

**EDITA FOOD INDUSTRIES (S.A.E.) AND ITS
SUBSIDIARIES**

**LIMITED REVIEW REPORT AND
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED
30 JUNE 2015**

EDITA FOOD INDUSTRIES (S.A.E.) AND ITS SUBSIDIARIES

Interim consolidated financial statements – For the six months ended 30 June 2015

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Report on review of interim consolidated financial statements

To: The Board of Directors of Edita Food Industries Company (S.A.E.) and its Subsidiaries

Introduction

We have reviewed the accompanying interim consolidated balance sheet of Edita Food Industries (S.A.E.) and its Subsidiaries (the Group) as of 30 June 2015 and the related Consolidated statements of income, changes in equity and cash flows for the six months period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim consolidated financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these interim consolidated financial statements based on our limited review.

Scope of limited review

We conducted our limited review in accordance with Egyptian Standard on Review Engagements No. 2410, "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity". A limited review of interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements is not prepared in all material respects, the financial position of the group as at 30 June 2015, and of its financial performance and its cash flows for the six months period then ended in accordance with Egyptian Accounting Standards.



To: The Board of Directors of Edita Food Industries Company (S.A.E.) and its Subsidiaries
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Other significant matters

Without qualifying our conclusion, we draw attention to note (33) in the notes to the interim consolidated financial statements, the group has not issued audited consolidated financial statements in accordance with Egyptian Standards on Auditing or conducted a limited review in accordance with Egyptian Standard on review engagement No.2410 "Review Of Interim Financial Statements performed by an independent Auditor of the Entity" for the six months period ended 30 June 2014 and accordingly the comparative figures for each of the Consolidated statements of income, changes in equity and cash flows for the period from 1 January 2014 to 30 June 2014 are not audited or reviewed

However, the comparative figures in the balance sheet represents balances as of 31 December 2014 which were previously audited and issued an unqualified opinion dated 11 February 2015.

A handwritten signature in blue ink, appearing to read "Ahmed Gamal Al-Atrees", written over a light blue circular stamp.

Ahmed Gamal Al-Atrees
R.A.A. 8784
E.F.S.A. 136
Mansour & Co. PricewaterhouseCoopers

13 August 2015
Cairo

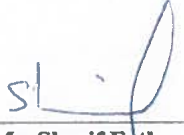
EDITA FOOD INDUSTRIES (S.A.E.) AND ITS SUBSIDIARIES

Interim consolidated balance sheet - At 30 June 2015

(all amounts in Egyptian Pounds)

	Note	30 June 2015	31 December 2014
Non-current assets			
Property, plant and equipment	5	1,151,261,581	1,015,869,650
Intangible assets	6	162,597,332	68,618,658
Total non-current assets		1,313,858,913	1,084,488,308
Current assets			
Inventories	7	141,321,058	112,481,757
Accounts and notes receivables	8	9,932,340	11,386,462
Debtors and other debit balances	9	68,521,764	54,955,661
Treasury Bills	10	105,120,837	106,014,124
Cash and bank balances	11	227,985,523	233,301,434
Total current assets		552,881,522	518,139,438
Current liabilities			
Provisions	12	13,809,859	10,916,700
Bank overdraft	13	106,014,427	60,418,179
Trade and other payables	14	213,741,694	205,931,191
Income tax liabilities	15	31,184,717	81,588,139
Current portion of long-term liabilities	16	179,824,953	125,176,964
Total current liabilities		544,575,650	484,031,173
Net working capital		8,305,872	34,108,265
Total invested funds		1,322,164,785	1,118,596,573
Represented in:			
Owners' equity			
Paid up capital	17	72,536,290	72,536,290
Legal reserve	18	31,103,903	31,103,903
Foreign currency translation reserve		5,379	3,501
Retained earnings		845,055,610	720,134,419
Total owner's equity		948,701,182	823,778,113
Minority interest	19	3,472,581	1,966,793
Total shareholders' equity		952,173,763	825,744,906
Non-current liabilities			
Long term loans	20	268,891,674	204,543,390
Long-term notes payable	21	9,449,762	8,884,103
Deferred tax liabilities	22	91,649,586	79,424,174
Total non-current liabilities		369,991,022	292,851,667
Total owners' equity and non-current liabilities		1,322,164,785	1,118,596,573

The accompanying notes on pages 7 - 39 form an integral part of these financial statements.


Mr. Sherif Fathy
Vice President - Finance

Cairo , 12 August 2015
 Independent limited review report attached


Eng. Hani Berzi
Chairman

EDITA FOOD INDUSTRIES (S.A.E.) AND ITS SUBSIDIARIES
Interim consolidated statement of income - For the period ended 30 June 2015

(All amounts in Egyptian Pounds)

	Note	Six months ended 30 June		Three months ended 30 June	
		2015	Un reviewed 2014	2015	Un reviewed 2014
Sales		1,043,717,327	905,949,279	514,815,652	455,186,784
Cost of sales	28	(639,054,422)	(560,263,368)	(321,111,551)	(281,674,681)
Gross profit		404,662,905	345,685,911	193,704,101	173,512,103
Selling and marketing expenses	28	(127,769,069)	(90,434,455)	(63,502,870)	(46,778,673)
General and administrative expenses	28	(74,268,429)	(52,108,790)	(36,048,200)	(27,489,633)
Other income	23	11,146,288	10,596,663	9,205,968	8,140,163
Other expenses	24	(2,989,092)	(7,778,880)	(1,739,092)	(3,860,220)
Profit from operation		210,782,603	205,960,449	101,619,907	103,523,740
Finance (cost), net	25	(882,453)	(3,429,552)	(7,551,370)	(1,317,744)
Profit before tax		209,900,150	202,530,897	94,068,537	102,205,996
Income tax expense	26	(61,641,300)	(60,372,638)	(27,105,030)	(35,157,824)
Net profit for the period		148,258,850	142,158,259	66,963,507	67,048,172
Distributed as follows:					
Shareholders' equity		146,751,862	142,224,353	66,204,217	67,010,199
Minority interest		1,506,988	(66,094)	759,290	37,973
Net profit for the period		148,258,850	142,158,259	66,963,507	67,048,172
Earning per share (Basic and Diluted)	27	0.409	0.392	0.185	0.185

The accompanying notes on pages 7 - 39 form an integral part of these financial statements.

EDITA FOOD INDUSTRIES (S.A.E.) AND ITS SUBSIDIARIES

Interim consolidated statement of changes in owners' equity - For the period ended 30 June 2015

(All amounts in Egyptian Pounds)

	Paid up capital	Legal reserve	Foreign currency translation reserve	Retained earnings	Total shareholders' equity	Total Owners' Equity	
						Minority interest	Total owners' equity
Balance at 1 January 2014	72,536,290	16,407,621	(933)	618,747,286	707,690,264	2,261,950	709,952,214
Dividends distribution for 2013	-	-	-	(167,474,796)	(167,474,796)	(89,173)	(167,563,969)
Assets revaluation reserve	-	-	-	-	-	(1,200)	(1,200)
Foreign currency translation reserve	-	-	(1,059)	-	(1,059)	-	(1,059)
Net profit for the period	-	-	-	142,224,353	142,224,353	(66,094)	142,158,259
Balance at 30 June 2014 (Un reviewed)	72,536,290	16,407,621	(1,992)	593,496,843	682,438,762	2,105,483	684,544,245
Balance at 31 December 2014 and 1 January 2015	72,536,290	31,103,903	3,501	720,134,419	823,778,113	1,966,793	825,744,906
Dividends distribution for 2014	-	-	-	(21,830,671)	(21,830,671)	-	(21,830,671)
Assets revaluation reserve	-	-	-	-	-	(1,200)	(1,200)
Foreign currency translation reserve	-	-	1,878	-	1,878	-	1,878
Net profit for the period	-	-	-	146,751,862	146,751,862	1,506,988	148,258,850
Balance at 30 June 2015	72,536,290	31,103,903	5,379	845,055,610	948,701,182	3,472,581	952,173,763

The accompanying notes on pages 7 - 39 form an integral part of these financial statements.

EDITA FOOD INDUSTRIES (S.A.E.) AND ITS SUBSIDIARIES

Interim consolidated statement of cash flows - For the period ended 30 June 2015

(All amounts in Egyptian Pounds)

	Notes	30 June 2015	Un reviewed 30 June 2014
Cash flows from operating activities			
Net profit for the period before tax		209,900,150	202,530,897
Adjustments for:			
Provisions formed	24	2,989,092	7,778,880
Interest on lands' installments	25	565,659	864,000
Interest expense	25	13,516,211	12,423,226
Interest income	25	(12,879,544)	(11,362,010)
Depreciation	5	36,112,985	31,323,226
Amortization Intangible Assets	6	314,310	-
(Gain) on disposal of property, plant and equipment	23	(7,658,927)	(113,866)
Operating profits before changes in working capital		242,859,936	243,444,353
Changes in working capital			
Inventories		(28,839,301)	(23,800,674)
Accounts and notes receivables		1,572,351	1,138,322
Debtors and other debit balances		(13,566,103)	(25,438,262)
Trade and other payables		10,835,096	15,419,686
Provisions used		(214,162)	(1,764,991)
Cash flows generated from operating activities		212,647,817	208,998,434
Interest paid		(13,516,211)	(12,423,226)
Income tax paid	15	(99,819,310)	(64,415,060)
Net cash flows generated from operating activities		99,312,296	132,160,148
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(172,168,956)	(40,309,410)
Purchase of intangible asset		(94,292,984)	-
Proceeds from sale of property, plant and equipment		8,322,967	219,161
Interest received		12,879,544	11,362,010
Treasury bills		893,287	1,364,680
Net cash flows used in investing activities		(244,366,142)	(27,363,559)
Cash flows from financing activities			
Paid sales tax on machinery		-	(25,296)
Dividends paid **		(21,829,993)	(117,664,139)
Repayment of borrowings		(44,099,934)	(55,752,159)
Proceeds from borrowings		160,071,614	63,318,865
Net cash flows generated from (used in) financing activities		94,141,687	(110,122,729)
Net decrease in cash and cash equivalents		(50,912,159)	(5,326,140)
Cash and cash equivalents at beginning of the year		172,883,255	157,866,465
Cash and cash equivalents at end of the period	11	121,971,096	152,540,325

The accompanying notes on pages 7 - 39 form an integral part of these financial statements.

** In 30 June 2014 an amount of EGP 49,900,889 have been excluded from the change in Trade and other payable as it represents a non cash transaction related to dividends distribution for the year 2013.

EDITA FOOD INDUSTRIES (S.A.E.) AND ITS SUBSIDIARIES

Notes to the interim consolidated financial statement For the six months period ended 30 June 2015

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

1. General information

Edita Food Industries S.A.E. was established on 9 July 1996, under the investment Law No. 230 of 1989 and the money market Law No. 95 of 1992 and is registered in the commercial register under number 692 Cairo.

The Company is located in Sheikh Zayed city- Central Pivot, Giza

The Company and its subsidiaries (the Group) provides manufacturing, producing and packing of all food products, juices, jams, ready made food, dry goods, cakes, pastry, dairy products, meat, vegetables, fruits, chocolate, vegetarian products and other food products with all necessary ingredients.

The main shareholders are BERCO Limited which owns 41.815% of the Company's share capital and Exoder participation, "Exoder Limited", domiciled in Cyprus which owns 12.975% of the Company's share capital and Africa Samba Cooperative which owns 15% of the Company's share capital, and other shareholders owning 30.21% of Company's share capital.

These consolidated financial statements have been approved by the board of directors on 12 August 2015.

2. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below; these policies have been consistently applied to all the years presented, unless otherwise stated.

A. Basis of preparation

The financial statements have been prepared in accordance with Egyptian Accounting Standards (EASs) and applicable laws and regulations. The consolidated financial statements have been prepared under the historical cost convention.

The preparation of consolidated financial statements in conformity with EAS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

The EAS requires the reference to the International Financial Reporting Standards (IFRS) when there is no EAS, or legal requirements that explain the treatment of specific balances and transactions.

EDITA FOOD INDUSTRIES (S.A.E.) AND ITS SUBSIDIARIES

Notes to the interim consolidated financial statement For the six months period ended 30 June 2015

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

B. Basis of consolidation

1. Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of acquisition, plus costs directly attributable to the acquisition.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at their fair values at the acquisition date.

The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered as an impairment indicator of the assets transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2. Transactions and minority interests

The Group recognises the transactions with minority interest, which will not result in losing control, in the shareholder's equity. The difference between the fair value of the consideration paid and the carrying value of the subsidiary which related to the purchasing shares recorded in the equity. Also, the group recognize gains and losses from sales to minority interest in the equity.

If the minority share in accumulated losses of a subsidiaries exceeds their equity in the Group, the excess of such losses is charged to the majority interest except to the extent that the minority has a binding obligation and is able to make an additional investment to cover such losses. If the subsidiary subsequently reports profits, such profits are allocated to the majority interest until the minority's share of losses previously absorbed by the majority has been recovered.

3. Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost.

The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

EDITA FOOD INDUSTRIES (S.A.E.) AND ITS SUBSIDIARIES

Notes to the interim consolidated financial statement For the six months period ended 30 June 2015

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

Basis of consolidation (continued)

The Group's share of its associates' post-acquisition profits or losses is recognised in the statement of income, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

C. Foreign currency translation

(1) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which every entity from the Group's entities operates except for Edita Participation Limited ('the functional currency'). The financial statements are presented in Egyptian Pounds which is the Group's functional and presentation currency.

(2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale are included in the available-for-sale reserve within equity.

(3) Group companies

The results and financial position of all the Group entities that have a functional and presentation currency different from the functional and presentation currency for the consolidated financial statements (none of these currencies are related to hyper inflationary economic) which translated as follows:

- (a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (b) income and expenses for each income statement are translated at average exchange rates during the year (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions).
- (c) All resulting translation exchange differences are recognised in other owners' equity.

EDITA FOOD INDUSTRIES (S.A.E.) AND ITS SUBSIDIARIES

Notes to the interim consolidated financial statement For the six months period ended 30 June 2015

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

Foreign currency translation (continued)

The foreign currency exchange arising from translation of the net investment in foreign entities and loans or financial instruments in foreign currencies allocated to cover these investments are recognized in the equity in the consolidated financial statement. The foreign currencies exchange charged to the equity are recognized as part of gain or loss upon the disposal of these investments.

D. Property, plant and equipment

All property, plant, and equipment are stated at historical cost less accumulated depreciation. Historical cost includes all costs associated with acquiring the asset and bringing it to a ready-for-use condition.

Depreciation is calculated by using the straight-line method to allocate the cost of each asset to its residual value over the estimated useful lives of assets except land, which is not depreciated.

Estimated useful lives of assets are as follows:

Buildings	25 - 50 years
Machinery	20 years
Vehicles	5 – 8 years
Tools & equipment	3 - 5 years
Furniture & office equipment	4 - 5 years
Computer	4 years

On annual basis the salvage value and useful lives are reviewed and changed if necessary.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount of the asset and are recognized as income from operations within the statement of income

Repairs and maintenance are charged to the statement of income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset or the estimated useful life of the renovation, whichever is less.

The residual values and useful lives of all assets are reviewed, and adjusted if appropriate, at each balance sheet date.

E. Intangible assets

Intangible assets (Trademarks) have infinite useful lives and are carried at cost less impairment losses. Historical cost includes all expenses associated with the acquisition of an intangible asset, whereas intangible assets (know how) have finite useful life and is carried at cost less accumulated amortization.

Amortization of intangible assets which have finite useful lives is calculated using the straight line method, know how is amortized over 25 years.

EDITA FOOD INDUSTRIES (S.A.E.) AND ITS SUBSIDIARIES

Notes to the interim consolidated financial statement

For the six months period ended 30 June 2015

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

F. Impairment of non-financial assets

(1) Non-financial assets have an indefinite useful life

Assets that have an indefinite useful life – intangible assets (Trade Mark) – are not subject to amortisation and are tested annually for impairment whenever, events or changes in circumstances indicate that the carrying amount of the intangible assets may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Reversal of impairment losses recognized in prior years, if any, is recorded when there is an indication that the impairment losses recognized for the asset is no longer exist or has decreased. The amount of reversal of impairment is recognized within the statement of income.

(2) Non-financial assets have useful life

Fixed assets and other non-financial assets that have useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may be not recoverable.

The impairment loss is recognized in the statement of income for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's fair value less cost to sell the asset or the amount estimated to be recovered from using it, for the purpose of assessing the impairment assets are grouped at its lowest level of separate cash flows.

The impairment loss is reversed by the amount recognized in prior period when there is an indication that these losses may no longer exist or decreased as is reversed impairment losses, which should not exceed the carrying amount that would have been determined (net of depreciation) recognizing this reverse in income statements.

G. Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the company's management has the positive intention and ability to hold to maturity. If the company were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available for sale.

At initial recognition, the company measures held for trading financial assets at its fair value plus, transaction costs that are directly attributable to the acquisition of the financial asset. That is subsequently measured at amortized cost using the effective interest rate method. In the event of a deterioration in the fair value of the carrying value of each bond is adjusted book value and its bearing on the income statement that in the event of a rise in the fair value is added to the income statement in the range of what has already charged on the income statements for the previous financial periods.

EDITA FOOD INDUSTRIES (S.A.E.) AND ITS SUBSIDIARIES

Notes to the interim consolidated financial statement

For the six months period ended 30 June 2015

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

H. Leases

Leases are accounted for under Law 95 of 1995 if the assets leased are not vehicles or motorcycles, the lessee is not obliged to purchase the asset at end of the lease period, the lease contract is recorded in the relevant register with the Companies Authority, the contract gives the option to the lessee to buy the asset at a specific date and amount and the period of the contract represents at least 75% of the useful life of the asset or if the present value of total lease payments represents at least 90% of the asset value. If lease contracts fall outside the scope of Law 95 of 1995, leases of property, plant, and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Other leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Operating lease contracts

Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of income on a straight-line period of the lease.

I. Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined using the moving average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. And the provision for obsolete inventory is created in accordance to the management's assessment.

J. Financial assets

(i) Classification

The Group classifies its financial assets in the following categories: at fair value through the classification of its financial assets at initial recognition:

- (1) Financial assets at fair value through profit or loss (trading investments in financial papers)
- (2) Held to maturity investments
- (3) Loans and receivables

(1) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term.

Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if it is expected to adjusted during 12 months, if no it will be classified as non-current assets.

(2) Held to maturity investments

It is a non-derivative financial asset which has specific repaid value, available to be specific, specific maturity date; the Group has the ability and intend to hold it till the maturity date.

The initial recognition depending on it's fair value from gain or loss is excluded, or initially recognized as available for sale and apply on it loan and receivables definition.

EDITA FOOD INDUSTRIES (S.A.E.) AND ITS SUBSIDIARIES

Notes to the interim consolidated financial statement For the six months period ended 30 June 2015

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

Financial assets (continued)

(3) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.

Included in this category accounts receivables, notes receivables, debtors, cash and cash equivalent and due from related parties.

(ii) Measurement and subsequent measurement

Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Held to maturity investments, loans and receivables are carried at amortised cost using the effective interest method

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the Group's right to receive payments is established.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

The financial assets disposed when the ownership of acquiring cash flow from these assets is transferred, the group has transferred most of risks and rewards related to ownership to other.

The Group assesses at balance sheet date whether there is objective evidence that a financial asset as a Group of financial assets is impaired.

K. Trade receivables and note receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

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For the six months period ended 30 June 2015

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

Trade receivables and note receivables (continued)

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement when a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'in the income statement.

L. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks maturing in three months less bank overdrafts.

Bank overdrafts are included within current liabilities on the balance sheet.

M. Paid up capital

Ordinary shares are classified as equity.

N. Borrowings

Borrowings are recognised initially at the amount of the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the statement of income over the period of the borrowings.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset shall be capitalized as part of the cost of that asset. The amount of borrowing costs eligible for capitalization on that asset shall be determined as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

O. Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss.

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(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

Current and deferred income tax (continued)

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

P. Employee benefits

(1) Pension obligations

The Group has one type of pension scheme, which is a defined contribution plan. For defined contribution plans, the Group pays contributions to the Public Authority for Social Insurance plans on a mandatory basis. Once the contributions have been paid, the Group has no further payment obligations. The regular contributions constitute net periodic costs for the year in which they are due and as such are included in staff costs.

(2) Profit sharing

The employees have the right of 10% of the declared cash dividends as profit sharing. In accordance with the rules applied by the board of directors and approved by the general assembly. Such profit sharing should not exceed the total annual payroll.

Q. Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

R. Trade payables

Trade payables are recognized initially at the value of goods or services received from others whether there invoices were received or not and subsequently measured at amortized cost using the effective interest rate.

S. Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Group's activities. Revenue is shown net of sales tax, returns, rebates and discounts.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

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(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

Revenue recognition (continued)

(1) Sales of goods

Sales of goods are recognised when a Group entity has delivered products to the wholesaler, the wholesaler has full discretion over the price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery does not occur until the products have been delivered either in the Group warehouse or in the wholesalers locations depend on the agreements, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

No element of financing is deemed present as the sales are made with a short credit term.

(2) Interest income

Interest income is recognized on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount.

(3) Dividend income

Dividend income is recognised when the right to receive payment is established.

(4) Government incentive on export sales

Revenue for export incentive provided by government is recognized as a percentage from value of export sales, when the group can confirm that the export sales mentioned actually accrual. And the Group is eligible for incentive and is recognized in the income statement as other income.

T. Dividend Distribution

Dividend Distribution is recorded in the Group's financial statements in the period in which they are approved by the Group's shareholders.

U. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the top management. Top management, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive committee that makes strategic decisions.

V. Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current period, we did not conduct limited review in accordance with Egyptian Standard on Review Engagements No. 2410 for the consolidated statements of income, changes in equity and cash flows for the six months period ended as of 30 June 2014.

EDITA FOOD INDUSTRIES (S.A.E.) AND ITS SUBSIDIARIES

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(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

3. Financial risk management

(1) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's efforts are addressed to minimize potential adverse effects of such risks on the Group's financial performance. The Group does not use derivative financial instruments to hedge certain risk exposures.

(A) Market risk

i. Foreign currency exchange risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar, Euro and British pound. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities at financial statement date and net investment in foreign operations.

The below table show the foreign currency positions:

	Assets	Liabilities	Net June 2015	Net 31 December 2014
United States Dollars	17,218,670	(41,271,657)	(24,052,987)	(16,869,762)
Euros	28,578,549	(107,730,883)	(79,152,334)	(109,653,136)
GBP	680,234	(2,044,906)	(1,364,672)	-

ii. Price risk

The Group has no investments in a quoted equity securities so it's not exposed to the fair value risk due to changes in the prices.

iii. Cash flow and fair value interest rate risk

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk.

Borrowings at the balance sheet date with variable interest rate amounted to LE 438,730,637 (31 December 2014: LE 319,734,364).

Overdraft at the balance sheet on 30 June 2015 amounted to LE 106,014,427 (31 December 2014: LE 60,418,179).

Financial assets exposed to variable interest rate amounted to LE 186,960,840 (31 December 2014: LE 210,960,840).

(B) Credit risk

Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposures to wholesalers and retail customers, including outstanding accounts and notes receivables.

For banks and financial institutions, the Group is dealing with the banks which have a high independent credit rating and banks and financial institutions with a good reputation.

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(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

Financial risk management (continued)

For the wholesalers, the Credit Controllers assess the credit quality of the wholesale customer, taking into account its financial position, past experience and other factors.

There is no credit risk for sales to individuals since all sales are in cash. Provisions are accounted for doubtful debts on case by case basis.

(C) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Group's management aims at maintaining flexibility in funding by keeping committed credit lines available.

(2) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain an optimum capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors the capital structure on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net loan represents all loans and borrowings, trade payables, short and long-term notes payables and bank over drafts less cash and bank balances. Total capital is calculated as equity, plus net debts.

The gearing ratio is calculated as below:

	30 June 2015	31 December 2014
Loans and long-term notes payables	448,180,399	328,618,467
Trade payables and short-term notes payables	163,401,000	159,325,667
Banks over draft	106,014,427	60,418,179
Total loans, trade and notes payable	717,595,826	548,362,313
Less: Cash and bank balances	(227,985,523)	(233,301,434)
Net debt	489,610,303	315,060,879
Total equity	952,173,763	825,744,906
Total capital	1,441,784,066	1,140,805,785
 Gearing ratio	 34%	 28%

The increase in net debt to total capital is due to the increase in loans and long-term notes payables.

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Notes to the interim consolidated financial statement For the six months period ended 30 June 2015

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

Financial risk management (continued)

(3) Fair value estimation

The fair value of financial assets or liabilities with maturities date less than one year is assumed to approximate their carrying value. The fair value of financial liabilities – for disclosure purposes – is estimates by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

4. Critical accounting estimates and judgments

1. Critical accounting estimates and assumptions

Estimates and adjustments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results.

Impairment of intangible assets (Trade Mark)

The Group's management annually tests intangible assets (Trade Mark) for impairment on annual basis, for assets which have an indefinite useful life. This is tested on the basis of financial and operational performance in previous years and the group management of the expectations market developments in the future by preparing an action plan using the growth rate and the prevailing discount rate.

2. The general personal judgments for implementation of the group accounting policies

In general the application of the Group's accounting policies does not require from management the use of personal judgment (except relating to critical accounting estimate and judgments "Note 4-1" which might have a major impact on the value recognized at the financial statement.

EDITA FOOD INDUSTRIES S.A.E.

Notes to the interim separate financial statements – For the six months period ended 30 June 2015

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

5. Property, plant and equipment

	Land	Buildings	Machinery & equipment	Vehicles	Tools & equipment	Furniture & office equipment	Projects under construction	Total	
								30 June 2015	31 December 2014
Cost									
Balance at 1 January	62,226,931	358,756,888	467,724,860	130,514,617	39,346,149	46,442,136	197,420,789	1,302,432,370	1,053,727,186
Additions	44,487,197	75,478	6,695,806	28,170,600	3,357,991	5,479,753	83,902,131	172,168,956	254,667,763
Transfer from project under construction	-	40,725	146,890,999	-	11,206,129	175,389	(158,313,242)	-	-
Disposals	-	-	(47,518)	(18,979,596)	(101,345)	(72,359)	-	(19,200,818)	(5,962,579)
Balance at end of period / year	106,714,128	358,873,091	621,264,147	139,705,621	53,808,924	52,024,919	123,009,678	1,455,400,508	1,302,432,370
Accumulated depreciation									
Balance at 1 January	-	42,535,772	132,481,461	63,583,055	22,910,791	25,051,641	-	286,562,720	227,280,654
Charge for the year	-	6,830,489	13,347,173	8,262,225	3,323,538	4,349,560	-	36,112,985	63,851,047
Disposals	-	-	(45,737)	(18,325,767)	(100,443)	(64,831)	-	(18,536,778)	(4,568,981)
Balance at end of period / year	-	49,366,261	145,782,897	53,519,513	26,133,886	29,336,370	-	304,138,927	286,562,720
Net book value at end of period / year	106,714,128	309,506,830	475,481,250	86,186,108	27,675,038	22,688,549	123,009,678	1,151,261,581	1,015,869,650

* The additions in land is represented in new purchased plot for the sake of building new factory in 6th of October city, and it is being approved from the new urban communities authority.

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(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

6. Intangible assets

6 – a) Intangible assets which have infinite useful lives - Trademarks (HOHOS, Twinkies & Tiger Tail)

<u>Cost</u>	<u>Trade Mark (HOHOS, Twinkies & Tiger Tail)</u>	
	<u>30 June 2015</u>	<u>31 December 2014</u>
Opening Balance	68,618,658	68,618,658
Additions during the period / year	62,861,989	-
Balance as of	<u>131,480,647</u>	<u>68,618,658</u>

The intangible assets in the amount of ten million US Dollars equivalent to LE 68,618,658 paid versus buying all the rights to the trademarks (HOHOS, Twinkies & Tiger Tail) and what the consequences of this acquisition of the trademark in the countries of Egypt, Jordan, Libya and Palestine these rights do not have a definite time, and on the 16th of April 2015 the Company had signed a new contract for the expanding the scope of the rights to the trademarks (Hohos, Twinkies, and Tiger Tail) to include Algeria, Bahrain, , Iraq, , Kuwait, , Lebanon, Morocco, Oman, , Qatar, Kingdom of Saudi Arabia, Syria, Tunisia, United Arab Emirates and this trademarks have infinite useful lives, and the this is against USD 8 Million equivalent to EGP 62,861,989.

The impairment of intangible assets is reviewed annually to ensure from the carrying value of the intangible assets, so there is no impairment in the value.

Assumptions used by the Company when testing the impairment of intangible assets as of 31 December 2014 as follows:

Average gross profit	30 %
Discount rate	19 %
Growth rate	3 %

The Company test the impairment of intangible assets depending on financial, operational, marketing position in the prior periods, and its expectation for the market in the future by preparing a business plan using the growth rate and the discount rate prevailing . At the balance sheet date the carrying value of the intangible assets is not less than its recoverable amount.

6 – b) Intangible assets which have finite useful lives – Know how

<u>Cost</u>	<u>Know How</u> <u>30 June 2015</u>
Additions during the period	31,430,995
Balance as of	<u>31,430,995</u>
<u>Accumulated amortization</u>	<u>30 June 2015</u>
Amortization expense during the period	314,310
Balance as of	<u>314,310</u>
Net book value for know how	<u>31,116,685</u>
Net book value for intangible assets	<u>162,597,332</u>

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Intangible assets (continued)

On the 16th of April 2015 the Company had signed a "License and Technical Assistance Agreement" with the owner of the knowhow with purpose to acquire the license, knowhow and technical assistance for some Hostess Brands products in the countries Egypt, Libya, Palestine, Jordan, Algeria, Bahrain, Iraq, Jordan, Lebanon, Kuwait, Morocco, Oman, Qatar, Kingdom of Saudi Arabia, Syria, Tunisia, and the United Arab Emirates, and this is against an amount of USD 4 Million equivalent to EGP 31,430,995.

7. Inventories

	30 June 2015	31 December 2014
Raw materials	102,233,732	78,624,516
Spare parts	25,423,674	21,637,869
Finished goods	10,320,897	8,197,309
Consumables	2,353,196	3,357,898
Work in process	1,768,559	1,443,165
Total	142,100,058	113,260,757
Less: provision for slow moving and obsolete inventory	(779,000)	(779,000)
Net	141,321,058	112,481,757

During the period, there has been a slow moving and obsolete inventory amounted to LE 779,000.
No provision built or used during the period (Note 24).

8. Accounts and notes receivables

	30 June 2015	31 December 2014
Trade receivables	9,230,678	10,514,126
Notes receivable and cheques under collection	722,218	1,011,121
Total	9,952,896	11,525,247
Provision for impairment of trade and notes receivables	(20,556)	(138,785)
	9,932,340	11,386,462

9. Debtors and other debit balances

	30 June 2015	31 December 2014
Advances to suppliers	41,195,549	36,938,398
Other debit balances	13,352,891	12,320,587
Prepaid expenses	11,597,901	4,316,961
Deposits with others	1,976,478	920,373
Letters of credit	266,073	226,297
Employee loans	111,525	181,994
Accrued revenues	21,347	51,051
Total	68,521,764	54,955,661

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10. Treasury bills

	30 June 2015	31 December 2014
Treasury bills par value	106,925,000	106,325,000
Total interest income	(2,593,352)	(2,832,067)
Amount of treasury bills paid	104,331,648	103,492,933
Accrued interest	789,189	2,521,191
Treasury bills balance	105,120,837	106,014,124

The Company purchased Egyptian treasury bills on 26st of May 2015 with par value of LE 35,000,000 with an annual interest of 9.25%. These treasury bills are due on 25th of Aug 2015. The total recognized interest income amounted to LE 303,423.

Also, the Company purchased Egyptian treasury bills on 09st of June 2015 with par value amounted LE 20,000,000 with an annual interest of 9 %. These treasury bills are due in 08th of Sep 2015. The total recognized interest income amounted to LE 101,308.

Also, the Company purchased Egyptian treasury bills on 09st of June 2015 with par value amounted LE 31,925,000 with an annual interest of 11.83%. These treasury bills are due in 08th of Sep 2015. The total recognized interest income amounted to LE 211,073.

Also, the Company purchased Egyptian treasury bills on 26st of May 2015 with par value of LE 20,000,000 with an annual interest of 10.35%. These treasury bills are due on 26th of Aug 2015. The total recognized interest income amounted to LE 173,385.

11. Cash and bank balances

	30 June 2015	31 December 2014
Bank deposits	186,960,840	210,960,840
Cash at banks	20,141,242	10,868,105
Cash on hand	20,883,441	11,472,489
Total	227,985,523	233,301,434

The average interest rate on local currency Time deposits during 2015 is 7 % (2014: 8.5%),

The maturity of time deposits is less than 3 months from the date of deposit.

For the preparation of the cash flow statements, cash and cash equivalents consists of:

	30 June 2015	31 December 2014
Cash and banks balances	227,985,523	233,301,434
Bank overdraft (Note 13)	(106,014,427)	(60,418,179)
Total	121,971,096	172,883,255

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Provisions

	Other provisions	
	30 June 2015	31 December 2014
Balance at 1 January	10,916,700	9,034,968
Additions during the period / year (Note 24)	2,989,092	5,014,145
Utilized during the period / year	(95,933)	(3,132,413)
Balance at end of the period / year	13,809,859	10,916,700

Other provisions relate to claims expected to be made by a third party in connection with the Group's operations. The information usually required by the Egyptian accounting standards is not disclosed because the management believes that to do so would seriously prejudice the outcome of the negotiation with that party. These provisions are reviewed by management every year and the amount provided is adjusted based on latest development, discussions and agreements with the third party.

12. Bank overdraft

	30 June 2015	31 December 2014
Bank overdraft	106,014,427	60,418,179
Total	106,014,427	60,418,179

Bank overdraft is represented in credit facilities granted to the Group to open letters of credit and finance its working capital. Overdraft is secured against guarantees by the Group's shareholders. The effective interest rate for bank overdraft was 11.25 % as of 30 June 2015 (2014: 11.25 %).

13. Trade and other payables

	30 June 2015	31 December 2014
Trade payables	76,414,968	108,621,906
Notes payable	77,000,042	40,717,771
Accrued expenses	24,993,645	27,830,269
Taxes payable	9,616,941	12,139,453
Other credit balances	17,331,191	10,759,252
Advances from customers	4,516,883	4,715,426
Dividends payable	1,195,271	1,072,192
Social insurance	2,672,753	74,922
Total	213,741,694	205,931,191

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14. Income tax liabilities

	30 June 2015	31 December 2014
Balance at 1 January	81,588,139	52,015,132
Income tax paid during the period / year	(80,972,318)	(52,133,700)
Withholding tax	(2,098,194)	(2,836,383)
Income tax for the period / year (Note 26)	49,415,888	117,623,404
Corporate tax advance payment	(16,750,000)	(32,115,000)
Accrued interest – advance payment	-	(1,083,880)
Tax adjustments	1202	118,566
Balance at end of the period / year	31,184,717	81,588,139

15. Current portion of long-term liabilities

	30 June 2015	31 December 2014
Short-term loans (Note 20)	169,838,963	115,190,974
Current portion at long-term notes payable (Note 21)	9,985,990	9,985,990
Total	179,824,953	125,176,964

16. Paid up capital

Authorized capital LE 360,000,000 (1,800,000,000 share, par value LE 0.20 per share).

The issued and paid up capital amounted by LE 72,536,290 presented in 362,681,450 share (par value LE 0.20 per share) distributed as follow:

	No. of shares	Shares value	Percentage of ownership
BERCO Ltd.	151,654,150	30,330,830	41.815%
EXODER Ltd.	101,458,950	20,291,790	27.975%
Africa Samba Corporative	108,804,450	21,760,890	30.000%
Others	763,900	152,780	0.210%
	362,681,450	72,536,290	100%

Edita Food Industries' shares started trading on April 2, 2015 on the Egyptian Stock Exchange (EFID.CA) and in GDRs on the London Stock Exchange (EFIDq.L) with strong trading reflecting the Company's robust performance. The secondary offering was of 30% of Edita's share capital with the offer being 85% directed to institutional buyers (both local shares and GDRs) and 15% of the offering directed to local retail investors. The institutional portion was 13.4x oversubscribed and the retail portion was 4.5x oversubscribed. At the start of trading, of the total 108,804,435 shares being offered 65,125,189 were allocated to the GDR program.

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Paid up capital (continued)

The new shareholders shares (issued and paid up capital amounted to LE 72,536,290) after trading are shown as follows:

Shareholders	No. of shares	Shares value	Percentage of ownership
BERCO Ltd.	151,654,150	30,330,830	41.815%
EXODER Ltd.	47,056,732	9,411,346	12.975%
Africa Samba Corporative	54,402,233	10,880,447	15.000%
Others (Public stocks)	109,568,335	21,913,667	30.210%
	362,681,450	72,536,290	100 %

17. Legal reserve

In accordance with Company Law No. 159 of 1981 and the Company's Articles of Association, 5% of annual net profit is transferred to the legal reserve. Upon the recommendation of the Board of Directors, the Group may stop such transfers when the legal reserve reaches 50% of the issued capital. The reserve is not eligible for distribution to shareholders.

18. Minority interest

	Paid up capital	Legal reserves	Revaluation assets reserve	Accumulated losses	30 June 2015	Total 31 December 2014
Balance at 1 January	12,271,000	5,000	40,566	(10,349,773)	1,966,793	2,261,950
Dividend distribution (minority share)	-	-	-	-	-	(89,173)
Minority share in (loss)gain of subsidiaries	-	-	-	1,506,988	1,506,988	(203,579)
Forex reserve	-	-	(1,200)	-	(1,200)	(2,405)
Balance at 30 June	12,271,000	5,000	39,366	(8,842,785)	3,472,581	1,966,793

19. Loans

	30 June 2015			31 December 2014		
	Short-term portion	Long-term portion	Total	Short-term portion	Long-term portion	Total
Loans	169,838,963	268,891,674	438,730,637	115,190,974	204,543,390	319,734,364
	169,838,963	268,891,674	438,730,637	115,190,974	204,543,390	319,734,364

EDITA FOOD INDUSTRIES (S.A.E.) AND ITS SUBSIDIARIES

Notes to the consolidated interim financial statements - For the six months ended 30 June 2015

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

Loans (continued)

The loans due according to the following schedule:

	30 June 2015	31 December 2014
Balance due within 1 year	155,462,172	103,866,533
Accrued interest	14,376,791	11,324,441
	169,838,963	115,190,974

(1) Edita Food Industries Company

	30 June 2015			31 December 2014		
	Short-term portion	Long-term portion	Total	Short-term portion	Long-term portion	Total
First loan	26,067,708	-	26,067,708	26,690,885	12,500,000	39,190,885
Second loan	24,834,992	-	24,834,992	25,495,312	11,666,667	37,161,979
Third loan	23,642,365	-	23,642,365	23,834,870	11,667,000	35,501,870
Fourth loan	20,444,013	51,942,338	72,386,351	19,170,795	28,719,881	47,890,676
Fifth loan	41,487,513	94,303,188	135,790,701	3,472,419	115,689,842	119,162,261
Sixth Loan	11,438,125	81,000,000	92,438,125	-	-	-
Seventh Loan	57,482	12,617,935	12,675,417	-	-	-
	147,972,198	239,863,461	387,835,659	98,664,281	180,243,390	278,907,671

The loans due according to the following schedule:

	30 June 2015	31 December 2014
Balance due within 1 year	135,166,933	89,166,533
Accrued interest	12,805,265	9,497,748
Total	147,972,198	98,664,281

• First loan

This first loan is provided by one of the Egyptian banks in August 2011 based on a cross guarantee issued from Digma Trading Company with an amount of LE 100,000,000 and the total withdrawal amount is LE 100,000,000 in addition to accrued interest. The loan outstanding balance at 30 June 2015 after payment of due instalments amounted to 25,000,000 in addition to accrued interests.

Terms of payments:

Edita Food Industries S.A.E. (borrower) is obligated to pay LE 25,000,000 on 2 equal semi-instalments annual amounting to LE 12,500,000 each. The first instalment is due on 1 August 2015 and the last on 1 February 2016 in addition to accrued interest.

Interest:

The interest rate is 1% above mid corridor rate of central bank of Egypt.

Fair value:

Fair value is approximately equal to book value.

• Second loan:

This second loan is provided by one of the Egyptian banks in August 2012 based on a cross guarantee issued from Digma Trading Company with an amount of LE 70,000,000 and the total withdrawal amount is LE 70,000,000 in addition to the accrued interest. The loan outstanding balance at 30 June 2015 after payment of accrued instalments is LE 23,333,333 in addition to the accrued interest.

EDITA FOOD INDUSTRIES (S.A.E.) AND ITS SUBSIDIARIES

Notes to the consolidated interim financial statements - For the six months ended 30 June 2015

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

Loans (continued)

Terms of payments:

Edita Food Industries S.A.E. (borrower) is obligated to pay LE 23,333,333 on 2 equal semi-annual instalments; each instalment is amounted to LE 11,666,667.

The first instalment is due on 6 Dec 2015 and the last on 6 June 2016.

Interest:

The interest rate is 1.5% above mid corridor rate of central bank of Egypt.

Fair value:

Fair value is approximately equal to book value.

- **Third loan:**

This third loan is provided by one of the Egyptian banks in May 2013 based on a cross guarantee issued from Digma Trading Company with an amount of LE 70,000,000 and the total withdrawal amount is LE 70,000,000 in addition to the accrued interest. The loan outstanding balance at 30 June 2015 after payment of due instalments is LE 23,333,600 in addition to the accrued interest.

Terms of payments:

Edita Food Industries S.A.E. (borrower) is obligated to Pay LE 23,333,600 on 2 equal semi-instalments annual instalment is amounted to LE 11,666,600 except for last instalment amounted to LE 11,667,000. The first instalment is due on 18 Nov 2015 and the last on 18 May 2016.

Interest:

The interest rate is 2 % above mid corridor rate of central bank of Egypt.

Fair value: Fair value is approximately equal to book value.

- **Fourth loan:**

This fourth loan is provided by one of the Egyptian banks in January 2014 based on a cross guarantee issued from Digma Trading Company with an amount of LE 70,000,000 and the total withdrawal amount is LE 69,442,338 on 30 June 2015 in addition to accrued interest.

Terms of payments:

Edita Food Industries S.A.E. (borrower) is obligated to Pay LE 69,442,338 on 8 equal semi-annual instalments; each instalment is amounted to LE 8,750,000. The first instalment is due on 22 July 2015 and the last on 22 January 2019.

Interest:

The interest rate is 2 % above mid corridor rate of central bank of Egypt.

Fair value:

Fair value is approximately equal to book value.

- **Fifth loan:**

This fifth loan is provided by one of the Egyptian banks on June 2014 based on a cross guarantee issued from Digma Trading Company amounted to LE 185,000,000 and the total withdrawal amount is LE 83,918,844 plus 5,523,565 Euro on 30 June 2015 in addition to accrued interest. The bank committed to translate the foreign currency to Egyptian pound as the company is not obligated to pay the loan back in foreign currency.

EDITA FOOD INDUSTRIES (S.A.E.) AND ITS SUBSIDIARIES

Notes to the consolidated interim financial statements - For the six months ended 30 June 2015

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

Loans (continued)

Terms of payments:

Edita Food Industries S.A.E. is obligated to Pay LE 185,000,000 on 10 equal semi-annual installments; each installment is amounted to LE 18,500,000. The first installment is due on 26 December 2015 and the last on 26 June 2020. Total loan value and accrued interest to be paid to the bank in local currency without any obligation on the Company to pay foreign currency.

Interest:

The interest rate is 1.25% above mid corridor rate of Central Bank of Egypt and 2.5% above the Euro Libor rate.

Fair value:

Fair value is approximately equal to book value.

• **Sixth loan:**

This sixth loan is provided by one of the Egyptian banks on Apr 2015 based on a cross guarantee issued from Digma Trading Company amounted to LE 90,000,000 and the total withdrawal amount is LE 90,000,000 in addition to accrued interest.

Terms of payments:

Edita Food Industries S.A.E. is obligated to Pay LE 90,000,000 on 10 equal semi-annual installments; each installment is amounted to LE 9,000,000. The first installment is due on 9 Apr 2016 and the last on 9 Oct 2020.

Interest:

The interest rate is 1.25% above mid corridor rate of Central Bank of Egypt.

Fair value:

Fair value is approximately equal to book value.

• **Seventh loan:**

This seventh loan is provided by one of the Egyptian banks on June 2015 based on a cross guarantee issued from Digma Trading Company amounted to LE 170,000,000 and the total withdrawal amount is LE 12,617,935 in addition to accrued interest.

Terms of payments:

Edita Food Industries S.A.E. is obligated to Pay LE 170,000,000 on 11 equal semi-annual instalments; each instalment is amounted to LE 15,455,000, except for the last instalment amounted to LE 15,450,000. The first instalment is due on 19 Apr 2017 and the last on 18 Apr 2022.

Interest:

The interest rate is 1% above mid corridor rate of Central Bank of Egypt and 2.5% above the Euro Libor rate.

Fair value:

Fair value is approximately equal to book value.

EDITA FOOD INDUSTRIES (S.A.E.) AND ITS SUBSIDIARIES

Notes to the consolidated interim financial statements - For the six months ended 30 June 2015

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

Loans (continued)

(2) Digma for Trading Company

	30 June 2015			31 December 2014		
	Short term portion	Long term portion	Total	Short term portion	Long term portion	Total
First loan	-	-	-	3,656,620	-	3,656,620
Second loan	3,833,889	5,000,000	8,833,889	3,948,750	6,666,667	10,615,417
Third loan	3,790,960	6,666,666	10,457,626	2,070,108	8,333,333	10,403,441
Fourth loan	7,555,604	11,161,547	18,717,151	-	-	-
Net	15,180,453	22,828,213	38,008,666	9,675,478	15,000,000	24,675,478

The loans due according to the following schedule:

	30 June 2015	31 December 2014
Balance due within 1 year	14,095,239	8,500,000
Accrued interest	1,085,214	1,175,478
	15,180,453	9,675,478

• The First loan

The first loan is provided by one of the Egyptian banks in September 2012 and the total withdrawal amount is LE 14,000,000 in addition to accrued interest, the loan balance as of December 2014 after settlement of instalments amounted to LE 3,500,000 in addition to accrued interest, Digma for trading Company is obligated to pay LE 3,500,000 in one instalment due on 31 March 2015

• The Second loan

The second loan is provided by one of the Egyptian banks in December 2013 based on a cross guarantee issued from Edita Food Industries Company S.A.E. amounted to LE 10,000,000 and the total withdrawal amount is LE 10,000,000 in addition to accrued interest,

Terms of payments:

Digma Trading Company S.A.E. is obligated to pay LE 8,333,333 on 5 equal semi-annual instalment, each instalment is amounted to LE 1,666,667 and the instalments come due after 12 months from the date the loan was issued to the company. The next instalments is due on 15th of July 2015 and the last on 15th of July 2017,

Interest:

The interest rate is 2% above mid corridor rate of central bank of Egypt.

Fair value:

Fair value is approximately equal to book value.

• The Third loan

The third loan is provided by one of the Egyptian banks on 20 August 2014 based on a cross guarantee issued from Edita Food Industries Company S.A.E. amounted to LE 10,000,000 and the total withdrawal amount is LE 10,000,000 in addition to accrued interest,

EDITA FOOD INDUSTRIES (S.A.E.) AND ITS SUBSIDIARIES

Notes to the consolidated interim financial statements - For the six months ended 30 June 2015

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

Loans (continued)

Terms of payments:

Digma Trading Company S.A.E. is obligated to pay LE 10,000,000 on 6 equal semi-annual instalments, each instalment is amounted to LE 1,666,667 and the instalments come due after 12 months from the date the loan was issued to the company. The first instalment is due on 20 August 2015 and the last on 20 February 2018.

Interest:

The interest rate is 2% above mid corridor rate of central bank of Egypt,

Fair value:

Fair value is approximately equal to book value.

• The Fourth loan

The forth loan is provided by one of the Egyptian banks on 07 June 2015 based on a cross guarantee issued from Edita Food Industries Company S.A.E. amounted to LE 26,000,000 and the total withdrawal amount is LE 18,590,119 in addition to accrued interest,

Terms of payments:

Digma Trading Company S.A.E. is obligated to pay LE 26,000,000 on 7 equal semi-annual instalments, each instalment is amounted to LE 3,714,286 and the instalments come due after 6 months from the date the loan was issued to the company. The first instalment is due on 19 Oct 2015 and the last on 19 Oct 2018.

Interest:

The interest rate is 1% above mid corridor rate of central bank of Egypt

Fair value:

Fair value is approximately equal to book value.

(3) Edita Confectionery Industries Company

	30 June 2015			31 December 2014		
	Short-term portion	Long-term portion	Total	Short-term portion	Long-term portion	Total
Long-term loan	6,686,312	6,200,000	12,886,312	6,851,215	9,300,000	16,151,215
	6,686,312	6,200,000	12,886,312	6,851,215	9,300,000	16,151,215

The loans due according to the following schedule:

	31 June 2015	31 December 2014
Balance due within 1 year	6,200,000	6,200,000
Accrued interest	486,312	651,215
	6,686,312	6,851,215

This loan is provided by one of the Egyptian banks based on a cross guarantee issued from Edita Food Industries Company amounted to LE 31,000,000.

Terms of payments:

Edita Confectionary Industries S.A.E. is obligated to pay LE 31,000,000 on 10 equal semi-annual instalments (each instalment is amounted to LE 3,100,000) and the instalments come due after 6 months from the first withdrawal, the next instalment due on October 2015 and the last on 17 April 2017.

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Notes to the consolidated interim financial statements - For the six months ended 30 June 2015

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

Loans (continued)

Interest:

The rate is 0.5% above central bank of Egypt mid corridor.

Fair value:

Fair value is approximately equal to book value.

20. Long-term notes payable

The long-term loan represents the total instalment for the land purchased from Urban communities Authority – Sheikh Zayed City as the first instalment due on September 2015 and the last instalment on September 2016.

Current portion of long-term notes payable:

	30 June 2015		31 December 2014	
	Notes payable	Present Value	Notes payable	Present Value
Less than one year (Note 16)	9,985,990	9,985,990	9,985,990	9,985,990
	9,985,990	9,985,990	9,985,990	9,985,990

Long term notes payable:

	30 June 2015		31 December 2014	
	Notes payable	Present value	Notes payable	Present value
Notes payable due for more than one year and less than 5 years	10,546,825	9,449,762	10,546,825	8,884,103
Total long-term liabilities	10,546,825	9,449,762	10,546,825	8,884,103

The total accrued interest on the loan for the period ended of 30 June 2015 amounting to LE 565,659 (30 June 2014: LE 864,000) has been charged on the statement of income as a finance cost (Note 25).

21. Deferred tax liability

Deferred income tax represents tax expenses on the temporary differences arising between the tax based of assets and their carrying amounts in the financial statements:

	Property, plant & equipment depreciation	Acquiring Digma Company for Trading	Total
Balance at 1 January 2014	66,120,010	4,297,064	70,417,074
Charge to the statement of income	9,247,523	(240,423)	9,007,100
Balance at 31 December 2014 and 1 January 2015	75,367,533	4,056,641	79,424,174
Charged to the statement of income (Note 26)	12,345,624	(120,212)	12,225,412
Balance at 30 June 2015	87,713,157	3,936,429	91,649,586

EDITA FOOD INDUSTRIES (S.A.E.) AND ITS SUBSIDIARIES

Notes to the consolidated interim financial statements - For the six months ended 30 June 2015

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

22. Other income

	30 June 2015	Unaudited 30 June 2014
Gain from sale of fixed assets	7,658,927	113,866
Gain from sale of production waste	2,661,613	2,727,156
Others	825,748	1,007,374
Export incentive	-	6,748,267
Total	11,146,288	10,596,663

23. Other expenses

	30 June 2015	Unaudited 30 June 2014
Other Provisions (Note 12)	2,500,000	7,721,621
Legal provision (Note 12)	489,092	-
Provision for slow moving inventory (Note7)	-	57,259
Total	2,989,092	7,778,880

24. Finance (costs), net

	30 June 2015	Unaudited 30 June 2014
Interest income	12,879,544	11,362,010
Foreign exchange gains / (losses)	319,873	(1,504,336)
Interest on land's instalments	(565,659)	(864,000)
Interest expenses	(13,516,211)	(12,423,226)
Net	(882,453)	(3,429,552)

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Notes to the consolidated interim financial statements - For the six months ended 30 June 2015

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

25. Income tax expense

The Group is subject to the corporate income tax according to tax law No. 91 of 2005 and as per tax law No. 53 of 2014 amendments.

	30 June 2015	Unaudited 30 June 2014
Income tax for the period (Note 15)	49,415,888	60,372,638
Deferred tax liabilities (Note 22)	12,225,412	-
Total	61,641,300	60,372,638
Net profit before tax	209,900,150	202,530,897
Tax calculated based on applicable tax rates	62,970,045	60,759,269
	62,970,045	60,759,269
Tax effect of non- deductible expenses	896,727	2,333,664
Tax effect of non-taxable revenues	(2,225,472)	(2,720,295)
Income tax expense	61,641,300	60,372,638

26. Earnings per share

Basic earnings per share is calculated by dividing the period net income / (loss) by the number of ordinary issued share, without any consideration for employees or board of directors future dividends related to the period ended 30 June 2015 since that the board of directors did not proposed dividends distribution at the balance sheet issuing date, the earnings per share is LE 0.409.

Earnings per share were set out as below:

	30 June 2015	Unaudited 30 June 2014
Net profit available for distribution	148,258,850	142,158,259
Number of ordinary and issued shares (Note 17)	362,681,450	362,681,450
Earnings per share	0.409	0.392

The diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

As of 30 June 2015 and 30 June 2014, the company does not have dilutive potential shares and therefore, diluted earnings per share equal to basic earnings per share.

EDITA FOOD INDUSTRIES (S.A.E.) AND ITS SUBSIDIARIES

Notes to the consolidated interim financial statements - For the six months ended 30 June 2015

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

27. Expenses by nature

	30 June 2015	Unaudited 30 June 2014
Cost of goods sold	639,054,422	560,263,368
Selling and marketing	127,769,069	90,434,455
General and administrative expenses	74,268,429	52,108,790
	841,091,920	702,806,613
Raw materials used	523,181,064	465,747,151
Salaries and wages	157,422,454	125,877,784
Depreciation	36,112,985	31,323,226
Advertising and marketing	47,590,149	28,399,422
Employee benefits	17,937,932	15,131,987
Other Expenses	16,686,284	8,657,164
Vehicle expense	9,792,569	8,741,270
Gas, oil, water and electricity	16,409,871	9,477,476
Transportation expenses	10,219,913	8,948,343
Maintenance	9,128,035	5,269,099
Consumable materials	4,549,136	3,751,690
Purchases – goods for resale	2,694,721	1,226,610
Rent	14,161,836	7,508,918
Royalty	1,263,169	1,332,141
Change in inventory	(26,058,198)	(18,585,664)
	841,091,920	702,806,613

EDITA FOOD INDUSTRIES (S.A.E.) AND ITS SUBSIDIARIES

Notes to the interim consolidated financial statement For the six months period ended 30 June 2015

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

28. Segment reporting

(Amounts presented to the nearest thousands EGP)

	Cake				Croissant				Bake				Freska				Mimix				Other				Total	
	Un reviewed		30 June		Un reviewed		30 June		Un reviewed		30 June		Un reviewed		30 June		Un reviewed		30 June		Un reviewed		30 June	Un reviewed		
	30 June 2015	31 December 2014	30 June 2015	30 June 2014	30 June 2015	30 June 2014	30 June 2015	30 June 2014	30 June 2015	30 June 2014	30 June 2015	30 June 2014	30 June 2015	30 June 2014	30 June 2015	30 June 2014	30 June 2015	30 June 2014	30 June 2015	30 June 2014	30 June 2015	30 June 2014	30 June 2015	31 December 2014		
Revenue	604,138	528,085	302,810	280,343	46,727	40,186	46,751	30,663	39,244	22,580	4,047	4,092	1,043,717	905,949												
Gross Profit	237,310	207,794	121,182	111,730	13,921	10,417	20,614	11,001	9,625	2,963	2,011	1,781	404,663	345,686												
Profit from Ops.	132,369	128,170	63,066	67,950	2,805	4,390	7,818	4,596	3,314	(387)	1,411	1,242	210,783	205,961												
Debit Interest	(7,709)	(7,170)	(3,864)	(3,806)	(596)	(546)	(597)	(416)	(1,264)	(1,295)	(52)	(56)	(14,082)	(13,289)												
Credit interest	7,455	6,623	3,736	3,516	577	504	577	385	484	283	50	51	12,879	11,362												
Forex	228	(835)	115	(443)	18	(64)	18	(48)	(61)	(108)	2	(6)	320	(1,504)												
Income Tax	(38,866)	(37,514)	(18,517)	(19,883)	(823)	(1,269)	(2,295)	(1,341)	(726)	-	(414)	(365)	(61,641)	(60,372)												
Net Profit	93,477	89,274	44,536	47,334	1,981	3,015	5,521	3,176	1,747	(1,507)	997	866	148,259	142,158												
	Cake				Croissant				Bake				Freska				Mimix				Other				Total	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014	30 June 2015	31 December 2014	30 June 2015	31 December 2014	30 June 2015	31 December 2014	30 June 2015	31 December 2014	30 June 2015	31 December 2014	30 June 2015	31 December 2014	30 June 2015	31 December 2014	30 June 2015	31 December 2014	30 June 2015	31 December 2014				
Capital expenditures 2015	103,188	81,045	51,067	135,782	7,829	25,131	7,778	6,942	2,188	1,381	119	4,387	172,169	254,668												
Depreciation of the fiscal period	1,497	2,209	1,764	1,121	140	180	67	189	55	105	4	113	3,527	3,917												
additions	101,691	78,836	49,303	134,661	7,689	24,951	7,711	6,753	2,133	1,276	115	4,273	168,642	250,751												
Net book value	974,092	804,729	442,695	397,408	90,764	62,399	81,722	44,979	104,705	37,008	4,120	5,355	1,698,098	1,351,878												
The remaining of segment assets	1,075,783	883,565	491,998	532,069	98,453	87,350	89,433	51,732	106,838	38,284	4,235	9,629	1,866,740	1,602,629												
Total segment assets																										
Segment liabilities	563,277	462,453	243,235	228,379	37,233	35,859	36,782	25,848	32,211	21,267	1,829	3,077	914,567	776,883												
Depreciation	17,737	34,178	12,293	19,248	1,885	3,820	1,819	3,189	2,346	3,254	33	162	36,113	63,851												

EDITA FOOD INDUSTRIES (S.A.E.) AND ITS SUBSIDIARIES

Notes to the interim consolidated financial statement For the six months period ended 30 June 2015

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

29. Related party transactions

The following transactions were carried out with related parties:

1. Chipita Participation Company

Chipita Participation collects 0.5% of the net Bake Rolls and Molto Crossiont monthly sales as royalty with a maximum limit of Euro 150,000 annually for the know-how of Chipita International Company.

The royalty paid during the period ended 30 June 2015 amounted to LE 362,500 (June 2014: LE 320,216) Chipita Participation is considered a related party as it owns Exoder Ltd. Company that in turn owns 12.975% of Edita Food Industries S.A.E. shares.

2. Key management compensation

During the period ended 30 June 2015 the company paid an amount of LE 36,581,335 as salaries and benefits to the key management members (30 June 2014: LE 21,496,056).

30. Tax position

Due to the nature of the tax assessment process in Egypt, the final outcome of the assessment by the Tax Authority might not be realistically estimated. Therefore, additional liabilities are contingent upon the tax inspection and assessment of the Tax Authority. Below is a summary of the tax status of the group as at 30 June 2015.

Edita Food Industries Company

a. Corporate tax

- The company is tax exempted for a period of 10 years ending 31 December 2007 in accordance with Law No. 230 of 1989 and Law No. 59 of 1979 related to New Urban Communities. The exemption period was determined to start from the fiscal year beginning on 1 January 1998. The company submits its tax returns on its legal period.
- The tax inspection was performed for the period from the company's inception till 31 December 2009 and all due tax amounts paid.
- The tax inspection was performed for the year 2010 and the differences sent to internal committee to study
- For the years 2011-2014 the Company is submitting the tax return according to law No. 91 of 2005 in its legal period.

b. Payroll tax

- The payroll tax inspection was performed till 31 December 2012 and company paid tax due.
- As for the years 2013 and 2014 the tax inspection has not been performed yet till the balance sheet date.
- The Company is submitting the tax quarterly return on due time to the Tax Authority.

c. Sales tax

- The sales tax inspection was performed till 31 December 2012 and tax due was paid.
- For the year 2013 and 2014 the tax inspection has not been performed yet till the balance sheet date, monthly tax return were submitted on due time.

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(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

Tax position (continued)

d. Stamp duty tax

- The stamp duty tax inspection was performed till year 2006 and Company paid tax due.
- Years from 2007 till 2014 tax inspection have not been performed yet till the balance sheet date.

Digma for Trading Company

a) Corporate tax

The Company is subject to the corporate income tax according to tax law Law No, 91 of 2005 and amendments.

- The tax inspection was performed by the Tax Authority for the period from the Company's inception until year 2009 and the tax resulting from the tax inspection were settled and paid to the Tax Authority.
- For the years from 2010 to 2013 Company submits its tax returns on due dates according to law No, 91 for the year 2005.

b) Salaries tax

- The tax inspection was performed until 31 December 2008 and the tax resulting from the tax inspection and assessment were settled and paid to the Tax Authority.
- For the years from 2009 to 2014 the Company submitted its quarter tax returns to Tax Authority on due dates.

c) Stamp tax

- The tax inspection was performed for the period from the Company's inception until 31 December 2008 and the tax resulting from the tax inspection and assessment were settled and paid to the Tax Authority.
- For the years from 2009 to 2014 the Company paid the tax due.

d) Sales tax

- The tax inspection was performed until 31 December 2012 and the tax resulting from the tax inspection and assessment were settled and paid to the Tax Authority.
- The years 2013-2014 the Company submits its monthly sales tax return on due date.

Edita Confectionary Industries Company

Corporate tax

- The Company is subject to the corporate income tax according to tax law Law No. 91 of 2005 and amendments.
- The company's books have not been inspected yet until the financial statements date for corporate tax, stamp tax, withholding tax, and payroll tax. The company submits the tax returns stated by tax law on due time to the Tax Authority.

EDITA FOOD INDUSTRIES (S.A.E.) AND ITS SUBSIDIARIES

Notes to the interim consolidated financial statement For the six months period ended 30 June 2015

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

31. Contingent Liabilities

(1) Edita Food Industries Company

The Company guarantees Digma for Trading against third parties in borrowing. The Company had contingent liabilities in respect of letters of guarantee and letters of credit arising from ordinary course of business which resulted in no actual liabilities. The uncovered portion of the letter of guarantee and letters of credit granted to the Company arising from ordinary course of business amounted to LE 14,562,708 as at 30 June 2015 (31 December 2014: LE 24,422,901).

(2) Digma for Trading Company

The Company guarantees Edita Food Industries against third parties in borrowing from Credit Agricole Egypt

The Company had contingent liabilities in respect of letters of guarantee and other matters arising in the ordinary course of business of which no significant liabilities are expected to arise from them. The uncovered portion of the letter of guarantee and letters of credit granted to the Company arising from ordinary course of business amounted to LE 889,558 as at 30 June 2015 (31 December 2014: LE 453,934).

(3) Edita Confectionary Industries Company

The company had contingent liabilities. The uncovered portion of the letter of guarantee and letters of credit granted to the Company arising from ordinary course of business amounted to LE 2,127,429 as at 30 June 2015 (31 December 2014: LE 1,185,971)..

33. Comparative figures

The Group has not previously prepare interim separate financial statements as of 30 June 2014, and accordingly the comparative figures of consolidated statements of income, changes in equity and cash flows have not been audited in accordance with Egyptian Standard on Auditing or conducted a limited review in accordance with Egyptian standard on Review engagement No. 2410 "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity". The comparative figures in balance sheet represents 31 December 2014 balances that have been audited and unqualified audit report issued dated 11 February 2015.