

Earnings Release: ELSEWEDY ELECTRIC Reports Consolidated Results for Full year 2014 ended December 31st, 2014.

March 30th, 2015

Cairo- Egypt.

EISEWEDY ELECTRIC Posts FY 2014 Net Profit after Minority of EGP 403 million, on Total Group Revenues of EGP 17 Billion.

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 Full year 2014 ended December 31st, 2014.

Q4 2014 versus Q4 2013

- Consolidated revenues in Q4 2014 increased by 9% to reach EGP 4.2 billion versus EGP 3.9 billion in Q4 2013.
- Gross profit in Q4 2014 increased by 54% to reach EGP 598 million versus EGP 388 million in Q4 2013.
- EBITDA in Q4 2014 increased by 372% to reach EGP 482 million versus EGP 102 million in Q4 2013.
- Net profit after Minority reached EGP 93 million during Q4 2014 versus EGP -94 million during Q4 2013.

FY 2014 versus FY 2013

- Consolidated revenues increased by 13% to reach EGP 17 billion for FY 2014, versus EGP 15.1 billion in FY 2013.
- Gross profit increased by 25% to reach EGP 2,583 million during FY 2014, versus EGP 2,065 million in FY 2013.
- EBITDA increased by 27% to reach EGP 1,502 million in FY 2014, versus EGP 1,182 million in FY 2013. Normalized FY 2014 EBITDA stands at EGP 1,870 million.
- Net profit after Minority Interest increased by 318% reaching EGP 403 million in FY 2014 versus EGP 97 million for FY 2013. Normalized net profit after minority stands at EGP 771 million.

• **Consolidated Results Highlights**

LE (000)'s	Q4-2014	Q4-2013	% Change	FY-2014	FY-2013	% Change
Revenue	4,201,916	3,859,825	9%	17,014,814	15,098,993	13%
Gross Profit	598,059	388,093	54%	2,583,062	2,064,876	25%
Gross Profit Margin	14%	10%		15%	14%	
EBITDA	481,573	102,100	372%	1,502,260	1,182,215	27%
EBITDA Margin	11%	3%		9%	8%	
Net Income After Minority	92,914	-93,792	NA	403,300	96,502	318%
Net Income After Minority Margin	2%	-2%		2%	1%	

Segment Analysis Q4 2014 versus Q4 2013

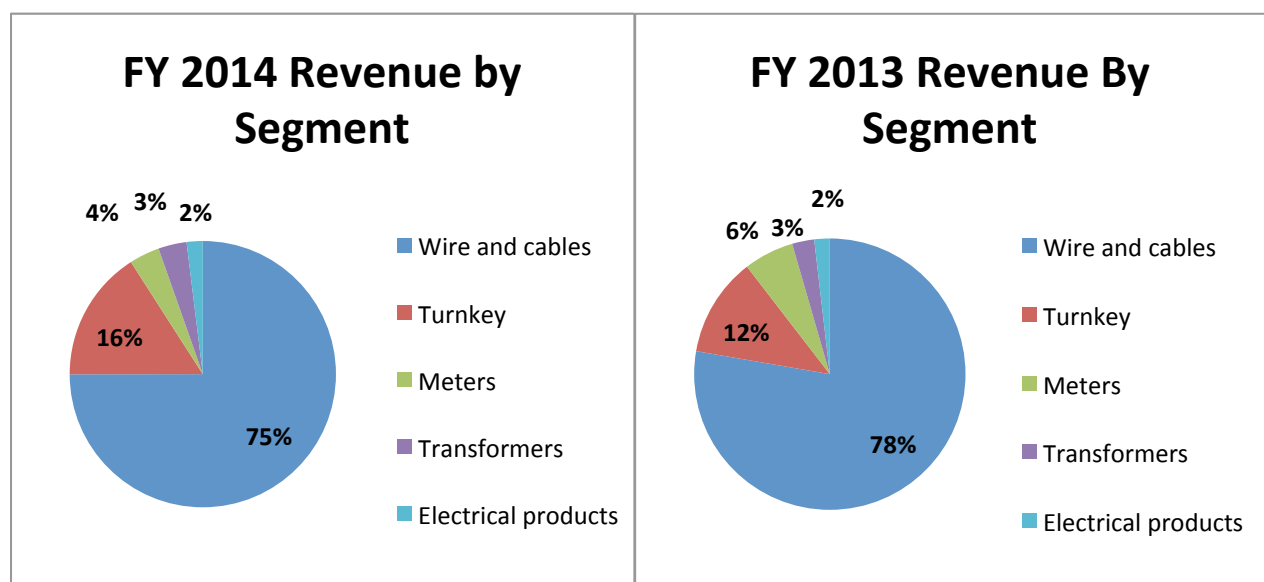
- Revenues in Q4 2014 increased by 9% to reach EGP 4.2 billion versus EGP 3.9 billion in Q4 2013. The Wire and Cable segment achieved revenues of EGP 3,249 million in Q4 2014, 11% higher than Q4 2013. Turnkey revenues in Q4 2014 were 5% lower than Q4 2013 reaching EGP 592 million. Meters revenues decreased by 23% reaching EGP 131 million, whilst transformers revenues surged by 94% reaching EGP 121 million. Electrical Products revenues increased by 55% to reach EGP 109 million.
- Gross Profit increased by 54% to reach EGP 598 million in Q4 2014 versus EGP 388 million in Q4 2013. The gross profit in the Wire and Cable segment increased by 9% in Q4 2014 versus Q4 2013, (EGP 369 million versus EGP 339 million). Turnkey gross profit surged by 486% in Q4 2014 to reach EGP 113 million versus EGP 19 million in Q4 2013. The Meters division gross profit decreased by 22% in Q4 2014 to reach EGP 33 million whilst the transformers division gross profit increased by 77% in Q4 2014 to reach EGP 31 million. Electrical products' (includes wind) gross profit stood at EGP 51 million in Q4 2014.

Segment Analysis FY 2014 versus FY 2013

- Revenue during FY 2014 increased by 13% versus FY 2013 reaching EGP 17 billion. The Wire and Cables revenues increased by 9% to reach EGP 12,757 million. Turnkey revenues increased by 52% during FY 2014 reaching EGP 2,713 million. Transformers revenue increased by 47% during FY 2014 reaching EGP 586 million, whilst Meters revenues decreased 30% to reach EGP 627 million. Electrical products' revenues increased by 19% to reach EGP 332 million.
- Gross profit during FY 2014 witnessed a 25% increase to reach EGP 2,583 million. The Wire and Cables gross profit increased by 25% to reach EGP 1,763 million. Turnkey gross profit was 58% higher during FY 2014 reaching EGP 400 million. Transformers gross profit increased by 22% reaching EGP 118 million whilst meters gross profit decreased by 19% to reach EGP 210 million. Electrical products' (including wind) gross profit decreased by 84% to reach EGP 92 million.

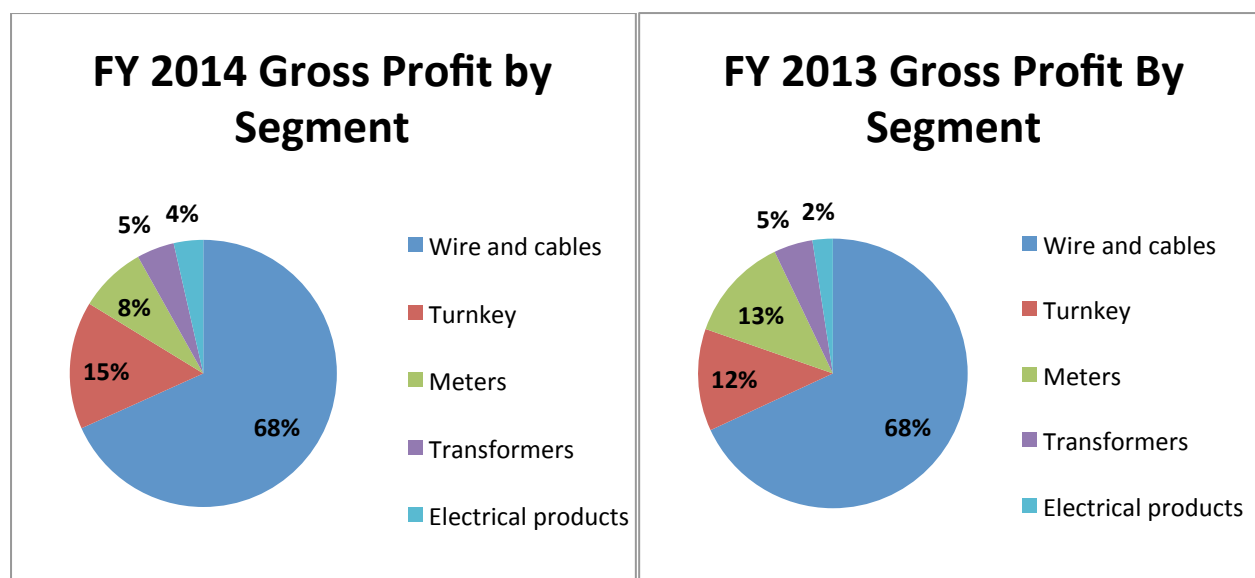
Summary of Revenues by Segment

LE (000)'s	Q4-2014	Q4-2013	% Change	FY-2014	FY-2013	% Change
Wire & Cables	3,249,412	2,932,492	11%	12,757,467	11,733,986	9%
Turn Key Projects	592,209	624,417	-5%	2,712,700	1,786,625	52%
Meters	130,736	170,548	-23%	626,925	901,987	-30%
Transformers	120,828	62,177	94%	585,732	398,024	47%
Other electrical products	108,731	70,190	55%	331,990	278,371	19%
Total	4,201,916	3,859,825	9%	17,014,814	15,098,993	13%



Summary of Gross Profit by Segment

LE (000)'s	Q4-2014	Q4-2013	% Change	FY-2014	FY-2013	% Change
Wire & Cables	369,465	339,406	9%	1,763,395	1,405,938	25%
Turn Key Projects	113,417	19,349	486%	399,530	253,104	58%
Meters	32,803	41,891	-22%	210,284	259,196	-19%
Transformers	31,207	17,652	77%	117,609	96,383	22%
Other electrical products	51,167	-30,205	-269%	92,243	50,254	84%
Total	598,059	388,093	54%	2,583,062	2,064,876	25%



Wires & Cables Segment

Wires & Cables segment revenues increased by 9% to reach EGP 12,757 million in FY 2014 versus EGP 11,734 million in FY 2013. Gross profit in FY 2014 increased by 25% to reach EGP 1,763 million versus EGP 1,406 million in FY 2013. Gross profit margin reached 13.8% in FY 2014 versus 12% in FY 2013.

In terms of volumes, the segment sold 178,710 tons of cables in FY 2014 versus 159,079 tons in FY 2013, an increase of 12%. There was also a 30% improvement in gross profit per ton, which averaged EGP 8,457 in FY 2014 versus EGP 6,497 in FY 2013.

Volumes in the Egyptian operations were 22% higher in FY 2014 versus FY 2013 with the main increase in volumes coming from the local market. Exports from Egypt were also higher with the largest increase driven by exports to the GCC. The Algerian operations continued to improve, with volumes increasing 14% in FY 2014 versus FY 2013. Volumes in KSA were 6% higher for the FY 2014, whilst Doha Cables' volumes were flat.

Wire & Cables Segment Financial Highlights

	Q4-2014	Q4-2013	% Change	FY-2014	FY-2013	% Change
Revenues EGP (000)'s	3,249,412	2,932,492	11%	12,757,467	11,733,986	9%
Gross Profit EGP (000)'s	369,465	339,406	9%	1,763,395	1,405,938	25%
Cables Sales Volumes (tons)	44,614	40,585	10%	178,710	159,079	12%
Cables Sales Volumes (Tons) Proportionate*	40,781	36,039	13%	164,340	144,363	14%
Cables Gross profit per ton EGP	7,390	7,163	3%	8,457	6,497	30%
Gross Profit Margin	11.4%	11.6%		13.8%	12.0%	

*includes the proportionate tonnage for Doha Cables

Turnkey Projects

Turnkey revenues witnessed 52% increase, reaching EGP 2,713 million in FY 2014 versus EGP 1,787 million during FY 2013. The increase in revenues in this segment is mainly from an increase in revenues realized from the power generation project in Iraq, in addition to the supply of turbines for Libya 60 MW wind project as well as increase in execution of the projects in Egypt, Kuwait, Arbil and Ghana. Gross profit increased by 58% to reach EGP 400 million in FY 2014 versus EGP 253 million in FY 2013, Gross profit margin increased from 14% in FY 2013 to 15% in FY 2014.

Turnkey backlog as of December 31st, 2014 stands at EGP 9.8 billion. The recently awarded power generation contracts in Egypt of 980 MW (Attaqa and Mahmoudia) of USD 706 million more than doubled the existing backlog. Of the backlog Egypt now represents 72%, Sub Saharan Africa 6% and the GCC and Middle East 22%.

Meters Segment

Revenues from the meters segment decreased by 30% in FY 2014 versus FY 2013 to reach EGP 627 million versus EGP 902 million in FY 2013. Europe is still the main contributor to the sales in this segment, however KSA, UAE, Egypt and Zambia are also key markets for the business. Gross profit decreased by 19% to reach EGP 210 million in FY 2014 versus 259 million in FY 2013.

Meters backlog as of December 31st, 2014 stands at Euros 32 million.

Meters Segment Financial Highlights

	Q4-2014	Q4-2013	% Change	FY-2014	FY-2013	% Change
Revenues EGP (000)'s	130,736	170,548	-23%	626,925	901,987	-30%
Gross Profit EGP (000)'s	32,803	41,891	-22%	210,284	259,196	-19%
Sales Volumes (meters)	407,842	492,593	-17%	2,082,053	2,675,002	-22%
Gross profit per meter EGP	84	94	-11%	102	97	5%
Gross Profit Margin	25.1%	24.6%		33.5%	28.7%	

Transformers Segment

Revenues from the transformers segment increased 47% in FY 2014 versus FY 2013 to reach EGP 586 million, whilst gross profit increased by 22% to reach EGP 118 million in FY 2014.

The Egyptian operations continue to do well with both revenues and gross profit witnessing double-digit growth for the FY 2014. Revenues in Sudan were also 42% higher in FY 2014 versus FY 2013. Zambia revenues were flat for the FY 2014.

As at December 31st, 2014 the backlog in the transformers segment stood at USD 35 million.

Transformers Segment Financial Highlights

	Q4-2014	Q4-2013	% Change	FY-2014	FY-2013	% Change
Revenues EGP (000)'s	120,828	62,177	94%	585,732	398,024	47%
Gross Profit EGP (000)'s	31,207	17,652	77%	117,609	96,383	22%
Sales Volumes (MVA)	889	378	135%	4,800	3,658	31%
Gross profit per MVA EGP	60,215	46,667	29%	28,661	26,347	9%
Gross Profit Margin	25.8%	28.4%		20.1%	24.2%	

Other Electrical Products

Revenues from the Electrical products segment increased by 19% in FY 2014 versus FY 2013, to reach EGP 332 million, while gross profit increased by 84 % to reach EGP 92 million.

Selling General and Administrative Expenses

SG&A as a % of sales improved to reach 6% in FY 2014 versus 7 % in FY 2013.

Net Interest Expense

Net Interest expense declined by approximately 50% in FY 2014, reaching EGP 203 million versus EGP 410 million in FY 2013. Most notable reduction in interest expense was from the Egyptian operations as a result of both an improvement in the cash conversion cycle in addition to the shifting of most of the debt from EGP to USD.

Foreign Exchange

Foreign exchange losses increased in 2014, reaching EGP 76 million, mainly from the Egyptian and Algerian operations as a result of the devaluation in both the EGP and the Algerian Dinar.

Taxes

Given the new pending tax law related to dividends that was issued recently, the Company provisioned for an additional EGP 67 million of taxes in 2014.

Net Debt

Net debt as of December 31st, 2014 decreased by 11% to reach EGP 2,966 million versus EGP 3,344 million as of September 30th, 2014. Inventory decreased by 16% to reach EGP 3.3 billion as of December 31st, 2014 (85 DOH) versus EGP 4 billion as of September 30th (101 DOH). Account receivables increased by 4% to reached EGP 4 billion as of December 31st (86 DOH) versus EGP 3.8 billion as of September 30th (84 DOH). Payables decreased by 8% to reach EGP 1.4 billion as of December 31st 2014 (36 DOH) versus EGP 1.6 billion as of September 30th (40 DOH). Total cash conversion cycle decreased to 134 DOH as of December 31st 2014 versus 146 DOH as of September 30th 2014.

ELSEWEDY ELECTRIC
Consolidated Financial Statements
Income Statement

L.E	Q4-2014	Q4-2013	FY-2014	FY-2013
Sales				
Wires & Cables	3,249,412,437	2,932,492,115	12,757,466,760	11,733,985,741
Electrical Products	360,294,907	302,915,762	1,544,647,324	1,578,382,507
Turnkey Projects	592,208,595	624,417,134	2,712,700,291	1,786,624,669
Total Sales	4,201,915,939	3,859,825,011	17,014,814,372	15,098,992,917
COGS	(3,603,856,574)	(3,471,732,051)	(14,431,752,278)	(13,034,117,023)
Gross Profit	598,059,365	388,092,960	2,583,062,094	2,064,875,894
Gross Profit Margin	14.2%	10.1%	15.2%	13.7%
SG & A	(276,573,589)	(304,255,548)	(1,052,201,982)	(1,062,912,958)
Other Operating Income	26,331,862	31,077,459	91,526,325	78,416,332
Other Operating Expense	28,513,515	(116,522,929)	(506,346,320)	(285,337,064)
Other Operating Income/ (Expenses)	54,845,377	(85,445,470)	(414,819,995)	(206,920,732)
EBITDA	481,572,934	102,099,754	1,502,259,551	1,182,215,142
EBITDA Margin	11.5%	2.6%	8.8%	7.8%
Depreciation & Amortization	(105,241,781)	(103,707,811)	(386,219,435)	(387,172,938)
Fx Gain / (Loss)	(108,108,887)	32,099,455	(75,993,003)	(11,390,697)
Provisions	(21,965,660)	(16,296,823)	(124,725,180)	(132,744,721)
EBIT	246,256,605	14,194,575	915,321,934	650,906,785
Interest Expense	(73,259,620)	(112,748,797)	(264,094,008)	(434,721,035)
Interest Income	25,106,587	9,802,994	60,597,627	24,417,366
Interest Income / (Expenses)	(48,153,033)	(102,945,803)	(203,496,381)	(410,303,669)
EBT	198,103,572	(88,751,228)	711,825,553	240,603,116
Tax	(86,869,341)	(2,393,024)	(266,713,645)	(106,074,477)
Net Income	111,234,230	(91,144,252)	445,111,908	134,528,643
Minority Interest	(18,319,859)	(2,647,754)	(41,811,418)	(38,026,848)
Net Income After Minority Interest	92,914,372	(93,792,006)	403,300,490	96,501,795

**ELSEWEDY ELECTRIC
Consolidated Financial Statements
Balance Sheet**

L.E	31-03-14	30-06-14	30-09-14	31-12-14
Assets				
Fixed Assets	3,302,369,051	3,180,465,322	3,085,259,802	3,121,801,039
Investments	23,444,082	23,582,548	51,273,173	43,715,623
Other long term Assets & Good will	187,974,896	184,779,122	166,627,922	173,361,680
Total Long term Assets	3,513,788,029	3,388,826,993	3,303,160,897	3,338,878,342
Inventories	3,203,412,162	3,964,448,499	3,969,970,224	3,343,933,055
Receivables	4,456,290,141	4,371,580,693	3,827,468,403	3,988,300,921
Other Debt balance	1,294,962,293	1,216,807,670	1,506,651,743	1,284,075,643
Due from Related Parties	203,985,677	355,749,433	463,594,694	358,402,481
Cash & Cash Equivalents	1,578,909,178	1,945,068,439	1,933,690,932	1,597,610,616
Total Current Assets	10,737,559,450	11,853,654,733	11,701,375,996	10,572,322,716
Bank Overdraft & Short Term loans	4,405,409,388	4,918,251,839	4,897,092,048	4,278,293,304
Accounts Payable	1,452,074,148	1,487,334,790	1,551,843,802	1,427,475,437
Other Credit balance	1,997,647,735	2,352,759,319	1,923,857,586	1,467,213,989
Due to Affiliates	176,283,261	197,789,161	181,749,739	163,193,948
Provisions	248,730,882	228,371,941	304,231,562	310,917,016
Total Current Liabilities	8,280,145,415	9,184,507,050	8,858,774,737	7,647,093,694
Working Capital	2,457,414,035	2,669,147,682	2,842,601,259	2,925,229,022
Total Investments	5,971,202,064	6,057,974,675	6,145,762,156	6,264,107,364
Issued and Paid Capital	2,234,180,000	2,234,180,000	2,234,180,000	2,234,180,000
Retained Earnings	1,988,833,580	1,973,344,144	1,945,464,832	1,982,749,739
Net Profit of the year	105,081,480	215,034,750	310,386,122	403,300,493
Others	1,115,363,652	1,131,110,114	1,071,488,908	1,113,834,105
Total Equity	5,443,458,712	5,553,669,002	5,561,519,862	5,734,064,334
Long Term Loans	358,972,469	353,353,906	381,035,279	285,199,434
Other long term Liabilities	168,770,884	150,951,754	203,207,014	244,843,596
Total long term Liabilities	527,743,353	504,305,660	584,242,294	530,043,030
Total long term Liabilities & Equity	5,971,202,061	6,057,974,675	6,145,762,156	6,264,107,364

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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