

Earnings Release: ELSEWEDY ELECTRIC Reports Consolidated Results for H1 2015 ended June 30th, 2015.

September 1st, 2015

Cairo- Egypt.

ELSEWEDY ELECTRIC Announces Record Quarterly Q2 2015 Net Profit after Minority of EGP 439 million, on Total Group Revenues of EGP 7.1 Billion. Turnkey Backlog of EGP 13.3 billion highest level achieved in the history of the Company

ELSEWEDY ELECTRIC (SWDY.CA on the Egyptian stock exchange), the leading Wire & Cable and Integrated Energy Solution Provider in the Middle East and Africa, announced its consolidated financial results for H1 2015 ended June 30th, 2015.

Q2 2015 versus Q2 2014

- Consolidated revenues in Q2 2015 increased by 71% to reach EGP 7,107 million versus EGP 4,168 million in Q2 2014.
- Gross profit in Q2 2015 increased by 80% to reach EGP 1,233 million versus EGP 685 million in Q2 2014.
- EBITDA in Q2 2015 surged by 196% to reach EGP 912 million versus EGP 308 million in Q2 2014. During Q2 2015, the Company took an additional EGP 123 million of provisions related to outstanding overdue receivables from Sudan related to a completed turnkey project.
- Net profit after Minority reached a record EGP 439 million during Q2 2015 versus EGP 110 million during Q2 2014.

H1 2015 versus H1 2014

- Consolidated revenues increased by 30% to reach EGP 11,088 million for H1 2015, versus EGP 8,511 million in H1 2014.
- Gross profit increased by 38% to reach EGP 1,789 million during H1 2015, versus EGP 1,298 million in H1 2014.
- EBITDA surged by 122% to reach EGP 1,351 million in H1 2015, versus EGP 610 million in H1 2014.
- Net profit after Minority Interest increased by 215% reaching EGP 678 million in H1 2015 versus EGP 215 million for H1 2014.

• **Consolidated Results Highlights**

LE (000)'s	Q2-2015	Q2-2014	% Change	H1-2015	H1-2014	% Change
Revenue	7,107,217	4,167,767	71%	11,087,914	8,510,669	30%
Gross Profit	1,233,158	684,745	80%	1,789,491	1,298,125	38%
Gross Profit Margin	17%	16%		16%	15%	
EBITDA	912,242	307,799	196%	1,351,055	609,904	122%
EBITDA Margin	13%	7%		12%	7%	
Net Income After Minority	438,540	109,953	299%	677,764	215,035	215%
Net Income After Minority Margin	6%	3%		6%	3%	

Segment Analysis Q2 2015 versus Q2 2014

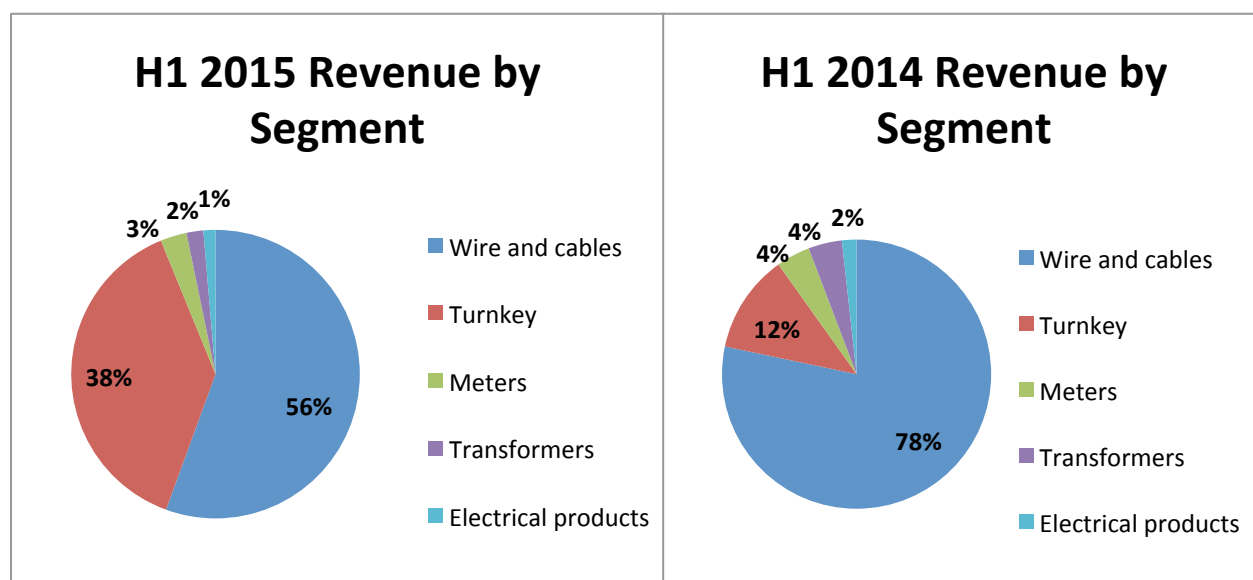
- Revenues in Q2 2015 increased by 71% to reach EGP 7.1 billion versus EGP 4.2 billion in Q2 2014. The Wire and Cable segment achieved revenues of EGP 3,187 million in Q2 2015, 1% lower than Q2 2014. Turnkey revenues in Q2 2015 were 631% higher than Q2 2014 reaching EGP 3,551 million. Meters revenues decreased by 4% reaching EGP 184 million, whilst transformers revenues decreased by 50% (after eliminations) reaching EGP 97 million. Electrical Products revenues increased by 20% to reach EGP 88 million.
- Gross Profit increased by 80% to reach EGP 1,233 million in Q2 2015 versus EGP 685 million in Q2 2014. The gross profit in the Wire and Cable segment decreased by 5% in Q2 2015 versus Q2 2014, (EGP 456 million versus EGP 479 million). Turnkey gross profit increased by 885% in Q2 2015 to reach EGP 631 million versus EGP 64 million in Q2 2014. The Meters division gross profit decreased by 34% in Q2 2015 to reach EGP 47 million whilst the transformers division gross profit decreased by 2% in Q2 2015 to reach EGP 47 million. Electrical products' (includes wind) gross profit stood at EGP 53 million in Q2 2015.

Segment Analysis H1 2015 versus H1 2014

- Revenue during H1 2015 increased by 30% versus H1 2014 reaching EGP 11,088 million. The Wire and Cables revenue decreased by 8% to reach EGP 6,162 million. Turnkey revenues surged by 321% during H1 2015 reaching EGP 4,240 million. Transformers revenue (after eliminations) decreased by 39% during H1 2015 reaching EGP 209 million, whilst Meters revenues decreased by 6% to reach EGP 327 million. Electrical products' revenues remain flat to reach EGP 150 million.
- Gross profit during H1 2015 increased by 38% to reach EGP 1,789 million. The Wire and Cables gross profit decreased by 13% to reach EGP 810 million. Turnkey gross profit was 411% higher during H1 2015 reaching EGP 719 million. Transformers gross profit increased by 55% reaching EGP 85 million whilst meters gross profit decreased by 23% to reach EGP 92 million. Electrical products' (including wind) gross profit increased by 60% to reach EGP 83 million.

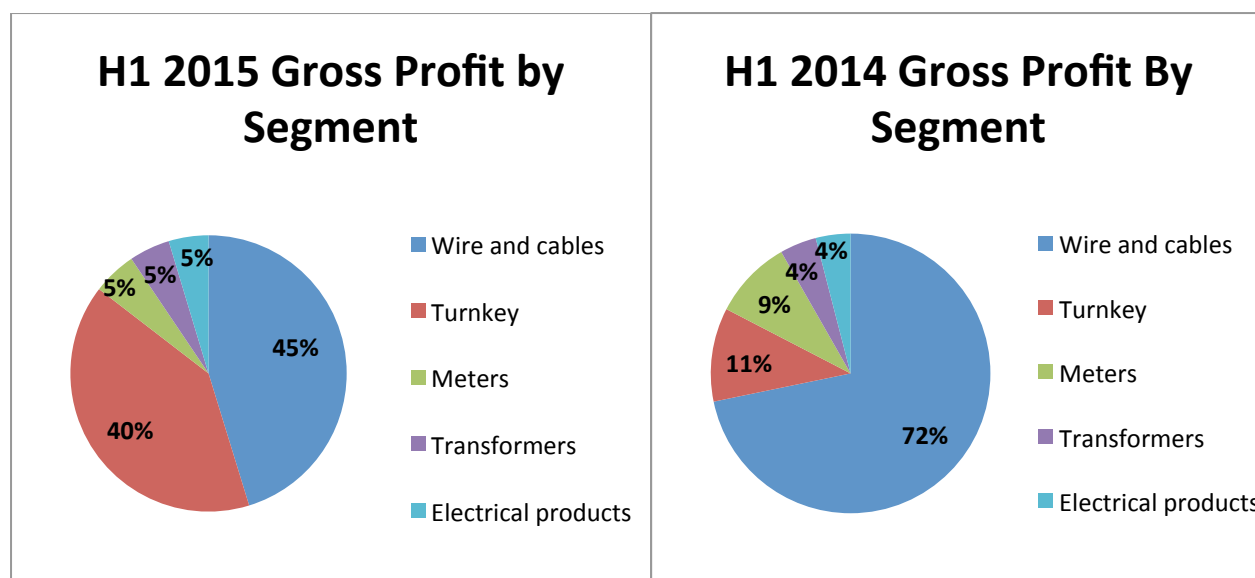
Summary of Revenues by Segment

LE (000)'s	Q2-2015	Q2-2014	% Change	H1-2015	H1-2014	% Change
Wire & Cables	3,187,423	3,222,117	-1%	6,162,438	6,663,982	-8%
Turn Key Projects	3,551,196	485,821	631%	4,240,287	1,008,305	321%
Meters	184,179	191,917	-4%	326,548	345,641	-6%
Transformers	96,571	194,878	-50%	208,920	344,060	-39%
Other electrical products	87,849	73,035	20%	149,722	148,680	1%
Total	7,107,217	4,167,767	71%	11,087,914	8,510,669	30%



Summary of Gross Profit by Segment

LE (000)'s	Q2-2015	Q2-2014	% Change	H1-2015	H1-2014	% Change
Wire & Cables	455,913	479,456	-5%	809,722	931,585	-13%
Turn Key Projects	631,020	64,079	885%	719,238	140,712	411%
Meters	46,861	71,326	-34%	91,769	118,658	-23%
Transformers	46,085	47,106	-2%	85,464	54,965	55%
Other electrical products	53,280	22,777	134%	83,298	52,205	60%
Total	1,233,158	684,745	80%	1,789,491	1,298,125	38%



Wires & Cables Segment

Wires & Cables segment revenues decreased by 8% to reach EGP 6,162 million in H1 2015 versus EGP 6,664 million in H1 2014. Gross profit in H1 2015 decreased by 13% to reach EGP 810 million versus EGP 932 million in H1 2014. Gross profit margin reached 13.1% in H1 2015 versus 14% in H1 2014.

In terms of volumes, the segment sold 95,256 tons of cables in H1 2015 versus 94,323 tons in H1 2014, an increase of 1%. Gross profit per ton averaged EGP 7,102 in H1 2015 versus EGP 8,099 in H1 2014.

Volumes in the Egyptian operations were 12% lower in H1 2015 versus H1 2014 with the main decrease in volumes coming from the export market, mainly a reduction in exports to the Gulf, Europe and Iraq. Local market volumes in the Egyptian operations continue to increase.

Volumes in Qatar increased by 63%, whilst all the other operations also saw a pickup in volumes with the exception of KSA and Algeria in which volumes were lower yoy by 7% & 2% respectively.

Wire & Cables Segment Financial Highlights

	Q2-2015	Q2-2014	% Change	H1-2015	H1-2014	% Change
Revenues Before Intercompany Sales LE (000)'s	4,849,863	5,205,081	-7%	9,772,202	10,342,157	-6%
Revenues After Intercompany Sales LE (000)'s	3,187,423	3,222,117	-1%	6,162,438	6,663,982	-8%
Gross Profit EGP (000)'s	455,913	479,456	-5%	809,722	931,585	-13%
Cables Sales Volumes (Tons)	49,753	45,385	10%	95,256	94,323	1%
Cables Sales Volumes (Tons) Proportionate*	43,603	42,780	2%	84,029	87,448	-4%
Cables Gross profit per ton EGP	7,869	8,714	-10%	7,102	8,099	-12%
Gross Profit Margin	14.3%	14.9%		13.1%	14.0%	

*includes the proportionate tonnage for Doha Cables

Turnkey Projects

Turnkey revenues witnessed a 321% increase, reaching EGP 4.2 billion in H1 2015 versus EGP 1 billion during H1 2014. Gross profit increased by 411% to reach EGP 719 million in H1 2015 versus EGP 141 million in H1 2014, whilst gross profit margin increased from 14% in H1 2014 to 17% in H1 2015.

Egypt is the main driver for the turnkey growth, however we remain optimistic on turnkey projects in the GCC, mainly Qatar and Kuwait.

Since March 2015, we have added an additional EUR 785 million to our backlog related to the € 2 billion contract in a Consortium with Siemens AG for the Government of Egypt to build a new combined cycle power plant in Beni Suef on EPC basis in addition to the site preparation works on a re-measured basis. We have also signed other new projects in Egypt and Kuwait bringing the total backlog as of June 30th, 2015 to EGP 13.3 billion. Of the backlog Egypt now represents 83%, and the GCC and Middle East 14%.

Meters Segment

Revenues from the meters segment decreased by 6% in H1 2015 versus H1 2014 to reach EGP 327 million versus EGP 346 million in H1 2014. Europe is still the main contributor to the sales in this segment; Gross profit decreased by 23% to reach EGP 92 million in H1 2015 versus 119 million in H1 2014.

On July 29th we announced the award of a Euro 160 million contract in the Netherlands for the delivery of up to 2.5 million meters over 4 years. We expect to start delivering the meters in March 2016. The minimum guaranteed quantity related to this contract is 1.6 million meters.

Meters backlog as of June 30th, 2015 stands at Euros 52 million.

Meters Segment Financial Highlights

	Q2-2015	Q2-2014	% Change	H1-2015	H1-2014	% Change
Revenues Before Intercompany Sales LE (000)'s	195,502	248,089	-21%	356,591	425,151	-16%
Revenues After Intercompany Sales LE (000)'s	184,179	191,917	-4%	326,548	345,641	-6%
Gross Profit EGP (000)'s	46,861	71,326	-34%	91,769	118,658	-23%
Sales Volumes (meters)	670,206	589,121	14%	1,186,872	1,040,430	14%
Gross profit per meter EGP	70	121	-42%	77	114	-32%
Gross Profit Margin	25.4%	37.2%		28.1%	34.3%	

Transformers Segment

Revenues from the transformers segment decreased 39% in H1 2015 versus H1 2014 to reach EGP 209 million; however before intercompany eliminations revenues were actually 8% lower reaching EGP 319 million. Gross profit reached EGP 85 million in H1 2015 and compared to H1 2014 on a normalized basis (excluding the Nigeria impairment) is 3% higher.

Whilst revenues in the Egyptian operations were lower in H1 2015 versus H1 2014 there was a marked improvement in profitability. Zambia performed well in Q2 2015 bringing the overall revenues in H1 2015 higher yoy.

As at June 30th, 2015 the backlog in the transformers segment stood at USD 36 million.

Transformers Segment Financial Highlights

	Q2-2015	Q2-2014	% Change	H1-2015	H1-2014	% Change
Revenues Before Intercompany Sales LE (000)'s	162,814	198,241	-18%	318,511	347,424	-8%
Revenues After Intercompany Sales LE (000)'s	96,571	194,878	-50%	208,920	344,060	-39%
Gross Profit EGP (000)'s	46,085	47,106	-2%	85,464	54,965	55%
Sales Volumes (MVA)	858	1,620	-47%	1,956	2,788	-30%
Gross profit per MVA EGP	53,739	29,078	85%	43,685	19,712	122%
Gross Profit Margin	47.7%	24.2%		40.9%	16.0%	

Other Electrical Products

Revenues from the Electrical products segment remains flat in H1 2015 versus H1 2014, to reach EGP 150 million, while gross profit increased by 60% to reach EGP 83 million.

Selling General and Administrative Expenses

SG&A as a % of sales improved to reach 4.3% in H1 2015 versus 6.8% in H1 2014.

Net Interest Expense

Net Interest expense declined by approximately 66% in H1 2015, reaching EGP 45 million versus EGP 133 million in H1 2014.

Taxes

The tax provision of EGP 256 million in Q2 2015 is calculated assuming 30% corporate tax rate. The current corporate tax rate of 22.5% will be reflected in our Q3 2015 financial statements will reduce our effective tax rate for the FY 2015.

Minority Interest

Minority interest in Q2 2015 of EGP 98.8 million is higher this quarter due to a significant contribution to the profitability this quarter from one of the subsidiaries in which we own 75%. We have subsequently acquired 100% of this subsidiary related to the turnkey projects in July 2015, and as a result we expect the minority interest for the full year 2015 to revert back to its normal levels.

Net Debt

Net debt as of June 30th, 2015 increased by 19% to reach EGP 2,203 million versus EGP 1,844 million as of March 31st, 2015. Inventory increased by 3% to reach EGP 3.3 billion as of June 30th, 2015 (73 DOH) versus EGP 3.2 billion as of March 31st, 2015 (83 DOH). Account receivables increased by 69% to reached EGP 7.6 billion as of June 30th, 2015 (142 DOH) versus EGP 4.5 billion as of March 31st, 2015 (99 DOH) mainly related to the fast track project in the turnkey segment. Payables increased by 102% to reach EGP 2.8 billion as of June 30th, 2015 (63 DOH) versus EGP 1.5 billion as of March 31st, 2015 (36 DOH). Total cash conversion cycle increased to 152 DOH as of June 30th, 2015 versus 145 DOH as of March 31st, 2015.

Recent Acquisitions/ Disposals

In June 2015 we sold 100% stake in MTOI, our Spanish wind turbine manufacturing facility, which is reflected in our Q2 2015 financials.

As for the acquisition of an additional 25% stake in one of our turnkey subsidiaries, bringing our total ownership to 100%, this will be reflected in Q3 2015 financial statements.

Forward-looking Statements

This document may contain certain forward-looking statements relating to the company's business. These may be identified in part through the use of forward-looking terminology such as "will", "planned", "expected" and "forecast". Any such statements reflect the current views of the company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance, decisions or achievements of the company to be materially different from any future results that may be expressed or implied by such forward-looking statements.

Investor Relations contact Information:

Mr. Tarek Yehia, Investor Relations Manager

Email: tarek.yehia@elsewedy.com

Address: Plot 27, 1st district, 5th settlement, New Cairo.

Tel. +202 27599700 – 701

Fax +202 27599731

ELSEWEDY ELECTRIC
Consolidated Financial Statements
Income Statement

L.E	Q2-2015	Q2-2014	H1-2015	H1-2014
Sales				
Wires & Cables	3,187,422,597	3,205,889,401	6,162,437,566	6,663,981,752
Electrical Products	368,598,252	476,057,032	685,189,618	838,382,081
Turnkey Projects	3,551,196,188	485,820,945	4,240,287,151	1,008,305,073
Total Sales	7,107,217,037	4,167,767,378	11,087,914,335	8,510,668,906
COGS	(5,874,058,728)	(3,483,022,801)	(9,298,422,905)	(7,212,543,757)
Gross Profit	1,233,158,309	684,744,577	1,789,491,430	1,298,125,149
Gross Profit Margin	17.4%	16.4%	16.1%	15.3%
SG & A	(258,261,538)	(298,074,091)	(473,121,022)	(581,958,531)
Other Operating Income	178,527,422	23,351,860	211,678,202	48,993,347
Other Operating Expense	(331,317,432)	(192,955,040)	(356,917,840)	(338,183,120)
Other Operating Income/ (Expenses)	(152,790,010)	(169,603,180)	(145,239,638)	(289,189,773)
EBITDA	912,242,472	307,799,186	1,351,055,179	609,904,301
EBITDA Margin	12.8%	7.4%	12.2%	7.2%
Depreciation & Amortization	(90,135,711)	(90,731,880)	(179,924,410)	(182,927,455)
Fx Gain / (Loss)	(17,499,153)	21,944,515	(3,577,820)	34,170,955
EBIT	804,607,608	239,011,821	1,167,552,949	461,147,801
Interest Expense	(57,201,592)	(89,180,948)	(129,981,564)	(157,030,992)
Interest Income	46,505,936	14,781,731	85,067,736	23,788,548
Interest Income / (Expenses)	(10,695,656)	(74,399,217)	(44,913,828)	(133,242,443)
EBT	793,911,952	164,612,603	1,122,639,122	327,905,358
Tax	(256,536,748)	(60,994,245)	(317,549,358)	(97,762,476)
Net Income	537,375,204	103,618,359	805,089,764	230,142,881
Minority Interest	(98,835,574)	6,334,911	(127,325,432)	(15,108,131)
Net Income After Minority Interest	438,539,630	109,953,270	677,764,332	215,034,750

ELSEWEDY ELECTRIC
Consolidated Financial Statements
Balance Sheet

L.E	30-09-14	31-12-14	31-03-15	30-06-15
Assets				
Fixed Assets	3,085,259,802	3,121,801,039	3,126,028,597	3,147,627,501
Investments	51,273,173	43,715,623	26,748,772	26,748,772
Other long term Assets & Good will	166,627,922	173,361,680	115,104,478	113,445,556
Total Long term Assets	3,303,160,897	3,338,878,342	3,267,881,847	3,287,821,829
Inventories	3,969,970,224	3,343,933,055	3,204,239,367	3,311,233,349
Receivables	3,827,468,403	3,988,300,921	4,508,439,842	7,623,261,298
Other Debt balance	1,506,651,743	1,284,075,643	1,716,491,865	1,793,646,593
Due from Related Parties	463,594,694	358,402,481	480,520,036	506,247,072
Cash & Cash Equivalents	1,933,690,932	1,597,610,616	3,399,141,775	3,113,568,215
Total Current Assets	11,701,375,996	10,572,322,716	13,308,832,886	16,347,956,528
Bank Overdraft & Short Term loans	4,897,092,048	4,278,293,304	4,967,959,421	5,087,395,962
Accounts Payable	1,551,843,802	1,427,475,437	1,408,391,799	2,848,179,244
Other Credit balance	1,923,857,586	1,467,213,989	3,225,925,262	4,325,650,570
Due to Affiliates	181,749,739	163,193,948	149,295,080	195,780,004
Provisions	304,231,562	310,917,016	283,578,058	357,116,889
Total Current Liabilities	8,858,774,737	7,647,093,694	10,035,149,620	12,814,122,669
Working Capital	2,842,601,259	2,925,229,022	3,273,683,265	3,533,833,859
Total Investments	6,145,762,156	6,264,107,364	6,541,565,112	6,821,655,688
Issued and Paid Capital	2,234,180,000	2,234,180,000	2,234,180,000	2,234,180,000
Retained Earnings	1,945,464,832	1,982,749,739	2,354,126,428	2,026,477,759
Net Profit of the year	310,386,122	403,300,490	239,224,702	677,764,332
Others	1,071,488,908	1,113,834,105	1,178,704,119	1,352,404,276
Total Equity	5,561,519,862	5,734,064,334	6,006,235,249	6,290,826,367
Long Term Loans	381,035,279	285,199,434	275,673,064	229,289,143
Other long term Liabilities	203,207,014	244,843,596	259,656,801	301,540,183
Total long term Liabilities	584,242,294	530,043,030	535,329,865	530,829,327
Total long term Liabilities & Equity	6,145,762,156	6,264,107,364	6,541,565,112	6,821,655,688