

Earnings Release: ELSEWEDY ELECTRIC Reports Consolidated Results for 9M 2015 ended September 30th, 2015.

December 2nd, 2015

Cairo- Egypt.

ELSEWEDY ELECTRIC Announces another Strong Quarter. Q3 2015 Net Profit after Minority of EGP 285 million, on Total Group Revenues of EGP 4.4 Billion. Turnkey Backlog of EGP 14.2 billion highest level achieved in the history of the Company

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 9M 2015 ended September 30th, 2015.

Q3 2015 versus Q3 2014

- Consolidated revenues in Q3 2015 increased by 3% to reach EGP 4,433 million versus EGP 4,302 million in Q3 2014.
- Gross profit in Q3 2015 increased by 5% to reach EGP 721 million versus EGP 687 million in Q3 2014.
- EBITDA in Q3 2015 increased by 39% to reach EGP 429 million versus EGP 308 million in Q3 2014.
- Net profit after Minority reached EGP 285 million during Q3 2015 versus EGP 95 million during Q3 2014.

9M 2015 versus 9M 2014

- Consolidated revenues increased by 21% to reach EGP 15,521 million for 9M 2015, versus EGP 12,813 million in 9M 2014.
- Gross profit increased by 26% to reach EGP 2,511 million during 9M 2015, versus EGP 1,985 million in 9M 2014.
- EBITDA surged by 94% to reach EGP 1,780 million in 9M 2015, versus EGP 918 million in 9M 2014.
- Net profit after Minority Interest increased by 210% reaching EGP 962 million in 9M 2015 versus EGP 310 million for 9M 2014.

• **Consolidated Results Highlights**

LE (000)'s	Q3-2015	Q3-2014	% Change	9M-2015	9M-2014	% Change
Revenue	4,432,875	4,302,230	3%	15,520,789	12,812,898	21%
Gross Profit	721,347	686,878	5%	2,510,838	1,985,003	26%
Gross Profit Margin	16%	16%		16%	15%	
EBITDA	429,003	308,023	39%	1,780,059	917,927	94%
EBITDA Margin	10%	7%		11%	7%	
Net Income After Minority	284,575	95,351	198%	962,339	310,386	210%
Net Income After Minority Margin	6%	2%		6%	2%	

Segment Analysis Q3 2015 versus Q3 2014

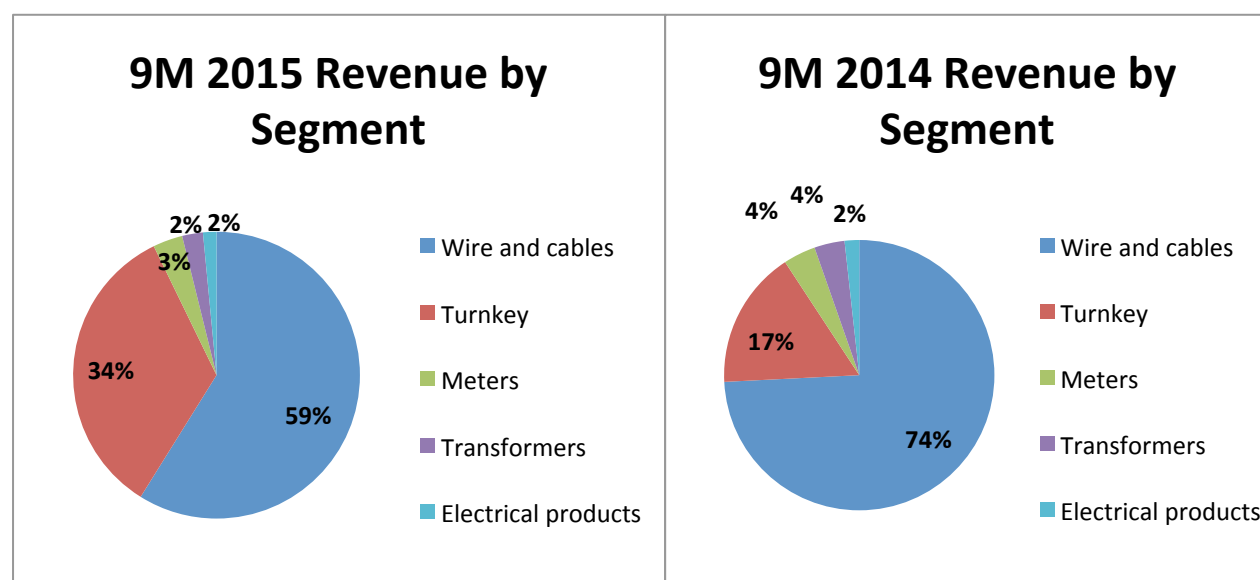
- Revenues in Q3 2015 increased by 3% to reach EGP 4,433 million versus EGP 4,302 million in Q3 2014. The Wire and Cable segment achieved revenues of EGP 2,976 million in Q3 2015, 5% higher than Q3 2014. Turnkey revenues in Q3 2015 were 8% lower than Q3 2014 reaching EGP 1,023 million. Meters revenues increased by 29% reaching EGP 194 million, while transformers revenues increased by 28% reaching EGP 155 million. Electrical Products revenues increased by 15% to reach EGP 86 million.
- Gross Profit increased by 5% to reach EGP 721 million in Q3 2015 versus EGP 687 million in Q3 2014. The gross profit in the Wire and Cable segment decreased by 16% in Q3 2015 versus Q3 2014, (EGP 389 million versus EGP 462 million). Turnkey gross profit increased by 38% in Q3 2015 to reach EGP 200 million versus EGP 145 million in Q3 2014. The Meters division gross profit decreased by 14% in Q3 2015 to reach EGP 50 million whilst the transformers division gross profit increased by 11% in Q3 2015 to reach EGP 35 million. Electrical products' gross profit stood at EGP 47 million in Q3 2015.

Segment Analysis 9M 2015 versus 9M 2014

- Revenue during 9M 2015 increased by 21% versus 9M 2014 reaching EGP 15,521 million. The Wire and Cables revenue decreased by 4% to reach EGP 9,138 million. Turnkey revenues surged by 148% during 9M 2015 reaching EGP 5,264 million. Transformers revenue decreased by 22% during 9M 2015 reaching EGP 364 million, whilst Meters revenues increased by 5% to reach EGP 520 million. Electrical products' revenues increased by 5% to reach EGP 235 million.
- Gross profit during 9M 2015 increased by 26% to reach EGP 2,511 million. The Wire and Cables gross profit decreased by 14% to reach EGP 1,199 million. Turnkey gross profit was 221% higher during 9M 2015 reaching EGP 919 million. Transformers gross profit increased by 39% reaching EGP 120 million whilst meters gross profit decreased by 20% to reach EGP 142 million. Electrical products' gross profit increased by 217% to reach EGP 130 million.

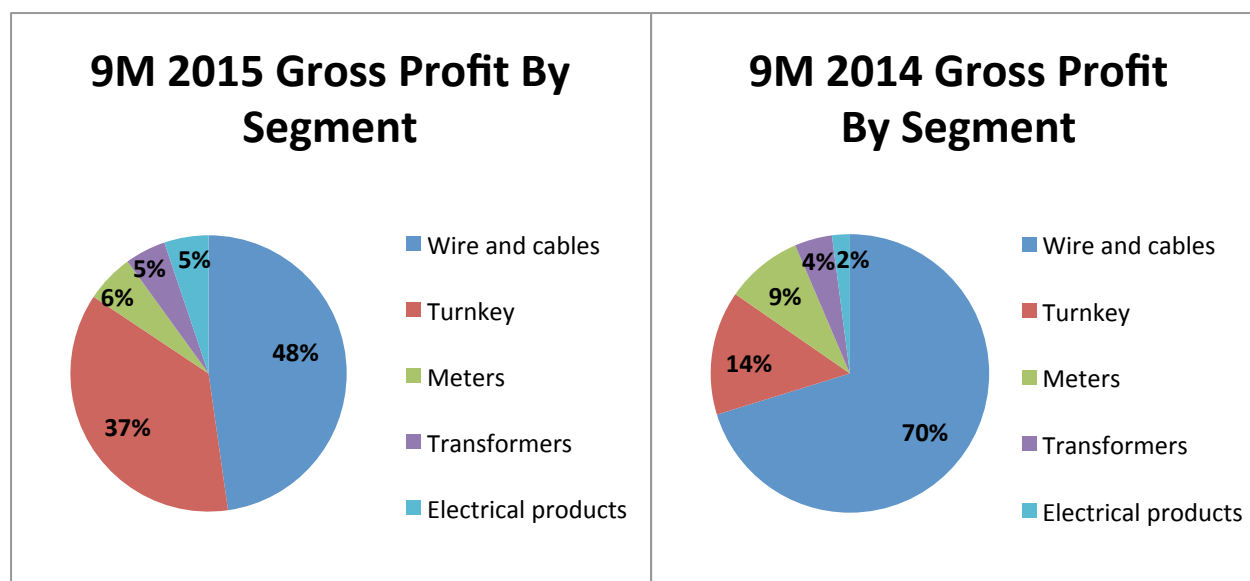
Summary of Revenues by Segment

LE (000)'s	Q3-2015	Q3-2014	% Change	9M-2015	9M-2014	% Change
Wire & Cables	2,975,574	2,844,073	5%	9,138,012	9,508,054	-4%
Turn Key Projects	1,023,377	1,112,187	-8%	5,263,664	2,120,492	148%
Meters	193,691	150,548	29%	520,239	496,189	5%
Transformers	154,601	120,845	28%	363,520	464,905	-22%
Other electrical products	85,632	74,578	15%	235,355	223,259	5%
Total	4,432,875	4,302,230	3%	15,520,789	12,812,898	21%



Summary of Gross Profit by Segment

LE (000)'s	Q3-2015	Q3-2014	% Change	9M-2015	9M-2014	% Change
Wire & Cables	389,084	462,345	-16%	1,198,806	1,393,930	-14%
Turn Key Projects	200,123	145,401	38%	919,361	286,113	221%
Meters	50,395	58,824	-14%	142,165	177,482	-20%
Transformers	34,769	31,437	11%	120,233	86,402	39%
Other electrical products	46,976	-11,128	NA	130,274	41,076	217%
Total	721,346	686,878	5%	2,510,838	1,985,003	26%



Wires & Cables Segment

Wires & Cables segment revenues decreased by 4% to reach EGP 9,138 million in 9M 2015 versus EGP 9,508 million in 9M 2014. Gross profit in 9M 2015 decreased by 14% to reach EGP 1,119 million versus EGP 1,394 million in 9M 2014. Gross profit margin reached 13% in 9M 2015 versus 15 % in 9M 2014.

In terms of volumes, the segment sold 144,228 tons of cables in 9M 2015 versus 134,096 tons in 9M 2014, an increase of 8%. Gross profit per ton averaged EGP 6,883 in 9M 2015 versus EGP 8,809 in 9M 2014.

Volumes in the Egyptian operations were 4% lower in 9M 2015 versus 9M 2014, with the main decrease in volumes coming from the export market, mainly a reduction in exports to the Gulf, Europe and Iraq. Local market volumes in the Egyptian operations continue to increase. However we are expecting exports to pick up again with significant activity once again resuming in the GCC, mainly KSA and Qatar.

Volumes in the Qatar operations increased by 71%, whilst all the other operations also saw a pickup in volumes with the exception of Algeria in which volumes were lower yoy by 14%.

Wire & Cables Segment Financial Highlights

	Q3-2015	Q3-2014	% Change	9M-2015	9M-2014	% Change
Revenues After Intercompany Sales LE (000)'s	2,975,574	2,844,073	5%	9,138,012	9,508,054	-4%
Gross Profit LE (000)'s	389,084	462,345	-16%	1,198,806	1,393,930	-14%
Cables Sales Volumes (Tons)	48,972	39,772	23%	144,228	134,096	8%
Cables Sales Volumes (Tons) proportioned	42,141	36,110	17%	126,170	123,559	2%
Cables Gross Profit per ton LE	6,448	10,529	-39%	6,883	8,809	-22%
Gross Profit Margin After Intercompany Sales	13.1%	16.3%		13.1%	14.7%	

**includes the proportionate tonnage for Doha Cables*

Turnkey Projects

Turnkey revenues witnessed a 148% increase, reaching EGP 5.3 billion in 9M 2015 versus EGP 2.1 billion during 9M 2014. Gross profit increased by 221% to reach EGP 919 million in 9M 2015 versus EGP 286 million in 9M 2014, whilst gross profit margin increased from 13% in 9M 2014 to 17% in 9M 2015.

We are making good progress in the Attaqa and Mahmoudia power plants in Egypt (USD 706M - 980MW.) Also construction is moving very quickly in the Beni Suef 4,800 MW (EUR 785M) combined cycle power plant. The gas-fired combined cycle power project is located 150 km south of Cairo and shall start producing energy by end of 2016, with the entire 4,800 MW to be connected to the grid before the end of 2018.

Whilst Egypt remains the main driver for the turnkey growth, we are actively pursuing new opportunities in Sub Saharan Africa, mainly Angola and Zambia for power generation and supply of material, in addition to continuing our strong commitment to turnkey projects in the GCC, mainly Qatar and Kuwait.

As part of the Egyptian governments renewable program under the feed in tariff (2,000 MW wind and 2,000MW solar), on Monday 30th of November we signed the Cost Sharing Agreement for the development of a 50 MW solar power plant. Construction and connection to the grid is a maximum of 12 months after financial closure (approximately October 2016.)

The total backlog as of September 30th, 2015 stands at a record level of EGP 14.2 billion. Of the backlog Egypt now represents 83%, and the GCC and Middle East 13%.

Meters Segment

Revenues from the meters segment increased by 5% in 9M 2015 versus 9M 2014 to reach EGP 520 million versus EGP 496 million in 9M 2014. Gross profit decreased by 20% to reach EGP 142 million in 9M 2015 versus 177 million in 9M 2014.

Whilst Europe remains the main contributor to revenues in this segment, we are also focusing on Sub-Saharan Africa where we believe there is a lot of potential. In Q3 2015 we exported meters to Nigeria, in addition to exporting meters to Zambia throughout the year.

As for Egypt, on November 16th 2015 we handed in the financial and technical bids for the 3 million smart meters tender.

With the recent award on July 29th in the Netherlands for the delivery of up to 2.5 million meters over 4 years, our meters backlog as of September 30th, 2015 stands at Euros 122 million.

Meters Segment Financial Highlights

	Q3-2015	Q3-2014	% Change	9M-2015	9M-2014	% Change
Revenues Before Intercompany Sales LE (000)'s	258,362	221,251	17%	614,953	646,402	-5%
Revenues After Intercompany Sales LE (000)'s	193,691	150,548	29%	520,239	496,189	5%
Gross Profit LE (000)'s	50,395	58,824	-14%	142,165	177,482	-20%
Sales Volumes (Meters)	693,494	633,781	9%	1,880,366	1,674,211	12%
Gross Profit per meter LE	73	93	-22%	76	106	-29%
Gross Profit Margin Before Intercompany Sales	19.5%	26.6%		23.1%	27.5%	
Gross Profit Margin After Intercompany Sales	26.0%	39.1%		27.3%	35.8%	

Transformers Segment

Revenues from the transformers segment decreased 22% in 9M 2015 versus 9M 2014 to reach EGP 364 million. However before intercompany sales, transformer revenues were 3% lower. Gross profit reached EGP 120 million in 9M 2015 compared to EGP 86 million in 2014.

Whilst revenues in the Egyptian operations were lower in 9M 2015 versus 9M 2014 there was a marked improvement in profitability. Revenues in Zambia were higher on a 9M basis, whilst revenues in Sudan and Algeria were relatively flat.

As at September 30th, 2015 the backlog in the transformers segment stood at USD 29 million.

Transformers Segment Financial Highlights

	Q3-2015	Q3-2014	% Change	9M-2015	9M-2014	% Change
Revenues Before Intercompany Sales LE (000)'s	154,416	139,892	10%	472,927	487,315	-3%
Revenues After Intercompany Sales LE (000)'s	154,601	120,845	28%	363,520	464,905	-22%
Gross Profit LE (000)'s	34,769	31,437	11%	120,233	86,402	39%
Sales Volumes (MVA)	1,066	1,123	-5%	3,022	3,882	-22%
Gross Profit per MVA LE	32,628	25,895	26%	39,786	22,258	79%
Gross Profit Margin Before Intercompany Sales	22.5%	22.5%		25.4%	17.7%	
Gross Profit Margin After Intercompany Sales	22.5%	26.0%		33.1%	18.6%	

Other Electrical Products

Revenues from the Electrical products segment increased by 5% in 9M 2015 versus 9M 2014, to reach EGP 235 million, while gross profit increased by 217% to reach EGP 130 million.

Selling General and Administrative Expenses

SG&A as a % of sales improved to reach 4.4% in 9M 2015 versus 6.1% in 9M 2014.

Other Operating Expense

Other operating expenses in Q3 2015 included EGP 205 million related to provisioning for accounts receivable. A new policy was implemented on the group level in which a 50% provision was implemented on receivables 6 months overdue and 100% provision on receivables 1 year overdue. It is important to note that a substantial portion of the receivables is ultimately with government entities, and that in some of the markets we operate in it is typical for these entities to delay payments. We believe that a substantial portion of these overdue receivables will eventually be collected however we preferred to choose a more conservative approach in our accounting treatment of the aforementioned receivables.

Net Interest Expense

Net Interest expense declined by approximately 37% in 9M 2015, reaching EGP 98 million versus EGP 155 million in 9M 2014.

Taxes

The corporate tax rate of 22.5% was reflected in our Q3 2015 financial statements and applied retroactively for the FY 2015.

Net Debt

Net debt as of September 30th, 2015 decreased by 14% to reach EGP 1,899 million versus EGP 2,203 million as of June 30th, 2015. The improvement this quarter in the net debt is due to an increase in cash related to the down payment received for the Beni Suef project.

Inventory increased by 3% to reach EGP 3.4 billion as of September 30th, 2015 (75 DOH) versus EGP 3.3 billion as of June 30th, 2015 (73 DOH). Account receivables decreased by 4% to reached EGP 7.3 billion as of September, 2015 (136 DOH) versus EGP 7.6 billion as of June 30th, 2015 (142 DOH). Payables decreased by 29% to reach EGP 2 billion as of September, 2015 (44 DOH) versus EGP 2.8 billion as of June 30th, 2015 (63 DOH). Total cash conversion cycle increased to 166 DOH as of September 30th, 2015 versus 152 DOH as of June 30th, 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.

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ELSEWEDY ELECTRIC
Consolidated Financial Statements
Income Statement

L.E	Q3-2015	Q3-2014	9M-2015	9M-2014
Sales				
Wires & Cables	2,975,574,333	2,844,072,571	9,138,011,899	9,508,054,323
Electrical Products	433,923,727	345,970,336	1,119,113,345	1,184,352,417
Turnkey Projects	1,023,376,731	1,112,186,623	5,263,663,882	2,120,491,696
Total Sales	4,432,874,791	4,302,229,530	15,520,789,126	12,812,898,436
COGS	(3,711,528,289)	(3,615,351,947)	(13,009,951,194)	(10,827,895,704)
Gross Profit	721,346,502	686,877,583	2,510,837,932	1,985,002,732
Gross Profit Margin	16.3%	16.0%	16.2%	15.5%
SG & A	(216,954,982)	(193,669,862)	(690,076,005)	(775,628,393)
Other Operating Income	31,952,226	16,216,396	243,630,428	65,209,743
Other Operating Expense	(198,068,844)	(299,451,514)	(554,986,684)	(637,634,634)
Other Operating Income/ (Expenses)	(166,116,618)	(283,235,118)	(311,356,256)	(572,424,891)
EBITDA	429,003,354	308,022,800	1,780,058,534	917,927,101
EBITDA Margin	9.7%	7.2%	11.5%	7.2%
Depreciation & Amortization	(90,728,453)	(98,050,198)	(270,652,863)	(280,977,653)
Fx Gain / (Loss)	(4,020,132)	(2,055,071)	(7,597,952)	32,115,885
EBIT	334,254,769	207,917,532	1,501,807,719	669,065,333
Interest Expense	(86,736,040)	(33,803,396)	(216,717,604)	(190,834,388)
Interest Income	33,590,720	11,702,491	118,658,456	35,491,040
Interest Income / (Expenses)	(53,145,320)	(22,100,905)	(98,059,148)	(155,343,348)
EBT	281,109,449	185,816,627	1,403,748,571	513,721,984
Tax	17,836,802	(82,081,827)	(299,712,556)	(179,844,304)
Net Income	298,946,250	103,734,800	1,104,036,015	333,877,681
Minority Interest	(14,371,233)	(8,383,428)	(141,696,665)	(23,491,559)
Net Income After Minority Interest	284,575,017	95,351,372	962,339,350	310,386,122

ELSEWEDY ELECTRIC
Consolidated Financial Statements
Balance Sheet

L.E	31-12-14	31-03-15	30-06-15	30-09-15
Assets				
Fixed Assets	3,121,801,039	3,126,028,597	3,147,627,501	3,152,171,847
Investments	43,715,623	26,748,772	26,748,772	26,786,131
Other long term Assets & Good will	173,361,680	115,104,478	113,445,556	160,581,493
Total Long term Assets	3,338,878,342	3,267,881,847	3,287,821,829	3,339,539,472
Inventories	3,343,933,055	3,204,239,367	3,311,233,349	3,398,391,710
Receivables	3,988,300,921	4,508,439,842	7,623,261,298	7,347,400,310
Other Debt balance	1,284,075,643	1,716,491,865	1,793,646,593	1,771,724,658
Due from Related Parties	358,402,481	480,520,036	506,247,072	824,880,181
Cash & Cash Equivalents	1,597,610,616	3,399,141,775	3,113,568,215	3,975,979,249
Total Current Assets	10,572,322,716	13,308,832,886	16,347,956,528	17,318,376,108
Bank Overdraft & Short Term loans	4,278,293,304	4,967,959,421	5,087,395,962	5,654,607,996
Accounts Payable	1,427,475,437	1,408,391,799	2,848,179,244	2,012,159,530
Other Credit balance	1,467,213,989	3,225,925,262	4,325,650,570	5,551,636,065
Due to Affiliates	163,193,948	149,295,080	195,780,004	194,997,194
Provisions	310,917,016	283,578,058	357,116,889	339,912,517
Total Current Liabilities	7,647,093,694	10,035,149,620	12,814,122,669	13,753,313,302
Working Capital	2,925,229,022	3,273,683,265	3,533,833,859	3,565,062,806
Total Investments	6,264,107,364	6,541,565,112	6,821,655,688	6,904,602,278
Issued and Paid Capital	2,234,180,000	2,234,180,000	2,234,180,000	2,234,180,000
Retained Earnings	1,982,749,739	2,354,126,428	2,026,477,759	2,023,878,215
Net Profit of the year	403,300,490	239,224,702	677,764,332	962,339,350
Others	1,113,834,105	1,178,704,119	1,352,404,276	1,187,161,031
Total Equity	5,734,064,334	6,006,235,249	6,290,826,367	6,407,558,595
Long Term Loans	285,199,434	275,673,064	229,289,143	220,686,223
Other long term Liabilities	244,843,596	259,656,801	301,540,183	276,357,454
Total long term Liabilities	530,043,030	535,329,865	530,829,327	497,043,677
Total long term Liabilities & Equity	6,264,107,364	6,541,565,112	6,821,655,688	6,904,602,273