

Earnings Release: ELSEWEDY ELECTRIC Reports Consolidated Results for Q1 2015 ended March 31st, 2015.

June 9th, 2015

Cairo- Egypt.

EISEWEDY ELECTRIC Posts Q1 2015 Net Profit after Minority of EGP 239 million, on Total Group Revenues of EGP 4 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 Q1 2015 ended March 31st, 2015.

Q1 2015 versus Q1 2014

- Consolidated revenues in Q1 2015 decreased by 8% to reach EGP 4.0 billion versus EGP 4.3 billion in Q1 2014.
- Gross profit in Q1 2015 decreased by 9% to reach EGP 556 million versus EGP 613 million in Q1 2014.
- EBITDA in Q1 2015 increased by 45% to reach EGP 439 million versus EGP 302 million in Q1 2014.
- Net profit after Minority reached EGP 239 million during Q1 2015 versus EGP 105 million during Q1 2014.

Q1 2015 versus Q4 2014

- Consolidated revenues decreased by 5% to reach EGP 4.0 billion for Q1 2015, versus EGP 4.2 billion in Q4 2014.
- Gross profit decreased by 7% to reach EGP 556 million during Q1 2015, versus EGP 598 million in Q4 2014.
- EBITDA decreased by 5% to reach EGP 439 million in Q1 2015, versus EGP 460 million in Q4 2014.
- Net profit after Minority Interest increased by 157% reaching EGP 239 million in Q1 2015 versus EGP 93 million for Q4 2014.

• **Consolidated Results Highlights**

LE (000)'s	Q1-2015	Q1-2014	% Change	Q1-2015	Q4-2014	% Change
Revenue	3,980,697	4,342,902	-8%	3,980,697	4,201,916	-5%
Gross Profit	556,333	613,381	-9%	556,333	598,059	-7%
Gross Profit Margin	14%	14%		14%	14%	
EBITDA	438,813	302,105	45%	438,813	459,607	-5%
EBITDA Margin	11%	7%		11%	11%	
Net Income After Minority	239,225	105,081	128%	239,225	92,914	157%
Net Income After Minority Margin	6%	2%		6%	2%	

Segment Analysis Q1 2015 versus Q1 2014

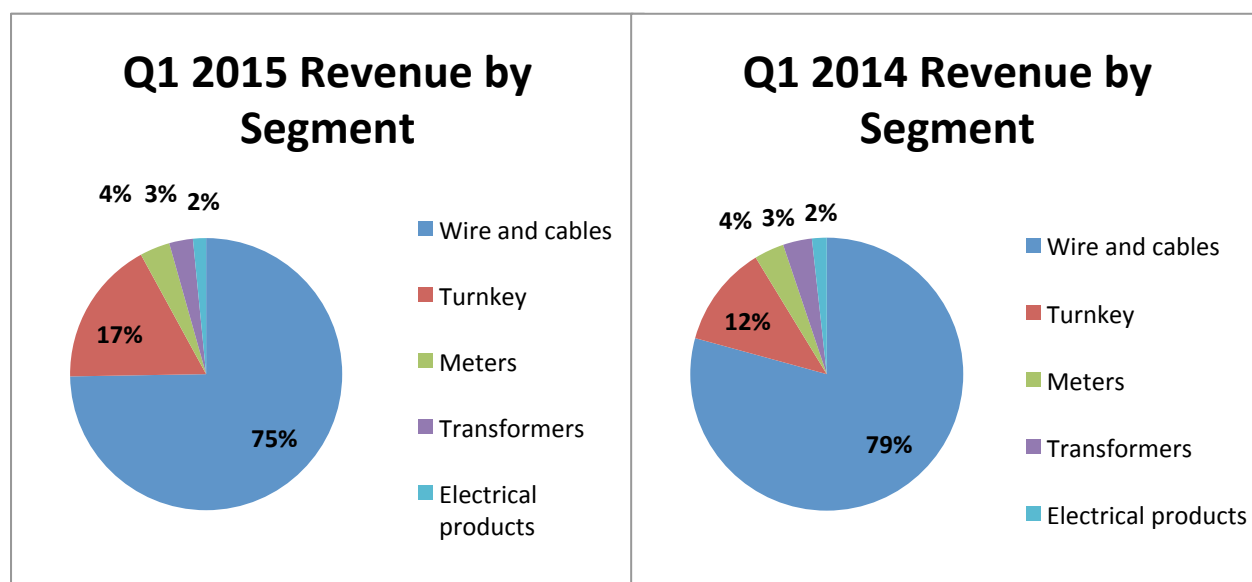
- Revenues in Q1 2015 decreased by 8% to reach EGP 4.0 billion versus EGP 4.3 billion in Q1 2014. The Wire and Cable segment achieved revenues of EGP 2,975 million in Q1 2015, 14% lower than Q1 2014. Turnkey revenues in Q1 2015 were 32% higher than Q1 2014 reaching EGP 689 million. Meters revenues decreased by 7% reaching EGP 142 million, whilst transformers revenues decreased by 25% reaching EGP 112 million. Electrical Products revenues decreased by 18% to reach EGP 62 million.
- Gross Profit decreased by 9% to reach EGP 556 million in Q1 2015 versus EGP 613 million in Q1 2014. The gross profit in the Wire and Cable segment decreased by 22% in Q1 2015 versus Q1 2014, (EGP 354 million versus EGP 452 million). Turnkey gross profit increased by 15% in Q1 2015 to reach EGP 88 million versus EGP 77 million in Q1 2014. The Meters division gross profit decreased by 5% in Q1 2015 to reach EGP 45 million whilst the transformers division gross profit increased by 401% in Q1 2015 to reach EGP 39 million. Electrical products' (includes wind) gross profit stood at EGP 30 million in Q1 2015.

Segment Analysis Q1 2015 versus Q4 2014

- Revenue during Q1 2015 decreased by 5% versus Q4 2014 reaching EGP 4.0 billion. The Wire and Cables decreased by 8% to reach EGP 2,975 million. Turnkey revenues increased by 16% during Q1 2015 reaching EGP 689 million. Transformers revenue decreased by 7% during Q1 2015 reaching EGP 112 million, whilst Meters revenues increased by 9% to reach EGP 142 million. Electrical products' revenues decreased by 43% to reach EGP 62 million.
- Gross profit during Q1 2015 decreased by 7% to reach EGP 556 million. The Wire and Cables gross profit decreased by 4% to reach EGP 354 million. Turnkey gross profit was 22% lower during Q1 2015 reaching EGP 88 million. Transformers gross profit increased by 26% reaching EGP 39 million whilst meters gross profit increased by 37% to reach EGP 45 million. Electrical products' (including wind) gross profit decreased by 41% to reach EGP 30 million.

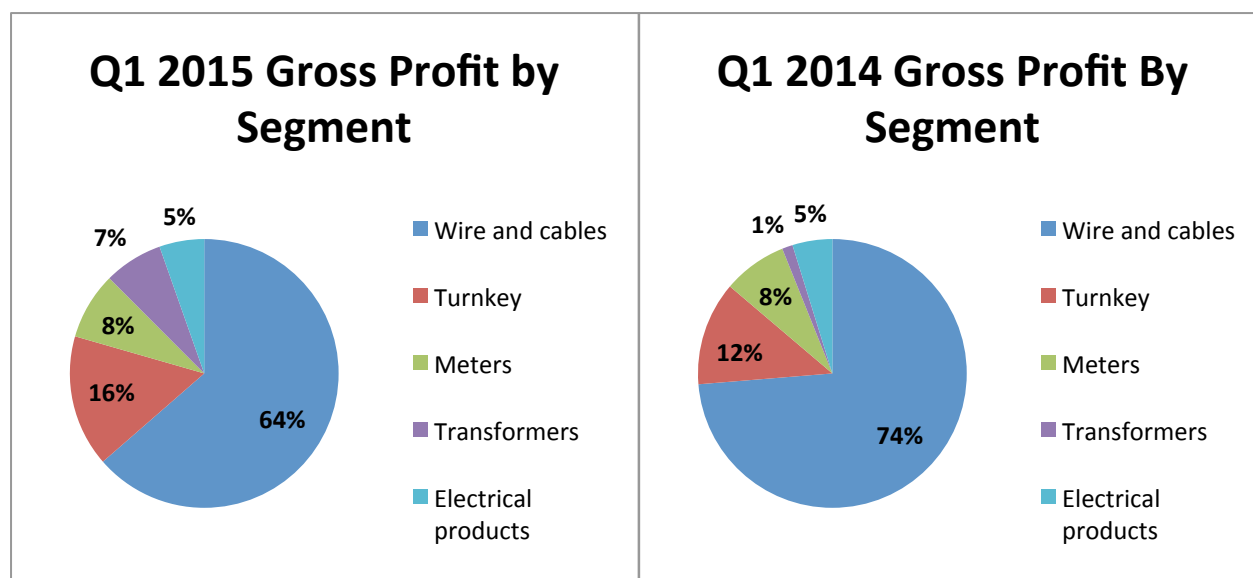
Summary of Revenues by Segment

LE (000)'s	Q1-2015	Q1-2014	% Change	Q1-2015	Q4-2014	% Change
Wire & Cables	2,975,015	3,441,865	-14%	2,975,015	3,249,412	-8%
Turn Key Projects	689,091	522,484	32%	689,091	592,209	16%
Meters	142,369	153,725	-7%	142,369	130,736	9%
Transformers	112,349	149,182	-25%	112,349	120,828	-7%
Other electrical products	61,873	75,645	-18%	61,873	108,731	-43%
Total	3,980,697	4,342,902	-8%	3,980,697	4,201,916	-5%



Summary of Gross Profit by Segment

LE (000)'s	Q1-2015	Q1-2014	% Change	Q1-2015	Q4-2014	% Change
Wire & Cables	353,809	452,129	-22%	353,809	369,465	-4%
Turn Key Projects	88,218	76,633	15%	88,218	113,417	-22%
Meters	44,909	47,333	-5%	44,909	32,803	37%
Transformers	39,380	7,859	401%	39,380	31,207	26%
Other electrical products	30,019	29,428	2%	30,019	51,167	-41%
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Total	556,333	613,381	-9%	556,333	598,059	-7%



Wires & Cables Segment

Wires & Cables segment revenues decreased by 14% to reach EGP 2,975 million in Q1 2015 versus EGP 3,442 million in Q1 2014. Gross profit in Q1 2015 decreased by 22% to reach EGP 354 million versus EGP 452 million in Q1 2014. Gross profit margin reached 11.9% in Q1 2015 versus 13.1% in Q1 2014.

In terms of volumes, the segment sold 45,503 tons of cables in Q1 2015 versus 48,938 tons in Q1 2014, a decrease of 7%. Gross profit per ton averaged EGP 6,275 in Q1 2015 versus EGP 7,509 in Q1 2014. The decline in gross profit per ton is mainly a result of a change in market mix in Egypt in addition to a drop in the Algerian operations profitability as a result of the devaluation of the currency.

Volumes in the Egyptian operations were 20% lower in Q1 2015 versus Q1 2014 with the main decrease in volumes coming from the export market, mainly a reduction in exports to the GCC. All the other operations saw a pickup in volumes with the exception of KSA in which volumes were 5% lower yoy.

Wire & Cables Segment Financial Highlights

	Q1-2015	Q1-2014	% Change	Q1-2015	Q4-2014	% Change
Revenues EGP (000)'s	2,975,015	3,441,865	-14%	2,975,015	3,249,412	-8%
Gross Profit EGP (000)'s	353,809	452,129	-22%	353,809	369,465	-4%
Cables Sales Volumes (tons)	45,503	48,938	-7%	45,503	44,614	2%
Cables Sales Volumes (Tons) Proportionate*	40,425	44,668	-9%	40,425	40,781	-1%
Cables Gross profit per ton EGP	6,275	7,509	-16%	6,275	7,390	-15%
Gross Profit Margin	11.9%	13.1%		11.9%	11.4%	

*includes the proportionate tonnage for Doha Cables

Turnkey Projects

Turnkey revenues witnessed a 32% increase, reaching EGP 689 million in Q1 2015 versus EGP 522 million during Q1 2014. Gross profit increased by 15% to reach EGP 88 million in Q1 2015 versus EGP 77 million in Q1 2014, Gross profit margin decreased from 15% in Q1 2014 to 13% in Q1 2015.

Turnkey backlog as of March 31st, 2015 stands at EGP 9.3 billion. Of the backlog Egypt now represents 75%, Sub Saharan Africa 6% and the GCC and Middle East 19%.

Elsewedy Electric as EPC contractor in power generation, independently and in consortiums, is connecting this year more than 1,500 MW of conventional and renewable energies in EGYPT, Iraq and Jordan including the ultra-fast track contract under EGYPT Fast Track Power Plan of which ELSEWEDY ELECTRIC achieved a world record for E-class power plants by connecting the first gas turbine generator package within 159 days from the contract signature date.

In addition on June 3rd 2015, Elsewedy electric announced the signing of a € 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 (Engineering, Procurement and Construction) basis, using the most advanced Siemens H-class gas turbines. ELSEWEDY ELECTRIC'S portion of the contract is EUR 785 million in addition to the site preparation works on a re-measured basis.

Meters Segment

Revenues from the meters segment decreased by 7% in Q1 2015 versus Q1 2014 to reach EGP 142 million versus EGP 154 million in Q1 2014. Europe is still the main contributor to the sales in this segment; Gross profit decreased by 5% to reach EGP 45 million in Q1 2015 versus 47 million in Q1 2014.

Meters backlog as of March 31st, 2015 stands at Euros 30.5 million.

Meters Segment Financial Highlights

	Q1-2015	Q1-2014	% Change	Q1-2015	Q4-2014	% Change
Revenues EGP (000)'s	142,369	153,725	-7%	142,369	130,736	9%
Gross Profit EGP (000)'s	44,909	47,333	-5%	44,909	32,803	37%
Sales Volumes (meters)	516,666	451,309	14%	516,666	407,842	27%
Gross profit per meter EGP	87	105	-17%	87	84	3%
Gross Profit Margin	31.5%	30.8%		31.5%	25.1%	

Transformers Segment

Revenues from the transformers segment decreased 25% in Q1 2015 versus Q1 2014 to reach EGP 112 million, however before intercompany eliminations revenues were actually 4.5% higher reaching EGP 156 million. Gross profit reached EGP 39 million in Q1 2015 and compared to Q1 2014 on a normalized basis (excluding the Nigeria impairment) is 10% higher.

The Egyptian operation continues to do well with both revenues and gross profit witnessing double-digit growth during Q1 2015. Revenues in Sudan were also 3% higher in Q1 2015 versus Q1 2014, whilst revenues in Zambia were lower.

As at March 31st, 2015 the backlog in the transformers segment stood at USD 40 million.

Transformers Segment Financial Highlights

	Q1-2015	Q1-2014	% Change	Q1-2015	Q4-2014	% Change
Revenues EGP (000)'s	112,349	149,182	-25%	112,349	120,828	-7%
Gross Profit EGP (000)'s	39,380	7,859	401%	39,380	31,207	26%
Sales Volumes (MVA)	1,099	1,168	-6%	1,099	889	24%
Gross profit per MVA EGP	35,838	6,726	433%	35,838	60,215	-40%
Gross Profit Margin	35.1%	5.3%		35.1%	25.8%	

Other Electrical Products

Revenues from the Electrical products segment decreased by 18% in Q1 2015 versus Q1 2014, to reach EGP 62 million, while gross profit remains flat at EGP 30 million.

Selling General and Administrative Expenses

SG&A as a % of sales improved to reach 5.4% in Q1 2015 versus 6.5% in Q1 2014.

Net Interest Expense

Net Interest expense declined by approximately 42% in Q1 2015, reaching EGP 34 million versus EGP 59 million in Q1 2014 mainly as a result of an increase in interest income from treasury bills.

Net Debt

Net debt as of March 31st, 2015 decreased by 38% to reach EGP 1,844 million versus EGP 2,966 million as of December 31st, 2014 as a result of a substantial increase in treasury bills. Inventory decreased by 4% to reach EGP 3.2 billion as of March 31st, 2015 (83 DOH) versus EGP 3.3 billion as of December 31st, 2014 (85 DOH). Account receivables increased by 13% to reached EGP 4.5 billion as of March 31st, 2015 (99 DOH) versus EGP 4.0 billion as of December 31st, 2014 (86 DOH). Payables remain flat at EGP 1.4 billion as of March 31st, 2015 (36 DOH) Total cash conversion cycle increased to 145 DOH as of March 31st, 2015 versus 134 DOH as of December 31st, 2014.

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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EISEWEDY ELECTRIC
Consolidated Financial Statements
Income Statement

L.E	Q1-2015	Q1-2014	Q1-2015	Q4-2014
Sales				
Wires & Cables	2,975,014,969	3,458,092,351	2,975,014,969	3,249,412,437
Electrical Products	316,591,366	362,325,049	316,591,366	360,294,907
Turnkey Projects	689,090,963	522,484,128	689,090,963	592,208,595
Total Sales	3,980,697,298	4,342,901,528	3,980,697,298	4,201,915,939
COGS	(3,424,364,177)	(3,729,520,956)	(3,424,364,177)	(3,603,856,574)
Gross Profit	556,333,121	613,380,572	556,333,121	598,059,365
Gross Profit Margin	14.0%	14.1%	14.0%	14.2%
SG & A	(214,859,484)	(283,884,440)	(214,859,484)	(276,573,589)
Other Operating Income	33,150,780	25,641,487	33,150,780	68,994,302
Other Operating Expense	(25,600,408)	(145,228,080)	(25,600,408)	(36,114,585)
Other Operating Income/ (Expenses)	7,550,372	(119,586,593)	7,550,372	32,879,716
EBITDA	438,812,707	302,105,115	438,812,707	459,607,274
EBITDA Margin	11.0%	7.0%	11.0%	10.9%
Depreciation & Amortization	(89,788,699)	(92,195,575)	(89,788,699)	(105,241,781)
Fx Gain / (Loss)	13,921,333	12,226,441	13,921,333	(108,108,887)
EBIT	362,945,341	222,135,980	362,945,341	246,256,605
Interest Expense	(72,779,972)	(67,850,043)	(72,779,972)	(73,259,620)
Interest Income	38,561,800	9,006,818	38,561,800	25,106,587
Interest Income / (Expenses)	(34,218,172)	(58,843,226)	(34,218,172)	(48,153,033)
EBT	328,727,169	163,292,754	328,727,169	198,103,572
Tax	(61,012,610)	(36,768,232)	(61,012,610)	(86,869,341)
Net Income	267,714,560	126,524,523	267,714,560	111,234,234
Minority Interest	(28,489,857)	(21,443,043)	(28,489,857)	(18,319,859)
Net Income After Minority Interest	239,224,702	105,081,480	239,224,702	92,914,376

El Sewedy Electric
Consolidated Financial Statements
Balance Sheet

L.E	30-06-14	30-09-14	31-12-14	31-03-15
Assets				
Fixed Assets	3,180,465,322	3,085,259,802	3,121,801,039	3,126,028,597
Investments	23,582,548	51,273,173	43,715,623	26,748,772
Other long term Assets & Good will	184,779,122	166,627,922	173,361,680	115,104,478
Total Long term Assets	3,388,826,993	3,303,160,897	3,338,878,342	3,267,881,847
Inventories	3,964,448,499	3,969,970,224	3,343,933,055	3,204,239,367
Receivables	4,371,580,693	3,827,468,403	3,988,300,921	4,508,439,842
Other Debt balance	1,216,807,670	1,506,651,743	1,284,075,643	1,716,491,865
Due from Related Parties	355,749,433	463,594,694	358,402,481	480,520,036
Cash & Cash Equivalents	1,945,068,439	1,933,690,932	1,597,610,616	3,399,141,775
Total Current Assets	11,853,654,733	11,701,375,996	10,572,322,716	13,308,832,886
Bank Overdraft & Short Term loans	4,918,251,839	4,897,092,048	4,278,293,304	4,967,959,421
Accounts Payable	1,487,334,790	1,551,843,802	1,427,475,437	1,408,391,799
Other Credit balance	2,352,759,319	1,923,857,586	1,467,213,989	3,225,925,262
Due to Affiliates	197,789,161	181,749,739	163,193,948	149,295,080
Provisions	228,371,941	304,231,562	310,917,016	283,578,058
Total Current Liabilities	9,184,507,050	8,858,774,737	7,647,093,694	10,035,149,620
Working Capital	2,669,147,682	2,842,601,259	2,925,229,022	3,273,683,265
Total Investments	6,057,974,675	6,145,762,156	6,264,107,364	6,541,565,112
Issued and Paid Capital	2,234,180,000	2,234,180,000	2,234,180,000	2,234,180,000
Retained Earnings	1,973,344,144	1,945,464,832	1,982,749,739	2,354,126,428
Net Profit of the year	215,034,750	310,386,122	403,300,490	239,224,702
Others	1,131,110,114	1,071,488,908	1,113,834,105	1,178,704,119
Total Equity	5,553,669,002	5,561,519,862	5,734,064,334	6,006,235,249
Long Term Loans	353,353,906	381,035,279	285,199,434	275,673,064
Other long term Liabilities	150,951,754	203,207,014	244,843,596	259,656,801
Total long term Liabilities	504,305,660	584,242,294	530,043,030	535,329,865
Total long term Liabilities & Equity	6,057,974,675	6,145,762,156	6,264,107,364	6,541,565,112