

## Egypt Kuwait Holding Co. Releases Q2 2019 Earnings Results

*EKH reports a solid 21% year-on-year top-line growth in the second quarter of the year on the back of strong results reported by NatEnergy and AlexFert; management's cost-control strategy continues to bear fruit as top-line growth filters down to the Group's bottom-line with attributable net income for the quarter expanding 14% Y-o-Y to USD 26.2 million in Q2 2019*

### Key Highlights of Q2 2019

**USD 140.1 mn**  
in Revenues

**USD 49.0 mn**  
in Gross Profit

**35%**  
Gross Profit Margin

**USD 39.7 mn**  
in Operating Income

**USD 49.1 mn**  
EBITDA

**USD 37.6 mn**  
Attributable EBITDA

**USD 34.4 mn**  
in Net Income

**USD 26.2 mn**  
in Attributable Net Income

### Key Highlights of H1 2019

**USD 280.3 mn**  
in Revenues

**USD 99.0 mn**  
in Gross Profit

**35%**  
Gross Profit Margin

**USD 80.6 mn**  
in Operating Income

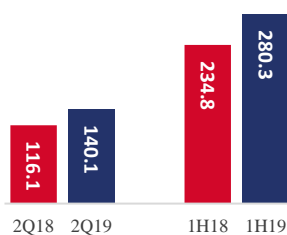
**USD 99.8 mn**  
EBITDA

**USD 76.1 mn**  
Attributable EBITDA

**USD 71.9 mn**  
in Net Income

**USD 55.0 mn**  
in Attributable Net Income

Group Revenue (USD mn)

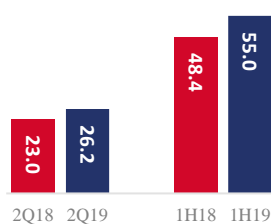


7 August 2019 | Cairo | Egypt Kuwait Holding Company (EKHO.CA on the Egyptian Exchange and EKHOLDING on the Kuwaiti Exchange), one of the MENA region's leading investment companies, reported today its consolidated results for the second quarter ended 30 June 2019.

EKH reported consolidated revenues of USD 140.1 million during the second quarter of the year, a year-on-year expansion of 21% supported by strong results recorded by NatEnergy and AlexFert. Management's cost-control efforts continued to drive improvements in the company's profitability at the gross and net level with gross profit margin for the second quarter expanding three percentage points y-o-y to 35% and attributable net income increasing 14% y-o-y to USD 26.2 million for the period. Similarly, attributable EBITDA reported a 25% y-o-y rise to USD 37.6 million for the quarter.

On a year-to-date basis, EKH's consolidated revenues grew 19% y-o-y in the first six months of 2019 to record USD 280.3 million. The company's gross profit margin for the period expanded three percentage points to 35% for H1 2019, with attributable net income mirroring the trend, expanding 14% y-o-y to USD 55.0 million for the period.

Attributable Net Income (USD mn)



### Comments from the Chairman, Mr. Moataz Al-Alfi

In the second quarter of the year we continued delivering solid financial and operational results in line with the previous quarter's performance, finishing off a very strong first six months of 2019 and setting ourselves to achieve our full-year targets. During the quarter, all three of our segments delivered top-line growth, which successfully filtered down to our bottom-line through management's continued efforts in driving operational efficiencies and minimizing costs.

Leading the pack this quarter, was NatEnergy which delivered a solid 88% y-o-y top-line growth supported by increased installations for the quarter and a continuing shift away from the increasingly expensive LPG and towards the cheaper natural gas alternative. Going forward, we expect this shift in demand to continue as the Egyptian government pushes forward with further energy subsidy cuts, and

by leveraging our robust relationship with the government, we aim to capture a large portion of the rising demand for grid connections. We also expected to see improvements in profitability at NatEnergy's gas distribution subsidiaries, NatGas and Fayoum Gas, as subsidized connections fees catch up to inflationary trends.

During the quarter we continued to witness an increasing contribution from NatEnergy's electricity generation business Kahraba with the recently installed 30 MW capacity expansion driving significant growth in the division's top-line to EGP 128 million during the second quarter of the year from EGP 71 million in the same quarter a year ago. The expansion is part of a wider plan to reach a total production capacity of 115 MW by year-end 2020, and, to this end, we have already opened Letters of Credit (LCs) for an additional 40 MW capacity expansion which will take us to our targeted capacity. We have also taken the first steps to venture into the distribution side of the business, which today represents the primary opportunity in the electricity market given Egypt's overcapacity in generation and the distribution market's estimated size of c. EGP 400 billion. As such, we have recently signed a 30-year electricity distribution contract that will see Kahraba distribute up to 60 MW to the Anshas Industrial Zone, and are actively working to deliver rapid growth in the business.

Meanwhile at ONS, we took a strategic decision to extend the production profile of our Tao field and have drilled into two new gas layers. While this has caused temporary delays in the concession's development schedule with consequent pullback on ONS' top-line, we are ultimately capitalizing on the concession's full potential and without sacrificing future opportunity. To that end, we are back on track with the development of the Kamose field, with the first well already connected to our production platform in July, and we are on schedule to see the second begin production during August, and for the remaining two to come online by year-end 2019. Once the four wells begin are in full production, we expect to reach a daily output of 115 mmscf. We have also commissioned an industry-expert to value the concession as a whole, and, in parallel, commissioned a second leading industry consultant to carry out a deep target development plan on the concession's deep layers for which we expect to have a full development update by the fourth quarter of the year.

At our Fertilizers and Petrochemicals sector, AlexFert continued delivering solid top- and bottom-line growth largely on the back of improving domestic and export urea prices. I'm also pleased to report that the company completed its planned overhaul of the ammonia production process at its facility in just 18 days, under the 30-day period initially expected. The renovation resulted in additional annual capacity of 15 thousand tons of urea and 30 thousand tons of ammonium sulphate, increasing the plant's annual ammonia design capacity by c.5%. At Sprea Misr, we have commissioned new capacity for its formica and fiber sheets impregnation lines in response to a heightened demand for the two products. The capacity enhancement, which was commissioned in June of this year, is expected to begin generating value during the second half of 2019. Going forward, management will continue to allocate Sprea's highly flexible production process to deliver to market a product portfolio that generates the highest profitability.

During the quarter, we also took several important steps forward at our greenfield venture for the manufacturing of Medium-density Fiberboard (MDF). We have decided to go ahead with the purchase of the necessary equipment, for which we expect to open LCs by September of this year, with a targeted completion date in Q4 2020.

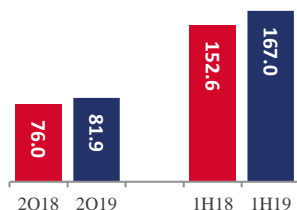
Lastly, I am also pleased with the great results that our wholly-owned insurance-provider subsidiary, Delta Insurance, has been able to deliver in recent quarter. Delta's management has done an extraordinary job at propelling the business from a EGP 54 million operation to generating over EGP 76 million in net profits.

All in all, we have continued on the very positive path we had embarked on at the start of the year and have set ourselves up to continue delivering increasing value for all our shareholders.

60%

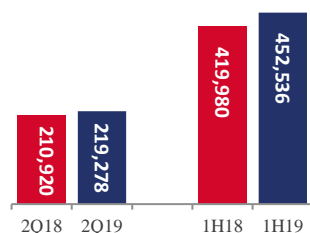
of Group Revenues  
in H1 2019

Revenues (USD mn)



Total Fertilizer Sales

(Tons)



## Fertilizers & Petrochemicals

Egypt Kuwait Holding has investments in two operational companies in the Fertilizer & Petrochemical Segment: Alexandria Fertilizers Company (AlexFert) and Sprea Misr for Production of Chemicals & Plastics Company. The company's fertilizer and petrochemical investments encompass products ranging from urea, ammonium nitrate and melamine to formaldehyde, and liquid and powder glue. With more than 13 years of nitrogen fertilizer operational expertise, EKH has targeted investments with access to key export markets including the United States and Europe, diverse products across several industries, and strong cash-flow generating businesses.

### Fertilizers & Petrochemicals

in US\$ mn unless otherwise indicated	Q2 2018	Q2 2019	% Change	H1 2018	H1 2019	% Change
Revenues	76.0	81.9	8%	152.6	167.0	9%
Gross Profit Margin	25%	30%	5 ppt	27%	30%	3 ppt
EBITDA Margin	30%	34%	4 ppt	31%	34%	3 ppt
Net Profit	17.3	18.7	8%	34.6	38.9	12%
Net Profit Margin	23%	23%	-	23%	23%	-
Net Profit attributable to EKH	11.9	13.1	12%	23.6	27.0	14%

EKH's Fertilizers & Petrochemicals segment continued to report solid revenue expansion in the second quarter of 2019 as the segment's top-line increased 8% y-o-y to record USD 81.9 million for the period. The segment's revenue expansion continued to be largely driven by top-line growth at AlexFert as it benefited from a rise in urea prices. The segment's EBITDA margin climbed 4 percentage points y-o-y in Q2 2019 to 34% while segmental net profit came in at USD 18.7 million for the quarter, an 8% y-o-y improvement, and yielding a NPM of 23%, in line with the margin recorded in the same quarter of last year.

In the first six months of the year, revenues reached USD 167.0 million, up 9% y-o-y. EBITDA margin expanded 3 percentage points y-o-y in H1 2019 to 34%, with segmental net profit rising 12% y-o-y to USD 38.9 million for the period, and with NPM coming in at 23% for the period, in line with the margin recorded in the first six months of last year.

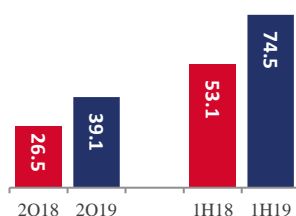
AlexFert reported strong 16% y-o-y growth in revenues to USD 50.7 million for Q2 2019 mainly on the back on improving urea prices, which rose to USD 168 for domestic sales from USD 159 in the previous year and USD 268 for exports from USD 244 over the same period. The company's EBITDA margin expanded 4 percentage points year-on-year to 36% in the second quarter of the year, with net profit for the quarter rising 4% y-o-y to USD 10.3 million. On a year-to-date basis, revenues expanded 18% y-o-y to USD 105.0 million in H1 2019, with EBITDA margin climbing 2 percentage points y-o-y to 36% and net profit for the period rising 12% y-o-y to USD 21.9 million for the period.

Sprea Misr recorded a 3% y-o-y contraction in revenues to USD 31.2 million for the second quarter of 2019. However, the company's ability to change its product mix to adapt to evolving market dynamics saw it deliver a 3-percentage-point y-o-y expansion in gross profit margin to 32% in Q2 2019 from 29% recorded during the same quarter of last year. The improvements in profitability came on the back of increased demand for formica sheets (up c.85 thousand tons y-o-y) and liquid SNF (up c. 2.5 thousand tons y-o-y) and were also supported by a fall in methanol prices over the quarter, which in turn resulted in lower input costs for the company. The downtrend in costs and a continued allocation of resources to a more profitable product mix supported the solid expansion of the subsidiary's EBITDA margin for the quarter to 31% in Q2 2019 from 26% in the same quarter a year ago. Similarly, NPM jumped 4 percentage points y-o-y to record 27% for the second quarter of the year.

On a year-to-date basis, Sprea's revenues contracted 3% y-o-y to USD 61.9 million. Mirroring the quarterly trends, GPM expanded 2 percentage points y-o-y to 32% in H1 2019, supported by falling input prices and improving product mix. EBITDA margin expanded to 30% in H1 2019 from 27% in the same six months a year ago, while NPM rose 4 percentage points y-o-y to 28% in H1 2019.

**27%**  
of Group Revenues  
in H1 2019

Revenues (USD mn)



## Energy & Energy-Related

*Egypt Kuwait Holding's investments in the Energy and Energy-Related Segment includes NatEnergy and Offshore North Sinai (ONS). EKH builds and operates gas distribution networks in Egypt through its 100%-owned subsidiary NatEnergy, which covers a wide spectrum of activities, including the transportation of natural gas to power stations and the independent production of power.*

### Energy & Energy-Related

in US\$ mn unless otherwise indicated	Q2 2018	Q2 2019	% Change	H1 2018	H1 2019	% Change
Revenues	26.5	39.1	48%	53.1	74.5	40%
Gross Profit Margin	43%	36%	(7 ppt)	46%	40%	(6 ppt)
EBITDA Margin	51%	38%	(13 ppt)	53%	43%	(10 ppt)
Net Profit	11.3	11.7	3%	24.1	26.7	10%
Net Profit Margin	43%	30%	(13) ppt	45%	36%	(9 ppt)
Net Profit attributable to EKH	10.2	9.7	(5%)	21.7	22.2	2%

The Energy & Energy-Related segment reported revenues of USD 39.1 million for the second quarter of 2019, up 48% y-o-y. Top-line growth was largely supported by NatEnergy which saw its revenues expand to USD 32.3 million in Q2 2019 from USD 17.1 million in the same quarter a year ago. The segment's net profit was up 3% y-o-y to USD 11.7 million supported by enhanced operational efficiencies and an improving installation mix at NatEnergy's gas distribution subsidiaries, NatGas and Fayoum Gas. On a year-to-date basis, segmental revenue was up 40% y-o-y to USD 74.5 million in H1 2019, with net profit expanding 10% y-o-y to record USD 26.7 million for the period.

NatEnergy reported revenues of USD 32.3 million in Q2 2019, up 88% y-o-y from USD 17.1 million in Q2 2018. Top-line expansion for the quarter was in part driven by a significant rise in installations at NatEnergy's gas distribution subsidiaries NatGas and Fayoum Gas, which, together, reported a 28% y-o-y rise in total installations for the quarter, with 38,601 thousand completed installations in Q2 2019. Higher volumes continue to be supported by rising LPG prices as a result of the recent government subsidy removals and a shift toward grid-connected natural gas emerge as a cheaper alternative. NatEnergy delivered solid improvements in gross profit for the quarter which came in at USD 10.0 million, up 65% with a GPM of 31%. EBITDA for the period also grew coming in at USD 10.2 million compared to the USD 6.0 million recorded during Q2 2018, with EBITDA margin at 32%. Finally, net profit for the quarter expanded 24% y-o-y to USD 8.7 million. In the first six months of 2019, revenues were up 66% to USD 58.9 million for H1 2019, and net profit increasing 25% y-o-y to USD 19.5 million for H1 2019.

NatEnergy's performance during the quarter was also supported by its electricity generation business Kahraba where the 30 MW capacity expansion installed at the end of 2018 continued to drive significant expansion in the division's top-line which increased to EGP 128 million in Q2 2019 from EGP 71 million in the same quarter a year ago. Similarly, net profit surged to EGP 37 million for the quarter, compared to EGP 14 million in the same period a year ago. On a year-to-date basis, revenues were up to EGP 237 million from EGP 138 million in H1 2018, while net profits came in at EGP 72 million from the EGP 31 million recorded in H1 2018.

ONS reported revenues of USD 6.8 million in the second quarter of 2019, a 27% y-o-y contraction as the company decided to extend the drilling campaign at the Tao field at the expense of temporary delaying the Kamose field's development. The contraction in ONS' top-line weighed down on the subsidiary's profitability with net profit for the quarter contracting to USD 2.9 million in Q2 2019 from USD 4.2 million in the same quarter a year ago. On a year-to-date basis, revenue was down 13% y-o-y to USD 15.6 million in H1 2019, with net profit contracting 16% y-o-y to USD 7.1 million for the period. With the Kamose field development being back on track, the company expects a significant rise in production over the coming months which will in turn drive improvements in the company's top- and bottom-line. Management is targeting a daily production rate of 55 mmscf/day by August of this year, following the start of production at the field's second well, up from the 20-25 mmscf/d currently being produced.

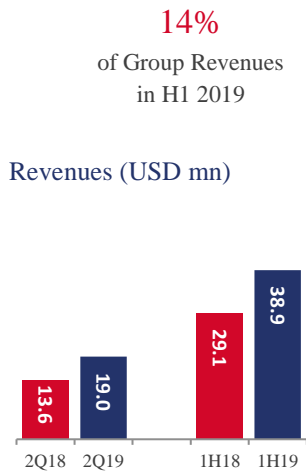
During the quarter, ONS commissioned an industry-expert to conduct a Competent Person Report (CPR), who in the coming months will carry out the necessary reservoir modeling to value the full

concession (both shallow and deep layers). In parallel, ONS has also commissioned a second company, to carry out a deep target development plan on the concession's deep layers. Management expects to have a full updated evaluation of the field's deep and shallow layers by the fourth quarter of 2019.

## Diversified

*Egypt Kuwait Holding's Diversified segment includes a wide array of strategic investments, from cement production, telecommunications and infrastructure to cooling systems and insurance. In line with the company's strategy to invest in local businesses with large and defensible market positions, EKH owns c. 38% of the Building Materials Industries Company (BMIC) in Egypt, a country home to the largest cement market in Africa, with total consumption of c. 50 mtpa. Other group assets in the sector include Delta Insurance, Al-Shorouk for Melamine and Resins, Globe Telecommunications, Gas Chill and Bawabet Al Kuwait Holding Company.*

During the second quarter of 2019, EKH's diversified segment reported a 40% y-o-y increase in revenues to USD 19.0 million mainly on the back of continue growth at EKH's wholly-owned subsidiary Delta Insurance. Gross profit was up 67% y-o-y to USD 9.9 million for the quarter. On a year-to-date basis, the segment's revenues were up 33% to USD 38.9 million in H1 2019, while gross profit increased 31% y-o-y to USD 18.2 million for the period.



## Outlook

Management is optimistic about EKH's growth potential over the medium and long terms thanks to the Group's ideal position in today's markets and its ability to capitalize on favorable economic trends.

With the Egyptian government looking to capitalize the recent large offshore natural gas discoveries and position the country as a natural gas hub, the Group's Energy segment, standing as the sole, fully-integrated energy player in Egypt, is ideally set up to take full advantage of the shifting government policies. NatEnergy, EKH's energy distribution business, has been able to establish itself as a trusted partner for the government, and is expected to witness a large increase in volumes as the government makes an important push forward with its natural gas installations program. Moreover, the company is expected to further benefit from ongoing negotiations to increase in installation fees for government contracts in the coming quarters. EKH is also looking to replicate its success in Egypt's natural gas distribution business in other regional markets, including the UAE where the group has acquired Shield Gas and holds ambitious growth plans for the venture over the coming five years.

NatEnergy's Kahraba plant's 40 MW expansion is proceeding according to schedule and is set to be completed by year-end 2020, bringing the company to its targeted total capacity of 115 MW. The added capacity will allow Kahraba to capture a larger share of an increasingly liberalized market. The Group is also continuing to explore opportunities in the electricity distribution market and is looking into new creative ways of extracting value from the electricity market.

At ONS, management is aiming to increase production from the current 20-25 mmscf/d to 55 mmscf/d by August of this year, and is targeting a daily production rate of 115 mmscf by year-end 2019 once all four wells being drilled at Kamose field come online. At the same time, EKH will receive a full development plan for the concession's potential deep-layer reserves of over 1,531 bcf during the fourth quarter of the year once the third party industry-expert who has been commissioned with the task, concludes their analysis.

At the Fertilizers & Petrochemical segment, management will continue to drive growth at Sprea Misr through capacity expansions at the company's reactor while at the same time venturing into new export markets as well drive increased operational efficiencies. Finally, the company is looking forward to replicate Sprea's success as an import substitute play with EKH's recent venture into the production of MDF. The greenfield project is well on its way to being fully operational by the fourth quarter of 2020, with the initial Raw Material Tests carried out during the past quarter delivering impressive results. EKH is already controlling a significant portion of the MDF market through trade, and thus local production will provide an import-substitute to an existing client base.

### About EK Holding

Egypt Kuwait Holding Company (EKHO.CA on the Egyptian Exchange and EKHOLDING on the Kuwaiti Exchange) is one of the MENA region's leading investment companies, with a diversified portfolio of investments that spans the region in sectors that include fertilizers and petrochemicals, energy, cement production, insurance, information technology, transport and infrastructure. Established in 1997 by a consortium of prominent Kuwaiti and Egyptian businessmen including our former Chairman, the late Nasser Al-Kharafi, the company has flourished during the past decade as the countries of the Arab world began to liberalize their economies and open doors for private sector investments in strategic sectors that had once been off limits.

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#### STOCK SYMBOL

EKHO.CA

#### CAPITAL

*Issued and Paid-In Capital:* USD  
256.1mn

*Number of Shares:* 1,024 million shares

*Par Value:* USD 0.25 per share

#### Forward-Looking Statements

Statements contained in this document that are not historical facts are based on current expectations, estimates, projections, opinions and beliefs of Egypt Kuwait Holding Company (EKH). Such statements involve known and unknown risks, uncertainties and other factors; undue reliance should not be placed thereon. Certain information contained herein constitutes "targets" or "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "seek," "should," "expect," "anticipate," "project," "estimate," "intend," "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology. Actual events or results or the actual performance of EKH may differ materially from those reflected or contemplated in such targets or forward-looking statements. The performance of EKH is subject to risks and uncertainties.

## Income Statement

(in US \$)	Q2 2018	Q2 2019	H1 2018	H1 2019
<b>Energy &amp; Energy Related</b>				
Revenues	26 465 315	39 092 601	53 089 006	74 472 298
% Contribution	23%	28%	23%	27%
COGS	15 102 427	24 946 354	28 601 628	44 363 123
Gross Profit	<b>11 362 888</b>	<b>14 146 247</b>	<b>24 487 377</b>	<b>30 109 176</b>
% Margin	43%	36%	46%	40%
<b>Fertilizers &amp; Petrochemicals</b>				
Revenues	75 984 636	81 914 382	152 629 054	166 970 994
% Contribution	65%	58%	65%	60%
COGS	56 628 694	57 042 632	111 506 773	116 274 982
Gross Profit	<b>19 355 942</b>	<b>24 871 750</b>	<b>41 122 281</b>	<b>50 696 012</b>
% Margin	25%	30%	27%	30%
<b>Diversified</b>				
Revenues	13 608 743	19 049 445	29 116 898	38 855 518
% Contribution	12%	14%	12%	14%
COGS	7 634 263	9 100 672	15 211 278	20 643 907
Gross Profit	<b>5 974 480</b>	<b>9 948 773</b>	<b>13 905 620</b>	<b>18 211 611</b>
% Margin	44%	52%	48%	47%
<b>Total Revenues</b>	<b>116 058 694</b>	<b>140 056 428</b>	<b>234 834 957</b>	<b>280 298 810</b>
COGS	79 365 385	91 089 658	155 319 679	181 282 011
Gross Profit	<b>36 693 309</b>	<b>48 966 770</b>	<b>79 515 278</b>	<b>99 016 799</b>
% Margin	32%	35%	34%	35%
Selling Expenses	1 127 131	921 815	2 450 891	1 971 229
G&A	6 739 539	8 339 980	13 905 814	16 425 876
<b>Operating Income</b>	<b>28 826 639</b>	<b>39 704 975</b>	<b>63 158 573</b>	<b>80 619 694</b>
% Margin	25%	28%	27%	29%
Interest Net	2 745 281	2 443 060	7 973 222	4 557 895
FX Gain / Loss	612 773	(616 678)	506 485	(640 562)
Capital Gain	86 026	12 731	86 373	12 731
Impairment (Impairment reversal on Assets)	(13 671 608)	1 105 017	(13 807 674)	3 206 733
Net Provision	17 409 018	(496 150)	16 934 401	(580 588)
Other Income (Expenses)	477 462	370 801	1 141 233	1 964 064
<b>Net Income before Tax</b>	<b>36 485 591</b>	<b>42 523 756</b>	<b>75 992 613</b>	<b>89 139 967</b>
Income Tax	6 470 712	9 118 120	13 965 687	18 629 270
Differed Tax	(657 166)	(973 037)	(1 277 897)	(1 358 378)
<b>Net Income from Continued Operations</b>	<b>30 672 045</b>	<b>34 378 673</b>	<b>63 304 823</b>	<b>71 869 075</b>
Gain (Loss) from Discontinued Operations	-	-	-	-
<b>Net Income</b>	<b>30 672 045</b>	<b>34 378 673</b>	<b>63 304 823</b>	<b>71 869 075</b>
Non-Controlling Interest	7 668 316	8 167 658	14 922 209	16 859 915
<b>Attributable Net Income</b>	<b>23 003 729</b>	<b>26 211 015</b>	<b>48 382 614</b>	<b>55 009 160</b>

## Balance Sheet

(in US\$)	H1 2019	FY 2018
Equity - accounted investees	18 678 335	16 219 288
Investments available -for- sale	24 632 971	32 532 597
Investments held to maturity	113 975 159	99 769 120
Property, plant and equipment & Projects under construction	279 670 140	253 207 015
Exploration & development assets	19 056 135	27 799 143
Goodwill	62 102 392	60 591 626
Other intangible assets	6 058 313	8 804 525
Other debtors & notes receivables	671 764	900 866
<b>Total non-current assets</b>	<b>524 845 209</b>	<b>499 824 180</b>
Cash	189 046 581	206 966 909
Investments held to maturity	235 571 226	170 080 844
Financial assets at fair value through profit and loss	17 198 689	11 990 883
Total Receivables & Other Debtors	141 260 897	120 509 885
Inventory & Work in Progress	103 166 682	107 355 162
<b>Total Current Assets</b>	<b>686 244 075</b>	<b>616 880 703</b>
<b>Total Assets</b>	<b>1 211 089 284</b>	<b>1 116 704 883</b>
Issued & paid up capital	256 110 292	256 110 292
Legal Reserve	127 240 575	126 248 763
Reserves	(128 311 759)	(141 526 773)
Share-based payments	17 561 848	17 561 848
Retained Earnings	238 949 419	248 191 799
Treasury Shares	-	(221 050)
<b>Total equity of the owners of the parent Company</b>	<b>511 550 375</b>	<b>506 364 879</b>
Non-Controlling Interest	202 166 948	205 417 201
<b>Total equity</b>	<b>713 717 323</b>	<b>711 782 080</b>
Long-Term Loans	72 991 243	18 003 469
Other Long-Term Liabilities	2 132 095	2 011 494
Deferred Tax Liability	22 139 324	23 254 655
<b>Total Non-Current Liabilities</b>	<b>97 262 662</b>	<b>43 269 618</b>
Provisions	20 035 115	19 374 686
Bank Facilities, Overdraft and STL	96 897 382	81 667 534
Holders' Rights and Insurance	78 528 464	69 081 331
Creditors and Other Credit Balances	204 648 338	191 529 634
<b>Total Current Liabilities</b>	<b>400 109 299</b>	<b>361 653 185</b>
<b>Total Liabilities</b>	<b>497 371 961</b>	<b>404 922 803</b>
<b>Total SHE + Total Liabilities</b>	<b>1 211 089 284</b>	<b>1 116 704 883</b>



## Cash Flows

(in us \$)	H1 2019	H1 2018
<b>Cash flows from operating activities</b>		
Net profit for the period before income tax	89 139 966	75 992 613
<b>Adjustments for:</b>		
Depreciation & amortization	19 173 491	19 463 435
Gain on sale of investments available-for-sale	(1 545 217)	-
Company's share of profit / (loss) of associates	499 339	(1 351 012)
Unrealized gain of financial assets at fair value through profit and loss	(399 902)	(74 562)
Financing expenses	6 200 014	6 351 066
Interest income	(10 757 909)	(14 324 288)
Capital gains	(12 731)	(86 373)
Provisions no longer required	(244 613)	(17 251 274)
Provisions other than depreciation	825 201	316 873
Reversal of impairment loss on debtors & other debit balances	(1 000 000)	-
Impairment loss on debtors and other debit balances	138 569	217 999
Reversal of Impairment loss on investments	(2 345 302)	-
Impairment loss on investments	-	13 807 674
Returns from investments in treasury bills and bonds	(9 970 638)	(2 396 368)
	<b>89 700 268</b>	<b>80 665 783</b>
<b>Change in:</b>		
Financial assets at fair value through profit and loss	(4 807 904)	4 186 336
Trade & notes receivable	(9 236 195)	(9 381 316)
Other debit balances	(9 951 634)	(7 139 327)
Inventory	928 514	152 104
Work in progress	3 259 966	(19 380 841)
Suppliers, subcontractors, creditors & other credit balances	(224 682)	(8 625 357)
Holders' Rights and Insurance	9 447 133	432 037
Time Deposits	(5 244 893)	2 260 635
Provision used	(524 433)	(28 814)
Financing expenses paid	(6 200 014)	(6 351 066)
Net change of unconsolidated subsidiaries resulting from losing control		
Net change in Acquired company's assets		(1 096 077)
<b>Net cash available from (used in) operating activities</b>	<b>58 745 451</b>	<b>44 094 772</b>
<b>Cash flows from investing activities</b>		
Interest received	10 323 641	14 285 103
Payments for purchase of fixed assets, projects under construction, intangibles & property assets	(16 456 185)	(18 113 505)
Payments for exploration & production assets	-	(752 588)
Proceeds from sale of fixed assets, projects under construction, intangibles & property assets	43 015	106 926
Proceeds from (Payments for) sale of investments available-for-sale	6 587 655	(2 183 223)
Proceeds from Financial investments held- to-maturity	(19 829 960)	68 623 599
<b>Net cash used in investing activities</b>	<b>(19 331 834)</b>	<b>61 966 312</b>
<b>Cash flows from financing activities</b>		
Proceeds from long-term loans	121 874 316	106 293 360
Payment of long-term loans	(52 203 097)	(89 116 901)
Payments for acquisition of non-controlling interests	(152 784)	(4 632 400)
Non-controlling stakes	270 345	5 797 195
Proceeds from sale of treasury stock	1 059 197	-
Dividends paid to non-controlling interests	(13 667 341)	(16 358 871)
Dividends paid	(63 914 497)	(62 906 547)
<b>Net cash used in financing activities</b>	<b>(6 733 861)</b>	<b>(60 924 164)</b>
Foreign currency translation differences	(6 472 577)	(3 434 307)
<b>Net change in cash and cash equivalents during the period</b>	<b>26 207 179</b>	<b>41 702 613</b>
Cash and cash equivalents at beginning of the period	224 172 327	224 520 953
<b>Cash and cash equivalents at end of the period</b>	<b>250 379 506</b>	<b>266 223 566</b>