

Earnings Release: Elsewedy Electric Reports Consolidated Results for H1-2013 ended June 30th, 2013.

September 3rd, 2013

Cairo- Egypt.

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 H1 2013 ending June 30th, 2013.

Q2 2013 versus Q2 2012

- Consolidated revenues in Q2 2013 increased by 12% to reach EGP 4.1 billion versus EGP 3.7 billion in Q2 2012.
- Gross profit in Q2 2013 increased by 35% to reach EGP 684 million versus EGP 505 million in Q2 2012.
- EBITDA in Q2 2013 increased by 51% (excluding the EGP 95 million provision related to the Syrian operations) to reach EGP 502 million versus EGP 332 million in Q2 2012.
- Net profit after Minority increased by 159% to reach EGP 82 million during Q2 2013 versus EGP 32 million during Q2 2012.

H1 2013 versus H1 2012

- Consolidated revenues increased by 8% to reach EGP 7.7 billion for H1 2013, versus EGP 7.1 billion in H1 2012.
- Gross profit increased by 30% to reach EGP 1,234 million during H1 2013, versus EGP 947 million in H1 2012.
- EBITDA (excluding the provision related to the Syrian operations) increased by 26% to reach EGP 796 million in H1 2013, versus EGP 634 million in H1 2012.
- Net profit after Minority Interest increased by 11% to reach EGP 144 million in H1 2013 versus EGP 130 million for H1 2012.

Consolidated Results Highlights

EGP (000)'s	Q2-2013	Q2-2012	% Change	H1-2013	H1-2012	% Change
Revenue	4,099,245	3,670,640	12%	7,697,396	7,127,481	8%
Gross Profit	683,664	504,991	35%	1,233,653	947,323	30%
Gross Profit Margin	17%	14%		16%	13%	
EBITDA	502,366	332,281	51%	795,958	634,215	26%
EBITDA Margin	12%	9%		10%	9%	
Net Income After Minority	81,877	31,642	159%	144,113	129,983	11%
Net Income After Minority Margin	2%	1%		2%	2%	

Q2 2013 versus Q2 2012

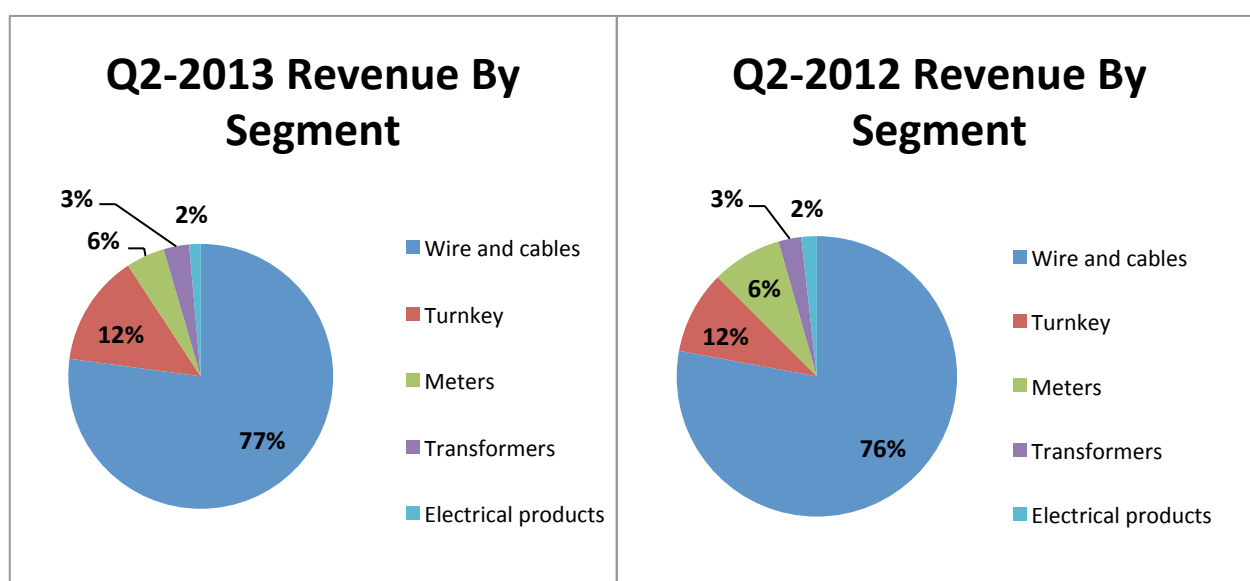
- Revenues in Q2 2013 increased by 12% to reach EGP 4.1 billion versus EGP 3.7 billion in Q2 2012. The Wire and Cable segment achieved revenues of EGP 3.1 billion in Q2 2013, 12% higher than Q2 2012. Turnkey revenues in Q2 2013 were 9% higher than Q2 2012 reaching EGP 508 million. Meters revenues increased by 2% reaching EGP 233 million. Whilst transformers revenues increased by 11% reaching EGP 138 million. Electrical Products revenues increased by 39% to reach EGP 81 million.
- Gross Profit increased by 35% to reach EGP 684 million in Q2 2013 versus EGP 505 million in Q2 2012. The gross profit in the Wire and Cable segment increased by 28% in Q2 2013 versus Q2 2012, (EGP 437 million versus EGP 341 million). Turnkey gross profit surged by 60% in Q2 2013 to reach EGP 103 million versus EGP 65 million in Q2 2012. The Meters division gross profit increased by 40 % in Q2 2013 to reach EGP 80 million whilst the transformers division gross profit surged by 201% in Q2 2013 to reach EGP 33 million. Electrical products' gross profit decreased by 2% to reach EGP 31 million in Q2 2013.
- EBITDA in Q2 2013 increased by 51% to reach EGP 502 million versus EGP 332 million in Q2 2012.
- The Company incurred a provision of EGP 95 million during Q2 2013 related to all the Company's assets in Syria (cables, transformers and plastics.) El Sewedy Electric has discontinued all operations in Syria given the ongoing political and economic uncertainties that have plagued the country.
- Net profit after Minority increased by 159% to reach EGP 82 million during Q2 2013 versus EGP 32 million during Q2 2012.

H1 2013 versus H1 2012

- Revenue during H1 2013 increase by 8% versus H1 2012, and the gross profit witnessed a 30% increase to reach EGP 1,234 million. The Wire and Cables revenues increased by 9% to reach EGP 5.9 billion, whilst the gross profit increased by 37% to reach EGP 790 million. Turnkey revenues and gross profit were 6% lower during H1 2013 reaching EGP 852 million and EGP 170 million respectively. Whilst transformers revenue remained flat during H1 2013, gross profit increased 36% on the back of an improvement in the gross profit margin. Meters revenues increased 34% to reach EGP 524 million whilst gross profit increased by 73% to reach EGP 163 million.
- EBITDA increased by 26% to reach EGP 796 million in H1 2013, versus EGP 634 million in H1 2012.
- Net Profit after Minority Interest increased by 11% to reach EGP 144 million in H1 2013 versus EGP 130 million for H1 2012.

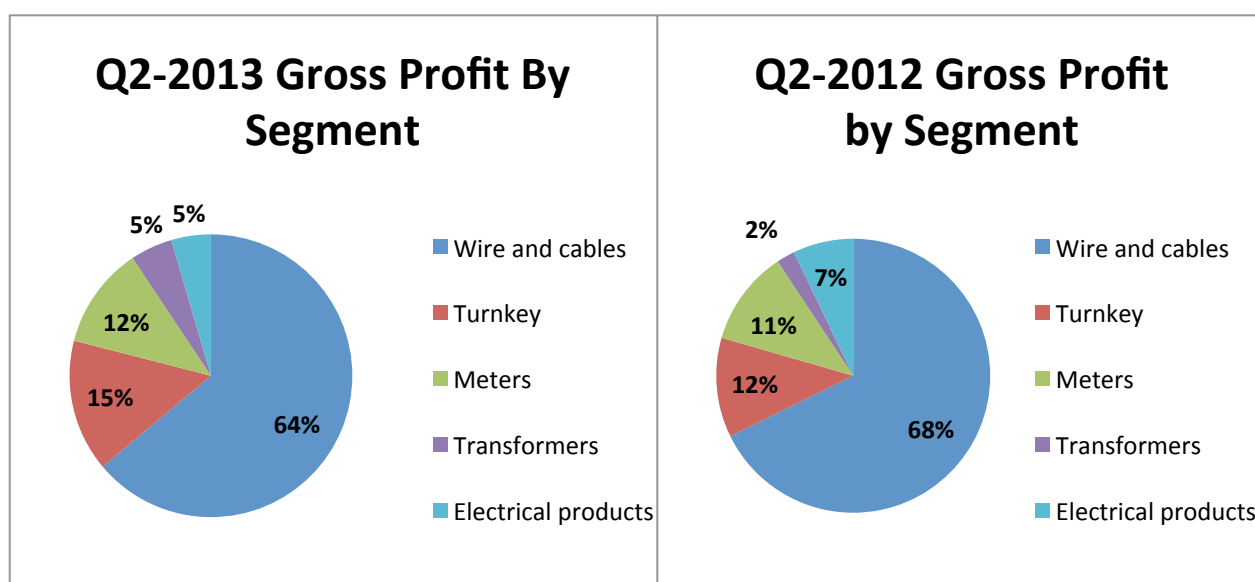
Summary of Revenues by Segment

LE (000)'s	Q2-2013	Q2-2012	% Change	H1-2013	H1-2012	% Change
Wire & Cables	3,139,466	2,795,389	12%	5,942,881	5,473,022	9%
Turn Key Projects	507,620	464,103	9%	852,447	909,175	-6%
Meters	232,725	227,583	2%	523,674	390,565	34%
Transformers	138,162	124,951	11%	232,910	232,722	0%
Other electrical products	81,272	58,615	39%	145,485	121,996	19%
Total	4,099,245	3,670,640	12%	7,697,396	7,127,481	8%



Summary of Gross Profit by Segment

LE (000)'s	Q2-2013	Q2-2012	% Change	H1-2013	H1-2012	% Change
Wire & Cables	436,816	341,084	28%	790,392	575,220	37%
Turn Key Projects	103,252	64,542	60%	170,233	180,911	-6%
Meters	79,721	56,762	40%	163,412	94,651	73%
Transformers	32,971	10,938	201%	53,878	39,629	36%
Other electrical products	30,904	31,665	-2%	55,737	56,912	-2%
Total	683,664	504,991	35%	1,233,653	947,323	30%



Wires & Cables Segment

Wires & Cables segment revenues increased by 12% to reach EGP 3,139 million in Q2 2013 versus EGP 2,795 million in Q2 2012. Gross profit in Q2 2013 increased by 28% to reach EGP 437 million versus EGP 341 million in Q2 2012. Gross profit margin improved to 13.9% in Q2 2013 versus 12.2% in Q2 2012.

Revenues in H1 2013 increased 9% to reach EGP 5,942 million, whilst gross profit increased 37% to reach EGP 790 million. Gross profit margin reached 13.3 % in H1 2013 versus 10.5% in H1 2012.

In terms of volumes, the segment sold 40,851 tons of cables in Q2 2013 versus 41,841 tons in Q2 2012. Volumes during H1 2013 were slightly lower than H1 2013 reaching 76,581 tons versus 78,003 tons.

Even though volumes were slightly lower during H1 2013 versus H1 2012, there was a strong improvement in gross profit per ton, which averaged EGP 6,569 per ton in H1 2013 versus EGP 5,767 in H1 2012. Whilst volumes in the Egyptian operations were 6% lower in H1 2013 versus H1 2012, the Algerian operations continued to see a pick up in volumes increasing 40% in H1 2013 versus H1 2012 and volumes in KSA were also 15% higher in H1 2013 versus H1 2012. The main improvement in the gross Profit per ton was from the Egyptian, Algerian and Saudi Arabian operations during H1 2013.

Operations in the cables plant in Syria have come to a complete standstill and the factory has officially been shutdown. Therefore after removing the capacity of Syria that previously was 24,000 tons per annum, the total cables capacity of the Group as of June 30th, 2013 stands at 266,400 tons per annum. Capacity in Algeria has increased to reach 24,000 tons per annum and is expected to reach 30,000 tons per annum by the end of 2013, which would bring the total Group's cable capacity to 272,400 tons per annum by the end of this year.

Wire & Cables Segment Financial Highlights

	Q2-2013	Q2-2012	% Change	H1-2013	H1-2012	% Change
Revenues EGP (000)'s	3,139,466	2,795,389	12%	5,942,881	5,473,022	9%
Gross Profit EGP (000)'s	436,816	341,084	28%	790,392	575,220	37%
Cables Sales Volumes (tons)	40,851	41,841	-2%	76,581	78,003	-2%
Cables Gross profit per ton EGP	7,518	7,072	6%	6,569	5,767	14%
Gross Profit Margin	13.9%	12.2%		13.3%	10.5%	

Turnkey Projects

Turnkey revenues witnessed a 9% increase, reaching EGP 508 million in Q2 2013 versus EGP 464 million during Q2 2012. Gross profit surged by 60% to reach EGP 103 million in Q2 2013 versus EGP 65 million in Q2 2012.

Revenues during H1 2013 were 6% lower than H1 2012 reaching 852 million, whilst gross profit also declined by 6% to reach 170 million.

The most notable reason for the decline in both revenues and gross profit in this segment is from the Egyptian operations in which the turnkey operations saw a significant decline from H1 2012 to H1 2013. The cause for the decline is the continued economic and political uncertainty that has continued to have a negative impact on the Company's local turnkey operations.

Turnkey backlog as of June 30th, 2013 stands at EGP 4.4 billion with Egypt representing 15% of the outstanding backlog.

Meters Segment

Revenues from the meters segment increased by 2% in Q2 2013 versus Q2 2012 to reach EGP 233 million versus EGP 228 million in Q2 2012 whilst gross profit increased by 40% to reach EGP 80 million in Q2 2013 versus 57 million in Q2 2012.

Gross profit margin improved to 34.3% in Q2 2013 versus 24.9% in Q2 2012. The significant improvement in gross profit is mainly due to a strong shift to markets with better profitability in addition to a more profitable meter type.

Comparing H1 2013 versus H1 2012, revenues increased 34% whilst gross profit increased 73%. Even though there was a reduction in the number of meters sold, the type of meter that was sold during H1 2013 versus H1 2012 was a much higher margin meter.

Meters backlog as of June 30th, 2013 stands at Euros 19 million.

Meters Segment Financial Highlights

	Q2-2013	Q2-2012	% Change	H1-2013	H1-2012	% Change
Revenues EGP (000)'s	232,725	227,583	2%	523,674	390,565	34%
Gross Profit EGP (000)'s	79,721	56,762	40%	163,412	94,651	73%
Sales Volumes (units)	790,969	1,033,432	-23%	1,517,180	2,050,782	-26%
Gross profit per meter EGP	101	55	83%	108	46	133%
Gross Profit Margin	34.3%	24.9%		31.2%	24.2%	

Transformers Segment

Revenues from the transformers segment increased 11% in Q2 2013 versus Q2 2012 to reach EGP 138 million, whilst gross profit increased by 201% to reach EGP 33 million in Q2 2013.

The operation that continued to outperform was Zambia, with revenues increasing 42% in H1 2013 versus H1 2012 and gross profit improving by 68%. All the transformers operations performed well during H1 2013 versus H1 2012 with the exception of the Nigeria plant in which revenues increased 12% however gross profit was significantly lower given a reduction in the GPM. Overall Gross profit margin also improved to reach 23% during H1 2013 versus 17% in H1 2012.

As at June 30th, 2013 the backlog in the transformers segment stood at USD 50 million.

Transformers Segment Financial Highlights

	Q2-2013	Q2-2012	% Change	H1-2013	H1-2012	% Change
Revenues EGP (000)'s	138,162	124,951	11%	232,910	232,722	0%
Gross Profit EGP (000)'s	32,971	10,938	201%	53,878	39,629	36%
Sales Volumes (MVA)	1,399	1,136	23%	2,391	2,080	15%
Gross profit per MVA EGP	23,573	9,628	145%	22,534	19,049	18%
Gross Profit Margin	23.9%	8.8%		23.1%	17.0%	

Other Electrical Products

Revenues from the Electrical products segment increased by 39% in Q2 2013 versus Q2 2012, to reach EGP 81 million, whilst gross profit decreased by 2% to reach EGP 31 million.

Net Debt

Net debt on June 30th, 2013 reached EGP 4,643 million versus EGP 3,961 million as of March 31st, 2013. The pressure on the working capital during the second quarter was mainly a result of an increase in inventory in addition to a significant decrease in the payables mainly from the Egyptian operations. Given the uncertainty during the second quarter regarding the Egyptian pound against the USD the Company took a decision regarding its Egyptian operations to build up inventory of raw material and reduce the payables to suppliers in foreign currency and pay cash for raw materials. To a lesser extent the payables were reduced given specific global suppliers concerns regarding the situation in Egypt and thus reducing the credit terms normally extended to the Company's Egyptian operations.

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

L.E	Q2-2013	Q2-2012	H1-2013	H1-2012
Sales				
Wires & Cables	3,139,465,882	2,795,388,794	5,942,880,692	5,473,022,213
Electrical Products	452,159,266	411,148,529	902,068,441	745,283,564
Turnkey Projects	507,620,220	464,103,121	852,446,826	909,174,798
Total Sales	4,099,245,368	3,670,640,444	7,697,395,959	7,127,480,575
COGS	(3,415,581,745)	(3,165,649,310)	(6,463,743,121)	(6,180,157,089)
Gross Profit	683,663,623	504,991,134	1,233,652,838	947,323,486
Gross Profit Margin	16.7%	13.8%	16.0%	13.3%
SG & A	(273,053,332)	(214,400,186)	(503,775,237)	(445,254,198)
Other Operating Income	14,366,075	(5,423,810)	28,512,052	17,195,504
Other Operating Expense	(25,791,862)	(33,844,696)	(154,658,286)	(54,454,108)
Other Operating Income/ (Expenses)	(11,425,786)	(39,268,506)	(126,146,234)	(37,258,604)
EBITDA	502,365,635	332,281,309	795,957,693	634,215,124
EBITDA Margin	12.3%	9.1%	10.3%	8.9%
Depreciation & Amortization	(103,181,130)	(80,958,867)	(192,226,326)	(169,404,440)
Fx Gain / (Loss)	(14,762,046)	(101,638,787)	(22,231,329)	(92,033,974)
Provisions	(110,538,576)	(642,552)	(115,313,122)	(648,871)
EBIT	273,883,882	149,041,103	466,186,916	372,127,839
Interest Expense	(130,145,265)	(119,347,958)	(219,870,411)	(222,409,667)
Interest Income	4,133,200	12,805,264	9,857,618	29,823,437
Interest Income / (Expenses)	(126,012,066)	(106,542,694)	(210,012,793)	(192,586,230)
EBT	147,871,816	42,498,409	256,174,123	179,541,608
Tax	(56,197,858)	(11,927,350)	(89,644,840)	(46,248,088)
Net Income	91,673,959	30,571,059	166,529,283	133,293,520
Minority Interest	(9,797,001)	1,071,085	(22,416,489)	(3,311,003)
Net Income After Minority Interest	81,876,958	31,642,144	144,112,794	129,982,517

El Sewedy Electric
Consolidated Financial Statements
Balance Sheet

L.E	30-09-12	31-12-12	31-03-13	30-06-13
Assets				
Fixed Assets	3,483,559,289	3,485,689,429	3,425,573,028	3,358,368,622
Investments	24,830,323	22,464,422	21,909,413	43,239,305
Other long term Assets & Good will	365,753,948	297,982,238	193,179,400	185,069,992
Total Long term Assets	3,874,143,559	3,806,136,089	3,640,661,841	3,586,677,919
Inventories	3,801,075,170	3,439,641,354	3,492,459,663	3,807,180,410
Receivables	3,596,191,363	4,000,316,720	4,252,340,834	4,387,118,943
Other Debt balance	714,097,066	819,761,160	1,159,565,203	1,165,586,370
Due from Related Parties	207,414,739	180,466,659	240,501,256	157,266,933
Cash & Cash Equivalents	994,966,942	1,323,955,322	1,715,332,488	1,970,685,322
Total Current Assets	9,313,745,280	9,764,141,214	10,860,199,445	11,487,837,978
Bank Overdraft & Short Term loans	4,775,144,690	4,594,482,479	5,084,563,356	6,101,105,802
Accounts Payable	1,124,898,534	1,131,545,177	1,339,779,354	1,099,626,442
Other Credit balance	924,173,171	1,596,029,628	1,663,424,065	1,505,575,828
Due to Affiliates	126,201,070	120,877,600	165,953,120	156,043,663
Provisions	48,630,006	90,164,949	93,517,627	196,395,067
Total Current Liabilities	6,999,047,471	7,533,099,833	8,347,237,521	9,058,746,802
Working Capital	2,314,697,809	2,231,041,381	2,512,961,923	2,429,091,176
Total Investments	6,188,841,368	6,037,177,470	6,153,623,765	6,015,769,094
Issued and Paid Capital	2,234,180,000	2,234,180,000	2,234,180,000	2,234,180,000
Retained Earnings	2,004,636,132	2,001,783,494	2,092,884,049	1,911,914,858
Net Profit of the year	165,084,100	116,540,822	62,235,836	144,112,794
Others	878,175,965	892,892,520	965,465,227	1,013,525,746
Total Equity	5,282,076,197	5,245,396,836	5,354,765,112	5,303,733,398
Long Term Loans	702,068,254	589,204,561	591,403,894	512,157,256
Other long term Liabilities	204,696,921	202,576,074	207,454,758	199,878,445
Total long term Liabilities	906,765,175	791,780,635	798,858,652	712,035,701
Total long term Liabilities & Equity	6,188,841,372	6,037,177,472	6,153,623,764	6,015,769,099