

Earnings Release: ELSEWEDY ELECTRIC Reports Consolidated Results for Q1 2016 ended March 31st, 2016.

May 31st, 2016

Cairo- Egypt.

ELSEWEDY ELECTRIC announces a record Q1 2016 with Revenues of EGP 4.693 billion, achieving an all time high Net Profit after Minority of EGP 757.5 million.

ELSEWEDY ELECTRIC (SWDY.CA on the Egyptian stock exchange), the leading Wire & Cable and Integrated Energy Solution Provider in the Middle East and Africa, announces its consolidated financial results for Q1 2016 ended March 31st, 2016.

Change in Accounting Policy

Effective January 1st 2016, proportionate consolidation is no longer permitted under Egyptian Accounting Standards (EAS). Accordingly the net profit of Doha Cables and ElSewedy Cables Qatar will appear as “Income from Investments” under the equity method. Other Companies including Giad Cables, Pyramids ZonaFranca, Elastimold, Aloula for Industrial Parks, Pyramids Industrial Park and ElSewedy Contracting and Engineering, Zambia, will also be accounted for under the equity method. Q1 2015 figures have been restated to be comparable with Q1 2016.

Q1 2016 versus Q1 2015

- Consolidated revenues in Q1 2016 increased by 29% to reach EGP 4.693 billion versus EGP 3.644 billion in Q1 2015.
- Gross profit in Q1 2016 increased by 86% to reach EGP 942 million versus EGP 505 million in Q1 2015.
- EBITDA in Q1 2016 increased by 92% to reach EGP 807 million versus EGP 421 million in Q1 2015.
- Net profit after Minority reached EGP 758 million during Q1 2016 versus EGP 239 million during Q1 2015.

Consolidated Results Highlights

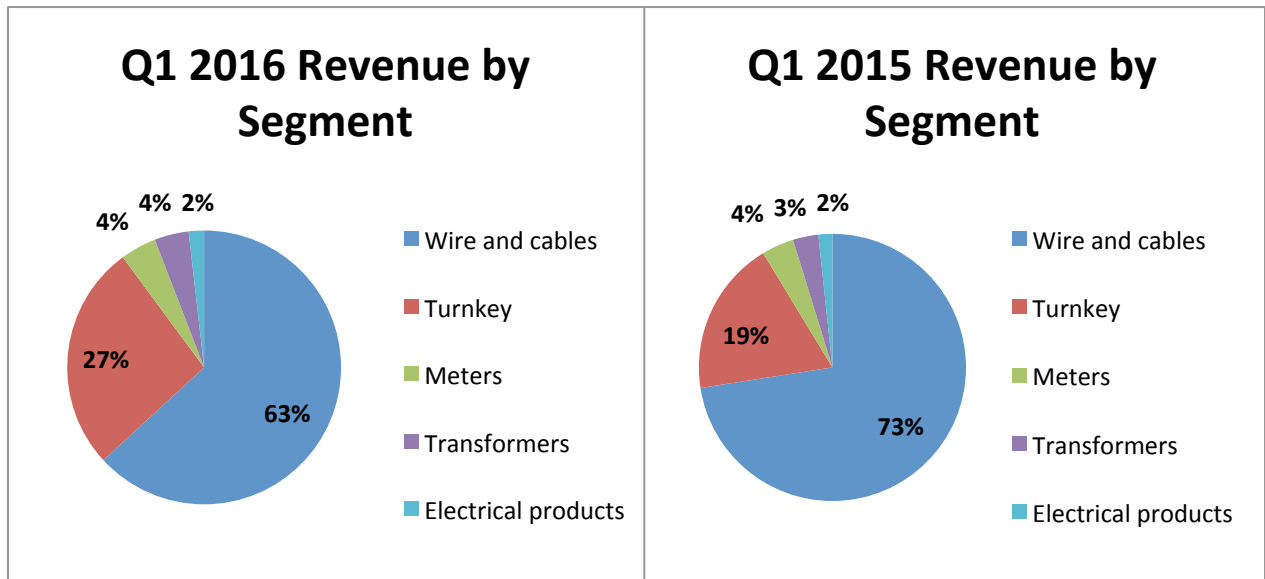
LE (000)'s	Q1-2016	Q1-2015	% Change
Revenue	4,693,419	3,644,034	29%
Gross Profit	942,283	505,482	86%
Gross Profit Margin	20%	14%	
EBITDA	806,844	420,672	92%
EBITDA Margin	17%	12%	
Net Income After Minority	757,509	239,225	217%
Net Income After Minority Margin	16%	7%	

Segment Analysis Q1 2016 versus Q1 2015

- Revenues in Q1 2016 increased by 29% to reach EGP 4,693 million versus EGP 3,644 million in Q1 2015. The Wire and Cable segment achieved revenues of EGP 2,964 million in Q1 2016, 12% higher than Q1 2015. Turnkey revenues in Q1 2016 were 83% higher than Q1 2015 reaching EGP 1,254 million. Meters revenues increased by 41% reaching EGP 200 million, while transformers revenues increased by 69% reaching EGP 190 million. Electrical Products revenues increased by 38% to reach EGP 85 million.
- Gross Profit increased by 86% to reach EGP 942 million in Q1 2016 versus EGP 505 million in Q1 2015. The gross profit in the Wire and Cable segment increased by 62% in Q1 2016 versus Q1 2015, (EGP 492 million versus EGP 305 million). Turnkey gross profit increased by 233% in Q1 2016 to reach EGP 292 million versus EGP 88 million in Q1 2015. The Meters division gross profit increased by 15% in Q1 2016 to reach EGP 52 million whilst the transformers division gross profit increased by 64% in Q1 2016 to reach EGP 65 million. Electrical products' gross profit stood at EGP 41 million in Q1 2016, 44% higher yoy.
- Overall GP margin improved from 14% in Q1 2015 to 20% in Q1 2016 as a result of a significant improvement in margins in the Wire and Cable segment in addition to the turnkey segment.

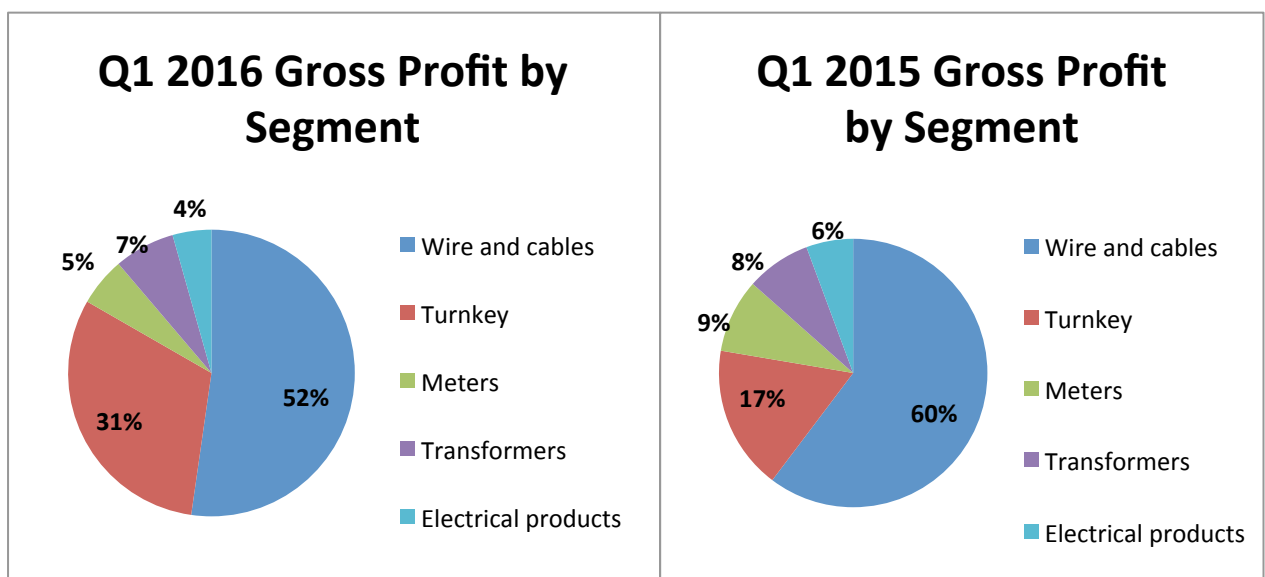
Summary of Revenues by Segment

LE (000)'s	Q1-2016	Q1-2015	% Change
Wire & Cables	2,964,151	2,643,268	12%
Turn Key Projects	1,253,978	684,514	83%
Meters	200,187	142,369	41%
Transformers	190,065	112,349	69%
Other electrical products	85,039	61,534	38%
Total	4,693,419	3,644,034	29%



Summary of Gross Profit by Segment

LE (000)'s	Q1-2016	Q1-2015	% Change
Wire & Cables	492,450	304,770	62%
Turn Key Projects	292,476	87,812	233%
Meters	51,582	44,909	15%
Transformers	64,519	39,380	64%
Other electrical products	41,256	28,612	44%
Total	942,283	505,482	86%



Wires & Cables Segment

Wires & Cables segment revenues increased by 12% to reach EGP 2,964 million in Q1 2016 versus EGP 2,643 million in Q1 2015. Gross profit in Q1 2016 increased by 62% to reach EGP 492 million versus EGP 305 million in Q1 2015. Gross profit margin reached 16.6% in Q1 2016 versus 11.5 % in Q1 2015.

In terms of volumes, the segment, excluding Qatar and Sudan, sold 43,220 tons of cables in Q1 2016 versus 34,967 tons in Q1 2015 (adjusted), an increase of 24%. Gross profit per ton averaged EGP 7,506 in Q1 2016 versus EGP 5,854 in Q1 2015. The main improvement in GP/ton was from the Algerian operations, which was significantly higher yoy.

Volumes in the Egyptian operations were 34% higher in Q1 2016 versus Q1 2015, with the increase in volumes coming from both exports, mainly the GCC and the local market.

Volumes in Algeria grew 24%, whilst in KSA volumes decreased by 5%.

Wire & Cables Segment Financial Highlights

	Q1-2016	Q1-2015	% Change
Revenues Before Intercompany LE (000)'s	4,598,137	4,922,339	-7%
Revenues After Intercompany LE (000)'s	2,964,151	2,643,268	12%
Gross Profit LE (000)'s	492,450	304,770	62%
Cables Sales Volumes (Tons)	43,220	34,967	24%
Cables Gross Profit per ton LE	7,506	5,854	28%
Gross Profit Margin Before Intercompany	10.7%	6.2%	
Gross Profit Margin After Intercompany	16.6%	11.5%	

Turnkey Projects

Turnkey revenues witnessed an 83% increase, reaching EGP 1.253 billion in Q1 2016 versus EGP 684.5 million during Q1 2015. Gross profit increased by 233% to reach EGP 292 million in Q1 2016 versus EGP 88 million in Q1 2015, whilst gross profit margin increased from 13% in Q1 2015 to reach 23% in Q1 2016.

The increase in turnkey revenues is mainly related to the mega projects in Egypt, mainly Attaqa and Mahmoudia, in addition to Beni Suef, where we have made excellent progress thus far. The improvement in gross profit margin is mainly due a reduction in contingencies/costs in several projects in Egypt and Kuwait.

The USD 484.5 million contract that we signed in Angola with the Ministry of Electricity and Water to build three power plants, is on track with the GE turbines already on site. The contract value includes the Engineering, Procurement and Construction plus Finance (EPC+F) and will be executed during 2016.

Regarding the 50 MW solar power plant we are targeting financial closure before the end of this year with construction completion expected before year-end 2017.

Our backlog continues to reach record levels, with total backlog as of March 31st, 2016 reaching EGP 21.4 billion. Egypt now represents 59% of the backlog, Sub Saharan Africa 22% and the GCC 15%.

Meters Segment

Revenues from the meters segment increased by 41% in Q1 2016 versus Q1 2015 to reach EGP 200 million versus EGP 142 million. Gross profit increased by 15% to reach EGP 52 million in Q1 2016 versus 45 million in Q1 2015.

The main increase in revenues is from Europe and the GCC with revenues from Europe contributing to 50% of total meter revenues and the GCC at 19%.

Our meters backlog as of March 31st, 2016 stands at Euros 163 million.

Meters Segment Financial Highlights

	Q1-2016	Q1-2015	% Change
Revenues Before Intercompany LE (000)'s	202,841	161,089	26%
Revenues After Intercompany LE (000)'s	200,187	142,369	41%
Gross Profit LE (000)'s	51,582	44,909	15%
Sales Volumes (Meters)	763,837	516,666	48%
Gross Profit per meter LE	68	87	-22%
Gross Profit Margin Before Intercompany	25.4%	27.9%	
Gross Profit Margin After Intercompany	25.8%	31.5%	

Transformers Segment

Revenues from the transformers segment increased by 69% in Q1 2016 versus Q1 2015 to reach EGP 190 million. Gross profit reached EGP 65 million in Q1 2016 compared to EGP 39 million in Q1 2015, up 64% yoy.

Revenues were significantly higher in both the Egyptian and Algerian operations.

As at March 31st, 2016 the backlog in the transformers segment stood at USD 45 million.

Transformers Segment Financial Highlights

	Q1-2016	Q1-2015	% Change
Revenues Before Intercompany LE (000)'s	192,610	155,697	24%
Revenues After Intercompany LE (000)'s	190,065	112,349	69%
Gross Profit LE (000)'s	64,519	39,380	64%
Sales Volumes (MVA)	1,607	1,099	46%
Gross Profit per MVA LE	40,138	35,838	12%
Gross Profit Margin Before Intercompany Sales	33.5%	25.3%	
Gross Profit Margin After Intercompany Sales	33.9%	35.1%	

Other Electrical Products

Revenues from the Electrical products segment increased by 38% in Q1 2016 versus Q1 2015, to reach EGP 85 million, while gross profit increased by 44% to reach EGP 41 million.

Selling General and Administrative Expenses

SG&A as a % of sales increased to reach 6.3% in Q1 2016 versus 5.7% in Q1 2015.

Others

During Q1 2016, the Company realized foreign exchange gains of EGP 267 million, mainly resulting from the revaluation of the receivables of the fast track projects in Egypt, which are in USD.

Net Debt

Net debt as of March 31st, 2016 increased by 71% to reach EGP 3,682 million versus EGP 2,147 million as of December 31st, 2015.

Inventory increased by 15% to reach EGP 3.5 billion as of March 31st, 2016 versus EGP 3.0 billion as of December 31st, 2015. Account receivables (includes Long term receivables) increased by 18% to reach EGP 10.0 billion as of March 31st, 2016 versus EGP 8.5 billion as of December 31st, 2015. Payables increased by 2% to reach EGP 6.5 billion as of December 31st, 2015 versus EGP 6.4 billion as of December 31st, 2015.

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

El Sewedy Electric
Consolidated Financial Statements
Income Statement

	Restated	
L.E	Q1-2016	Q1-2015
Sales		
Wires & Cables	2,964,150,579	2,643,267,927
Electrical Products	475,290,771	316,252,239
Turnkey Projects	1,253,977,731	684,513,738
Total Sales	4,693,419,081	3,644,033,904
COGS	(3,751,136,261)	(3,138,552,185)
Gross Profit	942,282,820	505,481,719
Gross Profit Margin	20.1%	13.9%
SG & A	(297,926,105)	(206,738,700)
Income from Investments	58,830,895	32,630,967
Other Operating Income	29,063,808	32,761,821
Other Operating Expense	(19,855,381)	(25,238,100)
Other Operating Income/ (Expenses)	9,208,427	7,523,721
EBITDA	806,843,881	420,672,438
EBITDA Margin	17.2%	11.5%
Depreciation & Amortization	(94,447,844)	(81,774,731)
Fx Gain / (Loss)	267,046,762	13,060,255
EBIT	979,442,799	351,957,962
Interest Expense	(65,366,924)	(69,907,273)
Interest Income	30,964,403	37,626,017
Interest Income / (Expenses)	(34,402,521)	(32,281,256)
EBT	945,040,278	319,676,706
Tax	(177,313,124)	(59,688,718)
Net Income	767,727,154	259,987,988
Minority Interest	(10,218,011)	(20,763,290)
Net Income After Minority Interest	757,509,143	239,224,698

**El Sewedy Electric
Consolidated Financial Statements
Balance Sheet**

L.E	Restated	
	31-12-15	31-03-16
Assets		
Long Term Assets		
Fixed Assets	2,955,916,768	3,083,627,528
Investments	456,958,380	565,849,323
Other long term Assets & Good will	113,990,014	100,283,703
Other Long Term Receivables	9,106,678	2,820,152,799
Total Long term Assets	3,535,971,840	6,569,913,353
Current Assets		
Inventories	3,038,000,310	3,507,116,023
Receivables	7,187,712,961	5,192,039,210
Other Debit balance	1,299,544,652	1,978,747,681
Due from Related Parties	725,307,511	1,007,649,906
Cash & Cash Equivalents	3,666,405,160	3,468,415,947
Total Current Assets	15,916,970,594	15,153,968,767
Total Assets	19,452,942,434	21,723,882,120
Liabilities		
Current Liabilities		
Bank Overdraft & Short Term loans	5,646,852,181	7,000,204,020
Accounts Payable	1,263,383,538	1,225,100,748
Other Credit balance	5,118,215,484	5,308,333,849
Due to Affiliates	149,206,925	191,135,123
Provisions	327,423,647	304,274,694
Total Current Liabilities	12,505,081,775	14,029,048,434
Equity		
Issued and Paid Capital	2,234,180,000	2,234,180,000
Retained Earnings	3,806,145,358	4,229,349,103
Others	156,763,432	444,551,632
Total Parent's Shareholders' Equity	6,197,088,790	6,908,080,735
Minority Interest	286,402,972	294,966,649
Total Equity	6,483,491,762	7,203,047,384
Long Term Loans	166,876,642	149,712,185
Other long term Liabilities	297,492,255	342,074,117
Total long term Liabilities	464,368,897	491,786,302
Total Liabilities & Equity	19,452,942,434	21,723,882,120