Egypt Kuwait Holding Co. Releases Q2 2016 Earnings Results

Diversification strategy and improved operational efficiencies reflect positively on bottom-line growth in the second quarter of 2016.

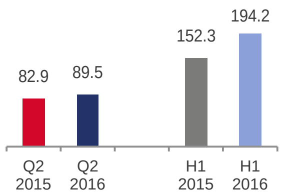
Key Highlights of Q2 2016

USD 89.5 mn in Revenues	USD 27.5 mn in Gross Profit	31% Gross Profit Margin	USD 19.7 mn in Operating Income
22% Operating Margin	USD 21.8 mn Attributable EBITDA	USD 15.3 mn in Net Income	USD 13.2 mn in Attributable Net Income

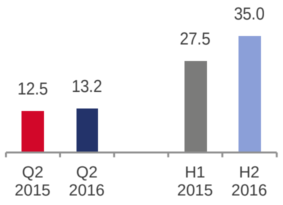
Key Highlights of H1 2016

USD 194.2 mn in Revenues	USD 65.3 mn in Gross Profit	34% Gross Profit Margin	USD 59.4 mn in Operating Income
31% Operating Margin	USD 48.7 mn Attributable EBITDA	USD 42.3 mn in Net Income	USD 35.0 mn in Attributable Net Income

Group Revenue
(USD Millions)



Attributable Net Income
(USD Millions)



22 August 2016 | 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 of 2016.

The company reported Attributable Net Income of US$ 13.2 million in Q2 2016, a 5.5% y-o-y improvement over US$ 12.5 million in Q2 2015, on Consolidated Revenues of US$ 89.5 million. The improvement comes on the back of a strong operational performance (unlike in the same period last year, there were no provision write-backs to support profitability).

Meanwhile, on a first half basis, EKH reported Attributable Net Income of US$ 35.0 million in H1 2016, a 27.2% increase y-o-y from US$ 27.5 million in H1 2015, on Consolidated Revenues of US$ 194.2 million.

Comments from the Chairman, Mr. Moataz Al-Alfi

It gives me great pride to report our Q2 2016 results, particularly against the backdrop of an extremely challenging economic context and heightened competition within our industries. I am particularly pleased that the improvement in our margins and our bottom-line profitability reflects the strong underlying performance of our investments.

For the past six months, we have focused on a restructuring of our portfolio that has seen us increase stakes in high-profile assets while simultaneously de-consolidating legacy businesses. Our singular focus on our most profitable and stable investments has already begun to bear fruit, with EKH not only meeting but surpassing management expectations and budget targets. Quarter after quarter, my confidence in the wisdom of our strategy and the talent of our teams at both the holding and operational levels is reaffirmed, supported by the delivery of solid financial results and increased operational efficiency.

The numbers speak for themselves: Our top-line growth — coming in 28% higher y-o-y in H1 2016 despite a c. 14% devaluation of the Egyptian pound on the official market late in Q1 2016 — coupled with a tight rein on our costs has filtered down the income statement into operating income of USD 59 million, a 52% y-o-y improvement over H1 2015's USD 39 million and also translated into an expansion of our margins, climbing 5 points to 31%.

The key drivers of growth in 2Q 2016 were Sprea and NatEnergy, both of which have stood resilient in the face of our nation's currency crisis. This quarter, Sprea contributed EGP 529 million to EKH's top line, with a gross profit margin of 34% compared to 30% last year. EBITDA margin increased from 27% to 32%, while net profit more than doubled to EGP 125 million. Sprea's strategy going forward includes a focus on developing its export footprint, in line with a recent focus on gaining distribution channels to African markets. In this context, we note that a number of our investments are exploring sales opportunities in other African nations, where Egyptian products and services are typically quite competitive. On a net profit basis, locally-manufactured products comprised 56%, with local trading and export sales contributing the remaining 24% and 20%, respectively.

The sale of sulfonated naphthalene formaldehyde (SNF) began in March and had a noticeably positive impact on our bottom-line profitability, contributing EGP 31 million in revenues in Q2 2016. This area of our business holds substantial potential. We are carefully cultivating our niche, differentiating our formulas and giving ourselves an advantage over regional competitors. We have also taken steps to lock-in a source of locally produced kraft paper — a key production input for Formica. By controlling our expenditure, seeking maximum efficiency across all the levels of our business, and pursuing business opportunities that support our core growth drivers, we have steered Sprea toward important new product lines. Today, Sprea is looking to mitigate foreign exchange risk (by lessening our reliance on imported production inputs) and expanding our export footprint, all while serving as an import substitute.

Despite NatEnergy posting 27% lower revenues this quarter of USD 21.0 million, it is worth mentioning that Q2 2015 revenues were inflated due to transferable operations booked in Q2 2015 instead of Q1 2015, resulting in Q2 2016 net profit to come in 30% higher y-o-y at USD 6.0 million compared to USD 4.6 million in Q2 2015. In line with our previously communicated strategy of clearing up minority shareholders in key investments, we recently completed the acquisition of an additional stake in NatGas, bringing EKH to 84% ownership with a target of reaching 90% going forward. On a first half basis, NatGas brought in 85% more y-o-y in attributable net profit at EGP 71 million YTD compared to EGP 38 million in the same period last year. Here we saw enhancements in margins and profitability across the board, as well as strong cash balances and some additional 42,260 household customers and 342 industrial and commercial users in the first half of the year.

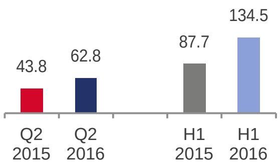
Moreover, NatGas management took action in the second quarter to secure its margins going forward by acquiring sufficient material to connect a further 150,000 clients to the national natural gas grid; the vast majority of these inputs are imports and so are USD-denominated. With c. EGP 1 billion in cash and equivalents on hand and a supply of materials sufficient to last more than a year, the company's growth path is assured. Moreover, our treasury function has helped NatGas build a healthy base of USD reserves to mitigate the impact of future devaluation while ensuring the company has access to the hard currency it needs for future growth.

Meanwhile, AlexFert has averaged 87% utilization through August, bringing in USD 33 million in Q2 2016 (equivalent to 39% of EKH's revenues for the quarter). This means we are now heading into the final weeks of peak demand for natural gas on a nationwide basis with very good use rates, as supply has been largely strong and uninterrupted. As expected from where we stand in the current commodity cycle for global urea, AlexFert posted USD 2.5 million in net profit for H1 2016. Going forward, AlexFert should benefit from the Egyptian government's new pricing system which links the price of natural gas to the price of urea, safeguarding the company against negative swings in both natural gas and urea pricing.

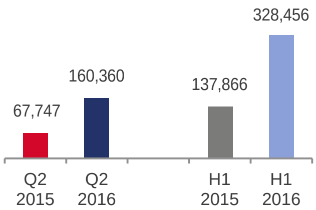
The macroeconomic challenges of the present day are undeniable: inflation is at a seven-year high, devaluation seems likely in the wake of the recently announced IMF agreement, and the FX shortage will continue to be a short-term factor for businesses nationwide. Against that backdrop, careful attention to strategy, to our businesses' positioning relative to the market and to Egypt's import needs, and quick tactical decision making sees us facing this reality from a position of strength. I am confident we will continue to exceed expectations both financially and operationally, creating new shareholder value in the process.

70%
of Group Revenues
in Q2 2016

Revenues
(USD Millions)



Total Fertilizer Sales
(Tons)



Fertilizers & Petrochemicals

EKH has investments in two operational companies in the Fertilizer & Petrochemical Segment: Alexandria Fertilizers Company (AlexFert) and Sprea Misr for Production of Chemicals & Plastics Company. A third investment, the Egyptian Hydrocarbon Corporation (EHC), is a mining-grade ammonium nitrate manufacturing startup that began commissioning in early 2015. The company's Fertilizer & 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 2015	Q2 2016	% Change	H1 2015	H1 2016	% Change
Revenues	43.8	62.8	*44%*	87.7	134.5	*53%*
Gross Profit Margin	19%	23%	*4 ppt*	18%	26%	*8 ppt*
EBITDA Margin	23%	26%	*3 ppt*	23%	28%	*5 ppt*
Net Profit	1.4	8.6	*535%*	3.3	21.3	*541%*
Net Profit Margin	3%	14%	*9 ppt*	4%	16%	*9 ppt*
Net Profit attributable to EKH	2.4	8.0	*62%*	5.8	17.3	*199%*

The Fertilizer & Petrochemical segment continued to show significant improvement both at the top- and bottom-line levels. The segment posted a net profit of US$ 8.6 million in Q2 2016, up more than six-fold y-o-y, with a net profit margin of 14% compared to 3% in Q2 2015. Improved performance was also reflected on the segment's half-year results with revenues of US$ 134.5 million, up 53% y-o-y, and a net profit of US$ 21.3 million (an increase of 541% compared to the same period last year). The significant rebound in performance comes on the back of higher utilization rates at AlexFert, reaching 87% in H1 2016, following repeated interruptions during 2015 due to a nationwide shortage in natural gas. The segment's performance was also buoyed by contributions from Spea Misr, with the company continuing to outperform management's expectations.

In Q2 2016, Sprea posted a 35% y-o-y increase in revenues to US$ 30.2 million with attributable net profit climbing two-fold to US$ 7.7 million, a 25% margin. For the six-month period, the company turned an attributable net profit of US$ 14.8 million on revenues of US$ 62.7 million, up 104% and 36% y-o-y, respectively. Sprea's performance was driven by its formaldehyde urea production, an anti-caking additive used in the fertilizer industry as well as by its sulfonated naphthalene formaldehyde (SNF) operation, an additive for ready-mix concrete that is also starting to bear fruit just four months into the start of production. With sales commencing in March 2016, SNF contributions totaled c. EGP 31 million to Sprea's top-line.

At the commercial level, Sprea continues to capitalize on import limitations and FX restrictions. The company is positioned as an import substitution and benefits from high industry barriers to entry that any methanol-based producer would face in seeking to penetrate the domestic market. The company has accordingly exercised both a competitive pricing strategy and pursued increased market share. Sprea is also insulating itself against future foreign exchange volatility and locking in a key production input, having worked with a domestic supplier to develop a quality kraft paper source. (Kraft paper is an important production input for Formica sheets, where it serves as a backing.)

Meanwhile, AlexFert reported Q2 2016 revenues of US$ 32.7 million, up 41% y-o-y, and US$ 71.8 million in H1 2016, up 39% compared to H1 2015. Following an almost year-long shortage in natural gas during 2015, AlexFert's plant has been receiving an almost-full daily natural gas allocation from the government since November 2015. Consequently, the plant has seen utilization rates rise to an average of 87% during H1 2016, compared to c. 25% during the same period last year.

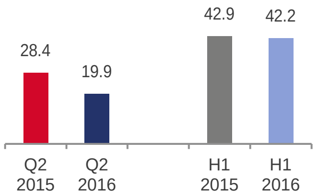
While improved utilization rates have reflected positively on the company's top-line, a global downturn in urea prices weighed on profitability. AlexFert posted a net profit of US$ 2.5 million in H1 2016, with a net profit margin of 9%. While this is a significant improvement compared to H1 2015 loss of US$ 1.5 million, management believes there is still room for improvement, especially in light of the government's recent adoption of a flexible pricing mechanism that uses a formula linking the price of urea to the price of natural gas. The new mechanism would serve to better protect margins across the nitrogen fertilizers industry, and is currently in the final stages of implementation.

22%

of Group Revenues in Q2 2016

Revenues

(USD Millions)



Energy & Energy-Related

Egypt Kuwait Holding has investments in two companies in the Energy and Energy-Related Segment: NatEnergy and the Egyptian Tanker Company (ETC). 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. The company's energy investments also include a local and global marine transport of crude oil and petroleum products through ETC. Previous investments included the Oil & Gas operations, which have been deconsolidated as of Q1 2016.

Energy & Energy-Related

in US$ mn unless otherwise indicated	Q2 2015	Q2 2016	% Change	H1 2015	H1 2016	% Change
Revenues	23.4	19.9	*(30%)*	42.9	42.2	*(2%)*
Gross Profit Margin	33%	38%	*5 ppt*	36%	37%	*1 ppt*
EBITDA Margin	32%	35%	*3 ppt*	34%	35%	*1 ppt*
Net Profit	7.7	6.8	*(11%)*	12.1	14.3	*18%*
% Margin	27%	34%	*7 ppt*	28%	34%	*4 ppt*
Net Profit attributable to EKH	4.6	6.4	*39%*	7.3	12.1	*65%*

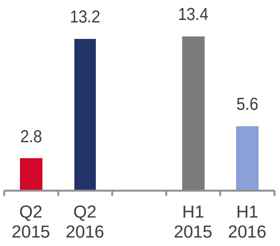
In the second quarter of 2016, the Energy & Energy-Related segment reported a 30% decrease in revenues over Q2 2015, mainly due to the EGP-denomination of NatGas and Fayoum. However, it is worth mentioning that Q2 2015 revenues were inflated by transferable operations booked during the quarter instead of Q1 2015. On a first half basis, however, the segment posted revenues of US$ 42.2 million, down just 2% y-o-y. Despite the decrease in the top line, the segment's bottom line improved significantly: net profit stood at US$ 12.1 million in Q2 2016 (up 39% y-o-y) and US$ 6.4 million in H1 2016 (a rise of 65% y-o-y). Improvements in profitability come on the back of increased efficiency in the cash cycle, with interest income from an aggressive cash management strategy acting as a key driver for bottom line growth. The EKH-level treasury function has adopted a sophisticated approach to cash management, from collection to payable and receivable cycles, giving the firm strong expansion of net interest income.

After the increase of NatEnergy's stake in NatGas to 74% in August 2015, the company followed through on plans to further increase its stake to 84% in Q2 2016 and is targeting to reach 90% through the buyout of another minority shareholder. During the quarter, NatEnergy connected more than 19,300 households to the grid, bringing the total for H1 2016 to more than 42,200, with plans to add a total of 94,000 homes this year. To combat the impact of the devaluation on the revenue stream for installations, the company has secured stocks of key material including pipes, valves, and gas terminals for an additional 150,000 clients, locking in its margins and growth going forward. In H1 2016, NatGas posted revenues of US$ 37.9 million, a 0.3% increase y-o-y from H1 2015's $37.9 million.

Meanwhile, Kahraba's attributable net profit for Q2 2016 came in 85% higher y-o-y despite downtime for overhauls in January and February of this year. Higher electricity prices on the back of the devaluation of the EGP translated into higher revenues for Kahraba, complemented by the addition of three new contracts. The company has added 8 MW that will start producing in August, bringing the total capacity to 34 MW. It is worth noting that Kahraba links the price of electricity to the price of its feed-in natural gas, priced in USD, to protect against the effect of any further devaluation.

8%
of Group Revenues
in Q2 2016

Net Income
(USD Millions)



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. 30% 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.

In H1 2016, the Diversified segment reported a net profit of US$ 5.6 million, down 58% compared to the US$ 13.4 million booked in H1 2015, partially on the back of the sluggish performance of the cement operations in H1 2016.

Recent Corporate Developments

Acquisition of an additional 9% stake in NatGas

As part of EKH's strategy to clean up minorities and increase its shareholding in growing businesses, the company recently concluded its acquisition of an additional 9% stake in NatGas, bringing EKH's total ownership to 84%.

EKH's share included as a constituent of the EGX 30

Effective 1st of August 2016, EKH's stock was added back as a constituent of the Egyptian Exchange's benchmark index, the EGX 30, owing to the stock's improved liquidity.

Outlook

Broadly speaking, management is convinced that EKH and its investments are well-positioned to thrive in both the current climate (marked by high inflation, a foreign exchange shortage, and continued risk of devaluation) and to transition to even faster growth when and if current challenges resolve.

Moreover, management believes that the ambitious economic reform program for which the Government of Egypt has obtained House of Representatives approval — and which underpins Egypt's bid for a financing facility from the International Monetary Fund — will open new opportunities for the company's subsidiaries. The recent partial lifting of subsidies for both consumers and industrial consumers of electricity, for example, is net positive for the bottom line of Kahraba. So, too, would be progress on the deregulation of the national natural gas grid with a view to creating additional opportunities for the private sector.

Devaluation continues to present a challenge. But management's belief is that careful attention to growth initiatives, import substitution, cost control, and the development of export markets will allow the company to more than keep pace with the impact of devaluation on its consolidated financial statements when subsidiary results are translated into US dollars.

Looking at key investments, the company's growth priorities include:

Sprea: Management believes that SNF is vital to Sprea's growth, particularly regarding the export market, and plans to grow the SNF capacity to 88,000 TPA from 66,000 TPA by 2017. Drivers of growth in the local market include a market pivot in favor of ready-mix concrete, with SNF being a key additive, positioning Sprea to benefit continued state spending on large-scale infrastructure projects. Ready-mix accounts for c. 10% of the Egyptian cement industry today, a figure that is expected to grow by multiples going forward. With 95% of all SNF imported, Sprea is the only local substitute, giving it a niche in the market. Moreover, Sprea continues to invest in research and development for SNF and other product lines, further differentiating it from competitors and adding to the benefits of being a fully integrated player in an industry with a high structural barrier to entry. Additionally, the company plans to add a 10^{th} line for melamine and urea, adding 3,000 tons of capacity by January 2017.

NatGas: NatGas has a target to connect 94,000 households to the natural gas grid in 2016 and will aim to connect a further 134,000 households in 2017. Challenges include escalation in engineering, procurement, and construction costs on the back of the devaluation of the EGP, which NatGas has attempted to counteract by securing enough materials for an additional 150,000 clients. The company is also working with state agencies and banks to offer clients longer repayment terms for loans to connect homes to the national grid. This has proven particularly successful in low-income areas where the government has made conversion to natural gas a priority in a bid to reduce LPG consumption.

Kahraba: Kahraba management foresee no further shutdowns in H2 2016; the company plans to add an additional c. 66 MW by 2017-18, subject to continued development of market demand.

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.

INVESTOR RELATIONS CONTACT
For further information, please contact:

Haitham M. Abdel Moneim
Egypt Kuwait Holding, Co.
Senior Investor Relations Manager
hmoneim@ekholding.com

14 Hassan Mohamed El-Razzaz St.
(Previously Nawal St.)
Dokki, Giza
Tel (Direct) : +20 2 333-633-00

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 $)	2Q 2016	2Q 2015	1H 2016	1H 2015
Energy & Energy Related				
Revenues	19 928 151	28 386 256	42 233 554	42 883 770
% Contribution	22%	34%	22%	28%
COGS	12 404 868	18 905 287	26 559 555	27 555 824
Gross Profit	7 523 283	9 480 969	15 673 999	15 327 946
% Margin	38%	33%	37%	36%
Fertilizers & Petrochemicals				
Revenues	62 846 993	43 777 942	134 476 755	87 746 328
% Contribution	70%	53%	69%	58%
COGS	48 181 603	35 632 228	99 638 246	71 983 417
Gross Profit	14 665 390	8 145 714	34 838 509	15 762 911
% Margin	23%	19%	26%	18%
Diversified				
Revenues	6 773 421	10 698 067	17 506 008	21 629 968
% Contribution	8%	13%	9%	14%
COGS	1 456 232	517 303	2 671 851	1 976 998
Gross Profit	5 317 189	10 180 764	14 834 157	19 652 970
% Margin	79%	95%	85%	91%
Total Revenues	**89 548 565**	**82 862 265**	**194 216 317**	**152 260 066**
COGS	62 042 703	55 054 818	128 869 652	101 516 239
Gross Profit	27 505 862	27 807 447	65 346 665	50 743 827
% Margin	31%	34%	34%	33%
Selling Expenses	2 605 098	2 369 138	5 396 036	4 086 669
G&A	5 354 850	5 829 039	11 307 803	11 571 910
Net Provisions	(195 318)	1 117	22 280 324	(4 152 649)
Impairment	-	(55 271)	(33 086 991)	621
Operating Income	**19 741 232**	**19 663 424**	**59 449 493**	**39 237 276**
% Margin	22%	24%	31%	26%
Interest Net	651 380	772 833	1 307 905	1 133 635
FX Gain / Loss	(736 486)	371 689	2 147 418	938 532
Capital Gain	(2 268)	-	66 611	16 204
Other Income (Expenses)	13 115	258 876	220 872	444 372
Net Income before Tax	**19 666 973**	**21 066 822**	**63 192 299**	**41 770 019**
Income Tax	4 148 175	6 151 344	10 211 835	9 566 022
Differed Tax	101 551	(266 730)	(388 646)	(602 206)
Net Income from Continued Operations	**15 417 247**	**15 182 208**	**53 369 110**	**32 806 203**
Gain (Loss) from Discontinued Operations	(143 087)	5 912 719	(11 092 038)	1 655 684
Net Income	**15 274 160**	**21 094 927**	**42 277 072**	**34 461 887**
Non-Controlling Interest	2 099 550	8 606 218	7 270 832	6 940 039
Attributable Net Income	**13 174 610**	**12 488 709**	**35 006 240**	**27 521 848**

Balance Sheet

(in US$)	1H 2016	FY 2015
Fixed Assets (Net) & Projects under Construction	261 410 881	278 132 960
E&P Assets	-	93 594 442
Investments in Associates	104 036 663	155 057 733
Investments Available for Sale	114 340 799	115 930 389
Other long-term Assets	138 892 409	103 159 435
Total Long-Term Assets	**618 680 752**	**745 874 959**
Cash	326 443 892	396 876 046
Investments in Treasury Stocks	25 258 251	6 044 646
Investments for Trading	31 109 132	112 495 674
Total Receivables & Other Debtors	131 788 924	208 076 900
Inventory & Work in Progress	58 464 452	76 242 603
Due from EGPC	8 729 794	14 132 102
Total Current Assets	**628 685 503**	**813 858 971**
Total Assets	**1 247 366 255**	**1 559 733 930**
Bank Overdraft and STL	123 215 334	259 493 122
Due to Suppliers and Sub-Contractors	15 419 644	83 576 453
Due to EGPC	72 035 740	47 416 032
Provisions	19 523 665	13 827 109
Debtors and Other Credit Balances	149 009 405	205 461 354
Total Current Liabilities	**379 203 788**	**609 774 070**
Long-Term Loans	90 852 522	123 097 749
Other Long-Term Liabilities	700 855	833 980
Due from EGPC	-	581 332
Provisions	17 561 848	4 070 000
Deferred Tax Liability	28 895 051	29 721 891
Total Long-Term Liabilities	**138 010 276**	**158 304 952**
Paid-in Capital	256 110 292	256 110 292
Reserves	189 894 520	188 292 291
Fair Value Reserve	(178 877 543)	(175 271 701)
Retained Earnings	297 722 967	299 919 262
Translation Adjustments	(61 708 327)	(47 129 262)
Parent's Shareholders' Equity	**520 703 757**	**521 870 882**
Non-Controlling Interest	227 010 282	269 784 026
Total Shareholders' Equity	**747 714 039**	**791 654 908**
Total SHE + Total Liabilities	**1 247 366 255**	**1 559 733 930**

Cash Flows

(in us $)	1H 2016	1H 2015
Cash flows from operating activities		
Net profit for the year before income tax	63 192 299	41 770 019
Adjustments for:		
Depreciation of fixed assets and amortization of other intangible assets	14 198 315	14 805 448
Depreciation of exploration and development assets	-	5 571 979
Profits from sale of investments available for sale	-	(4 688 303)
The company's share in associated companies' profits	(2 646 784)	(3 148 869)
Re-evaluation of a portfolio of investments held for trading Output	(1 305 642)	(1 832 914)
Financing expenses	5 370 833	12 921 229
Interest income	(6 678 738)	(9 058 064)
Capital gains	(66 611)	(37 787)
Provisions no longer required	(201 224)	(4 179 174)
Provisions other than depreciation	22 481 548	55 011
Re Impairment losses on receivables and debit balances	(33 086 991)	(97 338)
Impairment losses on receivables and debit balances	-	142 721
The share of discontinued operations in the sister companies' profits	296 494	-
Profit (loss) on disposal of discontinued operations - lost control	(11 092 038)	1 655 684
Operating profit before changes in assets & liabilities available from operating activities	**50 461 461**	**53 879 642**
Investments at fair value	82 692 184	(33 676 092)
Sales agents and notes receivable	(8 719 206)	3 736 118
Accounts receivable and other receivables	(827 859)	(26 708 177)
Inventory	4 680 482	3 165 354
Work in progress	(869 755)	(1 122 076)
Suppliers and subcontractors	4 507 557	6 367 413
Payables and other credit balances	(20 241 906)	28 073 102
Egyptian General Petroleum Corporation	24 038 376	9 043 384
Frozen deposits	(18 649 997)	(28 899 969)
Utilized provisioning	(166 800)	(364 393)
Financing expenses paid	(5 394 092)	(13 431 468)
Net change in assets of unconsolidated subsidiaries as a result of loss of control	(39 363 876)	-
Net cash available from (used in) operating activities	**72 146 569**	**62 838**
Cash flows from investing activities		
Interest income	5 427 161	7 883 130
Payments for purchase of fixed assets and projects under implementation	(5 898 469)	(5 022 150)
Payments for exploration and development assets	-	(42 848 274)
Proceeds from sale of fixed assets	66 611	8 063
Proceeds from the Egyptian General Petroleum Corporation	5 413 709	8 050 529
Proceeds from sale of investments available for sale	4 469 307	10 733 084
Purchase of financial investments available for sale	(6 080 354)	(14 354 197)
Purchase of investments in associated companies	-	(18 379 135)
Financial investments held- to-maturity payments	(44 415 466)	-
Dividend paid of sister companies	1 200 000	-
Payments for investments in Treasury bills more than three months	(31 112 088)	(5 890 598)
Proceeds from investments in Treasury bills more than three months	20 077 563	-
Net cash used in investing activities	**(50 852 026)**	**(59 819 548)**
Cash flows from financing activities		
Repayment of long-term loans and bank facilities	(18 719 211)	(68 505 775)
Proceeds from long-term loans and bank facilities	-	38 697 960
Proceeds from loans and short-term bank facilities	56 175 770	39 657 837
Repayment of loans and short-term bank facilities	(95 606 612)	(181 772)
Proceeds from banks - overdraft	47 082	-
Outstanding of banks - overdraft	(38 153 612)	(20 874 357)
Purchase of non-controlling interest	(3 043 968)	(787 500)
Non-controlling stakes	37 115 847	(15 181 853)
Dividends paid	(36 824 402)	(37 671 514)
Net cash used in financing activities	**(99 009 106)**	**(64 846 974)**
Translation of financial statements of the accumulated differences	(4 023 482)	2 882 878
Net change in cash and cash equivalents during the year	**(81 738 045)**	**(121 720 806)**
Cash and cash equivalents at beginning of the period	346 901 181	372 351 161
Cash and cash equivalents at end of the year	**265 163 136**	**250 630 355**