

Earnings Release: Elsewedy Electric Reports Consolidated Results for 9M-2012 ended September 30th, 2012.

November 29th, 2012

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 the first 9Months ended September 30th, 2012.

Q3 2012 versus Q2 2012

- Consolidated Revenues in Q3 2012 decreased by 9% to reach EGP 3.3 billion versus EGP 3.7 billion in Q2 2012.
- Gross Profit in Q3 2012 decreased by 17% to reach EGP 420 million versus EGP 505 million in Q2 2012.
- EBITDA in Q3 2012 decreased by 28% to reach EGP 240 million versus EGP 332 million in Q2 2012.
- Net Profit after Minority increased by 11% to reach EGP 35 million during Q3 2012 versus EGP 32 million during Q2 2012.

Q3 2012 versus Q3 2011

- Consolidated Revenues in Q3 2012 decreased by 14% to reach EGP 3.3 billion versus EGP 3.9 billion in Q32011.
- Gross Profit in Q3 2012 decreased by 25% to reach EGP 420 million versus EGP 563 million in Q3 2011.
- EBITDA in Q3 2012 decreased by 46% to reach EGP 240 million versus EGP 441 million in Q3 2011.
- Net Profit after Minority reached EGP 35 million during Q3 2012 versus EGP 196 million during Q3 2011.

9M 2012 versus 9M 2011

- Consolidated Revenues decreased by 8% to reach EGP 10.5 billion for 9M 2012, versus EGP 11.4 billion in 9M 2011.
- Gross Profit decreased by 12% to reach EGP 1,367 million during 9M 2012, versus EGP 1,545 million in 9M 2011.
- EBITDA decreased by 26% to reach EGP 869 million in 9M 2012, versus EGP 1,178 million in 9M 2011.
- Net Profit after Minority Interest reached EGP165 million in 9M 2012 versus EGP 528 million for 9M 2011.

Consolidated Results Highlights

EGP (000)'s	Q3-2012	Q2-2012	%	Q3-2011	%	9M-2012	9M-2011	%
Revenue	3,334,628	3,670,640	-9%	3,883,261	-14%	10,462,109	11,369,754	-8%
Gross Profit	419,653	504,991	-17%	563,075	-25%	1,366,976	1,545,305	-12%
Gross Profit Margin	13%	14%		15%		13%	14%	
EBITDA	239,805	331,995	-28%	440,960	-46%	869,011	1,177,504	-26%
EBITDA Margin	7%	9%		11%		8%	10%	
Net Income After Minority	35,102	31,642	11%	196,366	-82%	165,084	528,319	-69%
Net Income After Minority Margin	1%	1%		5%		2%	5%	

Q3 2012 versus Q3 2011

- Revenues in Q3 2012 decreased by 14% to reach EGP 3.3 billion versus EGP 3.9 billion in Q3 2011. The Wire and Cable segment achieved revenues of EGP 2.6 billion in Q3 2012, 5% lower than Q3 2011. Turnkey Revenues in Q3 2012 were 54 % lower than Q3 2011 reaching EGP 364 million. Meters revenues surged by 81% YoY, whilst transformers revenues were 61% lower. Electrical Products revenues were 31% higher YoY.
- Gross Profit declined by 25% to reach EGP 420 million in Q3 2012 versus EGP 563 million in Q3 2011. The Gross Profit in the Wire and Cable segment was 23% higher in Q3 2012 versus Q3 2011, (EGP 255 million versus EGP 208 million). Turnkey Gross Profit decreased by 69% in Q3 2012 to reach a Gross Profit of EGP 75 million versus EGP 244 million in Q3 2011. The Meters division achieved an 85% increase in gross profit in Q3 2012 versus Q3 2011, reaching EGP 58 million. The transformers division Gross Profit decreased 81% in Q3 2012 to reach EGP 9 million. Electrical products' gross profit reached EGP 22 million in Q3 2012, 36% lower than Q3 2011.
- EBITDA achieved in Q3 2012 stood at EGP 240 million, 46% lower than Q3 2011.

- Net Income after Minority reached EGP 35 million during Q3 2012 versus EGP 196 million during Q3 2011.

9M 2012 versus 9M 2011

- Revenue during 9M 2012 was 8% lower versus 9M 2011, whilst the Gross Profit witnessed a 12% decrease to reach EGP 1.4 billion. The Wire and Cables Revenues decreased by 5 % to reach EGP 8.1 billion, whilst the Gross profit increased by 6% to reach EGP 831 million. Turnkey revenues were 32% lower, whilst turnkey gross profit decreased by 47%. Transformers revenue was 31% lower during 9M 2012. The segment that over-performed during 9M 2012 versus 9M 2011 was the meters revenues and gross profit, which increased 41% and 53% respectively.
- EBITDA during 9M 2012 was 26% lower to reach EGP 869 million versus EGP 1,177 million.
- Net Profit after Minority reached EGP 165 million in 9M 2012 versus 528 million in 9M 2011.

Commenting on the Q3 2012 results, Ahmed El Sewedy C.E.O. of Elsewedy Electric stated:

“We continue to operate in a very challenging environment. Whilst the performance of the Wire and Cables segment was reasonably positive we encountered another difficult quarter in both the Turnkey and the Transformers segment. Fortunately the Meters results were extremely positive and exceeded our initial expectations.

Our Wire and Cables segment saw a pickup in gross profit on the back of an improvement in Algeria, Saudi Arabia and Sudan. In addition, the supply of HV cables picked up during the first 9 months of this year versus 9 months 2011.

The Turnkey results during the third quarter was one of our worst performances thus far. We continued to have delays in the opening of LC’s in Africa. Even with the disappointing performance of this segment I remain optimistic for the outlook on this sector for next year given the solid backlog that we have. We have seen a marked improvement in the installation and supply of HV cables both in the local and export markets. However even with this increase in the HV cables, the delay in the opening of the LC’s in relation to several of the Africa projects in addition to the cyclicity of this business resulted in the underperformance of this segment.

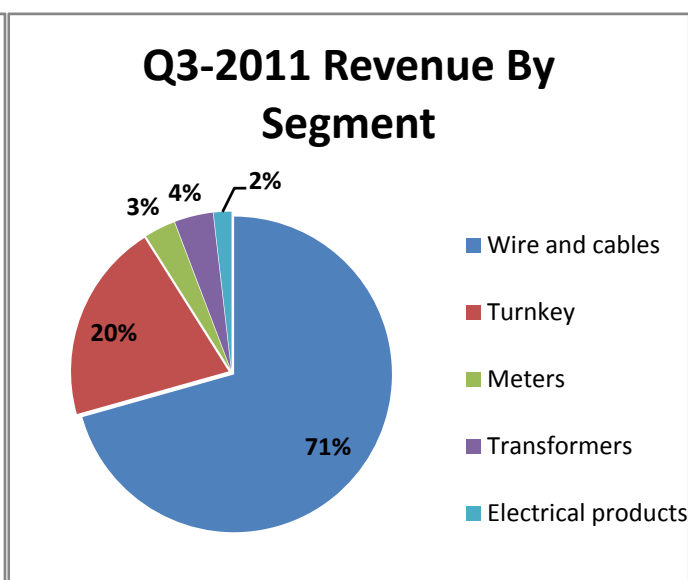
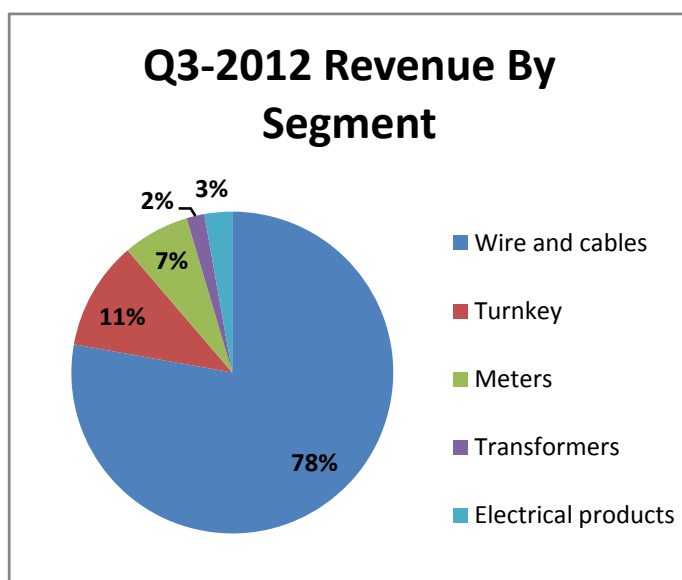
The transformers segment was also disappointing this quarter. Whilst the Syrian operations have been reduced significantly and Nigeria also underperformed, the main bottleneck was the Egyptian operations. The main issue that was encountered in Egyptian was a combination of delays in deliveries and inspections. We expect to start supplying again during Q4 2012 and into 2013.

On a positive note, the Meters performed extremely well and exceeded our expectations. In addition to a significant increase in revenues, margins also improved on the back of a reduction in the sales of the electromechanical meters and an increase in sales of the system meters.

We are also on track with the Libyan 60 MW wind project. The second shipment of turbines was delivered to Libya in October of this year and we are aiming to complete this project by mid 2014 assuming the situation in Libya remains as is or improves from the current situation”

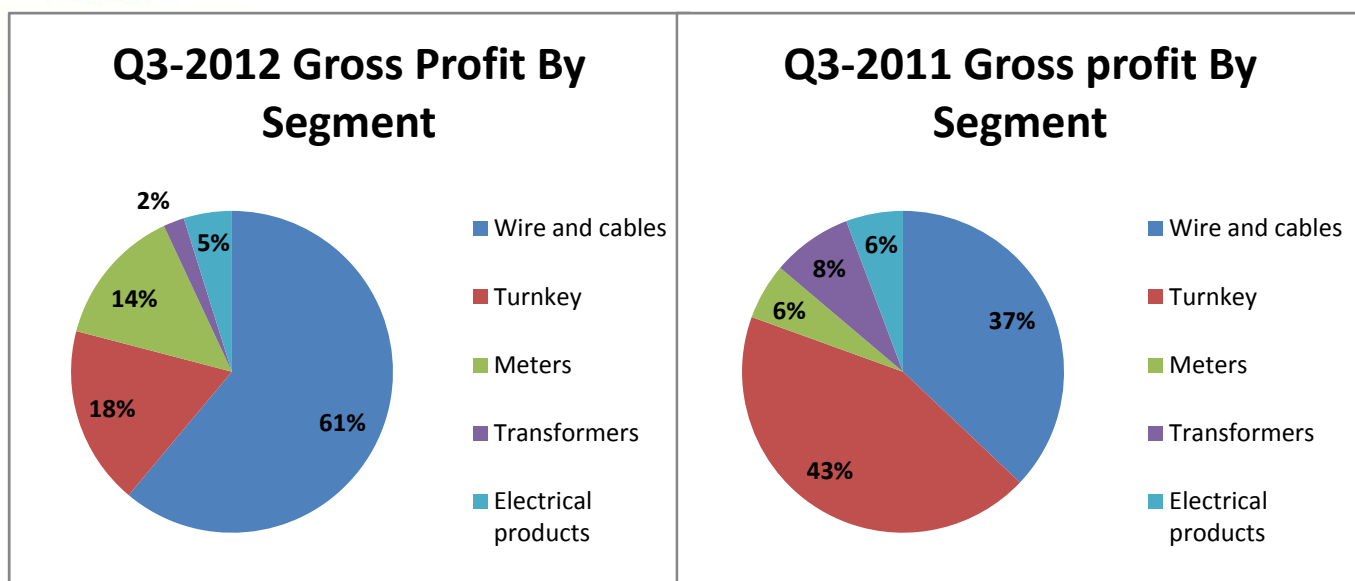
Summary of Revenues by Segment

LE (000)'s	Q3-2012	Q3-2011	%	9M-2012	9M-2011	%
Wire & Cables	2,594,633	2,743,050	-5%	8,067,655	8,454,098	-5%
Turn Key Projects	363,813	792,193	-54%	1,272,988	1,874,146	-32%
Meters	223,422	123,568	81%	613,987	435,893	41%
Transformers	59,798	153,398	-61%	292,520	425,807	-31%
Other electrical products	92,961	71,052	31%	214,958	179,810	20%
Total	3,334,628	3,883,261	-14%	10,462,109	11,369,754	-8%



Summary of Gross Profit by Segment

LE (000)'s	Q3-2012	Q3-2011	%	9M-2012	9M-2011	%
Wire & Cables	255,301	207,751	23%	830,521	785,386	6%
Turn Key Projects	75,070	243,702	-69%	255,982	483,816	-47%
Meters	58,434	31,650	85%	153,085	99,880	53%
Transformers	8,751	45,360	-81%	48,380	90,253	-46%
Other electrical products	22,097	34,612	-36%	79,009	85,970	-8%
Total	419,653	563,075	-25%	1,366,976	1,545,305	-12%



Wires & Cables Segment

Wires & Cables segment revenues decreased by 5% to reach EGP 2,595 million in Q3 2012 versus EGP 2,743 million in Q3 2011. Gross profit in Q3 2012 however increased by 23% to reach EGP 255 million versus EGP 208 million in Q3 2011.

In terms of volumes, the segment sold 39,803 tons of cables in Q3 2012 versus 38,344 tons in Q3 2011. Volumes increased 4% during 9M 2012 versus 9M 2011 to reach 119,822 tons. The operations in Qatar, Saudi Arabia and Algeria continue to be the main contributors to the growth in volumes during 9M 2012. The largest decline in volumes in 9M 2012 was from the Syrian operations, which incurred a reduction in volumes of approximately 54%. The Egyptian operations remain flat in volumes in 9M 2012 versus 9M 2011.

As for the Gross profit per ton in Q3 2012 it reached EGP 5,414 per ton versus EGP 4,837 per ton in Q3 2011 and averaged EGP 5,543 per ton for 9M 2012.

Wire & Cables Segment Financial Highlights

	Q3-2012	Q3-2011	%	9M-2012	9M-2011	%
Revenues EGP (000)'s	2,594,633	2,743,050	-5%	8,067,655	8,454,098	-5%
Gross Profit EGP (000)'s	255,301	207,751	23%	830,521	785,386	6%
Cables Sales Volumes (tons)	39,803	38,344	4%	119,822	115,264	4%
Cables Gross profit per ton EGP	5,414	4,837	12%	5,543	5,335	4%
Gross Profit Margin	9.8%	7.6%		10.3%	9.3%	

Turnkey Projects

Turnkey revenues witnessed a 54% decline, reaching EGP 364 million in Q3 2012 versus EGP 792 million during Q3 2011. Gross profit decreased 69% to reach EGP 75 million in Q3 2012 versus EGP 244 million in Q3 2011. The continuation from the previous quarter of existing projects closing and new projects not yet fully coming into effect continues to put pressure on this segment. The main reason for the delay in some of the new projects coming into effect is due to the delay in the opening of the LC's related mainly to several of the projects in Africa. On a positive note, HV cables sales (including installation) increased by approximately 50% in 9M 2012 versus 9M 2011. It is also important to note that Q3 2011 was an exceptionally high quarter for the Turnkey segment given a very large project in Africa that was realized during that quarter.

Backlog as of September 30th, 2012 stands at EGP 4.3 billion, The backlog number includes projects in Egypt, GCC, Middle East and Africa for power generation, distribution and transmission lines.

Meters Segment

Revenues from the meters segment surged by 81% in Q3 2012 versus Q3 2011 to reach EGP 223 million versus EGP 124 million in Q3 2011. Gross profit increased 85% to reach EGP 58 million in Q3 2012. The increase is backed up by an increase in sales volume of 28%.

The Company was able to secure an extension to its current Netherlands contract for system meters. In addition the Company was also awarded a tender in Hong Kong. It is also important to mention the continued focus of the Company to open new markets with Slovakia being a new market for the Company for the household meters.

Gross profit margin improved to 24.9% in 9M 2012 versus 22.9% in 9M 2011. The improvement in gross profit margin is a combination of a revenue shift to markets with better profitability, in addition to the Company phasing out the electromechanical meters.

Meters Segment Financial Highlights

	Q3-2012	Q3-2011	%	9M-2012	9M-2011	%
Revenues EGP (000)'s	223,422	123,568	81%	613,987	435,893	41%
Gross Profit EGP (000)'s	58,434	31,650	85%	153,085	99,880	53%
Sales Volumes (meters)	846,675	662,710	28%	2,897,457	2,047,773	41%
Gross profit per meter EGP	69	48	45%	53	49	8%
Gross Profit Margin	26.2%	25.6%		24.9%	22.9%	

Transformers Segment

Revenues from the transformers segment decreased 61% in Q3 2012 versus Q3 2011 to reach EGP 60 million, whilst gross profit decreased by 81% to reach EGP 9 million in Q3 2012.

The main contributors to the underperformance of this segment during Q3 2012 were from the Egyptian, Nigerian & Syrian operations. The revenue numbers in Egypt during Q3 2012 was negligible as a result of production and inspection delays in Egypt. The supplying of the transformers should resume in Q4 2012 and into 2013.

As at September 30th, 2012 the backlog in the transformers segment stood at USD 50 million.

Transformers Segment Financial Highlights

	Q3-2012	Q3-2011	%	9M-2012	9M-2011	%
Revenues EGP (000)'s	59,798	153,398	-61%	292,520	425,807	-31%
Gross Profit EGP (000)'s	8,751	45,360	-81%	48,380	90,253	-46%
Sales Volumes (MVA)	583	1,669	-65%	2,663	4,291	-38%
Gross profit per MVA EGP	15,011	27,177	-45%	18,165	21,006	-14%
Gross Profit Margin	14.6%	29.6%		16.5%	21.2%	

Other Electrical Products

Revenues from the Electrical products segment increased by 31% in Q3 2012 versus Q3 2011, to reach EGP 93 million, whilst gross profit decreased by 36% to reach EGP 22 million.

Net Debt

Net debt increased by 8% on Sep 30th, 2012 to reach EGP 4,482 million versus EGP 4,140 as of June 30th, 2012. The increase of Net Debt was mainly due to a reduction in cash after payment of the EGP 223 million of cash dividends.

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	Q2-2012	Q3-2012	Q3-2011	9M-2012	9M-2011
Sales					
Wires & Cables	2,795,388,794	2,594,632,997	2,743,050,261	8,067,655,210	8,454,097,731
Electrical Products	411,148,529	376,181,736	348,017,655	1,121,465,300	1,041,509,849
Turnkey Projects	464,103,121	363,813,245	792,193,462	1,272,988,043	1,874,146,290
Total Sales	3,670,640,444	3,334,627,978	3,883,261,378	10,462,108,553	11,369,753,871
COGS	(3,165,649,310)	(2,914,975,068)	(3,320,186,023)	(9,095,132,157)	(9,824,449,050)
Gross Profit	504,991,134	419,652,910	563,075,355	1,366,976,396	1,545,304,820
Gross Profit Margin	13.8%	12.6%	14.5%	13.1%	13.6%
SG & A	(214,400,186)	(227,133,432)	(207,799,542)	(672,387,630)	(639,958,268)
Other Operating Income/ (Expenses)	(39,268,506)	(34,963,559)	9,903,741	(72,222,163)	29,559,018
EBITDA	331,994,870	239,804,806	440,960,191	869,011,120	1,177,503,663
EBITDA Margin	9.0%	7.2%	11.4%	8.3%	10.4%
Depreciation	(80,672,428)	(82,248,888)	(75,780,638)	(246,644,518)	(242,598,092)
Fx Gain / (Loss)	(101,638,787)	(1,563,043)	(47,434,655)	(93,597,017)	(77,749,110)
Provisions	(642,552)	(1,504,663)	11,568,761	(2,153,534)	8,887,226
EBIT	149,041,103	154,488,212	329,313,660	526,616,051	866,043,686
Interest Expense	(119,347,958)	(110,465,834)	(109,502,437)	(332,875,501)	(259,387,173)
Interest Income	12,805,264	16,516,471	9,751,958	46,339,908	37,945,732
EBT	42,498,409	60,538,850	229,563,181	240,080,458	644,602,246
Tax	(11,927,350)	(14,734,790)	(22,408,034)	(60,982,878)	(85,152,319)
Net Income	30,571,059	45,804,060	207,155,148	179,097,580	559,449,927
Minority Interest	1,071,085	(10,702,478)	(10,789,030)	(14,013,481)	(31,130,865)
Net Income After Minority Interest	31,642,144	35,101,582	196,366,118	165,084,100	528,319,063

El Sewedy Electric
Consolidated Financial statements
Balance Sheet

L.E	31-12-11	31-03-12	30-06-12	30-09-12
Assets				
Fixed Assets	3,735,735,534	3,673,473,888	3,555,322,921	3,483,559,289
Investments	27,478,241	27,292,219	26,619,945	24,830,323
Other long term Assets & Good will	468,230,878	504,897,247	413,460,984	365,753,948
Total Long term Assets	4,231,444,654	4,205,663,353	3,995,403,851	3,874,143,559
Inventories	3,553,646,798	3,649,065,217	3,705,809,976	3,801,075,170
Receivables	3,781,383,718	3,839,123,470	3,754,346,943	3,596,191,363
Other Debt balance	609,349,649	610,579,098	620,805,692	714,097,066
Due from Related Parties	155,894,444	222,564,118	145,972,764	207,414,739
Cash & Cash Equivalents	1,643,903,765	1,460,540,430	1,240,131,190	994,966,942
Total Current Assets	9,744,178,374	9,781,872,333	9,467,066,565	9,313,745,280
Bank Overdraft & Short Term loans	4,983,195,040	5,054,168,183	4,699,263,557	4,775,144,690
Accounts Payable	1,123,731,595	980,453,711	1,162,114,298	1,124,898,534
Other Credit balance	981,133,610	1,096,525,979	1,270,112,459	924,173,171
Due to Affiliates	240,460,510	241,839,370	155,087,596	126,201,070
Provisions	49,138,467	41,416,273	46,754,148	48,630,006
Total Current Liabilities	7,377,659,222	7,414,403,516	7,333,332,057	6,999,047,471
Working Capital	2,366,519,152	2,367,468,817	2,133,734,507	2,314,697,809
Total Investments	6,597,963,806	6,573,132,170	6,129,138,358	6,188,841,368
Issued and Paid Capital	2,234,180,000	2,234,180,000	2,234,180,000	2,234,180,000
Retained Earnings	1,798,989,948	2,303,006,914	2,062,099,038	2,004,636,132
Net Profit of the year	509,118,697	98,340,373	129,982,517	165,084,100
Others	1,032,196,982	989,631,480	824,478,635	878,175,965
Total Equity	5,574,485,627	5,625,158,767	5,250,740,191	5,282,076,197
Long Term Loans	825,370,085	738,679,591	681,190,475	702,068,254
Other long term Liabilities	198,108,091	209,293,813	197,207,690	204,696,921
Total long term Liabilities	1,023,478,176	947,973,404	878,398,165	906,765,175
Total long term Liabilities & Equity	6,597,963,803	6,573,132,171	6,129,138,356	6,188,841,372