

EL Sewedy Electric Company
(An Egyptian Joint Stock Company)
Consolidated financial statements
For the financial year Ended 31 December 2014
And auditor's report

Auditor's Report
To The Shareholders of El Sewedy Electric Company
(An Egyptian Joint Stock Company)

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of El Sewedy Electric Company (an Egyptian Joint Stock Company) which comprise the consolidated balance sheet as at 31 December 2014, and the consolidated income statement, statement of changes in equity and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

These financial statements are the responsibility of Company's management. Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Egyptian Accounting Standards and in the light of the prevailing Egyptian laws, management responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; management responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Egyptian Standards on Auditing and in the light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of El Sewedy Electric Company as of 31 December 2014, and of its consolidated financial performance and its cash flows for the year then ended in accordance with the Egyptian Accounting Standards and the Egyptian laws and regulations relating to the preparation of these consolidated financial statements.

Emphasis of matter

Without qualifying our opinion, as discussed in note No. 30 to the consolidated financial statements, the presidential decree of law No.53 for the year 2014 was issued regarding amendments of some regulations of income tax law. Due to the non-issuance of the executive regulations till the date of this report, the company used the best applications in the light of explanation of the articles of the said law .The values and results of this application might differ in case adequate and reliable information are available on the issuance of the executive regulations for this matter.

Report on Other Legal and Regulatory Requirements

The consolidated financial information included in the Board of Directors' report, prepared in accordance with Law No. 159 of 1981 and its executive regulations, is in agreement with the Company's books of account.

KPMG Hazem Hassan

Public Accountants and Consultants

Cairo, 29 March 2015

EL Sewedy Electric Company
(An Egyptian Joint Stock Company)
Consolidated Balance Sheet
As of 31 December 2014

	Note No.	31/12/2014 L.E	31/12/2013 L.E
Assets			
Long term assets			
Fixed assets	(3-3)·(6)	2 953 930 471	3 215 401 911
Project under progress	(3-3)·(7)	167 870 567	135 091 257
Investments available for sale	(3-5)·(8)	10 875 273	10 266 200
Investments in associates	(3-1)	12 840 351	12 693 283
Investment certificates	(9)	20 000 000	-
Debit balances	(3-4)·(10)	54 831 896	72 257 554
Intangible assets	(3-7)·(31)	52 975 012	84 819 531
Deferred tax assets	(3-19)·(21)	65 554 772	44 778 613
Total long term assets		3 338 878 342	3 575 308 349
Current assets			
Inventories	(3-8)·(11)	3 343 933 055	3 668 495 024
Trade, notes and other receivables	(3-4)·(12)	5 272 376 564	5 321 343 896
Due from related parties	(29)	358 402 481	192 873 358
Investment fund / treasury bills	(3-6)·(13)	318 605 293	182 700 369
Banks and cash in hand	(14)	1 279 005 323	1 206 173 871
Assets held for sale	(3-9)	-	72 296 777
Total current assets		10 572 322 716	10 643 883 295
Current liabilities			
Banks facilities and overdraft	(3-12)·(15)	3 227 734 071	4 009 828 259
Loans	(3-12)·(16)	894 637 717	823 770 990
Notes payable due to banks		155 921 516	84 473 968
Trade, notes and other payables	(3-4)·(17)	2 894 689 425	2 965 580 862
Due to related parties	(29)	163 193 948	172 680 187
Provisions	(3-11)·(18)	310 917 017	219 829 699
Total current liabilities		7 647 093 694	8 276 163 965
Working capital		2 925 229 022	2 367 719 330
Total investments		6 264 107 364	5 943 027 679
These investments to be financed as follows:			
Shareholders' Equity			
Issued and paid capital	(19)	2 234 180 000	2 234 180 000
Own shares		(1 422 160)	(1 422 160)
Reserves	(20)	149 535 197	149 535 197
Increase in the net assets of the acquired subsidiaries over the consideration paid for the investment	(3-1)	578 908 660	578 908 660
Retained earnings		1 982 749 739	1 900 996 805
Net profits for the year		403 300 490	96 501 795
Foreign exchange differences		(33 276 490)	(87 612 698)
Total parent's shareholders' equity		5 313 975 436	4 871 087 599
Minority interest		420 088 898	415 952 466
Total equity		5 734 064 334	5 287 040 065
Long term liabilities			
Loans	(3-12)·(16)	285 199 434	504 689 446
Deferred tax liabilities	(3-19)·(21)	203 677 475	101 375 596
Other liabilities	(22)	41 166 121	49 922 572
Total long term liabilities		530 043 030	655 987 614
		6 264 107 364	5 943 027 679

* The accompanying notes are an integral part of these interim consolidated financial statements .

Chief Financial Officer
Mr. Amr Mohamed Labib

Managing Director
Eng. Ahmed Ahmed Sadek

Chairman
Mr. Sadek Ahmed Elsewedy

Audit report "attached "

EL Sewedy Electric Company
(An Egyptian Joint Stock Company)
Consolidated Income Statement
for the financial year ended at 31 December 2014

	Note No	2014 <u>L.E</u>	2013 <u>L.E</u>
Operational revenues	(3-15)	17 014 814 372	15 098 992 917
Operational costs	(3-17)	(14 431 752 278)	(13 034 117 023)
Gross profits		2 583 062 094	2 064 875 894
Other operating income	(24)	133 094 340	71 248 288
Selling and distribution expenses	(3-17)	(453 961 871)	(468 843 437)
Administrative expenses	(3-17)	(598 240 111)	(594 069 521)
Other operating expenses	(25)	(673 749 220)	(414 383 222)
Operating profits		990 205 232	658 828 002
Financing income		60 597 627	24 417 366
Financing costs		(340 087 011)	(446 111 733)
Net financing costs	(26)	(279 489 384)	(421 694 367)
Investments available for sale revenues		1 109 705	3 469 485
Net profits for the period before tax		711 825 553	240 603 120
Income tax			
Current income tax	(3-19)	(189 874 452)	(136 658 599)
Deferred income tax	(3-19)	(76 839 193)	30 584 122
Net profits for the period after tax		445 111 908	134 528 643
Attributable to :			
Equity holders of the holding company		403 300 490	96 501 795
Minority interest		41 811 418	38 026 848
		445 111 908	134 528 643
Earnings per share	(3-20)-(34)	1.81	0.43

* The accompanying notes are an integral part of these interim consolidated financial statements.

EL Sewedy Electric Company
(An Egyptian Joint Stock Company)
Consolidated Changes in Equity's statement
for the financial year ended at 31 December 2014

	Issued and paid capital	Own shares	Legal reserve	General reserve	Increase in the net assets of the acquired subsidiaries over the consideration paid for the investment	Retained earnings	Profit attributable to the holding for the year	Foreign exchange differences resulted from foreign entities translation	Total parent's shareholders' equity	Minority interest	Total share holders' equity
	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E
Balance as of 31 December 2012	2 234 180 000	(1 422 160)	90 880 846	43 816 730	578 908 660	2 002 185 741	116 540 824	(231 725 543)	4 833 365 098	412 433 987	5 245 799 085
Transferred to retained earning	-	-	-	-	-	116 540 824	(116 540 824)	-	-	-	-
Transferred to Legal Reserve	-	-	14 837 621	-	-	(14 837 621)	-	-	-	-	-
Minority share in subsidiaries profit distribution	-	-	-	-	-	-	-	-	-	(30 689 906)	(30 689 906)
Minority share of subsidiaries capital during the year	-	-	-	-	-	-	-	-	-	618 247	618 247
Foreign exchange differences from foreign entities translation	-	-	-	-	-	-	-	144 112 845	144 112 845	-	144 112 845
Adjustments to the retained earnings of subsidiaries	-	-	-	-	-	(42 363 291)	-	-	(42 363 291)	(4 436 709)	(46 800 000)
Dividends to Shareholders (Profits 2012)	-	-	-	-	-	(111 709 000)	-	-	(111 709 000)	-	(111 709 000)
Dividends to employees	-	-	-	-	-	(48 819 848)	-	-	(48 819 848)	-	(48 819 848)
Net profits for the year	-	-	-	-	-	-	96 501 795	-	96 501 795	38 026 847	134 528 642
Balance as of 31 December 2013	2 234 180 000	(1 422 160)	105 718 467	43 816 730	578 908 660	1 900 996 805	96 501 795	(87 612 698)	4 871 087 599	415 952 466	5 287 040 065
Transferred to retained earnings	-	-	-	-	-	96 501 795	(96 501 795)	-	-	-	-
Dividends in subsidiaries to minority	-	-	-	-	-	-	-	-	-	(39 892 124)	(39 892 124)
Minority share in subsidiaries capital during the year	-	-	-	-	-	-	-	-	-	8 311 707	8 311 707
Foreign exchange differences from foreign entities translation	-	-	-	-	-	-	-	54 336 208	54 336 208	-	54 336 208
Adjustments to the retained earnings in subsidiaries	-	-	-	-	-	23 494 105	-	-	23 494 105	(6 094 569)	17 399 536
Dividends to employees (Profits 2013)	-	-	-	-	-	(38 242 966)	-	-	(38 242 966)	-	(38 242 966)
Net profits for the year	-	-	-	-	-	-	403 300 490	-	403 300 490	41 811 418	445 111 908
Balance as of 31 December 2014	2 234 180 000	(1 422 160)	105 718 467	43 816 730	578 908 660	1 982 749 739	403 300 490	(33 276 490)	5 313 975 436	420 088 898	5 734 064 334

* The accompanying notes are an integral part of these interim consolidated financial statements.

El Sewedy Electric Company
(An Egyptian Joint Stock Company)
Consolidated Cash Flows Statement
for the financial year ended at 31 December 2014

	2014	2013
	<u>L.E</u>	<u>L.E</u>
Cash flows from operating activities:		
Net profits for the year before tax	711 825 553	240 603 120
Adjustments for net profits of the period to net cash provided by operating activities :		
Depreciation	369 712 231	364 040 414
Amortization	16 507 204	23 132 524
Provisions and receivable impairment	349 661 459	154 767 680
Net financing cost	279 489 384	421 694 366
Capital gain	(8 537 532)	76 166
Impairment of good will and patent	47 349 698	161 617 470
Assets impairment of some subsidiaries	185 886 702	-
Gain from sale investments available for sale	-	(3 149 131)
Income from investments available for sale	(1 109 705)	(3 469 485)
Loss of investment in subsidiaries	185 246	628 874
Operating profit before changes in working capital	1 950 970 240	1 359 941 998
Change in trade, notes and other receivables	(181 716 805)	(548 073 126)
Change in inventories	326 036 156	(258 414 884)
Change in related parties	(173 350 988)	38 359 693
Change in trade, notes and other payables	(563 660 506)	(401 188 372)
Net cash provided by operating activities	1 358 278 097	190 625 309
Cash flows from investing activities		
Acquisition of fixed assets	(205 368 021)	(236 664 178)
Payment under investment in subsidiaries account	(332 313)	(472 911)
Payments for the acquisition of intangible assets	(23 901 602)	(14 700 379)
Payments for investment in joint venture compaines net of cash at acquisition	(7 688 010)	(20 589 454)
Proceeds from selling investment available for sale	-	7 433 131
Payment for available for sale investment and investment cetificates	(609 073)	(266 200)
Proceeds from selling fixed assets and projects under progress	32 380 354	42 258 636
Net proceeds/payments from treasury bills and investment fund	(155 904 924)	(49 974 944)
Net cash flows (used in) investing activities	(361 423 589)	(272 976 299)
Cash flows from financing activities		
Dividends paid to minority	(39 892 124)	(30 689 906)
Minorities share in subsidiaries capital during the year	8 311 707	618 247
(Payments) proceeds of loans, bank facilities and overdraft	(892 442 639)	239 075 623
Dividends paid to shareholders	-	(111 709 000)
Net cash flows (used in) provided by financing activities	(924 023 056)	97 294 964
Net change in cash and banks	72 831 452	14 943 974
Cash and banks at the beginning of the year	1 206 173 871	1 191 229 897
Cash and banks at the end of the year	1 279 005 323	1 206 173 871
Restricted cash	(10 187 257)	(24 216 901)
Net cash and cash equivalents at the end of the year	1 268 818 066	1 181 956 970

* The accompanying notes are an integral part of these interim consolidated financial statements.

EL Sewedy Electric Company

Notes to the interim consolidated financial statements – 31 December 2014

1. Company background

El Sewedy Electric company “previously El Sewedy Cables” is an Egyptian Joint Stock Company, established under the Investment Incentives and Guarantees Law No. 8 of 1997 and was registered in the commercial registration under No. 14584 on 1 June 2005.

The Company’s Extra-ordinary General Assembly held on 19/4/2010 decided to change the company name from “EL Sewedy Cables” to “EL Sewedy Electric“. This change was authenticated in the company commercial register on 4/10/2010. The company has obtained the approval for the change of its name from Misr for Central Clearing, Depository and Registry Company on 31/10/2010, and changed the name in the Egyptian Stock Exchange on 3/11/2010.

The Company’s purpose is to establish and operates a production facility for power cables, transformers, terminators, joint accessories, copper and aluminum terminators either coated or not coated production. In addition to designing, building, managing, operating and maintaining power generation units and power nets. The duration of the company is 25 years from 1/6/2005 (the date of its registration in the commercial register).

The consolidated financial statement includes the holding company and its subsidiaries “The group”.

2. Basis of preparation

Statement of compliance

The consolidated financial statements have been prepared in accordance with Egyptian Accounting Standards and the Egyptian laws and regulations.

The consolidated financial statements were approved by the Board of Directors on 29 March 2015.

Basis of measurement

The financial statements have been prepared on the historical cost basis except for financial derivatives measured at fair value and available for sale investments. The methods used to measure fair values are discussed further in note No. 34 below.

Functional and presentation currency

These consolidated financial statements are presented in Egyptian Pound, which is the company’s functional currency.

Use of estimates and judgments

The preparation of the financial statements in conformity with Egyptian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

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Notes to the consolidated financial statements – 31 December 2014

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

- Note (6) – Fixed assets
- Note (18) – Provisions
- Note (21) – Deferred taxes
- Note (23) – Contract revenues
- Note (31) – Business combination
- Note (32) – Shares based payment
- Note (35) – Valuation of financial instruments

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements, and have been applied consistently by Group entities.

3-1 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholders that controls the Group are accounted for as of the acquisition date. The assets and liabilities acquired are recognized at the carrying amounts recognized previously in the Group's controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within the Group equity and any gain/loss arising is recognized directly in equity.

Loss of control

Upon loss of control, the group derecognizes the assets and liabilities of the subsidiary, any minority interests and other components of equity related to the subsidiary. Any surplus or deficit is recognized in profit or loss. If the group retains any interest in the previous subsidiary it's accounted for subsequently as an equity investee or an available for sale financial asset depending on the level of influence retained.

Investment in associates and jointly controlled entities

Associates are those entities in which the Group has significant influence, but not control over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity. Joint controlled are those entities over whose activities the Group has joint control. Investment in associates is initially recorded at cost, using equity method to account for this investment.

Transactions eliminated on consolidation

Intra-group balances, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to

EL Sewedy Electric company

Notes to the consolidated financial statements – 31 December 2014

the extent of the group interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

3-2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Foreign currency differences arising on retranslation are recognised in the consolidated profit or loss.

Assets and liabilities of the non-cash nature are translated using the exchange rate prevailing at the date of the transaction.

Foreign operations

The assets and liabilities of foreign operations are translated to Egyptian Pound at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Egyptian Pound at exchange rates at the dates of the transactions. Foreign currency differences arising on retranslation are recognised in a separate item under the equity in the consolidated balance sheet.

3-3 Fixed assets

Recognition & measurement

Items of fixed assets are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self constructed assets includes the cost of materials and direct labor, any others costs directly attributable to bringing the asset to a working conditions for its intended use. When parts of an item of fixed assets have different useful lives, they are accounted for as separate items of fixed assets

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the consolidated profit or loss as incurred.

Project under progress

Project under progress are added to fixed assets and depreciated when it become ready for its intended use.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives for the current and comparative years are as follows:

EL Sewedy Electric company**Notes to the consolidated financial statements – 31 December 2014**

Buildings	8 -50 years
Machinery and equipment	5-10 years
Furniture	4 -17 years
Vehicles	5-8 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

Capital lease

Rental expenses of capital lease in-addition to the operating costs such as maintenance and repair of the leased assets are charged to the income statement on a straight – line basis over the period of lease. In case of purchasing the leased assets at the end of the contract using the contract bargain purchase option, these assets should be recorded as fixed assets with the bargain option amount agreed in the lease contract, and are depreciated over the remaining estimated useful life according to the applied depreciation policy.

3-4 Financial instruments**Non-derivative financial instruments**

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

The financial assets and liabilities are recognised in the balance sheet when the company and its subsidiaries become side in the financial instruments agreement. The initial recognition with the financial instruments according to its fair value.

Cash and cash equivalents comprise cash balances and call deposits for a period more than three months which form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Derivative financial instruments

The Group doesn't hold derivative financial instruments for speculative purposes. The hedged instrument is recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value.

3-5 Available-for-sale financial assets

The Group's investments in equity securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value (if quoted) and changes therein, other than impairment losses, and foreign exchange gains and losses on available-for-sale monetary items are recognized directly in equity. When an investment is derecognized, the cumulative gain or loss in equity is transferred to income statement. Investments which are not listed at stock exchanges are measured at historical value after reducing any impairment losses.

3-6 Investment in funds and treasury bills**3-6-1 Investment in funds**

Investments in funds are recorded according to its latest announced recoverable value.

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Notes to the consolidated financial statements – 31 December 2014

3-6-2 Investment in treasury bills

Investment in treasury bills is recorded at its purchase cost less than the interest not due . Treasury bills are stated at the balance sheet at its nominal value after deducting the balance of interest not due. There is no losses from the impairment of the value of these bills because its is governmental bills and can be sold according at the Central Bank of Egypt adjustment rate.

3-7 Other assets

Goodwill

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquirer. When the excess is negative, it is recognized immediately in profit or loss.

Intangible assets

Intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized in the profit and loss on a straight line basis over the estimated useful lives of intangible assets, other than goodwill, from the date they are available for use. The estimated useful life is as follows:

- Patents 20 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3-8 Inventories

Inventories are valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the normal course of business minus the estimated cost for completion and any selling costs. Net realizable value of the quantity of inventory held to satisfy firm sales is based on the contract price. If the sales are for less than the inventory quantities held, the net realizable value of the excess is based on general selling price. Provision arises from firm sales contracts in excess of inventory quantities held or from firm purchase contracts.

Cost of raw materials is determined using the weighted average method. In case of finished goods and work in process, cost includes direct material and direct labor cost and an appropriate share of production cost.

3-9 Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale or distribution rather than through continuing use .

Immediately before classification as held for sale, the assets or components of a disposal group, are premeasured in accordance with the group's other accounting policies . Impairment losses on initial classifications as held for sale and subsequent gains and losses on remeasurement are recognized in profit or loss. Gains are not recognized in excess of any cumulative impairment loss.

Once classified as held for sale, intangibles assets and property plant and equipment are no longer amortized or depreciated, and any equity accounted investee is no longer equity accounted .

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3-10 Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between the carrying amount and the present value of the estimated future cash flows discounted at the assets original effective interest rate.

Impairment losses on available for sale financial assets are recognized by reclassifying the losses accumulated in the fair value reserve in equity, to profit and loss.

Individually significant financial assets are tested for impairment on an individual basis. All impairment losses are recognised in profit or loss. Financial assets that are not individually significant are collectively assessed for impairment by grouping them together according to their similar risk characteristics

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

Non-financial assets

The carrying amounts of the Group's non-financial assets, (other than inventories and deferred tax assets) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3-11 Provisions

Provisions are recognized when the Group has a legal or constructive obligation as a result of past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and the liability can be reliably estimated. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market adjustments of the time value of money and the risks specific to the liability. The provisions are reviewed at each balance sheet date and amended, (when necessary), to represent the best current estimate.

3-12 Interest bearing borrowings

Interest bearing borrowings are recognized initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortized cost with any difference between cost and redemption value been recognized over the period of borrowing on an effective interest basis.

Interest and commissions on credit facilities and loans that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of

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Notes to the consolidated financial statements – 31 December 2014

those assets till the date of availability for use. All borrowing costs that do not meet the capitalization criteria are recognized as expense in the consolidated income statement as incurred.

3-13 Dividends

Dividends are recognized as a liability in the financial period in which the dividends are approved by the shareholders general meeting.

3-14 Own shares

When share capital recognized as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognized as a deduction from equity. Gain or losses arising from sale of own shares are included in equity in the consolidated financial statements.

3-15 Recognition of revenue

Sales revenue

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods. Risk and rewards of ownership are transferred when goods are received at the customer's warehouse; however, for some international shipments transfer occurs upon loading the goods onto the relevant carrier.

Revenue of construction contracts

Revenues from construction contracts are recognized using the percentage-of-completion method. The percentage-of-completion is measured by correlating costs incurred to date to estimated total costs for each contract.

Contract costs include all direct material, equipment, labor, subcontract and those indirect costs related to contract performance, such as indirect labor and maintenance costs. General and administrative costs allocable to particular contracts are charged to contract costs. All other general and administrative costs are charged to expense as incurred. Changes in job performance, job conditions, estimated profitability and final contract settlements may result in revisions to costs and income and are recognized in the period in which the facts requiring such revisions become known.

Provision for estimated losses including allocable general and administrative expenses on uncompleted contracts is made in the period in which such losses are determined. Claims for additional contract revenue are recognized when realization is assured and the amount can be reasonably determined.

Investment income

Income from available-for-sale investments are recognized when the Group's right to the income is established.

EL Sewedy Electric company

Notes to the consolidated financial statements – 31 December 2014

Credit interest

Credit interest is recognized in the income statements according to the effective interest rate method.

3-16 Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Group's primary format for segment reporting is based on business segments.

3-17 Expenses

Operating expenses, selling and distribution, general administrative expenses and other expenses are recognized using the accrual basis of accounting and as such are recognized in the income statement as incurred.

3-18 Employees benefits

Social Insurance Scheme

The Group contributes in the governmental social insurance system for the benefits of its employees according to the social insurance Law No. 79 of 1975 and its amendments. The Group's contributions are recognized in income statement using the accrual basis of accounting. The Group's obligation in respect of employees' pensions is confined to the amount of the aforementioned contributions.

Share based payments

The fair value of options granted to employees is recognized as expense, with a corresponding increase in equity over the period that the employees becomes unconditionally entitled to the options. Any changes in fair value is recognized as employees' salaries in the consolidated income statement.

3-19 Income tax

Income tax in the parent and its subsidiaries' includes income tax for the current period and the deferred tax. Income tax is recognized in the consolidated income statement except for the income tax related to the equity items which are stated directly in the equity in the consolidated financial statements.

Income tax is recognized on net taxable income using tax rates enacted at the consolidated financial statements date and in addition to any tax differences related to the previous years.

Deferred income tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the consolidated balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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3-20 Earnings per share

Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the year.

4. Fair Value

A number of the group accounting policies and disclosures require the determination of fair value, for both financial and non financial assets and liabilities. Fair values have been determined for measurement and/ or disclosure purposes based on the following methods :-

Fixed assets

The fair value of the fixed assets recognised as a result of a business combination is based on market values. The market value of fixed assets is the estimated amount for which an asset could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Inventories

The fair value of inventories acquired in a business combination is determined based on the estimated selling price in the ordinary course of business less estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories

Intangible assets

The fair value of patents acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of the patent or trade mark being owed.

Investments in equity instrument

Fair values is based on quoted market for listed available for sale security at consolidated balance sheet date except for the unquoted equity security to be valued by using discounted cash flows method.

Receivables

The fair value receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting period

5. Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board is responsible for developing and monitoring the Group's risk management policies.

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The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the board of directors.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities, primarily the euro and U.S. Dollars.

Interest rate risk

All the Group investments and borrowing are based on Libor rates or Egypt Central Bank rates plus a fixed percentage to reduce risk.

Translated from Arabic

El Sewedy Electric Company
Notes to the consolidated financial statements -31 December 2014

6 Fixed Assets

	Land	Buildings	Machineries & equipments	Furniture & office supplies	Vehicles	leasehold improvements	Total
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
<u>Cost</u>							
Balance as of 1/1/2014	357 923 042	1 445 864 349	2 451 527 199	107 663 201	124 840 928	38 161 714	4 525 980 433
Additions during the year	-	14 347 843	46 003 770	9 836 493	23 051 859	1 068 837	94 308 802
Additions resulted from complete consolidation for asubsid	4 965 958	28 276 432	34 392 853	49 267	30 724	-	67 715 234
Additions from project under progress	-	8 218 988	148 231 763	840 993	12 462 125	999 961	170 753 830
Disposals during the year	-	(527 035)	(65 576 697)	(2 413 532)	(8 774 691)	(242 389)	(77 534 344)
Transferred from assets held for sale	30 122 234	-	-	-	-	-	30 122 234
Adjustments	-	(1 277 112)	(2 665 061)	(4 765 442)	154 724	-	(8 552 891)
Translation differences	(5 507 743)	(27 983 484)	(40 026 132)	(846 737)	(1 857 220)	(880 711)	(77 102 027)
Fixed Assets impairment	(4 982 617)	(84 815 720)	(92 275 235)	(3 449 729)	(363 401)	-	(185 886 702)
Cost as of 31/12/2014	382 520 874	1 382 104 261	2 479 612 460	106 914 514	149 545 048	39 107 412	4 539 804 569
<u>Depreciation</u>							
Accumulated depreciation as of 1/1/2014	-	234 782 154	899 892 181	66 593 660	89 164 698	20 145 829	1 310 578 522
Depreciation	-	54 984 944	267 613 061	15 264 435	17 926 587	13 923 204	369 712 231
Disposals	-	-	(52 714 907)	(2 199 551)	(7 894 906)	(289 394)	(63 098 758)
Adjustments	-	283 022	281 893	93 884	78 313	-	737 112
Translation differences	-	(9 531 290)	(20 581 431)	(512 360)	(942 942)	(486 986)	(32 055 009)
Accumulated depreciation as of 31/12/2014	-	280 518 830	1 094 490 797	79 240 068	98 331 750	33 292 653	1 585 874 098
Net carrying amount as of 30/9/2014	382 520 874	1 101 585 431	1 385 121 663	27 674 446	51 213 298	5 814 759	2 953 930 471
Net carrying amount as of 31/12/2013	357 923 042	1 211 082 195	1 551 635 018	41 069 541	35 676 230	18 015 885	3 215 401 911

The company agreed to sell the new administrative building (under construction), the contract required the company to register the land in the name of the buyer and obtains the Extraordinary General Assembly. The Extraordinary General Assembly was invited by 23 April 2014 and the Ex. GA decided to postpone the sale after one year .The assets were reclassified from held for sale to lands and construction in progress. (The comparative numbers were remapped to match with the current year mapping).

EL Sewedy Electric company**Notes to the consolidated financial statements – 31 December 2014****7. Projects under progress**

Projects under progress as of 31 December 2014 represent the company's new projects and expansions in existing plants in Saudi Arabia, Algeria and Sudan of L.E 52 million, transformer plant additions in Egypt of L.E 6 million, fiber optics and special cables of L.E 26 million, machineries and equipments under progress for subsidiaries expansions in Egypt of L.E 81 million and the remaining balance represents the expansions cost to increase the production capacity in Egypt and other countries in which the company operates.

8. Investments available for sale

	31/12/2014 <u>L.E</u>	31/12/2013 <u>L.E</u>
(1 000 000 shares represent 10% of Kahromica Company's share capital- An Egyptian Joint Stock Company)	10 000 000	10 000 000
(300 shares represent 3% of 3W network share capital- An Egyptian Joint Stock Company)	32 760	32 760
156 250 shares of El Moasher company in Sudan.	842 513	233 440
	<u>10 875 273</u>	<u>10 266 200</u>

9. Investments in investment certificates

	31/12/2014 <u>L.E</u>	31/12/2013 <u>L.E</u>
Investment in Suez canal bank for Suez canal investment certificates with annual return 12% for 5 years	20 000 000	-
	<u>20 000 000</u>	<u>-</u>

10. Other Long Term receivables

	31/12/2014 <u>L.E</u>	31/12/2013 <u>L.E</u>
Due from clients (construction)	54 831 896	72 257 554
	<u>54 831 896</u>	<u>72 257 554</u>

11. Inventories

	31/12/2014 <u>L.E</u>	31/12/2013 <u>L.E</u>
Raw materials and consumables	1 449 396 115	1 210 057 151
Spare parts	115 633 840	128 439 684
Work in progress	343 745 906	588 976 363
Finished goods	1 111 434 389	1 348 010 583
Goods in transit	323 722 805	393 011 243
	<u>3 343 933 055</u>	<u>3 668 495 024</u>

EL Sewedy Electric company**Notes to the consolidated financial statements – 31 December 2014**

Some of inventories items are recorded according to its net realizable value. The difference between the book value of these items and its net realizable value is L.E 109 177 048 at 31 December 2014. (L.E 65 323 388 at 31 December 2013).

12. Trade, notes and other receivables

	31/12/2014	31/12/2013
	<u>L.E</u>	<u>L.E</u>
Trade receivables	2 903 746 763	3 415 856 803
Notes receivables	578 778 126	320 002 646
Due from clients (construction)	729 172 678	622 530 484
Other receivables	1 060 678 997	962 953 963
	<u>5 272 376 564</u>	<u>5 321 343 896</u>

Trade, notes and other receivables are recorded after deducting impairment losses of L.E 469 905 211 at 31 December 2014. (L.E 314 711 178 at 31 December 2013)

Trade, notes and other receivables include advance payments to suppliers of L.E 254 million, letters of credit margin and deposits of L.E 200 million, sales tax of L.E 67 million , accrued revenue L.E 109 million, Retention Receivable of L.E 160 million, prepaid expenses of L.E 25million, employees advances of L.E 34 million, advance payments under corporate income tax of L.E 31 million and withholding tax of L.E 38 million.

13. Investment fund / treasury bills

	31/12/2014	31/12/2013
	<u>L.E</u>	<u>L.E</u>
Investment funds / treasury bills	318 605 293	182 700 369
	<u>318 605 293</u>	<u>182 700 369</u>

-This item includes investment in funds amounted to L.E 540 505 at 31 December 2014 (L.E. 486 558 at 31 December 2013). The returns on these investment recorded in the consolidated income statement L.E 374 765 at 31 December 2014 (NIL as of 31 December 2013).

-The accrued interest on investment of treasury bills amounted to L.E 27.534 million at 31 December 2014 (L.E 1.88 at 31 December 2013).The interest rate range is between 7 % and 13.94%.

14. Banks and cash in hand

	31/12/2014	31/12/2013
	<u>L.E</u>	<u>L.E</u>
Banks - Time deposits (*)	367 020 078	59 077 212
Banks - Current accounts (**)	907 456 094	1 142 445 197
Cash in hand	4 529 151	4 651 462
	<u>1 279 005 323</u>	<u>1 206 173 871</u>

(*) Banks- Time deposits include an amount of L.E 6 918 321 at 31 December 2014 blocked as a security for credit facilities, letters of guarantee and letters of credit (L.E 8 050 712 at 31 December 2013).

EL Sewedy Electric company**Notes to the consolidated financial statements – 31 December 2014**

(**) Banks - Current accounts include an amount of L.E 3 268 936 at 31 December 2014 blocked as a security for credit facilities (L.E 16 166 189 at 31 December 2013).

15. Banks credit facilities and overdraft

Credit facilities of L.E 3 227 734 071 (L.E 4 009 828 259 at 31 December 2013) included in the current liabilities of the consolidated balance sheet represent the credit facilities and overdrafts secured by promissory notes, current accounts and joint guarantees. The average interest rate is annually 11.06 % or the Central Bank of Egypt borrowing and lending rate for the Egyptian Pound plus 1.43% for Egyptian pound facilities, 1.83 % over Libor and 1 % monthly commission on the highest debit balance for US Dollar and 1.83 % over Eurobor for the Euro facilities .

16. Loans

This item that are classified into current liabilities and long-term liabilities in the consolidated financial statements represents banks over draft, short term and the long term loans granted to the company and its subsidiaries as follows:-

	31/12/2014	31/12/2013
	<u>L.E</u>	<u>L.E</u>
<u>Current liabilities</u>		
Short term Loans due within one year	894 637 717	823 770 990
	<u>894 637 717</u>	<u>823 770 990</u>
<u>Long-term liabilities</u>		
Secured bank loans	253 114 982	475 617 422
Unsecured bank loans	32 084 452	29 072 024
	<u>285 199 434</u>	<u>504 689 446</u>

The unsecured short term loans amounted to L.E 8 052 624 at 31 December 2014 (L.E 13 328 000 at 31 December 2013)

The average interest rate for loans and credit facilities is 10.5% for the Egyptian pounds and 1.5% over Libor for the US Dollars.

Loans granted to the company and its subsidiaries are secured by promissory notes from subsidiaries approximately of L.E 427 million, USD 482 million, DZD 5.2 million and joint guarantees amounted to L.E 1 900 million and mortgaged machineries, equipments and vehicles amounted to Sudanese pound 11 million.

17. Trade, notes and other payables

	31/12/2014	31/12/2013
	<u>L.E</u>	<u>L.E</u>
Trade and notes payables	1 157 426 055	1 222 112 285
Non trade payables and accrued expenses*	1 737 263 370	1 743 468 577
	<u>2 894 689 425</u>	<u>2 965 580 862</u>

EL Sewedy Electric company**Notes to the consolidated financial statements – 31 December 2014****18. Provisions**

	31/12/2014	31/12/2013
	<u>L.E</u>	<u>L.E</u>
Balance as at 1/1	219 829 699	90 164 949
Formed during the period	167 402 898	135 360 259
Used during the period	(23 575 767)	(4 709 070)
Provisions no longer required	(42 677 720)	(2 615 539)
Translation differences and adjustments	(10 062 093)	1 629 100
	<u>310 917 017</u>	<u>219 829 699</u>

19. Share Capital**Authorized share capital**

The Company's authorized share capital is L.E. 5 billion.

Issued and paid in share capital

The issued and fully paid-in share capital of the Company is amounted to L.E 2 234 180 000 divided over 223 418 000 share with par value L.E 10 each .

20. Reserves

	31/12/2014	31/12/2013
	<u>L.E</u>	<u>L.E</u>
Legal reserve	105 718 467	105 718 467
General reserve	43 816 730	43 816 730
	<u>149 535 197</u>	<u>149 535 197</u>

Legal reserve

According to the Companies Law and the statutes of the Company, 5% of the annual net profit is set aside to form a legal reserve. The transfer to legal reserve cease once the reserve reach 20% of the issued share capital. The reserve is not distributable, however, it can be used to increase the share capital or offset losses. If the reserve falls below the defined level, then the Company is required to resume setting aside 5% of the annual profit until it reaches 20% of the issued share capital again.

General reserve

The general reserve amounted to L.E 43 816 730 represents realized gain from sale of 2.5 million own shares at 3/6/2007.

21. Deferred Tax

	31/12/2014	31/12/2013
	<u>L.E</u>	<u>L.E</u>
Deferred tax assets	65 554 772	44 778 613
Deferred tax liability	<u>(203 677 475)</u>	<u>(101 375 596)</u>

EL Sewedy Electric company**Notes to the consolidated financial statements – 31 December 2014****Unrecognized deferred tax asset**

	31/12/2014 <u>L.E</u>	31/12/2013 <u>L.E</u>
Clients and debtors	140 921 563	78 677 795
Provisions	<u>93 225 105</u>	<u>54 957 425</u>
	<u>234 146 668</u>	<u>133 635 220</u>

Deferred tax assets relating to these items have not been recognized because the necessary conditions for the reversal of the temporary differences have not been met.

22. Other liabilities – Long term

	31/12/2014 <u>L.E</u>	31/12/2013 <u>L.E</u>
Sales tax on imported machines	-	7 599
Other creditors*	<u>41 166 121</u>	<u>49 914 973</u>
	<u>41 166 121</u>	<u>49 922 572</u>

*This item includes an amount of L.E 22 million that represents long term portion of creditors for acquisition of land for the purpose of establishing projects by the company and some related subsidiaries.

23. Segment reporting

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure. Segment results include items directly attributable to each segment as well as those that can be allocated on a reasonable basis.

EL SEWEDY ELECTRIC COMPANY**Notes to the consolidated financial statements- 31 December 2014***Translated from Arabic***Primary Reporting Format – Business Segments - 31 December 2014**

The revenue analysis in the table below is based on the type of business activities at 31 December 2014

	Power and Special Cables		Turn Key	Electric Products and Accessories		Elimination	Consolidated
	Egypt	International	projects	Egypt	International		31-12-2014
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Local Sales	3 360 143 178	4 325 795 559	1 096 178 121	437 086 715	473 142 596	-	9 692 346 169
Export Sales and construction revenues	5 031 143 943	40 384 077	1 616 522 170	223 733 909	410 684 104	-	7 322 468 203
Total revenue without inter segment sales	8 391 287 121	4 366 179 636	2 712 700 291	660 820 624	883 826 700	-	17 014 814 372
Inter segment revenues	6 615 299 421	572 325 363	437 401 577	296 127 189	297 539 342	8 218 692 892	-
Total revenue	15 006 586 542	4 938 504 999	3 150 101 868	956 947 813	1 181 366 042	8 218 692 892	17 014 814 372
Total Cost	(13 713 595 825)	(4 468 100 308)	(2 750 572 267)	(732 098 533)	(986 078 237)	8 218 692 892	(14 431 752 278)
Gross Profit	1 292 990 717	470 404 691	399 529 601	224 849 280	195 287 805	-	2 583 062 094
Total selling & marketing expenses	(281 324 102)	(45 249 213)	(6 767 393)	(43 372 148)	(77 249 015)	-	(453 961 871)
Segment profit	1 011 666 615	425 155 478	392 762 208	181 477 132	118 038 790	-	2 129 100 223
Other operating income							133 094 340
Investments available for sale revenues							1 109 705
General and Administrative expenses							(598 240 111)
Other operating expenses							(673 749 220)
Net financing costs							(279 489 384)
Current income tax							(189 874 452)
Deferred income tax expense							(76 839 193)
Net profit for the year							445 111 908
						<u>Unallocated</u>	
Depreciation	115 136 517	138 811 843	21 689 617	38 404 069	40 132 496	15 537 689	369 712 231
Assets	4 899 419 989	3 528 120 689	1 530 876 029	1 130 927 260	1 286 928 812	1 534 928 279	13 911 201 058
Liabilities	(999 373 865)	(737 640 913)	(1 228 051 818)	(76 312 261)	(245 916 676)	(4 889 841 191)	(8 177 136 724)
Additions to fixed assets and project under progress	100 111 123	85 471 738	38 901 395	9 798 887	41 633 548	1 748 106	277 664 797

EL SEWEDY ELECTRIC COMPANY
Notes to the consolidated financial statements- 31 December 2014

Translated from Arabic.

Secondary Reporting Format - Geographical segments by location - 31 December 2014

Revenues according to geographical segment is as follows:

	Egypt	Sudan	Qatar	Ghana	Iraq	Slovenia	Saudi Arabia	Algeria	Ethiopia	Zambia	Spain	Others	Elimination	Total
	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	31-12-2014 L.E
Revenues	18 844 638 448	332 919 157	1 285 226 906	-	67 026 873	640 478 811	1 646 870 264	1 550 860 946	194 839 404	146 647 858	269 921 425	254 087 172	(8 218 692 892)	17 014 814 372
Assets	8 848 909 297	247 889 166	796 495 044	5 902 063	34 112 224	636 058 246	1 217 093 435	1 033 717 012	170 471 160	166 923 212	14 838 467	738 771 732		13 911 201 058
Liabilities	(7 065 200 760)	(62 859 711)	(192 026 885)	(250 105)	(2 375 983)	(123 813 841)	(224 261 229)	(226 772 817)	(12 659 578)	(17 181 933)	(13 653 641)	(236 080 241)		(8 177 136 723)
Additions of fixed assets and projects under construction	150 060 296	17 934 074	3 982 922	14,314,400	45 115	12 302 484	20 993 099	55 213 916	3 062 664	10 467 138	2 955 656	723 109		277 664 797

El Sewedy Electric Company
Notes to the consolidated financial statements- 31 December 2014

Translated from Arabic

Primary Reporting Format – Business Segments - 31 December 2013

The revenue analysis in the table below is based on the type of business activities at 31 December 2013

	Power and Special Cables Egypt L.E	International L.E	Turn Key projects L.E	Electric Products and Accessories Egypt L.E	International L.E	Elimination L.E	Consolidated 31-12-2013 L.E
Local Sales	2 704 752 429	4 496 504 769	1 083 446 555	380 030 155	346 840 588	-	9 011 574 496
Export Sales and construction	4 482 552 195	50 176 348	703 178 114	222 097 112	629 414 652	-	6 087 418 421
Total revenue without inter segment sales	7 187 304 624	4 546 681 117	1 786 624 669	602 127 267	976 255 240	-	15 098 992 917
Inter segment revenues	5 723 431 357	349 703 890	145 565 648	164 996 684	30 163 224	6 413 860 803	-
Total revenue	12 910 735 981	4 896 385 007	1 932 190 317	767 123 951	1 006 418 464	6 413 860 803	15 098 992 917
Total Cost	(11 962 594 350)	(4 438 588 690)	(1 679 085 994)	(597 631 320)	(770 077 472)	6 413 860 803	(13 034 117 023)
Gross Profit	948 141 631	457 796 317	253 104 323	169 492 631	236 340 992	-	2 064 875 894
Total selling & marketing expenses	(300 402 371)	(40 410 996)	(8 802 306)	(36 747 874)	(82 479 890)	-	(468 843 437)
Segment profit	647 739 260	417 385 321	244 302 017	132 744 757	153 861 102	-	1 596 032 457
Other operating income							71 248 288
Administrative expenses							(594 069 521)
Other operating expenses							(414 383 222)
Net financing costs							(421 694 367)
Revenues from investment available for sale							3 469 485
Current income tax							(136 658 599)
Deferred income tax expense							30 584 122
Net profit for the year							134 528 643
						Unallocated	
Depreciation	106 927 594	131 777 072	22 062 501	38 090 204	43 939 279	21 243 764	364 040 414
Assets	4 949 246 747	3 640 136 970	1 348 512 075	1 127 430 630	1 766 649 092	1 527 216 130	14 359 191 644
Liabilities	(719 199 782)	(1 001 742 096)	(1 125 219 924)	(120 438 527)	(276 921 389)	(5 828 629 861)	(9 072 151 579)
Additions to fixed assets and project under progress	85 947 878	68 227 726	25 596 976	24 074 714	32 368 728	448 156	236 664 178

Secondary Reporting Format - Geographical segments by location - 31 December 2013

Revenues according to geographical segment is as follows:

	Egypt	Sudan	Qatar	Ghana	Iraq	Slovenia	Saudi Arabia	Algeria	Ethiopia	Zambia	Spain	Others	Elimination	Total 31-12-2013
	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E
Revenues	15 376 433 880	302 656 059	1 254 281 636	48 454	85 432 029	795 868 704	1 708 051 099	1 391 579 429	126 433 828	155 974 593	20 666 616	295 427 393	(6 413 860 803)	15 098 992 917
Assets	8 545 000 760	236 375 122	726 493 421	8 185 598	28 663 440	773 719 766	1 098 380 226	1 267 143 427	148 866 485	150 526 725	304 601 353	911 235 321		14 219 191 644
Liabilities	(7 529 637 925)	(108 722 187)	(310 217 801)	(221 369)	(953 797)	(168 792 666)	(196 028 860)	(301 891 826)	(10 253 709)	(7 260 160)	(38 802 162)	(259 369 117)		(8 932 151 579)
Fixed assets additions and construction under progress	135 367 322	7 527 360	6 210 099	-	1 147 909	15 499 234	2 396 802	54 323 364	1 023 271	11 432 703	212 102	1 524 012		236 664 178

EL Sewedy Electric company

Notes to the consolidated financial statements – 31 December 2014

24. Other operating income

	2014	2013
	<u>L.E</u>	<u>L.E</u>
Provisions no longer required	42 677 720	2 615 539
Capital gain	8 537 532	-
Selling of Investment available for sale gain	-	3 149 131
Other income	81 879 088	65 483 618
	<u>133 094 340</u>	<u>71 248 288</u>

25. Other operating expenses

	2014	2013
	<u>L.E</u>	<u>L.E</u>
Provisions	167 402 900	135 360 259
Impairment loss of receivables	248 512 048	89 259 229
Amortization	16 507 204	23 132 525
Capital losses	-	76 166
Impairment of Intangible assets	47 349 698	-
Impairment of fixed assets	185 886 702	-
Impairment of subsidiary goodwill	-	48 650 981
Impairment of subsidiary patent	-	112 966 489
Others	8 090 668	4 937 573
	<u>673 749 220</u>	<u>414 383 222</u>

26. Net financing cost

	2014	2013
	<u>L.E</u>	<u>L.E</u>
<u>Finance income</u>		
Interest income	33 062 879	22 531 942
Treasury bills and investment fund income	27 534 748	1 885 424
	<u>60 597 627</u>	<u>24 417 366</u>
Interest expense and finance charges	(264 094 008)	(434 721 035)
Foreign exchange loss	(75 993 003)	(11 390 698)
	<u>(340 087 011)</u>	<u>(446 111 733)</u>
Net financing cost	<u>(279 489 384)</u>	<u>(421 694 367)</u>

27. Capital commitments

The Group's capital commitment as at 31 December 2014 is L.E. 117 million (L.E 80 million at 31 December 2013). The commitments are expected to be settled in the next financial year.

EL Sewedy Electric company**Notes to the consolidated financial statements – 31 December 2014****28. Contingencies**

	31/12/2014	31/12/2013
	<u>L.E</u>	<u>L.E</u>
Uncovered portion of letters of guarantees and letter of credits	4 861 420 482	2 266 021 115

Litigation and claims

One of company subsidiaries owns a land for an amount of L.E 96.3 million which was fully paid for the seller of the land. The subsidiary filed a lawsuit against the seller of the land claiming the transfer of the land ownership specially the full value of the land is paid by the subsidiary. The seller also filed a suit against the company claiming return of land plus a compensation of L.E 30 million. The company management believes that that the court decision will be in favor of the subsidiary specially that the Suez governorate approved the contract of sale of land and issued project liscense.

- The Byblos Bank of Syria claimed in the preliminary court of Damascus to seizure reserve in favor of the bank for the transferred and non-transferred money of ElSewedy Cables (Syria) and El Sewedy Electric (Syria) to ensure the fulfillment of the loan owed to the bank by the two companies amounted to Lira 267.7 million (equivalent to L.E 12.8 million), Euro 4.18 million (equivalent to L.E 40.3 million) and USD 430 (equivalent to L.E 3 001). The group formed the necessary provisions for its investments in Syria.

The group recorded impairment for investments in Yemen and Nigeria during the year ended 31 December 2014 .

29. Related parties

Related parties are represented in the Company's shareholders and the companies in which the shareholders own directly or indirectly shares that give them the ability to control or significantly influence these companies. The main transactions with the related parties are sale of finished products. The total value of sales to the affiliates during the period is L.E 1 920 million as of 31 December 2014 (L.E 1 761 million as of 31 December 2013).

The following are the balances of related parties:

	31/12/2014	31/12/2013
	<u>L.E</u>	<u>L.E</u>
Stated under current assets		
"Due from related parties"		
El Sewedy for Tools & Cables	47 731 186	29 910 701
Siag International	-	5 916 668
Iskra Sarajevo	18 507 284	24 018 552
Iskra Malaysia	548 236	545 738
Investment holding group – Qatar	151 546 997	35 561 720
Aamal Holding Group Co-Qatar	6 986 875	6 542 301
3W Networks Egypt	2 274 751	2 116 427
Rowad for Modern Engineering-Algeria	-	1 251 291
National Electricity Authority - Sudan	12 917 988	5 458 661
Ola for properties development – Saudi Arabia	11 527 379	8 162 145
3W Networks - Qatar	3 809 532	3 694 434
United for Transformer limited- KSA	5 637 195	3 934 946
Trelco Limited – Qatar	348 590	312 342
Aiash – Yemen	404 763	404 763
Engineering and Construction Industries – Siack	16 013 269	13 083 409
After	278 254 045	140 914 098

EL Sewedy Electric company**Notes to the consolidated financial statements – 31 December 2014**

Before	278 254 045	140 914 098
Elsewedy electric for trading	3 238 137	6 913 765
Saudi company for construction industries	5 445 822	4 203 774
Zesco limited company	21 728 166	13 073 212
Shareholders current account of some external subsidiaries	197 692	11 603 518
Others	49 538 619	16 164 991
	358 402 481	192 873 358

	31/12/2014	31/12/2013
	<u>L.E</u>	<u>L.E</u>
Stated under current liabilities		
“Due to related parties”		
Maali Holding	26 961 258	28 985 807
Misr for Mechanical and Electrical Projects – Kahromika	9 613 623	11 520 308
Arab Steel Fabrication Co.	157 336	6 315 131
Thomas and Peets	5 442 229	222 388
Siag International	-	24 109 887
Trelco limited-Qatar	1 587 016	701 016
Qatar for Investment Group	11 047 438	9 673 595
Aamal Holding Group Co-Qatar	31 320 501	16 106 276
Engineering and Construction Industries – Siack	17 169 204	11 309 015
Emas of Modern Systems	-	202 023
Consolidated Supplies	1 472 520	5 191 578
El Sewedy for Tools & Cables	4 339 877	1 361 439
Military Industrialization Authority	2 706 697	8 704 580
Saudi company for construction industries	26 805 800	26 058 200
Ola for properties development-KSA	4 516 034	5 016 034
Shareholders current account in some external subsidiaries	2 980 968	10 666 758
Others	17 073 447	6 536 152
	163 193 948	172 680 187

Subsidiaries and jointly controlled

The following are subsidiaries and jointly controlled entities owned by the company as at 31 December 2014:-

	Date of acquisition	Country	Nature of contribution	% of share
Subsidiaries Co. for El Sewedy Electric				
Egyptian Company For Advanced Industries	21-06-2005	Egypt	Direct	98.00
United Metals Co.	23-06-2005	Egypt	Direct	99.80
**Sedplast Co. (Under Liquidation)	25-08-2005	Egypt	Direct	99.90
*Egytech Cables Co.	25-12-2005	Egypt	Direct	99.98
United Industries Co.	25-12-2005	Egypt	Direct	99.98
Elastymould (subsidiary of Egyptian Company for Advanced Industries)	22-02-2006	Egypt	Indirect	49.60
El Sewedy for External cables Co.(previously el sewedy electric)	19-04-2006	Egypt	Direct	99.96

EL Sewedy Electric company**Notes to the consolidated financial statements – 31 December 2014**

United Wires Co.	02-11-2006	Egypt	Direct	99.94
Egyplast Co.	24-12-2006	Egypt	Direct	99.97
El Sewedy Cables – Egypt	21-02-2007	Egypt	Direct	99.87
Elsewedy Transformer	30-04-2011	Egypt	Direct	99.87
**Red Sea Co. for Copper (Under Liquidation)	21-06-2007	Egypt	Direct/Indirect	74.00
Elsewedy Electric Co. For Transmission	21-10-2007	Egypt	Direct	99.97
Pyramids Industrial Urban Development	27-09-2007	Egypt	Direct/Indirect	50.00
El Sewedy Power (Electric High Voltage previously)	27-09-2007	Egypt	Direct	99.84
El Sewedy Sedco for Petroleum services	10-01-2008	Egypt	Direct	96.00
****Iskra Emco Energy Measurement – Misr	18-02-2008	Egypt	Indirect	99.12
****Iskra Emco Slovenia	1-1-2008	Solvenia	Indirect	99.70
Isolated industries	30-6-2008	Egypt	Direct/Indirect	74.83
Elsewedy Electric Co. For Trading and Distribution.	21-12-2008	Egypt	Direct/Indirect	99.8
Siag El Sewedy for Towers	17-08-2008	Egypt	Direct	99.00
El Sewedy for Wind Energy Generation	10-07-2008	Egypt	Direct	99.8
Power System Projects Company	31-12-2008	Egypt	Direct	75.00
**Desert Wind Company(Under Liquidation)	31-12-2008	Egypt	Direct	49.90
**Wind Blades Company(Under Liquidation)	31-03-2009	Egypt	Direct	99.60
El Sewedy Electric Contracting and Engineering – Zambia	31-03-2009	Zambia	Direct	49.90
El-Ola for development Industrial zone	30-9-2009	Egypt	Direct/ Indirect	50.00
El Sewedy Energy Distribution	31-12-2009	Sudan	Indirect	99.98
**International Company for Development Research Technology and Measurement Devices (R & D Tech.) . (Under Liquidation)	30-6-2010	Egypt	Direct	90.00
Rowad Engineering Co.	30-6-2010	Egypt	Indirect	65.00
Pyramids Zonafranca-Egypt	30-6-2010	Egypt	Indirect	47.5
Etalsamia for manufacturing electrical tools against explosion	30-6-2010	Egypt	Indirect	99.98
Arab Company for Constructions Management, Guard and Security Services.	12-10-2011	Egypt	Indirect	100
***Arab company for Electricity and Power Limited	7-12-2011	Yemen	Indirect	50
Double Energy two company	11-1-2011	Bulgaria	Indirect	87
Subsidiaries for El Sewedy for External Cables Co (El Sewedy electric previously).				
El Sewedy Cables – Syria	28-02-2006	Syria	Indirect	96
Sudanese Egyptian for limited electrical industries	13-02-2006	Sudan	Indirect	70.00
**Giyad El Sewedy for Transport Limited.	13-02-2006	Sudan	Indirect	99.97
Giyad Cables Co.	13-02-2006	Sudan	Indirect	45.00
El Sewedy Electric Ghana Limited	10-02-2006	Ghana	Indirect	70
El Sewedy Cables – Qatar	20-04-2006	Qatar	Indirect	24.50
El Sewedy Cables – Algeria	03-10-2006	Algeria	Indirect	99.89
El Sewedy Electric – Syria	30-10-2006	Syria	Indirect	95.95
Senyar Holding	09-05-2008	Qatar	Indirect	50.00
El Sewedy Cables Arable Iraq	07-10-2007	Iraq	Indirect	50.00
Sedplast Co. – Syria	22-07-2007	Syria	Indirect	98.00
El Sewedy Cables Limited	24-12-2006	Saudi	Indirect	60.00

EL Sewedy Electric company**Notes to the consolidated financial statements – 31 December 2014**

El Sewedy Cables Yemen	13-05-2007	Yemen	Indirect	80.76
**El Sewedy Cables Kuwait.(under Liquidation)	18-02-2008	Kuwait	Indirect	49.00
**El Sewedy Cables Malawy	13-05-2007	Malawi	Indirect	99.5
**Power Empire Co. China.	01-01-2008	China	Indirect	100
El Doha Cables- Qatar	09-05-2008	Qatar	Indirect	45.56
El Sewedy Electric Limited Zambia	31-03-2009	Zambia	Indirect	60.00
El Sewedy Electric Limited Nigeria	31-03-2009	Nigeria	Indirect	94.74
El Sewedy Cables Ethiopia	31-03-2009	Ethiopia	Indirect	95.00
Libya for Common Cables	30-9-2009	Lybia	Indirect	55.00
**El Sewedy Electric Transmission and Power Distribution.	31-12-2009	Algeria	Indirect	99.98
****Iskra Malta	31-12-2009	Malta	Direct /Indirect	99.99
Red Sea for copper – Egypt	31-12-2009	Egypt	Direct /Indirect	100
**M.A.S for Trading and Contracting. (Under Liquidation)	3-3-2010	Egypt	Indirect	60
M.Torres – Spain	10-1-2010	Spain	Indirect	90
United Co. For Electrical Industries	31-3-2010	Saudi	Indirect	60
Sweg - Malta	31-12-2009	Malta	Direct/ Indirect	99.95
3W Network – Emirates	30-6-2010	Emirates	Indirect	75
Elsewedy for trade Limited	31-3-2011	Syria	Indirect	96
Egyplus Energy PVT LTD- India	31-3-2011	India	Indirect	99.6
Elsewed electric Europe GmbH	13-5-2011	Germany	Indirect	100
National Extrusion and manufacturing of metal	23-5-2013	Egypt	Direct	99.98

*From 1/1/2010 the Arab Cables Company was merged into Egytech Company.

**According to board of directors decision at 28 May 2012, these companies are under liquidation till closing its commercial register.

***According to board of directors decision at 20 March 2012, these are under liquidation till closing its commercial register.

**** The company has transferred its direct investment in Iskra Emco Energy Measurement – Misr and Iskra Emco Slovenia to become an investment under Iskra Malta. This transaction has been recorded according to the book value of these companies.

30. Tax status**El Sewedy Electric Company**

El-sewedy Electric company is subject to Investment Guarantees and Incentives law No.8 for 1997 and its executive regulations and the rest of group companies are subject to taxes in Egypt or abroad. The Companies enjoying tax exemption are as follow:

Subsidiaries in Egypt enjoying tax exemption from corporate income tax

	End of tax exemption
Egy Plast Co.	31/12/2017
United wires Company	31/12/2017
Elsewedy Cables – Egypt	17/05/2018
Sedco for electrical industries (Etalsamia previously)	31/12/2019

EL Sewedy Electric company**Notes to the consolidated financial statements – 31 December 2014****Subsidiaries outside Egypt enjoying tax exemption from corporate income tax****End of tax exemption**

EL Sewedy Cables Yemen	20/5/2016
El Sewedy Electric Limited – Zambia	31/3/2014
	under exemption for one year

As of 4 June 2014, the Presidential decree – law No.44 for the year 2014 was issued for a temporary annual additional tax to be imposed for three years from the tax period 2014 by percentage (5%) on the tax base that exceed limitation

As of 30 June 2014, the Presidential decree - law No.53 for the year 2014 was issued to the effect of including provisions to amend some articles of the income tax law that was issued by virtue of law No.91 for 2005. The following represents the most prominent amendments introduced to the said law :

1. Introducing a part to the effect of imposing a tax on dividends.
2. Introducing a part to the effect of imposing a tax on capital gain resulting from the sale of shares and securities

Based on the above mentioned amendments, the group management used the best application in the light of explanation of the article of law till the issuance of the executive regulations.

31. Intangible assets

The intangible assets at 31 December 2014 are as follows :

	31/12/2014	31/12/2013
	L.E.	L.E.
Goodwill	12 204 789	40 618 333
Other intangible assets	40 770 222	44 201 198
	<u>52 975 012</u>	<u>84 819 531</u>

The goodwill represents acquisition of companies which resulted in L.E 12.2 million at the acquisition date. The group recorded an impairment amounted to L.E 28.4 million related to the Egyptian company for Insulators goodwill for the period ended 31 December 2014.

The company's management recorded an impairment in patents and goodwill balances at the acquisition date of an investment amounted to L.E 112 966 489 and L.E 48 650 981, respectively during the year ended 31 December 2013. These intangible assets related to M.Torres which manufactures wind power generation Turbines. The company recorded an impairment of these intangible assets and the assets of this subsidiary after Turbines supply implementation related to wind power generation contract in Libya. The company believe there are no opportunities for obtaining new contracts for the turbines activity. Also the company recorded the necessary provisions for any obligations that may arise on the group

- Intangible assets impairment amounted by L.E 15 263 104 for the period ended 31 December 2014.

32. Shares based payment

The general assembly dated 13 April 2008 decided to issue 200 000 shares with par value of L.E 10 each as employees share based payments according to the ministerial decree No 282 for 2005. The Extraordinary General assembly's dated 19 April 2010 and 26 April 2011 decided a shares dividend (3 shares for each 10 shares). Each financial year is charged by part of the fair value of these shares. The employee right at each year end during the three years scheme to exercise part of the shares based payments in the following rates:-

EL Sewedy Electric company**Notes to the consolidated financial statements – 31 December 2014**

First year	20%
Second year	30%
Third year	50%

The fair value of the services rendered in return of the shares granted as at 31 December 2011 is as follows:

Number of shares granted as at 31 December 2008	126 000
Share dividends (3 for each 10)	52 383
Exercised up to 31 December 2011	(161 227)
Canceled shares to employees up to 31 December 2011	(17 156)
	-
Fair Market value at 31 December 2011	4 227 700

The granted options were fully exercised and there is a remaining balance of shares of 142 216 available for share based payments that belongs to the system.

33. Leased assets

The company sold some of its fixed assets to the International Company for Capital Lease (Incolease) by virtue of an initial contract of USD \$ 32 283 318 equivalent to L.E 181 990 960 that represent the net book value for these assets. The company leased back these assets by virtue of capital lease contract of USD \$ 36 010 100 to be paid over 20 quarterly installments during the period of USD \$ 1 800 505 each. The lease contract contains a bargain option to purchase the leased assets at a purchase bargain option of L.E 4 at the end of each contract or at the end of each year from the date of the lease. A deferred capital gain of L.E 5 363 286 resulted from sale of these fixed assets, which is amortized over the lease contract period.

34. Earnings per share

	2014	2013
	<u>L.E</u>	<u>L.E</u>
Profits attributable to the ordinary shareholders	403 300 490	96 501 795
Weighted average number of shares:	-	-
Issued and paid capital	223 418 000	223 418 000
Own Shares	(142 216)	-
Weighted average number of shares	223 275 784	223 275 784

35. Financial instruments and the related risks

The main risks related to the company activities are:

- Credit risk
- Liquidity risk
- Market risk

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The Company risk management policies are established to identify and analyze the risk faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company activities. The Company through its training and management standards and procedures aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Company does not use derivative financial instruments.

Credit risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and cause the other party to incur financial loss. This risk arises from the receivable and debtors.

	(L.E million)	
	31/12/2014	31/12/2013
Receivable, debtors and due from related parties	5 686	5 586
Cash and investments	1 598	1 389
Total	7 284	6 975

Receivable aging

	(L.E million)	
	31/12/2014	31/12/2013
Not due	968	826
Due for 30 days.	848	716
Due For 31 to 120 days	1 607	1 324
Due For 121 to 180 days	590	1 262
Due for More than 180 days	991	531
Others	792	1 050
	5 796	5 709

Trade, notes and other receivables are recorded after deducting impairment losses of L.E 469 million at 31 December 2014. (L.E 314,7 million at 30 Dec 2013) .

Liquidity risk

Payments to suppliers and creditors are due within a period of 90 day from receipt of goods or services.

	Less than 6 month <u>L.E</u>	6 - 12 month <u>L.E</u>	Other <u>L.E</u>	(L.E Thousand) More than one year <u>L.E</u>
Creditors and due to related parties	2 065 941	941 852	50 090	41 166
Due to banks	2 273 557	1 728 847	275 889	285 199

EL Sewedy Electric company**Notes to the consolidated financial statements – 31 December 2014****Foreign currency risk**

The following are the balances of monetary assets and liabilities in foreign currencies as of 31 December 2014:

(L.E Thousand)

	31 December 2014			31 December 2013		
	USD \$	Euro	GBP	USD \$	Euro	GBP
Financial assets	923 046	96 426	9 928	608 550	132 801	1 097
Financial liabilities	469 300	114 090	2 138	776 632	186 942	351

The following are the significant foreign currency exchange rates during the period:

	Closing rates		Average rates	
	31/12/2014	31/12/2013	2014	2013
USD \$	7,18	6,98	7,1200	6,8929
Euro	8,69	9,64	9,4100	9,2571

Interest rate risk

The following are the Group interest bearing financial instruments:

	(L.E. million)	
	Net book value	
	31/12/2014	31/12/2013
Fixed interest rates		
Financial assets	686	242
Financial liabilities	(1 180)	(1 328)
	(494)	(1 086)
Variable interest rates		
Financial assets	907	1 282
Financial liabilities	(3 228)	(4 010)
	(2 321)	(2 728)

The average interest rates are on the financial assets and liabilities as follows:

	L.E	EURO	USD
Financial assets	10	2	1.75
Financial liabilities	10.75	2.5	2.75