



Earnings Release: El Sewedy Electric reports third quarter 2010 results

14 November, Cairo, Egypt.

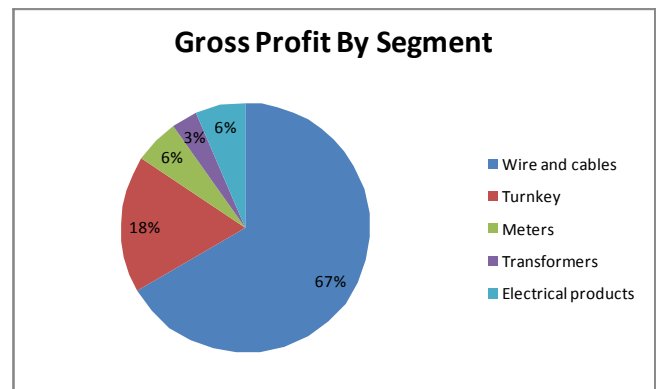
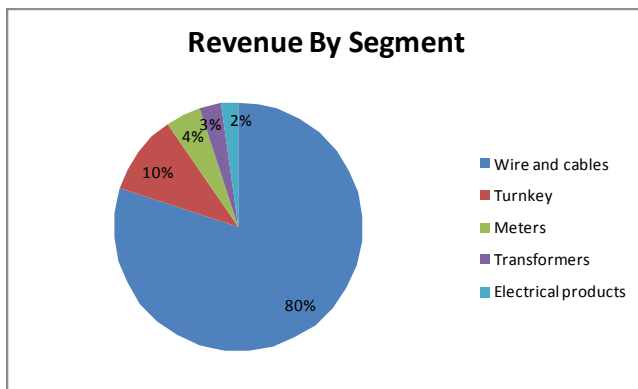
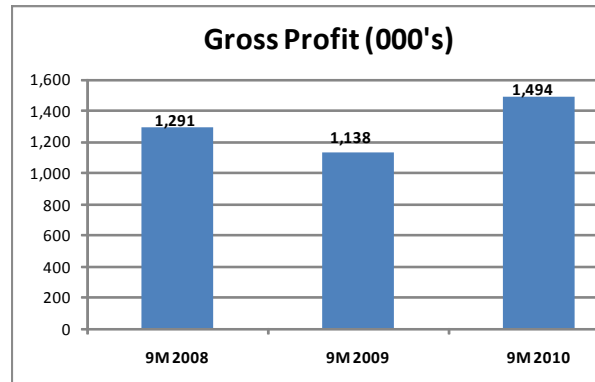
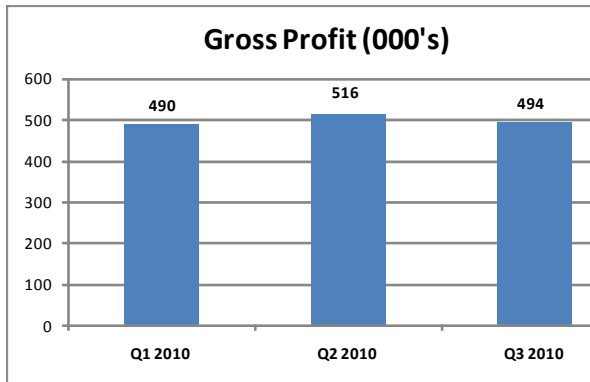
El Sewedy Electric continues to outperform its regional peers, breaks its record high revenues achieved in the second quarter of this year, and heads toward achieving 2010 management guidance on net profits.

El Sewedy Electric (SWDY.CA on the Egyptian stock exchange) the leading wire & Cable and integrated energy solution provider in the middle east and Africa , announced this week it's consolidated financial results for the third quarter of 2010 .

- Net revenues of LE 9,212 million for the 9 months ending Sep 30th 2010, 35% higher than the same period of 2009. Revenues for the three months ending Sep 30th 2010 was LE 3,226 million, 6% higher than the second quarter of 2010 and 48% higher than the third quarter of 2009.
- Gross profit was LE 1,494 million in the Nine months ending Sep 30th 2010, up 31% from the same period of 2009, while for the third quarter gross profit was LE 488 million down 5% from second quarter of 2010.
- Net profit of LE 698 million for the 9 months ending Sep 30th 2010, 27% higher than the same period last year.net profit for the 3 months ending Sep 30th 2010 was LE 191 million ,25% lower than the previous quarter due to a non recurring profits in the second quarter and non recurring impairment in the third quarter .

Summary of revenues and gross profit by Segment

LE (000)'s	Q2 2010	Q3 2010	%	9M 2010	9M 2009	%
Wire & Cables	2,422,639	2,498,651	3%	7,371,193	5,476,393	35%
Turn Key Projects	333,390	410,346	23%	963,426	622,330	55%
Meters	123,931	191,447	54%	413,805	466,618	-11%
Transformers	89,604	70,933	-21%	257,353	161,000	60%
Other electrical products	82,532	54,567	-34%	205,773	91,264	125%
Total	3,052,096	3,225,944	6%	9,211,550	6,817,606	35%



Gross Profit margin was 15.3% for the third quarter of 2010 lower than the second quarter by 5%.the drop comes from the cables and transformers segment.

Wire & Cable Segment.

Revenues from the wire & Cable segment were LE 2,499 million in the third quarter of 2010 Vs. LE 2,423 million in the second quarter, an increase of 3%.

In terms of volumes, the segment sold 39,635 tons of cables in the third quarter vs. 41,121 in the second quarter, resulting in a drop in volumes equivalent to 4%. For the first nine month of 2010, sales were 120,685 tons Vs. 94,821 tons in the first 9 months of 2009, a growth of 27%.

Gross profit per ton dropped by 6% Vs. the second quarter of this year, resulting in a gross profit per ton of 6,199 in the first 9M in 2010.

Wire & Cables Segment financial highlights

LE (000)'s	Q2 2010	Q3 2010	%	9M 2010	9M 2009	%
Revenues LE (000)'s	2,422,639	2,498,651	3%	7,371,193	5,480,788	34%
Gross Profit LE (000)'s	339,983	308,076	-9%	996,453	705,464	41%
Cables Sales Volumes (tons)	41,121	39,635	-4%	120,685	94,821	27%
Cables Gross profit per ton LE	6,262	5,909	-6%	6,199	5,885	5%
Gross Profit Margin	14.0%	12.3%		13.5%	12.9%	

Turnkey Projects

Revenues from Turnkey and contracting business came at LE 410 million for the third quarter of 2010 Vs. LE 333 million in the second quarter. Gross profit for the third quarter was LE 109 Million Vs, LE 88 million in the second quarter, up by 24%.

Gross Profit margin for third quarter was 26% same as the second quarter of 2010.

We still maintain our revenue and gross profit margin guidance for the year to range from LE 1,400 to LE 1,600 million and from 20-25%. Backlog as of the end of the third quarter reached US\$ 490 million.

Meters Segment

Revenues from the meters segment surged by 54% in the third quarter reaching LE 191 million Vs. LE 124 million in the second quarter ending June 30, 2010.

On the back of sales increase, gross profit reached LE 45 million in third quarter 2010 Vs. LE 27 million in the second quarter resulting in an increase of 65%.

Meters Segment financial highlights

LE (000)'s	Q2 2010	Q3 2010	%	9M 2010	9M 2009	%
Revenues LE (000)'s	123,931	191,447	54%	413,805	466,618	-11%
Gross Profit LE (000)'s	27,350	45,221	65%	87,795	93,006	-6%
Sales Volumes (meters)	643,963	881,011	37%	1,941,251	1,537,549	26%
Gross profit per meter LE	42	51	21%	45	60	-24%
Gross Profit Margin	22.1%	23.6%	54%	21.2%	19.9%	-11%

Transformers Segment

Revenue from the transformers segment was LE71 million in Q3 2010, down 21% from Q2. The drop in sales was due to a delay in deliveries, which also negatively affected the margins for the segment.

Deliveries in Q4 have picked up, and we are expecting full year revenues to reach LE400 million Vs. LE257 million in the first 9 months, accordingly margins will recover in the fourth quarter.

Transformers Segment financial highlights

LE (000)'s	Q2 2010	Q3 2010	%	9M 2010	9M 2009	%
Revenues LE (000)'s	89,602	70,935	-21%	257,353	143,672	79%
Gross Profit LE (000)'s	19,049	8,527	-55%	49,165	26,298	87%
Sales Volumes (MVA)	784	757	-3%	2,411	1,231	96%
Gross profit per MVA LE	24,313	11,351	-53%	20,415	21,507	-5%
Gross Profit Margin	21.3%	12.0%		19.1%	18.3%	

Wind Energy Segment

Revenues generated from this segment are still minor and should start picking up starting from the fourth quarter as the Company progresses on the delivery under the EPC contract in Libya. It is worth noting that the total value of this contract is EUR 84mm that will be recognized over the coming 5-6 quarters.

DEBT

Net debt was up by LE 561.9 million due to increase in working capital for the following reasons:

1. Increase in metal price
2. Inventories build up for new operations
3. Big cable orders produced towards the end of the quarter and either not delivered or delivered and not collected

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.

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El Sewedy Electric
Consolidated Financial Statements
Income statement
000's LE

	9M-09	9M-10	%	Q3-09	Q3-10	%
Sales	6,817,606	9,211,550	35%	2,179,165	3,225,944	48%
Cost of goods Sold	(5,680,057)	(7,717,724)	36%	(1,764,337)	(2,737,620)	55%
Gross Profit	1,137,549	1,493,826	31%	414,828	488,324	18%
Other operating Income	125,602	49,386	-61%	19,481	17,103	-12%
SG&A	(514,337)	(629,753)	22%	(187,709)	(213,587)	14%
Other operating Expenses	(23,864)	(86,689)	263%	(11,984)	(49,392)	312%
Depreciation	137,350	203,114	48%	49,471	71,458	44%
Operational EBITDA	862,300	1,029,883	19%	284,087	313,905	10%
Depreciation	(137,350)	(203,114)	48%	(49,471)	(71,458)	44%
Interest	(101,269)	(106,857)	6%	(30,176)	(26,929)	-11%
TAX	(30,313)	(71,010)	134%	(11,225)	(29,807)	166%
FX	(33,739)	4,746	-	(10,903)	4,985	-
None recurring transactions	0	73,145	114%	0	0	146%
Net Profit before minority	559,630	726,794	30%	182,312	190,696	5%
Minority	(9,830)	(28,733)	-	(2,010)	434	-
Net Profit after Minority	549,799	698,061	192%	180,302	191,130	122%
			27%			6%

El Sewedy Electric
Consolidated Financial Statements
Balance Sheet
000's LE

	31-12-09	30-09-10
Fixed Assets	3,728,647	3,792,465
Investments	372,688	25,670
Other Long term Assets & Goodwill	524,281	460,401
Total Long Term Assets	4,625,616	4,278,536
Inventories	2,779,135	3,527,733
Receivables	2,655,520	4,149,322
Due from related parties	275,653	270,845
Cash & Cash Equivalents	1,026,687	1,095,088
Total Current Assets	6,736,996	9,042,989
Bank Overdraft & Short term Loans	3,624,387	4,509,937
Accounts Payable	1,760,111	2,043,248
Due to affiliates	54,773	147,712
Provisions	94,697	95,196
Total Current Liabilities	5,533,967	6,796,093
Working Capital	1,203,029	2,246,896
Total Investments	5,828,645	6,525,432
Issued & Paid up Capital	1,322,000	1,718,600
Negative goodwill	578,909	578,909
Retained Earnings	1,724,344	2,418,202
Net profit of the period	633,595	698,060
Other	(46,980)	(553,448)
Minority Interest	371,774	370,202
Total Equity	4,583,641	5,230,526
Long term loans	988,583	1,096,766
other long term liabilities	256,422	198,140
Total Long term liabilities	1,245,004	1,294,907