

Earnings Release: El Sewedy Electric Reports Consolidated Results for FY 2010, ended December 31st, 2010.

April 6th 2011, Cairo-Egypt.

El Sewedy Electric Recorded Double Digit Growth in Revenues, Gross Profit and EBITDA for FY 2010, with Net Income reaching LE 795.5 million.

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 its consolidated financial results for the fiscal year ended Dec 31st 2010.

- Consolidated revenues grew 39% to reach LE 12,902 million for FY 2010, versus LE 9,291 in FY 2009. Revenues for Q4 2010 were LE 3,690 million, 14% higher than Q3 2010 and 49% higher than Q4 2009.
- Gross profit increased 29% to reach LE 1,988 million during FY 2010, versus LE 1,543 million in FY 2009. During Q4 2010, gross profit was LE 494 million, a slight increase of 1% from Q3 2010, and 22% higher than Q4 2009.
- EBITDA rose 35% to LE 1,366 million in FY 2010, versus LE 1,012 million in FY 2009. EBITDA for Q4 2010 was LE 261 million, 18% lower than Q3 2010 and 21% higher than Q4 2009.
- Net profit after Minority Interest increased 26% to reach LE 795.5 million in FY 2010 versus LE 633.6 million for FY 2009. Net profit after minority interest in Q4 2010 stood at LE 97 million.

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FY 2010 Consolidated Results Highlights

LE (000)'s	2010	2009	%	Q4 2010	Q3 2010	%
Revenue	12,902,020	9,290,742	39%	3,690,470	3,225,944	14%
Gross Profit	1,987,830	1,543,314	29%	494,004	488,324	1%
Gross Profit Margin	15%	17%		13%	15%	
EBITDA	1,366,317	1,012,973	35%	261,327	316,936	-18%
EBITDA Margin	11%	11%		7%	10%	
Net Income After Minority	795,529	633,595	26%	97,469	191,130	-49%

- It is important to note that during 2010 we wrote off an amount of LE 106 million which was due to be paid to El Sewedy Electric by the Ministry of Trade and Industry. This was basically an export subsidy for the Egyptian cables manufacturers during 2009 to be collected during 2010. Given the current situation it is doubtful that this amount due to El Sewedy Electric will be paid, which is the reason we chose to write it off during 2010.
- This impacted FY 2010 Net Profit which would have been LE 106 million higher without the write-off, in addition to Q4 2010 which would have been LE 59 million higher. Q3 2010 and Q1 2010 were impacted by LE 34 million and LE 13 million respectively.
- Q4 Net Profit was also affected as a result of an increase in taxes, which should have been partially recognized in earlier quarters. The effective tax rate for the Company during FY 2010 is 10%.

Summary of Revenues by Segment

LE (000)'s	2010	2009	%	Q4 2010	Q3 2010	%
Wire & Cables	9,802,879	7,437,595	32%	2,431,686	2,498,651	-3%
Turn Key Projects	1,690,100	859,987	97%	726,674	410,346	77%
Meters	612,518	598,644	2%	198,714	191,447	4%
Transformers	412,268	259,562	59%	154,915	70,933	118%
Other electrical products	384,255	134,954	185%	178,481	54,567	227%
Total	12,902,020	9,290,742	39%	3,690,470	3,225,944	14%

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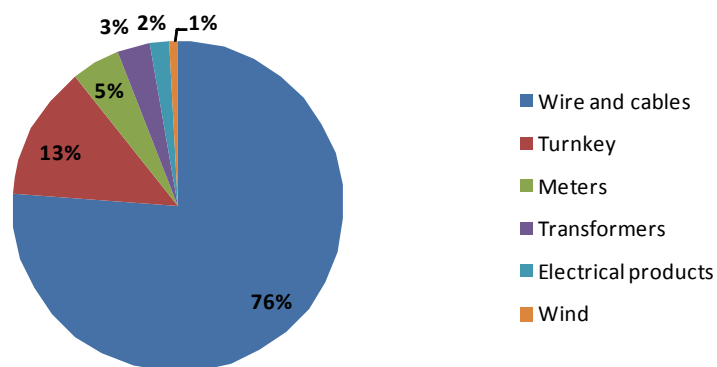
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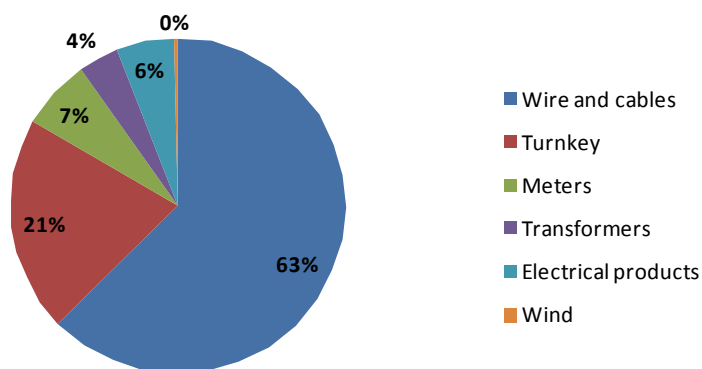
2010 Revenue By Segment



Summary of Gross Profit by Segment

LE (000)'s	2010	2009	%	Q4 2010	Q3 2010	%
Wire & Cables	1,245,260	987,965	26%	248,807	308,076	-19%
Turn Key Projects	412,942	327,132	26%	149,106	108,674	37%
Meters	134,302	119,064	13%	46,507	45,221	3%
Transformers	76,737	42,354	81%	27,572	8,527	223%
Other electrical products	118,589	66,799	78%	22,012	17,826	23%
Total	1,987,830	1,543,314	29%	494,004	488,324	1%

2010 Gross Profit By Segment



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Wires & Cables Segment

Wires & Cables segment revenues increased 32% to reach LE 9,803 million in FY 2010 versus LE 7,438 million in FY 2009.

Gross profit in FY 2010 increased 26% to reach LE 1,245 million versus LE 988 million in the FY 2009.

In terms of volumes, the segment sold 150,964 tons of cables in FY 2010 versus 135,415 in FY 2009, an increase of 11%. Gross profit per ton increased 2% in FY2010 to reach LE 5,916 per ton versus LE 5,773 during FY 2009.

Wire & Cables Segment Financial Highlights

LE (000)'s	2010	2009	%	Q4 2010	Q3 2010	%
Revenues LE (000)'s	9,802,879	7,437,595	32%	2,431,686	2,498,651	-3%
Gross Profit LE (000)'s	1,245,260	987,965	26%	248,807	308,076	-19%
Gross Profit Margin	12.7%	13.3%		10.2%	12.3%	

Turnkey Projects

Our Turnkey and Contracting business recorded a stellar performance this year with revenues increasing 97% to reach LE 1,690 million in FY 2010 versus LE 860 million in FY 2009. Gross profit in FY 2010 was LE 413 million versus LE 327 million in FY 2009, an increase of 26%. EBITDA increased 21% to reach 342 million in FY 2010 versus LE 282 million in FY 2009.

The substantial increase in revenues was mainly the result of the execution of EPC contracts in Egypt and Africa (mainly Zambia, Ethiopia and Mozambique.) The drop in gross profit margin from 34% in 2009 to 24% in 2010 is mainly a result of the more competitive environment in Egypt, which in 2009 did not contribute substantially to revenues. Going forward we believe that the 25% gross profit margin is more realistic and in line with the current environment.

Backlog as of December 31st, 2010 stood at LE 3 billion.

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Meters Segment

Revenues from the meters segment reached LE 613 million in FY 2010 versus LE 599 million in FY 2009. Gross profit however reached LE 134 Million in FY 2010 an increase of 13% from FY 2009 which stood at LE 119 million.

Meters Segment Financial Highlights

LE (000)'s	2010	2009	%	Q4 2010	Q3 2010	%
Revenues LE (000)'s	612,518	598,644	2%	198,714	191,447	4%
Gross Profit LE (000)'s	134,302	119,064	13%	46,507	45,221	3%
Sales Volumes (meters)	2,853,060	2,024,345	41%	911,809	881,011	3%
Gross profit per meter LE	47	59	-20%	51	51	-1%
Gross Profit Margin	21.9%	19.9%		23.4%	23.6%	

Transformers Segment

Revenues from the transformers segment increased substantially to reach LE 412 million during FY 2010 versus LE 260 million in FY 2009, an increase of 59%.

Gross profit in FY 2010 increased 81% to reach LE 77 million versus LE 42 million in the FY 2009. The improved performance in this segment is mainly a result of receiving the proper certification from KEMA. This approval enabled us to significantly increase sales in addition to improving the gross profit margin in FY 2010 to 18.6%.

Transformers Segment Financial Highlights

LE (000)'s	2010	2009	%	Q4 2010	Q3 2010	%
Revenues LE (000)'s	412,268	259,562	59%	154,915	70,935	118%
Gross Profit LE (000)'s	76,737	42,354	81%	27,572	8,527	223%
Sales Volumes (MVA)	3,815	2,353	62%	1,403	757	85%
Gross profit per MVA LE	20,128	18,764	7%	19,636	11,351	73%
Gross Profit Margin	18.6%	16.3%		17.8%	12.0%	

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Other Electrical Products

During 2010, we saw a marked improvement in revenues and gross profit, with revenues and gross profit increasing 185% and 78% respectively. The main reason for the increase is increased sales in fiber glass poles in both Egypt and Ghana and a significant increase in the sale of insulators in Egypt.

Wind Energy Segment

During 2010, we realized LE 120.5 million of revenue, mainly during the last quarter. This was the first installment of the Libya EPC contract. We shipped 8 turbines to Libya and the balance of the contract (29 turbines-68million euro) looks likely to be postponed until the situation in Libya stabilizes.

It is worth mentioning that we are currently negotiating other potential EPC contracts in the wind sector for Europe and Africa. In addition, Egypt has committed to install 7,000 megawatt of renewable energy by 2020, of which we have been shortlisted for the first 250 megawatt tender. However, with the certain turn of events in Egypt we are uncertain of the timing of this project. We remain cautiously optimistic in our ability to generate additional income in this sector during 2011.

Net Debt

Net debt increased by 19% on December 31st, 2010 to reach 4,268 million versus 3,586 in December 31st, 2009 due to the increase in working capital for the following reasons:

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

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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**

	2010	2009	Q4-10	Q3-10
Sales	12,902,020,387	9,290,741,956	3,690,469,927	3,225,943,881
COGS	(10,914,190,218)	(7,747,428,129)	(3,196,465,913)	(2,737,620,251)
Gross Profit	1,987,830,168	1,543,313,827	494,004,014	488,323,630
Gross Profit Margin	15.4%	16.6%	13.4%	15.1%
SG & A	(851,159,144)	(729,780,961)	(221,405,985)	(213,587,312)
Other Operating Income	139,443,947	102,630,052	22,811,585	17,500,831
Other Operating Expenses	(188,883,484)	(95,369,067)	(110,054,266)	(46,758,481)
Depreciation *	279,085,878	192,179,601	75,971,996	71,457,547
EBITDA	1,366,317,365	1,012,973,452	261,327,345	316,936,216
EBITDA Margin	10.6%	10.9%	7.1%	9.8%
Depreciation *	(279,085,878)	(192,179,601)	(75,971,996)	(71,457,547)
Fx Gain	(12,717,369)	(37,260,082)	(17,463,450)	(10,786,983)
Provisions	(3,257,001)	22,919,736	(1,295,269)	(3,031,635)
Gains from debt extinguishment	-	-	-	-
EBIT	1,071,257,118	806,453,505	166,596,630	231,660,051
Interest Expense	(220,797,854)	(195,310,424)	(74,490,571)	(27,808,487)
Interest Income	57,319,589	53,361,814	17,869,051	16,650,971
EBT	907,778,853	664,504,894	109,975,109	220,502,534
Tax	(91,142,132)	(33,773,257)	(20,131,912)	(29,806,517)
Net Income	816,636,721	630,731,638	89,843,198	190,696,017
Return On Sales	6.3%	6.8%	2.4%	5.9%
Reported Net Income	816,636,721	630,731,638	89,843,198	190,696,017
Minority Interest	(21,107,572)	2,862,968	7,625,594	433,752
Net Income After Minority Interest	795,529,149	633,594,606	97,468,792	191,129,770

* for the purpose of calculating EBITDA

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

	12/31/2010	12/31/2009
Fixed Assets	3,814,071	3,728,647
Investments	25,753	372,688
Other Long term Assets & Goodwill	437,335	524,281
Total Long Term Assets	4,277,159	4,625,616
Inventories	3,699,614	2,779,135
Receivables	4,114,969	2,655,520
Due from related parties	283,312	275,653
Cash & Cash Equivalents	1,569,112	1,026,687
Total Current Assets	9,667,007	6,736,996
Bank Overdraft & Short term Loans	4,765,411	3,624,387
Accounts Payable	2,316,105	1,760,111
Due to affiliates	156,313	54,773
Provisions	71,806	94,697
Total Current Liabilities	7,309,634	5,533,967
Working Capital	2,357,373	1,203,029
Total Investments	6,634,532	5,828,645
Total Equity	5,341,312	4,583,641
Long term loans	1,073,036	988,583
other long term liabilities	220,184	256,422
Total Long term liabilities	1,293,220	1,245,004

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