
Inmaa for Agriculture Development Co.	- Has not been inspected yet.

Fourth: Sales tax

Subsidiaries	Tax inspection ending date
Egyptian Company for Dairy and Juice Products	- The company is exempted from the sales tax and the company presents sales tax return on monthly basis, and the inspection was performed till 31/12/2010.
Al-Marwa for Food Industries	- Inspected and paid till 31/12/2009
International Company For Modern Food Industries	- The company present sales tax return on monthly basis and inspected and paid till 2011.
The Egyptian Company For Food Industries “Egyfood”	- Inspected and paid till 2008 and tax differences has been paid
Modern Concentrates Industrial Company	- The company is registered in sales tax and the company present sales tax return on monthly basis. The company’s activity is exempted from sales tax, and was inspected from the inception till 31/12/2009 and paid.and inspection differences has been paid
Tiba for Trading and Distribution	- The company is registered in sales tax and the company present sales tax return on monthly basis and the company is exempted from tax according to law No. (11) of 1991 and its executive tariffs and Inspection has been performed and payments have been made till 31/12/2008 and tax different has been paid
Inmaa for Agriculture Development Co.	- The company presents sales tax return on monthly &has not been inspected yet

15 Inventories

	31/12/2012 L.E.	31/12/2011 L.E.
Raw materials	81 190 688	129 478 361
Packaging & packing materials	75 213 028	96 345 638
Finished products	127 504 480	121 406 379
Work in process	6 975 777	9 649
Plant wealth	10 366 137	21 237 972
Spare parts & miscellaneous supplies	31 940 818	29 982 304
L/C’s for purchase raw material	14 409 166	12 932
Less :		
Change in fair value of biological assets	-	(1 291 222)
	347 600 094	397 182 013

16 Trade and other receivables

	31/12/2012 L.E.	31/12/2011 L.E.
Trade receivables	83 298 619	73 318 247
Less: Impairment in trade receivables	(16 661 400)	(17 473 292)
	66 637 219	55 844 955
Notes receivables	4 173 149	64 511 361
Tetra Pak company	954 940	8 043 192
Suppliers – advance payments	22 505 790	10 922 117
Prepaid expenses	4 377 743	6 512 319
Export subsidy	11 550 359	7 287 961
Accrued revenues	132 296	132 294
Tax authority	15 493 358	7 302 091
Customs authority	10 587 535	1 238 442
Deposits with others	2 157 741	2 597 187
Accrued interest payable	65 587	17 420 602
Fixed assets debtors	-	1 966 790
Other debit balances	8 150 800	4 470 887
	146 786 517	188 250 198
Less: Impairment in debtors & other debit balances	(1 666 434)	(238 102)
	145 120 083	188 012 096

17 Cash and cash equivalents

	31/12/2012 L.E.	31/12/2011 L.E.
Time deposits *	509 216 016	651 248 943
Banks – current accounts	4 621 444	21 012 574
Cheques under collection	988 146	500 000
Cash in hand	3 908 103	10 551 721
Cash in transit	6 033 437	-
L /G's cash margin	5 050 000	5 100 000
	529 817 146	688 413 238
Bank over draft	(13 208 561)	(58 406 259)
L /G's cash margin (due after 3 months)	(5 050 000)	(5 100 000)
Cash and cash equivalents in the statement of cash flows	511 558 585	624 906 979

* The above mentioned time deposits are maturing within 3 months.

18 Share capital

	31/12/2012 L.E.	31/12/2011 L.E.
Authorized capital	5 000 000 000	5 000 000 000
Issued & paid up capital (divided into 706 053 811 shares with nominal value L.E 1 each)	706 053 811	726 416 332

The extra ordinary general assembly meeting dated 5 February 2012 decided capital reduction by the nominal value of treasury stock amounted to L.E 20 362 521 to be amounted to L.E 706 053 811 divided into 706 053 811 shares at par value L.E 1 each. The reduction in capital and in the numbers of shares was registered in the commercial register on 23 April 2012.

18-1 General reserve - issuance premium

The balance of general reserve – issuance premium is representing the net value of issuing capital increase shares during 2010 amounted to L.E 999 379 210 for issuing 205.97 million shares after deducting amount of L.E 350 398 732 for legal reserve completion to be equal to 50 % of paid up capital and amount of L.E 205 972 632 for capital increase after deducting issuance fees amounted to L.E 38 507 164.

The Company had reduced issuance premium during the period by an amount of L.E 73 580 254 representing the difference between nominal value and the cost of purchasing treasury stock which reduced the capital with its value due to the increase more than one year of the acquisition according to extra ordinary general assembly meeting dated February 5th 2012.

19 Earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company after deducting employees shares and B.O.D shares by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

Earnings per share of the period net profit is calculated using the weighted average method for the number of outstanding shares during the period as follows:

	Financial Year ended 31/12/2012 L.E	Financial Year ended 31/12/2011 L.E
Net profit for the period according to consolidated income statement	325 414 877	185 887 359
Deduct :-		
Employee shares	(26 297 557)	(24 575 725)
B.O.D remuneration	(20 137 532)	(18 118 596)
Net realized for share holders	278 979 788	143 193 038
Weighted average number of outstanding shares	706 053 811	706 053 811
Earning per share (L.E./share)	0,395	0,203

20 Loans

Details	Long term loans – current portion L.E	Long term loans L.E	Total L.E
Granted loans to Company's Group from CIB.	66 146 326	385 960 309	452 106 635
Granted loans to Company's Group from HSBC.	72 251 211	76 125 605	148 376 816
Granted loans to Company's Group from Barclays.	13 637 000	63 555 609	77 192 609
Balance at 31/12/2012	152 034 537	525 641 523	677 676 060
Balance at 31/12/2011	131 809 926	252 495 807	384 305 733

21 Banks – credit facilities

This balance which amounted to L.E 351 097 043 as at 31/12/2012 (against L.E 448 000 911 as at 31/12/2011), represents the drawn down portion of the L.E. 915 million (in aggregate principal) bank facilities. Interest is charged on such drawn down amounts at a variable interest rate. These lending banks were provided with various guarantees granted by the group companies against these obtained facilities.

22 Short term loans

This balance which amounted to L.E. 32 476 634 as at 31/12/2012 (against L.E. 8 352 761 as at 31/12/2011) represents the short term installments of the loans granted to the Parent Company by the Commercial International Bank, and the refinance granted by Credit Agricole Bank that are due for repayment within three months from the date of drawn down.

23 Provision for claims

Description	Balance on 1/1/2012 L.E	Provision formed during the year L.E	Provision used during the year L.E	Balance on 31/12/2012 L.E
Provision for claims	7 610 466	5 407 644	(1 463 578)	11 554 532
	7 610 466	5 407 644	(1 463 578)	11 554 532

24 Creditors and other credit balances

	31/12/2012 L.E.	31/12/2011 L.E.
Suppliers	134 869 854	73 568 627
Notes payable	9 433 940	11 069
Accrued expenses	55 786 944	40 376 989
Fixed assets' creditors	4 535 631	11 310 670
Tax authority	7 242 996	4 039 448
Deposits from others	10 986 548	3 619 886
Sales tax installments on the imported machinery and equipment	6 612 857	6 858 400
Deferred capital gains	1 738 584	1 738 584
Social insurance authority	2 761 150	689 358
Dividends payable	133 600	666 522
Advances from customers	1 159 541	2 228 272
Other credit balances	1 458 299	3 513 128
	236 719 943	148 610 953

25 Other long term liabilities

Description	31/12/2012 L.E.	31/12/2011 L.E.
The value of sales tax installments on the imported machinery and equipment due for settlement starting from February 2009 till December 2025 according to the scheduling agreed upon with the Sales Tax Authority. The installments due within one year amounted to L.E 6 612 856 as at 31/12/2012(L E 6 858 400 as at 31/12/2011) are shown under the item of creditors and other credit balances in the consolidated balance sheet (Note 24).	31 969 777	36 072 296
The value of accrued installments of the purchased land at Al-Wadi Al-Gadeed.	-	197 980
	31 969 777	36 270 276

26 Deferred revenues

	31/12/2012 L.E.	31/12/2011 L.E.
The balance is represented in the long term capital gains deferred resulted from the sale of a plot of land located in Zayed city No.21 (Crazy water corridor) and the construction built thereon, The Company had deferred and derecognized the gain of L.E 17 385 789 in the consolidated income statement as the sale transaction was in the form of a sale with a right of re-lease within 10 years starting on January 2008 through to December 2017. The deferred revenue is to be amortized on straight line method base during the lease period starting from 1/1/2008. The amortization during the period ended 31/12/2012 amounted to L.E 1 738 584 while the short term portion amounted to L.E 1 738 584 as at 31/12/2012 (L.E. 1 738 584 as at 31/12/2011) included in the trade & other credit balances item of the consolidated balance sheet (Note 24).	6 954 285	8 692 869
	6 954 285	8 692 869

27 Deferred tax liabilities

Deferred tax liability amounted to L.E 51 970 810 on 31/12/2012 is representing the accrued tax generated from the difference between net book value of assets on accounting basis and net book value of assets on tax basis.

	Balance on 1/1/2012 L.E	Deferred tax from 1st Jan to 31 December 2012 L.E	Balance on 31/12/2012 L.E
Deferred tax liability from fixed assets	36 068 711	15 902 099	51 970 810

Recognized deferred tax assets and liabilities

Deferred tax assets are representing in the following items:

	Liabilities	
	31/12/2012 L.E.	31/12/2011 L.E.
Fixed assets	54 144 030	38 389 409
Deferred revenue	(2 173 220)	(2 320 698)
Net tax liabilities	51 970 810	36 068 711

28 Group companies

The following sets out the subsidiaries of Juhayna Food Industries Company that were acquired and controlled by the Company as at 31/12/2012 shown together with this respective contribution percentage held as at the balance sheet date.

Subsidiary Name	Contribution percentage 31/12/2012	Contribution percentage 31/12/2011	Country
Egyptian Co. for Dairy & Juice Products	99.99 %	99.99 %	Egypt
International Co. for Modern Food Industries	99.99 %	99.99 %	Egypt
The Egyptian Company for Food Industries “Egyfood”	99.98 %	99.98 %	Egypt
Tiba For Trading & Distributing	99.90 %	99.90 %	Egypt
Al-Marwa for Food Industries	99.91 %	99.91 %	Egypt
Modern Concentrates Industrial Co.	99.81 %	99.81 %	Egypt
Inmaa for Agriculture Development Co.	99.994 %	99.994 %	Egypt
Inmaa for Animal wealth	99.964 Indirect	-	Egypt
Inmaa for Agriculture and improvement	99.964 Indirect	-	Egypt
Sister Company			
Milkiez	39.988 % Indirect	39.988 % Indirect	Egypt

29 Financial instruments

Financial risk management Overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Board oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company's Board is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the B.O.D.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities.

Trade and other receivables

The Company is dealing with one main customer (related party), which in turn distributes the credit risk on a number of customers who enjoy strong and stable financial positions. It also deals with its customers through contracts and agreements concluded with them, in addition the Company (related party) review the credit limits granted to customers on a regular basis as it gets sufficient guarantees from its customers.

Credit risk

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

		Carrying amount	
		31/12/2012	31/12/2011
	Note	L.E.	L.E.
Trade receivables	(16)	66 637 219	55 844 955
Banks credit facilities	(21)	351 097 043	448 000 911
Short term loans	(22)	32 476 634	8 352 761
Total long term loans	(20)	677 676 060	384 305 733

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimizing its cash return on investments. Typically the company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Company maintains the following lines of credit:

A credit facility in a principal amount of L.E 351 097 043 on which the interest is charged at a variable interest rate for Facilities in Egyptian pound and US Dollars facilities.

Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount	Contractual cash flows
	L.E.	L.E.
Credit facilities	351 097 043	915 000 000

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

The Company incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by the Management.

Currency risk

The Company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Company, primarily the L.E. The currencies in which these transactions primarily are denominated are Euro, USD, and Swiss Francs (CHF).

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Currency risk

Exposure to currency risk

The Group's exposure to foreign currency risk was as follows based on notional amounts:

	USD	Euro	SAR	CHF	DKK	GBP
Trade and other debit balances	858 558	539 711	-	-	-	-
Cash and cash equivalents	35 896 556	18 448 230	-	-	-	-
Credit facilities	(28 103)	-	-	-	-	-
Creditors and other credit balances	(2 562 416)	(637 528)	(1 880)	(166 771)	-	(107)
31 December 2012	**34 164 595**	**18 350 413**	**(1 880)**	**(166 771)**	**-**	**(107)**
31 December 2011	**24 977 507**	**(205 522)**	**1 996**	**-**	**(167 230)**	**(31 051)**

The following significant exchange rates applied during the year:

	Average rate		Actual closing Rate	
	2012	2011	2012	2011
USD	6.235	5.916	6.390	6.047
Euro	8.265	7.739	8.420	7.933

Interest rate risk

The Company adopts a policy of ensuring that its exposure to changes in interest rates on borrowings is on a fixed-rate basis, taking into account assets with exposure to changes in interest rates. This is achieved by entering into interest rate swaps.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of paid up capital and retained earnings. The Board of Directors monitors the return on capital, as well as the level of dividends to shareholders.

	31/12/2012 L.E.	31/12/2011 L.E.
Total liabilities	1 456 694 858	1 149 137 588
Less: cash and cash equivalents	(529 817 146)	(688 413 238)
Net debt	**926 877 712**	**460 724 350**
Total equity	1 988 640 891	1 812 205 970
Net debt to adjusted equity ratio	**46.61%**	**25.42%**

There were no changes in the company's approach to capital management during the period / year.

30 Financial lease contracts

The company signed a contract with Sajulis Leasing company to lease land and buildings and of system construction and leasing, as follows:

Land lease contracts (Sale with the right of lease back)

On 30/10/2007 the Company signed a contract with regard to a land lease (including the building built thereon), of land located on plot no. 21 of the Crazy water's corridor in Zayed City with a total area of 15 374.47 m². The contract terms became effective starting 1/1/2008. The following is a summary of the above mentioned contract:

	Lease value				
Description	Contractual value L.E	Accrued interest L.E	Lease period Months	Purchase value at end of contract L.E	Monthly lease value L.E
contract from 1/1/2008 to 31/12/2017	73 453 985	47 559 261	120	1	1 008 444

Juhayna for Food Industries Company acquired the above mentioned land and constructed a building thereon. Subsequently, the Company sold the land including the buildings to Segolease subject to the right of finance re-leases.

The Company has leased the administration building of Tiba for Trading and Distributing Company (Subsidiary) following the operating lease system for a monthly lease rent of L.E. 195 500 based upon the approval from the leaser's company.

The monthly finance lease's installments and the expenses related to the issue of this lease contract (sale with the right of re-sale) were allocated to the other operating expenses item in the income statement Thus, total installments of the financial year ended 31/12/2012 amounted to L.E. 12 101 325

31 Contingencies

The Company had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise. In the ordinary course of business the Company has given guarantees amounting to LE 12 826 239 the cover amount to L.E 5 050 000.

32 Capital commitments

The capital commitments related to setting up and acquiring fixed assets amounted to L.E 556 377 481 on 31/12/2012.

33 Related party transactions

The related parties are represented in the Company's shareholders and companies in which they own directly or indirectly shares giving them significant influence or controls over these companies.

The following is a summary of significant transactions concluded, during the current year, between the Company and its related parties.

33-1 Due from related parties

		Total value of transactions		Balance as at	
Company's name	Nature of transaction	31/12/2012 L.E.	31/12/2011 L.E.	31/12/2012 L.E.	31/12/2011 L.E.
Bonian for Development & Investment	Current account	(294 863)	(500 000)	-	294 863
Milkiez	Customer Vendor	927 582 185 652	1 516 543 299 149	1 337 563	1 186 612
				1 337 563	1 481 475

34 Goodwill

	31/12/2012 L.E.	31/12/2011 L.E.
Goodwill resulting from acquiring the Egyptian Company for Dairy & Juice Products	46 433 934	46 433 934
Goodwill resulting from acquiring Al-Marwa for Food Industries Company	50 658 956	50 658 956
	97 092 890	97 092 890

35 Political and economical events

The Arab Republic of Egypt has encountered certain events that have a significant impact on the economic sectors in general, a matter which may lead to a substantial decline in the economic activities in the foreseeable future.

Therefore, there is a possibility that the above mentioned events will have a significant impact on the Company's assets, liabilities, their recoverable/settlement amounts and the results of operations in the foreseeable future.

At the present, it is not possible to quantify the effect on the Company's assets and liabilities included in the company's financial statements, since quantifying the effect of these events relies on the expected extent and the time frame, when these events and their consequences, are expected to be finished.

36 Other events during the year

Several resolutions were issued to amend some income tax laws articles and were published in the Official newspaper on December 6, 2012 that shall come into effect as from the day following the date of publication. These amendments are as follows:

- Amending some articles of income tax law issued by the law no. 91 for the year 2005.
- Amending some articles of general sales tax law issued by the law no. 11 for the year 1991.
- Amending some articles of real estate tax law issued by the law no. 196 for the year 2008.
- Amending some articles of stamp tax law issued by the law no. 111 for the year 1980.

Officials' statements about freezing those decisions have been released so the financial statements were not affected by those amendments, in the case of availability of reliable information about the validity of those decisions and the date of activation it is probable that the mentioned amendments will have an effect on the tax bases and related assets and liabilities, as well as business results and the resulting net profit available for distribution during the fiscal year.

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