Egypt Kuwait Holding Co. Releases Q2 2018 Earnings Results

EKH delivers strong double-digit revenue and bottom-line growth on the back of a solid operational performance of existing subsidiaries and the commencement of operations and consolidation of Offshore North Sinai

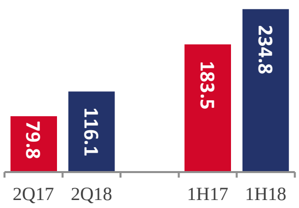
Key Highlights of Q2 2018

USD 116.1 mn in Revenues	USD 36.7 mn in Gross Profit	32% Gross Profit Margin	USD 28.2 mn in Operating Income
USD 38.8 mn EBITDA	USD 27.5 mn Attributable EBITDA	USD 30.7 mn in Net Income	USD 23.0 mn in Attributable Net Income

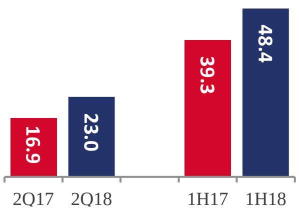
Key Highlights of H1 2018

USD 234.8 mn in Revenues	USD 79.5 mn in Gross Profit	34% Gross Profit Margin	USD 63.2 mn in Operating Income
USD 82.5 mn EBITDA	USD 58.5 mn Attributable EBITDA	USD 63.3 mn in Net Income	USD 48.4 mn in Attributable Net Income

Group Revenue (USD mn)



Attributable Net Income (USD mn)



14 August 2018 | Cairo | Egypt Kuwait Holding Company (EKHO.CA on the Egyptian Exchange and EKHOLDING on the Kuwaiti Exchange), one of the MENA region's leading investment companies, reported today its consolidated results for the second quarter and first half ended 30 June 2018.

EKH reported consolidated revenues of USD 116.1 million in Q2 2018, up 45% y-o-y on the back of strong operational performances by subsidiary companies and supported by the commencement of operations at Offshore North Sinai (ONS). Net income also posted strong growth of 46% y-o-y to USD 30.7 million in Q2 2018, a 26% margin, yielding USD 23.0 million in attributable net income to EKH, up 36% y-o-y.

On a year-to-date basis, EKH recorded revenues of USD 234.8 million in H1 2018, up 28% y-o-y and similarly driven by on-the-ground improvements across EKH's portfolio. Bottom-line growth mirrored revenues and recorded a 29% y-o-y increase to USD 63.3 million in 1H 2018, a stable 27% margin. EKH's attributable net income for the six-month period recorded USD 48.4 million in 1H 2018, up 23% y-o-y despite H1 2017 having included non-recurring gains of c.USD 9.3 million. Excluding the non-recurring items, EKH's attributable net income would have recorded a sharper 43% y-o-y increase in H1 2018.

Comments from the Chairman, Mr. Moataz Al-Alfi

Our results in the second quarter of the year demonstrate the operational excellence of our portfolio companies. After having weathered macro and market headwinds and remerged as leaders in their respective markets, our subsidiaries today are delivering organic growth through a continued improvement in on-the-ground results and success in paving new growth avenues.

The strength of our operational performance is clearly evident in our results, with both top- and bottom-line recording strong double-digit growth during the quarter and six-month periods. With some USD 63 million in net income in the first half of the year, I am comfortable with EKH's ability to deliver full-year revenues in line with our FY2017 results, despite the previous year having included one-time capital gains of c.USD 50 million; further highlighting the strides our portfolio companies have achieved in the way of organic growth and operational efficiencies.

As the sole, fully-integrated energy company in Egypt, EKH stands to benefit the most from the current reform drive that is seeing increased energy markets liberalization and placing premium on industrials that can deliver import substitutes and export competitiveness. Across our portfolio, we are quickly capitalizing on a fast-evolving operating environment and turning new policies into growth initiatives and value for shareholders.

At our Energy and Energy-Related businesses, we are firmly positioned as a leading player in the natural gas production and distribution markets at a time when Egypt is looking to carve out its place as a regional natural gas hub. The new natural gas act and the recently announced tariffs for use of the national grid by private investors have placed the market on a long-term sustainable growth trajectory.

Parallel to market reform, our energy businesses are building new capacities and pursuing growth and value maximization opportunities to fully capture the upside. In 2018, operations have commenced at our upstream natural gas play, Offshore North Sinai, bringing incredible upside potential and new incremental value for EKH. During H1 2018, ONS' two operational wells have generated some USD 18 million in revenues, up 10% q-o-q, and delivered an EBITDA margin of c.80%. ONS currently has two new wells in development that are scheduled to come on-stream during H2 2018, accelerating its drive to tap into P1 reserves of c.113 bcf. Meanwhile, our EGP-based natural gas construction and distribution business, NatEnergy, is recapturing growth in US dollar terms following a year when currency translation offset operational gains. The company posted revenues 40% higher y-o-y in H1 2018 to USD 35.2 million, thanks to a strategic decision to shift focus to higher margin infill clients and capacity building for installations. The business is set to continue benefiting from a national initiative to substitute LPG consumption with household grid connections. We are also delivering exceptional value at Kahraba where we have finalized contracts for our entire electricity generation capacity and stand to benefit from rising electricity prices.

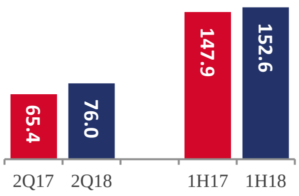
I am also very pleased with the performance of our industrials in the Fertilizers and Petrochemicals segment, which delivered a consolidated 16% y-o-y growth in revenues in Q2 2018 to USD 76.0 million. More importantly, management's focus on improving operational efficiencies at Alex-Fert and Sprea Misr has seen top-line growth accelerate down the income statement thanks to margin expansion, with the segment's net profit climbing an impressive 61% y-o-y to USD 17.3 million in the quarter. At Sprea Misr, higher value was extracted from products across the board, but particularly from formaldehyde and formurea. We are also on schedule to begin commercial production at the company's fourth and newest formica sheets production line, with the new capacity targeted entirely for export markets as part of the company's strategic growth drive. In that regard, Sprea Misr's total exports constituted 23% in H1 2018, up from 18% in the same period last year. Meanwhile, we are witnessing marked improvement at AlexFert's profitability margins thanks to consistently high utilization rates and favorable urea prices. Stable feedstock supply and pricing environment have seen AlexFert operate at 105% utilization rate in H1 2018, with net profit up 9% y-o-y to USD 19.6 million during the period.

Finally, our increased exposure to the non-bank financial services space through Delta Insurance is already delivering strong results. In just a few months, we were able to turnaround the company's performance through better treasury management and asset allocation, leading to an impressive sevenfold y-o-y increase in the company's net profit in 1H 2018.

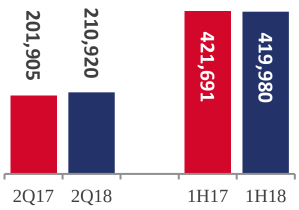
Our focus during the second half of the year will continue to be on operational improvements as a primary growth driver, all while pushing forward expansion initiatives across our subsidiaries and keeping an eye out for new opportunities, such as our ongoing investment in the production of medium-density fiberboards. I look forward to reporting here on these future successes as we continue our journey of delivering exceptional value to our shareholders.

65%
of Group Revenues
in H1 2018

Revenues (USD mn)



Total Fertilizer Sales
(Tons)



Fertilizers & Petrochemicals

Egypt Kuwait Holding has investments in two operational companies in the Fertilizer & Petrochemical Segment: Alexandria Fertilizers Company (AlexFert) and Sprea Misr for Production of Chemicals & Plastics Company. The company's fertilizer and petrochemical investments encompass products ranging from urea, ammonium nitrate and melamine to formaldehyde, and liquid and powder glue. With more than 10 years of nitrogen fertilizer operational expertise, EKH has targeted investments with access to key export markets including the United States and Europe, diverse products across several industries, and strong cash-flow generating businesses.

Fertilizers & Petrochemicals

in US$ mn unless otherwise indicated	Q2 2017	Q2 2018	% Change	H1 2017	H1 2018	% Change
Revenues	65.4	76.0	*16%*	*147.9*	*152.6*	*3%*
Gross Profit Margin	*22%*	*25%*	*3 ppt*	*28%*	*27%*	*(1 ppt)*
EBITDA Margin	*28%*	*30%*	*2 ppt*	*33%*	*31%*	*(2 ppt)*
Net Profit	10.7	17.3	*61%*	*33.6*	*34.6*	*3%*
Net Profit Margin	*16%*	*23%*	*7 ppt*	*23%*	*23%*	*-*
Net Profit attributable to EKH	8.2	11.7	*42%*	*22.6*	*23.6*	*4%*

Revenues from the Fertilizer & Petrochemical segment came in at USD 76.0 million in Q2 2018, up 16% y-o-y on the back of improved performances at AlexFert and Sprea Misr. The segment recorded a net profit of USD 17.3 million for the quarter, up 61% y-o-y and with a seven percentage-point expansion in net profit margin. Improved segment profitability comes thanks to a more than twofold increase in AlexFert's bottom-line as well as management's efforts in extracting operational efficiencies at Sprea Misr. Meanwhile, on a year-to-date basis, the segment recorded revenues of USD 152.6 million in H1 2018, up 3% y-o-y. Net profit in H1 2018 posted a similar 3% y-o-y increase to USD 34.6 million, with a stable margin at 23%. The relatively slower growth rate for the six-month period is due to Sprea Misr's results being inflated during the comparable period where revenues realized in Q4 2016 were recorded in Q1 2017 due to timing differences in accounting treatment. Normalized net profit, which would exclude USD 2.2 million from Q1 2017 results, would see bottom-line for the segment post a 10% y-o-y increase in H1 2018.

Sprea Misr revenues recorded an 11% y-o-y increase in Q2 2018 to USD 32.2 million on the back of the company's strengthening position as a leading petrochemicals producer and quality import substitute play. Sales of formaldehyde and formurea as well as melamine and urea compounds were the primary growth drivers during the quarter. The company recorded a net profit of USD 7.3 million in Q2 2018, up 15% y-o-y and with a 100 basis points (bps) expansion in margin to 23%. On a six-month basis, revenues came in at USD 63.9 million or 3% higher than the 1H 2017 figure of USD 61.9 million; noting that the comparable period was inflated by revenues realized in Q4 2016 yet recognized in the following quarter. Year-to-date net profit recorded a 3% y-o-y decline to USD 15.0 million in H1 2018, however, net profit margin expanded 200 bps to 24%. Sprea's normalized net profit growth for the six-month period recorded a 13% y-o-y increase in H1 2018.

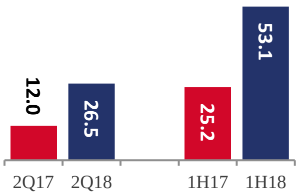
Management's strategy for Sprea is to continue delivering organic and volume-driven growth with a focus on pursuing export opportunities. In that regard, the company has commissioned its fourth formica sheets production line in 3Q 2018, with the new capacity targeted for regional markets, including Saudi Arabia, which is the region's largest consumer of formica sheets. Sprea is also delivering on its strategy as an import-substitute play with plans to add new products in the near future.

AlexFert reported revenues of USD 43.8 million in Q2 2018, up 20% compared to the USD 36.4 million posted in the same period last year. Revenue growth was price-driven were the company benefited from an upward trend in urea prices with peak season approaching. Capacity utilization stood at 105%, supported by stable feedstock supply and a focus on operational efficiency. The company also reversed a previously booked provision of USD 3.4 million, which saw bottom-line profitability surge more than twofold to USD 10.0 million in Q2 2018, with an 11 percentage point expansion in margin to 23%. On a year-to-date basis, revenues grew 3% y-o-y to USD 88.7 million in H1 2018 while net profit recorded USD 19.6 million, up 9% y-o-y.

Management anticipates further improvements at AlexFert heading into the second half of the year, typically the period during which demand peaks and urea prices reach all-year highs. As of Q2 2018, average urea prices stood at USD 241 per ton, whereas during 2H 2017 global prices hovered near the USD 270-280 range. Management is also comfortable with the prevailing feedstock supply and pricing environment, which helps maintain consistently high utilization rates and stable operating margins.

23%
of Group Revenues
in H1 2018

Revenues (USD mn)



Energy & Energy-Related

Egypt Kuwait Holding's investments in the Energy and Energy-Related Segment includes NatEnergy and Offshore North Sinai. EKH builds and operates gas distribution networks in Egypt through its 100%-owned subsidiary NatEnergy, which covers a wide spectrum of activities, including the transportation of natural gas to power stations and the independent production of power.

Energy & Energy-Related

in US$ mn unless otherwise indicated	Q2 2017	Q2 2018	% Change	H1 2017	H1 2018	% Change
Revenues	12.0	26.5	*120%*	*25.2*	*53.1*	*111%*
Gross Profit Margin	*39%*	*43%*	*4 ppt*	*35%*	*46%*	*11 ppt*
EBITDA Margin	*38%*	*51%*	*13 ppt*	*35%*	*53%*	*18 ppt*
Net Profit	5.0	10.5	*112%*	*9.3*	*22.4*	*140%*
Net Profit Margin	*41%*	*40%*	*(1 ppt)*	*37%*	*42%*	*5 ppt*
Net Profit attributable to EKH	4.1	9.5	*132%*	*7.8*	*20.3*	*160%*

The Energy & Energy-Related segment delivered substantial growth during the quarter with revenues recording a 120% y-o-y increase to USD 26.5 million in Q2 2018. The strong increase in top-line was driven by the commencement of operations at ONS and its consolidation starting Q1 2018, as well as strong operational performance by NatEnergy. The segment posted a net profit of USD 10.5 million in Q2 2018, up more than twofold with a stable 40% margin. On a year-to-date basis, ONS' higher-margin business of c.80% at the EBITDA level helped drive up the segment's overall profitability up with an 11 percentage-point expansion in gross profit margin to 46% and a sharper 18 percentage point increase in EBITDA margin to 53%. The segment recorded a net profit of USD 22.4 million in H1 2018 on revenues of USD 53.1 million, up 140% y-o-y and with a five percentage-point expansion in net profit margin to 42%.

ONS reported revenues of USD 9.3 million in Q2 2018, up 9% versus the USD 8.6 million recorded in Q1 2018, contributing 54% to the segment's total revenue and 65% to revenue growth in absolute terms. ONS' quarter-on-quarter growth was driven by the ramp-up of production at the company's two operating wells. Net profit came in at USD 4.3 million, up 1% y-o-y and with a net profit margin of 46%. On a year-to-date basis, ONS posted a net profit of USD 8.5 million in H1 2018 on revenues of USD 17.9 million, with a 47% net profit margin. The company's two operating wells, Tao 4 and Tao 5, are currently producing c. 25mmscf/day with total reserves estimated at 18.2 bcf. Development of a new well, Tao 10, is progressing on schedule and is expected to nearly double currently tapped reserves. Meanwhile, the company is also developing the Kamose field, which encompasses drilling four new wells and installing one platform connected to the existing pipeline. Both developments are expected to commence production during H2 2018.

Meanwhile, NatEnergy recorded revenues for the quarter of USD 17.1 million in Q2 2018, up 43% y-o-y with growth being predominantly price-driven as the company maintained a stable volume of installations. Through its gas distribution platforms NatGas and Fayoum Gas, NatEnergy connected some 30,146 households to the natural gas grid during Q2 2018 compared to 32,669 in Q2 2017, with the slight decrease owed to slower activity during the holy month of Ramadan and Eid holiday which fell entirely within Q2 2018 (40 days). On a year-to-date basis, the company connected 65,727 households in H1 2018, up 10% y-o-y and leading to revenues of USD 35.2 million or 40% higher than H1 2017. NatEnergy's increased focus on the higher-margin infill clients as well as its investment in in-house installation capacities leaves it at the forefront of the market in terms of value creation and service quality. The company's strong reputation has also seen its industrial/commercial business more than double, having served some 346 clients in H1 2018 versus 147 in the same period last year.

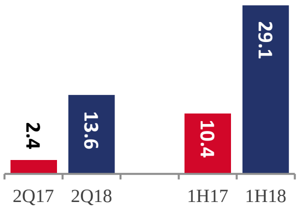
NatEnergy's improving sales mix and increased operational efficiency is clearly reflected in its bottom-line, which recorded USD 14.0 million in H1 2018, up 50% y-o-y and yielding a four percentage-point expansion in net profit margin to 40%.

Meanwhile, NatEnergy's power distribution play Kahraba recorded revenues of EGP 137.9 million in H1 2018, up 49% y-o-y with growth being dual-driven by volume and price. Kahraba continues to benefit from the government's successive electricity price increases with the latest round implemented in July 2018. The company has also added 30 MW to its production capacity and as of July 2018 has signed generation contracts for its total 70 MW capacity. Higher prices and new contracted capacities will reflect positively on the company's results, which is already delivering more than a threefold increase in bottom-line.

12%

of Group Revenues
in H1 2018

Revenues (USD mn)



Diversified

Egypt Kuwait Holding's Diversified segment includes a wide array of strategic investments, from cement production, telecommunications and infrastructure to cooling systems and insurance. In line with the company's strategy to invest in local businesses with large and defensible market positions, EKH owns c. 38% of the Building Materials Industries Company (BMIC) in Egypt, a country home to the largest cement market in Africa, with total consumption of c. 50 mtpa. Other group assets in the sector include Delta Insurance, Al-Shorouk for Melamine and Resins, Globe Telecommunications, Gas Chill and Bawabet Al Kuwait Holding Company.

EKH's diversified segment recorded revenues of USD 13.6 million in Q2 2018, up nearly six-fold compared to the same period last year and contributing USD 1.8 million to EKH's attributable net income for the period. On a year-to-date basis, segment revenues increased 180% y-o-y to USD 29.1 million in H1 2018, while attributable net income recorded USD 4.5 million. The segment's growth was driven by improved performance at Delta Insurance, which posted a 42% y-o-y increase in H1 2018 revenues to EGP 272.9 million, while the company's bottom-line recorded EGP 53.7 million compared to just EGP 7.6 million in 1H 2017.

It is worth noting that EKH recorded portfolio impairments of USD 13.8 million in H1 2018, with the majority of USD c.12.0 million being related to the company's investment in cement manufacturer BMIC. However, thanks to management's early insights with regards to BMIC's downturn and recording the necessary provisions, the impairment did not affect EKH's bottom-line in H1 2018.

Outlook

EKH maintains strong growth prospects across its portfolio, with the company's position as the only vertically integrated energy play in Egypt allowing to fully capitalize on the reform program's industrialization, subsidy removal, and export-driven policies.

Egypt's target of becoming a regional natural gas hub is bringing about market reforms that incentivize private sector participation, with EKH's investments in upstream gas production (ONS) and downstream grid construction and gas distribution (NatEnegry) positioning the company as a top-tier market player, well-positioned to capture future growth. In that regard, EKH is actively working to maximize value from **ONS** through a CAPEX program that aims to fully capitalize on some 113 bcf in P1 reserves while upgrading probability tiers for future fields. Meanwhile, **NatEnergy** and its subsidiaries are now viewed as a trusted and capable partner at a time when expanding grid-connected homes is a national priority. Kahraba is also set to benefit for the gradual increase in electricity prices; newly added capacities and an additional 30 MW earmarked for 2020; as well as approval to sell power to both households and commercial clients, with direct connections to consumers versus the more prevailing captive model.

Management is looking to unlock future growth at **Sprea Misr** through multiple avenues, including (1) capacity expansions to capture a larger share of the local market and increasingly venture into new export markets and (2) improved utilization and operational efficiency to extract cost savings. The company is also making tangible progress toward adding new products to its portfolio that fall in line with its import substitution strategy. Management is also cautiously optimistic with regards to **AlexFert's** growth trajectory, taking into account the company's high capacity utilization and the bullish trend in urea prices, however, remaining cognizant of the industry's cyclical nature.

EKH continues to pursue new investment opportunities as it seeks to grow its portfolio and capitalize on its proven strategies, including the company's venture into **Medium-density Fiberboard** (MDF). EKH has secured land for its MDF facility that is in close proximity to transportation networks and the Ain Sokhna Port, and has signed agreements with Dieffenbacher for equipment procurement. Operations are expected to commence by early 2020.

About EK Holding

Egypt Kuwait Holding Company (EKHO.CA on the Egyptian Exchange and EKHOLDING on the Kuwaiti Exchange) is one of the MENA region's leading investment companies, with a diversified portfolio of investments that spans the region in sectors that include fertilizers and petrochemicals, energy, cement production, insurance, information technology, transport and infrastructure. Established in 1997 by a consortium of prominent Kuwaiti and Egyptian businessmen including our former Chairman, the late Nasser Al-Kharafi, the company has flourished during the past decade as the countries of the Arab world began to liberalize their economies and open doors for private sector investments in strategic sectors that had once been off limits.

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STOCK SYMBOL
EKHO.CA

CAPITAL
Issued and Paid-In Capital: USD 256.1mn
Number of Shares: 1,024 million shares
Par Value: USD 0.25 per share

Forward-Looking Statements

Statements contained in this document that are not historical facts are based on current expectations, estimates, projections, opinions and beliefs of Egypt Kuwait Holding Company (EKH). Such statements involve known and unknown risks, uncertainties and other factors; undue reliance should not be placed thereon. Certain information contained herein constitutes "targets" or "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "seek," "should," "expect," "anticipate," "project," "estimate," "intend," "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology. Actual events or results or the actual performance of EKH may differ materially from those reflected or contemplated in such targets or forward-looking statements. The performance of EKH is subject to risks and uncertainties.

Income Statement

(in US $)	Q2 2017	Q2 2018	H1 2017	H1 2018
Energy & Energy Related				
Revenues	12 009 015	26 465 315	25 167 116	53 089 006
% Contribution	15%	23%	14%	23%
COGS	7 363 489	15 102 427	16 307 839	28 601 628
Gross Profit	**4 645 526**	**11 362 888**	**8 859 277**	**24 487 377**
% Margin	39%	43%	35%	46%
Fertilizers & Petrochemicals				
Revenues	65 357 011	75 984 636	147 937 173	152 629 054
% Contribution	82%	65%	81%	65%
COGS	50 965 645	56 628 694	106 379 640	111 506 773
Gross Profit	**14 391 365**	**19 355 942**	**41 557 533**	**41 122 281**
% Margin	22%	25%	28%	27%
Diversified				
Revenues	2 411 563	13 608 743	10 415 334	29 116 898
% Contribution	3%	12%	6%	12%
COGS	378 501	7 634 263	1 045 794	15 211 278
Gross Profit	**2 033 062**	**5 974 480**	**9 369 540**	**13 905 620**
% Margin	84%	44%	90%	48%
Total Revenues	**79 777 589**	**116 058 694**	**183 519 623**	**234 834 957**
COGS	58 707 636	79 365 385	123 733 273	155 319 679
Gross Profit	21 069 953	36 693 309	59 786 350	79 515 278
% Margin	26%	32%	33%	34%
Selling Expenses	704 400	1 127 131	1 563 215	2 450 891
G&A	2 702 671	6 739 539	10 012 166	13 905 814
Operating Income	**17 662 882**	**28 826 639**	**48 210 969**	**63 158 573**
% Margin	22%	25%	26%	27%
Interest Net	2 707 769	2 745 281	6 363 025	7 973 222
FX Gain / Loss	234 915	612 773	(1 144 713)	506 485
Capital Gain	15	86 026	998 204	86 373
Impairment (Impairment reversal on Assets)	5 126 583	(13 671 608)	5 126 583	(13 807 674)
Other Income (Expenses)	1 031 095	17 886 480	2 545 095	18 075 634
Net Income before Tax	**26 763 259**	**36 485 591**	**62 099 163**	**75 992 613**
Income Tax	5 626 514	6 470 712	13 474 766	13 965 687
Differed Tax	(591 463)	(657 166)	(1 305 303)	(1 277 897)
Net Income from Continued Operations	**21 728 208**	**30 672 045**	**49 929 700**	**63 304 823**
Gain (Loss) from Discontinued Operations	(690 000)	-	(1 020 000)	-
Net Income	**21 038 208**	**30 672 045**	**48 909 700**	**63 304 823**
Non-Controlling Interest	4 166 020	7 668 316	9 654 299	14 922 209
Attributable Net Income	**16 872 188**	**23 003 729**	**39 255 401**	**48 382 614**

Balance Sheet

(in US$)	H1 2018	FY 2017
Fixed Assets (Net) & Projects under Construction	243 526 973	232 895 979
Investments in Associates	14 273 215	29 201 428
Investments Available for Sale	32 308 787	28 860 567
Financial investments held-to-maturity	174 330 849	108 551 255
Exploration & production assets	19 641 530	24 591 508
Other long-term Assets	74 205 053	78 736 996
Total Long-Term Assets	**558 286 407**	**502 837 733**
Cash	261 180 188	224 894 312
Investments in Treasury Bills & Bonds	68 600 735	137 185 652
Investments Held for Trading	10 912 766	15 024 540
Total Receivables & Other Debtors	127 310 203	96 087 550
Assets Held for Sale	-	4 552 500
Inventory & Work in Progress	87 557 106	66 943 642
Due from EGPC	1 860 546	2 802 262
Total Current Assets	**557 421 544**	**547 490 458**
Total Assets	**1 115 707 951**	**1 050 328 191**
Bank Overdraft and STL	115 411 845	97 423 850
Due to Suppliers and Sub-Contractors	23 106 050	13 050 716
Due to EGPC	11 926 503	24 962 878
Provisions	17 321 752	33 206 603
Creditors and Other Credit Balances	204 845 656	122 744 252
Total Current Liabilities	**372 611 806**	**291 388 299**
Long-Term Loans	32 012 411	33 056 995
Other Long-Term Liabilities	887 893	298 993
Due to EGPC	6 229 896	7 572 033
Deferred Tax Liability	24 694 186	24 367 095
Total Long-Term Liabilities	**63 824 386**	**65 295 116**
Paid-in Capital	256 110 292	256 110 292
Reserves	192 583 772	191 513 013
Fair Value Reserve	5 296 034	5 081 987
Retained Earnings	203 666 378	219 881 881
Translation Adjustments	(215 944 451)	(211 220 462)
Formed versus-based payment transactions on shares	17 561 848	17 561 848
Treasury Shares	(221 050)	-
Parent's Shareholders' Equity	**459 273 873**	**478 928 559**
Non-Controlling Interest	220 218 936	214 716 217
Total Shareholders' Equity	679 271 759	693 644 776
Total SHE + Total Liabilities	**1 115 707 951**	**1 050 328 191**

Cash Flows

(in us $)	H1 2018	H1 2017
Cash flows from operating activities		
Net profit for the year before income tax	75 992 613	61 079 164
Adjustments for:		
Depreciation of fixed assets and amortization of other intangible assets	13 760 869	13 553 288
Exploration & production assets depletion	5 702 566	-
The company's share in associated companies' profits	(1 351 012)	1 206 695
Re-evaluation of a portfolio of investments held for trading Output	(74 562)	(272 780)
Financing expenses	6 351 066	6 143 721
Interest income	(14 324 288)	(12 506 746)
Capital gains	(86 373)	(998 204)
Provisions no longer required	(17 251 274)	(10 603)
Provisions other than depreciation	316 873	1 858 169
Re. Impairment losses on receivables and debit balances		(5 133 200)
Impairment losses on receivables and debit balances	217 999	5 531
Impairment in investment value	13 807 674	-
Re Impairment in assets value	-	(3 000 000)
Operating profit before changes in assets & liabilities available from operating activities	**83 062 151**	**61 925 035**
Investments at fair value through Profit & loss	4 186 336	2 329 254
Accounts receivable and other receivables	(16 520 643)	(29 479 658)
Inventory	152 104	(5 810 129)
Work in progress	(19 380 841)	2 651 637
Suppliers and subcontractors	9 942 014	1 357 952
Payables and other credit balances	(579 158)	35 298 123
Egyptian General Petroleum Corporation	(14 378 512)	15 417
Time Deposits	2 260 635	93 608 039
Provision used	(28 814)	(229 852)
Financing expenses paid	(6 351 066)	(6 146 505)
Net change in assets of acquired companies	(1 096 077)	-
Net cash available from (used in) operating activities	**41 268 129**	**155 519 313**
Cash flows from investing activities		
Interest income	14 285 103	12 810 044
Payments for purchase of fixed assets and projects under construction	(18 113 505)	(8 730 188)
Payments for exploration & production assets	(752 588)	-
Proceeds from sale of fixed assets	106 926	15
Proceeds from sale of intangible assets	-	4 000 000
Proceeds (payments) from the Egyptian General Petroleum Corporation	941 716	(838 737)
Proceeds from sale of investments available for sale	-	14 576 522
Purchase of financial investments available for sale	(2 183 223)	(14 732 221)
Financial investments held- to-maturity payments	(27 228 077)	(11 544 321)
Proceeds from Financial investments held- to-maturity	93 713 837	18 255 152
Payments for investments in Treasury bills more than three months	(258 529)	(16 542 880)
Proceeds from investments in Treasury bills more than three months	-	7 794 343
Net cash used in investing activities	**60 511 660**	**5 047 729**
Cash flows from financing activities		
Repayment of long-term loans and bank facilities	-	(9 992 067)
Proceeds from long-term loans and bank facilities	31 145 417	1 664 356
Proceeds from loans and short-term bank facilities	75 147 943	38 792 128
Repayment of loans and short-term bank facilities	(89 116 901)	(39 631 229)
Proceeds from banks - overdraft	-	11 085
Payments to banks - overdraft	-	(4 262 369)
Purchase of non-controlling interest	(4 632 400)	(19 055 040)
Non-controlling stakes	(6 280 381)	(12 698 394)
Dividends paid	(62 906 547)	(38 670 776)
Net cash used in financing activities	**(56 642 869)**	**(83 842 306)**
Translation of financial statements of the accumulated differences	(3 434 307)	11 735 170
Net change in cash and cash equivalents during the year	**41 702 613**	**88 459 906**
Cash and cash equivalents at beginning of the period	224 520 953	103 682 428
Cash and cash equivalents at end of the year	**266 223 566**	**192 142 334**