

<b>Cairo Poultry</b>	<b>Bloomberg</b> <b>POUL EY</b>	<b>Incorporation</b> Fiscal year end Listing	1977 December Egypt	<b>MCap Mn</b> <b>1,597</b>	<b>Recent</b> Price EGP 19-Sep-11 <b>11.0</b>	<b>PE TTM</b> <b>7.3</b>	<b>PB TTM</b> <b>1.7</b>	<b>DIV. YIELD</b> <b>11.4%</b>	<b>WATHEEQA</b> <b>BLACK BOX</b>
						<b>PE MEDIAN</b> <b>7.2</b>	<b>PB MEDIAN</b> <b>1.1</b>		
						<b>PE AVG</b> <b>8.1</b>	<b>PB AVG</b> <b>1.1</b>		

<b>Watheeqa Rating</b>	<b>Our Opinion</b>	<b>Intrinsic Value (IV) Range</b>
-	-	-
<b>Margin of Safety</b>	<b>Buy Below</b>	<b>- Discount/+Premium to IV</b>
-	-	-

**Business:** Cairo Poultry produces, markets and distributes a variety of fresh and frozen poultry products.

<b>Sector:</b> Consumer Staples	<b>Business:</b> Food Products
<b>Key Stock Details</b>	<b>Shareholders (%)</b>
52 Week H/L: 17 / 11	Kuwait Food Company: 52.0
3M-D.Avg.Vol: 27,828	Public: 48.0
Free Float: 48%	
Shares O/S (M): 145	



Compounded Annual Growth Rates (%)				
Parameters	10 Yrs	5 Yrs	3Yrs	1 Yr
Revenue	20.8	13.3	6.4	1.4
Gross Profit	28.9	27.2	35.0	41.5
Opr. profit	27.5	24.9	33.4	16.3
Net Profit	26.8	33.2	15.9	11.0
EPS	20.4	33.2	15.9	11.0
BVPS	11.1	20.3	7.3	8.0
DPS	21.8	135.2	71.0	66.7
Assets	14.1	13.7	4.8	2.0
SH Equity	17.1	20.3	7.3	8.0
Mcap	31.1	33.6	30.5	68.7

Valuations	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	YTD/TTM
Mcap (M)	150	156	237	253	530	569	1,016	1,105	1,338	2,257	1,597
Ent.Value (M)	234	256	418	467	831	919	1,501	1,695	1,867	2,696	2,303
PE x High	15.5	8.9	11.2	10.8	10.0	7.0	7.6	17.4	8.8	11.9	10.9
PE x Low	6.0	4.2	7.4	8.3	4.2	2.6	3.7	5.3	4.8	5.8	6.9
PE x Close	7.1	7.4	9.8	10.5	9.7	6.4	6.9	6.8	6.5	9.9	7.3
PB x High	1.5	0.8	1.1	1.1	1.3	1.2	1.3	3.2	1.8	2.5	2.6
PB x Low	0.6	0.4	0.7	0.8	0.5	0.4	0.6	1.0	1.0	1.2	1.7
PB x Close	0.7	0.6	1.0	1.0	1.2	1.1	1.2	1.3	1.3	2.1	1.7
Mcap/Sales x	0.5	0.5	0.8	0.7	0.5	0.3	0.6	0.6	0.7	1.2	0.8
EV/EBIDTA x	7.4	9.1	17.4	16.2	4.8	4.8	7.9	4.7	4.4	6.0	
Earning Yld %	9.0	8.3	5.8	5.2	6.5	9.7	9.7	9.6	11.0	8.5	9.5
Div. Yld %	10.0	8.2	8.9	8.4	0.5	1.8	3.6	9.9	8.1	8.0	11.4

Forecasts *	2011F	2012F
Revenue	2,092	2,300
Opr.Profit	176	227
Opr.Margin	8.4	9.9
Net Profit	185	173
EPS	8.8	7.5
Fwd PE x	1.2	1.5
Fwd PB x	-	-

Financial M	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	TTM
Revenue	297	331	294	349	1,049	1,814	1,627	1,962	1,935	1,962	1,978
Gross Profit	43	37	32	42	164	185	221	347	385	545	
Gr.Margin %	14.4	11.2	11.1	12.0	15.6	10.2	13.6	17.7	19.9	27.8	
Opr.Profit	26	23	20	24	98	117	126	234	257	299	
Opr.Margin%	8.9	7.0	6.6	6.9	9.4	6.5	7.7	11.9	13.3	15.2	
Non.Opr. Inc	20	21	25	29	11	10	63	11	29	10	
Net Profit	21	21	24	24	54	90	146	163	205	228	220

Profitability Analysis (%) - Multi year averages				
Parameters	10 Yrs	5 Yrs	3 Yrs	1 Yr
Gross Margin	15.3	17.8	21.8	27.8
Opr Margin	9.3	10.9	13.5	15.2
Net Margin	7.8	8.9	10.2	11.6
ROE	15.7	20.4	20.7	21.8
ROCE	26.2	29.2	32.6	29.1

Per share	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	TTM
EPS	0.2	0.2	0.2	0.2	0.4	0.7	1.0	1.1	1.4	1.6	1.5
BV	2.6	2.8	1.7	1.7	3.0	4.3	6.1	6.0	6.9	7.5	6.3
DPS	0.2	0.1	0.1	0.1	0.0	0.1	0.3	0.8	0.8	1.3	1.3
CEPS	0.3	0.3	0.2	0.2	0.4	0.8	1.5	1.6	1.9	2.4	1.5
Div. Payout %	70.8	60.2	87.6	87.7	4.6	11.3	24.8	66.8	53.0	79.6	-
Share O/S M	86	86	145	145	145	121	145	145	145	145	145

Financial Position (EGP Mn)				
Assets	2008	2009	2010	Common size
Cash & Eq	27	16	8	0.4
Receivable	51	41	44	2.5
Inventories	323	287	328	18.2
ST.Inv.	11	-	-	0.0
Others	134	131	123	6.8
Cur. Asset	547	475	503	27.9
AFS	152	223	216	11.9
Fixed Asset	828	911	972	53.9
Intangibles	-	-	-	0.0
Others	154	158	114	6.3
<b>Total Asset</b>	<b>1,681</b>	<b>1,768</b>	<b>1,804</b>	<b>100.0</b>
<b>Liabilities</b>				
Payables	44	61	45	2.5
ST Debt	559	225	149	8.3
Others	110	130	198	11.0
Cur. Liability	713	416	391	21.7
LT Debt	53	304	281	15.6
Others	36	41	44	2.4
<b>Total Liability</b>	<b>803</b>	<b>761</b>	<b>717</b>	<b>39.7</b>
Eq. Capital	145	145	290	16.1
R.Earnings	733	861	797	44.2
Liability+SHF	1,681	1,768	1,804	100.0

Cash Flow	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	TTM
Opr.Cash	19	(40)	(45)	32	196	168	27	262	396	430	174
Cap.spending	(3)	(2)	(3)	(1)	(100)	(44)	(30)	(248)	(158)	(116)	(118)
Free Cash	16	(42)	(49)	30	95	124	(3)	13	238	313	55
<b>Profitability</b>											
ROAA %	4.6	4.3	4.6	4.6	7.5	8.9	11.2	10.0	11.9	12.8	11.8
ROACE %	30.2	22.5	14.8	17.4	30.6	24.5	23.8	37.3	31.5	29.1	-
ROAE %	9.7	9.1	10.0	10.0	16.2	18.9	20.9	18.6	21.8	21.8	23.5
Net Margin %	7.1	6.4	8.2	6.9	5.2	4.9	9.0	8.3	10.6	11.6	11.1
Asset T/O x	0.6	0.7	0.6	0.7	1.4	1.8	1.2	1.2	1.1	1.1	1.1
Asset/Equity x	2.1	2.1	2.3	2.1	2.1	2.0	1.8	1.9	1.7	1.6	2.1
<b>Fin.Health</b>											
Working Cap	40	94	90	113	46	(32)	(13)	(166)	60	112	(41)
Fixed Assets	32	41	39	34	448	494	608	828	911	972	1,002
Total Assets	482	510	551	509	948	1,055	1,567	1,681	1,768	1,804	1,919
Total Debt	229	242	282	241	409	372	518	613	529	430	729
Total Equity	225	242	242	242	431	518	880	878	1,006	1,087	921
Debt/Equity x	1.0	1.0	1.2	1.0	0.9	0.7	0.6	0.7	0.5	0.4	0.8

Quarterly	Revenue M	QoQ Ch%	N.Profit M	QoQ Ch%	EPS	Peer Group	Mcap (M)	PE x	ROE (%)
Q3-10	556	13.7	89	25.9	0.6				
Q4-10	472	(15.2)	20	(78.1)	0.1				
Q1-11	389	(17.6)	47	139.8	0.3				
Q2-11	561	44.5	64	37.6	0.4				

**WATHEEQA CAPITAL COMPANY** Source: Company, Bloomberg, Zawy. Watheeqa - Legend: Valuation are based on year end figures - Abbreviations: IV - Intrinsic Value, M - Million, O/S - Outstanding, SHE - Share Holders Equity, ST - Short Term, LT - Long Term, Cur - Current, T/O - Turnover, Ent. - Enterprise, MCap - Market Capitalization, BVPS - Book Value Per Share

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