RAYA HOLDING REPORTS 1H2019 FINANCIAL RESULTS

REVENUE GROWTH UNDERPINNED BY STAGNANT GROWTH ACROSS MATURE BUSINESS UNITS AS NEW INVESTMENTS CONTINUE TO BUILD MARKET SHARE.

REVENUES
EGP 4,058 MN
▲4.1 % y-o-y

GROSS PROFIT
EGP 782 MN
▲19.8 % y-o-y

EBITDA
EGP 278 MN
▼ 1.3% y-o-y

NET LOSS
EGP 51 MN

Raya Holding for Financial Investments (RAYA.CA on EGX), a leading Egyptian investment conglomerate with a diversified business portfolio, announced today its consolidated results for the half ending June 30th, 2019. The group reported a total revenue for the quarter of EGP 4,058 million, up 1.2% y-o-y. The revenue was mainly driven by top line growth across the Information Technology (IT), FMCG and Non-Bank Financial Services (NBFS) business units with each posting revenue growth of 1.7%, 33.5% and 173% respectively. Gross profit for the half recorded EGP 782 million, rising by 19.8% y-o-y, with a gross profit margin of 19.3%.

Summary Consolidated Income Statement:

EGP (Million)	1H2019	1H2018	% Change - YoY
Revenue	**4,058**	**4,012**	***1.2%***
Gross Profit	**782**	**653**	***19.8%***
Gross Profit Margin	*19.3%*	*16.3%*	*3.0 pts*
EBITDA	**278**	**282**	***(1.3%)***
EBITDA Margin	*6.9%*	*7.0%*	*(0.1) pts*
Net Profit	**(51)**	**17**	***N/A***
Net Profit Margin	*(1.3%)*	*0.4%*	*(0.9) pts*

Chairman's Message

We, at Raya Holdings, continue our commitment to empower every individual and every business unit in our organization to grow, innovate and achieve more. 2018 was a highly successful year for Raya Holdings in which we extended the limits of our revenue generation capabilities further. During the first half of 2019, we dedicated more effort to focus on expanding our existing investments more efficiently and profitably. These efforts entailed an increase in capital expenditures that would ensure the sustainability of our investments going forward. Despite the downward pressure from these efforts on our bottom line, we believe that our various investments are now in a better position to generate value.

During 1H2019, we completed a major milestone in Raya's history as we successfully closed our first financing agreement with an international development financial institution. Our subsidiary Raya Foods was able to successfully secure a EUR 5 million loan from the European Bank for Reconstruction and Development, reaffirming Raya's capability to innovate financially. Raya Advanced Manufacturing marked its first full half of operations as it looks to establish its presence in the growing light transport market in Egypt. Meanwhile, in parallel with the ongoing efforts to expand financial inclusion across the various population segments, our Non-Bank Financial Services business unit continues to increase its market penetration especially within the areas of the Nile Delta and Upper Egypt. We are proud to see AMAN becoming an increasingly recognized household name for providing Egyptians with access to consumer finance, microfinance and Fintech solutions. Raya Contact Center continues to maintain its position as the leading Business Process Outsourcing provider by capitalizing on its successful utilization rates and expanding the company's operational capacity and infrastructure.

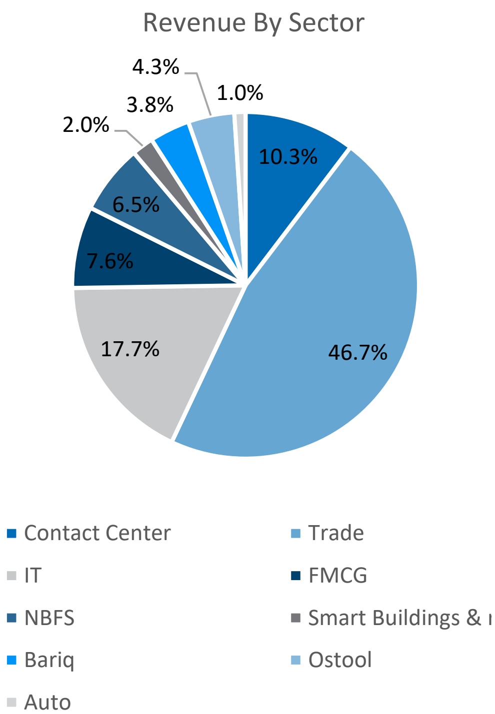
We were also proud to see Bariq developing into an established regional manufacturer of recycled PET plastic and a leading example of environmentally friendly investment and delivering bottom line profitability. Ostool showed exceptional maturity as the company delivered improved margins despite a challenging 1H2019 revenue-wise as a result the downward pressure across one of its key operating sectors, the cement industry. At the FMCG front, Raya Foods continues to grow financially by building off the newly refurbished facilities in addition to a high quality product profile. While our more established Trade and Distribution and Information Technology business units continue to deliver on their business fundamentals, we are exceptionally pleased to see the developing synergies between our new and our already established investments.

We remain confident that over the coming quarters, profitability across our business units will further improve as our more recent investments become more entrenched in their respective markets. Our Board of Directors as well as executive management reiterate their resolve to continue with the tradition of success that Raya Holdings has always upheld.

Medhat Khalil
Chairman and CEO

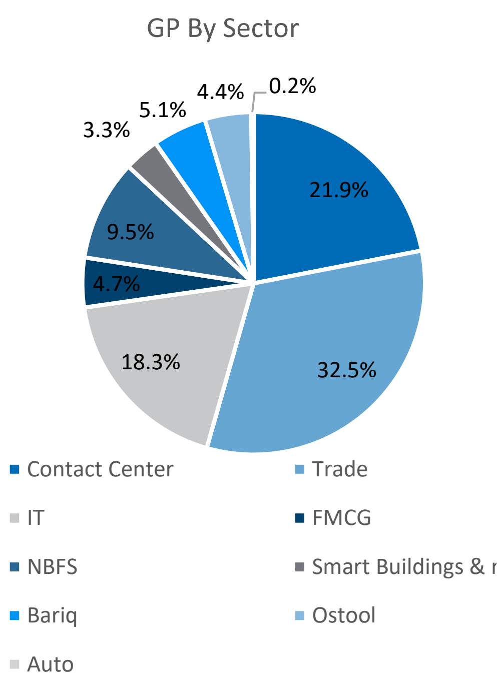
Consolidated Financial Position

Revenues: During 1H19, the group recorded EGP 4,058 million, up 1.2% y-o-y driven by growth across the group's IT, NBFS, Industrial and FMCG strategic business units which slightly counter-balanced the contraction in revenues from the established Trade and Contact Center business units which represent a major of the group's revenue.



Costs of goods sold (COGS): Cost of sales decreased by 2.5% to EGP 3,277 million from EGP 3,359 during 1H2019 with COGS to Revenue at 80.7% compared to 83.7% during the same period last year. The biggest rise in costs came from related employee salaries and wages which recorded almost EGP 360 million in 1H19, up 66.5% y-o-y in addition to production material costs which recorded EGP 212 million, up by 53.5% y-o-y as the FMCG and the NBFS business units ramp up production and expand their operations.

Gross profit: Gross Profit posted EGP 782 million in 1H2019, 19.8% higher y-o-y and yielding a margin of 19.3%. The Gross Profit margin witnessed a 3.0 percentage-point y-o-y expansion driven by expanding margins across the FMCG, Smart buildings & Retail and the NBFS business units.

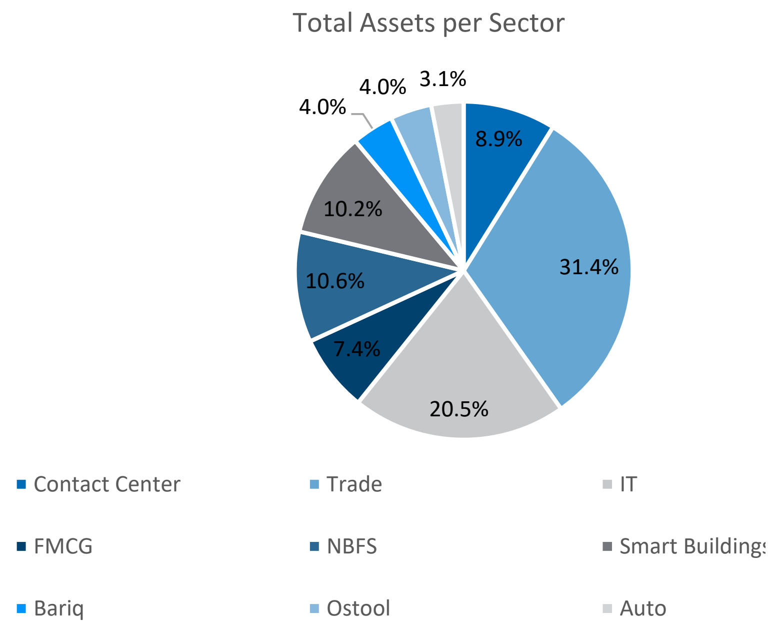


Selling, general and administrative (SG&A): SG&A for the half stood at EGP 598.5 million with a 33.1% y-o-y increase. As a percentage of revenues, SG&A margin increased by 3.5 percentage points to 14.8% during 1H2019.

EBITDA: EBITDA for 1H2019 recorded EGP 278 million, down 1.3% y-o-y given lower than expected performance from the Contact Center and Logistics business units. Subsequently, EBITDA margin recorded a 0.1 percentage-point y-o-y contraction to record 6.9%.

Net Loss: A net loss of EGP 51 million for 1H2019 was recorded compared to a net profit of EGP 17 million recorded during the same period last year.

Cash Position: As at the period ending June 30th 2019, the group maintains a ***cash balance*** of EGP 386 million equivalent to c. 5.5% of total assets due to significantly lower cash receivables. The group's ***Cash Flows from Operations*** posted EGP 32.5 million, a y-o-y decrease of 79% over the EG 154.4 million recorded during 1H2018.



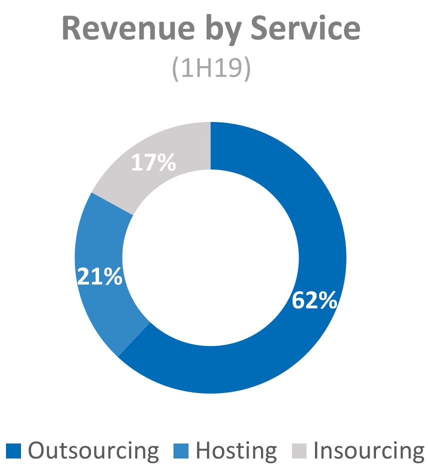
Strategic Business Units – Operational Overview:

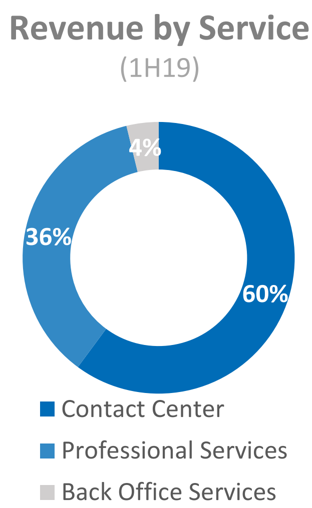
Raya Contact Center

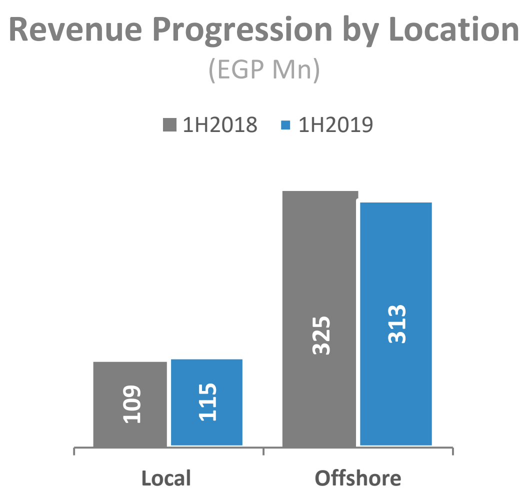
During the half ended at June 30th, 2019, ***Raya Contact Center (RCC)*** delivered nearly EGP 426 million in revenue, a 1.2% y-o-y contraction at the back of EGP appreciation which impacted topline growth given the company secures more than 70% of its revenues from offshore sources. COGS fell by nearly 2% on a yearly basis totaling c. EGP 262 million despite higher infrastructure and maintenance costs netting a gross profit of EGP 171.4 million. Gross profit grew by 0.4 pts y-o-y yielding a healthy 1H2019 gross profit margin of 40.2% compared to a 1H2018 gross profit margin of 39.8%.

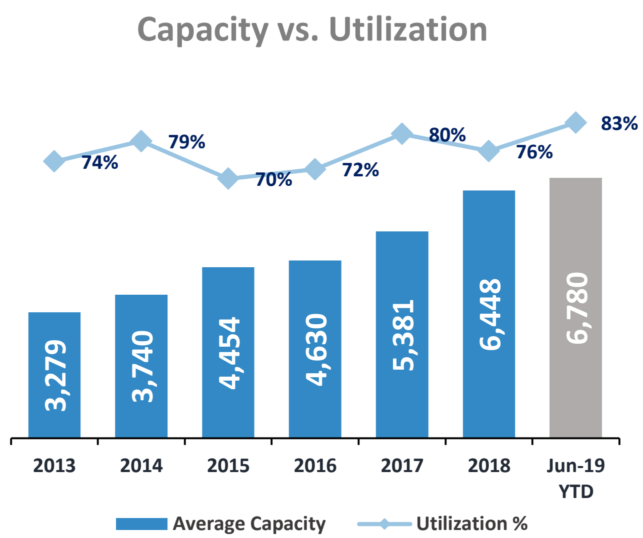
1H2019 SG&A totaled EGP 40.1 million, nearly 2% lower than the EGP 40.9 million of SG&A recorded during the same period in 2018 given pre-operating expenses of across the new facility expansions.

Rent expenses for the period increased by nearly 53% y-o-y to EGP 55.4 million as the company continues to further expand their workstation capabilities. As such, EBITDA for the half was pressured downwards posting nearly EGP 85.4 million, representing a 15% drop y-o-y and yielding an EBITDA margin of 20.2%. Net profit after tax came in at EGP 65.5 million, down nearly 26% y-o-y, with a net profit margin of 15.4%. Nevertheless, the effects of the said rent increase are expected to erode going forward as the expanded workstation capacity is full-filled and utilized.







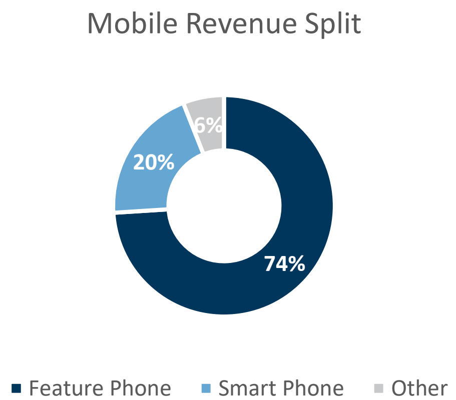


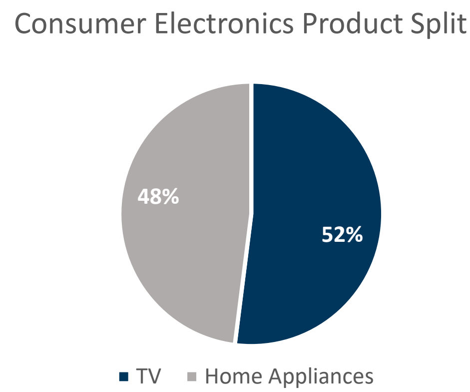
EGP Million	1H2019	1H2018	% Change - YoY
Revenue	**426.33**	**431.31**	***(1.15%)***
Gross Profit	**171.42**	**171.84**	***(0.24%)***
Gross Profit Margin	*40.21%*	*39.84%*	*0.37 pts*
EBITDA	**85.35**	**103.36**	***(17.43%)***
EBITDA Margin	*20.02%*	*23.96%*	*(3.94 pts)*
Net Profit	**65.50**	**88.44**	***(25.94%)***
Net Profit Margin	*15.36%*	*20.51%*	*(5.15pts)*

Raya Trade and Distribution

Raya Trade and Distribution business unit recorded a total revenue of EGP 1.9 bn for 1H2019, contracting by 8.9% y-o-y. The reduction in revenue came at the back of significantly lower Mobile sales as well Air conditioner distribution sales due to seasonality effects pertaining to Ramadan and Eid holidays. However, the contraction was fairly mitigated from the Nigeria operations where revenues almost doubled y-o-y. 1H2019 gross profit recorded nearly EGP 254 million achieving a y-o-y growth of 3.5% with a gross profit margin of 13.2%. EBITDA came in at almost EGP 107 million contracting 13.7% y-o-y and yielding a 5.6% EBITDA margin.

Operationally, the business unit was able to successfully resolve the regulatory and customs challenges in Q1 with mobile phone sales expected to rebound during Q3 and Q4. On the IT distribution front, the retail team was able to capitalize on the Raya Electronics arm for B2B/B2C sales to win new tenders while continuing to aggressively pursue other B2C and B2G bids. With respect to consumer electronics distribution, new brands and products are expected to be introduced during 2H2019 while capitalizing on increasing demand across the TV market size as well as new additions in the Smart care (after-sales) service offerings.



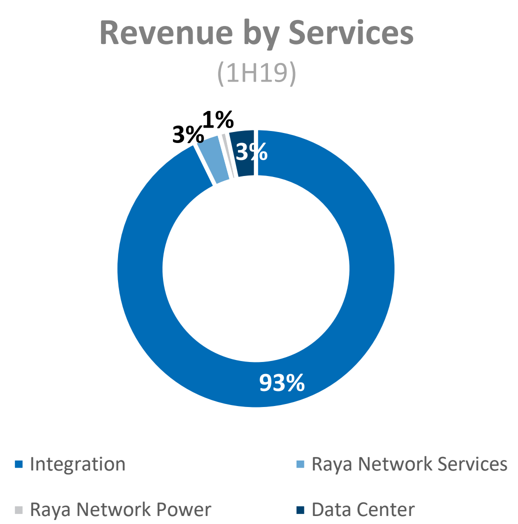


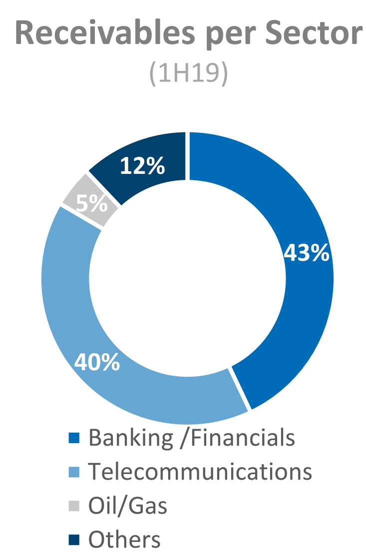
EGP 000	1H2019	1H2018	% Change - YoY
Revenue	**1,924,795**	**2,112,767**	***(8.9%)***
Gross Profit	**253,956**	**245.483**	***3.5%***
Gross Profit Margin	*13.2%*	*11.6%*	*1.6 pts*
EBITDA	**106,982**	**123,949**	***(13.7%)***
EBITDA Margin	*5.6%*	*5.9%*	*(0.3 pts)*

Raya Information Technology

During 1H19, ***Raya Information Technology (IT)*** recorded total revenues of EGP 731 million, 1.7% higher than 1H2018. COGS for the half decreased by 1.2% to post EGP 588.7 million, subsequently yielding a gross profit of EGP 143.2 million. The gross profit for 1H2019 came in 15.8% higher on a yearly basis and yielded a 19.6% gross margin. With respect to EBITDA, Raya IT was able to achieve EGP 78.7 million at a margin of 10.8%, increasing by 22.4% y-o-y.

The company continues to deliver through its fundamental business drivers with the bulk of its revenue generated through the Integrations services, while the Network services and Data Center continued to be joint second biggest revenue contributors. The Business unit recently inaugurated a state of the art expansion to its Data Center in the 6th of October city, enabling it to further expand the volume of clients served. The Banking and Financial sector continues to account for the majority of the company's overall operations given the sector's dominant share of the company's receivables in the near term.





EGP 000	1H2019	1H2018	% Change - YoY
Revenue	**731,911**	**719,413**	***1.7%***
Gross Profit	**143,225**	**123,705**	***15.8%***
Gross Profit Margin	*19.6%*	*17.2%*	*2.4 pts*
EBITDA	**78,712**	**64,330**	***22.4%***
EBITDA Margin	*10.8%*	*8.9%*	*1.9 pts*

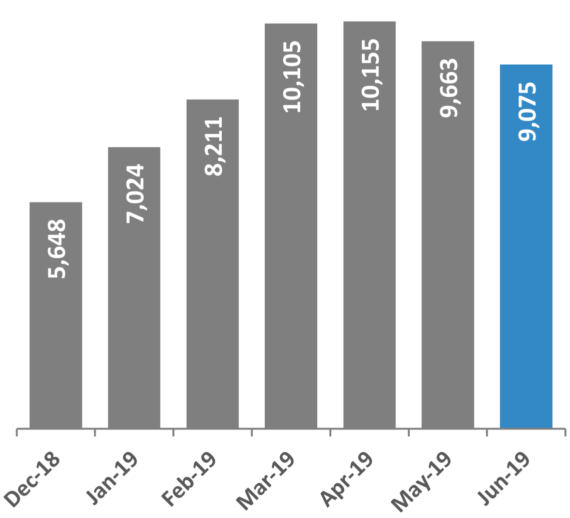
Raya FMCG

During the first half of 2019, the FMCG business unit was able to expand its revenues by nearly 33% y-o-y posting EGP 314 million in total revenue from both operations: ***Raya Foods*** and ***Raya Food Trade***. Gross profit expanded by 52.3% on a yearly basis from EGP 24 million in 1H18 to EGP 36.6 million in 1H19 whereas gross profit margin expanded by 1.5 percentage points y-o-y to 11.7% during the half. FMCG's consolidated 1H19 EBITDA logged a loss of EGP 5.8 million despite Raya Foods posting EGP 2.4 million in EBITDA, an 84% y-o-y growth.

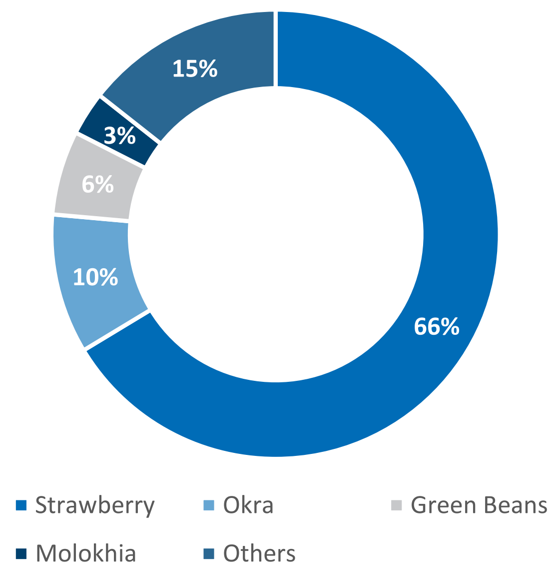
Raya Foods continues to exceed planned volumes after the factory rehabilitation whereby the company was able to generate a total production volume of 11,672 tons for 1H2019. Headcount was expanded in parallel in order to sustain the growing operations at the factory with total headcount reaching 503 as at June 2019 compared to 473 in January 2019.

With the successful agreement for a Euro 5 million loan from the European Bank for Reconstruction and development (EBRD), Raya Foods will continue with the ongoing efforts to expand the production lines at the factory in addition to expanding its storage facilities. Such efforts will enable the company to further mitigate the seasonality of the crops which requires higher inventory buildup during certain segments of the year. Furthermore, the company will be able to significantly reduce its reliance on third party cold stores and the associated rental costs which would reflect on the company's profitability going forward.

Inventory Progression
(Tons)



Product mix
(1H19)



EGP 000	1H2019	1H2018	% Change - YoY
Revenue	**314,553**	**235,564**	***33.5%***
Raya Food Trading	**183,533**	**152,983**	**20.0%**
Raya Foods	**131,020**	**82,581**	**58.7%**
Gross Profit	**36,642**	**24,056**	***52.3%***
Gross Profit Margin	*11.7%*	*10.2%*	*1.5 pts*
EBITDA	**(5,780)**	**(4,729)**	***22.2%***
EBITDA Margin	*(1.8%)*	*(2.0%)*	*0.2 pts*

Non-Banking Financial Services

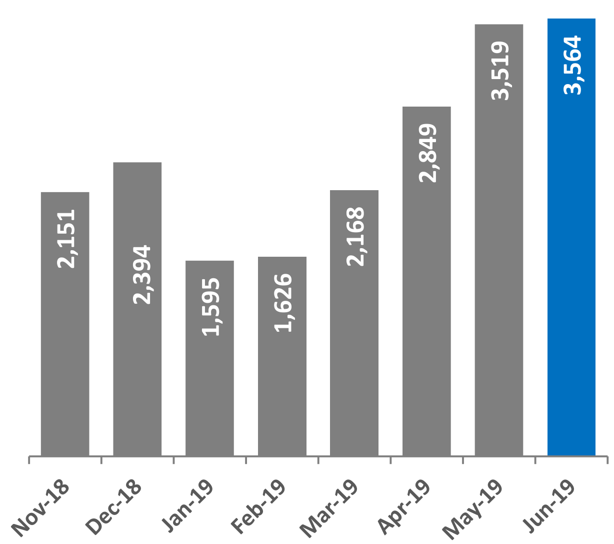
The Non-Banking Financial Services (NBFS) business unit continues to expand across all three portfolio companies: AMAN Financial Services, AMAN for Microfinance and AMAN For E – Payments. On an aggregate level, the business unit increased revenues by a staggering 1.7x y-o-y posting EGP 267.3 million. The unit expanded its gross profit 3.5x achieving EGP 74.4 million during 1H19 against the EGP 16.4 million recorded the previous year. Gross profit margin grew by 11.2 percentage points to 27.9%. EBITDA continued to post negative numbers weighed down by the operational startup costs, yet the loss margins have improved significantly given the growing revenues.

AMAN Financial Services continues to strengthen its foothold in the consumer financing market with H1 revenues growing 2.2x y-o-y from EGP 40.7 million to EGP 131.2 million, the majority of which is through installment sales for consumer goods. Gross profit stood at EGP 23.4 million with a gross profit margin of 20.2%, almost double the 10.2% margin recorded during 1H2018. The company now boasts an extensive branch network of 250 stores nationwide run by a manpower of almost 900 employees, 60% of whom on the operations front. At the back of such extensive geographic presence, the company expects to roll out new services during the second half of 2019

AMAN For E – Payments witnessed a significant growth in revenues by 70% y-o-y to post EGP 96.8 million during 1H19. The company achieved a gross profit of EGP 23.4 million, a 95.8% y-o-y growth, which translates to a gross profit margin of 24.2%. With a POS network of nearly 30,000, the company is now capable of processing an average of circa. 12 thousand throughputs per each point of service with a total throughput of more than EGP 2 billion during 1H19.

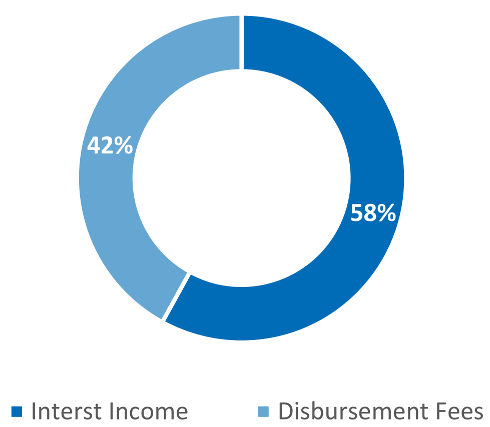
AMAN for Microfinance achieved EGP 39.3 million in revenues during 1H2019. The company also achieved a gross profit of EGP 24.5 million with a gross profit margin of 62.3%. EBITDA for the half recorded EGP 7 million with a margin of 17.8%. The company was able to achieve profitability during the half with a net profit of EGP 2.4 million, a considerable achievement given the company just completed its first year of operations. The company currently maintains an EGP 211 million principle portfolio over 28,899 active loans. In addition, the company's total loan disbursement currently amounts to EGP 302 million over 30,297 loans. Between June 2018 and June 2019, the company's monthly loan disbursement grew at a compounded growth rate of 26.7% while the monthly number of loans grew at a compounded growth rate of 27.2%.

AMAN FS Active Applications



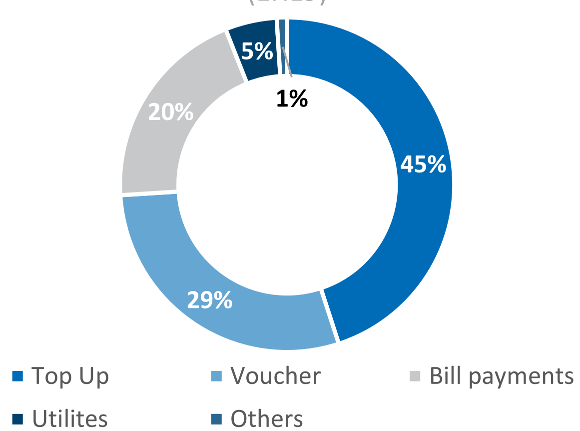
Microfinance Revenue Mix

(1H19)



E-Payments Revenue Mix

(1H19)



EGP 000	1H2019	1H2018	% Change - YoY
Revenue	**267,305**	**97,983**	***173%***
AMAN E-Payments	**96,785**	**57,081**	***70%***
AMAN Financial Services	**131,202**	**40,737**	***222%***
AMAN Microfinance	**39,318**	**166**	**N/A**
Gross Profit	**74,438**	**16,353**	***355%***
Gross Profit Margin	*27.9%*	*16.7%*	*11.2 pts*
EBITDA	**(32,035)**	**(49,690)**	***(35.5%)***
EBITDA Margin	*(11.98%)*	*(50.7%)*	*38.7 pts*

Smart Buildings & Retail

The Smart Buildings & Retail business unit delivered strong results during the first half of 2019. Revenues grew by 20.1% y-o-y posting a total of EGP 83.6 million. The business unit delivered EGP 26.1 million in gross profit at a margin of 31.2% while EBITDA came in at EGP 18.7 million with a 22.4% margin.

Raya Restaurants continued to deliver revenue growth recording a 25.8% increase y-o-y to EGP 30.8 million. The company also delivered an impressive 43.6% gross profit margin during 1H2019 against a 36.0% margin recorded during 1H2018. EBITDA stood at nearly EGP 4 million with a y-o-y growth of 50% and an EBITDA margin of 12.9%. The results were driven by stellar performance from Ovio's prime Maadi, CFC and Galleria 40 locations given increases in the average check size per customer in addition to improvements in manpower utilization as wells optimizing G&A expenses. The company currently maintains 9 locations occupied by its Ovio, Little Ovio and Sanos brands with plans to roll out new locations and potentially expand into other food concepts.

Raya Smart Buildings 1H2019 revenues amounted to EGP 52.9 million, increasing by 17.1% y-o-y. The company's gross profit logged EGP 12.7 million at a 23.9% margin of revenue, a 4.7 percentage point increase over that of 1H2018. The company achieved an EBITDA of EGP 14.7 million which translated into a 27.9% EBITDA margin. Revenues were mainly driven by leases of office space and retail space at Galleria 40 as well as leases from the Raya View building in Smart Village. Costs where driven by increases in contractual items costs such as security and housekeeping given the rapid increase in the offices occupancy rates. As at June 30th, 2019, the average occupancy rate at Galleria 40 stood at 91% and at 71% at Raya View.

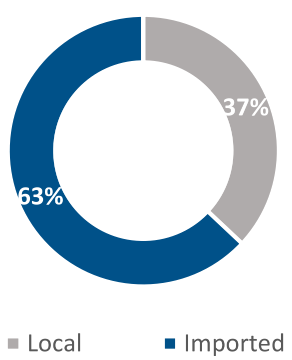
EGP 000	1H2019	1H2018	% Change - YoY
Revenue	**83,596**	**69,583**	***20.1%***
Raya Restaurants	**30,750**	**24,445**	***25.8%***
Raya Smart Buildings	**52,846**	**45,138**	***17.1%***
Gross Profit	**26,047**	**17,489**	***48.9%***
Gross Profit Margin	*31.2%*	*25.1%*	*6.1 pts*
EBITDA	**18,714**	**17,868**	***4.7%***
EBITDA Margin	*22.4%*	*25.7%*	*(3.3 pts)*

BariQ (Manufacturing & Industrials)

During 1H2019, ***Bariq*** was able to successfully increase its revenues by nearly 50% y-o-y, posting EGP 154.7 million. The revenue growth was mainly driven by higher than expected RPET quantities produced and sold amounting to 6,784 tons and 6,995 tons respectively despite lower than expected unit prices. Gross profit increased by 66.3% y-o-y posting nearly EGP 39.9 million at a margin of 25.8%, 2.2 percentage points higher than 1H2018. EBITDA for period more than doubled posting EGP 25.3 million against the 11.1 million posted in 1H2018. Bariq's EBITDA margin also improved by 5.6 percentage points to record 16.4% during the half. The company was successful in reducing its shipping costs by more than a third while also improving its demurrage discount recovery.

The company continues to invest in enhancing production capacity and quality. At the end of April 2019, the company successfully completed the installation of a new flakes sorter which reflected on a reduced downtime given a more optimized sorting operation and significantly higher quality yields. Going forward, the company expects significant upward pressure on RPET demand given the recent European Union directives pertaining to single-use plastics.

PET Source Distribution
(1H19)



YTD **12,647** tons
Volume of PET Purchased

EUR **1,214**
Unit Sales Price

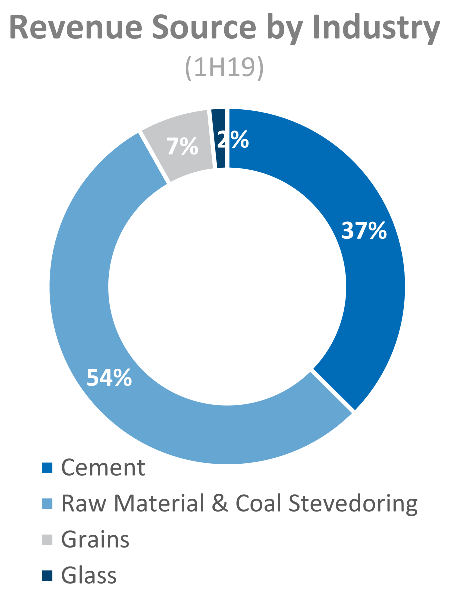
EGP 000	1H2019	1H2018	% Change - YoY
Revenue	**154,741**	**103,282**	***49.8%***
Gross Profit	**39,930**	**24,014**	***66.3%***
Gross Profit Margin	*25.4%*	*23.2%*	*2.2 pts*
EBITDA	**25,315**	**11,107**	***127.9%***
EBITDA Margin	*16.4%*	*10.8%*	*5.6 pts*

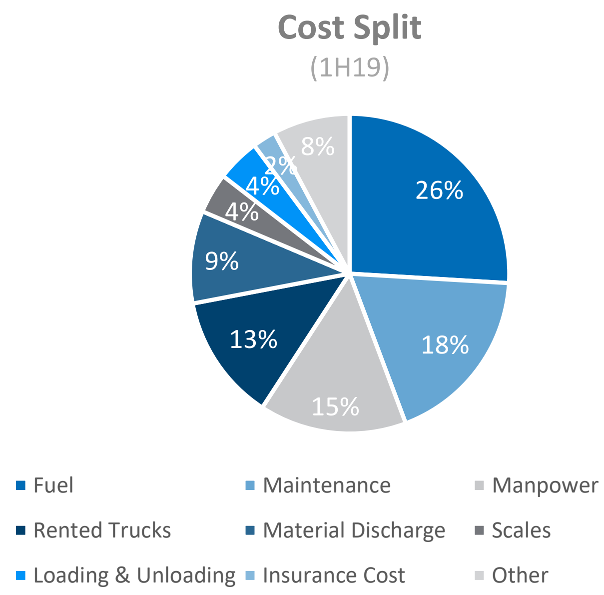
Logistical Services

Ostool

Revenues for 1H2019 were down 41.7% y-o-y recording EGP 178.1 million at the back of the slump in sales across the local cement industry, a major contributor to revenue. However, the company still delivered a gross profit of EGP 34.3 million, 16% higher y-o-y, at a gross profit margin of 19.2%. The company also recorded a 1H2019 EBITDA of EGP 37.5 million against the EGP 31.3 million recorded the previous year at an EBITDA margin of 21%.

Ostool was able to successfully mitigate the drop in revenues with prudent expense allocations while efficiently controlling for the level of COGS which dropped by 48% y-o-y. The cost mix for the company remained unchanged with manpower, fuel, rentals and maintenance accounting for circa 72% of the incurred costs. During the half, management was able to better enhance the revenue mix by shifting its focus towards transporting raw materials and stevedoring while continuing to maintain a strong presence within the cement sector.





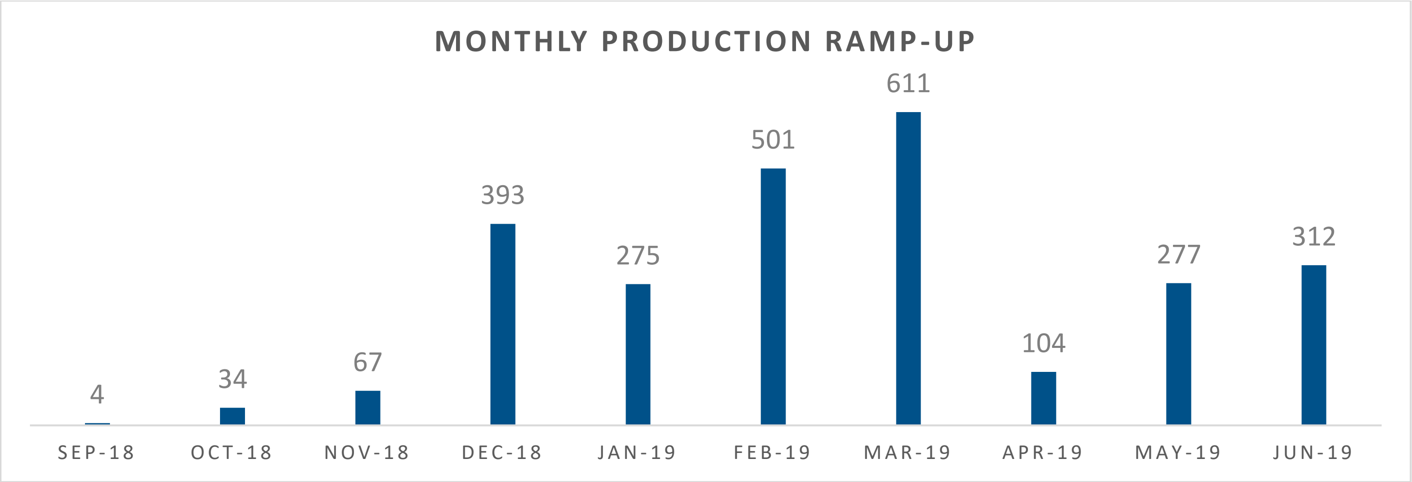
EGP 000	1H2019	1H2018	% Change - YoY
Revenue	**178,143**	**305,536**	***(41.7%)***
Gross Profit	**34,268**	**29,532**	***16.0%***
Gross Profit Margin	*19.2%*	*9.7%*	*9.5 pts*
EBITDA	**37,458**	**31,316**	***19.6%***
EBITDA Margin	*21.0%*	*10.3%*	*10.7 pts*

Other Investments:

Raya Advanced Manufacturing

Raya Auto is a subsidiary of Raya Holding with a total investment of EGP 100 million. Raya Auto is responsible for assembling and selling Piaggio light transport vehicles (LTVs) in addition to providing after-sales and maintenance services. Raya Auto had acquired a factory in early 2018 with a total built-up area of 8,500 sqm to assemble four-wheel golf carts, three-wheel passenger and cargo vehicles, as well as two-wheel motorcycles and scooters. The factory was commissioned in October 2018 with operations beginning to ramp-up during December 2018 initially with the three-wheelers assembly line. The company expects to soon commence operations on the two-wheelers assembly line, with sales rolling out in 4Q-2019.

EGP 000	1H2019	1H2018	% Change - YoY
Revenue	**42,917**	**N/A**	***N/A***
Gross Profit	**1,750**	**N/A**	***N/A***
Gross Profit Margin	*4.1%*	*N/A*	***N/A***
EBITDA	**(8,204)**	**N/A**	***0.60%***
EBITDA Margin	*-19.1%*	*N/A*	***N/A***



About Raya Holding

Raya Holding is an auspicious investment conglomerate Headquartered in Cairo, Egypt, managing a diversified investment portfolio. As the parent company of eleven up-and coming lines of business, Raya Holding operates in the fields of information technology, data center outsourcing, contact center, smart buildings, consumer electronics, food and beverage, land transport, PET re-manufacturing, E-payments and Non-banking financial services. Raya Holding shares have been listed in the Egyptian Exchange (EGX) since 2005, while the company empowers more than 11,000 proficient employees, accommodating a wide international customer base from offices based in Egypt, Saudi Arabia, UAE, Qatar, Poland, Tanzania and Nigeria.

For further information, Please contact:

Raya Holding for Financial Investments

Hossam Hussein
Ahmed Nour Eldin Hassan
Aser Mokhtar

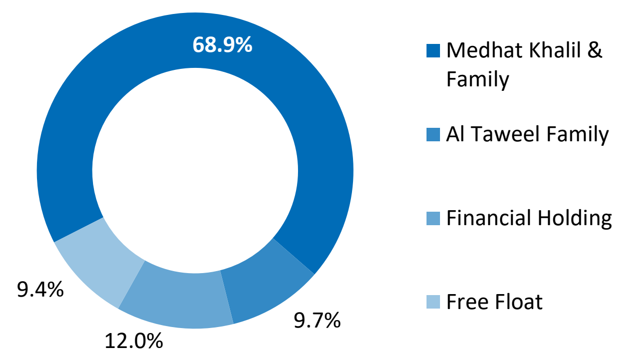
Investor Relations, Investments and Corporate Finance Department

T: +2 (0)2 3827 6000
investor_relations@rayacorp.com

RAYA.CA on the EGX	
Number of Shares	214,399,519
Share Price (22 Aug. '19)	EGP 4.41
Market Cap (22 Aug. '19)	EGP 945,501,879

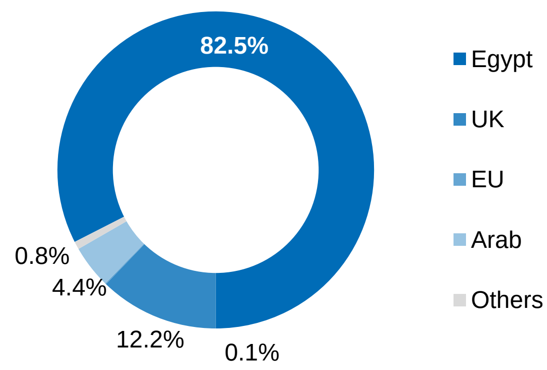
Shareholding Structure

(as at 22 Aug, 2019)



Shareholders by Geography

(as at 22 Aug, 2019)



Forward-Looking Statements

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

Forward-looking statements reflect our management's ("Management") current views of future events, are based on Management's assumptions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these for0ward-looking statements. The occurrence or non-occurrence of an assumption could cause our actual financial condition and results of operations to differ materially from, or fail to meet expectations expressed or implied by, such forward-looking statements. Our business is subject to a number of risks and uncertainties that could also cause a forward-looking statement, estimate or prediction to become inaccurate. These risks include fluctuations in the prices of raw materials or employee costs required by our operations, its ability to retain the services of certain key employees, its ability to compete successfully, changes in political, social, legal or economic conditions in Egypt, worldwide economic trends, the impact of war and terrorist activity, inflation, interest rate and exchange rate fluctuations and Management's ability to timely and accurately identify future risks to our business and manage the risks mentioned above.

Consolidated Income Statement

EGP	1H2019	1H2018	*Change*
Sales	**4,058,218,043**	**4,011,754,078**	***1.2%***
COGS	(3,276,540,555)	(3,359,280,286)	*(2.5%)*
Gross Profit	**781,677,488**	**652,473,792**	***19.8%***
General & Administrative Exp.	(429,206,877)	(325,520,352)	*31.9%*
Selling & Marketing Exp.	(169,302,868)	(124,161,780)	*36.4%*
Board Remuneration	(210,000)	(125,000)	*68.0%*
Provisions	(1,290,406)	(4,666,365)	*13.3%*
Provisions (No Longer Required)	48,000	599,596	*(92.0%)*
Impairments	(16,064,770)	(7,565,092)	*112.4%*
Impairments Reversal	2,018,924	5,710,872	*(64.6%)*
Operating Profit	**167,669,491**	**196,745,671**	***(14.8%)***
Interest Income (Expense)	(208,351,793)	(160,734,681)	*29.6%*
FX Gain (Loss)	2,356,222	(234,998)	*(1102.7%)*
Company's share in profits of associates	2,186,423	1,304,712	*67.6%*
Other losses	(222,883)	364,773	*(161.1%)*
Gain on Sale of Fixed Assets	2,186,523	(122,517)	*(1884.7%)*
Gain from sale of investments in associates	793,277		
Takaful contribution	(2,750,835)	-	
EBT	**(36,133,575)**	**37,322,960**	***(196.8%)***
Tax	(14,811,316)	(20,215,418)	*(26.7%)*
Net Income	**(50,944,891)**	**17,107,542**	***(397.8%)***
Distributed as follows:			
Shareholders of the Parent Co.	(81,806,195)	(22,906,079)	
Minority Interest	30,861,304	40,013,621	
Earnings Per Share			

Consolidated Balance Sheet

	30-Jun-19	31-Mar-19	31-Dec-18
Assets	-		
Long Term Assets			
Fixed Assets	938,116,309	822,758,375	789,789,591
Investment property	633,457,809	639,083,157	645,309,172
Projects under construction	341,791,590	337,117,633	295,535,945
Intangible Assets	19,162,942	22,721,115	24,392,080
Goodwill	82,078,561	82,078,561	82,078,561
Investments in associates	52,368,545	50,086,597	50,182,123
Available for sale investments	30,312,650	31,020,913	28,187,862
Deferred Tax Asset	72,606,129	61,183,431	49,831,539
Total Long term Assets	**2,169,894,535**	**2,046,049,782**	**1,965,306,873**
Current Assets	-		
Inventory	1,251,778,950	1,082,704,526	1,100,029,281
Work in progress	75,662,763	134,493,548	35,370,215
Accounts & notes receivable	1,973,173,131	1,835,638,130	1,622,734,746
Prepayments & Other Debit Balances	1,141,598,002	1,060,399,162	901,519,761
Share based compensations	720,000	720,000	720,000
Cash on hand and at banks	386,091,352	582,488,206	461,140,699
Total Current Assets	**4,829,024,198**	**4,696,443,608**	**4,121,514,702**
Total Assets	**6,998,918,733**	**6,742,493,390**	**6,086,821,575**
Equity	-		
Issued and Paid Capital	1,071,997,595	1,071,997,595	630,586,820
Legal Reserve	64,197,233	59,994,255	59,994,255
General Reserve	41,935,960	41,935,960	41,935,960
Treasury shares	(1,155,316)	-1,155,316	-1,155,316
Revaluation reserve of available for sale investments	9,073,052	9,621,956	8,168,976
Accumulated foreign currency translation	(17,280,773)	9,388,504	5,270,682
Retained Earnings	(149,276,463)	-10,888,960	479,141,901
Profits for the year after deducting non-controlling interest	-81,806,195	-43,343,528	5,379,661
Total Equity before deducting non-controlling interest	**937,685,093**	**1,137,550,466**	**1,229,322,940**
Non-controlling interest	226,783,466	260,258,524	243,124,261
Total Equity	**1,164,468,559**	**1,397,808,990**	**1,472,447,201**

Liabilities	-		
Long Term Liabilities			
Long term notes payable	77,140,817	84,811,586	70,315,254
Long term loans	306,850,325	317,823,443	313,869,316
Other long term liabilities	83,995,277	80,245,896	70,622,128
Total long term Liabilities	**467,986,419**	**482,880,925**	**454,806,698**
Current Liabilities	-		
Provisions	33,734,391	34,099,854	32,047,916
Accounts and notes payable	1,373,337,078	1,293,394,750	1,145,548,970
Current portion of long term debt	150,533,536	165,009,978	165,320,268
Credit facilities	2,638,185,391	2,255,259,626	2,034,347,675
Income tax payable	-	514,991	8,004,387
Accrued expenses & other credit balances	1,096,098,567	1,097,317,712	763,018,981
Dividends Payable	74,574,792	16,663,734	11,279,478
Total Current Liabilities	**5,366,463,755**	**4,861,803,475**	**4,159,567,675**
Total Liabilities	**5,834,450,174**	**5,344,684,400**	**4,614,374,374**
Total Liabilities & Equity	**6,998,918,733**	**6,742,493,390**	**6,086,821,575**