Edita Food Industries Reports 1Q2015 Earnings

An excellent quarter for Edita, continued strong growth in revenue, expanding distribution network and new capacities coming online backed by increased consumer awareness and a growing institutional shareholder base.

Highlights for 1Q2015

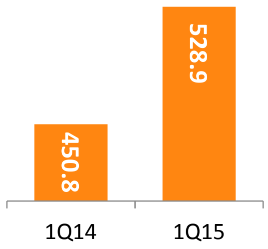
Revenues EGP 528.9 mn ▲17.3% y-o-y	Gross Profit EGP 202.6 mn ▲22.8% y-o-y
EBITDA EGP 105.2 mn ▲0.8% y-o-y	Net Profit after Tax EGP 59.5 mn ▲3.2% y-o-y

The discussion and analysis in this report are based on the IFRS statements. For comparison of the results to Egyptian Accounting Standards please refer to the section "Egyptian Accounting Standards Reconciliation to IFRS".

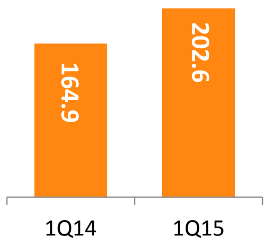
1Q 2015 at a Glance

- Edita goes public. First day of trading was April 2, 2015.
- Revenues of EGP 528.9 million, a 17.3% increase over 1Q2014.
- Gross Profit of EGP 202.6 million, a 22.8% increase over 1Q2014.
- Gross Profit Margin of 38.3%, up from 36.6% in 1Q2014.
- EBITDA increased to EGP 105.2 million in 1Q2015 up from EGP 104.3 million in 1Q2014 with an EBITDA margin of 19.9% compared to 23.1% in 1Q2014.
- Net Profit after Tax (NOPAT) increased 3.2% over 1Q2014 to EGP 59.5 million (a margin of 11.2%) in spite of the tax rate increase to 30% that came into effect during the second half of 2014.

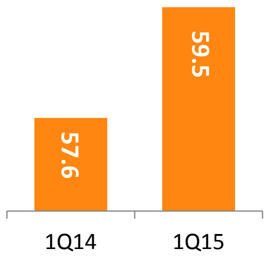
Revenue Progression
(in EGP mn)



Gross Profit Progression
(in EGP mn)



NOPAT Progression
(in EGP mn)



Edita Food Industries S.A.E. (EFID.CA on the Egyptian Exchange & EFIDq.L on the London Stock Exchange), a leader in the Egyptian packaged snack food market with number-one market shares in its core cake and croissant segments, announced today its results for the first quarter of 2015 reporting a Net Profit after Tax of EGP 59.5 million on Revenues of EGP 528.9 million.

Operational developments year-to-date include the start up of the extension at the E07 Factory (Hall B) where two new lines came into production: a Cakes line (on March 22, 2015 with additional capacity of 7.6 thousand tons/annum) and a Croissant line (on March 30, 2015 with additional capacity of 7.2 thousand tons/annum).

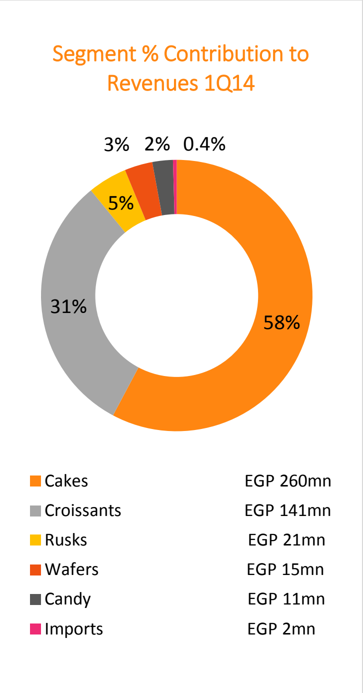
Edita also managed to increase production capacities in the rusks segment (Bake Rolz) by 25% over 1Q2014 levels through production line enhancement and the addition of new packaging capacities.

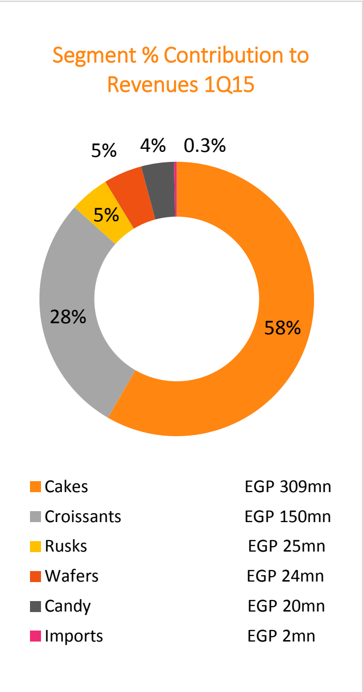
Two new distribution centers, located in Damietta and Sohag, were added during 1Q2015 bringing the total to 18.

Edita launched a new SAP module: the Success Factors System as a new integrated and comprehensive talent management system that includes sub-modules for goal and talent management, succession planning and career development.

After the end of the quarter, Edita signed two contracts with Hostess Brands LLC relating to the extension of territory for the HTT brands to include 12 additional countries across the MENA region and the acquisition of knowhow and technical assistance to 11 additional cake products from Hostess Brands LLC across the expanded region. Further to that, a new SKU, Todo Hazelnut, was introduced bringing the total SKUs to 68 at the end of the 1Q2015.

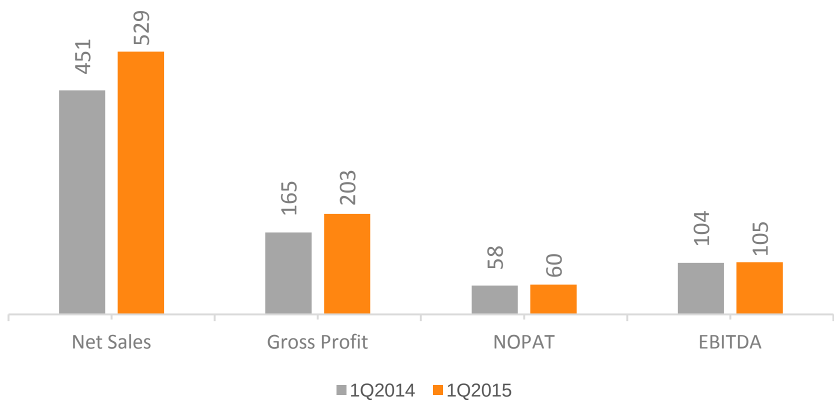
In addition, a new Croissant line came into production on April 22, 2015 adding a further 17.2 thousand tons/annum to our production capacity.





An Overview of Edita's Performance During 1Q15

Snapshot of Results (*EGP mn*)



Revenues

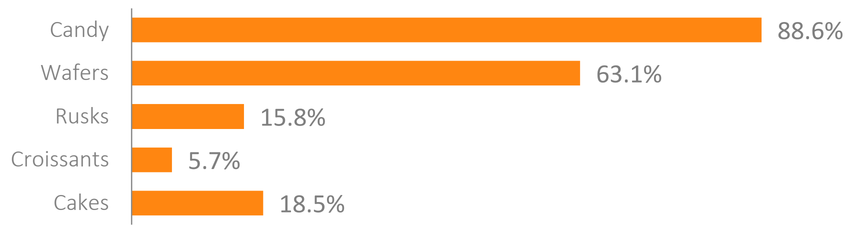
Revenues increased 17.3% over 1Q2014 levels to EGP 529 million up from EGP 451 million. All product segments contributed to the growth, albeit some greater than others.

Revenue from cakes increased 18.5% over 1Q2014 levels to reach EGP 309 million in 1Q2015. The key drivers contributing to the growth were the increased utilization as a result of more effective production planning. This minimized changes over time and was coupled with the increased production and sales of higher priced SKUs including certain variations of Todo and Jumbo Hohos. The average SKU selling price of cakes increased 3.9% over 1Q2014 to EGP 0.53.

Growth in the croissant segment came in at 5.7% Y-o-Y, again limited by capacity constraints, although through strict production planning the tonnage produced increased over 1Q2014. Embedded in the growth in revenue within the croissant segment was the 1.2% increase in the average selling price per SKU to EGP 0.87. Croissant contribution to total revenue decreased to 28.3% of total revenue down from 31.4% in 1Q2014.

Capacity constraints in both the cake and croissant segments remained an issue during 1Q2015 as utilizations on most of these lines averaged close to 110%.[1] However, this capacity limitation will no doubt ease as the production from the three lines that came on line at the end of 1Q2015 and the beginning of 2Q2015 hit the market.

Revenue Growth by Segment (1Q2015)



Sales of rusks increased 15.8% over 1Q2014 to EGP 25 million in 1Q2015 mainly due to line enhancements that increased production capacities with the Bake Rolz and Bake Stix lines operating at 110% and 105% utilization rates respectively.[2] Wafer sales increased 63.1% over 1Q2104 levels to reach EGP 24 million as the line reached full utilization.

Starting from a small base, revenue from candy doubled over 1Q2014 levels to reach EGP 20 million in 1Q2015 constituting 3.9% of sales (2.4% in 1Q2014). This comes on the back of both increased capacity utilizations over 1Q2014 as well as the increased average selling price per SKU within the candy segment by 31% over 1Q2014 to EGP 1.1 per SKU.

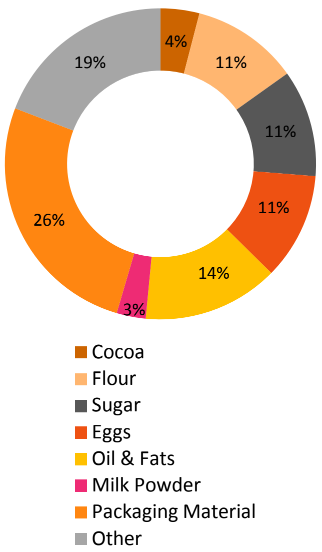
Overall, and as a result of Edita's continued re-engineering of its portfolio mix, and the launch of larger sized SKUs and the delisting of the smaller SKUs, the average selling price per SKU for the portfolio as a whole increased 1.6% over 1Q2014 levels to EGP 0.63 per SKU.

Cost of Goods Sold

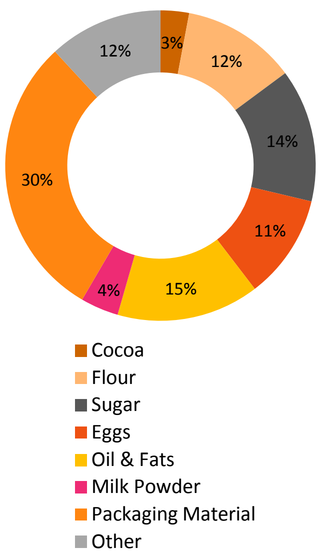
Total COGS increased 14.2% over 1Q2014 levels to EGP 326.4 million resulting in an improving COGS/Sales ratio of 61.7% down from 63.4% in 1Q2014in spite of the fact that, although minimal, the increase in energy costs was introduced in the latter half of 2014 and hence the new and higher energy rates are not reflected within the 1Q2014 COGS.

[1] & [2] Weighted average factory utilization, calculated on a maximum capacity of 298 days of production at 3 shifts of eight hours per day (representing production 24/7 except Fridays and public holidays). Line utilizations in excess of 100% means our production facilities operated more than 298 days per annum (or the equivalent number of days per quarter).

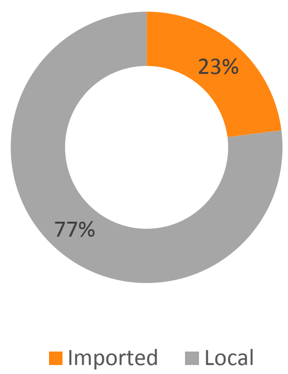
Direct Material Breakdown 1Q14



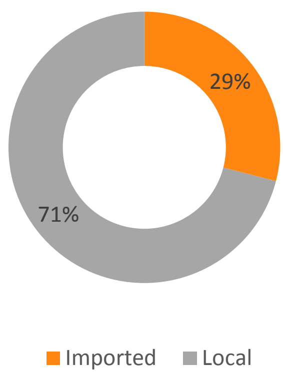
Direct Material Breakdown 1Q15



Imported vs. Local Direct Materials 1Q2015



Imported vs. Local Direct Materials 1Q2014



The main drivers behind the improvement is twofold: the larger and premium SKUs launched over the year with better profit margins coupled with the efforts by the Supply Chain department that seized valuable opportunities to lock in competitive pricing for the main raw and packaging materials used across the product segments as well as substituting some of the imported direct materials by locally sourced variations (total imported direct materials decreased to 23% in 1Q2015 down from 29% in 1Q2014). This was achieved as Edita was able to leverage on its scale in obtaining favorable terms from suppliers of its direct materials, both locally and on the international front, and the diversification of our raw material cost base that absorbs any short-term cost hikes in any one component.

Gross Profit[3]

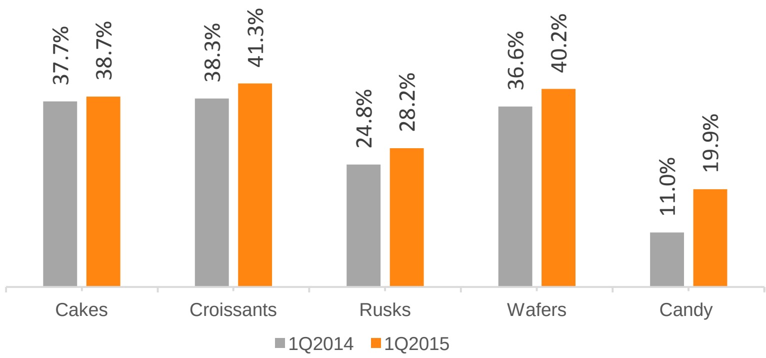
In 1Q2015 gross profit increased 22.8% over 1Q2014 levels to EGP 202.6 million, achieving a gross profit margin of 38.3% up from 36.6% a year earlier. A major contributor, in addition to the constant and continuous control of our production costs, is the portfolio product mix which in 1Q2015 was more skewed to the larger higher margin SKUs as compared to 1Q2014.

Gross profit margins increased across all product segments as capacity utilizations increased over 1Q2014 levels, the launch of new SKUs at higher price points and the technical difficulties within the candy lines were overcome. Securing, on average, more favourable pricing for the direct materials used — as can be seen from the cost of goods sold increasing only 10% over 1Q2014 levels compared to an increase of 17.3% in sales over the same period — has also supported the improving margins across the product segments.

[3] Includes COGS, raw material costs for the trials of the new lines (EGP 236,000), manufacturing overheads (MOH) and industrial depreciation.

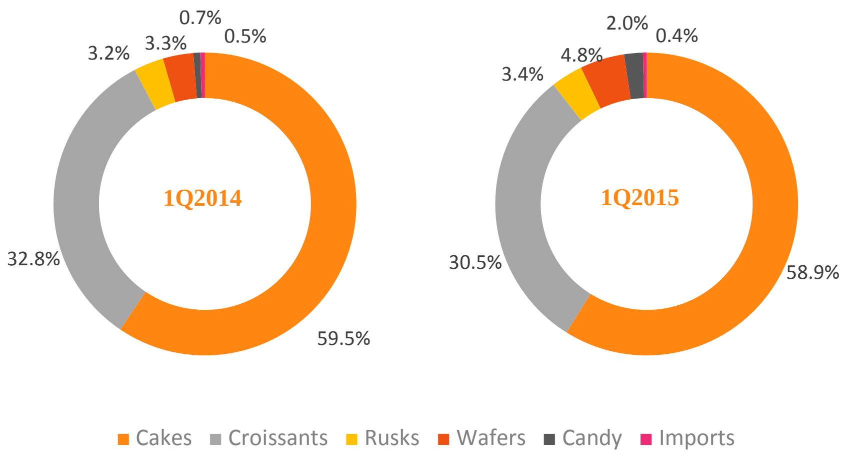
Margins from our core cake and croissant segments continued to grow with the gross profit margin from cakes inching up 1% to 38.7% in 1Q2015 up from 37.7% in 1Q2014. Gross profit margin for the croissant business crossed the 40% line to 41.3% in 1Q2015 up from 38.3% in 1Q2014. The chart below depicts the comparative gross profit margins across all Edita's product segments for 1Q2015 vs. 1Q2014.

Gross Profit Margin by Product Segment 1Q2015



Although their contribution is declining as other segments in our product portfolio increase, our core cake and croissant product segments remain the main contributors to Edita's gross profit. In 1Q2015 the cake and croissant segments constituted 89.4% of the total gross profit (and 86.7% of revenue) down from 92.3% in 1Q2014 (and 89.2% of revenue). The charts below shows the breakdown of gross profit by product segment in 1Q2015 compared to 1Q2014.

Contribution to Gross Profit by Product Segment



Other Expenses

There are three main expense categories that relate to operations, namely: Selling and Distribution Expenses (S&D), Advertising and Marketing Expenses (A&M) and General and Administrative Expenses (G&A). S&D Expenses increased 22.3% to EGP 45.8 million (8.7% of revenue) in 1Q2015, up from EGP 37.5 million (8.3% of revenue) in 1Q2014. The increase reflects Edita's strategy to foster sales through the retail channel and increase its geographic coverage. As a result of the strategy, the number of distribution centres increased to 18 in 1Q2015 up from 13 in 1Q2014 and the number of distribution vans increased to 531 up from 471, although currently most retail servicing vans are manned by a two-person team down from a three-person team in 1Q2014.

In 1Q2015 A&M expenses increased almost three-fold over 1Q2014 levels to EGP 19.6 million (3.7% of revenue) as Edita launched its first corporate campaign linking all its successful brands to the Company in addition to the product campaigns. The company aired several campaigns to support its products and brands namely TODO (TV & outdoor campaign) and Molto that coincided with increased production as well a TV campaign for the wafers segment.

Depreciation, other than relating to industrial operations, was EGP 7.3million in 1Q2105 and remained in the vicinity of 1.4% of revenue.

Given the above, Profits from Operations for 1Q2015 recorded EGP 86.6 million, inching up from EGP 86.4 million a year earlier and locking in a margin of 16.4%.

Interest expense in 1Q2015 totalled EGP 4.6 million down from EGP 6.9 million in 1Q2014 as Edita continuously settled instalments on its medium term loans and land payments on a timely basis. Interest income increased to EGP 6.6 million in 1Q2015 up from EGP 5.8 million in 1Q2014 mainly as a result of the increasing interest rates. During 1Q2015, Edita recorded an FX gain of EGP 4.7 million mainly as a result of the payables in euros relating to the new production lines.

EBITDA

EBITDA reached EGP 105.2 million in 1Q2015 with a margin of 19.9%. This is a 0.8% increase from the 1Q2014 level of EGP 104.3 million (23.1% margin). However, it must be noted that COGS includes amounts within the manufacturing overheads including staffing and trial costs relating to the three new lines (two of which came into production at the very end of 1Q2015) and associated higher G&A. In addition, employees' share in net profit increased to EGP 21.8 million in 1Q2015 compared to EGP 17.5 million in the same period last year.

Net Earnings

Taxes paid during 1Q2015 increased to EGP 34.5 million up from EGP 25.2 million in 1Q2014 both due to the increased business Y-o-Y as well as the increase in the tax rate introduced in the second half of 2014.

As a result of all of the above, Net Profit After Tax increased slightly from 1Q2104 levels of EGP 57.6 million to EGP 59.5 million in 1Q2015 with a margin of 11.2% down from 13.5% in 1Q2014.

Balance Sheet

Total assets increased to EGP 1.7 billion in 1Q2015 up from EGP 1.6 billion as at year-end 2014. The bulk of the increase emanated from the increase in Property, Plant & Equipment and Projects Under Construction, as the extension of the E07 plant materialized and the three new lines coming online as well as the two new lines that are expected to come online in 4Q2015 being contracted. Property, Plant & Equipment increased to EGP 928.8 million in 1Q2015 up from EGP 818.4 million at year-end 2014 while Projects Under Construction decreased to EGP 142.9 million from EGP 197.4 million in 2014.

The main items of CAPEX in 1Q2015 were EGP 35.4 million pertaining to the completion of Hall B (extension of the E07 factory), EGP 12.9 million relating to the remainder of the payments for the three new production lines and EGP 24.4 million worth of maintenance CAPEX. Cash and Cash Equivalents (including treasury bills) decreased to EGP 318.4 million in 1Q2015 but remain a substantial portion of total footings at 18.9%.

On Working Capital components, the inventory levels continue to reflect Edita's policy to maintain inventory coverage of all direct materials at 0.75 months and finished goods at a maximum of 3 days. Total inventory increased to EGP 135.7 million in 1Q2015 up from EGP 112.5 million at year-end 2014. Trade Receivables increased to EGP 15.56 million in 1Q2015 (10 days of sales) reflecting Edita's continued cash sales policy (in excess of 97% of sales continue to be conducted on cash basis). Trade Payables increased slightly to EGP 89.5 million reflecting 62 days of sales.

The Current Portion of Long Term Liabilities increased to EGP 136.7 million up from EGP 125.2 million as at year-end 2014 and the Long Term Loans decreased to EGP 196.3 million over the same period as result of the continuous repayment of the loans.

Total Shareholders' Equity increased to EGP 882.5 million as at the end of 1Q2015 up from EGP 823.8 million as at the year-end 2014.

Egyptian Accounting Standards Reconciliation to IFRS

The main differences between Edita's financial statements is that IFRS requires expensing the employees' profit sharing while the Egyptian Accounting Standards treat them as a distribution and hence not included within the income statement as well as different treatment of FX gains and losses and gain and loss on the sale of FX in the calculation of EBITDA. Net employee profit sharing to employees paid in 1Q2015 was EGP 21.8 million compared to EGP 17.5 million in 1Q2014.

Hereunder is the reconciliation between Edita's financial statements in EAS with the IFRS based financial statements for 1Q2105

in EGP 000s	1Q2015 EAS	Adjustment	1Q2015 IFRS
Net Sales	**528,902**		**528,902**
COGS (excluding M.O.H)	259,159		259,159
M.O.H	58,784	8,406	67,189
Total COGS	317,943		326,348
Gross Profit	**210,959**	**(8,406)**	**202,553**
Gross Profit Margin	*39.9%*		*38.3%*
Selling & Distribution Exp.	39,888	5,913	45,800
Advertising & Marketing Exp.	19,644	0	19,644
General & Admin. Exp.	34,904	7,513	42,417
Other Operational Expenses*	8,051		8,051
Profit from Operations	**108,472**	**(21,831)**	**86,642**
Profit from Operations Margin	*20.5%*		*16.4%*
Provisions	1,250		1,250
Net Interest	(1,979)		(1,979)
Other (Income)/Expenses**	(6,630)		(6,630)
Profit Before Income Tax	**115,832**	**(21,831)**	**94,001**
Income Tax Expense	34,536		34,536
Net Profit After Tax	**81,295**	**(21,831)**	**59,465**
Net Profit After Tax Margin	*15.4%*		*11.2%*
EBITDA	**131,841**	**(26,652)**	**105,188**
EBITDA Margin	*24.9%*		*19.9%*

* *Includes Depreciation & Royalty Expense.*
** *Includes Other (Income)/Expense, Sale of Fixed Assets, FX (Gain)/Loss*

Development of Our Markets

The segments of the snack food market in Egypt in which Edita operates continued to grow in 1Q2015 compared to the previous year. Please note that the market sizes depicted in the table below only represent two months of the quarter as Nielsen publishes such data every two months.

Selected Segments of the Snack Food Market in Egypt in 1Q2015

Segment	Market Size (EGP mn)*	2012-2014 CAGR*
Salty Snacks**	1,073	7.4%
Cakes	275	6.9%
Wafers	275	5.9%
Croissant	117	22.4%

** YTD February 2015 (total market size for Jan & Feb 2015)*
*** Rusks market is 4.2% of total salty snacks*

Edita continued to dominate the snack food market segments in which it operates. It remains the market leader in both the cake and croissant segments with 64% and 66% market shares, respectively, with the slight drop in market shares over the full year 2014 being attributed to capacity limitations which have since been eased as the new lines entered production at the end of 1Q2015. Market shares in the wafer segment increased to 7.6% with Edita now being the #4 market player up from year-end 2014. Although candy sales increased substantially over the comparative quarter of 2014, the market shares and positioning depict the year end, as historically Edita purchased the trackers only on an annual basis until the technical difficulties within the production line were resolved.

Below is a summary of the Edita's competitive position within the snack food market as at the end of 1Q2015.

Summary of Edita's Competitive Position

91% of 1Q2015 Revenue (Cakes, Croissants, Rusks)

	Market Position	Market Share	Relative Market Share[1]	Av. Consumer Price (EGP / US$[2])	Brands	Brand Awareness[3]
Cakes	#1	64%	14.5x	0.86 / 0.12	HOHOs, Twinkies, Tiger Tail, Todo	100%
Croissants	#1	66%	2.96x	1.09 / 0.15	Molto	100%
Rusks	#2	30%	0.4x	1.00 / 0.14	Bake Rolz	83%
Wafers	#4	8%	0.3x	1.00 / 0.14	Freska	90%
Candy	#3	8%	0.4x	1.8 / 0.24	Mimix	NA

Source: AC Nielsen Retail Audit, IPSOS

1. *Relative market share calculated as Edita's market share divided by market share of largest competitor. Market share for Candy is as at year end 2014*
2. *US$/EGP of 7.58 as of 31-March-2015 (Bloomberg).*
3. *Brand awareness measures the share of respondents that were familiar with the brand in aided, spontaneous consumer surveys.*

An Overview of the Operating Divisions

Marketing

Edita remains a house of brands where each brand is limited to a certain product segment with no overlap between brands. Over the years, Edita has focused on building the individual brands in order to maximize their strength within their segments. The Marketing division has been planning to start promoting Edita's image among consumers by linking the Company name to the successful brands we produce and pave the way to use Edita as a seal of confidence as we venture into new categories and launch new brands.

With this in mind, a new corporate campaign was launched during April 2015 through outdoors, digital media and TV, and through the continued branding of our distribution trucks and vans. The campaign links Edita to all its brands in a creative way and thus far has generated very positive feedback from all stakeholders. In the campaign, Edita is positioned as a dynamic, growing, positive and optimistic company that is always offering new products and ideas with a slogan: "Behind every door in Edita we are preparing something new to offer to life… Edita the sweeter side of life."

On the product level, Molto maintained its 100% brand awareness and 99% most often consumption. The brand is currently being supported through a 360 degrees campaign (TV, Outdoors, Digital and soon POSM). Within the cake segment, Todo's spontaneous awareness almost doubled over 1Q2014 levels to reach 68%, driven by Hohos and Twinkies whose spontaneous awareness slightly declined over the same period. Total awareness for all of Edita's brands continued at 100%. Most often consumption for all of Edita cake brands increased from a total of 94% to 96% with Todo leading the growth as a result of continuous brand support throughout the year. Wafer (Freska) awareness increased from 10% in 1Q2014 to 49% in 1Q2015. Total awareness dropped slightly over the same period, although it remains above the 90% mark. Spontaneous awareness of both Bake Rolz and Bake Stix increased from 8% and 4% to 24% and 19%, respectively. Total awareness dropped slightly from 92% to 87% and from 88% to 78% reflecting our more focused communication to sustain and support our niche consumer base through digital and below the line communication given our limited capacity.

In comparison to 1Q2014, Marketing and Research & Development orchestrated the delisting of the five SKUs (three Todo SKUs, the six-piece mini Molto SKU and Midi Molto) and the launch of six new SKUs (two Todo variations, two new wafer variations and two candy variations in larger pack sizes). As a result, the average consumer selling prices for the various product segments, and hence Edita's average consumer prices, increased from EGP 0.78/SKU in 1Q2014 to EGP 0.83/SKU.

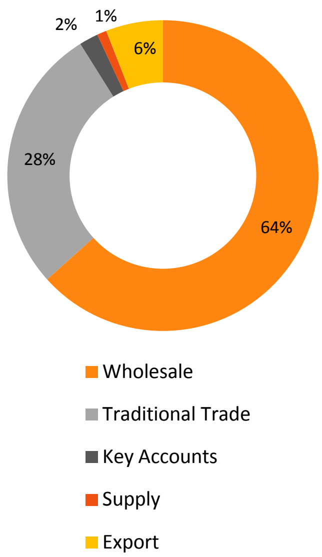
Development of Average Consumer Price per SKU by Product Segment

EGP	1Q2014	1Q2015	% Change
Cakes	0.66	0.86	30.3%
Croissant	1.08	1.09	0.9%
Rusks	1.00	1.00	-
Wafers	1.00	1.00	-
Candy	1.05	1.80	71.4%
Average Edita	**0.78**	**0.83**	**6.4%**

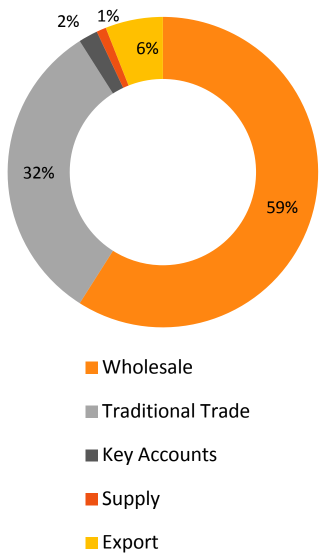
Sales & Distribution

The growth in Edita's sales by channel of distribution reflects the Company's strategy in increasing revenues through the retail and traditional sales channels. Sales through wholesalers in 1Q2015 increased only 8% over 1Q2014 levels to EGP 325 million and now contribute 59% of total revenue down from 64% in 1Q2014 (now at 58.6% of local sales vs. 63.6% in 1Q2014). On the other hand, sales through traditional trade increased 35% over 1Q2014 levels to EGP 177 million and currently represent 32% of Edita's total revenue, increasing from 28% in 1Q2014. Exports increased to 6.2% of revenue up from 5.9% in 1Q2014, with

Revenue Contribution by Distribution Channel 1Q14



Revenue Contribution by Distribution Channel 1Q15



exports to the top five markets representing 85% of total exports. During 1Q2015 our exports reached 11 countries across the MENA region and Africa.

The growth in sales in 1Q2015 through wholesalers was predominantly due to the increase in drop size or size of the invoice per wholesaler while growth in revenue through the retail channels was a function in of both the increase in drop size as well as the increase in number of retailers over the period. There were significant improvements in all the main KPIs in both the wholesale and retail portions of the business. The number of successful visits, coverage and invoice size all grew over 1Q2014 levels while waste declined.

To support Edita's strategy to further develop the retail sales channels, the company opened two new distribution centres during 1Q2015 with a further three slated for 2Q2015. The number of sales representatives increased to 479 at the end of 1Q2105 up from 446 in 1Q2014 while the number of distribution vans increased to 531 up from 471 in 1Q2014.

Industrial Operations

The first quarter of the year was very busy for Industrial Operations, with the whole department working around the clock to ensure the construction delays in the extension to the E07 factory had minimum effect on the commissioning of the three new lines. As a result, the new cake line commenced production on March 22, 2015 and the croissant line on March 30, 2015. This was closely followed by a second croissant line coming online on April 22, 2015.

The cake line that adds a total of 7.2 thousand tons per annum to Edita's cake production capacity is at the moment dedicated to the production of Twinkies. The croissant line that came into production during March 2015 adds 7.6 thousand tons per annum to Edita's croissant production capacity. Meanwhile, the second croissant line that started production during April 2015 adds a further 17.2 thousand tons per annum to Edita's croissant production. All other production lines remain operational at full capacity.

In addition to the increased capacities on the back of new lines coming online, production capacities in 1Q2015 also increased over 1Q2014 due to line enhancements and more streamlined planning activities across all segments; this was especially noticeable in the rusks, wafers and candy segments. Overall production capacity increases in rusks, wafers and candy were 25%, 10% and 57%, respectively, Y-o-Y.

Total production in tons increased by 42% in 1Q2015 over 2014 levels corresponding to an increase of 28.3% in the number of packs produced as the SKU configurations across some product segments such as croissants became more skewed towards the larger sized SKUs while in other product segments, such as wafers, they increased to or above 100% in 1Q2015.

Supply Chain

As is the common practice, the Supply Chain Department continued to closely track commodity prices and as a result managed to book prices for the major direct materials used at an average of 5-7% lower than was originally anticipated. Overall, two main trends are being witnessed: worldwide increases in cocoa prices in the vicinity of 25% and increasing local sugar prices due to the government's recent attempt to support the local sugar refineries by implementing a new tax on imported sugar. However, Edita does not foresee any major impact on its cost profile during 2015 as most of the direct materials are contracted through year-end.

Planning activities during 1Q2015 showed significant improvement over 1Q2014 in terms of increased daily production capacities, production lines utilization as well as keeping the inventory coverage of all direct materials at 0.75 month and finished goods at a maximum of 3 days.

Within Logistics Operations, and as part of Edita's strategy to outsource all non-core operations, a key milestone achieved during 1Q2015 was the department's success in fully outsourcing the transportation function of all finished goods (moving the finished products from the factories to the distribution centers).

Material Developments Post the End of 1Q2015

On April 16, 2015 Edita signed two new contracts with Hostess Brands LLC, the Trademark and Goodwill Sale and License Agreement and the License and Technical Assistance Agreement.

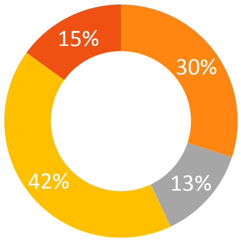
Under the terms of the deal, Edita's full ownership of the HTT brands in Egypt, Libya, Jordan and Palestine will now extend to new markets including Morocco, Algeria, Tunisia, Syria, Lebanon, Iraq, Bahrain, Oman, the UAE, Kuwait, Qatar and Saudi Arabia.

In another closely-related transaction, Edita has acquired a license, knowhow and technical assistance from Hostess Brands LLC across current and expansion territories that will allow Edita to manufacture and market 11 other Hostess Brands products. Edita will not own the trademarks to the new brands.

The expansion opportunity will expand use of the HTT brands across the MENA region, from the Maghreb to the Gulf. Additionally, the acquisition of knowhow for the 11 new products will enable Edita to enlarge its current cake portfolio and maintain its market leadership position not only in Egypt, but also across the region.

After the Board of Directors' approval, Edita's Executive Management negotiated and signed an EGP 170 million medium term loan with Credit Agricole Egypt. The loan is payable over 7 years (including the grace period) and will be used to finance the 2 new production lines planned to begin production by year end 2015.

Shareholder Structure as of 1Q2015



Investor Contacts

Ms. Dina Al-Sonbaty
Vice-President (Investor Relations and Corporate Affairs)
T: +202 3851 6464 | M: +2012 2 218 7052 | dina.sonbaty@edita.com.eg

About Edita Food Industries

Edita, founded in 1996 and headquartered in Egypt, is a leader in the growing Egyptian packaged snack food market. The Company manufactures, markets and distributes a range of branded baked snack products including packaged cakes, croissants, rusks (baked wheat), and wafers as well as selected confectionary/candy products. The Company's local brand portfolio includes household names such as *Todo*, *Molto*, *Bake Rolz*, *Bake Stix*, *Freska* and *MiMix*. The Company also has the exclusive ownership of the international HTT brands *Twinkies*, *Hoho's* and *Tiger Tail* in Egypt, Libya, Jordan, Palestine, Morocco, Algeria, Tunisia, Syria, Lebanon, Iraq, Bahrain, Oman, the UAE, Kuwait, Qatar and Saudi Arabia; and is party to a technical assistance and knowhow agreement to manufacture 11 additional HTT brands across its territories. The Company holds strong number-one market positions in its core cake and croissant segments, a number-two market position in rusks, and growing market positions in the wafers and candy segments. In 2014, the Company derived c.94% of its revenue from Egypt and c.6% from over 14 regional export markets. Learn more at ir.edita.com.eg.

Watch Edita's Corporate Campaign Ad

Forward Looking Statements

This communication contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events, and can be identified by the use of such words and phrases as "according to estimates", "aims", "anticipates", "assumes", "believes", "could", "estimates", "expects", "forecasts", "intends", "is of the opinion", "may", "plans", "potential", "predicts", "projects", "should", "to the knowledge of", "will", "would" or, in each case their negatives or other similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements containing information on future financial results, plans, or expectations regarding business and management, future growth or profitability and general economic and regulatory conditions and other matters affecting the Company.

Forward-looking statements reflect the current views of the Company's management ("Management") on future events, which are based on the assumptions of the Management and involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The occurrence or non-occurrence of an assumption could cause the Company's actual financial condition and results of operations to differ materially from, or fail to meet expectations expressed or implied by, such forward-looking statements.

The Company's business is subject to a number of risks and uncertainties that could also cause a forward-looking statement, estimate or prediction to differ materially from those expressed or implied by the forward-looking statements contained in this prospectus. The information, opinions and forward-looking statements contained in this communication speak only as at its date and are subject to change without notice. The Company does not undertake any obligation to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this communication.