

Egypt Kuwait Holding Co. Releases Q1 2019 Earnings Results

EKH sees attributable net income grow 43% Q-o-Q; top-line growth was organic and propelled by operational advances across the board, filtering down effectively to the bottom line; management sees opportunities for profitable expansion throughout the Group

Key Highlights of Q1 2019

USD 140.2 mn
in Revenues

USD 50.1 mn
in Gross Profit

36%
Gross Profit Margin

USD 40.9 mn
in Operating Income

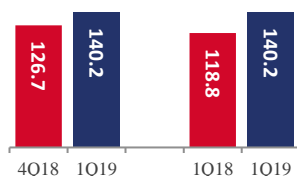
USD 50.7 mn
EBITDA 36%

USD 38.5 mn
Attributable EBITDA 39%

USD 37.5 mn
in Net Income

USD 28.8 mn
in Attributable Net Income

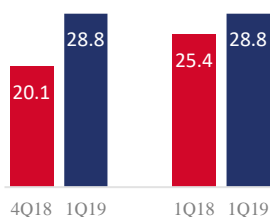
Group Revenue (USD mn)



14 May 2019 | 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 first quarter ended 31 March 2019.

EKH recorded consolidated revenues of USD 140.2 million during Q1 2019, an increase of 18% y-o-y. Solid top-line expansion was supported by a broad-based upsurge in performance across EKH's business segments. Revenues from the Energy & Energy-Related segment grew at a particularly rapid 33% y-o-y, driven by continuous operational improvements and the passage of a full year since the consolidation of Offshore North Sinai. On a quarterly basis, EKH's revenues in Q1 2019 were up by 11% on the USD 126.7 million recorded in Q4 2018. With no non-recurring gains in the comparable periods, the Group's rising top line reflects purely organic business growth, as well as successful efforts at fostering operational efficiency.

Attributable Net Income (USD mn)



Cost-control measures across EKH's business segments have seen the Group's solid top-line expansion filter down effectively to its bottom-line. Attributable EBITDA climbed by 15% y-o-y to reach USD 38.5 million, exceeding management guidance for the quarter. Net income for Q1 2019 amounted to USD 37.5 million, up by 15% from the USD 32.6 million recorded during the same quarter last year. On a quarterly basis, the Group's net income grew at a rapid 33% from the USD 28.3 million recorded in Q4 2018. EKH's net profit margin stood at 27% in Q1 2019, remaining steady y-o-y and rising substantially from the 22% margin recorded during the previous quarter. Consolidated attributable net income stood at USD 28.8 million in Q1 2019, an increase of 13% on the USD 25.4 million recorded a year previously. Quarter-on-quarter, attributable net income expanded by 43% from USD 20.1 million in Q4 2018, as operational improvement and cost management combined to reflect on the Group's bottom-line.

Comments from the Chairman, Mr. Moataz Al-Alfi

I am very pleased with our performance in the start of the year, with EKH delivering the strongest operational quarter in its history during Q1 2019. All of EKH's businesses have grown operationally as they reap the rewards of our investment strategy that focuses on long-term plays with less volatility and clear earnings visibility. Management was also particularly successful in improving operational efficiency and cost-management, allowing top-line gains to filter and expand down our income statement.

The results are clear with double-digit top-line growth both on a year-on-year (+18%) and quarter-on-quarter (+11%) basis. The Group's year-on-year revenue growth was equally driven by AlexFert, owing to urea price appreciation, and NatEnergy, on account of growth in natural gas distribution and electricity generation businesses. On a quarterly basis, improved volumes and product mix at Sprea Misr helped it contribute the lion's share to EKH's consolidated top-line growth quarter-on-quarter in Q1 2019.

Our efforts in 2019 have focused thus far on cementing these gains with expansion drives across our portfolio and on-the-ground investment in operational growth. We see multiple avenues for growth at our businesses and have earmarked a capital expenditure budget of USD 180 million to actively pursuing them with creative value-adding strategies.

At our Energy and Energy-Related businesses, our primary focus is the realization of incremental value from our upstream gas production at Offshore North Sinai. While our drilling campaign has faced some delays due to bad weather conditions, we expect the fourth well at the Tao field to come online by June 2019 and expect the full impact of the drilling campaign to hit our income statement during 1H 2020. We are also cautiously optimistic with regards to the economic viability of our deep-layer reserves and are implementing a strategy that focuses on de-risking. EKH is currently developing a detailed development plan for the deep layers and will consider a post-valuation partial exit, allocating proceeds for the drilling of an exploratory well. Meanwhile, we continue to make progress in our detailed production plan for shallow layers, including in the Kamose field, which encompasses drilling four new wells and installing one platform connected to the existing pipeline.

Management is also pushing forward growth initiatives at our midstream business as we seek to capitalize on Egypt's industrialization and infrastructure development efforts. We remain as one of the most agile natural gas distributors, with access to high-growth concessions and a reputation for quality and efficiency. EKH will work to replicate NatGas' success further afield with the acquisition of Shield Gas. Shield Gas is a natural gas distribution player in the United Arab Emirates', where the government is pushing to substitute gas cylinders consumption with centralized gas systems, posing a clear opportunity for value creation in the sector. Management aims to catalyze a fivefold expansion in Shield Gas' operations in the years to 2024.

Meanwhile, we see incredible potential in the power generation and distribution sector where Kahraba is quickly cementing its position as a formidable player in the market. To this end, Kahraba aims to increase its generation capacity from 75MW to 115MW by 2020, and we have recently signed a 30-year electricity distribution contract that will see Kahraba distribute up to 60 MW to the Anshas Industrial Zone. This new step comes at a time when Egypt is looking to clear bottlenecks in its nationwide distribution grid.

At our Fertilizers and Petrochemicals sector, we are anticipating an uptick in urea demand as we head into the summer crop season. Urea prices have already been on the rise year-on-year and our stable feedstock supply, high utilization rates and access to global market position us well to capture the upside. I am also optimistic with regards to Sprea Misr where a sound business model has proven resilient and adaptable to shifting market dynamics. Flexibility in Sprea's product mixes and the ability to introduce new products allows it to lock-in profitability margins by matching output with market demand. We also continue to push forward with growing Sprea's regional footprint, with export sales contributing today 28% of revenues versus 27% in FY2018.

Our greenfield venture for the manufacturing of Medium-density Fiberboard (MDF) is progressing on plan, with production expected to commence by Q4 2020. EKH is assessing the optimal capital structure for the venture and is actively screening strategic partners who can unlock additional value.

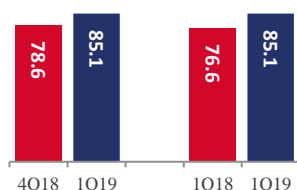
We have also conducted full due diligence on Emisal Salts, a manufacturer of raw materials for the salts derivatives industry, and EKH's Board of Directors approved the submission of a mandatory offer. Emisal Salts presents an exciting opportunity as an import substitute play and I look forward to updating you with developments on that front in due course.

In summary, we have kicked-off 2019 stronger than ever with all our businesses standing on firm ground and geared for growth. We are also actively laying the foundation for our next growth phase with an eye for fundamentally stable sectors and predictable models for shareholder value creation.

61%

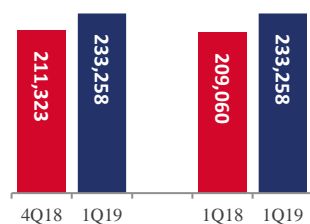
of Group Revenues
in Q1 2019

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	Q4 2018	Q1 2019	% Change	Q1 2018	Q1 2019	% Change
Revenues	78.6	85.1	8%	76.6	85.1	11%
Gross Profit Margin	33%	30%	(3 ppt)	28%	30%	2 ppt
EBITDA Margin	37%	34%	(3 ppt)	32%	34%	2 ppt
Net Profit	19.4	20.2	4%	17.3	20.2	17%
Net Profit Margin	25%	24%	(1 ppt)	23%	24%	1 ppt
Net Profit attributable to EKH	12.7	13.9	10%	11.9	13.9	17%

EKH's Fertilizers & Petrochemicals segment saw revenues reach USD 85.1 million in Q1 2019, up 11% y-o-y on the back of a continued rapid expansion at AlexFert. Segmental net profit came to USD 20.2 million in Q1 2019, an increase of 17% y-o-y and yielding an improved NPM of 24%. Quarter-on-quarter, the segment's revenues expanded by 8% on the back of contributions from both Sprea Misr and AlexFert. Segmental net profit grew at 4% quarter-on-quarter, with the NPM remaining steady during the quarter.

AlexFert saw its revenues climb 21% y-o-y to USD 54.3 million in Q1 2019, with the increase driven primarily by a pronounced rise in urea prices during the period. Higher priced export sales of urea were the main driver of AlexFert's top line expansion, with demand from the key Indian market climbing rapidly. AlexFert recorded a net profit of USD 11.5 million in Q1 2019, a climb of 20% y-o-y underpinned by stable supplies of natural gas, thanks to which the subsidiary achieved a record operational utilization rate of 107% during Q1 2019. The subsidiary's net profit margin remained stable at 21% during Q1 2019. On a quarterly basis, growth in AlexFert's revenues was more subdued at 3% q-o-q, with prices remaining somewhat stable compared to Q4 2018. Net profit declined by 6% q-o-q, with more production sold locally than as exports during the quarter.

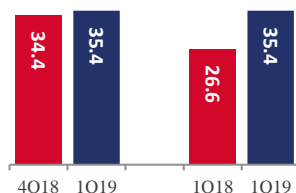
Moving forward, management expects AlexFert to benefit from favorable seasonal factors. The fertilizing period for summer crops falls within the second quarter of the year, allowing the subsidiary to continue building up inventory ahead of an expected stoppage for maintenance in Q3 2019.

Revenues from Sprea Misr recorded USD 30.8 million in Q1 2019, representing a decline of 3% y-o-y resulting from demand and price fluctuations. Sprea Misr booked a net profit of USD 8.7 million during the quarter, up by 13% on the bottom-line recorded in Q1 2018 to yield a four percentage-point improvement in the net profit margin to 28%. This significant increase in profitability indicates the consistent robustness of Sprea Misr's business model in the face of changing external conditions and its ability to rapidly and efficiently alter its diverse product mix, qualities which are further reflected in the subsidiary's quarterly performance. Sprea's top line climbed by 20% q-o-q due to improved efficiency at its SNF operation and, to a lesser degree, heightened demand for formica sheets. Net profit grew at an even more rapid 22% q-o-q, boosted by lower feedstock prices and the growing share of sales committed to export.

Sprea received 28% of its revenues from export sales during Q1 2018 against 26% for FY 2018, making tangible progress on its strategic objective of profitable geographic expansion in neighboring markets. Continued efforts at engendering operational efficiencies and boosting utilization rates, combined with the introduction of new products, will further serve to bolster the proven resilience of Sprea Misr's bottom line.

25%
of Group Revenues
in Q1 2019

Revenues (USD mn)



Energy & Energy-Related

Egypt Kuwait Holding's investments in the Energy and Energy-Related Segment includes NatEnergy and Offshore North Sinai (ONS). 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	Q4 2018	Q1 2019	% Change	Q1 2018	Q1 2019	% Change
Revenues	34.4	35.3	3%	26.6	35.3	33%
Gross Profit Margin	36%	45%	9 ppt	49%	45%	-4 ppt
EBITDA Margin	50%	49%	(1 ppt)	55%	49%	-6 ppt
Net Profit	12.2	15.0	23%	12.8	15.0	17%
Net Profit Margin	35%	42%	7 ppt	48%	42%	-6 ppt
Net Profit attributable to EKH	10.8	13.2	22%	11.5	13.2	15%

The Energy & Energy-Related segment saw its revenues climb by 33% y-o-y to record USD 35.4 million in Q1 2019. This substantial increase stemmed from rapid growth at NatEnergy as well as contributions from ONS, which was consolidated during the same quarter of 2018. Segmental net profit came to USD 15.0 million in Q1 2019, growing at 17% y-o-y on the back of improved operational efficiency and a profitable installation mix at the gas distribution business, as well as rising electricity capacities and pricing at the electricity generation play. The segment's net profit margin declined by six percentage points y-o-y as the comparable period in Q1 2018 reflected exceptionally high margins from the midstream segment, driven by the lower blended cost of raw materials mix at the time. On a quarterly basis, Q1 2019 saw the Energy & Energy-Related segment's revenues grow by 3%. Net profit expanded at a rapid 23% q-o-q, driven by the electricity generation business.

ONS booked revenues of USD 8.8 million in Q1 2019, steady at their level from a year previously. ONS recorded an EBITDA of USD 6.8 million in Q1 2019, a y-o-y climb of 4% yielding a steady EBITDA margin at 77% for the quarter. On a quarterly basis, revenues at ONS were down by 21%, as the first newly drilled well earmarked for production in Q1 2019 experienced weather-related delays. EBITDA saw a similar quarter-on-quarter decline. ONS' net profit came to USD 4.2 million in Q1 2019, up by 6% from the previous quarter to yield a twelve percentage-point improvement in the NPM to 48%.

Four additional wells are currently being drilled at the ONS concession, with the first of these expected to come online by Q2 2019. Management expects the subsidiary's production ramp-up to intensify during the second half of the year, with the additional production poised to make a material contribution to EKH's consolidated top-line during 2020. Over the coming quarters, management will adopt a highly calibrated risk management strategy as regards ONS. EKH's priority will be to minimize risks associated with the operation while maximizing the value of ONS assets, entailing the execution of a fully detailed production plan for lower-cost extraction at the concession's shallow-surface (Pliocene) layer and the continuous development of plans for deep-layer (Pre-Messinian) production. Once Pre-Messinian reserves at the concession have been assessed, EKH will initiate a partial exit from ONS and allocate the proceeds to the drilling of an exploratory deep-layer well.

NatEnergy continued its rapid top-line expansion in Q1 2019, seeing its revenues climb 47% y-o-y to USD 26.6 million. On a quarterly basis, NatEnergy revenues expanded at 14% between Q4 2018 and Q1 2019. Growth was led primarily by NatEnergy's electricity generation business Kahraba, where generation revenues more than doubled in the year to Q1 2019. Meanwhile, NatEnergy's gas distribution subsidiaries NatGas and Fayoum Gas completed 51.5 thousand installations during Q1 2019, up from 35.7 thousand one year previously and 45.0 thousand during Q4 2018. NatEnergy recorded a net profit of USD 10.8 million in Q1 2019, up by 25% y-o-y and 31% q-o-q. Growth in the bottom-line was driven by a profitable volume expansion at Kahraba as well as an increasingly profitable installation mix at NatGas, where 60% of installations in Q1 2019 were private infill, the remainder being executed under government contracts. NatEnergy has benefited substantially from the Egyptian government's provision of incentives for subsidized households converting from cylinders to natural gas. Under this program subsidized beneficiaries are permitted to pay their installation fees in

installments over a period of six years, and EKH has worked to optimize its mix of subsidized and non-subsidized clients.

NatEnergy stands to benefit substantially from Egypt’s intensifying efforts at industrial and commercial development. NatGas serves some of the fastest growing concessions in the market, covering higher-end districts and areas expected to see heightened industrial demand for natural gas and energy over the coming years. On the electricity generation front, Kahraba continues to explore innovative avenues for value creation. Management has allocated the necessary investments to ensure that Kahraba continues to develop into one of EKH’s primary growth engines. To this end, Kahraba aims to increase its generation capacity from 70MW to 115MW by 2020 and continues to negotiate distribution contracts providing it with profitable exposure to Egypt’s main growth sectors.

14%
of Group Revenues
in Q1 2019

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 revenue growth of 20% y-o-y in Q1 2019 to USD 19.8 million, largely driven by improved performance at EKH’s wholly-owned subsidiary Delta Insurance. Delta recorded revenue growth of 24% y-o-y in Q1 2019 and contributed c.50% to the diversified total growth for the quarter. On a quarter-on-quarter basis, the segment delivered an impressive 45% increase in revenues compared to Q4 2019.

Outlook

Management is optimistic about EKH’s growth potential over the medium and long terms thanks to the Group’s ideal position in today’s markets and its ability to capitalize on favorable economic trends. EKH’s long-term investment strategy and investment portfolio leave it exposed to less volatile sectors with clear growth and earnings visibility.

The Group stands as the sole, fully-integrated energy play in Egypt at a time when the government is looking to establish the country as a natural gas hub and is mulling increased energy liberalization and infrastructure investment. Meanwhile, export-driven policies, including a favorable exchange rate regime, will unlock further growth potential at EKH’s Fertilizers & Petrochemical subsidiaries that are leveraging their reputation for quality and best-in-class production facilities.

EKH’s energy distribution businesses at NatEnergy are positioned as a quality service provider and a reliable partner in the government’s drive to rapidly accelerate its natural gas installations program to reach some c. 1.2 million homes per year – up from a current c.300-400k. EKH is also looking to replicate its success in Egypt’s natural gas distribution business in other regional markets, including the UAE where the group has acquired Shield Gas and holds ambitious growth plans for the venture over the coming five years.

Meanwhile, EKH is on track with its expansions at Kahraba were c.EGP 550 million have been earmarked for the addition of 40MW during 2019. The added capacity will allow Kahraba to capture a larger share of an increasingly liberalized market. The Group is also exploring opportunities in the electricity distribution market, and is looking into new creative ways of extracting value from the electricity market.

At ONS, management is regularly receiving updates on the concessions’ production profile and is cautiously optimistic regarding future upgrades to P1 reserve levels that currently stand at 218 bcf, up from 113 bcf in early 2018. EKH is carefully building a development plan for the concession’s potential

deep-layer reserves of over 1,531 bcf and is exploring opportunities to bring on an equity partner with proceeds being directed at an exploratory well.

Meanwhile at the Fertilizers & Petrochemical segment, management will continue to drive growth at Sprea Misr through capacity expansions and increasingly venture into new export markets as well drive increased operational efficiencies. Finally, the company is looking forward to replicate Sprea's success as an import substitute play with its recent venture into the production of MDF. EKH is already controlling a significant portion of the MDF market through trade, and thus local production will provide an import-substitute to an existing client base.

Recent Corporate Developments

Proposed Dividend

EKH's Board of Directors had proposed a cash dividend of USD 5 cents per share, reflecting a 4% yield, which has been distributed with an ex-dividend date of 23 April 2019.

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 \$)	Q1 2018	Q1 2019
Energy & Energy Related		
Revenues	26 623 690	35 379 697
% Contribution	22%	25%
COGS	13 499 201	19 416 768
Gross Profit	13 124 489	15 962 929
% Margin	49%	45%
Fertilizers & Petrochemicals		
Revenues	76 644 418	85 056 612
% Contribution	65%	61%
COGS	54 878 079	59 232 350
Gross Profit	21 766 339	25 824 262
% Margin	28%	30%
Diversified		
Revenues	15 508 155	19 806 073
% Contribution	13%	14%
COGS	7 577 015	11 543 235
Gross Profit	7 931 140	8 262 838
% Margin	51%	42%
Total Revenues	118 776 263	140 242 382
COGS	75 954 294	90 192 353
Gross Profit	42 821 969	50 050 029
% Margin	36%	36%
Selling Expenses	1 323 760	1 049 414
G&A	7 166 275	8 085 896
Operating Income	34 331 934	40 914 719
% Margin	29%	29%
Interest Net	5 227 941	2 114 835
FX Gain / Loss	(106 288)	(23 884)
Capital Gain	347	-
Impairment (Impairment reversal on Assets)	(136 066)	2 101 716
Net Provision	(474 617)	(84 438)
Other Income (Expenses)	663 771	1 593 263
Net Income before Tax	39 507 022	46 616 211
Income Tax	7 494 975	9 511 150
Differed Tax	(620 731)	(385 341)
Net Income from Continued Operations	32 632 778	37 490 402
Gain (Loss) from Discontinued Operations	-	-
Net Income	32 632 778	37 490 402
Non-Controlling Interest	7 253 893	8 692 257
Attributable Net Income	25 378 885	28 798 145

Balance Sheet

(in US\$)	FY 2018	Q1 2019
Equity - accounted investees	16 219 288	16 883 849
Investments available -for- sale	32 532 597	25 768 527
Investments held to maturity	99 769 120	105 754 508
Property, plant and equipment & Projects under construction	253 207 015	263 241 574
Exploration & development assets	27 799 143	21 056 590
Goodwill	60 591 626	61 282 933
Other intangible assets	8 804 525	7 401 215
Other debtors & notes receivables	900 866	698 265
Total non-current assets	499 824 180	502 087 461
Cash	206 966 909	265 005 656
Investments held to maturity	170 080 844	170 929 379
Financial assets at fair value through profit and loss	11 990 883	13 961 813
Total Receivables & Other Debtors	121 135 102	151 093 488
Inventory & Work in Progress	106 949 057	103 877 009
Total Current Assets	617 122 795	704 867 345
Total Assets	1 116 946 975	1 206 954 806
Issued & paid up capital	256 110 292	256 110 292
Reserves	(15 278 010)	(9 372 884)
Share-based payments	17 561 848	17 561 848
Retained Earnings	248 856 586	215 246 661
Treasury Shares	(221 050)	-
Total equity of the owners of the parent Company	507 029 666	479 545 917
Non-Controlling Interest	205 417 221	202 227 730
Total equity	712 446 887	681 773 647
Long-Term Loans	18 003 469	72 728 710
Other Long-Term Liabilities	2 011 494	2 665 370
Deferred Tax Liability	23 254 655	22 997 317
Total Non-Current Liabilities	43 269 618	98 391 397
Provisions	19 374 686	19 230 077
Bank Facilities, Overdraft and STL	81 667 534	55 049 157
Suppliers and Sub-Contractors	163 729 955	239 116 114
Holders' Rights and Insurance	69 081 331	74 791 919
Creditors and Other Credit Balances	27 376 964	38 602 495
Total Current Liabilities	361 230 470	426 789 762
Total Liabilities	404 500 088	525 181 159
Total SHE + Total Liabilities	1 116 946 975	1 206 954 806

Cash Flows

(in us \$)	Q1 2018	Q1 2019
Cash flows from operating activities		
Net profit for the period before income tax	39 507 022	46 616 209
Adjustments for:		
Depreciation & amortization	9 375 809	9 806 992
Gain on sale of investments available-for-sale	-	(1 545 217)
Company's share of profit / (loss) of associates	(1 126 651)	860 367
Unrealized gain of financial assets at fair value through profit and loss	(172 507)	(147 138)
Financing expenses	2 734 976	3 187 296
Interest income	(7 962 917)	(5 302 129)
Capital gains	(347)	-
Provisions no longer required	-	(238 636)
Provisions other than depreciation	474 617	323 074
Reversal of impairment loss on debtors & other debit balances	136 066	(1 000 000)
Impairment loss on debtors and other debit balances	-	122 623
Reversal of Impairment loss on investments	-	(1 224 338)
Returns from investments in treasury bills and bonds	(3 586 470)	(4 441 778)
	39 379 598	47 017 325
Change in:		
Financial assets at fair value through profit and loss	3 765 725	(1 823 792)
Trade & notes receivable	1 167 008	(15 292 124)
Other debit balances	(9 470 158)	(13 447 987)
Inventory	(3 796 082)	3 141 825
Work in progress	2 835 129	(69 777)
Suppliers, subcontractors, creditors & other credit balances	10 620 759	18 460 482
Holders' Rights and Insurance	-	5 710 588
Time Deposits	(13 454)	(18 151 980)
Provision used	-	(521 969)
Financing expenses paid	(2 734 976)	(3 187 296)
Net change of unconsolidated subsidiaries resulting from losing control	(1 096 077)	-
Net cash available from (used in) operating activities	40 657 472	21 835 295
Cash flows from investing activities		
Interest received	7 866 792	5 181 266
Payments for purchase of fixed assets, projects under construction, intangibles & property assets	(1 571 219)	(13 586 419)
Payments for exploration & production assets	(1 647 338)	-
Proceeds from sale of fixed assets, projects under construction, intangibles & property assets	10 659	19 136
Proceeds from (Payments for) sale of investments available-for-sale	(1 671 930)	6 587 655
Proceeds from Financial investments held- to-maturity	73 554 989	(2 835 650)
Net cash used in investing activities	76 541 953	(4 634 012)
Cash flows from financing activities		
Proceeds from long-term loans	35 531 976	70 567 282
Payment of long-term loans	(43 280 713)	(42 559 548)
Payments for acquisition of non-controlling interests	(4 632 400)	-
Non-controlling stakes	(200 110)	(12 161 682)
Provisions from sale of treasury stock	-	864 281
Dividends paid	(4 524 034)	-
Net cash used in financing activities	(17 105 281)	16 710 333
Foreign currency translation differences	(2 035 299)	5 432 517
Net change in cash and cash equivalents during the period	98 058 845	39 344 133
Cash and cash equivalents at beginning of the period	224 520 953	224 195 307
Cash and cash equivalents at end of the period	322 579 798	263 539 440