Earnings Release: El Sewedy Electric Reports Consolidated Results for 9M-2011, ended September 30th, 2011.

December 1st, 2011

Cairo -Egypt.

El Sewedy Electric posts double digit growth in EBITDA and Net Profit, achieving 10% and 22% growth respectively in Q3 2011 versus Q2 2011. Net Income in Q3 2011 reached EGP 196 million, 22% higher than Q2 2011. 9 M 2011 Revenues and EBITDA 23% and 7% higher than 9M 2010.

El Sewedy Electric (SWDY.CA on the Egyptian stock exchange) the leading Wire & Cable and Integrated Energy Solution Provider in the Middle East and Africa, announced its consolidated financial results for the nine months ended September 30th, 2011.

Q3 2011 versus Q2 2011

- Consolidated Revenues remained flat to reach EGP 3,883 million for Q3 2011, versus LE 3,933 in Q2 2011.
- Gross Profit increased by 5% to reach EGP 563 million during Q3 2011, versus EGP 534 million in Q2 2011.
- EBITDA increased by 10% to reach EGP 441 million in Q3 2011, versus EGP 401 million in Q2 2011.
- Net Profit after Minority Interest increased 22% to reach EGP 196 million in Q3 2011 versus EGP 161 million for Q2 2011.

9M 2011 versus 9M 2010

- Revenues in 9M 2011 increased by 23% to reach EGP 11.4 billion versus EGP 9.2 billion in 9M 2010, whilst Gross Profit increased by 3% to reach EGP 1.55 billion in 9M 2011 versus EGP 1.49 billion in 9M 2010.
- EBITDA in 9M 2011 increased by 7% to reach EGP 1.178 billion versus EGP 1.105 billion in 9M 2010.
- Net Profit after Minority reached EGP 528 million during 9M 2011 versus EGP 698 million during 9M 2010.

Q3-2011 Consolidated Results Highlights

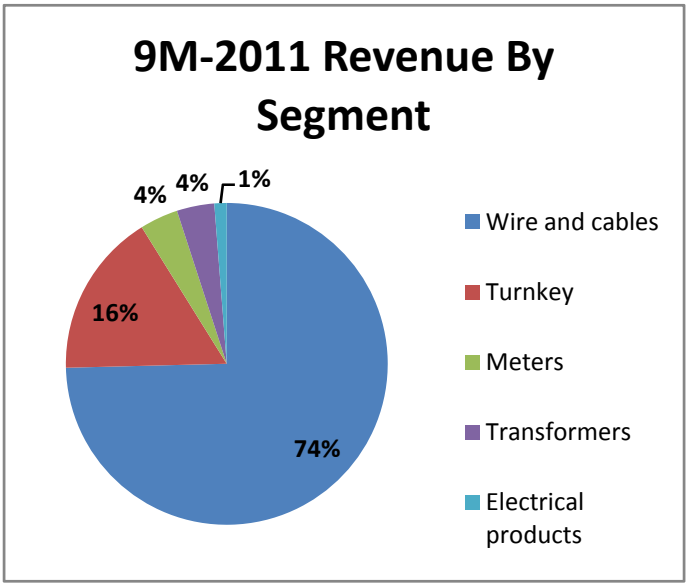
EGP (000)'s	Q3-2011	Q2-2011	%	9M-2011	9M-2010	%
Revenue	3,883,261	3,933,125	-1%	11,369,754	9,211,550	23%
Gross Profit	563,075	534,032	5%	1,545,305	1,493,826	3%
Gross Profit Margin	15%	14%		14%	16%	
EBITDA	440,960	400,714	10%	1,177,504	1,104,990	7%
EBITDA Margin	11%	10%		10%	12%	
Net Income After Minority	196,366	160,645	22%	528,319	698,060	-24%
Net Income After Minority Margin	5%	4%		5%	8%	

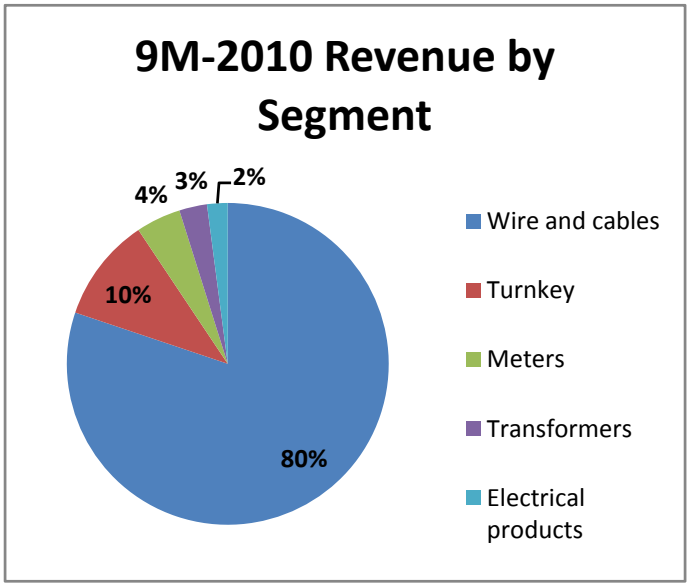
- The third quarter saw a very strong performance in the Turnkey Segment with both revenues and gross profit increasing 42% and 67% from the previous quarter. It was a challenging quarter for the Wire and Cables segment with revenues and gross profit 8% and 31% lower than the previous quarter. Gross Profit during Q3 2011 in the transformers segment was significantly higher than Q2 2011. Whilst in the Meters Gross profit was 8% lower than the previous quarter.
- EBITDA during Q3 2011 was 10% higher than the previous quarter. Selling, general and Administrative Expenses were 7 % lower in Q3 2011 versus Q2 2011 and SG&A/Sales reached 5.4% in Q3 2011 versus 5.7% in Q2 2011.
- Net Profit After Minority increased 22% to reach EGP 196 million in Q3 2011 versus EGP 161 million in Q2 2011.
- Revenues in 9M 2011 increased by 23% to reach EGP 11.4 billion versus EGP 9.2 billion in 9M 2010. Wire and Cable Revenues were 15% higher in the 9M 2011 versus 9M 2010 reaching EGP 8.5 billion. Turnkey Revenues in 9M 2011 were 95% higher than 9M 2010, whilst Meters and Transformers revenues were also 5% and 65% higher respectively YoY. Electrical Products revenues were 13% lower in 9M 2011 versus 9M 2010.
- Gross Profit also increased by 3% to reach EGP 1.55 billion in 9M 2011 versus EGP 1.49 billion in 9M 2010. The Gross Profit in the Wire and Cable segment was 21% lower in 9M 2011 versus 9M 2010, (EGP 785 million versus EGP 996 million). However the other segments performed extremely well with the Turnkey Gross Profit increasing 83% in 9M 2011 to reach a Gross Profit of EGP 484 million versus EGP 264 million in 9M 2010. The Meters division achieved a 14 % increase in gross profit in 9M 2011 versus 9M 2010 as well as the transformers division which increased 84% in 9M 2011 to reach EGP 90 million. Electrical products' Gross Profit reached EGP 86 million in 9M 2011, 11% lower than 9M 2010.
- EBITDA for 9M 2011 stood at EGP 1.18 billion, 7% higher than 9M 2010. However adjusting 9M 2010 EBITDA for the one-off gain of EGP 73 million related to the partial sale of Qatar Cables, EBITDA during 9M 2011 is actually 14% higher than 9M 2010.

- Net Profit after Minority reached EGP 528 million during 9M 2011 versus EGP 698 million during 9M 2010. The decline in the Net Income during 9M 2011 versus 9M 2010 was mainly due to the Net Interest expense increasing from EGP 107 million in 9M 2010 to reach EGP 221 million in 9M 2011, and foreign exchange amounting to a gain of EGP 5 million in 9M 2010 versus a loss of EGP 78 million in 9M 2011. In addition the effective Income Tax increased from 8.9% to 13.2% for 9M 2010 versus 9M 2011 mainly as a result of one of the Egyptian subsidiaries starting to pay taxes from the beginning of 2011 and the increase of corporate tax rate from 20 to 25%.

Summary of Revenues by Segment

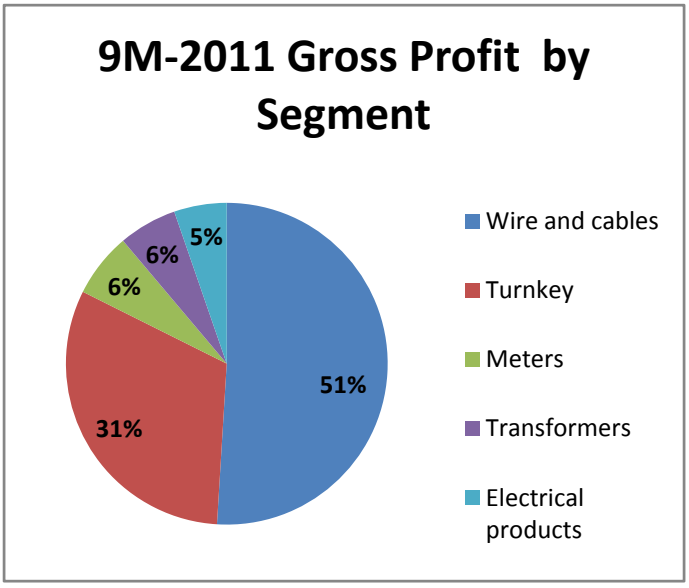
LE (000)'s	Q3-2011	Q2-2011	%	9M-2011	9M-2010	%
Wire & Cables	2,743,050	2,992,026	-8%	8,454,098	7,371,193	15%
Turn Key Projects	792,193	556,937	42%	1,874,146	963,426	95%
Meters	123,568	159,978	-23%	435,893	413,805	5%
Transformers	153,398	154,532	-1%	425,807	257,353	65%
Other electrical products	71,052	69,651	2%	179,810	205,773	-13%
Total	3,883,261	3,933,125	-1%	11,369,754	9,211,550	23%

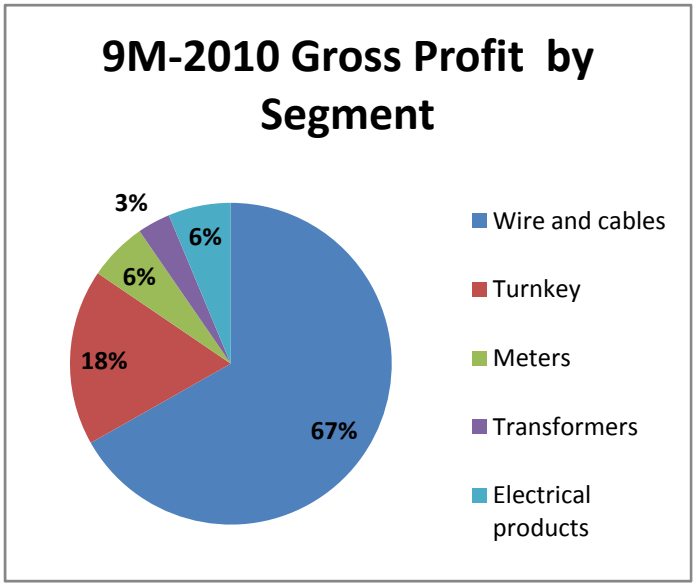




Summary of Gross Profit by Segment

LE (000)'s	Q3-2011	Q2-2011	%	9M-2011	9M-2010	%
Wire & Cables	207,751	301,779	-31%	785,386	996,453	-21%
Turn Key Projects	243,702	146,228	67%	483,816	263,836	83%
Meters	31,650	34,223	-8%	99,880	87,795	14%
Transformers	45,360	23,267	95%	90,253	49,165	84%
Other electrical products	34,612	28,534	21%	85,970	96,576	-11%
Total	563,075	534,032	5%	1,545,305	1,493,826	3%





Wires & Cables Segment

Wires & Cables segment revenues decreased by 8% to reach EGP 2,743 million in Q3 2011 versus EGP 2,992 million in Q2 2011. Gross profit in Q3 2011 decreased 31% to reach EGP 208 million versus EGP 302 million in Q2 2011.

In terms of volumes, the segment sold 34,957 tons of cables in Q3 2011 versus 39,967 in Q2 2011, a decrease of 13%. Gross profit per ton decreased 14% in Q2 2011 to reach EGP 4,849 per ton whilst for the 9M 2011 gross profit per ton stands at EGP 5,339.

Q3 2011 volumes were lower as a result of weaker demand in the Gulf region and Egypt as a result of the Ramadan and Eid season. Also for Egypt specifically the reduction in volumes was due to a continuation of a subdued private sector as a result of the ongoing political issues which continued to dominate Egypt during Q3 2011. In addition the drop in the copper price during Q3 2011 put slight pressure in the demand as some clients

tend to wait and see if further drops will occur. The lower volumes in Q3 2011 put pressure on the Gross profit per ton as with the same overheads and lower quantities the cost/ton component of the cables increased.

As of September 30th, 2011 we have the highest cables backlog in our history of approximately 92,000 tons geographically diversified in the Gulf, Egypt, Europe, Africa and the Middle East.

Wire & Cables Segment Financial Highlights

	Q3-2011	Q2-2011	%	9M-2011	9M-2010	%
Revenues EGP (000)'s	2,743,050	2,992,026	-8%	8,454,098	7,371,193	15%
Gross Profit EGP (000)'s	207,751	301,779	-31%	785,386	996,453	-21%
Cables Sales Volumes (tons)	34,957	39,967	-13%	110,199	120,685	-9%
Cables Gross profit per ton EGP	4,849	5,616	-14%	5,339	6,199	-14%
Gross Profit Margin	7.6%	10.1%		9.3%	13.5%	

Turnkey Projects

The Turnkey and Contracting business recorded a stellar performance this quarter with revenues increasing 42% to reach EGP 792 million in Q3 2011 versus EGP 557 million in Q2 2011. Gross profit in Q3 2011 was EGP 244 million versus EGP 146 million in Q2 2011, an increase of 67%. Gross Profit Margin improved to 31% in Q3 2011 versus 26% in Q2 2011.

Revenues in 9M 2011 increased 95% to reach EGP 1.8 billion versus EGP 963 million in 9M 2010, whilst Gross Profit increased 83% in 9M 2011 to reach a Gross Profit of EGP 484 million versus EGP 264 million in 9M 2010.

The strong performance in this segment continues to be part of the Group's strategy to leverage on all of its products and present a value added service that enhances the overall profitability of the Group. We have seen a significant increase in the backlog number from the previous quarter which as of September 30th 2011 stands at EGP 6 billion (includes EGP 2 billion of high voltage cables not included previously in the Turnkey backlog number.) The backlog number includes projects in Egypt, GCC, Middle East and Africa for power generation, distribution and transmission lines.

Meters Segment

Revenues from the meters segment reached EGP 124 million in Q3 2011 versus EGP 160 million in Q2 2011. Gross profit reached EGP 32 Million in Q3 2011, 8% lower than Q2 2011. However, compared to 9M 2010, revenues increased 5% to reach EGP 436 million whilst gross profit increased 14% to reach EGP 99 million in 9M 2011.

The main reason for the drop in revenues during Q3 2011 versus Q2 2011 was due to a change in both the product mix and the geographical diversification. In terms of meters sold quantities remained flat in Q3 2011 versus Q2 2011. Gross profit margin improved to 25.6% in Q3 2011 versus 21.4% in Q2 2011 and also improved to reach 22.9% for the 9M 2011 versus 21.2% for 9M 2010.

Our main markets in this segment continue to be Germany, 19%, Netherlands 9%, Poland 10%, other Europe 30% and others 32% as a percentage of total revenues during 9M 2011. For the 9M 2011 the revenue contribution from the different products is 21% electromechanical meters, 35% residential electronic meters, 31% system meters and approximately 11% Industrial Electronic meters.

Backlog as at September 30th 2011 reached Euros 21 million, up 46% from June 30th, 2011 backlog which stood at Euros 13 million.

Meters Segment Financial Highlights

	Q3-2011	Q2-2011	%	9M-2011	9M-2010	%
Revenues EGP (000)'s	123,568	159,978	-23%	435,893	413,805	5%
Gross Profit EGP (000)'s	31,650	34,223	-8%	99,880	87,795	14%
Sales Volumes (meters)	662,710	660,813	0%	2,047,773	1,941,251	5%
Gross profit per meter EGP	48	52	-8%	49	45	8%
Gross Profit Margin	25.6%	21.4%		22.9%	21.2%	

Transformers Segment

Revenues from the transformers segment remains flat at EGP 154 million during Q3 2011 versus EGP 155 million in Q2 2011. Gross profit in Q3 2011 surged by 95% to reach EGP 45 million versus EGP 23 million in Q2 2011.

During 9M 2011, Revenues increased 65% to reach EGP 426 million versus EGP 257 million during 9M 2010. Gross Profit increased 84% to reach EGP 90 million versus 49 million in 9M 2010. Egypt, Sudan and Nigeria operations performed extremely well this quarter versus the previous quarter. Gross profit margins in Egypt and Sudan saw a marked improvement, whilst quantities in Nigeria improved from the previous quarter.

As at September 30th 2011 our backlog in the transformers segment stood at USD 74 million.

Transformers Segment Financial Highlights

	Q3-2011	Q2-2011	%	9M-2011	9M-2010	%
Revenues EGP (000)'s	153,398	154,532	-1%	425,807	257,353	65%
Gross Profit EGP (000)'s	45,360	23,267	95%	90,253	49,165	84%
Sales Volumes (MVA)	1,669	1,676	0%	4,291	2,411	78%
Gross profit per MVA EGP	27,177	13,813	97%	21,006	20,415	3%
Gross Profit Margin	29.6%	15.1%		21.2%	19.1%	

Other Electrical Products

Revenues from the Electrical products segment increased by 2% to reach EGP 71 million during Q3 2011 versus EGP 70 million in Q2 2011. Gross profit in Q3 2011 was EGP 35million versus EGP 29 million in Q2 2011, an increase of 21%. For the 9M 2011 revenues and gross profit were 13% and 11% lower YoY.

Net Debt

Net debt increased by 3% on September 30th, 2011 to reach 5,361 million versus 5,261 as of June 30th, 2011.

Forward-looking Statements

This document may contain certain forward-looking statements relating to the company's business. These may be identified in part through the use of forward-looking terminology such as "will", "planned", "expected" and "forecast". Any such statements reflect the current views of the company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance, decisions or achievements of the company to be materially different from any future results that may be expressed or implied by such forward-looking statements.

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El Sewedy Electric
Consolidated Financial statements
Income statement

000's L.E	Q3-10	Q2-11	Q3-11	9M-2010	9M-2011
Sales					
Wires & Cables	2,498,651	2,992,026	2,654,934	7,371,193	8,454,098
Electrical Products	316,947	384,162	295,328	876,931	1,041,510
Turnkey Projects	410,346	556,937	933,000	963,426	1,874,146
Total Sales	**3,225,944**	**3,933,125**	**3,883,261**	**9,211,550**	**11,369,754**
COGS	(2,737,620)	(3,399,093)	(3,320,186)	(7,717,724)	(9,824,449)
Gross Profit	**488,324**	**534,032**	**563,075**	**1,493,826**	**1,545,305**
Gross Profit Margin	15.1%	13.6%	14.5%	16.2%	13.6%
SG & A	(213,587)	(224,406)	(207,800)	(629,753)	(639,958)
Other Operating Income	17,501	21,847	10,149	116,632	57,304
Other Operating Expenses	(46,758)	(14,535)	(246)	(78,829)	(27,745)
EBITDA	**316,936**	**400,714**	**440,960**	**1,104,990**	**1,177,504**
EBITDA Margin	9.8%	10.2%	11.4%	12.0%	10.4%
Depreciation	(71,458)	(83,776)	(75,781)	(203,114)	(242,598)
Fx Gain	(10,787)	(42,990)	(47,435)	4,746	(77,749)
Provisions	(3,032)	(998)	11,569	(1,962)	8,887
EBIT	**231,660**	**272,949**	**329,314**	**904,660**	**866,044**
Interest Expense	(27,808)	(88,166)	(109,502)	(146,307)	(259,387)
Interest Income	16,651	16,891	9,752	39,451	37,946
EBT	**220,503**	**201,674**	**229,563**	**797,804**	**644,602**
Tax	(29,807)	(32,137)	(22,408)	(71,010)	(85,152)
Net Income	**190,696**	**169,538**	**207,155**	**726,794**	**559,450**
Minority Interest	434	(8,892)	(10,789)	(28,733)	(31,131)
Net Income After Minority Interest	**191,130**	**160,645**	**196,366**	**698,060**	**528,319**

El Sewedy Electric
Consolidated Financial statements
Balance Sheet

000's L.E	31-12-2010	31-03-2011	30-06-2011	30-09-2011
Assets				
Fixed Assets	3,814,071	3,855,693	3,842,855	3,780,221
Investments	25,753	24,577	25,849	29,059
Other long term Assets & Good will	437,335	479,191	480,608	452,539
Total Long term Assets	**4,277,159**	**4,359,462**	**4,349,313**	**4,261,819**
Inventories	3,699,614	4,096,724	4,273,051	4,278,559
Receivables	3,549,771	3,803,308	3,488,802	3,790,575
Other Debt balance	565,198	579,973	670,944	763,348
Due from Related Parties	283,312	294,124	314,499	274,972
Cash & Cash Equivalents	1,569,112	1,469,084	1,318,892	1,342,473
Total Current Assets	**9,667,007**	**10,243,213**	**10,066,188**	**10,449,927**
Bank Overdraft & Short Term loans	4,765,411	5,418,423	5,576,712	5,893,858
Accounts Payable	1,165,755	1,135,530	824,344	863,820
Other Credit balance	1,150,350	1,055,655	1,130,214	1,028,780
Due to Affiliates	156,313	138,408	168,104	213,812
Provisions	71,806	72,617	73,753	64,660
Total Current Liabilities	**7,309,634**	**7,820,633**	**7,773,127**	**8,064,930**
Working Capital	**2,357,373**	**2,422,580**	**2,293,061**	**2,384,996**
Total Investments	**6,634,532**	**6,782,042**	**6,642,374**	**6,646,815**
Issued and Paid Capital	1,718,600	1,718,600	1,718,600	2,234,180
Retained Earnings	1,857,580	2,644,539	1,803,293	1,797,776
Net Profit of the year	795,529	171,308	331,953	528,319
Others	969,603	1,019,174	1,622,166	1,073,392
Total Equity	**5,341,312**	**5,553,620**	**5,476,012**	**5,633,667**
Long Term Loans	1,073,036	1,006,586	958,775	809,882
Other long term Liabilities	220,184	221,836	207,588	203,266
Total long term Liabilities	**1,293,220**	**1,228,422**	**1,166,362**	**1,013,148**
Total long term Liabilities & Equity	**6,634,532**	**6,782,042**	**6,642,374**	**6,646,815**