IMPORTANT: You must read the following disclaimer before continuing. The following notice applies to the attached prospectus (the "Document"), and you are therefore advised to read this notice carefully before reading, accessing or making any other use of the Document. In accessing the Document, you agree to be bound by the following terms and conditions, including any modifications made to them from time to time, each time you receive any information from Edita Food Industries S.A.E. (the "Company") as a result of such access. **You acknowledge that this electronic transmission and the delivery of the Document is confidential and intended for you only and you agree you will not forward, reproduce or publish this electronic transmission or the Document to any other person**.

THE SECURITIES REFERENCED IN THE DOCUMENT MAY ONLY BE DISTRIBUTED OUTSIDE THE UNITED STATES TO ELIGIBLE INVESTORS IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S UNDER THE U.S. SECURITIES ACT OF 1933 (THE "SECURITIES ACT"), OR WITHIN THE UNITED STATES ONLY TO QUALIFIED INSTITUTIONAL BUYERS ("QIBs") AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), PURSUANT TO RULE 144A OR ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. ANY FORWARDING, REDISTRIBUTION OR REPRODUCTION OF THE DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS NOTICE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

NOTHING IN THIS ELECTRONIC TRANSMISSION OR THE DOCUMENT CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT, OR UNDER THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES EXCEPT (1) TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QIB PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES OR PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE OR LOCAL SECURITIES LAWS.

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This document has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently neither the Company nor the Underwriters nor any of their respective affiliates accepts any liability or responsibility whatsoever in respect of any difference between the Document distributed to you in electronic format and the hard copy version.

You are reminded that you have accessed the Document on the basis that you are a person into whose possession the Document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorized to deliver the Document, electronically or otherwise, to any other person.

Restrictions: In order to be eligible to view the offering memorandum or make an investment decision with respect to the securities, investors must be either (1) QIBs or (2) outside the United States. Nothing in this electronic transmission constitutes an offer of securities for sale to person other than specified persons to whom it is directed and access has been limited so that it shall not constitute a general solicitation. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

None of the Underwriters nor any of their respective affiliates accepts any responsibility whatsoever for the contents of this electronic transmission or the Document or for any statement made or purported to be

made by any of them, or on their behalf, in connection with the Company or the ordinary shares offered hereby (the "Shares") or global depositary receipts representing ordinary shares offered hereby (the "GDRs", and together with the Shares, the "Securities"). The Underwriters and each of their respective affiliates, each accordingly disclaims all and any liability whether arising in tort, contract or otherwise which they might otherwise have in respect of such document or any such statement. No representation or warranty express or implied, is made by any of the Underwriters and each of their respective affiliates as to the accuracy, completeness, fairness or sufficiency of the information set out in the Document.

Neither this electronic transmission nor the Document constitutes or contains any offer to sell or invitation to subscribe or make commitments for or in respect of any securities in any jurisdiction where such an offer or invitation would be unlawful.

Each of the Underwriters and each of their respective affiliates is acting exclusively for the Company and will not regard any other person (whether or not a recipient of the Document) as its clients in relation to the Offer and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the Offer or any transaction or arrangement referred to in the Document.

You are responsible for protecting against viruses and other destructive items. Your receipt of this electronic transmission is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Edita Food Industries S.A.E.

108,804,435 Shares in the Form of Global Depositary Receipts and Shares

Edita Food Industries S.A.E.

(a joint stock company incorporated under the laws of the Arab Republic of Egypt with limited liability)

This is the initial offering of 108,804,435 ordinary shares of Edita Food Industries S.A.E. (the "**Issuer**"), each with a par value of EGP 0.2 (the "**Shares**"), by the Selling Shareholders (as defined below) in the form of global depositary receipts (the "**GDRs**") and Shares through a combined offering (the "**Combined Offering**").

The Combined Offering consists of (i) an offering of 92,483,770 Shares and GDRs to institutional investors in a number of countries, including Egypt (the "**Institutional Offering**") and (ii) an offering (the "**Egyptian Retail Offering**") of 16,320,665 Shares in a domestic offering in Egypt pursuant to a separate offering document (the "**Public Offering Notice**"). The GDRs are not being offered to the public in Egypt.

The Joint Global Coordinators (as defined below) may, following consultation with the Company, re-allocate Shares from either the Institutional Offering to the Egyptian Retail Offering. The closing of the Egyptian Retail Offering is not a condition to the closing of the Institutional Offering.

One GDR represents five Shares. The Selling Shareholders named in this prospectus are offering all of the Shares (in the form of GDRs or Shares) included in the Combined Offering. The Issuer will not receive any of the proceeds from the Combined Offering.

There is currently no market for the Shares or the GDRs (together, the "**Securities**"). The Shares have been admitted to the Egyptian Exchange (the "**EGX**"). We will apply for the introduction of the Shares to trading on the EGX and the admission and introduction of the GDRs to trading on the London Stock Exchange.

Investing in the Securities involves risks. See "Risk Factors" beginning on page 15.

The Securities have not been and will not be registered under the US Securities Act of 1933, as amended (the "**Securities Act**"). Prospective purchasers that are qualified institutional buyers are hereby notified that the sellers of the Securities may be relying on an exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A thereunder or other applicable exemptions from the registration requirements of the Securities Act. Outside of the United States, the Institutional Offering is being made in reliance on Regulation S under the Securities Act.

This document, upon approval by the United Kingdom Financial Conduct Authority (the "**FCA**"), constitutes a prospectus for the purposes of Article 3 of the Directive 2003/71/EC and amendments thereto, and has been prepared in accordance with the Prospectus Rules of the FCA made under Section 73A of the Financial Services and Markets Act 2000 (as amended) (the "**FSMA**"). Application has been made (1) to the FCA as competent authority under the FSMA, for 23,936,975 GDRs to be admitted to the FCA's Official List and (2) to the London Stock Exchange plc for the GDRs to be admitted to trading on the London Stock Exchange's regulated market through its International Order Book (the "**IOB**"). The GDRs are expected to be traded under the symbol "**EFID**". The Shares are expected to trade on the EGX under the symbol "EFID.CA".

The Selling Shareholders are offering the Shares, in the form of GDRs and Shares, at the offering price, which will be determined through a bookbuilding process. The price of the Shares will be set in Egyptian Pounds ("**EGP**") and then converted into US Dollars. There will be no difference between the prices set in the Egyptian Retail Offering or the Institutional Offering.

The GDRs will be issued in master form. It is expected that delivery of the GDRs will be made through the facilities of The Depository Trust Company (the "**DTC**"), Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, *société anonyme*, against payment in US Dollars in same day funds, on or about April 2, 2015. It is expected that delivery of the Shares will be made through the facilities of the Misr for Central Clearing, Depositary and Registry ("**MCDR**") against payment, in EGP in same day funds, on or about April 2, 2015. See "*Settlement and Transfer*".

Joint Global Coordinators and Bookrunners

EFG Hermes Promoting & Underwriting **Goldman Sachs International**

The date of this prospectus is March 30, 2015.

IMPORTANT INFORMATION ABOUT THIS PROSPECTUS

Each prospective investor, by accepting delivery of this prospectus, agrees that this prospectus is being furnished solely for the purpose of enabling a prospective investor to consider the purchase of the Shares or the GDRs. Any reproduction or distribution of this prospectus, in whole or in part, any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Shares or the GDRs is prohibited, except to the extent that such information is otherwise publicly available.

In this prospectus, "**we**", "**our**", "**ourselves**", "**us**", the "**Company**", "**Edita**" and "**Edita Group**" refer to Edita Food Industries S.A.E. together with its subsidiaries, unless the context requires otherwise.

None of the Joint Global Coordinators (as defined under "*Plan of Distribution*"), nor any of their respective affiliates or advisors, makes any representation or warranty, express or implied, or accepts any responsibility, as to the accuracy or completeness of any of the information in this prospectus. Accordingly, they disclaim, to the fullest extent permitted by applicable law, any and all liability, whether arising in tort, contract or otherwise that may otherwise be found to have in respect of this prospectus. This prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Selling Shareholders, the Depositary or the Joint Global Coordinators that any recipient of this prospectus should purchase the Securities. Each potential purchaser of Securities should determine for itself the relevance of the information contained in this prospectus, and its purchase of Securities should be based upon such investigation, as it deems necessary.

This prospectus is issued in compliance with the Prospectus Rules the FCA, which comply with the provisions of Directive 2003/71/EC (as amended) (the "**Prospectus Directive**") for the purpose of giving information with regard to us, the Selling Shareholders and the Securities.

This prospectus does not constitute an offer to the public to purchase or otherwise acquire the Securities. In making an investment decision regarding the Securities, prospective investors must rely on their own examination of us and the terms of the Institutional Offering, including the merits and risks involved and prospective investors should rely only on the information contained in this prospectus. None of us, the Selling Shareholders or the Joint Global Coordinators has authorized any other person to provide prospective investors with different information. If anyone provides prospective investors with different or inconsistent information, prospective investors should not rely on it. Prospective investors should assume that the information appearing in this prospectus is accurate only as of its date. Our business, financial condition, results of operations, prospects and the information set forth in this prospectus may have changed since the date hereof.

This prospectus does not constitute an advertisement or an offer of securities in Egypt. It is not intended to be and must not be distributed publicly and/or to, or for the benefit of, any person within Egypt, except as may be permitted by Egyptian law.

Apart from the responsibilities and liabilities, if any, which may be imposed on any of the Joint Global Coordinators by the FSMA or the regulatory regime established thereunder, none of the Joint Global Coordinators accepts any responsibility whatsoever for the contents of this prospectus or for any other statement made or purported to be made by it or any of them or on its or their behalf in connection with the Institutional Offering. Each of the Joint Global Coordinators accordingly disclaims, to the fullest extent permitted by applicable law, all and any liability whether arising in tort or contract or otherwise (save as referred to above), which it might otherwise have in respect of this prospectus or any such statement.

The contents of our website do not form any part of this prospectus.

Prospective investors should not consider any information in this prospectus to be investment, legal or tax advice. Prospective investors should consult their own counsel, accountant and other advisors for legal, tax, business, financial and related advice regarding purchasing the Securities. In making an investment decision, you must rely on your own examination, analysis and enquiry of us and the terms of the Institutional Offering, including all of the merits and risks involved. None of us, the Selling Shareholders, the Depositary or the Joint Global Coordinators makes any representation to any offeree or purchaser of the Securities regarding the legality of an investment in the Securities by such offeree or purchaser under appropriate investment or similar laws.

The Joint Global Coordinators are acting exclusively for us and the Selling Shareholders and no one else in connection with the Institutional Offering. They will not be responsible to any other person (whether or

not a recipient of this prospectus) for providing the protections afforded to their respective clients or for providing advice in relation to the Institutional Offering or any transaction or arrangement referred to therein.

In connection with the Institutional Offering, the Joint Global Coordinators, and any of their respective affiliates acting as an investor for its or their own account or accounts, may subscribe for or purchase, as the case may be, Securities and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account or accounts in such Securities, any other securities of the Issuer or other related investments in connection with the Combined Offering or otherwise. Accordingly, references in this prospectus to the Securities being issued, offered, subscribed or otherwise dealt with should be read as including any issue or offer to, or subscription or dealing by, the Joint Global Coordinators and any of their respective affiliates acting as an investor for its or their own account or accounts. The Joint Global Coordinators do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

The Selling Shareholders may withdraw the Institutional Offering at any time before admission to trading on the EGX, and the Selling Shareholders and the Joint Global Coordinators reserve the right to reject any offer to purchase the Securities, in whole or in part, and to sell to any prospective investor less than the full amount of the Securities by such investor.

The prospectus does not constitute or form part of an offer to sell, or a solicitation of an offer to buy, any security other than the Securities offered in the Institutional Offering. The distribution of this prospectus and the offer and sale of the Securities may be restricted by law in certain jurisdictions. Persons into whose possession this prospectus comes are required to inform themselves about, and observe any such restrictions. See "*Terms and Conditions of the Global Depositary Receipts*", "*Selling and Transfer Restrictions*" and "*Plan of Distribution*" elsewhere in this prospectus. None of us, the Selling Shareholders, the Depositary or the Joint Global Coordinators accepts any legal responsibility for any violation by any person, whether or not a perspective investor, of any such restrictions. Prospective investors must comply with all applicable laws and regulations in force in any jurisdiction in which they purchase, offer or sell the Securities or possess or distribute this prospectus, and prospective investors must obtain any consent, approval or permission required for their purchase, offer or sale of the Securities under the laws and regulations in force in any jurisdiction to which they are subject or in which they make such purchases, offers or sales. None of us, the Selling Shareholders, the Depositary or the Joint Global Coordinators is making an offer to sell the Securities or a solicitation of an offer to buy any of the Securities to any person in any jurisdiction except where such an offer or solicitation is permitted.

No action has been or will be taken in any jurisdiction other than the Egyptian Retail Offering that would permit a public offering of our Securities, or possession or distribution of this prospectus or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, the Securities may not be offered or sold, directly or indirectly, and neither this prospectus nor any other offering material or advertisement in connection with the Securities may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Persons into whose possession this prospectus comes should inform themselves about and observe any restrictions on the distribution of this prospectus and the offer, subscription and sale of Securities offered in the Institutional Offering, including those set forth under "*Selling and Transfer Restrictions*". Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This prospectus does not constitute an offer to subscribe for or buy any of the Securities offered in the Institutional Offering to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

RESPONSIBILITY STATEMENT

The Issuer accepts responsibility for the information contained in this prospectus and, having taken all reasonable care to ensure that such is the case, the information contained in this prospectus is, to the best of the Issuer's knowledge, in accordance with the facts and contains no omission likely to affect its import.

STABILIZATION

In connection with the Combined Offering, the Stabilizing Manager, or any of its agents, may, effect transactions in the Shares on the EGX with a view to supporting or maintaining the market price of the Shares at a level higher than that which might have otherwise prevailed in the open market. However, there is no assurance that the Stabilizing Manager (or persons acting on its behalf) will undertake any

stabilization action. Any stabilizing action may begin on or after the date of the commencement of trading of Shares on the EGX, and if begun, may end at any time, but must end no later than 30 days after that date (the "**Stabilization Period**"). The Selling Shareholders will finance an amount equal to 10% of the gross proceeds of the sale of the Shares at the offering price (the "**Stabilization Fund**") and make such funds available to the Stabilizing Manager one day prior to commencement of trading. If the trading price per Share falls below the Offer Price, the Stabilizing Manager may submit purchase orders for Shares at the Offer Price, which will remain open until the end of the Stabilization Period. At the end of the Stabilization Period, open purchase orders submitted by the Stabilizing Manager will be matched with open sale orders and executed on the EGX. If the sale orders exceed the amount deposited in the Stabilization Fund, such sale orders will be executed on a pro rata basis up to the amount of the Stabilization Fund, and all Shares purchased will be placed in the Stabilization Fund. The Stabilizing Manager will remit to the Selling Shareholders, at the end of the Stabilization Period, any funds then remaining in the Stabilization Fund and any remaining Shares purchased during the Stabilization Period using the Stabilization Fund.

The Stabilizing Manager will disclose the stabilization transactions to the EGX at the end of the Stabilization Period.

NOTICE TO CERTAIN INVESTORS

Notice to U.K. and other EEA investors

This prospectus has been prepared on the basis that any offer of Securities in any Member State of the European Economic Area (EEA) will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of Securities. Accordingly any person making or intending to make an offer in that Member State of Securities which are the subject of the offer contemplated in this prospectus may only do so (i) in circumstances in which no obligation arises for the Issuer or any of the Joint Global Coordinators to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor the Joint Global Coordinators have authorised, nor do they authorise, the making of any offer of Securities in circumstances in which an obligation arises for the Issuer or the Joint Global Coordinators to publish or supplement a prospectus for such offer.

Each of the Joint Global Coordinators has represented and agreed in relation to each Member State, with effect from and including the Relevant Implementation Date it has not made and will not make an offer of any Securities which are the subject of the Institutional Offering contemplated herein to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Securities to the public in that Member State:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Securities shall result in a requirement for the publication by the Issuer or the Joint Global Coordinators of a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Each person in a Member State who receives any communication in respect of, or who acquires any Securities under, the offers contemplated here in this prospectus will be deemed to have represented, warranted and agreed to and with each underwriter, the Selling Shareholders and us that:

(a) it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and

(b) in the case of any Securities acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the Securities acquired by it in the offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in the circumstances in which the prior consent of the representatives of the Joint Global Coordinators has been given to the offer or resale or (ii) where Securities have been acquired by it on

behalf of persons in any Member State other than qualified investors, the offer of such Securities to it is not treated under the Prospectus Directive as having been made to such persons.

The Issuer, the Joint Global Coordinators and their affiliates and others will rely (and we acknowledge that the Joint Global Coordinators and their affiliates and others will rely) upon the truth and accuracy of the foregoing representations, acknowledgements and agreements and will not be responsible for any loss occasioned by such reliance.

For the purposes of the provisions and representations above, the expression "an offer to the public" in relation to any Securities in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Securities to be offered so as to enable an investor to decide to purchase or subscribe for any Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (as amended) and includes any relevant implementing measure in each Member State.

Italy

This prospectus has not been submitted to the *Commissione Nazionale per le Società e la Borsa*, the Italian securities regulator ("**CONSOB**") for clearance and will not be subject to formal review or clearance by CONSOB. The Securities may not be offered, sold or delivered, directly or indirectly, in the Republic of Italy or to a resident of the Republic of Italy, unless such offer, sale or delivery of the Securities, or distribution of copies of the prospectus, in the Republic of Italy is:

(a) made only to qualified investors (*investitori qualificati*) as defined pursuant to Article 34-*ter*, first paragraph, letter b), of CONSOB Regulation No. 11971 of May 14, 1999, as amended ("**Regulation No. 11971**"), as implemented by Article 26, first paragraph, letter d) of CONSOB Regulation No. 16190 of October 29, 2007, as amended ("**Regulation No. 16190**"), provided that such qualified investors will act in their own account and not as depositaries or nominees for other shareholders or third parties; or

(b) in other circumstances which are exempt from the rules on public offers pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Italian Securities Act**") and its implementing CONSOB regulations, including Regulation No. 11971.

Any such offer, sale or delivery of any Securities, or distribution of copies of the Prospectus, in the Republic of Italy must be in compliance with the selling restrictions under (a) and (b) above and must be: (i) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the relevant provisions of the Italian Securities Act, Regulation No. 16190 and Legislative Decree No. 385 of September 1, 1993, as amended (the "**Italian Banking Act**");(ii) in compliance with Article 129 of the Italian Banking Act and the implementing guidelines of the Bank of Italy, as amended, pursuant to which the Bank of Italy may request information on the offering or issue of securities in Italy; and (iii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or the Bank of Italy or any other Italian authority.

In accordance with Article 100-bis of the Italian Securities Act, either the subsequent resale on the secondary market in the Republic of Italy of the Securities (which were part of an offer made pursuant to an exemption from the obligation to publish a prospectus) or the subsequent systematic resale on the secondary market in Italy to investors that are not qualified investors within 12 months of completion of the offer reserved to qualified investors only.

Australia

The provision of this prospectus to any person does not constitute an offer of Securities to that person or an invitation to that person to apply for any Securities of the Company unless they are a person to whom an offer of Securities can be made in Australia without the need for a disclosure document under Chapter 6D of the *Corporations Act 2001* (Cth) ("**Corporations Act**"). Any such offer or invitation will only be extended to a person in Australia if that person is (i) a wholesale client for the purposes of section 761G of the Corporations Act, and is (ii) a sophisticated investor or a professional investor for the purposes of sections 708(8) or 708(11) of the Corporations Act, respectively, and (iii) a person whose ordinary business is to buy or sell shares, debentures or interests in managed investment schemes, whether as principal or agent, in each case a "wholesale investor".

This prospectus is intended to be provided only to wholesale investors. By retaining this prospectus, the recipient represents that the recipient is a wholesale investor.

This prospectus is not intended to be distributed or passed on, directly or indirectly, to any other class of persons in Australia.

The information in this prospectus is not personal advice and has been prepared without taking into account any investor's investment objectives, financial situation or particular needs. Before acting on the information, the investor should consider its appropriateness having regard to their investment objectives, financial situation and needs and consider obtaining their own financial product advice from an independent person who is licensed by the Australian Securities and Investments Commission ("**ASIC**"), to give such advice.

This prospectus is not a disclosure document under Chapter 6D of the Corporations Act or a product disclosure statement under Part 7.9 of the Corporations Act. It is not required to, and does not, contain all the information which would be required in a disclosure document or a product disclosure statement. It has not been lodged with ASIC. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of the Securities in Australia. No securities commission or similar authority in Australia, including ASIC, has reviewed or in any way passed upon this document or the merits of the Securities.

This prospectus has not been prepared specifically for Australian investors. It:

- may contain references to dollar amounts which are not Australian dollars;
- may contain financial information which is not prepared in accordance with Australian law, accounting standards or practices;
- may not address risks associated with investment in foreign currency denominated investments; and
- does not address Australian tax issues.

Any person to whom any Securities are issued or sold (an "**Investor**"), must not, within 12 months after the issue, offer, transfer or assign such Securities, or granting, issuing or transferring interests in, or options over such Securities, to investors in Australia except in circumstances where disclosure to investors is not required under the Corporations Act, such as to other wholesale investors.

Each Investor acknowledges the above and, by applying for Securities, gives an undertaking not to offer, transfer, assign or sell those Securities, or granting, issuing or transferring interests in, or options over such Securities, in any circumstances other than those described in the paragraph above.

This prospectus is issued by us. We are not licensed in Australia to provide financial product advice in relation to the Securities. An investor in the Securities will not have cooling off rights in relation to the Securities.

Notice to United States investors

Purchasers in the United States are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of Securities.

The Securities have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered or sold in the United States, except to persons reasonably believed to be qualified institutional buyers, as that term is used in Rule 144A under the Securities Act ("**QIBs**") or outside the United States in offshore transactions in reliance on Regulation S of the Securities Act ("**Regulation S**"). Prospective investors are hereby notified that sellers of the Securities may be relying on the exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A or another exemption from the registration requirements of the Securities Act. See "*Notice to Certain Investors*".

In the United States, this prospectus is being furnished on a confidential basis solely for the purpose of enabling a prospective investor to consider purchasing the particular securities described herein. The information contained in this prospectus has been provided by the Company and other sources identified herein. Distribution of this prospectus to any person other than the offerees specified by the Joint Global Coordinators or their representatives, and those persons, if any, retained to advise such offerees with respect thereto, is unauthorized, and any disclosure of its contents, without our prior written consent, is prohibited. Any reproduction or distribution of this prospectus in the United States, in whole or in part,

and any disclosure of its contents to any other person is prohibited. This prospectus is personal to each offeree and does not constitute an offer to any other person or to the public generally to acquire the Securities.

NEITHER THE US SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION IN THE UNITED STATES NOR ANY OTHER US REGULATORY AUTHORITY HAS APPROVED OR DISAPPROVED OF THE INSTITUTIONAL OFFERING OR PASSED UPON OR ENDORSED THE MERITS OF THE INSTITUTIONAL OFFERING OR THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

NOTICE TO NEW HAMPSHIRE RESIDENTS ONLY

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ("RSA 421-B") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

ENFORCEMENT OF ARBITRAL DECISIONS AND CIVIL LIABILITIES

Each of the United Kingdom, the United States and Egypt is a party to the United Nations (New York) Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958 (the "**New York Convention**"). Egypt acceded to the New York Convention on February 2, 1959 through Presidential Decree No. 171/1959.

Consequently, Egyptian courts should recognize and enforce in Egypt a valid arbitral award made in the United Kingdom or the United States, on the basis of the rules of the New York Convention, subject to qualifications provided for in the New York Convention and compliance with Egyptian procedural regulations and arbitration law. However, in practice, it may be difficult to enforce arbitral awards in Egypt due to:

(a) the relatively limited precedents brought before Egyptian courts with regards to enforcement of international commercial arbitral awards;

(b) the Egyptian courts' inability or unwillingness to enforce such awards; or

(c) legal grounds (for example, the concept of "**public order**") and/or technical grounds (for example, the lack of capacity of the parties, the lack of notice given to defendants or the invalidity of an arbitration clause).

Egyptian law also provides for a procedure of annulment of arbitration awards, including in case of an absence or nullity of an arbitration agreement, denial of justice or due process or failure to observe the latter as well as in case the tribunal has not applied the law applicable to a dispute. Furthermore, an enforcement of an arbitration award requires a filing with an ad hoc department of the Ministry of Justice, which is authorized to reject its enforcement.

In addition, the Issuer is an Egyptian joint stock company and the shareholders' liability therein is limited to their capital contributions. The majority of our executive officers and the majority of our directors are residents of Egypt. All of our assets are located outside the United States and the United Kingdom. It may not be possible for investors to effect service of process within the United States and the United Kingdom upon us or such persons or to enforce against any of us or them judgments obtained in the courts of the United States or the United Kingdom predicated upon the civil liability provisions of the securities laws of the United States and the United Kingdom, respectively.

Enforcement of foreign judgments in Egypt is subject to bilateral and multilateral treaties, and generally the following conditions:

(a) the foreign courts rendering the relevant judgment offer reciprocal treatment to judgments obtained in the courts of Egypt. If such reciprocal treatment is not offered by the court where judgment is obtained, then the Egyptian courts will re-examine the merits of the case in the same manner as that adopted by such courts;

(b) the courts of Egypt are not exclusively competent to hear the dispute which constituted the object of the foreign judgment while the foreign courts are shown to have been competent to hear the dispute in accordance with their own respective laws;

(c) the parties to the dispute were duly notified and properly represented in the proceedings;

(d) the foreign judgment is final and conclusive in accordance with the relevant law; and

(e) the foreign judgment does not conflict with a prior Egyptian judgment in the same case and is not contrary to public order or morality in Egypt.

Judgments of the courts of the United States or the United Kingdom may not be enforceable in Egypt because there are no bilateral treaties between Egypt and the United States or the United Kingdom on the enforcement of judgments and the courts of the United States and the United Kingdom may be deemed not to offer reciprocal treatment to judgments obtained in the courts of Egypt. See "*Risk Factors—Risks Relating to Egypt and the MENA Region—Enforceability of Foreign Judgments*".

FORWARD-LOOKING STATEMENTS

This prospectus 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, future growth or profitability and general economic and regulatory conditions and other matters affecting us.

Forward-looking statements reflect our Management's current views of future events, which are based on our 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 forward-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 differ materially from those expressed or implied by the forward-looking statements contained in this prospectus.

Accordingly, investors should not rely on the forward-looking statements in this prospectus and investors are strongly advised to read the following sections of this prospectus: "*Summary*", "*Risk Factors*", "*Use of Proceeds*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Business*" and "*Egyptian Snack Food Industry*". These sections include more detailed descriptions of factors that might have an impact on our business, financial condition and the industry in which we operate. None of us, our Management nor the Joint Global Coordinators gives any assurance regarding the future accuracy of the opinions set forth herein or as to the actual occurrence of any predicted developments. After the date of this prospectus, neither we nor the Joint Global Coordinators assume, and we and the Joint Global Coordinators expressly disclaim, any obligation to update any forward-looking statements or to conform these forward-looking statements to our actual results, except as we may be required to do so by law and the disclosure requirements of the EGX, the London Stock Exchange, the Prospectus Rules, Listing Rules and the Disclosure and Transparency Rules of the FSA, as appropriate.

AVAILABLE INFORMATION

We have agreed that, so long as any of the Securities are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act ("**Restricted Securities**"), in order to permit holders of Securities to effect resales under Rule 144A, we will, during any period in which we are neither subject to Section 13 or 15(d) of the US Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, furnish, upon written request, to any holder of Securities, or any prospective purchaser designated by such holder or beneficial owner upon the request of such holder, beneficial owner or prospective purchaser, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act (or any successor provision thereto).

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial Information

Unless otherwise indicated, financial information set forth herein relating to us has been derived from the Issuer's audited consolidated financial statements for the years ended December 31, 2014, 2013 and 2012 (the "**Financial Statements**") prepared in accordance with the International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**"). The Financial Statements are included in this prospectus beginning on page F-2.

The Financial Statements were audited in accordance with International Standards on Auditing ("**ISA**") by Mansour & Co. PricewaterhouseCoopers ("**PwC**"), independent auditors.

Rounding adjustments have been made in calculating some of the financial information and percentages included in this prospectus. As a result, numerical figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them.

Operating data

All data relating to our production and operations, such as volumes of production and certain sales information presented by sector, geography and product, cited in "*Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", and elsewhere in this prospectus, were derived from management accounts and information, which were not reviewed or audited by PwC, our independent auditors.

Non-IFRS Financial Information

The following financial measures included in this prospectus are not measures of financial performance under IFRS:

- ***EBITDA***, as calculated by us, represents our profit from operations plus depreciation, net interest expenses and tax payments and excludes provisions and foreign exchange and other gains or losses. A reconciliation of operating profit to EBITDA is included in the table under "*Selected Consolidated Financial Information*".
- ***Adjusted net profit*** represents our net profit adjusted to remove the effects of two one-off transactions: the tax-adjusted EGP 7.0 million net impact of our charitable donation to the "Tahya Misr Fund" in 2014 and a tax-adjusted EGP 9.5 million net impact of gains on the sale of investments in 2013.
- ***EBITDA Margin*** represents our EBITDA divided by our total revenue.
- ***Gross profit margin*** represents our gross profit divided by our total revenue.
- ***Operating margin*** represents our operating profit divided by our total revenue.
- ***Capitalization*** represents our total shareholders' equity plus long-term indebtedness. See *"Capitalization"*.
- ***Contribution*** represents the contribution of each segment to our total gross profit.

The Issuer includes these non-IFRS measures in this prospectus because it believes they are useful measures of our results of operations and liquidity; however, these non-IFRS measures should not be considered as a substitute for operating profit, net profit, cash flow or other financial measures computed in accordance with IFRS. Other companies may calculate non-IFRS measures differently than we do. Because all companies do not calculate non-IFRS measures in the same manner, our presentation of

non-IFRS measures may not be comparable to other similarly titled measures of other companies. Funds depicted by non-IFRS measures may not be available for Management's discretionary use due to covenant restrictions, debt service payments and other commitments.

Definition of Snack Food Market

According to IPSOS MORI ("**IPSOS**") and the Nielsen Corporation, formerly known as AC Nielsen ("**Nielsen**"), "snack food" are defined to comprise foods within the following categories: cakes; candy; chocolates, biscuits and gum; packaged croissants; salty snacks; wafers; and ice cream.

Third-Party Statistical and Other Information

We have derived certain information and statistics in this prospectus, including certain information and statistics concerning the Egyptian and international economy, our competitors, the Egyptian securities market, demographics and the international and Egyptian snack food industry from IPSOS, Nielsen, AC Nielsen Retail Audit and publicly available information, including principally annual reports, industry publications, market research, press releases, filings under various securities laws and official data published by certain Egyptian Government agencies. The main sources are the Central Bank of Egypt ("**CBE**"), the Egyptian Ministry of Finance, the Egyptian Ministry of Investment, the Egyptian Ministry of Tourism, the Central Agency for Public Mobilization and Statistics ("**CAPMAS**"), the Economic Intelligence Unit ("**EIU**"), the Population Division of the United Nations Department of Economic and Social Affairs (the "**UN Population Division**"), the World Bank, the US Census Bureau, the EGX, Bloomberg, the Middle East Marketing Research Bureau ("**MEMRB**"), the International Monetary Fund ("**IMF**"), the National Council for Production and Economic Affairs ("**NCPEA**"), Nielsen and IPSOS.

Third party information is contained in this prospectus under the captions "*Presentation of Financial and Other Information", "Exchange Rate Information", "Summary", "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Selected Consolidated Financial Information", "Business"* and *"Egyptian Snack Food Industry*". Such information and statistics may be approximations or estimates or use rounded numbers. In addition, in some cases Management has made rounding adjustments to some of this information for consistency of presentation. Similar information may be obtainable from other sources, but the underlying assumptions, methodology and, consequently, the resulting data may vary from source to source. Where third-party information is set out, it has been sourced. The Issuer confirms that such information, data and statistics have been accurately reproduced and, as far as the Issuer is aware and can ascertain from relevant publicly available information published by the aforementioned sources, no facts have been omitted which would render the reproduced information, data and statistics inaccurate or misleading. None of the Joint Global Coordinators accept liability for the accuracy of any such information and prospective investors are advised to use such information with caution.

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SUMMARY

The summaries below are made up of disclosure requirements known as "***Elements***". These Elements are numbered in Sections A to E (A.1 to E.7). This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case, a short description of the Element is included in the summary with the mention of "not applicable".

Section A—Introduction and warnings		
A.1	*Warning*	This summary should be read as an introduction to the prospectus (the "**prospectus**"). Any decision to invest in the securities should be based on consideration of this prospectus as a whole by the investor. Where a claim relating to the information contained in the prospectus is brought before a court, the plaintiff investor might, under the national legislation of the EEA member states, have to bear the costs of translating the prospectus before legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or if inconsistent when read together with the other parts of the prospectus or it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in securities.
A.2	*Consent by the issuer for drawing up and use of the prospectus*	Not applicable. We have not consented to the use of the prospectus for subsequent resale or final placement of securities by financial intermediaries.

Section B—Company		
B.1	*The legal and commercial name*	Edita Food Industries S.A.E. (the "**Issuer**"). In this Summary, references to "we", "us", and "our", refer to the Issuer and its subsidiaries.
B.2	*Legal form/country of incorporation/domicile*	The Issuer is a joint stock company incorporated under the laws of Egypt.
B.3	*Key factors relating to current operations, principal activities and main services offered*	We were founded in 1996 and are headquartered in Giza, Egypt. According to the AC Nielsen Retail Audit, we are a leader in the growing Egyptian packaged snack food market that was estimated at EGP 15.5 billion in 2014. We manufacture, market and distribute a range of branded baked snack products including packaged cakes, croissants and rusks (baked wheat snacks), wafers as well as selected confectionary/candy products. Our local brand portfolio includes household names such as *Molto, Todo, Bake Rolz, Bake Stix, Freska* and *MiMiX*, and we also have exclusive ownership of selected international brands including *Twinkies, HoHos* and *Tiger Tail* in Egypt, Libya, Jordan and Palestine ("**HTT Brands**"). We hold number-one market positions in our core cake and croissant segments and number-two market position in rusks. In 2014, we derived 94% of our revenue from Egypt, with the balance from over 14 regional export markets.

Section B—Company		
		We operate four well-invested factories in Egypt with 24 production lines. We have an extensive in-house sales and distribution network in Egypt that includes 18 distribution centres, a fleet of 515 distribution vehicles combined with a salesforce of 1,098. We sold approximately 3.2 billion packs in 2014 to a growing base of over 63,000 retail and wholesale customers at an average retail price point of EGP 0.68 to EGP 1.57. We have a leading in-house research and development department that has been instrumental in creating new concepts and brands, including facilitating our entry into the packaged savoury croissants, cakes, wafers and rusks segments in Egypt. In 2014, we achieved revenue, EBITDA and adjusted net profit of EGP 1,918.6 million, EGP 463.1 million (24.1% margin) and EGP 272.9 million, respectively. Over the 2012 to 2014 period, we achieved robust revenue, EBITDA and adjusted net profit CAGRs of 19.6%, 26.9% and 27.8%, respectively.

Segment	Croissants	Rusks	Cakes	Candy	Wafers
Entry to market	1997	2000	2003(1)	2011	2012
% of 2014 Revenue(2)	29.4%	4.6%	59.5%	2.7%	3.3%
Brands	Molto	Bake Stix&Rolz	HOHOs / Twinkies / Tiger Tail / Todo	mimix	Freska
Brand Awareness(3)	100%	95%	100%	N/A	91%
Market Position	#1	#2	#1	#3	#5
Market Share	69%	42%	68%	8%	6%
Relative Market Share(4)	3.7x	0.7x	13.3x	0.4x	0.2x
# SKUs	8	11	19	25	5

Source: IPSOS, Nielsen Retail Audit

Notes:

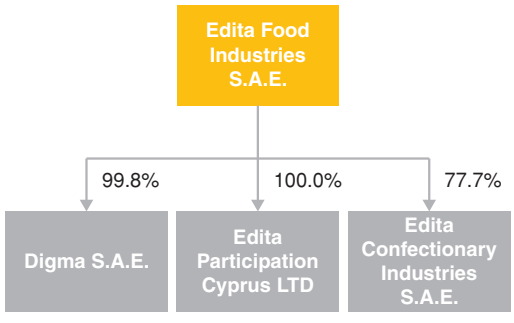
(1) *Todo* was introduced in 2010

(2) Source: Nielsen Retail Audit. Relative market share is calculated as Edita's market share divided by market share of its next-largest competitor.

(3) Source: IPSOS. Brand awareness measures the share of respondents that were familiar with the brand in aided, spontaneous consumer surveys.

(4) An additional 0.4% of 2014 revenue generated from distribution of selected imported products.

B.4a	*Significant recent trends*	Our revenue and results of operations are affected by macroeconomic conditions and the political environment in Egypt, our primary market. Selected macroeconomic indicators including growth or decline in absolute GDP, GDP per capita and inflation (amongst others) that have an impact on consumer demand and sentiment can have a direct or indirect impact on demand for our products. The Egyptian economy is the largest economy within the MENA region benefitting from economic diversification (exposure to services, agriculture, tourism, oil and gas), a cost-competitive workforce, and the largest population base in the MENA region. As such, the Egyptian economy has historically exhibited robust GDP growth.

Section B—Company		
		However, the recent political transitions in Egypt which started in January 2011 and continued into mid-2014 did have a negative impact on the Egyptian economy with GDP growth slowing from historical levels. In 2014 Egypt's economy started showing signs of a recovery with a GDP growth of 2.2%, projected to increase to 3.5% in 2015 according to the IMF. In 2014, our raw materials expenses, which include packaging materials, represented 49.2% of our revenue and 78.9% of our cost of goods sold. Our raw materials expenses may vary based on production volumes and the prices of our raw materials. Raw materials prices globally as well as in Egypt can be volatile and are influenced by multiple factors beyond our control. The diversity of our raw material requirements, which includes more than 100 different inputs (including variants of the product categories), has historically reduced the effect of price increases. However, we remain subject to longer-term price fluctuations of our raw materials, particularly with respect to our main ingredients, which include sugar, flour, cocoa, oil and fats, milk powder, eggs and packaging materials.
B.4b	*Known trends*	Our business has been impacted by several factors in recent years, including (i) the increased scale of our business generally over those periods combined with the strong demand growth in the market (including increased sales of the existing products as well as introduction of new SKUs; higher utilities cost and higher labor costs due to the higher number of overtime shifts to address the strong demand growth); (ii) our acquisition of the HTT brands and the introduction of our own brand Todo as well as variations of our existing product range; (iii) increases in our utilities costs driven by the Government reduction in utilities subsidies starting July 2014; and, (iv) our opening new headquarters (higher depreciation and operating costs relating to opening of our new headquarter in 2013).
B.5	*Group*	Below is a diagram of our corporate structure.  • Edita Food Industries S.A.E., the Issuer, directly conducts all of our industrial operations, other than candy manufacturing that is done by Edita Confectionary Industries S.A.E. • Digma Trading S.A.E. is our distribution company, responsible for the sale of Edita Food Industries products and imported products. The remaining 0.2% of Digma is owned by Messrs. Hani and Samir Berzi. • Edita Participation Cyprus Ltd. was incorporated as a vehicle through which we may in the future make international investments in other companies and other countries. Although this entity used to own shares, it is currently dormant and has no activities.

Section B—Company		
		• Edita Confectionary Industries S.A.E. conducts our candy production operations. It is a joint venture with Confindel Cyprus, the investment vehicle of the Lavdas Company, a Greek company with expertise in candy manufacturing. The remaining 22.3% of Edita Confectionary is owned by Confindel Cyprus and 0.02% is owned by Messrs. Hani and Samir Berzi. Our headquarters are located at the Edita Group Building, Plot No. 13 Central Pivot, El Sheikh Zayed, 6th of October City, Giza, Egypt 12588.
B.6	*Shareholders and voting rights*	The following table sets out certain information with respect to the ownership of the Issuer's outstanding Shares (as defined below), as at the date of this prospectus and after the Combined Offering (as defined below).

	Shares owned immediately prior to the Combined Offering		Shares owned immediately following the Combined Offering[5]	
	Number of Ordinary Shares	Percentage of outstanding Shares[1]	Number of Ordinary Shares	Percentage of outstanding Shares
Berco Limited[2]	151,654,150	41.8%	151,654,150	41.8%
Africa Samba[3]	108,804,450	30.0%	54,402,233	15.0%
Exoder Limited[4]	101,458,950	27.9%	47,056,732	12.9%
Other	763,900	0.2%	763,900	0.2%
Holders of shares sold in the Combined Offering (including those held in the free float)	0	0	108,804,435	30%
Total	**362,681,450**	**100%**	**362,681,450**	**100%**

Notes:

(1) Percentage rounded down to nearest 0.1% in order to better illustrate shareholder voting power.

(2) Berco Limited is an SPV that is indirectly wholly-owned by the Berzi family.

(3) Africa Samba B.V. is a company that is an indirect subsidiary of funds managed by pan-emerging markets private equity firm Actis.

(4) Exoder Limited is an SPV that is indirectly wholly owned by Chipita, a Greek snack food manufacturer.

(5) Assumes no Shares will be remitted to the Selling Shareholders from the Stabilization Fund at the end of the Stablilization Period.

None of the Issuer's shareholders have voting rights different from any other holders of Shares.

B.7	*Selected historical key financial information*	The financial data set forth below as of December 31, 2014, 2013 and 2012 and for the years then ended have been extracted without material adjustment from the Financial Statements. The Financial Statements have been prepared in accordance with IFRS. The company's functional and presentation currency is the Egyptian Pound.

Selected Consolidated Statement of Comprehensive Income data

	For the year ended December 31,		
	2012	**2013**	**2014**
	(EGP millions)		
Revenue	1,341.9	1,647.5	1,918.6
Cost of goods sold	(862.9)	(1,028.3)	(1,197.8)
Gross profit	478.9	619.2	720.8
Distribution cost	(171.0)	(188.2)	(211.3)
Administrative expenses	(70.7)	(88.9)	(123.6)
Other income	15.3	21.2	16.4
Other (losses)/gains-net	1.1	1.4	(8.0)
Profit from operations	253.7	364.8	394.4
Finance income	1.0	6.8	23.3
Finance cost	(10.4)	(26.0)	(25.2)
Finance (cost) income, net	(9.4)	(19.2)	(1.9)
Profit before income tax	244.3	345.6	392.5
Income tax expense	(77.3)	(94.2)	(126.6)
Net profit	167.0	251.4	265.9
EBITDA[(1)]	287.5	395.5	463.1

Note:

(1) ***EBITDA***, as calculated by us represents our profit from operations plus depreciation, net interest expenses and tax payments and excludes provisions and foreign exchange and other gains or losses. A reconciliation of operating profit to EBITDA is included as Footnote (1) to the table under "*Selected Consolidated Financial Information*".

Consolidated Statement of Cash Flows

	For the year ended December 31,		
	2012	**2013**	**2014**
	(EGP millions)		
Net cash flows generated from operating activities	247.9	333.7	339.9
Net cash flows used in investing activities	(125.4)	(268.3)	(231.1)
Net cash flows used in financing activities	(32.9)	(117.8)	(93.8)
Increase in cash and cash equivalents	89.5	(52.3)	15.0
Cash and cash equivalents at the end of the year	210.2	157.8	172.9

Consolidated Balance Sheet

	As at December 31,		
	2012	**2013**	**2014**
	(EGP millions)		
Total non-current assets	765.0	895.1	1,084.5
Total current assets	361.1	451.2	518.1
Total assets	1,126.1	1,346.3	1,602.6
Total equity	614.4	710.0	825.7
Total non-current liabilities	215.9	221.7	292.9
Total current liabilities	295.8	414.6	484.0
Total liabilities	511.7	636.3	776.9
Total equity and liabilities	1,126.1	1,346.3	1,602.6

Section B—Company		
B.9	*Profit forecast*	Not applicable. The prospectus does not include a profit forecast or estimate. From 2012 to 2014, our revenue and net profit have increased significantly as a result of the growth in the Egyptian snack food market, increases in our production and distribution capabilities and our introduction of new products. Otherwise, there has been no significant change in the financial condition or operating results of the Issuer and its consolidated subsidiaries since December 31, 2014, the end of the last financial period for which financial information has been published.
B.10	*Qualifications in audit report*	Not applicable. There are no qualifications in the reporting accountants' report on the historical financial information.
B.11	*Name/legal form/domicile of the issuer of the depositary receipts*	The Depositary is The Bank of New York Mellon, an entity established in the state of New York in 1784, a state chartered New York banking corporation and a member of the United States Federal Reserve System subject to regulation and supervision principally by the United States Federal Reserve Board and the New York State Banking Department. It is a wholly-owned subsidiary of The Bank of New York Mellon Corporation, a Delaware bank holding company. The principal office of the Depositary is located at One Wall Street, New York, NY 10286. Its principal administrative offices are located at 101 Barclay Street, New York, NY 10286.

Section C—Securities		
C.1	*Type and the class of the securities and security identification number*	This is the initial offering of up to 108,804,435 of the Company's ordinary shares by the Selling Shareholders (the "**Offering**"), each with a par value of EGP 0.2 (the "**Shares**"), in the form of global depositary receipts ("**GDRs**") and Shares. One GDR represents an interest in five Shares. The Selling Shareholders are offering existing Shares. The GDRs offered and sold in the United States (the "**Rule 144A GDRs**") will be evidenced by a master Rule 144A global depositary receipt (the "**Rule 144A Master GDR**") and sold GDRs offered and outside the United States (the "**Regulation S GDRs**") will be evidenced by a master Regulation S global depositary receipt (the "**Regulation S Master GDR**") each to be issued pursuant to the Deposit Agreement. Application has been made for the GDRs to be traded on the London Stock Exchange through its International Order Book. The security identification numbers for the GDRs offered hereby are as follows: Rule 144A GDRs: ISIN: . . . . . US 28106T1007 Common Code: . . . . . 120426052 CUSIP: . . . . . 28106T100 SEDOL: BVFZKF1

Section C—Securities		
		Regulation S GDRs: ISIN: . . . . . US 28106T2096 Common Code: . . . . . 120426079 CUSIP: . . . . . 28106T209 SEDOL: . . . . . BVFZKG2 The London Stock Exchange trading symbol for the GDRs is EFID.
C.2	*Currency*	The currency of the Shares is the Egyptian Pound. The GDRs are denominated in US Dollars.
C.3	*Issued share capital*	As at the date of this prospectus, the issued share capital of the Company is EGP 72,536,290, consisting of 362,681,450 Shares, each with a nominal value of EGP 0.2, all of which are fully paid.
C.4	*Description of the rights attached to securities*	A holder of the Shares has the right: • to subscribe for Shares, pro rata to its shareholding, with respect to any increase of the Issuer's share capital or the issuance of any new Shares (unless waived by 75% of the voting shares present at an Extraordinary General Meeting); • to attend and vote personally or through proxy at the General Meeting of Shareholders; • to inspect the Issuer's financial statements and annual accounts; • to receive dividends paid in accordance with the Issuer's dividend policy and as approved at an Ordinary General Meeting of Shareholders; and • to receive a pro rata share of the Issuer's assets (following repayment of creditors) in the event of the Issuer's liquidation. Each GDR represents an interest in five Shares on deposit with Commercial International Bank (Egypt S.A.E.), as custodian (the "**Custodian**") for the Depositary (the "**Deposited Shares**"). A holder of GDRs (each, a "**Holder**") will have the rights set out in the terms and conditions of the GDRs (as endorsed on each GDR certificate) and the Regulation S Master GDR and a Rule 144A Master GDR (together, the "**Master GDRs**"), which may be summarised as: • the right to withdraw the Deposited Shares and all rights, interests and other securities, property and cash deposited with the Custodian which are attributable to the Deposited Shares; • the right to receive payment in US Dollars from the Depositary of an amount equal to cash dividends or other cash distributions received by the Depositary from the Company in respect of the Deposited Shares; • the right to receive from the Depositary additional GDRs representing additional Shares received by the Depositary from the Company by way of dividend or free distribution (or if the issue of additional GDRs is deemed by the Depositary not to be reasonably practicable or to be unlawful, the net proceeds in US Dollars of the sale of such Shares);

Section C—Securities		
		• the right to receive from the Depositary any dividend or distribution in the form of cash or free shares other than Shares or cash received by the Depositary from the Company (or if such distribution is deemed by the GDR Depositary not to be reasonably practicable or to be unlawful, the net proceeds in US Dollars of the sale of such Shares); • the right to request the Depositary to exercise subscription or similar rights made available by the Company to holders of Shares (or if such process is deemed by the Depositary not to be lawful and reasonably practicable, the right to receive the net proceeds in US Dollars of the sale of the relevant rights or the sale of the assets resulting from the exercise of such rights); • the right to instruct the Depositary regarding the exercise of any voting rights notified by the Company to the Depositary subject to conditions; and • the right that the Depositary will make available copies received by it of notices provided by the Company to holders of Shares or other material information, in each case subject to applicable law, and the detailed terms set out in the terms and conditions of the GDRs (as endorsed on each GDR certificate) and the Master GDRs.
C.5	*Restrictions on transferability*	The GDRs are freely transferable (subject to the clearing and settlement rules of The Depository Trust Company (in the case of the GDRs represented from time to time by the Rule 144A Master GDR) and Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream**") (in the case of the GDRs represented from time to time by the Regulation S Master GDR), as applicable and the terms and conditions of the GDRs), subject to selling and transfer restrictions under the relevant laws in certain jurisdictions applicable to the transferor or transferee, including the United States, the United Kingdom, the European Economic Area (the "**EEA**") and Egypt and also subject to statutory and contractual lock-up arrangements applicable to the Selling Shareholders, the Issuer and the other Shareholders of the Issuer.
C.6	*Admission to trading on a regulated market*	Application has been made (1) to the FCA, in its capacity as competent authority (the U.K. Listing Authority, or "**UKLA**") under the FSMA, for a listing of 13,025,037 GDRs to be issued on or about April 2 2015 (the "**Closing Date**") to be admitted to the official list of the FCA (the "**Official List**") and (2) to the London Stock Exchange plc (the "**London Stock Exchange**"), for such GDRs to be admitted to trading on the London Stock Exchange's regulated market for listed securities (the "**Regulated Market**") through its International Order Book, which is a regulated market for the purposes of Directive 2004/39/EC (the Markets in Financial Instruments Directive). The Shares have been listed on the EGX.
C.7	*Dividend policy*	The Issuer's policy is to pay dividends when permitted by law and subject to consideration of its capital expenditure requirements, financial condition, including our level of indebtedness, debt covenants and liquidity requirements, and our results of operations at the relevant time. Management currently envisages to pay dividends beginning in 2016 based on the Issuer's 2015 financial results. Management expects the dividend payout ratio to be

Section C—Securities		
		approximately 35% to 50% of IFRS net income in the coming years, subject to legal restrictions and if warranted by our results of operations. The Issuer's articles of association provide that dividends are paid annually based on the generated profits according to the Issuer's audited financial statements prepared in accordance with EAS. Pursuant to the Egyptian Companies Law and the Issuer's articles of association, the Issuer must convene an Ordinary General Meeting not later than three months after the end of the fiscal year to determine, *inter alia*, the dividends, if any, to be distributed. Dividends declared by resolution of the shareholders at an Ordinary General Meeting must be distributed within one month of the dates of the Ordinary General Meeting. Shareholders are entitled to their dividends, upon issuance of the relevant resolution of the Ordinary General Meeting. The Shareholders may also approve the distribution of profits quarterly based on the relevant financial statements and the auditor's report.
C.13	*Information about the underlying shares*	Please see C.1, C.2, C.3, C.4, C.5, C.6 and C.7.
C.14	*Information about the depositary receipts*	Please see C.1, C.2, C.4, and C.5. The Terms and Conditions of the GDRs set out the provisions relating to the exercise of and benefit from the rights attaching to the Shares. The following summarises relevant provisions of the Terms and Conditions of the GDRs relating to the exercise of and benefit from rights attaching to the underlying shares. *Voting rights* The rights of Holders regarding voting rights arising in respect of the shares represented by GDRs may be summarised as follows: Each Holder, following receipt from the Depositary of copies of the information provided by the Company (including notice and agenda for a meeting of shareholders of the Company) has the right to instruct the Depositary with regard to the exercise of voting rights with respect to the Deposited Shares and is entitled to give instructions to the Depositary to vote for or against each and any resolution specified in the agenda for the meeting. Each voting instruction from a Holder must be in the form required by the Depositary. Exercise of voting rights from Holders will be subject in each case to Egyptian law and the Depositary's determination of what is reasonably practicable, which may mean that in some cases the Depositary can only procure the exercise of the number of votes representing the net positive difference between total votes in favour of a resolution and total votes opposed to such resolution, or cannot procure the exercise of any votes. *Rights issues* The rights of Holders regarding subscription or similar rights arising in respect of the shares represented by GDRs may be summarised as follows: Each Holder is entitled, subject in each case to applicable law and to the provision by the Holder of relevant information required by the

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		Depositary and relevant payments (including fees, taxes, duties, charges, costs and expenses required under the Deposit Agreement), and to the extent determined lawful and reasonably practicable by the Depositary, either: (i) to request the Depositary to exercise rights to subscribe for or to acquire Shares, securities or other assets where such rights are made available by the Company to Holders (and where applicable, to subscribe for additional rights not subscribed by other Holders); or (ii) to receive a distribution of such rights or the net proceeds of any sale thereof. The Issuer has agreed it will, unless prohibited by applicable law or regulation, give its consent to and if requested use all reasonable endeavours to facilitate, any such distribution, sale or subscription by the Depositary or the Holders, as the case may be, pursuant to the terms and conditions of the GDRs. *Payment entitlements* The only cash amounts to which a Holder is entitled are: • a United States dollar amount equal to: (i) the amount of any cash dividend or other cash distribution on or in respect of the shares represented by the Holder's GDRs (including any amounts received in the liquidation of the Company); or • otherwise in connection with such shares received by the Depositary; or (ii) the net proceeds of sale of any shares received by the Depositary from the Company by way of dividend or free distribution where issuance of GDRs representing such shares is deemed by the Depositary not to be lawful or reasonably practicable; or (iii) the net proceeds of sale of assets (other than shares or cash) received by the Depositary from the Company where distribution of such assets to GDR Holders is deemed by the Depositary to be unlawful or reasonably practicable; or (iv) the net proceeds of sale of subscription or other rights made available to the Depositary as a holder of shares by the Company (or the sale of the assets resulting from the exercise of such rights) where the exercise of such rights by the GDR Holders is deemed not to be lawful or reasonably practicable; and • on cancellation of GDRs or termination of the Deposit Agreement, amounts equal to the cash amounts held by the Depositary for the Holder of each cancelled GDR or GDR in issue at the time of termination of the Deposit Agreement; in each case subject to applicable law, and the detailed terms set out in the terms and conditions of the GDRs and the Master GDRs.
	Guarantee	Not applicable; there are no bank or other guarantees attached to the GDRs.

Section D—Risks		
D.2/4	*Key information on the key risks of the issuer*	1. Our expansion and product strategies are based on our belief that the market will continue to grow and there will be a continued trend towards increased consumption of higher-quality and higher-priced products. However, if the Egyptian market does not develop in line with our expectations, we could have excess capacity and reduced profitability. Conversely, if demand exceeds our investment in new production capacity, we

Section D—Risks		
		could lose market share. We may also be unable to successfully implement our expansion projects as planned. 2. We may not be able to predict or react in a timely manner to changes in consumer demand, which may be influenced by a range of dietary, cultural, demographic and economic trends. Any such failure could result in the loss of market share or failure to recover our development, production and marketing costs. 3. An increase in the price of raw materials, labor, utilities and other operating expenses. Because of the need to price our products at affordable levels, and the lack of small denomination coins in circulation, our ability to pass on cost increases to consumers may be limited. As a result, sustained increases in our operating expenses could reduce our margins and profitability. 4. The distribution of our products may be subject to temporary or longer-term disruptions due to a number of factors beyond our control, including road closures, strikes, lockouts, and natural disasters. If we are unable to make timely deliveries of our products, our reputation and business may suffer. 5. The vast majority of our products are sold to consumers through small, independent retailers, which mainly operate kiosks and small stores. These retailers may give higher priority to competing products of, or form alliances with, our competitors. In addition, if these retailers improperly store and damage our products, our reputation may be harmed. 6. We are subject to risks affecting the food industry generally, including risks posed by contamination or food spoilage, evolving nutritional and health-related concerns, consumer claims, product tampering, and the potential cost and disruption of product recalls. We believe that the emphasis on quality underpins our brand image. Our business could be harmed in the event of adverse publicity resulting from actual or alleged contamination or deterioration of our products or those of our competitors. 7. Following completion of the Combined Offering, Berco Limited, our principal shareholder, will retain a significant shareholding and its interests may differ from those of other shareholders. 8. Foreign exchange movements have had an effect of on results of operations due to transaction and translation currency effects. We generate revenues almost entirely in Egyptian Pounds but incur some costs, primarily for raw materials, in other currencies, primarily US Dollars and Euros. As a result, the strengthening of these other currencies against the Egyptian Pound increases our cost of sales. We may also, from time to time, be unable to access sufficient funds in US Dollars in order to satisfy our US Dollar-denominated debt obligations. We may also be affected by changes in interest rates as we have floating rate indebtedness.

Section D—Risks		
		9. Our operations are located in Egypt and we export to a number of other emerging markets. Investing in emerging markets generally involves a higher degree of risk. Egypt and other countries in the region have recently experienced, or are currently experiencing, political, social and economic instability and, in some cases, extremism and terror attacks. Political, economic and military conditions in the region could affect the availability and consumption of snack food, which could adversely affect our business, results of operations and financial condition.
D.3/5	*Key information on key risks of the depositary receipts*	• The value of the Securities may be volatile and influenced by many factors outside of our control. An active and liquid market for the Securities may not develop, which may make it more difficult to buy or sell Securities in the future. • The sale or availability for sale of substantial amounts of Securities could adversely affect the price of the Securities or prevent us from raising additional capital through offerings of equity securities. • The Issuer may decide not to pay dividends in the future, and holders of Securities may be subject to limitations or delays in repatriating distributions. • The terms of the Deposit Agreement and Egyptian law could result in practical limitations upon the ability of the holders of the GDRs to exercise their voting rights. • Securities holders may not be able to exercise their pre-emptive rights in certain jurisdictions. • Investors may face difficulties enforcing foreign judgements and arbitral awards in Egypt. • Holders may be subject to Egyptian capital gains taxes on the disposition of Shares and possibly, GDRs. Additionally, a 10% Egyptian withholding tax may apply to the payment of dividends on the Securities.

Section E—Offer		
E.1	*Total net proceeds and estimate of the total expenses of the issue/offer*	The Issuer will not receive any proceeds from the Combined Offering. The Issuer expects its expenses (comprising primarily professional advisory fees and the costs of establishing the GDR program) incurred in connection with the Combined Offering will be approximately US$900,000. The Selling Shareholders expect to receive gross proceeds of US$267,311,463 and net proceeds of approximately US$260,965,234 from the Combined Offering after deduction of underwriting commissions with respect to the Securities sold by them and the portion of Combined Offering expenses payable by them and assuming no Shares are returned to the Selling Shareholders at the end of the Stabilization Period.
E.2a	*Reasons for the offer, use of proceeds, estimated net amount of the proceeds*	The Institutional Offering is to provide the Selling Shareholders with a liquid market for their Shares, to provide the Issuer with a liquid investor base through being a listed entity and to enhance Issuer's image and perception in both Egypt and abroad. Please see E.1.

Section E—Offer		
E.3	*Terms and conditions of the offer*	The Institutional Offering comprises an offering of 92,483,770 Shares held by the Selling Shareholders, in the form of Shares and GDRs, with each GDR representing five Shares, (a) to institutional investors outside the United States in the form of Shares and Regulation S GDRs in offshore transactions in a number of countries, including Egypt, in reliance on Regulation S; and (b) to certain qualified institutional buyers in the United States in the form of Shares and Rule 144A GDRs, in reliance on Rule 144A. This prospectus relates only to the Institutional Offering. The Offer Price is US$12.28 per GDR or EGP 18.50 per Share. The Shares are expected to be offered and the GDRs are expected to be issued, and payment for them is to be made, on or about April 2, 2015.
E.4	*Material interests in the offer*	Not applicable.
E.5	*Name of entity offering to sell the security and lock-up agreements/ details*	The Securities are being offered by the Selling Shareholders. The Underwriting Agreement will provide that the Issuer, subject to customary exceptions, for a period of 180 days following the commencement of trading of the Shares on the EGX and the GDRs on the London Stock Exchange, will not without the prior written consent of the Joint Global Coordinators, directly or indirectly, issue, offer, sell, contract to sell, pledge, otherwise dispose of, enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition of (whether by actual disposition or effective economic disposition due to cash settlement or otherwise), or publicly announce the offer of, any shares of the Issuer or any securities convertible into, or exercisable or exchangeable for, shares of the Issuer (including GDRs) or the intention to effect any transaction involving shares of the Issuer (including GDRs). The Underwriting Agreement will provide that each of the Selling Shareholders and Berco Limited, subject to customary exceptions, for a period of one year following the commencement of trading of the Shares on the EGX and the GDRs on the London Stock Exchange, will not, without the prior written consent of the Joint Global Coordinators, directly or indirectly, issue, offer, sell, contract to sell, pledge, otherwise dispose of, enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition of (whether by actual disposition or effective economic disposition due to cash settlement or otherwise), or publicly announce the offer of, any shares of the Issuer or any securities convertible into, or exercisable or exchangeable for, shares of the Issuer (including GDRs) or the intention to effect any transaction involving shares of the Issuer (including GDRs). In addition, according to the rules of the EGX the Selling Shareholders, and certain shares of Berco Limited, will be subject to a two-year lock-up imposed by the EGX, which is expected to expire on April 1, 2017. The EGX requires at least 51% of the aggregate number of shares held by Principal Shareholders (prior to the Combined Offering) to be locked up for a period of two years commencing on the date of the Egyptian Retail Offering. The Shares locked up in accordance with the EGX Listing Rules requirements may be transferred during the lock-up period, subject to EFSA approval and the fulfilment of certain other EGX Listing Rules requirements.

Section E—Offer		
E.6	*Dilution resulting from offer*	Prior to the Combined Offering, the Selling Shareholders had 210,263,400 shares. Following the Combined Offering, the Selling Shareholders will hold 101,458,965 shares comprising 27.97% of the Company's total issued share capital. No new Shares will be issued in the Combined Offering.
E.7	*Estimated expenses*	Not applicable. No commissions, fees or expenses in connection with the Combined Offering will be charged to investors by the Issuer. As described in the terms and conditions of the GDRs, the Depositary will be entitled to charge certain fees to the holders of the GDRs.

RISK FACTORS

Prospective investors should carefully consider the following risks, as well as other information contained in this prospectus before deciding to purchase any of our securities. If any of the following risks actually occurs, the value and trading price of the Shares or the GDRs could decline, and investors could lose all or part of their investment. Below are the risks and uncertainties we believe are material, but these risks and uncertainties may not be the only ones we face. Additional risks and uncertainties, including those we currently are not aware of or deem immaterial, may also harm our business.

All businesses operating in Egypt and the surrounding region are exposed to significant political, social and economic risks. For a description of these risks, see "Risks Relating to Egypt and the MENA Region" below.

Risks Relating to our Business

If we do not expand our production and distribution capabilities in line with market growth, we could lose market share

The Egyptian snack food market has experienced rapid growth in recent years, and our expansion and product strategies are based on our belief that the market will continue to grow and there will be a continued trend towards increased consumption of higher-quality and higher-priced products. Our factories currently operate at levels close to their peak capacities, and we are expanding our production capacity and plan to expand our distribution capabilities to meet this expected increasing consumer demand. However, Egyptian market growth will depend on a number of factors affecting demographic trends and discretionary consumer spending. These include the general condition of the economy, as well as current trends of increasing inflation, tighter fiscal policies and unemployment. Accordingly, the market may not develop in line with our expectations. Lower than expected market growth could result in excess capacity and lower our profitability. Conversely, if demand exceeds our investment in new production capacity, we could lose market share. For example, in 2011, we had to limit production of our *Molto* croissants due to capacity constraints while the market continued to expand. As a result, *Molto* lost market share, which was only partially recovered after we increased production capacity. Any loss of market share could weaken our brand and competitive position, reduce our bargaining power with suppliers and customers and ultimately reduce our revenues and profitability.

In addition, we may not be able to successfully implement our expansion plans. The installation of new production lines is subject to a number of risks, including the potential for delays, defects in design or construction or cost overruns. We may not be able to procure the necessary equipment or governmental permits, may not be able to secure adequate financing or foreign currencies and may face delays in obtaining connections to public utilities and other infrastructure or have difficulty in finding a sufficient number of qualified workers due to potential labor shortages. In addition, there is significant demand for land suitable for industrial use within Cairo and in other areas of Egypt, and we may not be able to purchase new land for industrial expansion on acceptable terms.

We may not be able to effectively anticipate, identify or react to changes in consumer demand

The Egyptian snack food industry is evolving and, to compete successfully, we must continually enhance our product portfolio to cater to changing consumer tastes and preferences. Although we regularly conduct market research and test potential new products, we may not be able to predict or react in a timely manner to changes in consumer demand, which may be influenced by a range of dietary, cultural, demographic and economic trends. For instance, in many Western countries there has been a recent trend toward diets that restrict carbohydrates, trans fats, sugar and processed wheat, among other ingredients. Although this trend has not been adopted in Egypt, Egyptians' diets may evolve to discourage the consumption of snack food. We may incur significant costs related to developing and marketing new products or expanding our existing product segments in anticipation of changes in consumer preference or increases in demand. If we do not anticipate changes in consumer demand correctly, or otherwise fail to maintain a portfolio of affordable products that appeal to consumer tastes and preferences, the demand for our products may decrease. Any such decrease could result in the loss of market share or failure to recover our development, production and marketing costs.

An increase in the price of raw or packaging materials or other operating expenses could reduce our margins and profitability

In 2014, raw materials, which include products, packaging and other raw materials, represented 78.9% of our cost of goods sold. We purchase most (78% in 2014) of our raw materials within Egypt, although we also source materials internationally, primarily from Europe, the UAE, the United States and Malaysia. Although it is our policy to have at least two approved suppliers for almost all of our direct materials, and we seek to maintain close and on-going relationships with our most significant suppliers, in line with common practice in the Egyptian food industry, we do not generally enter into long-term contracts for the supply of direct materials. Our agreements generally have terms of three months to one year. Where we do enter into longer-term contracts, these do not typically specify fixed or maximum prices for the materials supplied. In addition, we do not hedge against increases in the price of direct materials. Prices for the vast majority of our raw materials are set with reference to international market prices, (which are mainly denominated in US Dollars and Euro) and we do not directly benefit from local agricultural subsidies. Although the number and diversity of our raw material and packaging requirements, which exceed 100 different items, has historically reduced the impact of short-term price increases for any particular item, we remain subject to longer-term price fluctuations, particularly with respect to our main ingredients, which include sugar, flour, cocoa, oil and fats, milk powder and eggs.

The prices for our raw materials are impacted by trends and factors such as cyclicality, seasonality, periodic shortages due to demand peaks, freight costs, speculation by brokers, supply and demand for crops, weather conditions at the location of production, energy prices and agricultural policies. Prices may also be affected by disruptions in the supply of raw materials, which might be caused by a number of factors including poor harvests, natural disasters, political instability or war in the countries of our suppliers, contamination or deterioration of supplies and regulatory changes. For instance, in 2014 cold weather in Turkey caused poor harvests of hazelnuts which resulted in a more than doubling of prices that affected our production costs.

Our business may also be negatively affected by rising utility and other operating costs. Although, fuel and utility costs represented only 1.6% of our operating costs in 2014, prices have risen sharply in recent years and are expected to continue to rise further as the Egyptian Government is withdrawing subsidies to allow domestic fuel and utility prices to move toward international market prices. For instance, in 2014, the price of energy increased from US$2.00 per million British thermal units (mbtu) to US$5.00 per mbtu. The sale price of electricity is expected to gradually increase through 2018. In 2014, Egyptian natural gas prices increased 157% and water prices increased 156%. We do not hedge these costs and remain subject to the risk of future price increases. In addition to the withdrawal of government subsidies, fuel and utility prices may also increase due to further currency devaluation, ongoing fuel shortages in Egypt or other economic factors beyond our control.

Labor represents a significant portion of our production costs. Wages generally have been rising in Egypt in the past three years, and the Egyptian Government has indicated that it will increase the mandated national minimum wage. One of the ways in which we seek to remain an attractive employer is to pay above-market wages. Accordingly, changes to the minimum wage do not directly affect us. However, we typically review and adjust our salary rates each year based on inflation and market conditions, and our labor costs may increase in the future.

We may not be able to pass any significant increases in our operating costs through to our customers. Although we can migrate our products to a higher price range, adjust our production to reduce our unit costs by changing the ingredients used and reducing product size or the number of pieces per package over the longer term, we may face significant challenges in raising prices in the short-term. Our strategy of targeting the mass market segment requires our products to be affordable and perceived as good value by our target consumers. If we increase our product prices our sales could decline, which might reduce our market share and lead to excess production capacity. In addition, because small denomination coins are not in wide circulation within Egypt, price increases can only effectively be made in increments of EGP 0.50. This represents a significant increase over our average product price point which ranges from EGP 0.68 to EGP 1.57 which limits our ability to increase product prices proportionately to production costs. If we are unable to pass any significant increases in our operating costs through to our customers, our margins and profitability could decline and our business may be otherwise harmed.

Disruptions affecting our product distribution may materially and adversely affect our business and financial results

The distribution of our products may be subject to temporary or longer-term disruptions due to a number of factors beyond our control, including road closures, strikes, lockouts, and natural disasters. We have recently decreased our delivery vehicle crews from three to two. While this reduces our delivery costs, smaller crews may be more vulnerable to staffing disruptions or less able to adequately respond to other disruptive events. We plan to continue to expand our distribution network and, although additional distribution centers are expected to decrease the average delivery distance travelled by our vans, increasing the scope of our distribution activities may intensify the risks we face relating to disruption of transportation services. If we are unable to make timely deliveries of our products, our reputation and business may suffer.

We rely on a large number of small retailers and if they perform poorly or give preference to competing products, our financial performance could be negatively affected

The vast majority of our products are sold to consumers through small, independent retailers. This includes our direct sales to "traditional trade" retailers, which are mainly kiosks and small independent stores, and traditional trade retailers supplied by our wholesale customers. These retailers usually carry products that directly compete with our products for retail space and consumer purchases. There is a risk that traditional trade may give higher priority to competing products of, or form alliances with, our competitors . In addition, although there has been no such practice in Egypt to date, these retailers might form alliances to enhance their bargaining power with suppliers like us, which could reduce our sales if we do not reduce our prices. In addition, we rely on these retailers to sell our products effectively. Retailers may improperly or ineffectively display our products, which could harm our competitiveness and brand. A large number of our products must be stored within certain temperatures in order to retain their flavor and nutritional value and to avoid contamination or deterioration. They may also improperly store our products, which could damage the products, create a health risk to consumers and harm our reputation. If any of these events occur, our sales, financial results and reputation may be harmed.

Contamination or reduction in the quality of our products could hurt our reputation and depress our revenues

We are subject to risks affecting the food industry generally, including risks posed by contamination or food spoilage, evolving nutritional and health-related concerns, consumer claims, product tampering, and the potential cost and disruption of product recalls. The risk of contamination or deterioration exists at each stage of the production cycle, including:

- the production and delivery of raw materials and packaging to our facilities;
- baking and production;
- packaging;
- delivery of products to wholesalers and retailers; and
- storage or shelving of our products by wholesalers and retailers.

We use equipment and procedures to ensure the quality of our products, but we cannot guarantee that our quality control measures will be effective in preventing product contamination or deterioration. We also have no control over the conditions in which our products are stored by wholesalers and retailers before being sold.

We believe that the emphasis on quality underpins our brand image. Our business could be harmed in the event of adverse publicity resulting from actual or alleged contamination or deterioration of our products. If the consumption of any of our products were to cause, or is alleged to have caused, illness, injury or death, we may be required to conduct product recalls or face regulatory action. In addition, although the concept of product liability is not well developed in Egypt, we could face such claims in the future based on the Egyptian Commercial Law No. 17 of 1999 which contains provisions holding producers and distributors jointly and severally liable with regards to defective products. Even if a product liability claim is unsuccessful or is not fully pursued, the negative publicity around any assertion that our products caused illness, injury or death could adversely affect our reputation with existing and potential customers and our corporate and brand image. In line with common practice in Egypt, we do not maintain product liability insurance. Should any material contamination or deterioration occur, whether or not it occurs at our

facilities, it may harm our reputation, competitiveness and revenues. Moreover, any publicity relating to incidents of this kind, even involving competitors' products, could also harm our business.

Our operations may be interrupted due to unforeseen events

Our success depends on the continuing, efficient operations of our manufacturing and distribution facilities, infrastructure and systems. Our operations could be interrupted by a number of occurrences, such as strikes, power or water outages, fuel or labor shortages, failure of critical machinery, supply interruptions or political instability. For instance, Egypt's political upheavals and economic slowdown that began in 2011 led to worker unrest and strikes in some parts of the country, but which were concentrated in the manufacturing region where one of our factories is located. In June 2013, several employees went on strike at our 10th Ramadan factory without complying with notice procedures in breach of Egyptian labor law. After a Management announcement, the workers halted production and occupied the premises for a short period of time. Work soon resumed at the factory and the workers restarted production and withdrew their demands. Although we believe our employee relations are good, we may be subject to additional labor-related disruptions.

In recent years Egypt has suffered from severe shortages in the supply of natural gas and electricity. These shortages have led to business interruptions at many factories throughout the country, including those we operate. In 2012, production was interrupted for a total of 32 days, primarily at our E10 factory, due to scheduled power cuts. In 2013 and 2014, production was interrupted for a total of 12 days and 11 days, respectively, due to scheduled electricity, gas and water cuts.

Although we have taken steps to minimize the effects of interruptions in the supply of utilities, including using downtime for maintenance and temporarily shifting production to unaffected facilities, there can be no assurance that the necessary utilities will be readily available to us or that other events will not disrupt our operations. Any disruption of our operations could adversely impact the quality of our products, customer relationships, sales and profitability.

In addition, we rely on sophisticated information technology systems and infrastructure to support our business, including process control technology and our network of hand held sales devices. Any of these systems may be susceptible to outages due to fire, floods, power loss, telecommunications failures and similar events. The failure of any of our information technology systems may disrupt our operations, which could reduce our sales and profitability. We have business continuity plans in place to reduce the effects of information technology system failures or disruptions, but we cannot assure you that we will not experience failures or disruptions in the future.

The snack food industry is competitive, and we may not be able to compete effectively

There is significant competition in the Egyptian snack food industry based on product quality, brand name loyalty, price, production capacity and marketing. Increased competition within any segment of the snack food market can negatively affect other product segments. For example, trade promotions that lead to higher sales of competing products in a particular segment may lead to trade customers spending less on other types of snack food. To compete effectively, we need to provide high quality products that appeal to consumers' tastes and preferences at affordable prices. We compete with international, national, regional and local producers across all of our product categories. Competition from international companies may grow as Egypt is seen as an increasingly attractive consumer market. Further, global food and beverage companies have announced their plans for additional investment in Egypt. For example, Kellogg Co, has recently increased its presence by acquiring a majority stake in Bisco Misr, an Egyptian packaged biscuits and cakes company. Some of our competitors have greater brand recognition, distribution capabilities, production capacity or financial or operational resources. Competitors may also adapt more quickly to evolving industry trends, changing market requirements or changing consumer tastes. They may also improve their competitive position by introducing new products, or products that can be substituted for ours, improving their manufacturing processes or expanding the capacity of their manufacturing facilities.

Current and potential new competitors may increase their advertising expenditures and promotional activities or engage in irrational or predatory pricing behavior in an effort to gain market share. In particular, from time to time, we experience price pressure in certain of our markets from promotional pricing, which typically arises from smaller local competitors. Such price pressures may restrict our ability to increase prices in response to raw material and other cost increases.

In addition, albeit limited, some domestic competitors have used names and packaging that are similar to ours. In such circumstances, where appropriate, we took legal action to protect our brands. See "*—Our trademarks and other intellectual property rights may not adequately protect our products and brand, and our intellectual property rights may be challenged by third parties*".

We may not be able to compete effectively in the future. New entrants to, or other changes in the competitive environment within our markets, could reduce our sales or margins, slow our growth or reduce our market share, any of which could materially adversely affect our business.

Our key brands or overall reputation could be damaged

Maintaining our strong brand and popular reputation is critical to our success as all of our products are branded. Our ability to do this depends on the success of our marketing and continuing to provide our customers with high-quality and appealing products. In addition, if we fail, or appear to fail, to deal with issues that may give rise to reputational risk, such as consumer claims or negative press coverage, we could harm our business prospects. We have no control over the former Hostess brands (*HoHos*, *Tiger Tail* and *Twinkies*, which we acquired in 2013 and previously produced under license) outside Egypt, Libya, Jordan and Palestine, being the countries in which we own these brands. However, these are dominant cake brands in our markets, and any reputational damage suffered by these brands in other countries in the future, even though unrelated to our operations, may have an effect on our sales of *HoHos*, *Tiger Tail* and *Twinkies* in Egypt and other markets to which we export. In the event that our brand or reputation is damaged, this could adversely impact our sales and profitability, which could harm our business.

We rely on our Management team, and our success also depends on maintaining a qualified and motivated workforce

We rely on the abilities and experience of our executive officers and other key personnel. In particular, we depend upon the significant industry expertise and experience of our founder, Chairman and Managing Director, Mr. Hani Berzi, in setting our strategic direction and policies. We do not maintain key man insurance, which is not available in Egypt. We may not be able to retain the services of our key managers or attract and retain replacements or additional qualified managers, as and when needed. Our failure to do so could adversely negatively affect our operations. In addition, our business depends on our ability to attract, train and maintain an adequate workforce. The Egyptian market for blue-collar employees is generally characterized by high turnover and a lack of skilled workers. We face strong competition from other manufacturers for skilled workers, and we have experienced labor shortages in the past. We believe that we are an attractive employer based on our pay, training and working conditions, which has resulted in a relatively low employee turnover (1.2% in 2014, decreased from 2.5% in 2013). Our comprehensive staff training programs include the Edita Manufacturing Academy and Edita Sales Academy. The challenge of maintaining a sufficient workforce will increase as our business grows.

Our trademarks and other intellectual property rights may not adequately protect our products and brand, and our intellectual property rights may be challenged by third parties

Our business will be harmed if we are unable to maintain and protect our trademarks and other intellectual property, such as trade secrets. Our competitive position depends on our ability to continue to utilize our products' trademarks where they are sold. Currently our trademarks are in force in all the countries in which we operate. However, if our existing trademarks are amended or expire, or if any of our pending or future applications for the registration of trademarks are unsuccessful, delayed or granted subject to limitations, this could significantly affect our ability to compete in the relevant markets.

Our business also depends on our ability to protect our intellectual property from infringement. Egyptian intellectual property law is not well-developed, which makes enforcement difficult. We have discovered several cases where smaller retail producers have sold products under brand names that are similar to ours. Although these cases have involved small quantities of products and were relatively unsophisticated attempts to create products similar to ours, this has led to some consumer confusion. While we continue to seek to protect our trademarks and other intellectual property against infringement by third parties, our actions may not be adequate in every case. There can be no assurance that illegal use of our brands or other infringement will not increase in the future, which could reduce our sales, damage our reputation, weaken our brands and may affect our ability to maintain our intellectual property.

Our international operations subject us to additional country-specific risks, and we may be unable to successfully expand our exports into new markets

We currently export our products to 14 countries, which are primarily emerging markets in North Africa and the Middle East. Export sales represented 5.8% of our total sales in 2014, and a key part of our strategy is to increase exports in part by entering new markets in North Africa and the Middle East. Our exports may be disrupted by a number of factors that are outside of our control, including:

- political or social instability, including the deteriorating security situation in some of our export markets;
- economic changes that reduce consumer demand or purchasing power;
- unexpected changes in government policies and regulations, including the imposition of trade barriers, exchange controls and new laws regarding product safety;
- the imposition of or increases in duties and withholding and other taxes on remittances; and
- increased distribution costs, disruptions in shipping or reduced availability of freight transportation.

Our sales outside of Egypt also potentially subject us to the legislative and regulatory requirements of our export jurisdictions, including tax rules and food and safety legislation. We may incur liabilities under these jurisdictions. Any disruption in our export activities or restrictions or liabilities imposed in any of these jurisdictions could harm our business.

The export risks described above will apply to any new export markets, and these risks may be higher for markets that are less developed than our current markets. In addition, when we enter a new market we will be less familiar with its dynamics, legal requirements and market conditions, and we may be unable to build a significant market share or achieve a desired return on our investments in new markets. Moreover, we may not have the resources for continued expansion.

Covenants in our facility agreements may restrict our ability to pay dividends

Our credit facilities may restrict our ability to pay dividends. For example, some of our current facility agreements contain covenants that prohibit the payment of dividends during any period in which we are in default under our obligations to pay instalments of principal and interest. As we currently comply with these covenants, and expect to continue to comply with them in the future, we do not expect our facility agreements will prohibit us from paying dividends. However, events beyond our control could prevent us from complying with the covenants, and the breach of our obligations under the facility agreements may restrict our ability to pay dividends to shareholders.

We are subject to currency exchange and interest rate risks

Foreign exchange movements have had an effect on our results of operations due to transaction and translation currency effects. We generate revenues almost entirely in Egyptian pounds, but incur some costs in other currencies, primarily US Dollars and Euros. As a result, the strengthening of these other currencies against the Egyptian Pound increases our cost of sales. Conversely, the weakening of the other currencies against the Egyptian Pound reduces our cost of sales.

We receive non-EGP revenue from the export of our products, and we primarily receive payment in US Dollars and Euro. In 2014, non-EGP revenue represented 5.9% of our total revenue and 10.1% of our total expenses were in foreign currencies. We also use foreign currencies (principally the US Dollar and the Euro, to purchase certain raw materials, primarily packaging supplies) representing 17.3% of our 2014 cost of goods sold. The match between our foreign currency revenues and expenses has provided a partial hedge which has limited the impact of foreign currency fluctuations against the Egyptian Pound. As of the end of February 2014, the Egyptian Pound depreciated by 20.4% against the US Dollar and other foreign currencies since 2012, which has had the effect of increasing our borrowing costs. We do not hedge against our exposure to foreign currencies and further depreciation of the Egyptian Pound against foreign currencies could have a material adverse effect on our results of operations.

Our results of operations may also be affected by foreign currency fluctuations as a result of our method of accounting for our debt. We translate all non-EGP monetary assets and liabilities into Egyptian Pounds at the exchange rate at each subsequent reporting period end date. We recognize the resulting exchange rate difference between the date such assets or liabilities were originally recorded and the subsequent reporting

period end date as foreign currency losses or gains in profit or loss. At the end of 2014 we had EGP 95.9 million of indebtedness in foreign currency, primarily in US Dollars and Euro.

We may also, from time to time, be unable to access sufficient funds in US Dollars in order to satisfy our US Dollar-denominated debt obligations. The availability of US Dollars in Egypt over the last three years has been inconsistent and unreliable. The CBE has been placing conditions on access to US Dollars, and it is uncertain whether and for how long these policies will continue. At the moment, the CBE has implemented new regulations that restrict deposits of US Dollars to US$10,000 per day and US$50,000 per month. These new restrictions limit our ability to purchase US Dollars, and we may be required to obtain US Dollars outside of our preferred channels at a less favourable exchange rate and a higher cost. Despite the new restrictions, our US Dollar bank loans are largely unaffected since we can service them with Egyptian pounds. Our export proceeds cover approximately 50% of our importation requirements of direct materials. While historically we have been able to procure foreign currency, if we are unable to procure foreign currency at favourable rates or at all, we may be unable to pay our suppliers in a timely manner or at all and may otherwise face risks to our operations, which could materially and adversely affect our business, financial condition, results of operations and prospects.

We may also be affected by changes in interest rates. As at the end of 2014, all of our outstanding loans, totaling EGP 319.7 million, had variable rates of interest, which were primarily set with reference to the mid- corridor rate of the CBE. Increases in interest rates increase our interest expenses relating to variable rate indebtedness and increase the costs of refinancing existing indebtedness and of issuing new debt. In addition, increases in interest rates could adversely affect cash flow and our ability to service our debt. We do not hedge against our interest rate exposure.

Although we monitor and assess trends in foreign currency exchange rates and interest rates on an ongoing basis, we may not be able to adequately manage such risks in the future.

Our licenses and permits are subject to periodic renewal

We must maintain various licenses and permits in order to operate our business. These include licenses issued by the New Urban Communities Authority to operate commercial storage facilities, industrial registry certificates issued by the Ministry of Trade and Industry for the operation of manufacturing facilities and a license to import goods, import and export permits issued by the General Authority for Investment and Free Zones ("**GAFI**") and municipal operating permits. Within the next 12 months we will be required to renew approximately one-third of our licences and permits, including our operating licences to produce and distribute food products and licences to operate power generating equipment. All of these licenses and permits are material to our business. Although we expect to be able to renew our licences and permits, there can be no assurance in this regard. The renewals may not be granted, or may be granted with restrictions. In addition, there are often administrative delays in Egypt, which might result in new licenses and permits being issued after existing licenses and permits have expired. In the past, we have experienced short gaps during the renewal process in which we did not hold valid licenses or permits for certain parts of our business, although all of these licences were ultimately renewed. Although the authorities have not raised any objections to date, and we believe this is common practice in Egypt, we may be found in breach of applicable regulations if this situation occurs in the future. Any failure to obtain and retain all necessary valid licenses and permits or other approvals required to operate our business could delay or prevent us from meeting current product demand, introducing new products, operating existing facilities or building new facilities and could otherwise adversely affect our operating results.

Additionally, any non-compliance with applicable licensing laws and regulations, particularly with respect to food safety, could subject us to civil liability, including fines, injunctions or recalls, as well as potential criminal sanctions, any of which could have an adverse effect on our financial results.

Environmental laws and regulations may impact our operations

Our operations are subject to extensive national and regional environmental laws and regulations with respect to water and air quality and solid waste disposal. Applicable requirements include certain international conventions on environmental protection, to which Egypt is a party. From time to time we have discovered instances in which we have not been fully compliant with applicable regulations. For instance, we are remedying non-compliance in the waste disposal facilities of our Polaris Industrial Zone. To date, such non-compliance has been immaterial. Non-compliance with the applicable laws and regulations could result in significant fines and penalties, which could include criminal sanctions and private party claims. We may become subject to increasingly stringent environmental standards in the

future. Changes in environmental laws or regulations or complying with existing environmental laws and regulations or enforcement actions brought under such environmental laws and regulations might increase the cost of operating our facilities or require significant capital investment. Any such changes or compliance costs could reduce our profitability.

In addition, if we find contamination at our production facilities, we may be liable for remedying the contamination even if we did not cause it. We are not aware of any material existing environmental liabilities, claims, investigations or proceedings. However, we could be exposed to substantial environmental costs and liabilities in the future.

We are subject to uninsured risks, and we may not have or we may be unable to obtain sufficient insurance to protect ourselves from business risks and liabilities

We maintain insurance in accordance with normal commercial and manufacturing practice in Egypt. Our insurance policies cover certain fire and theft risks that may occur on or to our properties, and in respect of our assets, assets under construction, fraud, cash transfer and vehicles. Our insurance policies do not cover, or insurance is not commercially available to cover, all potential risks to which we may be exposed, such as product liability insurance, key man insurance and management liability insurance. Our lack of insurance for all or certain business related risks may expose us to substantial losses, which could adversely affect our business, results of operations and financial condition.

Our Principal Shareholders will exercise significant influence following completion of the Combined Offering

Following completion of the Combined Offering, the Principal Shareholders will continue to hold a significant portion of the Securities. For instance, Berco Limited, our main shareholder, owned by the Berzi family, is expected to own 41.8% of the Issuer's ordinary shares after the Combined Offering and it will therefore exercise substantial influence over our business and affairs. Berco Limited together with Exoder Limited and Africa Samba B.V are expected to hold 69.8% of the Issuer's ordinary shares, assuming no Shares are returned to the Selling Shareholders after the conclusion of the Stabilization Period. The interests of our Principal Shareholders may differ from those of other shareholders and the Principal Shareholders may vote their shares or take other actions that favor their interests over those of other shareholders.

Extraordinary decisions regarding our business must be approved by shareholders. The Principal Shareholders could collectively secure a majority at shareholders meetings or they could block certain proposals, delay and could defer or prevent a change in control. It could also impede a merger, consolidation, takeover or other business combination or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control, which in turn could have an adverse effect on the trading price of our shares.

We and some of our shareholders, partners, affiliates and/or associates may have operations in, or render services to, countries that are currently subject to trade restrictions and may be affiliated with persons or countries as identified on the "Specially Designated Nationals and Blocked Persons List" of the Office of Foreign Assets Control of the United States Treasury ("OFAC")

We and some of our shareholders, partners, affiliates and/or associates may have operations in, or render services to, countries, entities, and persons that are currently subject to international sanctions issued by the U.S. government, including OFAC (the Office of Foreign Assets Control), and similar bodies of the United Kingdom and the European Union ("**Sanctions**"), which prohibit individuals and entities that are subject to such Sanctions from engaging in commercial, financial, or trade transactions with certain persons, entities, and countries, including Russia, Cuba, Myanmar, Iran, North Korea, Sudan, and Syria, sanctioned by the United States, the United Kingdom, or the European Union ("**Sanctioned Countries**").

We export products to countries subject to Sanctions, including Syria. In 2014, sales to Syria generated EGP 18 million, representing less than 1% of our 2014 net sales. We believe that we currently comply with the Sanctions and expect to continue to so comply in the future. Despite our best endeavours, in the future, we may conduct transactions with persons, entities, and countries subject to Sanctions. Further, we cannot assure you that the Sanctioned Countries, persons, and entities with which we conduct transactions will not be subject to more restrictive Sanctions or that the appropriate bodies of the United States, the United Kingdom, or the European Union will not impose Sanctions on other persons, entities, and countries with whom we are or would like to do business.

If any of our dealings violate the Sanctions, we could be subject to civil or criminal penalties, including the Issuer being subject to Sanctions. This could harm our reputation and brands and could have a material adverse effect on our business, financial condition and results of operations. Also, any imposition of Sanctions from the above-mentioned authorities against us may result in U.S., European, or any persons governed by Sanctions who may own Shares, being unable to realize the value of any interest they have in the Issuer and being subject to civil or criminal penalties for future dealings with us.

Risks Relating to Egypt and the MENA Region

All businesses operating in Egypt and the MENA region are exposed to significant political, social and economic risks

Investing in securities involving emerging market countries generally involves a higher degree of risk than investments in securities of issuers from more developed countries. These higher risks include, rapid and significant changes in the political, social and economic environment, higher volatility and limited liquidity. Some countries and regions in the Middle East and North Africa ("**MENA**"), including Syria, Iraq, Yemen, Tunisia, Algeria and Libya, have experienced in the recent past, or are currently experiencing, political, social and economic instability and, in some cases, extremism and terror attacks. Political, economic and military conditions in the MENA region could affect the availability and consumption of snack food, which could adversely affect our business, results of operations and financial condition.

All of our assets and operations are located in Egypt and in 2014 we derived 94.2% of our revenues in Egypt. As a result, our operating results are, and will continue to be, affected in general by economic developments affecting Egypt. Egypt has recently experienced a period of political and social upheaval, which has increased the country's political, social and economic risks.

Egypt has experienced political instability and transition

Egypt has been subject to political instability and multiple changes of government in the last four years. Popular unrest, leading to a revolution in January 2011, resulted in the stepping down of long-standing President Hosni Mubarak, the suspension of the constitution and the handover of power to the Supreme Council of the Armed Forces. Demonstrations and protests continued throughout 2011 in response to the perceived slow pace of political change, and Egypt experienced continued political uncertainty and instability over the course of 2012 and 2013. Following a popular uprising which led to the downfall of the previous government, Presidential elections were held in May 2014 and Abdel Fattah Al Sisi was sworn in as President of Egypt on 8 June 2014, winning 96.1% of the vote. The political and economic disturbances that occurred in Egypt following popular uprisings in 2011 and 2013 resulted in worker strikes, unsecured roads between cities, international delivery delays, replacement of governmental officials, fires, fluctuations in currency prices and reduced foreign currency reserves. More recently, as part of a general Egyptian Government policy for economic reform, there have been increased fuel costs. These circumstances have had and may continue to have an adverse effect on Egyptian businesses.

The policies of the current government are subject to uncertainties pending parliamentary elections. As is the reaction of the various political parties to the policies of the current government. The current government is likely to continue to face socio-economic challenges and risks of instability that often accompany political transition. These challenges, together with past incidents of social and political unrest and violence, have had a significant adverse effect on the Egyptian economy. There can be no assurance that further incidents of political or social instability, protests or violence will not directly or indirectly affect Egypt and its economy, which, in turn, could have a material adverse effect on our business, financial condition, results of operations and prospects.

Egypt faces significant economic challenges

Egypt is our primary market and, consequently our results will continue to be impacted by macroeconomic and demographic changes in Egypt. In 2014, Standard & Poor's and Fitch upgraded Egypt's credit rating to reflect the country's improved stability. However, Egypt continues to experience economic challenges. The global economic crisis, combined with the significant political instability and transition beginning in January 2011, negatively affected the Egyptian economy. Egypt's real GDP growth increased only by 2.0% on average from 2011 to 2013. Total net foreign direct investment went from an inflow of US$6.4 billion in 2010 to an outflow of US$482.7 million in 2011, and it has increased to an inflow of US$5.6 billion in 2013, according to the World Bank. Egypt's budget deficit increased from 9.8% of GDP in 2011 to 12% of GDP in 2014. The stabilization and slight decrease in the budget deficit has been due in large part to substantial

grants and other budgetary support from Gulf Cooperation Council member states. In addition, to tackle the budget deficit, the Egyptian Government introduced a temporary corporate income tax rate increase of 5% for a period of three years.

Net international reserves of the CBE decreased by 55.9% to US$15.4 billion as of January 2015, compared to January 2011. Furthermore, tourism revenues have decreased sharply since 2011, although there has been recent recovery. In the absence of robust tourism revenue, Egypt's net international reserves have been heavily supported by supplies of energy on concessionary terms and new deposits with the CBE by Gulf Cooperation Council member states. Recently, the Egyptian Government has commenced a program to remove these energy concessions.

Furthermore, the Egyptian economy, similar to many emerging markets, has been generally characterized by significant Government involvement through direct ownership of companies and extensive regulation, including with respect to foreign investment, foreign trade and financial services. According to the IMF, the Egyptian Government's expenditures represented approximately 39.0% of the GDP in 2014. Despite a period of deregulation, trade liberalization and privatization, which began in the 1990s, the Egyptian Government continues to exercise a significant influence over many aspects of the Egyptian economy. There can be no assurance that private capital inflows will remain at recent levels, or that the Government will not have to increase interest rates or tighten the monetary supply in order to improve Egypt's trade imbalances.

Egypt may continue to experience further political, social and economic difficulties and may fail to adequately address these difficulties and stabilize or improve the political and macroeconomic environment. In particular, significant failures to address Egypt's fiscal and current account deficits may lead to a challenging macroeconomic environment that could lead to some fiscal or balance of payments difficulties. There can be no assurance that Egypt will continue to benefit from fiscal or foreign exchange support from member states of the Gulf Cooperation Council. Any reduction or termination of this support may lead to deterioration in the macroeconomic environment in Egypt.

Moreover, international investors' reactions to events occurring in one emerging market country or region may sometimes demonstrate a "contagion" effect, in which an entire region or class of investment is disfavored by such investors. Political instability in the region may also materially and adversely affect the region's capital markets and the value of securities issued by companies in the region. If such a contagion occurs, Egypt could be adversely affected by negative developments in other countries in the region. Any deterioration of economic conditions in Egypt or the MENA region may have a material adverse effect on our business, financial condition, results of operations and prospects.

Egypt is subject to social instability

Egypt continues to experience a high level of unemployment, a problem compounded by the Egyptian Government's economic reform program, which requires employment in the public sector to be reduced. In past years, most recently in 2013, price increases led to popular discontent in Egypt. While inflation, as measured by the Egyptian consumer price index, decreased from 18.3% in December 2008 to 9.1% in November 2014 (Source: CBE), inflation remains relatively high compared to the global average.

There is a risk that inflation will increase due to the devaluation of the Egyptian Pound and the country's expected continued economic recovery, which may drive up asset prices. In past years, most recently in 2013, price increases led to isolated disturbances in Egypt. Although price stability is at the center of the CBE's monetary policy, there can be no guarantee that the CBE will be able to achieve or maintain price stability and thus control inflation. Increases in unemployment and inflation or other deterioration of the Egyptian economy could contribute to social and political instability, which could significantly harm our business, results of operations and financial condition.

Egypt has experienced, and continues to experience, terrorist incidents and occasional civil disorder

Egypt has experienced, and continues to experience terrorist attacks and occasional civil disorder. Terrorist attacks have largely targeted security and military personnel, religious minorities and political figures. There have been terrorist campaigns in Sinai by an affiliate of the Islamic State since 2011 that have claimed the lives of Egyptians, including security and military personnel. Pipeline disruptions to natural gas exports from Egypt have occurred in the past. Cities in Egypt's Nile valley and delta have experienced terrorist incidents involving improvised explosive devices, which have resulted in limited damage. In December 2014, the British and Canadian embassies in Cairo were temporarily closed for security

enhancements with the creation of "no-approach" zones around their perimeters. Given the challenges occurring in North Africa and the Middle East, there can be no assurance that extremists or terrorist groups will not escalate or continue violent activities in Egypt or expand their operations to include more targets, particularly given the social and political upheaval Egypt has experienced in recent years.

Since 2011, Egypt has also experienced incidents of civil disorder such as demonstrations, protests and sit-ins. Recent examples include demonstrations by banned political groups, football-related violence and sit-ins by opposition parties. Many of these events have resulted in violence and, in many cases, loss of life. Any continuation or escalation of these events may discourage tourists from visiting Egypt and deter investments in Egypt, which would lead to a deterioration of the macroeconomic climate, creating further strain on net international reserves and, in turn, a worsening of the political and social environment. The effects of any such terrorist activities could have a material adverse effect on our business, prospects, financial conditions or results of operations as well as investor confidence in investing in Egypt.

The Egyptian tax and legal system and new legislation and executive regulations can create an uncertain environment for investment and business activity.

The Egyptian legal and tax system is still developing the framework to support a market economy. As a result of the rapid evolution of the Egyptian legal and tax system, it is subject to ambiguities, inconsistencies and anomalies in the laws and judicial practice that may not exist in countries with more developed market economies. These weaknesses may affect our ability to protect our rights under our contracts, or to defend ourselves against claims by others, including challenges by regulatory and governmental authorities in relation to our compliance with applicable laws and regulations and could have a material adverse effect on our business, financial condition, results of operations and prospects.

Foreign Exchange Controls

The Egyptian Government had at various times imposed foreign exchange controls limiting the ability of companies to obtain foreign currency. During these times, Egyptian companies experienced difficulties in converting Egyptian Pounds to foreign currencies (with a significant waitlist since 2011). Currently approximately 50% of our direct material importation requirements derive from our export proceeds. As a result of foreign currency shortages in the country, the Egyptian Government has imposed foreign currency exchange controls to restrict access to non-Egyptian currency in accordance with CBE directives. The remittance of foreign currency abroad is also reviewed and (if necessary) verified by the CBE. If the Egyptian Government imposes additional foreign currency exchange controls, we may be unable to service our foreign currency-denominated payment obligations under certain of our commercial contracts or to obtain working capital to purchase foreign currency-denominated raw materials, which could have a material adverse effect on our business, results of operations and financial condition. See "*Exchange Rate Information*".

Disclosure Obligations, Financial Controls and Corporate Governance

Our corporate affairs are primarily governed by the Egyptian Companies Law No. 159 of 1981 (the "**Egyptian Companies Law**"), as well as the Egyptian Capital Market Law No. 95 of 1992 (the "**Egyptian Capital Market Law**"), the EGX Listing Rules and our articles of association. The rights of our shareholders and the responsibilities of our board members under Egyptian law is different in certain respects from those applicable to corporations organized in the United States, the United Kingdom and other jurisdictions. In particular, Egyptian law significantly limits the circumstances under which shareholders of an Egyptian company may bring shareholder derivative actions. Under Egyptian law, the ability for shareholders to bring such legal actions are very limited. Regulations governing the Egyptian securities market are not as extensive as those in other major securities markets. Notwithstanding the foregoing, this risk factor should not be taken as implying that the Issuer will be unable to comply with its obligations as a company with securities admitted to the Official List.

Although Egyptian law imposes restrictions and penalties on insider trading and price manipulation, the Egyptian securities market is not as highly regulated or supervised as more established securities markets. Moreover, many provisions of Egypt's securities laws have not yet received sufficient judicial or regulatory interpretation or review. Additionally, in recent years, the corporate governance and accounting, financial and other disclosure standards applicable to Egyptian companies and listed companies in particular, have been subject to significant updates, and the interpretation and application of these recently introduced rules are still evolving. The EGX Listing Rules for example, which had been in place for several years, have

been entirely reissued in February 2014, with subsequent amendments introduced in December 2014. Accordingly, many aspects of laws and regulations in Egypt relating to publicly traded companies remain subject to uncertainties relating to their application and enforcement.

In addition, as part of our strengthening of corporate governance we are currently reviewing our anti-bribery, anti-corruption and anti- money laundering policies and procedures to determine whether these reflect best practices for a listed company. Our current procedures and policies may not sufficiently mitigate the risk of employees, contractors or agents violating such laws and regulations or our policies.

Enforceability of Foreign Judgments

Judgments of courts of the United States or the United Kingdom, including judgments against us and our directors and officers or the Selling Shareholders with respect to the Combined Offering or ownership of the Securities, which are predicated on the civil liability provisions of the United States federal securities laws or securities laws of the United Kingdom, may not be enforceable in Egypt unless certain conditions are fulfilled. See "*Enforcement of Arbitral Decisions and Civil Liabilities*".

Risks Relating to the Shares and GDRs

There is no prior market for the Shares and GDRs

The Shares were listed on the EGX on November 26, 2014 and trading is restricted until admission to trading is approved by the EGX. Currently, there is no public market for our Shares or GDRs, and there can be no assurance that an active trading market for our Shares or GDRs will develop or be sustained after this offering. The offering price has been determined based upon several factors, including the history of and prospects for our business and the industry in which it competes and an assessment of our Management, operations and financial results.

The interests of Principal or Selling Shareholders may differ from our interests and those of other shareholders

Following the completion of the Combined Offering and listing of its Shares, the Issuer will have a number of Principal Shareholders. See "*The Selling and Principal Shareholders*".

Currently, we are not aware that any of the Issuer's current shareholders have entered into a shareholders' agreement with respect to the exercise of their voting rights in the Issuer following the Combined Offering. Nevertheless, to the extent that these shareholders were to combine their voting rights, they could have the ability to elect or dismiss directors and, depending on how broadly the Issuer's other shares are held, take certain other shareholders' decisions that require more than 50%, 66.6%, 75% or more of the votes of the shareholders that are present or represented at shareholders' meetings where such items are submitted to voting by the shareholders. Alternatively, to the extent that these shareholders have insufficient votes to adopt certain shareholders' resolutions, they could have the ability to block proposed shareholders' resolutions that require more than 50%, 66.6%, 75% or more of the votes of the shareholders that are present or represented at shareholders' meetings where such items are submitted to voting by the shareholders. Any such voting by these shareholders may not be in accordance with our interests or the interests of our other shareholders and may have a significant effect on our business, financial condition and results of operations.

Future sales of Shares by the Principal or Selling Shareholders could have an adverse effect on the market trading price of the Shares

Sales by the Selling Shareholders of substantial numbers of Shares on the EGX or any other public market on which the Shares may be listed in the future, and whether such sales are made voluntarily or pursuant to the enforcement of any security over such shares, or even the perception that such sales could occur, following the termination of or subject to one of the exceptions to the restrictions in the lock-up arrangements applicable to the Selling Shareholders and the other shareholders of the Company entered into in connection with the Combined Offering (See "*Plan of Distribution—Lock-up Provisions"*), could have an adverse effect on the market trading price of the Shares or could affect our ability to obtain further capital through an offering of equity securities. Similarly, the offer or sale of additional shares by the Selling Shareholders following the termination of or subject to one of the exceptions to the restrictions in the lock-up entered into in connection with the Combined Offering could have an adverse effect on the market trading price of the Shares. In addition, the lock-up imposed by the EGX may be repealed or waived by the EGX in whole or in part under certain limited conditions.

The market price of the Shares may fluctuate significantly

As with all tradable securities, the market price of the Shares may be volatile and subject to wider fluctuations as a result of a variety of factors, including but not limited to those referred to in the risk factors described in this prospectus as well as period-to-period variations in our operating results or changes in sales or profit estimates by us, industry participants or financial analysts. The market price could also be affected by developments unrelated to our operating performance such as the operating and share price performance of other companies that investors may consider comparable to us, speculation about us in the media or the investment community, strategic actions by competitors, such as acquisitions and restructurings, and changes in market conditions and regulatory requirements.

Economic and political conditions in other emerging market countries may from time to time affect the securities markets in Egypt. There can be no assurance that economic and political conditions in other emerging market countries will not have a material adverse effect on the capital markets in Egypt generally, or our business, results of operations and financial condition or the price of the Shares.

The Egyptian securities market is less liquid than major world equity securities markets

The Egyptian equity securities market is less liquid than major world equity securities markets and, therefore, prices of Egyptian securities have tended to be more volatile than in such other securities markets. In addition, a small number of stocks represent a disproportionately large percentage of the aggregate market capitalization and trading volume of the EGX. The limited market capitalization and liquidity of the EGX may impair the ability of holders of Shares to sell the Shares or impair the price realized from such a sale.

Although the EGX has a book-entry system for trading dematerialized shares, settlement procedures in Egypt remain less developed than those in more established securities markets. Accordingly, while the official settlement period for trades effected on the EGX is up to two business days, settlement delays and administrative problems may occur.

The Company may not pay dividends to holders of Shares or declare dividends in the future

Listed companies in Egypt are required to distribute dividends in accordance with the law, their constitutional documents, and subject to a Shareholders resolution at a duly convened General Meeting. Subject to mandatory legal requirements relating to legal reserves and employee profit sharing, publicly listed companies may, in their discretion, distribute dividends to their Shareholders out of retained earnings or realised profits in the form of cash and/or bonus shares, or retain the realised profits. Our financing agreements also contain standard restrictions on dividends unless we continue to make timely payment of outstanding amounts under those agreements. Accordingly, the shareholders have the full right to decide on the distribution of profits unless the distribution will affect the Company's ability to pay its future liabilities. In such circumstances, the report would need to be confirmed by the Company's independent auditors to the effect that there can be no assurance that holders of the Shares will receive dividends in the future. Our ability to pay dividends is contingent on achieving adequate profits and the timing and amount of any future dividend payments will depend on our existing and future financial condition, results of operations, liquidity needs, any restrictions on payment of dividends in our financing agreements and other matters that we may consider relevant from time to time, including, without limitation, capital expenditures, financial performance and equity market conditions. Even if we generate significant profits, we may not pay dividends if the Board believes, and the General Meeting approves, that shareholder value may be increased more effectively by using the profit for other purposes, for example through re-investment or in acquisitions. Please see "*Dividend Policy*".

Under Egyptian law, companies are required to make profit-sharing distributions to their employees if they pay cash dividends to their shareholders. The amount of the employee distribution is set by law and the Issuer's constitutional documents at 10% of the profits distributed. The General Meeting approves the distribution and enables it to be paid to the shareholders even in the form of bonus shares (the profit available to distribution is the the current year net profit less 5% deductions as a legal reserve in addition the retained earning opening balance). Such distributions are also capped to the aggregate of the Company's total salaries and wages paid in the relevant period.

There is Egyptian withholding tax on dividends payable on the Shares and ultimately the GDRs, and there is also a capital gains tax on the disposition of Shares and possibly GDRs

Under Egyptian law, a withholding tax is imposed on dividends distributed to resident and non-resident shareholders of Egypitan companies at rate of 10%, which is potentially reduced to 5% if the shareholder holds more than 25% of the capital or the voting rights of the company for at least two years. In addition, an Egyptian capital gains tax is levied on the sale of Shares. The capital gains treatment of GDRs is uncertain, and capital gains tax could be levied on GDRs.

The application of tax to investments within Egypt is also still developing. In 2014, Law No. 53 was issued amending the then existing tax law to, among other things, introduce taxation on dividend distributions. To date there has been limited interpretive guidance from the tax authorities regarding Law No. 53, and the corresponding executive regulations have not yet been issued. As a result, there is significant uncertainty regarding the proper application and calculation of tax with respect to securities, in particular GDRs. There can be no assurance as to the interpretations of Law No. 53 that will be adopted by the tax authorities or that the executive regulations, once adopted, will not materially change the application of taxes on the Securities. See "*Taxation—Egyptian Tax Considerations*".

Non-Egyptian holders of Shares may experience delays in repatriating dividends or sale proceeds in Egypt

Under current Egyptian law, Egyptian Pounds many not be transferred abroad. To repatriate Egyptian Pound dividends or sale proceeds, a Non-Egyptian holder of Shares must first convert the Egyptian pounds into a foreign currency. The conversion of Egyptian pounds into a foreign currency must be effected through an entity that is licenced or regulated by the CBE. The licenced entity must effect the conversion of the CBE-permitted exchange rate. If there is a shortage of foreign currency, the CBE may impose rules prioritizing foreign exchange for strategically important purposes, such as the purchase of key raw materials, food products or pharmaceuticals, as well as contractually required obligations, including loan repayments.

Foreign investors have experienced, and non-Egyptian holders of Shares may experience, delays in the conversion of Egyptian Pound dividends into foreign currency. The current practice suggests that individuals may transfer abroad a maximum amount annually without the need for any documentary support or justification. This amount has been set at US$100,000 per year and the current practice suggests that it has been increased to US$200,000 per year. Corporations, including institutional investors, are not subject to a limitation on transfers of foreign currency, but they may need to establish that the transfer is for a valid or genuine business transaction, such as the repatriation of dividends of share proceeds. The remitter must submit documentation to the licenced transfer agent to demonstrate the source of funds. This process may take at least two weeks to complete.

A holder of the Shares may have limited recourse against the Company's assets and its Directors and executive officers because the Company conducts its operations in Egypt

Our presence outside the United States and the United Kingdom may limit the legal recourse of a holder of Shares and/or GDRs against the Company and its Management and Directors. The Company is incorporated under the laws of Egypt, and all of the executive members of the Board and the Company's executive officers reside in Egypt. A substantial portion of the Company's assets and the assets of the executive Directors and executive officers are located outside the United States and the United Kingdom, principally in Egypt. As a result, investors may not be able to serve process within the United States and the United Kingdom on the Company or the executive Directors and executive officers or to enforce United States and United Kingdom court judgments obtained against the Company or its executive Directors and executive officers in jurisdictions outside the United States and the United Kingdom. Please see "*Enforcement of Arbitral Decisions and Civil Liabilities*".

Shareholders in the United States may be unable to participate in future rights offerings

If we were to grant rights to participate in future equity offerings to shareholders, US holders may not be entitled to exercise these rights unless the rights and related securities are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available. We intend to evaluate, at the time of any rights offering, the costs and potential liabilities associated with registering the rights and related securities or qualifying for an exemption under the Securities Act, as well as the indirect benefits to us of enabling its US holders to exercise such rights, and any other factors that we consider appropriate at the time, prior to making a decision whether to register such rights or qualify for an

exemption. No assurance can be given that we will choose to register any such rights and related securities or that an exemption from the registration requirements of the Securities Act will be available to enable such US holders to exercise such rights or, if available, that we will utilize any such exemption.

A description of pre-emptive rights relating to the Issuer's share capital is set forth under the heading "*Description of Share Capital and Applicable Egyptian Law*".

Following the Offering, holders of Shares may not be able to deposit the Shares in the Company's GDR facility in order to receive GDRs, and changes in Egyptian regulatory policy with respect to the placement and circulation of the Shares outside Egypt in the form of GDRs or otherwise may negatively affect the market for the Securities being offered

Whenever the Depositary believes that the Shares deposited with it against issuance of GDRs represent (or, upon accepting any additional Shares for deposit, would represent) a percentage exceeding any limit established by any applicable law, directive, regulation or permit, or trigger any condition for the making of any filing, application, notification or registration or for obtaining any approval, license or permit under any applicable law, directive or regulation, or for taking any other action, the Depositary may (i) close its books to deposits of additional Shares to prevent such thresholds or limits being exceeded or conditions being satisfied or (ii) take such steps as are, in its opinion, necessary or desirable to remedy the consequences of such thresholds or limits being exceeded or conditions being satisfied and to comply with any such law, directive or regulation, including, without limitation, causing the pro rata cancellation of GDRs and the withdrawal of the Shares from the Company's GDR facility to the extent necessary or desirable to so comply.

As a result of a legal requirement, no more than 33% of the total number of the outstanding Shares of the Company may be circulated in the form of GDRs. On March 8, 2015, we received permission from the EFSA for up to 119,684,878 of our shares to be circulated outside Egypt through GDRs. Immediately upon completion of the Combined Offering, the GDR program will account for 18.0% of our share capital. Under Egyptian securities laws, the total number of GDRs that has been approved by the EFSA cannot be increased or decreased by way of a further rights issue, capital increase or capital decrease, and any remaining capacity may be used by existing shareholders, including the Principal Shareholders (who are not restricted by the terms of their respective lock-up agreements from depositing their Shares into the GDR facility). As a result, once this threshold has been reached, it may not be possible to deposit the Shares with the Depositary under the Company's GDR facility to receive GDRs and under certain circumstances, such as where the Depositary receives governmental or regulatory notice that the Company's GDR facility violates Egyptian law, an investor may be required to withdraw Shares from the Company's GDR facility, which may in either case affect the liquidity and the value of the Securities. The Depositary and the Custodian will put in place systems and procedures to monitor the number of Shares represented by outstanding GDRs, including for the purposes of ensuring that no more than 119,684,878 of our Shares are represented by outstanding GDRs at any time. In the unlikely event that these systems and procedures fail and more than 119,684,878 of our Shares are represented by outstanding GDRs, an investor may be required to withdraw Shares from the Company's GDR facility. In any case, investors may buy Shares in the Institutional Offering or on the secondary market.

The aforementioned restrictions were introduced in 2013 and may be subject to changes at any time in the future by the Egyptian regulatory authorities, and there can be no assurance that changes by the authorities will not adversely affect the legality and/or size of the Company's GDR facility, which could adversely affect the price of the Securities.

The issue of additional Shares may dilute all other shareholdings

Future issuances of Shares or other securities may dilute the holdings of shareholders and could materially and adversely affect the price of the Shares. Subject to our obtaining shareholder approval, we may issue additional equity or securities convertible into the Shares through directed offerings without pre-emptive rights for existing holders in connection with future acquisitions, any share incentive or share option plan or otherwise. Any such additional offering could reduce the proportionate ownership and voting interests of holders of Shares, as well as the earnings per Share and the net asset value per Share.

Fluctuations in the value of the EGP could significantly affect the value of an investment in the GDRs in US Dollars terms and any dividends we pay in relation to the Securities if converted into US Dollars

The quoted price of the Shares will be in Egyptian Pounds. In addition any dividends that we pay in relation to the Shares will be paid in Egyptian Pounds. As a result, fluctuations in the value of the Egyptian Pound in relation to other currencies, including the US Dollar, can affect the value of the GDRs and dividend payments on conversion into those other currencies for investors outside Egypt. Please see "*Dividend Policy*".

Holders of GDRs will have no legal interest in the underlying shares

Holders of GDRs acquire the beneficial, and not the legal, interest in the underlying Shares, which the Depositary holds on trust for them, under the Deposit Agreement. The intended effect of the trust is to ring-fence the shares in the hands of the Depositary by conferring a property interest on GDR holders as beneficiaries.

The interest of the holders of GDRs as beneficiaries in trust assets (the Shares held by the Depositary) is indirect, in the sense that in the normal course, they do not have any direct recourse to the Shares of the Company nor do they have any direct right of action against the Company or direct voting rights in respect of the Shares. The Issuer has however entered into a deed poll in favor of GDR holders. The deed poll provides that, if the Issuer fails to perform the obligations imposed on it by certain specified provisions of the Deposit Agreement, any holder of GDRs may enforce the relevant provisions of the Deposit Agreement as if it were a party.

Foreign Account Tax Compliance Act

A 30.0% withholding tax may be imposed on all or some of the payments on the Securities after 31 December 2016 to holders and non-US financial institutions receiving payments on behalf of holders that, in each case, fail to comply with information reporting, certification and related requirements. Under current guidance, the amount subject to withholding (i.e. foreign pass-thru payments) is not defined, and it is not yet clear whether or to what extent payments on the Shares and/or the GDRs may be subject to this withholding tax. Investors should seek individual tax advice.

This withholding tax, if it applies, could apply to any payment made with respect to the Securities. Moreover, withholding may be imposed at any point in a chain of payments if a non-US payee fails to comply with US information reporting, certification and related requirements. Accordingly, Shares and/or GDRs held through a non-compliant institution may be subject to withholding even if the holder otherwise would not be subject to withholding.

If Foreign Account Tax Compliance Act ("**FATCA**") withholding is required, the Company will not be required to pay any additional amounts with respect to any amounts withheld. Certain beneficial owners of Securities that are not foreign financial institutions generally will be entitled to refunds of any amounts withheld under FATCA, but this may entail significant administrative burden. US and non-US holders are urged to consult their tax advisors regarding the application of FATCA to their ownership of the Shares and/or GDRs.

THE OFFERING

The Issuer	Edita Food Industries S.A.E., a joint stock company incorporated under the laws of Egypt with commercial registration number 692. Its registered office is at Edita Group Building, Plot No. 13 Central Pivot, El Sheikh Zayed, 6th of October City, Giza, Egypt 12588 and its telephone number is +202 38516464.
The Selling Shareholders	Africa Samba B.V. and Exoder Limited. See "*The Selling and Principal Shareholders*".
The Combined Offering	The Combined Offering consists of the Institutional Offering and the Egyptian Retail Offering.
The Institutional Offering	The Institutional Offering consists of an offering of Shares held by the Selling Shareholders of 92,483,770 Shares, in the form of Shares and GDRs, with each GDR representing five Shares to: (a) institutional investors outside the United States in the form of Shares and Regulation S GDRs in offshore transactions in a number of countries, including Egypt, in reliance on Regulation S; and (b) certain qualified institutional buyers in the United States in the form of Shares and Rule 144A GDRs, in reliance on Rule 144A. This prospectus relates only to the Institutional Offering. See *"Plan of Distribution"*. The Institutional Offering is not conditioned upon closing of the Egyptian Retail Offering.
The Egyptian Retail Offering	The Egyptian Retail Offering consists of an Egyptian Retail Offering by the Selling Shareholders of 16,320,665 Shares to the public in Egypt, subject to the Capital Market Law and its Executive Regulations. THE EGYPTIAN RETAIL OFFERING IS BEING MADE PURSUANT TO THE PUBLIC OFFERING NOTICE. EGYPTIAN RETAIL INVESTORS SHOULD REFER TO AND WILL BE PURCHASING SHARES SOLELY IN RELIANCE ON THE PUBLIC OFFERING NOTICE AND MAY NOT RELY ON THIS PROSPECTUS.
Offer Price	The Offer Price is US$12.28 per GDR or EGP 18.50 per Share. Investors in the Securities will not be charged any expenses by the Issuer, the Selling Shareholders or the Joint Global Coordinators in connection with the Combined Offering.
Share Capital	The Issuer's ordinary shares have been issued under the laws of Egypt. Immediately prior to the Combined Offering, the Issuer's issued share capital consisted of 362,681,450 ordinary shares, each with a par value of EGP 0.2, all of which are fully paid. The Issuer's ordinary shares are subject to applicable provisions of Egyptian law. The ordinary Shares also have the rights attached to them described under *"Description of Share Capital and Applicable Egyptian Law"*.
The GDRs	One GDR will represent five ordinary Shares on deposit with a custodian for the Depositary. Commercial International Bank (Egypt) S.A.E. will be appointed as the Custodian on the Closing Date.

	The GDRs will be issued by the Depositary pursuant to the Deposit Agreement. The Regulation S GDRs will be evidenced by a master Regulation S global depositary receipt (the "**Regulation S Master GDR**") and the Rule 144A GDRs will be evidenced initially by a master Rule 144A global depositary receipt (the "**Rule 144A Master GDR**" and together with the Regulation S Master GDR, the "**Master GDRs**"), each to be issued pursuant to the Deposit Agreement. Pursuant to the Deposit Agreement, the ordinary shares represented by the GDRs will be held by the Custodian, for the account of the Depositary, which in turn holds for the benefit of the holders of the GDRs. From time to time the Depositary may deduct fees and expenses from dividend or other distributions and may otherwise assess other per-GDR fees and other fees and expenses to the GDR holders. See "*Terms and Conditions of the Global Depositary Receipts*". Except in the limited circumstances described herein, definitive GDR certificates will not be issued to holders in exchange for interests in the GDRs represented by the Master GDRs. Subject to the terms of the Deposit Agreement and the Terms and Conditions of the GDRs, interests in the Regulation S Master GDR may be exchanged for interests in the corresponding number of GDRs represented by the Rule 144A Master GDR, and vice versa. See "*Terms and Conditions of the Global Depositary Receipts*" and "*Settlement and Transfer—Global Clearance and Settlement Procedures*".
Closing Date	The Shares are expected to be offered and the GDRS are expected to be issued, and payment for them to be made, on or about April 2, 2015.
Use of Proceeds	The Issuer will not receive any proceeds from the Combined Offering. The Issuer expects its expenses (comprising primarily professional advisory fees and the costs of establishing the GDR program) incurred in connection with the Combined Offering will not exceed US$900,000. The Selling Shareholders expect to receive gross proceeds of US$267,311,463 and net proceeds of approximately US$260,965,234 from the Combined Offering after deduction of underwriting commissions with respect to the Securities sold by them and the portion of Combined Offering expenses payable by them assuming no Shares are returned to the Selling Shareholders during the Stabilization Period.
Depositary	The Bank of New York Mellon.
Stabilization	In connection with the Combined Offering, the Stabilizing Manager, or any of its agents, may effect transactions in the Shares with a view to supporting or maintaining the market price of the Shares at a level higher than that which might have otherwise prevailed in the open market. However, there is no assurance that the Stabilizing Manager (or persons acting on its behalf) will undertake any stabilization action. Any stabilizing action may begin on or after the date of commencement of trading of Shares on the EGX, and if begun, must end no later than 30 days after that date.

If the trading price per Share falls below the Offer Price, the Stabilizing Manager may submit purchase orders for Shares at the Offer Price, which will remain open until the end of the Stabilization Period. At the end of the Stabilization Period, open purchase orders submitted by the Stabilizing Manager will be matched with open sale orders and executed on the EGX. If the purchase orders submitted by the Stabilizing Manager exceed the amount deposited in the Stabilization Fund, such purchase orders will be executed on a pro rata basis up to the amount of the Stabilization Fund, and all Shares purchased will be placed in the Stabilization Fund. The Stabilizing Manager will remit to the Selling Shareholders, at the end of the Stabilization Period, any funds then remaining in the Stabilization Fund and any remaining Shares purchased during the Stabilization Period using the Stabilization Fund.

The Stabilizing Manager will disclose the stabilisation transactions to the EGX at the end of the Stabilisation Period.

Lock-up . . . . . The Underwriting Agreement will provide that the Issuer, subject to customary exceptions for a period of 180 days following the commencement of trading of the Shares on the EGX and the GDRs on the London Stock Exchange, will not, without the prior written consent of the Joint Global Coordinators, directly or indirectly, issue, offer, sell, contract to sell, pledge, otherwise dispose of, enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition of (whether by actual disposition or effective economic disposition due to cash settlement or otherwise), or publicly announce the offer of, any shares of the Issuer or any securities convertible into, or exercisable or exchangeable for, shares of the Issuer (including GDRs) or the intention to effect any transaction involving shares of the Issuer (including GDRs).

The Underwriting Agreement will provide that each of the Selling Shareholders and Berco Limited, subject to customary exceptions for a period of one year following the commencement of trading of the Shares on the EGX and the GDRs on the London Stock Exchange, will not, without the prior written consent of the Joint Global Coordinators, directly or indirectly, issue, offer, sell, contract to sell, pledge, otherwise dispose of, enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition of (whether by actual disposition or effective economic disposition due to cash settlement or otherwise), or publicly announce the offer of, any shares of the Issuer or any securities convertible into, or exercisable or exchangeable for, shares of the Issuer (including GDRs) or the intention to effect any transaction involving shares of the Issuer (including GDRs).

In addition, according to the rules of the EGX, the Selling Shareholders, and certain shares of Berco Limited, will be subject to a two-year lock-up imposed by the EGX, which is expected to expire on April 1, 2017. The EGX requires at least 51% of the aggregate number of shares held by Principal Shareholders (prior to the Combined Offering) to be locked up for a period of two financial years of the Company, commencing on the date of the Egyptian Retail Offering. The Shares locked up in accordance with the EGX Listing Rules requirements may be transferred during the lock-up period, subject to EFSA approval and the fufillment of certain other EGX Listing Rules requirements.

Voting . . . . . Holders will have the right to instruct the Depositary with regard to the exercise of voting rights with respect to the Deposited Shares subject to the provisions of the Deposit Agreement and the Terms and Conditions of the GDRs and in accordance with any applicable Egyptian law. Each ordinary share carries one vote. See "*Terms and Conditions of the Global Depositary Receipts*" and "*Description of Share Capital and Applicable Egyptian Law—Voting Rights and Shareholders' Meeting*".

The Depositary will exercise or cause to be exercised the voting rights in respect of the Deposited Shares so that, as relevant, a portion of the Deposited Shares will be voted for and a portion of the Deposited Shares will be voted against any resolution specified in the agenda for the relevant meeting in accordance with the voting instructions it has received. The Issuer has agreed to notify the Depositary of any resolution to be proposed at a General Meeting of Shareholders of the Issuer. See "*Terms and Conditions of the Global Depositary Receipts—Condition 12*".

Policy Regarding Payment of Dividends . . . . . Distributions of profits and payments of dividends by the Issuer may only be made in compliance with the relevant laws of Egypt and the Issuer's constitutional documents. Dividends may be paid out annually and/or quarterly only after the adoption of the annual and/ or periodic financial statements at a General Meeting of Shareholders, as the case may be, showing that the distribution of dividends is permissible and will be paid out of net profits of the Issuer.

Our dividend strategy is to pay dividends, subject to legal restrictions and if warranted by our results of operations. See "*Dividend Policy*".

Taxation . . . . . Please refer to *"Taxation"* section for a summary of certain United States, United Kingdom and Egyptian tax consequences of purchasing and holding the Shares and the GDRs. If you are in any doubt as to your tax position, please consult your tax advisor.

Transfer Restrictions	The GDRs are freely transferable (subject, to the clearing and settlement rules of The Depository Trust Company (in the case of the GDRs represented from time to time by the Rule 144A Master GDR) and Euroclear and Clearstream (in the case of the GDRs represented from time to time by the Regulation S Master GDR), as applicable, and the terms and conditions of the GDRs), subject to selling and transfer restrictions under the relevant laws in certain jurisdictions applicable to the transferor or transferee, including the United States, the United Kingdom, the European Economic Area (the "**EEA**") and Egypt and statutory and contractual lock-up arrangements applicable to the Selling Shareholders, the Issuer and the other shareholders of the Issuer. See "*Selling and Transfer Restrictions*".
Listing and Trading	Application has been made (1) to the FCA, in its capacity as competent authority (the U.K. Listing Authority, or "**UKLA**") under the FSMA, for a listing of 23,936,975 GDRs consisting of (i) 13,025,037 GDRs to be issued on or about April 2, 2015 (the "**Closing Date**"), and (ii) up to 10,911,938 additional GDRs to be issued from time to time against the deposit of Shares (to the extent permitted by law) with a custodian holding on behalf of the Bank of New York Mellon, the Depositary, to be admitted to the official list of the FCA (the "**Official List**") and (2) to the London Stock Exchange plc (the "**London Stock Exchange**"), for such GDRs to be admitted to trading on the London Stock Exchange's regulated market for listed securities (the "**Regulated Market**") through its International Order Book (the "**IOB**"), which is a regulated market for the purposes of Directive 2004/39/EC (the Markets in Financial Instruments Directive). Admission to the Official List and trading on the London Stock Exchange (collectively, "**Admission**") is expected to take place on or about 2 April 2015. The GDRs are expected to be traded on the Regulated Market under the symbol "EFID". On November 17, 2014, application was made to the EGX for all Shares of the Issuer. These Shares were listed on the EGX on November 26, 2014. It is expected that the admission of the shares of the Issuer to trading on the EGX will occur on 2 April 2015.
Settlement Procedures	It is expected that delivery of the GDRs will be made through the facilities of DTC, Euroclear and Clearstream against payment therefor in US Dollars in same day funds on or about the Closing Date. It is expected that delivery of the Shares will be made through the facilities of MCDR against payment therefor in Egyptian pounds in same day funds on or about the Closing Date. See "*Settlement and Transfer*".

The GDRs offered and sold in the United States (the "**Rule 144A GDRs**") will be evidenced by a single master Rule 144A global depositary receipt in registered form (the "**Rule 144A Master GDR**") deposited with the Bank of New York Mellon in New York as the custodian for DTC and registered in the name of Cede & Co. as nominee for DTC and the GDRs offered and sold outside the United States (the "**Regulation S GDRs**") will be evidenced by a single master Regulation S global depositary receipt in registered form (the "**Regulation S Master GDR**" and, together with the Rule 144A Master GDR, the "**Master GDRs**") registered in the name of The Bank of New York Depository (Nominees) Limited as nominee for The Bank of New York Mellon, London Branch as common depositary for Euroclear and Clearstream. The Shares represented by the GDRs will be held by Commercial International Bank (Egypt) S.A.E as Custodian, for the Depositary. Except as described in this prospectus, beneficial interests in the Master GDRs will be shown on, and transfers thereof will be effected only through the records of DTC with respect to the Rule 144A GDRs and Euroclear and Clearstream with respect to the Regulation S GDRs, and their direct and indirect participants, as applicable. See "*Settlement and Transfer*".

Secondary market sales of book-entry interests in the GDRs held through Euroclear or Clearstream to purchasers of book-entry interests in the GDRs through Euroclear or Clearstream will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream and will be settled using the normal procedures applicable to depositary receipts.

The security identification numbers for the GDRs offered hereby are as follows:

Rule 144A GDRs:
ISIN: US28106T1007
Common Code: 120426052
CUSIP: 28106T100
SEDOL: BVFZKF1

Regulation S GDRs:
ISIN: US28106T2096
Common Code: 120426079
CUSIP: 28106T209
SEDOL: BVFZKG2

The London Stock Exchange trading symbol for the GDRs is EFID. The EGX trading symbol for the Shares is EFID.CA.

Risk Factors . . . . . Prospective investors should consider carefully certain risks relating to investing in the Securities. See "*Risk Factors*".

USE OF PROCEEDS

We are undertaking the Combined Offering in order to provide the Selling Shareholders with a liquid market for their Shares, to provide us with a liquid investor base through being a listed entity and to enhance our image and perception in Egypt and abroad.

The gross proceeds of the Combined Offering will be approximately US$267,311,463. The relevant fees of the joint global coordinators will be deducted from both tranches of the Combined Offering. The total underwriting commissions and portion of the expenses of the Combined Offering fees payable by the Selling Shareholders are expected to be approximately US$260,965,234 assuming no Shares are returned to the Selling Shareholders at the end of the Stabilization Period. The Company will not receive any proceeds from the Combined Offering and will not pay any underwriting commissions in connection with the Combined Offering. The Issuer expects its expenses (comprising primarily professional advisory fees and the costs of establishing the GDR program) incurred in connection with the Combined Offering will not exceed US$900,000.

DIVIDEND POLICY

Our policy is to pay dividends when permitted by law and subject to consideration of our capital expenditure requirements, financial condition, including our level of indebtedness, debt covenants and liquidity requirements, and our results of operations at the relevant time. Management currently envisages to pay dividends beginning in 2016 based on the Issuer's 2015 financial results. Management expects the dividend payout ratio to be approximately 35% to 50% of IFRS net income in the coming years, subject to legal restrictions and if warranted by our results of operations.

There can be no assurance that any dividends will be paid in the future or as to the level of any such dividends. The declaration, amount and payment of dividends is determined, subject to the limitations set forth above, by the simple majority vote of the shareholders (i.e., 50% plus one vote of the attending and represented shareholders) at an Ordinary General Meeting. Future dividends will depend on our results of operations, financial position, cash requirements, legal reserve and minimum capital requirements, future prospects and other factors deemed relevant by the Board and shareholders.

We are party to several loan and finance agreements. Certain of these contain a restriction on the declaration and distribution of dividends. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Indebtedness*" and "*Material Contracts—Credit and financing arrangements*".

Payment of Dividends and Legal Reserve

The Issuer's articles of association provide that dividends are paid annually based on the generated profits according to our audited financial statements prepared in accordance with EAS. Using these EAS financial statements our after-tax earnings in each fiscal year are increased or reduced, as the case may be, by any profit or loss carried forward from prior years, and the amount available for distribution in accordance with the requirements of Egyptian law and our articles of association is determined as follows:

1. An amount equal to 5.0% of the profits shall be dedicated to form a legal reserve (the "**Legal Reserve**"). Once the Legal Reserve reaches 50% of the Issuer's issued capital, such deductions cease. If the amount of the Legal Reserve falls below the 50% threshold, the deductions resume. As at December 31, 2014, the balance of the Issuer's Legal Reserve was EGP 31,103,903 representing 42.88% of the Issuer's issued share capital as of such date.
2. After funding the Legal Reserve, if required as described above, the balance of the Issuer's after-tax earnings (the "**Distributable Profits**"), may be distributed, pursuant to shareholders' resolution at an Ordinary General Meeting as follows:
    - The Issuer is legally required to distribute 10% of the profits approved for distribution in cash to employees in accordance with the rules approved by the Board of Directors from time to time, subject to a ceiling which is the amount of the aggregate annual salaries of its employees in the relevant year (the "**Employee Distribution**"). Following the deductions for the Legal Reserve and the Employee Distribution, 10.0% of the Distributable Profits are then subject to approval at an Ordinary General Meeting, available for distribution as a preliminary dividend to Shareholders pari passu and by reference to the extent to which their respective Shares are paid up. However, if the level of Distributable Profits following deductions for the Legal Reserve and Employee Distribution in any one year are not sufficient for such a distribution to be made, Shareholders may not claim such amounts in subsequent years;
    - Following the above deductions and distributions, to the extent that there are Distributable Profits remaining, a maximum of 10% of such remaining amounts shall, to the extent approved by the Shareholders in an Ordinary General Meeting, be distributed to the members of the Board. Finally, any remaining Distributable Profits are either (i) then distributed to Shareholders pro rata to their respective holdings of Shares; or (ii) carried forward to the following year as retained earnings; or (iii) allocated to fund a special reserve to be used as determined by resolution of the Shareholders at an Ordinary General Meeting, on the recommendation of the Board of Directors.

The Shares are registered with MCDR and therefore payment of dividends is made to the shareholder, through MCDR, based on a statement of account from a registered bookkeeper. Dividends not claimed within five years of the date of payment become barred by the statute of limitations and are remitted to the State Treasury. Shareholders may decide at an Ordinary General Meeting to distribute all or part of the

dividends included in the Issuer's financial statements accompanied by a report from the Issuer's independent auditor.

Pursuant to the Egyptian Companies Law and the Company's articles of association, the Issuer must convene an Ordinary General Meeting not later than three months after the end of the fiscal year to approve the annual financial statements, and determine the dividends, if any, to be distributed. Dividends declared by resolution of the shareholders at an Ordinary General Meeting must be distributed within one month of the dates of the Ordinary General Meeting. Shareholders are entitled to their dividends, upon issuance of the resolution of the Ordinary General Meeting declaring same. The Shareholders may also approve the distribution of profits quarterly based on the relevant financial statements and the auditor's report.

Withholding Tax

Under Egyptian law a withholding tax is imposed on the dividends distributed to resident and non-resident shareholders of Egyptian companies at a rate of 10%, which is reduced to 5% if the shareholder holds more than 25% of the capital or the voting rights of the company for at least two years. See "*Risk Factors—Risks Relating to the Shares and GDRs—There is Egyptian withholding tax on dividends payable on the Shares and ultimately the GDRs, and there is also a capital gains tax on the disposition of Shares and possibly GDRs*" and "*Taxation—Egyptian Tax Considerations*".

CAPITALIZATION AND INDEBTEDNESS

The following table shows our consolidated cash and cash equivalents and capitalization as at December 31, 2014. This information should be read in conjunction with "Selected Consolidated Financial Information", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Financial Statements included elsewhere in this prospectus.

	As at December 31, 2014 (EGP millions)
Cash and cash equivalents	**233.3**
Long-term debt:	
Senior long-term debt[1]	
Due to credit institutions	—
Subordinated long-term debt[2]	204.5
Total long-term debt	**204.5**
Equity:	
Share capital	72.5
Legal reserve	31.1
Retained earnings	720.1
Equity attributable to the owners of the Issuer	823.8
Non-controlling interest	2.0
Total Equity	**825.7**
Total Capitalization[3]	**1,030.2**

Notes:

(1) Senior long-term debt represents borrowings and customer accounts that fall due after more than one year from December 31, 2014 (based on remaining undiscounted contractual obligations) and are not subordinated.

(2) Subordinated long-term debt is the proportion of subordinated debt which falls due after more than one year from December 31, 2014 (based on remaining undiscounted contractual obligations).

(3) Total capitalization is the sum of total long-term debt and total equity.

There has been no significant change in the financial condition or operating results of the Issuer and its consolidated subsidiaries since December 31, 2014, the end of the last financial period for which financial information has been published.

EXCHANGE RATE INFORMATION

The official currency of Egypt, where our assets and operations are located, is the Egyptian Pound, which is the functional currency of entities based in Egypt. The table below sets forth for the periods and dates indicated certain information concerning the exchange rate for the Egyptian Pound against the US Dollar. All references to "**Exchange Rate**" mean the average of the buying and selling daily rates as quoted by the CBE for any given day of the year during which banks were open for business in Egypt.

	High[1]	Low[2]	Average[3]	Period End[4]
	(EGP per US Dollar)			
2012	6.24515	5.97883	6.10405	6.24515
2013	7.06533	6.41867	6.57544	6.99270
2014	7.1671	6.9784	7.0182	7.1504
2015 (through March 23)	7.6380	7.1407	7.4707	7.6294

Source: The CBE

(1) The highest Exchange Rate during the year or month concerned.

(2) The lowest Exchange Rate during the year or month concerned.

(3) The average of all daily Exchange Rates during the year or month concerned.

(4) The Exchange Rate in effect on the last day of business in Egypt for the year or month concerned.

	High	Low	Average	Period End
	(EGP per US Dollar)			
January 2015	7.5930	7.1407	7.2689	7.5897
February 2015	7.6339	7.5785	7.5905	7.6305
March 2015 (through March 23)	7.6380	7.5301	7.5981	7.6294

On March 23, 2015, the rate of exchange was EGP 7.6294 = US$1.00. The CBE does not usually intervene directly in the foreign exchange market, although it works with the three public sector banks to stabilize the exchange rate.

Pursuant to the Central Bank, Banking System and Monetary Law No. 88 of 2003 (the "**Banking Law**"), the CBE, registered banks, and other authorized entities are free to determine the applicable exchange rate. The Banking Law and its executive regulations also permit the free transfer of foreign currency inside and outside Egypt, provided such transfer is effected through a registered bank or authorized entity in Egypt. In 2011 the CBE applied a series of rules that place certain conditions and limitations on foreign exchange transactions, exchange rates and extraterritorial transfers. See "*Risk Factors—Risks Relating to Egypt and the MENA Region—Foreign Exchange Controls*".

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following selected financial information should be read together with the other information contained in this prospectus, including "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and the Financial Statements and related notes included elsewhere in this prospectus. This financial information is historical and not necessarily indicative of results to be expected in any future period.

The following selected financial information, and the Financial Statements included in this prospectus from which it is derived, have been prepared in accordance with IFRS, in effect at the time of preparing the relevant financial statements. For more information on the content and interpretation of this information, see "*Presentation of Financial and Other Information—Financial Information*".

	For the year ended December 31,		
	2012	2013	2014
	(EGP millions)		
STATEMENT OF INCOME DATA			
Revenue	1,341.9	1,647.5	1,918.6
Cost of goods sold	(862.9)	(1,028.3)	(1,197.8)
Gross profit	**478.9**	**619.2**	**720.8**
Distribution and marketing	(171.0)	(188.2)	(211.2)
Administrative expenses	(70.7)	(88.9)	(123.6)
Other income	15.3	21.2	16.4
Other (losses)/gains—net	1.1	1.4	(8.0)
Profit from operations	**253.7**	**364.8**	**394.4**
Finance income	1.0	6.8	23.3
Finance cost	(10.4)	(26.0)	(25.2)
Finance (cost) income, net profit	**(9.4)**	**(19.2)**	**(2.0)**
Profit before income tax	**244.3**	**345.6**	**392.5**
Income tax expense	(77.3)	(94.2)	(126.6)
Net profit	**167.0**	**251.4**	**265.9**
EBITDA	287.5	395.5	463.1

Note:

(1) The reconciliation of EBITDA to net profit is as follows:

	For the year ended December 31,		
	2012	2013	2014
	(EGP millions)		
Net profit	167.0	251.4	265.9
Plus (minus):			
Income tax expense	77.3	94.2	126.6
Finance cost	10.4	26.0	25.2
Finance income	(1.0)	(6.8)	(23.3)
Depreciation and amortization	43.2	45.7	63.9
Other (losses) / gains—net	(1.1)	(1.4)	8.0
Other income	(15.3)	(21.2)	(16.4)
Adjustments:			
Export subsidies (included in other income)	3.7	2.8	8.1
Gain from sale of production waste (included in other income)	3.3	4.8	5.2
EBITDA	287.5	395.5	463.1

	For the year ended December 31,		
	2012	2013	2014
	(EGP millions)		
CASH FLOW DATA			
Net cash flows generated from operating activities	247.9	333.7	339.9
Net cash flows used in investment activities	(125.4)	(268.3)	(231.1)
Net cash flows used in financing activities	(32.9)	(117.8)	(93.8)
Increase in cash and cash equivalents	89.5	(52.3)	15.0
Cash and cash equivalents at beginning of the year	120.6	210.2	157.8
Cash and cash equivalents at end of the year	210.2	157.8	172.9

	As at December 31,		
	2012	2013	2014
	(EGP millions)		
BALANCE SHEET DATA			
Total non-current assets	765.0	895.1	1,084.5
Total current assets	361.1	451.2	518.1
Total assets	1,126.1	1,346.3	1,602.6
Total equity	614.4	710.0	825.7
Total non-current liabilities	215.9	221.7	292.9
Total current liabilities	295.8	414.6	484.0
Total liabilities	511.7	636.3	776.9
Total equity and liabilities	1,126.1	1,346.3	1,602.6

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis is intended to assist in the understanding and assessment of the trends and significant changes in our results of operations and financial condition. Historical results may not indicate future performance. The forward-looking statements contained in this review are subject to a variety of factors that could cause actual results to differ materially from those contemplated by such statements. See "Presentation of Financial and Other Information", "Forward-Looking Statements" and "Risk Factors".

Overview

We are a leading Egyptian packaged snack food company founded in 1996 and headquartered in Cairo, Egypt. We have historically focused on branded baked snack products, including cakes, croissants and rusks (baked wheat) and recently expanded into the wafers and candy segments. Our brands are some of the most recognized in Egypt and we hold #1 market positions in our core cakes and croissants segments, a #2 market position in rusks and growing market positions in the wafers and candy segments.

Factors Affecting our Operations and Results

Macroeconomic conditions and political environment in Egypt

Our revenue and results of operations are affected by macroeconomic conditions and the political environment in Egypt, where in 2014 we derived 94.2% of our revenue. Selected macroeconomic indicators including growth or decline in absolute GDP, GDP per capita and inflation (amongst others) that have an impact on consumer demand and sentiment can have a direct or indirect impact on demand for our products. The table below shows key Egyptian macroeconomic indicators for historical periods as well as expectation for 2015 from IMF.

	For the year ended December 31,					
	2010	**2011**	**2012**	**2013**	**2014**	**2015E**
GDP per capita (nominal EGP)	15,509	17,225	19,355	20,947	23,270	26,723
GDP per capita growth (%)	13.1%	11.1%	12.4%	8.2%	11.1%	14.8%
Real GDP Growth (%)	5.1%	1.7%	2.2%	2.1%	2.2%	3.5%
Inflation (%)	11.7%	11.1%	8.7%	6.9%	10.1%	13.5%

Source: IMF

The Egyptian economy is one of the largest economies within the MENA region benefitting from economic diversification (exposure to services, agriculture, tourism, oil and gas), a cost-competitive workforce, and the largest population base in the MENA region. As such, the Egyptian economy has historically exhibited robust GDP growth and shown greater economic resilience than many countries in the region especially following the global economic crisis of 2008 and 2009.

However, the recent political transitions in Egypt which started in January 2011 and continued into mid-2014 did have a negative impact on the Egyptian economy with GDP growth slowing from historical levels as illustrated by the IMF in the table above. In 2014, Egypt's economy started showing signs of a recovery with a GDP growth of 2.2%, projected to increase to 3.5% in 2015.

Although we consider the snack food industry to be less sensitive to economic cycles than other industries, as evidenced by the Issuer achieving revenue growth in 2011 (first year of political instability) and in 2013 (third year of political instability), we believe that our results may be impacted by the overall macroeconomic and political climate in Egypt. See "*Risk Factors—Risks Relating to Egypt and the MENA Region—All businesses operating in Egypt and the MENA region are exposed to significant political, social and economic risks*".

Growth in consumption of packaged snack food in Egypt

Management believes that growth in consumption of packaged snack food is driven by a combination of positive demographic factors as well as evolving consumer lifestyle and consumption trends in Egypt and the surrounding regions.

Favorable demographic trends that support consumption of snack food include (i) a large and growing population of 85.4 million people as of year-end 2014 (largest in MENA region) with historical population

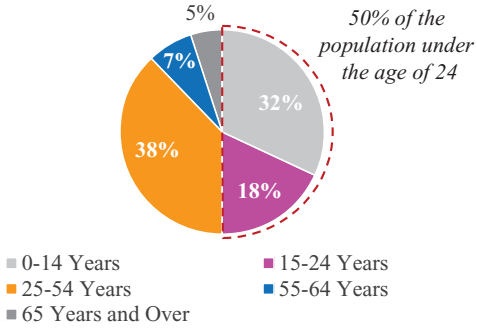
growth of over 2.0% p.a. over the last five years, (ii) a young population with 50% of the population under the age of 24, and (iii) 95% of Egyptians falling under the EGP 12,000 annual expenditure bracket thereby favoring consumption of affordable packaged snack food vs. other more expensive food and snack alternatives.

Changing lifestyle and consumption trends have also contributed to high growth in the snack food market. These trends include increased time spent out of the home with longer commuting times, increasing number of females joining the workforce, a growing culture of snacking between meals and snacks as a meal replacements well as an overall preference for convenience in consumption. Egyptians also have a preference for strong flavors and high sugar content favoring packaged snack food consumption. The table below shows population growth and snack food expenditure over the last five years in Egypt as well as a breakdown of population by age group and expenditure bracket.

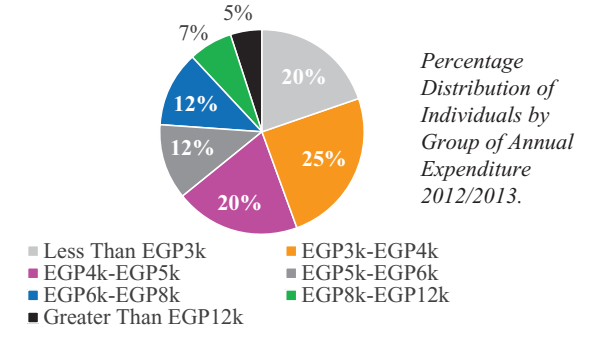
	For the year ended December 31,				
	2010	2011	2012	2013	2014
Population (millions)	77.8	79.6	81.4	83.7	85.4
Population growth (%)	2.2%	2.3%	2.3%	2.8%	2.0%
Egyptian expenditure on snack food (EGP billions)	6.7	8.1	11.7	13.1	15.5
Expenditure on snack food growth (%)	N/A	21.9%	44.2%	11.9%	18.4%

Source: IMF, Nielsen

Demographic Profile (%)



Expenditure Brackets (%)



Source: Bloomberg, CIA World Factbook

As a result of the factors and trends described above, Egyptian expenditure on packaged snack food has grown at a CAGR of 23.6% from 2010 to 2014 reaching an aggregate value of EGP 15.5 billion in 2014. Going forward, we expect the Egyptian snack food industry to continue to grow, however, any changes in demographic factors or lifestyle and consumption trends can have an impact on our results. See "*Risk Factors—Risks Relating to Our Business—We may not be able to effectively anticipate, identify or react to changes in consumer demand*".

Growth in our production and sales and distribution capabilities

Since inception, we have had to grow our production facilities and add production lines to support growth in the snack food market as well as entry into new product segments. The Issuer has gone from one production facility and one production line in 1997 to at the end of 2014 having four production facilities and 21 production lines with a total production capacity of 101,100 tons per year. Currently we operate 24 production lines and expect to be operating 26 lines by year end 2015 increasing our production capacity to 140,000 tons per year by the end of 2015.

We have also expanded our sales and distribution capabilities and infrastructure since inception to support our growth and to allow us to cover a broader percentage of the Egyptian population and land mass. This is evidenced by an increase in distribution centers from 13 at year end 2012 to 16 at year end 2014 and 18 as of the date of this prospectus. The Issuer has also grown its distribution fleet from 369 vehicles at year end 2012 to 515 at year end 2014 and 546 as at February 28, 2015 with similar growth in its sale force.

The table below highlights the growth in our production facilities and sales and distribution over the last three years.

	As at and for the year ended December 31,		
	2012	2013	2014
Revenue (EGP millions)	1,341.9	1,647.5	1,918.6
Expansion of production and sales and distribution:			
Number of factories	4	4	4
Number of production lines[1]	20	21	21
Production capacity (tons)	94,400	101,100	101,100
Factory utilization (%)[2]	81.5%	87.5%	100.1%
Cakes	87.0%	91.6%	100.3%
Croissants	79.8%	82.9%	103.5%
Rusks	101.7%	100.5%	98.0%
Wafers	—	91.0%	92.3%
Candy	17.6%	24.8%	73.8%
Employees (at period end)	4,412	4,895	5,159
Distribution centers (at period end)	13	15	16
Distribution vehicles (at period end)	369	425	515
Total sales force	790	909	1,098
Capital expenditures:			
For expansion projects (EGP millions)	64.8	44.8	187.1
For maintenance (EGP millions)	26.5	56.5	63.2
For other[3]	42.3	53.4	4.4
Total capital expenditures (EGP millions)	133.5	154.7	254.7
Maintenance capex as a % of revenue	2.0%	3.4%	3.3%

(1) We currently operate 24 production lines.

(2) Our weighted average factory utilization is calculated on a maximum capacity of 298 days of production per year at three shifts of eight hours per day (representing production 24/7 except during Fridays and public holidays). Factory utilization higher than 100% means our production facilities operated more than 298 days per year to meet the demand. Our utilization as at February 28, 2015 was based on 21 production lines because the three additional production lines are expected to start production by mid March 2015.

(3) Mainly relates to building of new headquarters which opened in September 2013 as well as to the new SAP system.

As shown in the above table, as at the end of 2014 our 21 production facilities operated at close to full capacity (or in some cases beyond full capacity) with 2014 average factory utilization of 100.1%. As such, we anticipate continuing to add production facilities, production lines and expanding our sales and distribution infrastructure to support our future growth. The inability to grow our production and sales and distribution infrastructure may hinder our ability to capture future growth in the market and a resulting loss in market share.

See "*Risk Factors—Risks Relating to our Business—If we do not expand our production and distribution capabilities in line with market growth, we could lose market share*" and "*—Liquidity and Capital Resources—Capital Expenditures*.

Changes in raw material prices as well as employee and energy/utility costs

In 2014, our raw materials expenses, which include packaging materials, represented 49.2% of our revenue and 78.9% of our cost of goods sold. Our raw materials expenses may vary based on production volumes and the prices of our raw materials. Raw materials prices globally as well as in Egypt can be volatile and are influenced by multiple factors beyond our control.

In 2014 we sourced approximately 78% of our raw materials locally in Egypt and 22% from international markets. We maintain a maximum of one month supply of locally sourced raw materials and three months maximum supply of imported raw materials. Additionally, we generally work on short to medium contracts ranging from one month to a maximum of one year. We do not hedge any of our raw material costs, however, the export proceeds provide indirect hedging by covering nearly 50% of our imported raw materials. Accordingly, our sourced raw material prices may fluctuate over time.

The diversity of our raw material requirements, which includes more than 100 different inputs (including variants of the product categories), has historically reduced the effect of price increases. However, we remain subject to longer-term price fluctuations of our raw materials, particularly with respect to our main ingredients, which include sugar, flour, cocoa, oils and fats, milk powder, eggs and packaging materials.

	For the year ended December 31,					
	2012	% of Revenue	2013	% of Revenue	2014	% of Revenue
Raw material expenses: (EGP millions)[1]						
Sugar	106.6	7.9%	107.6	6.5%	119.0	6.2%
Flour	57.4	4.3%	89.8	5.5%	106.1	5.5%
Cocoa	39.2	2.9%	29.5	1.8%	18.7	1.0%
Oil and fats	81.2	6.1%	93.9	5.7%	112.4	5.9%
Milk powder	10.3	0.8%	15.7	1.0%	23.5	1.2%
Eggs	75.8	5.6%	95.4	5.8%	102.1	5.3%
Packaging[2]	194.2	14.5%	239.7	14.5%	268.0	14.0%
Other raw materials	137.5	10.2%	162.6	9.9%	195.1	10.2%
Total raw materials	702.1	52.3%	834.3	50.6%	944.8	49.2%
Total employee expenses[3]	201.5	15.0%	251.7	15.3%	329.7	17.2%
Total utilities expenses[4]	17.3	1.3%	22.5	1.4%	30.8	1.6%

(1) The individual raw material categories contain the main types of these products. However, some smaller variants of these products, for instance special patterns of flour and types of cocoa and packaging, are accounted for in the other raw materials line item. Packaging materials are included in calculating raw material expenses.

(2) Packaging includes boxes, wrappers, cartons, display boxes, OPP (oriented polypropylene) and shrink wrap.

(3) Includes production and non-production employees. Includes wages, benefits and profit-sharing.

(4) Utilities includes diesel, natural gas, electricity, water and all other utilities used in production, distribution and administrative activities.

As shown in the table above, our raw material costs as a percent of sales have decreased from 52.3% in 2012 to 49.2% in 2014 driven predominantly by a change in product mix, some moderation of commodity prices, as well as our increasing scale and bargaining position. As a result of our diversified mix of inputs, none of our raw materials expenses accounted for more than 10% of our revenue in 2014, except for our total packaging expenses.

In line with the expansion of our operations, our total number of employees increased from 4,412 at the end of 2012 to 5,159 at the end of 2014. Wages have generally been rising in Egypt in the past three years driven by inflation as well as demand for blue and white collar workers. We seek to remain an attractive employer and typically review and adjust our salary rates each year based on inflation and market and competitive conditions.

Our utilities costs, which represented 1.6% of our total revenue in 2014, include electricity, natural gas and water used in our factories and diesel used by our distribution vehicles. Our utilities costs have continued to increase due to price increases, especially during the second half of 2014. We expect future price increases as the Egyptian Government is withdrawing subsidies to allow domestic fuel and utility prices to gradually move toward international market prices. See "*Risk Factors—Risks Relating to our Business—An increase in the price of raw or packaging materials or other operating expenses could reduce our margins and profitability*".

Change in Product Mix

The table below shows our revenue and selected operational metrics by segment from 2012 to 2014.

	For the year ended December 31,		
Total for All Segments:	**2012**	**2013**	**2014**
Sales (tons)	76,863	88,418	101,194
Average price per ton (EGP)	17,442	18,636	18,953
Cakes Segment:			
Sales (tons)	55,542	58,489	64,025
Average price per ton (EGP)	16,667	17,689	17,838
Total segment revenue (EGP millions)	926.2	1,034.6	1,142.1
Gross profit (EGP millions)	330.6	391.7	439.9
Gross profit margin (%)	35.7%	37.9%	38.5%
Croissants Segment:			
Sales (tons)	16,844	23,090	28,857
Average price per ton (EGP)	18,942	19,484	19,545
Total segment revenue (EGP millions)	319.1	450.1	564.0
Gross profit (EGP millions)	127.0	180.8	226.0
Gross profit margin (%)	39.8%	40.2%	40.1%
Rusks Segment:			
Sales (tons)	3,757	3,715	3,623
Average price per ton (EGP)	18,673	21,012	24,442
Total segment revenue (EGP millions)	70.1	78.1	88.6
Gross profit (EGP millions)	20.4	20.9	22.1
Gross profit margin (%)	29.1%	26.8%	25.0%
Candy Segment:			
Sales (tons)	552	779	2,320
Average price per ton (EGP)	25,590	24,737	22,638
Total segment revenue (EGP millions)	14.1	19.3	52.5
Gross profit (EGP millions)	(4.0)	(2.0)	6.3
Gross profit margin (%)	(28.2)%	(10.5)%	11.9%
Wafers Segment:			
Sales (tons)	168	2,335	2,369
Average price per ton (EGP)	27,483	24,943	26,942
Total segment revenue (EGP millions)	4.6	58.3	63.8
Gross profit (EGP millions)	1.9	24.6	23.2
Gross profit margin (%)	41.9%	42.2%	36.3%

Our results are impacted by changes in our product and segment mix as products have different price points and gross profit margin.

Our core cakes and croissants segments had a gross profit margin of 38.5% and 40.1% in 2014, respectively. Our wafer segment, which was launched in late 2012, had a relatively similar gross profit margin of 36.3%. The rusks and candy segments had lower gross profit margins of 25.0% and 11.9%, respectively. Strong growth in croissants has had a positive impact on our margin over the historical years. Our overall gross profit margin can vary based on relative growth rates within our various segments. 2015.

We have also focused on increasing sales of higher value and higher margin SKUs, which include larger serving sizes. We plan to continue to introduce new products in our existing segments and gradually move our product portfolio toward higher average price points and higher margins through introduction of premium products within the portfolio and larger package sizes.

Foreign exchange and interest rate fluctuations

The Egyptian Pound (EGP) is the presentation currency of our financial statements and our results of operations may be affected by foreign currency fluctuations as a result of accounting for our debt and, to a lesser extent, revenue and expenses in currencies other than EGP. In 2014, we sourced 94.1% of our revenue in Egyptian Pound. The table below shows our foreign currency denominated revenue, expenses, debt and our foreign exchange losses and gains as at and for the year ended December 31, 2014.

	As at and for the year ended December 31, 2014	(%) of Item Total
	(EGP millions)	
Revenue in foreign currencies[1]	113.4	5.9%
Expenses in foreign currencies[1]	23.3	1.5%
Debt in foreign currencies[1]	95.9	24.0%
Foreign exchange losses/gains[2]	5.9	100%

(1) Translated into Egyptian Pounds at the exchange rate at the period end date. Debt in foreign currencies means gross medium term loans and overdrafts.

(2) We recognize the resulting exchange rate difference between the date such assets or liabilities were originally recorded and the subsequent reporting period end date as foreign currency losses or gains in profit or loss, which appears in the line item Other (losses)/gains, net.

We receive non-EGP revenue from the export of our products, and we primarily receive payment in US Dollars and Euro. In 2014, non-EGP revenue represented 5.9% of our total revenue. We also use foreign currencies (principally the US Dollar and the Euro, to purchase certain raw materials, primarily packaging supplies) representing 17.3% of our 2014 cost of goods sold. The match between our foreign currency revenues and expenses has provided a partial hedge which has limited the impact of foreign currency fluctuations against the Egyptian Pound. However, we do not hedge against our exposure to foreign currencies, and depreciation of the Egyptian Pound against foreign currencies could increase our costs and have a material adverse effect on our results of operations.

We have acquired, and continue to acquire, production equipment from international manufacturers using foreign currencies, primarily Euro and US Dollars. We finance these purchases with long-term debt that is denominated in Egyptian Pounds. Any depreciation of the Egyptian Pound against the currencies we use to acquire production equipment will increase our capital expenditure costs.

We may also be affected by changes in interest rates. As at the end of 2014, all of our outstanding loans, totaling EGP 319.7 million, had variable rates of interest, which were primarily set with reference to the mid- corridor rate of the CBE. Increases in interest rates increase our interest expenses relating to variable rate indebtedness and increase the costs of refinancing existing indebtedness and of issuing new debt. In addition, increases in interest rates could adversely affect cash flow and our ability to service our debt. We do not hedge against our interest rate exposure. We expect that our business will become more leveraged in the future, which will likely increase the effect of interest rate changes on our finance costs. See "*Risk Factors—Risks Relating to our Business—We are subject to currency exchange and interest rate risks*".

Taxation

The general applicable tax rate on all Egyptian corporations is 25%. However, the Egyptian Government has imposed an additional 5% tax on corporations with income in excess of EGP 1.0 million. This additional tax has been imposed for the period from January 1, 2014 until December 31, 2016. We have applied this new tax rate to the calculation of deferred tax liabilities in our financial statements.

Income Statement Items

Below is a description of each of the line items appearing in our income statement.

Revenue comprises the value of products sold during the year less sales tax and duties as well as price and trade discounts. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably and the amount of revenue can be measured reliably.

Cost of goods sold includes primarily the costs of raw materials such as sugar, flour, cocoa, eggs, oils and fats and packaging costs, as well as other production (including utilities, maintenance, salaries, consumables

and transportation) and the depreciation of fixed assets related to production, including machinery, tools and buildings.

Distribution and Marketing includes the salaries paid to distribution employees, sales commissions, transportation costs, the cost of maintaining distribution centers and vehicles (including for fuel, oil, vehicle depreciation, tires and licenses), marketing expenses (including the cost of advertising on television, radio, magazines and online and for outdoor displays). It also includes royalty payments to Chipita in connection with our manufacture of *Molto* and, prior to April 2013, royalty payments to Hostess in connection with our production and sale of HTT products.

Administrative expenses include salaries paid to administration employees and to our directors; consultancy, auditor, legal expenses and banking services expenses (excluding interest expense), as well as depreciation and repairs of non-manufacturing or distribution equipment.

Other income includes income from the short-term investment of cash, export subsidies, which are paid by the Egyptian Government to exporters to promote Egyptian manufacturing, and income from the sale in the ordinary course of business of manufacturing scraps for use as animal feed, and from the sale of fully depreciated distribution vehicles. Beginning in 2014, we stopped using the Osoul Fund (a money market fund) and have invested excess cash in time deposits and in treasury securities, the interest from which is included in Finance (cost) income, net. This item also includes charitable donations.

Other (losses)/gains—net includes income and expenses, both recurring and non-recurring, that we do not consider to be part of our normal ordinary operations, including, among others, gains and losses arising from divestments, disposals of property, restructurings and certain acquisition-related costs, and provisions (including tax provision relating to the differences between our tax rate calculations and the assessed amount) and foreign exchange gains and losses.

Finance (cost) income, net comprises interest payable on borrowings and interest receivable on funds invested, net of interest payable on borrowings.

Income tax expense consists of income tax and changes in deferred tax. Deferred tax is recognized based on the balance sheet method and comprises all temporary differences between accounting and tax values of assets and liabilities.

Recent Trading Update

Overall trading to date in 2015 has been in-line with our expectations. We had total production of 169.9 thousand tons and 172.1 thousand tons in January and February, respectively, representing growth of 12.7% and 23.0%, respectively. Three additional production lines (two croissant and one cake) in our E07 factory became operational in March 2015 and, consistent with our past experience in introducing new lines, we will seek to achieve close to full utilization in the next three to five months.

Results of Operations

The following table sets forth our results of operations for the prior three years and shows each line item as a percentage of sales.

	For the year ended December 31,					
	2012		2013		2014	
	(Amount)	(% of revenue)	(Amount)	(% of revenue)	(Amount)	(% of revenue)
	(EGP millions, except percentages)					
Revenue	1,341.9	100.0%	1,647.5	100.0%	1,918.6	100.0%
Cost of goods sold	(862.9)	64.3%	(1,028.3)	62.4%	(1,197.8)	62.4%
Gross profit	**478.9**	**35.7%**	**619.2**	**37.6%**	**720.8**	37.6%
Distribution and Marketing	(171.0)	12.7%	(188.2)	11.4%	(211.3)	11.0%
Administrative expenses	(70.7)	5.3%	(88.9)	5.4%	(123.6)	6.4%
Other income	15.3	1.1%	21.2	1.3%	16.4	0.9%
Other (losses)/gains—net	1.1	0.1%	1.4	0.1%	(8.0)	0.4%
Profit from operations	**253.7**	**18.9%**	**364.8**	**22.1%**	**394.4**	**20.6%**
Finance income	1.0	0.1%	6.8	0.4%	23.3	1.2%
Finance cost	(10.4)	0.8%	(26.0)	1.6%	(25.2)	1.3%
Finance (cost) income, net	(9.4)	0.7%	(19.2)	1.2%	(1.9)	0.1%
Profit before income tax	**244.3**	**18.2%**	**345.6**	**21.0%**	**392.5**	**20.5%**
Income tax expense	(77.3)	5.8%	(94.2)	5.7%	(126.6)	6.6%
Net profit	**167.0**	**12.4%**	**251.4**	**15.3%**	**265.9**	**13.9%**
EBITDA(1)	**287.5**	**21.4%**	**395.5**	**24.0%**	**463.1**	**24.1%**
EBITDA margin(1) **(%)**	**21.4%**	**—**	**24.0%**	**—**	**24.1%**	**—**
Adjusted net profit(2)	**167.0**	**12.4%**	**241.9**	**14.7%**	**272.9**	**14.2%**

(1) EBITDA, as calculated by us, represents our profit from operations plus depreciation, net interest expenses, tax payments and excluding provisions and foreign exchange and other gains or losses. A reconciliation of operating profit to EBITDA is included in footnote (1) to the table included under "*Selected Consolidated Financial Information*". EBITDA margin represents EBITDA divided by total revenue. EBITDA and EBITDA margin are not a measure under IFRS. See "*Presentation of Financial and Other Information—Non-IFRS Financial Information*".

(2) Adjusted net profit represents our net profit adjusted to remove the effects of two one-off transactions: tax-adjusted EGP 7.0 million net impact of our charitable donation to the "Tahya Misr Fund" in 2014 and the EGP 9.5 million net impact of gain on sale of investments in 2013. Adjusted net profit is not a measure under IFRS.

Year Ended December 31, 2014 Compared to December 31, 2013

Revenue. The table below sets out information relating to our revenue by product segment in the relevant periods.

	For the year ended December 31,				
	2013		2014		
	Sales	% of total	Sales	% of total	Growth (%)
	(EGP millions, except percentages)				
Product:					
Cakes	1,034.6	62.8%	1,142.1	59.5%	10.4%
Croissants	450.1	27.3%	564.0	29.4%	25.3%
Rusks	78.1	4.7%	88.6	4.6%	13.4%
Wafers	58.3	3.5%	63.8	3.3%	9.6%
Candy	19.3	1.2%	52.5	2.7%	172.5%
Imports	7.2	0.4%	7.6	0.4%	5.3%
Total revenue	1,647.5	100%	1,918.6	100.0%	16.5%

Revenue increased EGP 271.1 million, or 16.5%, from EGP 1,647.5 million in 2013 to EGP 1,918.6 million in 2014. This increase was primarily due to a 14.4% increase in tonnage volume which was achieved through higher average factory utilization of 100.1% in 2014 compared to 87.5% in 2013. In September 2013, we also added a fourth line at our E07 factory producing croissants, which reached 100.1% factory

utilization in early 2014, only five months after coming on-stream and contributed to the increase in volume in 2014 compared to 2013. We also continued to improve our product mix which was driven by migration towards higher price point SKUs.

Within the cakes segment, revenue increased EGP 107.4 million, or 10.4%, from EGP 1,034.6 million in 2013 to EGP 1,142.1 million in 2014. This increase was primarily due to a 9.5% increase in tonnage volume which was achieved through higher cake lines utilization of 100.3% in 2014 compared to 91.6% in 2013. The higher factory utilization was achieved by overtime work shifts in order to address the strong market demand growth and to make up for the loss of production time during the 45 days shut-down of our E07 factory. Our focus on larger size SKUs within the cakes segment (Jumbo *HoHos*) and premium SKUs (*Todo* layered and *Todo* filled*)* also contributed to the 9.5% increase in tonnage volume while the volume of number of packs increased at a lower rate. We also continued to improve our cakes segment product mix which was driven by migration towards higher price point SKUs.

Within the croissants segment, revenue increased EGP 113.9 million, or 25.3%, from EGP 450.1 million in 2013 to EGP 564.0 million in 2014. This increase was primarily due to a 24.9% increase in tonnage volume which was achieved through higher average factory utilization of 103.5% in 2014 compared to 82.9% in 2013. In September 2013, we also added a fourth line at our E07 factory producing Mini *Molto*, which reached 100% utilization in early 2014, only five months after coming on-stream and contributed to the increase in tonnage volume in 2014 compared to 2013. The higher utilization was achieved by overtime work shifts in order to address the strong market growth and to make up for the loss of production time during the 45 days shut-down of our E07 factory. We also continued to improve our croissants segment product mix which was driven by migration towards higher price point SKUs.

Within the rusks segment, revenue increased EGP 10.5 million, or 13.4%, from EGP 78.1 million in 2013 to EGP 88.6 million in 2014. This increase was primarily due to a 16.5% increase in the average price by ton which was achieved through a reduction in the average weight per pack. Tonnage volume decreased by 2.5% driven by the capacity constraints.

Within the candy segment, revenue increased EGP 33.2 million, or 172.5%, from EGP 19.3 million in 2013 to EGP 52.5 million in 2014. This increase was due to a 197.7% increase in tonnage volume which was achieved through higher average utilization of 73.8% in 2014 compared to 24.8% in 2013. Although we entered the candy segment in 2012, we stopped our candy production in late 2012 to address quality issues relating to input raw materials and resumed production in April 2013 with a higher quality product supported by a new SKU offering and a revised pricing strategy. As such, 2014 represented our first full year of candy sales.

Within the wafer segment, revenue increased EGP 5.6 million, or 9.6%, from EGP 58.3 million in 2013 to EGP 63.8 million in 2014. This increase was primarily due to an 8.1% increase in the average price by ton which was achieved through a reduction in the average weight per pack for the overall wafer portfolio as well as through a number of measures implemented in 2014 such as marketing the sale of uncoated SKUs during the summer months, introduction of new flavors and change in the formula to achieve higher melting point. Utilization and tonnage volume remained relatively unchanged from 2013 to 2014 with utilization increasing to 92.3% from 91.0% and tonnage volume increasing by 1.4% compared to 2013.

In addition to our five segments, we receive revenue from acting as the sole distributor of a range of food products, including Italian pasta from Barilla and olive oils from Asteria, Andalucia, Sparta and La Espanola. We primarily sell these imported products to our organized trade and key accounts customers. This revenue from imports is included in total revenue.

Cost of goods sold. The table below sets out information relating to our cost of goods sold in the relevant periods.

	For the year ended December 31,				Period to Period Change (%)
	2013		2014		
	Amount	% of total	Amount	% of total	
	(EGP millions, except percentages)				
Raw materials expenses	834.3	81.1%	944.8	78.9%	13.2%
Labor expenses[1]	72.9	7.1%	93.6	7.8%	28.4%
Utilities expenses	16.2	1.6%	23.5	2.0%	45.1%
Depreciation	27.8	2.7%	36.2	3.0%	30.2%
Other[2]	77.1	7.5%	99.7	8.3%	29.3%
Total	1,028.3	100.0%	1,197.8	100.0%	16.5%

(1) Labor includes the expenses related to direct labor used in production, including profit sharing paid to production employees.

(2) Includes indirect labor (including HR, maintenance, lab and quality department, plant managers etc), all other expenses such as cleaning, consumables, insurance, logistics etc.

Cost of goods sold increased EGP 169.5 million, or 16.5%, from EGP 1,028.3 million in 2013 to EGP 1,197.8 million in 2014, in line with the 16.5% increase in revenue. As a percentage of revenue, our cost of goods sold remained stable at 62.4% in 2013 and 2014. Within our costs of goods sold, our raw material costs as a percentage of revenue decreased from 50.6% in 2013 to 49.2% in 2014 as we continue to leverage our scale in obtaining favorable terms from our raw material suppliers, rely on a diversified raw material cost base to absorb short-term cost hikes and continue to change our revenue mix towards higher margin SKUs. This decrease in our costs of goods sold as a percentage of revenue was offset by an increase of our manufacturing overheads (comprising labor, utilities and other expenses) as a percentage of revenue from 10.1% in 2013 to 11.3% in 2014 due to an increase in our employee wages and utilities costs driven by the Government cut in utilities subsidies starting July 2014. The table below shows period-to-period changes on a segmental basis.

	For the year ended December 31,				Period to Period Change (%)
	2013		2014		
	COGS	% of total	COGS	% of total	
	(EGP millions, except percentages)				
Cakes	642.9	62.5%	702.2	58.7%	9.2%
Croissants	269.2	26.2%	338.0	28.2%	25.5%
Rusks	57.1	5.6%	66.4	5.5%	16.3%
Candy	21.3	2.1%	46.3	3.9%	117.2%
Wafers	33.7	3.3%	40.7	3.4%	20.8%
Imports	4.0	0.4%	4.3	0.4%	7.4%
Total	1,028.3	100.0%	1,197.8	100.0%	16.5%

Within the cakes segment our cost of goods sold increased by EGP 59.2 million, or 9.2%, from EGP 642.9 million in 2013 to EGP 702.2 million in 2014. As a percentage of revenue, our cost of goods sold decreased to 61.5% in 2014 compared to 62.1% in 2013 mainly driven by lower raw material costs.

Within the croissants segment our cost of goods sold increased by EGP 68.7 million, or 25.5%, from EGP 269.2 million in 2013 to EGP 338.0 million in 2014. As a percentage of revenue, our cost of goods sold remained stable at 59.9% in 2014 compared to 59.8% in 2013.

Within the rusks segment our cost of goods sold increased by EGP 9.3 million, or 16.3%, from EGP 57.1 million in 2013 to EGP 66.4 million in 2014. As a percentage of revenue, our cost of goods sold increased to 75.0% in 2014 compared to 73.2% in 2013 as a result of higher utilities cost and higher labor costs due to the higher number of overtime shifts to address the strong demand growth in the market, offset by lower raw material costs as a percentage of revenue of 52.4% in 2014 compared to 55.5% in 2013.

Within the candy segment our cost of goods sold increased by EGP 25.0 million, or 117.2%, from EGP 21.3 million in 2013 to EGP 46.3 million in 2014. As a percentage of revenue, our cost of goods sold decreased to 88.1% in 2014 compared to 110.5% in 2013 mainly driven by higher quality product supported by a new SKU offering and a revised pricing strategy.

Within the wafers segment our cost of goods sold increased by EGP 7.0 million, or 20.8%, from EGP 33.7 million in 2013 to EGP 40.7 million in 2014. As a percentage of revenue, our cost of goods sold increased to 63.7% in 2014 compared to 57.8% in 2013. This increase was mainly due to the introduction of new *Freska* SKUs with a higher direct material cost base (*Freska* white chocolate and *Freska* hazelnut) in addition to an increase in labor costs on our wafer lines due to overtime shifts and an increase in utilities costs.

Gross profit increased EGP 101.6 million, or 16.4%, from EGP 619.2 million in 2013 to EGP 720.8 million in 2014 as a result of the factors described above. Gross margin remained stable at 37.6% in both 2013 and 2014. The table below sets out information relating to our gross profit on a segmental basis.

	For the year ended December 31,				Period to Period Change (%)
	2013		2014		
	Gross profit	% of total	Gross profit	% of total	
	(EGP millions, except percentages)				
Cakes	391.7	63.3%	439.9	61.0%	12.3%
Croissants	180.8	29.2%	226.0	31.8%	25.0%
Rusks	20.9	3.4%	22.1	3.1%	5.7%
Candy	(2.0)	(0.3)%	6.3	0.9%	409.9%
Wafers	24.6	4.0%	23.2	3.2%	(5.8)%
Imports	3.2	0.5%	3.3	0.5%	2.8%
Total	619.2	100%	720.8	100%	16.4%

Within the cakes segment our gross profit increased by EGP 48.2 million, or 12.3%, from EGP 391.7 million in 2013 to EGP 439.9 million in 2014. This increase was due to a 10.4% increase in our cakes segment revenue in 2014 compared to 2013 combined with a decrease of our cakes segment cost of goods sold as a percentage of revenue from 62.1% in 2013 to 61.5% in 2014. The gross margin of our cakes segment increased from 37.9% in 2013 to 38.5% in 2014. Details regarding trends of the cakes segment revenue and cost of goods sold are provided above.

Within the croissants segment our gross profit increased by EGP 45.2 million, or 25.0%, from EGP 180.8 million in 2013 to EGP 226.0 million in 2014. This increase was due to a 25.3% increase in our croissant segment revenue in 2014 compared to 2013 combined with stable cost of goods sold as a percentage of revenue of our croissants segment of 59.9% in 2014 compared to 59.8% in 2013. The gross margin of our croissants segment decreased from 40.2% in 2013 to 40.1% in 2014. Details regarding trends of the croissants segment revenue and cost of goods sold are provided above.

Within the rusks segment our gross profit increased by EGP 1.2 million, or 5.7%, from EGP 20.9 million in 2013 to EGP 22.1 million in 2014. This increase was due to a 13.4% increase in our rusks segment revenue in 2014 compared to 2013 which was partially offset by an increase of our rusks segment cost of goods sold as a percentage of revenue from 73.2% in 2013 to 75.0% in 2014. The gross margin of our rusks segment decreased from 26.8% in 2013 to 25.0% in 2014. Details regarding trends of the rusks segment revenue and cost of goods sold are provided above.

Within the candy segment our gross profit increased by EGP 8.3 million from EGP (2.0) million in 2013 to EGP 6.3 million in 2014. This increase was due to a 172.5% increase in our candy segment revenue in 2014 compared to 2013 combined with a decrease of our candy segment cost of goods sold as a percentage of revenue from 110.5% in 2013 to 88.1% in 2014. The gross margin of our candy segment increased from (10.5)% in 2013 to 11.9% in 2014. Details regarding trends of the candy segment revenue and cost of goods sold are provided above.

Within the wafers segment our gross profit decreased by EGP 1.4 million, or 5.8%, from EGP 24.6 million in 2013 to EGP 23.2 million in 2014. This increase was due to an increase of our wafers segment cost of goods sold as a percentage of revenue from 57.8% in 2013 to 63.7% in 2014 which offset the 9.6% increase in our wafers segment revenue in 2014 compared to 2013. The gross margin of our wafers segment decreased from 42.2% in 2013 to 36.3% in 2014. Details regarding trends of the wafers segment revenue and cost of goods sold are provided above.

Distribution and marketing. The table below sets out information relating to our distribution and marketing costs in the relevant periods.

	For the year ended December 31,				
	2013		2014		
	Distribution and marketing	% of total	Distribution and marketing	% of total	Period to Period Change (%)
	(EGP millions, except percentages)				
Expenses:					
Personnel expenses	61.8	32.8%	81.3	38.5%	31.6%
Marketing and advertising	75.0	39.9%	73.2	34.6%	(2.4)%
Trucks and building leases	14.9	7.9%	16.3	7.7%	9.4%
Vehicle expenses Exp.	15.2	8.1%	17.9	8.5%	17.8%
Utilities expenses.	0.4	0.2%	0.4	0.2%	0%
Other expenses	20.9	11.1%	22.2	10.5%	6.2%
Total	188.2	100%	211.3	100%	—

Distribution and marketing increased EGP 23.1 million, or 12.3%, from EGP 188.2 million in 2013 to EGP 211.3 million in 2014. This increase was primarily due to increased sales, higher salaries and increased utilities costs related to removal of government subsidies on selected utilities in July 2014. The increase was partially offset by a decrease in royalty expenses as we stopped paying royalties to Hostess after April 2013 following our acquisition of the HTT brands. Our marketing expenses as a percentage of revenue decreased from 4.6% of revenue in 2013 to 3.8% in 2014 driven by overall lower marketing spending.

Administrative expenses increased EGP 34.7 million, or 39%, from EGP 88.9 million in 2013 to EGP 123.6 million in 2014. This increase was primarily due to higher employee costs and, higher depreciation and operating costs relating to opening of our new headquarters in August 2013 (full year impact in 2014).

Other income. The table below sets out information relating to our other income in the relevant periods.

	For the year ended December 31,			
	2013		2014	
	Amount	% of Revenue	Amount	% of Revenue
	(in EGP millions, except percentages)			
Income from the Osoul Fund	11.9	0.7%	0.0	0.0%
Export subsidies	2.8	0.2%	8.1	0.4%
Gain from the sale of production scrap	4.8	0.3%	5.2	0.3%
Other income	1.7	0.1%	3.1	0.2%
Total	21.2	1.3%	16.4	0.9%

Other income decreased EGP 4.8 million, or 22.7%, from EGP 21.2 million in 2013 to EGP 16.4 million in 2014. Of this decrease, EGP 11.9 million was due to the transfer of surplus cash to bank deposits rather than investing it in the Osoul money market fund. Accordingly, the interest from the Osoul fund was included in this line item in 2013 while the interest on cash deposits is included in Finance cost (income), net. This decrease was offset by an EGP 0.4 million increase in income from the sale of production scrap in the ordinary course of business in line with higher production volumes and EGP 5.3 million was attributable to higher export subsidies in 2014. We account for export subsidies on a cash basis. In 2013, the Egyptian Government delayed the payment of these subsidies resulting in a substantial portion of our 2013 export subsidies being paid in 2014.

Other (losses)/gains—net. The table below sets out information relating to our other (losses)/gains—net in the relevant periods.

	For the year ended December 31,	
	2013	2014
	(EGP millions)	
Other expenses	—	(10.0)
Provisions[1]	(8.3)	(5.0)
Provisions for slow moving inventory	(0.5)	(0.5)
Total	(8.8)	(15.5)
(Losses)/Gain from the sale of fixed assets	(1.3)	1.7
Gain from sale of investment	12.7	0
Foreign exchange (losses)/gains	(1.2)	5.9
Total	1.4	(8.0)

(1) Comprises provisions we were required to make in connection with any additional tax payments that may be due following the conclusion of our annual tax audit.

Other (losses)/gains—net decreased EGP 9.4 million, or 667.1%, from EGP 1.4 million in 2013 to a loss of EGP 8.0 million in 2014. This decrease was primarily due to a EGP 10.0 million charitable donation to the "Tahya Misr Fund" in 2014.

Profit from operations increased EGP 29.6 million, or 8.1%, from EGP 364.8 million in 2013 to EGP 394.4 million in 2014 as a result of the factors described above.

Finance (cost) income, net decreased EGP 17.3 million, or 90.1%, from a finance cost of EGP 19.2 million in 2013 to EGP 1.9 million in 2014. This increase was primarily due to higher interest income received on cash and cash equivalents which was previously achieved from income from Osoul fund investments.

Profit before income tax increased EGP 46.9 million, or 13.6%, from EGP 345.6 million in 2013 to EGP 392.5 million in 2014 as a result of the factors described above.

Income tax expense increased EGP 32.4 million, or 34.4%, from EGP 94.2 million in 2013 to EGP 126.6 million in 2014. This was primarily due to higher income in 2014 as well as a temporary 5% increase in the corporate tax rate which applies from 2014 through 2016 (See "*—Taxation*").

Net profit for the year increased EGP 14.5 million, or 5.8%, from EGP 251.4 million in 2013 to EGP 265.9 million in 2014 as a result of the factors described above. Our decrease in net profit margin was driven by the temporary 5% corporate tax increase in 2014 and our one-off charitable payment of EGP 10.0 million.

EBITDA increased EGP 67.6 million, or 17.1%, from EGP 395.5 million in 2013 to EGP 463.1 million in 2014 as a result of the factors described above. EBITDA margin increased from 24.0% in 2013 to 24.1% in 2014.

Adjusted net profit represents our net profit adjusted to remove the effects of two one-off transactions: the tax-adjusted EGP 7.0 million net impact of our charitable donation to the "Tahya Misr Fund" in 2014 and the tax-adjusted EGP 9.5 million net impact of gains on the sale of investments in 2013. This item increased EGP 31.0 million, or 12.8%, from EGP 241.9 million in 2013 to EGP 272.9 million in 2014 as a result of the factors described above. Adjusted net profit margin decreased from 14.7% in 2013 to 14.2% in 2014.

Year Ended December 31, 2013 Compared to December 31, 2012

Revenue increased by EGP 305.6 million, or 22.8%, from EGP 1,341.9 million in 2012 to EGP 1,647.5 million in 2013 as shown in the table below.

	For the year ended December 31,				
	2012		2013		Period to Period Change (%)
	Sales	% of total	Sales	% of total	
	(EGP millions, except percentages)				
Cakes	926.2	69.0%	1,034.6	62.8%	11.7%
Croissants	319.1	23.8%	450.1	27.3%	41.1%
Rusks	70.1	5.2%	78.1	4.7%	11.3%
Candy	14.1	1.1%	19.3	1.2%	36.3%
Wafers	4.6	0.3%	58.3	3.5%	1,161.9%
Imports	7.7	0.6%	7.2	0.4%	(5.9)%
Total revenue	1,341.9	100.0%	1,647.5	100.0%	22.8%

Revenue increased EGP 305.6 million, or 22.8%, from EGP 1,341.9 million in 2012 to EGP 1,647.5 million in 2013. This increase was primarily due to a 15.0% increase in tonnage volume which was achieved through higher average utilization of 87.5% in 2013 compared to 81.5% in 2012 as well as through the addition in September 2013 of a fourth line in our E07 factory producing croissants.

Within the cakes segment revenue increased EGP 108.4 million, or 11.7%, from EGP 926.2 million in 2012 to EGP 1,034.6 million in 2013. This increase was primarily due to a 9.5% increase in tonnage volume which was achieved through higher cake lines utilization of 91.6% in 2013 compared to 87.0% in 2012. This increase in volume was mainly driven by an increase in the number of Hostess brand products sold which were prioritized after acquisition of the Hostess brands in 2013. We also continued to improve our cakes segment product mix which was driven by migration towards higher price point SKUs.

Within the croissants segment revenue increased EGP 131.0 million, or 41.1%, from EGP 319.1 million in 2012 to EGP 450.1 million in 2013. This increase was primarily due to a 37.1% increase in tonnage volume which was achieved through higher average utilization of 82.9% in 2013 compared to 79.8% in 2012 as well as through the addition in September 2013 of a fourth line in our E07 factory producing Mini *Molto*. The average price per ton remained relatively stable with a 2.9% increase in 2013 compared to 2012.

Within the rusks segment revenue increased EGP 7.9 million, or 11.3%, from EGP 70.1 million in 2012 to EGP 78.1 million in 2013. This increase was primarily due to a 12.7% increase in the price by ton which was achieved through weight reduction in the rusks SKUs portfolio. Tonnage volume decreased by 1.1% given the capacity constraints.

Within the candy segment revenue increased EGP 5.1 million, or 36.3%, from EGP 14.1 million in 2012 to EGP 19.3 million in 2013. This increase was due to a 41.1% increase in tonnage volume which was achieved through higher average utilization of 24.8% in 2013 compared to 17.6% in 2012. Although we entered the candy segment in 2012, we stopped our candy production in late 2012 to address quality issues relating to the raw materials we were using and only resumed production in April 2013 with a higher quality product supported by a new SKU offering and a revised pricing strategy.

Within the wafer segment revenue increased EGP 53.6 million, or 1,161.9%, from EGP 4.6 million in 2012 to EGP 58.3 million in 2013. This increase was due to 2013 being the first full year of production of our wafer segment after having introduced Freska in late 2012.

In addition to our five segments, we receive revenue from acting as the sole distributor of a range of food products, including Italian pasta from Barilla and olive oils from Asteria, Andalucia, Sparta and La Espanola. We primarily sell these imported products to our organized trade and key accounts customers. This revenue from imports is included in total revenue.

Cost of goods sold. The table below sets out information relating to our cost of goods sold in the relevant periods.

	For the year ended December 31,				
	2012		2013		Period to Period Change (%)
	Amount	% of total	Amount	% of total	
	(EGP millions, except percentages)				
Raw materials expenses	702	81.4%	834	81.1%	18.8%
Labor expenses[1]	58	6.7%	73	7.1%	26.2%
Utilities expenses	12	1.4%	16	1.6%	32.0%
Depreciation	27	3.1%	28	2.7%	3.8%
Other[2]	64	7.4%	77	7.5%	20.5%
Total	862.9	100.0%	1,028.3	100.0	19.2%

(1) Labor includes the expenses related to direct labor used in production, including profit sharing paid to production employees.

(2) Includes indirect labor (including HR, maintenance, lab and quality department, plant managers, insurance and logistics), all other expenses such as cleaning, consumables, insurance, logistics etc.

Our cost of goods sold increased by EGP 165.4 million, or 19.2%, from EGP 862.9 million in 2012 to EGP 1,028.3 million in 2013, in line with the 22.8% increase in revenue. Within our costs of goods sold, our raw material costs as a percentage of revenue decreased from 52.3% in 2012 to 50.6% in 2013 as we continue to leverage our scale in obtaining favorable terms from our raw material suppliers, rely on a diversified raw material cost base to absorb short-term cost hikes and continue to change our revenue mix towards higher margin SKUs.

The table below shows period-to-period changes on a segmental basis.

	For the year ended December 31,				
	2012		2013		Period to Period Change (%)
	COGS	% of total	COGS	% of total	
	(EGP millions, except percentages)				
Cakes	595.6	69.0%	642.9	62.5%	7.9%
Croissants	192.0	22.3%	269.3	26.2%	40.2%
Rusks	49.8	5.8%	57.1	5.6%	14.8%
Candy	18.1	2.1%	21.3	2.1%	17.5%
Wafers	2.7	0.3%	33.7	3.3%	1,155.6%
Imports	4.7	0.5%	4.0	0.4%	15.2%
Total	862.9	100.0%	1,028.3	100.0%	19.2%

Within the cakes segment our cost of goods sold increased by EGP 47.3 million, or 7.9%, from EGP 595.6 million in 2012 to EGP 642.9 million in 2013. As a percentage of revenue, our cost of goods sold decreased to 62.1% in 2013 compared to 64.3% in 2012 mainly driven by lower raw material costs.

Within the croissants segment our cost of goods sold increased by EGP 77.2 million, or 40.2%, from EGP 192.0 million in 2012 to EGP 269.2 million in 2013. As a percentage of revenue, our cost of goods sold decreased to 59.8% in 2013 compared to 60.2% in 2012 mainly driven by lower raw material costs.

Within the rusks segment our cost of goods sold increased by EGP 7.4 million, or 14.8%, from EGP 49.8 million in 2012 to EGP 57.1 million in 2013. As a percentage of revenue, our cost of goods sold increased to 73.2% in 2013 compared to 70.9% in 2012.

Within the candy segment our cost of goods sold increased by EGP 3.2 million, or 17.5%, from EGP 18.1 million in 2012 to EGP 21.3 million in 2013. As a percentage of revenue, our cost of goods sold decreased to 110.5% in 2013 compared to 128.2% in 2012 mainly driven by higher quality product supported by a new SKU offering and a revised pricing strategy.

Within the wafers segment our cost of goods sold increased by EGP 31.0 million, or 1,155.6%, from EGP 2.7 million in 2012 to EGP 33.7 million in 2013. This increase was due to 2013 being the first full year of production of our wafer segment after having introduced *Freska* in late 2012.

Gross profit. Gross profit increased EGP 140.3 million, or 29.3%, from EGP 478.9 million in 2012 to EGP 619.2 million in 2013. Gross margin increased from 35.7% in 2012 to 37.6% in 2013, as a result of the factors described above.

The table below sets out information relating to our gross profit on a segmental basis.

	For the year ended December 31,				
	2012		2013		Period to Period Change (%)
	Gross profit	% of total	Gross profit	% of total	
	(EGP millions, except percentages)				
Cakes	330.6	69.0%	391.7	63.3%	18.5%
Croissants	127.0	26.5%	180.8	29.2%	42.3%
Rusks	20.4	4.3%	20.9	3.4%	2.7%
Candy	(4.0)	(0.8)%	(2.0)	(0.3)%	49.3%
Wafers	1.9	0.4%	24.6	4.0%	1,170.7%
Imports	2.9	0.6%	3.2	0.5%	9.0%
Total	478.9	100	619.2	100	29.3%

Within the cakes segment our gross profit increased by EGP 61.1 million, or 18.5%, from EGP 330.6 million in 2012 to EGP 391.7 million in 2013. This increase was due to a 11.7% increase in our cakes segment revenue in 2013 compared to 2012 combined with a decrease of our cakes segment cost of goods sold as a percentage of revenue from 64.3% in 2012 to 62.1% in 2013. The gross margin of our cakes segment increased from 35.7% in 2012 to 37.9% in 2013. Details regarding trends of the cakes segment revenue and cost of goods sold are provided above.

Within the croissants segment our gross profit increased by EGP 53.8 million, or 42.3%, from EGP 127.0 million in 2012 to EGP 180.8 million in 2013. This increase was due to a 41.1% increase in our croissant segment revenue in 2013 compared to 2012 combined with stable cost of goods sold as a percentage of revenue of our croissants segment of 59.8% in 2013 compared to 60.2% in 2012. The gross margin of our croissants segment increased from 39.8% in 2012 to 40.2% in 2013. Details regarding trends of the croissants segment revenue and cost of goods sold are provided above.

Within the rusks segment our gross profit increased by EGP 0.5 million, or 2.7%, from EGP 20.4 million in 2012 to EGP 20.9 million in 2013. This increase was due to an 11.3% increase in our rusks segment revenue in 2013 compared to 2012 which was partially offset by an increase of our rusks segment cost of goods sold as a percentage of revenue from 70.9% in 2012 to 73.2% in 2013. The gross margin of our rusks segment decreased from 29.1% in 2012 to 26.8% in 2013. Details regarding trends of the rusks segment revenue and cost of goods sold are provided above.

Within the candy segment our gross profit increased by EGP 2.0 million, or 49.3%, from EGP (4.0) million in 2012 to EGP (2.0) million in 2013. This increase was due to a 36.3% increase in our candy segment revenue in 2013 compared to 2012 combined with a decrease of our candy segment cost of goods sold as a percentage of revenue from 128.2% in 2012 to 110.5% in 2013. The gross margin of our candy segment increased from (28.2)% in 2012 to (10.5)% in 2013. Details regarding trends of the candy segment revenue and cost of goods sold are provided above.

Within the wafers segment our gross profit increased by EGP 22.7 million, or 1,170.7%, from EGP 1.9 million in 2012 to EGP 24.6 million in 2013. This increase was due to 2013 being the first full year of production of our wafer segment after having introduced *Freska* in late 2012. The gross margin of our wafers segment decreased from 41.9% in 2012 to 42.2% in 2013.

Distribution and marketing. The table below sets out information relating to our distribution and marketing expenses in the relevant periods.

	For the year ended December 31,				
	2012		2013		
	Distribution and marketing	% of total	Distribution and marketing	% of total	Period to Period Change (%)
	(EGP millions, except percentages)				
Expenses:					
Personnel expenses	48.6	28.4%	61.8	32.8%	27.2%
Marketing and advertising	67.9	39.7%	75.0	39.9%	10.5%
Trucks and building leases	10.1	5.9%	14.9	7.9%	47.5%
Vehicle expenses	12.9	7.5%	15.2	8.1%	17.8%
Utilities expenses	0.4	0.2%	0.4	0.2%	0.0%
Other expenses	31.1	18.2%	20.9	11.1%	(32.8)%
Total	171.0	100%	188.2	100%	10.1%

Distribution and marketing increased EGP 17.2 million, or 10.1%, from EGP 171.0 million in 2012 to EGP 188.2 million in 2013 as shown in the table above. This increase was primarily due to the start of operations of the new croissant line at E07 in 2013 and the opening of two new distribution centers with an expanded distribution fleet which increased our personnel, lease, vehicle and utilities expenses. These increases were partially offset by an EGP 10.5 million reduction in royalty payments as we acquired the HTT brands in April 2013. However, our distribution and marketing expenses decreased as a percentage of revenue from 12.7% in 2012 to 11.4% in 2013 driven by lower marketing spending and other expenses as a percentage of revenue.

Administrative expenses increased EGP 18.2 million, or 25.7%, from EGP 70.7 million in 2012 to EGP 88.9 million in 2013. This increase was primarily due to additional expenses relating to the opening of our new headquarters in August 2013 including an increase in the number of administration employees representing a cost increase of EGP 16.9 million and an increase in the cost of non-manufacturing equipment of EGP 1.3 million. However, as a percentage of sales, our general and administrative expenses remained relatively stable at 5.4% in 2013 compared with 5.3% in 2012.

Other income. The table below sets out information relating to our other income in the relevant periods.

	For the year ended December 31,			
	2012		2013	
	Amount	% of Revenue	Amount	% of Revenue
	(EGP millions, except percentages)			
Income from the Osoul Fund (money market)	4.9	0.3%	11.9	0.7%
Export subsidies	3.7	0.3%	2.8	0.2%
Gain from the sale of production scrap	3.3	0.3%	4.8	0.3%
Other income	3.4	0.2%	1.7	0.1%
Total	15.3	1.1%	21.2	1.3%

Other income increased EGP 5.9 million, or 38.6%, from EGP 15.3 million in 2012 to EGP 21.2 million in 2013 as shown above. This increase was primarily due to an increase of EGP 7.0 million in income from the Osoul Fund due to higher cash investments and increased interest rates. Other income was also higher in 2013 due to an EGP 1.5 million increase in revenue from the sale of production scrap resulting from increased production volume. The increase was partially offset by an EGP 0.9 million decrease in export subsidies following the payment delay of these subsidiaries in 2013 from the Egyptian Government. As a result, we received most of our 2013 subsidy payment in 2014.

Other (losses)/gains—net. The table below sets out information relating to our other (losses)/gains—net in the relevant periods.

	For the year ended December 31,	
	2012	2013
	(EGP millions)	
Other provisions[1]	(6.8)	(8.3)
Provisions for slow moving inventory	(0.1)	(0.5)
Total	(6.9)	(8.8)
(Losses)/Gain from the sale of fixed assets	4.9	(1.3)
Gain from sale of investment	—	12.7
Foreign exchange (losses)/gains	3.1	(1.2)
Total	1.1	1.4

(1) Other provisions comprise provisions we were required to make in connection with any additional tax payments that may be due following the conclusion of our annual tax audit.

Other (losses)/gains—net increased EGP 0.3 million, or 27.3%, from EGP 1.1 million in 2012 to EGP 1.4 million in 2013 as shown above. This decrease was partially due to an EGP 1.6 million increase in provisions in 2013 required by the tax rules in connection with annual tax audits and relating to the discontinuation of certain packing materials with the old Hostess logo. The decrease was also partly due to an EGP 1.3 million loss in 2013 on the sale of fixed assets (our old ERP system) compared to an EGP 4.9 million gain in 2012 from the sale of coaches used to transport workers, the sale of older distribution vehicles and the sale of a unused warehouse. The decrease was also partially due to an EGP 1.2 million foreign exchange loss in 2013, compared to an EGP 3.1 million gain in 2012. These decreases were partially offset by an EGP 12.7 million gain from the 2013 sale of our investment in Chipita to avoid accounting issues relating to cross-shareholding with a related party.

Profit from operations increased by EGP 111.1 million, or 43.8%, from EGP 253.7 million in 2012 to EGP 364.8 million in 2013, and operating margin increased to 22.1% in 2013, from 18.9% in 2012 as a result of the factors described above.

Finance costs, net. The table below sets out information relating to our finance costs, net, in the relevant periods.

	For the year ended December 31,	
	2012	2013
	(EGP millions)	
Interest from tax provisions	0.6	0.9
Treasury bill interest	0.3	5.9
Total finance income	1.0	6.8
Interest on land installment	(3.2)	(2.3)
Other interest expense	(7.2)	(23.7)
Total finance cost	(10.4)	(26.0)
Total	(9.4)	(19.2)

Finance costs, net, increased by EGP 9.8 million, or 104.3%, from EGP 9.4 million in 2012 to EGP 19.2 million in 2013 as shown above. This increase was primarily due to increased borrowings, including an additional EGP 5.2 million of interest paid in relation to the financing of our acquisition of the HTT trademarks, EGP 6.2 million of interest paid in relation to financing for our new Mini *Molto* and *Freska* production lines and EGP 1.6 million of interest paid in relation to financing of new distribution vehicles. Total interest bearing debt increased by EGP 16.5 million, from EGP 7.2 million in 2012 to EGP 23.7 million in 2013. The increase in interest costs was partially offset by an increase of EGP 5.9 million in interest income, from EGP 0.9 million in 2012 to EGP 6.8 million in 2013. Cash and cash equivalents decreased to EGP 157.8 million at the end of 2013, compared to EGP 210.2 million at the end of 2012.

Profit before income tax increased by EGP 101.3 million, or 41.5%, from EGP 244.3 million in 2012 to EGP 345.6 million in 2013 as a result of the factors described above.

Income tax expense increased by EGP 16.9 million, or 21.9%, from EGP 77.3 million in 2012 to EGP 94.2 million in 2013. This increase was primarily due to the growth in our operating activities.

Net profit for the year increased by EGP 84.4 million, or 50.5%, from EGP 167.0 million in 2012 to EGP 251.4 million in 2013 as a result of the factors described above.

EBITDA increased by EGP 108.0 million, or 37.6%, from EGP 287.5 million in 2012 to EGP 395.5 million in 2013 as a result of the factors described above.

Adjusted net profit represents our net profit adjusted to remove the effects of two one-off transactions: the tax-adjusted EGP 7.0 million net impact of our charitable donation to the "Tahya Misr Fund" in 2014 and the tax-adjusted EGP 9.5 million net impact of gains on the sale of investments in 2013. This item increased EGP 74.9 million, or 44.9%, from EGP 167.0 million in 2012 to EGP 241.9 million in 2013 as a result of the factors described above. Adjusted net profit margin increased from 12.4% in 2012 to 14.7% in 2013.

Liquidity and Capital Resources

We benefit from a self-funded working capital model. The vast majority of our sales are for cash at the time of delivery (approximately 97% of our revenue in 2014) and we use this cash to fund our operations, including our purchase of raw materials. In addition, we have average payment terms of 45 days with our raw materials suppliers and we maintain relatively low raw materials and finished goods inventories. We also utilize short-term working capital facilities.

Capital Resources

Our primary source of liquidity has historically been cash flow generated from operations and we expect that this will continue to be our principal source of liquidity in the future. As our business is seasonal, we rely on working capital facilities in the amount of EGP 60.4 million as at December 31, 2014 to manage our working capital throughout the year. In addition, as at December 31, 2014, we had outstanding loans of EGP 319.7 million which were used to finance the acquisition of fixed assets and HTT brands.

Cash flows

The following table sets forth our cash flows for the periods stated.

	For the year ended December 31,		
	2012	2013	2014
	(EGP millions)		
Changes in working capital			
Inventories	(3.3)	(3.9)	(28.9)
Accounts and notes receivables	(3.7)	(5.4)	1.6
Debtors and other debit balances	19.2	(17.9)	(1.8)
Due to related party	(0.8)	0.1	0.0
Trade payables and other credit balances	(5.8)	48.5	20.4
Provisions used	(3.6)	(7.1)	(3.1)
Cash generated from operations	**300.9**	**422.2**	**450.5**
Net cash flows generated from operating activities	**247.9**	**333.7**	**339.9**
Net cash flows used in investment activities	(125.4)	(268.3)	(231.1)
Net cash flows used in financing activities	(32.9)	(117.8)	(93.8)
Net increase in cash and cash equivalents	**89.5**	**(52.3)**	**15.1**
Cash and cash equivalents	**210.2**	**157.8**	**172.9**

Net cash generated from operating activities

Net cash flow generated from operating activities in 2014 was a net inflow of EGP 339.9 million, an increase of EGP 6.2 million, or 1.9%, from EGP 333.7 million in 2013. Profit before income tax increased EGP 46.9 million from 2013 to 2014. Adjustments to pre-tax profit increased by EGP 31.0 million in 2014.

Changes in working capital were EGP (11.8) million in 2014 compared to 2013. These increases of 2014 operation were offset by EGP 22.4 million in additional tax relating to 2014 activities and taxes paid on the higher income.

Net cash flow generated from operating activities in 2013 was a net inflow of EGP 333.7 million, an increase of EGP 85.9 million, or 34.6%, from EGP 247.9 million in 2012. This increase was primarily driven by an increase of EGP 108.0 million in EBITDA in 2013 compared to 2012 as well as by a change in working capital of EGP 14.3 million in 2013 compared to EGP 2.0 million in 2012. This increase was partially offset by EGP 16.6 million in additional interest expense relating to new loans used to and taxes paid on higher net income in 2013 compared to 2012.

Change in working capital in 2013 was EGP 14.3 million, an increase of EGP 12.3 million from EGP 2.0 million in 2012. This increase was primarily due to a cash inflow of EGP 48.5 million relating to trade payables and other credit balances, partially offset by a cash outflow of EGP 17.9 million relating to debtors and other debit balances and a cash outflow of EGP 7.1 million relating to provisions used to settle tax differences paid with final tax inspection reports.

Net cash used in investment activities

Net cash flows used in investment activities in 2014 were EGP 231.1 million, as compared to net cash used in investment activities of EGP 268.3 million in 2013, representing a decrease of EGP 37.2 million, or 13.9%, between the two periods. The decrease was primarily due to interest received amounted to EGP 22.2 million.

Net cash flows used in investment activities in 2013 were EGP 268.3 million, an increase of EGP 142.9 million, or 114% from EGP 125.4 million in 2012. This increase was primarily driven by EGP 6.9 million increase in expansion capital expenditures and EGP 14.3 million increase in maintenance capital expenditures. Expansion capital expenditures increased due to the opening of our headquarters which was, however, partially offset by the addition of one production line only in 2013 compared to three in 2012. Maintenance capital expenditure increased primarily due to spending on a larger distribution fleet and the acquisition of an SAP license in 2013. In addition, in 2013 we purchased the HTT brands for EGP 68.6 million, although this investment was offset by a EGP 50.4 million increase in proceeds from the sale of available financial assets in EPL.

Net cash used in financing activities

Net cash flows used in financing activities in 2014 were EGP 93.8 million, as compared to net cash flows used in financing activities of EGP 117.8 million in 2013, representing a change of EGP 24 million, or 20.4%, between the two periods.

Net cash flows used in financing activities in 2013 were EGP 117.8 million, an increase of EGP 84.8 million, or 257.6%, from EGP 32.9 million in 2012. The increase was primarily due to an increase of EGP 100 million in dividends paid to the shareholders in 2013. Proceeds from borrowings were EGP 153.0 million in 2013, an increase from EGP 80.4 million compared to 2012, partially offset by an increase in repayment of borrowings to EGP 111.8 million in 2013 compared to EGP 54.7 million in 2012.

Change in cash and cash equivalents

Our net cash and cash equivalents increased from EGP 157.8 million in 2013 to EGP 172.9 million in 2014. This was primarily the result of decrease of cash used in financing activities.

Our net cash and cash equivalents decreased from EGP 210.2 million as in 2012 to EGP 157.8 million in 2013. This decrease was the result of EGP 85.9 million increase in net cash flows generated from operation activities partially offset by EGP 142.9 million increase in net cash flows used in investing activities.

Capital expenditures

We have planned capital expenditures of approximately EGP 350.0 million through end of 2015 as follows:

- EGP 171.5 million of committed expansion capital expenditures related to residual payments for the three new lines completed in March 2015 and for the two new lines expected to be completed by the end of 2015;

- EGP 80.0 million of expansion capital expenditures related to the acquisition of an industrial land plot for future expansion;
- EGP 43.0 million representing almost 50% of the remaining EO7 new building extension; and
- EGP 55.5 million of maintenance capital expenditures mainly for distribution vehicles, SAP update projects and licenses and new packaging machines for the E06 factory.

As of February 28, 2015, we had incurred approximately EGP 34.7 million of these budgeted capital expenditures. We expect to finance the remainder with cash from operations and additional borrowings in medium-term loans.

Contractual Obligations

We have various contractual obligations and commercial commitments to make future payments, including debt agreements, lease obligations and certain committed obligations. The table below presents these as of December 31, 2014:

At December 31, 2014	Less than 6 months	Between 6 months and 1 year	Between 1 and 2 years	Between 2 and 5 years
		(EGP millions)		
Borrowings	52.8	69.5	103.2	82.8
Trade and other payables	165.2	—	—	—
Bank overdraft	60.4	—	—	—
Notes payable	40.7	10.0	8.9	—
Accrued interest	11.3	—	—	—
Total	**330.5**	**79.5**	**112.1**	**82.8**

Qualitative and Quantitative Data About Market Risk

Our activities expose us to a variety of financial risks: market risk (including currency risk, interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. Our board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

Market risk

Foreign exchange risk

We are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the Euro. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. At year end, major financial assets / (liabilities) in foreign currencies were as follows:

	Assets	Liabilities	Net 2014	Net 2013
		(EGP millions)		
United States Dollars	6.0	(22.9)	(16.9)	25.6
Euros	6.3	(116.0)	(109.7)	0.8

Price risk

We do not invest in equity securities or bonds and accordingly are not exposed to price risk related to the change in the fair value of the investment.

Cash flow and fair value interest rate risk

Our interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose us to cash flow interest rate risk which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose us to fair value interest rate risk.

Our borrowings at the balance sheet date with variable interest rate amounted to EGP 319.7 million (2013: EGP 254.1 million).

Our overdraft at the balance sheet date in 2014 amounted to EGP 60.4 million, (2013: EGP 38. 8 million).

Our financial assets exposed to variable interest rate amounted to EGP 211.0 million (2013: EGP 185.4 million).

	2014	2013
	(EGP millions)	
Time deposit—EGP	211.0	166.0
Time deposit—US$	—	19.5
	211.0	**185.4**

Credit risk

Credit risk is managed on group basis, except for credit risk relating to accounts receivable balances. Each local entity is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, treasury bills, as well as credit exposures to customers, including outstanding receivables.

For banks and financial institutions we are dealing with the banks which have a high independent rating with a good reputation. For the customers, we assess the credit quality of the customers, taking into account their financial position, and their market reputation, past experience and other factors. For treasury bills, we deal with governments which are considered to have a high credit rating (Egypt B+). For individuals, the legal arrangements and documents accepted by the customer are minimizing the credit risk.

No credit limits were exceeded during the reporting period, and our management does not expect any losses from non-performance by these counterparties except for the impairment of accounts receivables. See Note 9 to the 2014 Financial Statements.

The maximum exposure to credit risk is the amount of receivables and the intercompany receivable as well as the cash and cash equivalents and treasury bills.

Liquidity risk

Our treasury monitors rolling forecasts of our liquidity requirements to ensure we have sufficient cash to meet operational needs while maintaining sufficient headroom on our undrawn committed borrowing facilities at all times so that we do not breach borrowing limits or covenants on any of our borrowing facilities. Such forecasting takes into consideration our debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets.

	Less than 6 months	Between 6 months and 1 year	Between 1 and 2 years	Between 2 and 5 years
		(EGP millions)		
At December 31, 2014				
Borrowings	52.8	69.5	103.2	82.8
Trade and other payables	165.2	—	—	—
Bank overdraft	60.4	—	—	—
Notes payable	40.7	10.0	8.9	—
Accrued interest	11.3	—	—	—
Total	**330.5**	**79.5**	**112.1**	**82.8**
At December 31, 2013				
Borrowings	55.8	55.8	84.7	49.5
Trade and other payables	139.2	—	—	—
Bank overdraft	38.8	—	—	—
Notes payable	46.3	9.4	17.1	—
Accrued interest	8.4	—	—	—
Total	**288.4**	**65.2**	**101.81**	**49.5**

Off Balance Sheet Arrangements

As of December 31, 2014, we did not have any off balance sheet arrangements.

Critical accounting estimates and assumptions

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

We make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Fixed assets useful lives

Fixed assets are depreciated based on useful lives and estimated residual values of each asset which is determined in accordance with our policy and in the light of the technical study prepared for each asset separately. Residual value and useful lives of assets are reviewed and modified periodically.

During 2013, we changed the useful life for equipment to be five years instead of ten years, the financial impact of changing the life time is to increase the depreciation cost for the year.

Intangible assets impairment (trademarks)

Our management annually tests the impairment of intangible assets (trademark) assets that have an indefinite useful life, based on the basis of financial and operational performance in previous years and expectations of our management as to market developments in the future by preparing an action plan by using the growth rate and the discount rate prevailing.

Critical judgments in applying our accounting policies

In general, the application of our accounting policies does not require from management the use of personal judgment (except relating to critical accounting estimate and judgments as discussed above which might have a major impact on the value recognized at the financial statement).

Indebtedness

As at the end of 2014 we had total loans of EGP 319.7 million. The table below indicates the maturities of our debt facilities.

		Outstanding amount as at December 31, 2014[1]		
	Maturity	Short-term portion	Long-term portion	Total
		(EGP millions)		
Credit Agricole Facilities:				
August 2011 loan	February 1, 2016	26.7	12.5	39.2
August 2012 loan	June 6, 2016	25.5	11.7	37.2
National Bank of Kuwait Facilities:				
May 2013 loan	May 18, 2016	23.8	11.7	35.5
January 2014 loan	August 1, 2018	19.2	28.7	47.9
June 2014 loan	June 26, 2020	3.5	115.7	119.2
September 2012 loan	March 11, 2015	3.7	—	3.7
December 2013 loan	July 15, 2017	3.9	6.7	10.6
August 2014 loan	Feb. 20, 2018	2.1	8.3	10.4
Banque Misr Facility:				
April 2011 loan	April 18, 2017	6.9	9.3	16.2
		115.2	204.6	319.7

(1) Including interest payable.

Credit Agricole Loans. We have entered into four loan facilities with Credit Agricole, two of which remain outstanding and two of which were repaid in full at the end of 2014. The loans contain financial covenants relating to our debt service ratio, current ratio and leverage ratio. In addition, they restrict the payment of dividends during any period in which there is a repayment default, and they require that the Issuer maintain majority control of Digma Trading. We also have short-term working capital facilities with Credit Agricole.

National Bank of Kuwait (formerly known as Al Watany Bank of Egypt) Loans. We have entered into four loan facilities with the National Bank of Kuwait and all of these remain outstanding. The loans require us to maintain agreed debt-to-equity ratios during the term of the loan and contains a negative pledge clause regarding our assets. We also have short-term working capital facilities with the National Bank of Kuwait.

Banque Misr—ECI loan agreement. We have entered into a loan facility multipurpose mid-term loan agreement with Banque Misr. The loans contain various covenants, among others, covenants by ECI and the Issuer (jointly) not to distribute profits to shareholders unless the principal and interest are repaid consistently within each given fiscal year.

In this section all references to market share, absolute and relative market position are sourced from AC Nielsen Retail Audit and references to brand awareness sourced from IPSOS, unless otherwise noted. The snack food market as defined by AC Nielsen Retail Audit and IPSOS include cakes, candy, chocolates, biscuits and gum, packaged croissants, salty snacks (including rusks, potato chips and other extruded snacks), wafers, and ice cream.

Overview

We were founded in 1996 and are headquartered in Cairo, Egypt. According to the AC Nielsen Retail Audit, we are a leader in the growing Egyptian packaged snack food market that had an estimated size of EGP 15.5 billion in 2014. We manufacture, market and distribute a range of branded baked snack products including packaged cakes, croissants and rusks (baked wheat snacks), wafers as well as selected confectionary/candy products. Our local brand portfolio includes household names such as *Molto, Todo, Bake Rolz, Bake Stix, Freska* and *MiMiX*, and we also have exclusive ownership of the international brands *Twinkies, HoHos* and *Tiger Tail* in Egypt, Libya, Jordan and Palestine ("**HTT Brands**"). We hold a number-one market positions in our core cake and croissant segments and a number-two market position in rusks. In 2014, we derived approximately 94% of our revenue from Egypt, with the balance from more than 14 regional export markets.

We operate four well-invested factories in Egypt with 24 production lines. We have an extensive in-house sales and distribution network in Egypt that includes 18 distribution centres, a fleet of 515 distribution vehicles combined with a salesforce of 1,098. We sold approximately 3.2 billion packs in 2014 to a growing base of over 63,000 retail and wholesale customers at an average retail price point of EGP 0.68 to EGP 1.57 for our products. We have a leading in-house research and development department that has been instrumental in creating new concepts and brands, including facilitating our entry into the packaged savoury croissants, cakes, wafers and rusks segments in Egypt.

In 2014, we achieved revenue, EBITDA and adjusted net profit of EGP 1,918.6 million, EGP 463.1 million (24.1% margin) and EGP 272.9 million, respectively. Over the 2012 to 2014 period, we achieved robust revenue, EBITDA and adjusted net profit CAGRs of 19.6%, 26.9% and 27.8%, respectively.

Segment	Croissants	Rusks	Cakes	Candy	Wafers
Entry to market	1997	2000	2003[1]	2011	2012
% of 2014 Revenue[2]	29.4%	4.6%	59.5%	2.7%	3.3%
Brands	Molto	Bake Stix & Rolz	HoHos Twinkies Tiger Tail Todo	MiMix	Freska
Brand Awareness[3]	100%	95%	100%	N/A	91%
Market Position	#1	#2	#1	#3	#5
Market Share	69%	42%	68%	8%	6%
Relative Market Share[4]	3.7x	0.7x	13.3x	0.4x	0.2x
# SKUs	8	11	19	25	5

Source: IPSOS, Nielsen Retail Audit

Notes:

(1) Todo was introduced in 2010

(2) An additional 0.4% of 2014 revenue generated from distribution of selected imported products.

(3) Source: AC Nielsen Retail Audit. Relative market share is calculated as Edita's market share divided by market share of its next-largest competitor.

(4) IPSOS. Brand awareness measures the share of respondents that were familiar with the brand in aided, spontaneous consumer surveys. Candy brand awareness as of 2012.

Our products are targeted towards a wide group of consumers in Egypt, both in terms of age and demographics as well as income, and we primarily target the mass market for snacks. In 2014, we sold approximately 3.4 billion snack packages at an average price range of EGP 0.68 to EGP 1.57 (approximately an average price point of US$0.07 to US$0.26) through our extensive in-house distribution network that serves over 63,000 retail, wholesale and other customers. We believe our broad appeal in Egypt is based on the strength of our brands and our focus on delivering value to consumers while maintaining high quality and taste standards. In addition, in 2014, 5.8% of our revenue was derived from 14 export markets primarily Libya, Iraq, Palestine, Syria, Jordan and Yemen.

In 2014, the Egyptian snack food market had a retail size of EGP 15.5 billion, having grown at a CAGR of 23.6% from 2010 to 2014. The snack food market has shown historical resilience with robust growth through both the 2011 and 2013 revolutions. We believe the market's strong historical growth, especially in the mass market segment, has been driven by favorable structural trends including a large, growing and young Egyptian population (85.4 million people with 50% of the population below 24 years of age), growing GDP and disposable income, as well as changing lifestyles including more time spent out of the home which has led to increased on-the-go snacking. Additionally, Egyptian consumers have historically had high spending on food relative to income; however, given low absolute incomes, they remain price sensitive. Egyptian consumers generally prefer snacks with strong flavors, attractive packaging and good quality. Consumer studies have shown that Egyptians typically snack as an indulgence or for a mood boost, as well as a meal replacement or additional dessert, as a way to kill boredom or for an energy boost.

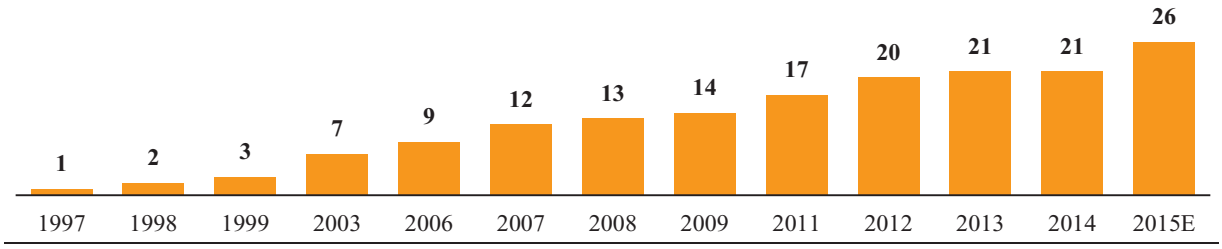
The Egyptian retail market is comprised predominantly of traditional trade outlets, including kiosks, variety stores and small grocery stores. This is due to (i) cluster dwelling in cities and remote village settlements that are outside the focus areas of modern trade channels, (ii) low disposable income and savings resulting in frequent purchases combined with lifestyle changes towards on-the-go consumptions and (iii) hypermarkets being rare, and typically located on the outskirts of cities, making them less accessible due to the long commutes required to reach them and the undeveloped infrastructure network in Egypt. We sell our products through multiple sales channels, including wholesale, traditional trade and modern trade/key accounts (i.e., supermarkets and hypermarkets), as well as to schools, universities and other institutions.

For a more detailed description of the Egyptian snack food industry and retail market see "*Egyptian Snack Food Industry*".

We own and operate four well-invested, ISO-certified factories in Egypt with equipment sourced from leading manufacturers based in Germany, Italy and Austria. Within these factories we operate 24 production lines, comprising seven croissant, 11 cake, two rusks, one wafer and three candy production lines with total current capacity to produce 4.3 billion snack packages per year. Additionally, we operate an integrated supply chain operation with frequent tracking of raw materials and finished products allowing us to respond swiftly to market and consumer changes and realize production efficiencies.

We have historically had to add factories, production lines and overall production capacity to meet the growing demand for our brands and products. In 2015, we expect to add five new production lines, including two croissant and one cake line that became operational in March 2015, and one rusk and one croissant line that have been contracted and are expected to become operational towards the end of 2015. The chart below outlines the growth in production lines since our founding, and expected by the end of 2015.

Number of Production Lines



We operate an extensive and dynamic Fast-Moving Consumer Goods ("FMCG") sales and distribution network that includes 18 distribution centers across 16 Egyptian Governorates, a fleet of 515 distribution vehicles combined with a sales force of 1,098 people, covering the majority of the Egyptian population. Our distribution network caters to a growing base of over 63,000 customers, the majority of whom source products from us on a weekly or bi-weekly basis. Our distribution in other export markets is predominantly through other agents and sub-distributors.

We have a specialized in-house research and development department that works closely with our marketing department to identify both brand extension and new product segment opportunities based on extensive consumer research and market trends.

Strengths

We believe that we benefit from the following strengths.

- **Attractive industry backdrop driven by favorable macroeconomic, demographic and lifestyle trends in Egypt.**

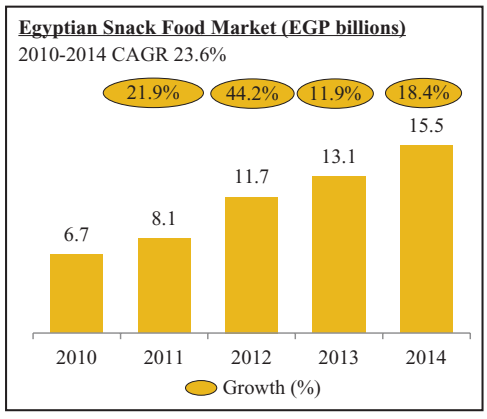
  As a producer of affordable packaged snack food targeting the mass market, we benefit from the fact that Egypt has the largest population in the MENA region, with 85.4 million people, 50% of whom are below the age of 24. Egypt is also the third-largest economy in the MENA region with a GDP of US$284.9 billion in 2014 according to the IMF, World Economic Outlook Database. Changing lifestyle trends and consumer preferences in Egypt are also driving increased consumption of convenience and on-the-go packaged food products. These trends include more time spent out of home, longer commuting times a growing preference for both sweet and savoury flavours and urbanization. In addition, robust industry NPD combined with growing marketing campaigns have increased overall consumer awareness of packaged snack food categories.

  In addition, we believe that changing lifestyles in Egypt are creating a structural shift in snack food consumption. As people spend more time out of their houses, on-the-go snack foods are becoming an attractive meal-replacement option in addition to being an indulgence product, the combination of which has fueled robust growth. We also cater to the "entry level consumer". Some of our entry-level products such as *Twinkies* and *MiMiX* can help us establish life-long connections with consumers at a young age.

  As a result the Egyptian packaged snack food market has seen robust historical growth growing at a CAGR of 23.6% over the 2010 to 2014 period. Management expects robust future growth in the Egyptian snack food market in the coming years.

Key Egypt Macroeconomics Statistics

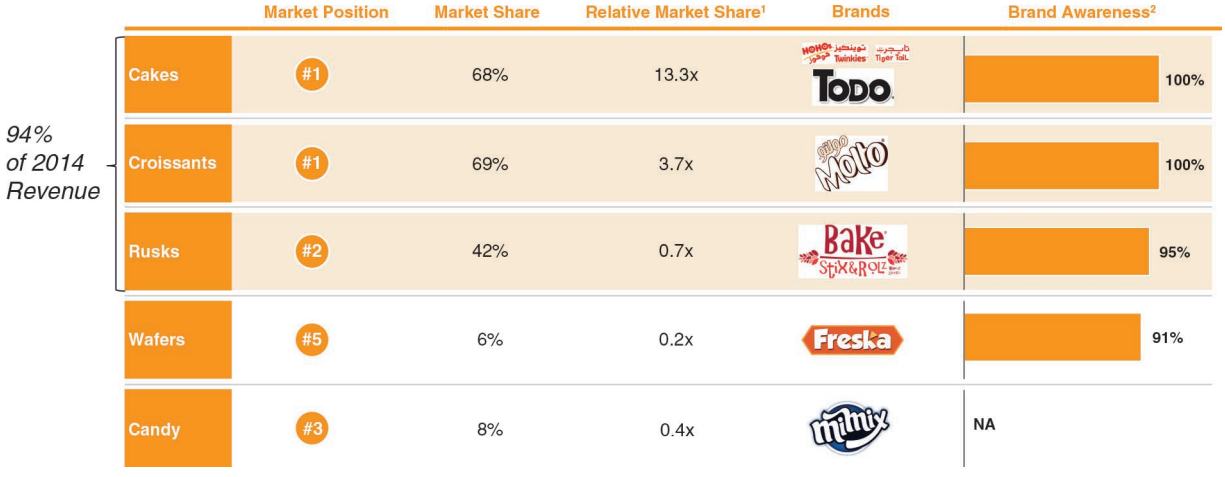
2014 GDP (current US$ billions)	284.9
2009–2014 real GDP CAGR (%)	2.7%
2014 GDP per capita (current US$)	3,336
2014 Population (millions)	85.4
2010–2014 Population CAGR (%)	2.3%
2014 Population under age of 24 (%)	50.0%



Source: IMF World Economic Outlook Database, CIA World Factbook and Nielsen Retail Audit

- **Portfolio of highly recognized brands tailored to the Egyptian market, with strong absolute and relative market positions and consumer awareness in core product segments.**

  Edita's portfolio includes differentiated brands in each product segment, each with its distinct positioning and target customer base. Edita's brands are characterized by high brand awareness in Egypt ranging from approximately 91% to close to 100% for cakes, croissants, rusks and wafers brands. At the end of 2014, Edita was Egypt's second largest snack producer with a 12% market share, according to AC Nielsen Audit. At the end of 2014, Edita had a 68% market share in cakes (#1 position), 69% in croissants (#1 position) and 42% in rusks (#2 position),with growing market positions in wafers and candy.



(1) Relative market share calculated as Edita's market share divided by market share of largest competitor.

(2) Brand awareness measures the share of respondents that were familiar with the brand in aided, spontaneous consumer surveys.

Our brands enjoy some of the highest levels of brand awareness in the Egyptian snack food market (approximately 90% of our sales are from segments in which we have more than 65% market share and at least 90% brand awareness), supported by our innovative branding strategies and efforts. We believe that the combination of high quality, taste and affordability makes our products appealing to a wide spectrum of consumers across income levels and age groups. Our core consumer base includes the mass-market, comprising the majority of the population in Egypt and as well as the fastest growing population segment in Egypt. We believe our strong consumer pull is evidenced by our unique ability to settle 97% of our sales in cash. We believe that the scale of the Edita brand umbrella gives us a strong position when dealing with our wholesalers and retailers, ensuring adequate display of products, capturing shelf space and beneficial payment terms. In addition, successful and unique marketing campaigns combined with active consumer engagement through social media have also increased popularity of our products and brands in the Egyptian market. For example, Freska, which was launched in 2012, already has more than one million followers on its Facebook fan page.

- **Innovative branding strategies supported by a locally insightful marketing team.**

  Edita seeks to employ unique and innovative marketing strategies tailored to the product attributes of each brand. Our historical marketing campaigns have proven to be effective, achieving robust Gross Ratings Points, which measures the strength of our media plan in terms of its impact on consumers. We believe that our marketing team's local market insight on the back of their widespread on-the-ground presence and internal feedback loops, coupled with the scientific market research data points we collect from specialized third parties, enables us to optimally position products in the market. Additionally, Edita's corporate umbrella brand provides a level of quality and credibility to all of our brands and provides us with the flexibility to launch new brands, and achieve quick market acceptance with minimal incremental marketing spend.

- **Extensive sales and distribution platform serving a broad base of over 63,000 customers.**

  We have built a robust and differentiated sales and distribution platform currently comprising of 18 distribution centers and a fleet of over 515 distribution vehicles. The size and flexibility of our sales fleet allows us to reach retailers, the most profitable sales channel, directly. We continue to rely on wholesalers to extend our reach into areas where we do not have sufficient retail capacity to serve. Our sales and distribution platform serves a growing and diverse network of approximately 63,000 wholesale, retail and other customers across Egypt.

  As of the end of 2014, we had 461 representatives all of which were empowered with Motorola handheld online receipt computers integrated into our internal management system. The online receipt computers ensure all sales activities are closely monitored and optimized. Our sales force is incentivized with significant portion of total compensation being variable based on achieving various KPIs including drop size, coverage, waste and successful visits, all of which we continuously monitor. Our sales force maintains close relationships with the leading wholesalers and retailers in the market, providing us with invaluable market insights.

	As at December 31,		
	2012	2013	2014
Distribution centers	13	15	16
Distribution vehicles	369	425	515
Sales representatives	338	386	461

  In 2014 our retail sales represented 36.4% of our revenue while our wholesale customers accounted for 63.6%. We have improved our revenue mix between wholesale and retail over the last three years and are targeting retail sales to represent 50% of revenue by 2018. We intend to continue to invest in our sales and distribution network by adding more distribution centers, growing our fleet of delivery vans and adding sales people to expand our coverage of the Egyptian market.

	As at and for the Year Ended December 31,		
	2012	2013	2014
Total retail customers	41,323	49,614	57,950
Total wholesale customers	4,300	5,500	5,150
Gross revenue (EGP thousands)	1,403.2	1,725.9	2,011.2
Wholesale (EGP millions)	901	1,096	1,206
Traditional retail trade (EGP millions)	347	469	629
Other (EGP millions)	155	161	176

- **Best-in-class industrial operations and facilities supported by a synchronized and dynamic supply chain.**

  We operated four ISO-certified factories that housed a total of 21 production lines with combined annual production capacity of approximately 101,100 tons at the end of 2014. Three additional production lines just commenced operations in March 2015, and another two are expected to come online before year-end 2015. The five additional production lines, expected to be added by the end of 2015, will bring the total number of production lines to 26 and increase Edita's annual production capacity to 140,000 tons.

All our machinery and equipment is sourced from leading international manufacturers based in Italy, Germany and Austria. Each of our factories has ISO 9001 (Quality Management), ISO 14001 (Environmental Management), OHSAS 18001 (Occupational Health and Safety) and ISO 22000 (Food Safety Management) accreditation. We have invested in quality control systems, which play a key role in ensuring premium product quality. In addition, we have implemented strict health, safety and environment (HSE) policies and procedures to ensure work place safety and limit the impact of our industrial operations on the environment.

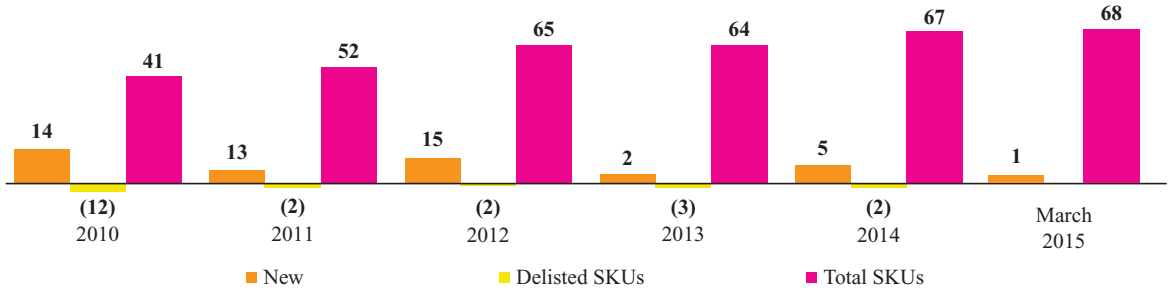
We run an integrated supply chain operation applying the international industry standard Sales and Operational Planning (SO&P) process with close coordination between departments. Weekly and monthly tracking by our Management team allows us to respond swiftly to market changes and realize efficiencies. In 2013, we inaugurated our state-of-the-art logistics hub and simultaneously implemented an SAP ERP system, which further bolstered and streamlined our supply chain.

- **Leading R&D and innovation platform with a track record of successfully pioneering new snack food categories in the Egyptian market.**

  We are one of the very few companies in the Egyptian snack food market with an established in-house R&D department. Our R&D team is focused on product innovation and brand extension to ensure we cater to changing Egyptian consumer trends, working closely with the marketing team. Further, the R&D team also works with the industrial operations department on identifying prospective alternative ingredients for our various products to hedge against unforeseen raw material shortages and enhance product quality and profitability. The team is also involved in optimizing production processes for our existing products.

  The R&D team has been instrumental in introducing new snack product categories in Egypt, such as packaged croissants and rusks. It has also led to innovations in existing product categories including new flavors and larger serving sizes. The R&D team has coordinated, along with marketing, sales and other departments, the technical and manufacturing changes necessary for 50 SKU launches and 22 SKU delistings since 2010.

  Annual Listings and Delistings of SKUs



- **Experienced, owner-led Management team with a well-trained, tenured and motivated workforce.**

  Members of our senior Management team combine local insight and global experience. Our senior Management team has an average of 22 years in industry and an average of six years with us. The majority of our senior managers have prior experience with multinational companies, including Pfizer, PwC, Phillip Morris, Vodafone, Heineken, Gillette, Kraft, PepsiCo, EFG Hermes and Peugeot.

  We hire and promote based on formal competency assessments and operate comprehensive training academies for sales and manufacturing employees within the Edita Sales Academy and Edita Manufacturing Academy, respectively. We also provide leadership and other relevant training to our managers, including the Edita Management Training Program—an eight month program designed to immerse promising fresh graduates into Edita's culture. We believe that our compensation and benefits are within the upper range in our industry in Egypt. Our sales personnel are highly motivated, with two-thirds of their remuneration based on achieving set targets. As a result, we believe our employees achieve high productivity and are well motivated. We have experienced low turnover historically, with turnover of approximately 1.2% for the year of 2014.

- **Strong corporate governance practices.**

  We recognize the importance of strong corporate governance and aim to develop our corporate structure in accordance with international best practices. Our corporate governance practices include independent board members and an audit committee. The independent board members advise Management on significant decisions related to our operations, including approval of our long-term business strategy and annual business plans. In line with best practices in corporate governance, the Board of Directors has established an Audit Committee comprising four non-executive directors, including two independent directors, whose primary function is to assist the Board in fulfilling its oversight responsibilities.

- **Track record of robust top- and bottom-line growth, strong margins and cash flow conversions.**

  Over the 2012 to 2014 period, we achieved robust revenue, EBITDA and adjusted net profit CAGRs of 19.6%, 26.9% and 27.8%, respectively. We have also increased our EBITDA margins from 2013 levels of 24.0% to 24.1% in 2014 driven by improvement in product mix and migration of our product portfolio towards higher price point SKUs. Over 2012 to 2014 period our average cash flow conversion (defined as cash flow from operating activities divided by EBITDA) was 81%, driven by positive working capital as 97% of our revenue is paid in cash at the time of sale.

Strategy

Our strategy in Egypt is guided by our vision of continuing to be a consumer-centric company that seeks to be the leading snack food produces in Egypt. Our goal is to create popular products that align with changing Egyptian consumer tastes that are produced, distributed and supported by an expert and motivated workforce. We measure our success based on generating shareholder value and on our absolute and relative market position and market share, consumer brand awareness and loyalty. The core elements of our strategy are:

- ***Increase penetration and coverage of the Egyptian population and snack food market.*** We seek to increase our revenue and consumer base by both increasing the frequency of consumption of our products by existing customers, as well as broadening the geographic distribution and penetration (mainly outside of urban areas) of our products to reach new customers. In addition, we are focused on increasing sales by ensuring consistent year-round product delivery and availability. We have historically grown our sales and distribution network to meet growing demand and will continue to invest in the necessary infrastructure to ensure we capture growth across various parts of the country.
- ***Improve sales mix between wholesale and retail customers.*** We have an active strategy to grow our customer mix towards retail customers, who provide for higher margins. Through various initiatives, including increasing our retail sales force and expanding geographic reach by increasing the number of distribution centers, we have managed to increase our retail sales contribution from approximately 20% of net local revenue in 2010 to approximately 36% of net local revenue in 2014. Our long-term objective remains to increase our retail sales contribution to approximately 50% of revenue by 2018. We will focus on sales growth among wholesalers by increasing drop sizes in terms of quantity and number of SKUs, while maintaining the same number of customers.
- ***Expand production capabilities and capacity to meet growing consumer demand.*** The Egyptian snack food market continues to grow with demand in selected product categories growing faster than our production capacities. Historically, we have addressed the increasing demand by successfully investing in additional production capacity, going from one production line in 1997 to 21 production lines at the end of 2014. Going forward, we will continue to invest in additional capacity by adding new production lines to our existing factories and building new factories when necessary and economically viable. In 2015 we expect to add five new production lines, three of which are already operational (one cake and two croissant lines). Two other production lines are expected to become operational towards the end of 2015.
- ***Introduce new and innovative products aligned with changing consumer trends.*** We intend to continue to invest in research and development to introduce new products as well as variants of our existing products that suit evolving consumer tastes and lifestyles. Our policy is to only pursue a new product candidate if it can be sustainably profitable and has the potential to gain at least 5% market share within the first year of introduction to the market. The launch of new products is supported by the strength of our existing brands, including the Edita umbrella brand, and our established

manufacturing base, our extensive distribution network, as well as the experience and track record of our Management team in successfully launching new products. We intend to continue to focus on novelty within existing and new product lines, introducing innovations and a wider variety of products, including new fillings, coatings, sizes and shapes and multi flavour packs. We believe our continuous innovation will further enhance the visibility of our products and help us compete more effectively across all our product lines.

- ***Enhance profitability through improving product mix and driving manufacturing efficiencies.*** We have historically focused on migrating our product portfolio towards higher-margin products evidenced by an increase in our EBITDA margin from 24.0% in 2013 to 24.1% in 2014. We plan to introduce new products in our existing segments and gradually move our product portfolio towards higher average price points and higher margins through the introduction of premium products within our portfolios and larger package sizes. For instance, within our cakes portfolio, we will focus on further establishing *Todo* as a premium product by introducing premium variations. For *Twinkies* and *Hoho* we believe there is an opportunity to create multi-serve packs to capitalize on their relatively high consumption frequency. From a production perspective, we have always been focused on driving manufacturing efficiencies across all of our production lines and intend to continue to do so in the future. This is achieved through various initiatives including switching to pasteurized eggs to make the production process more efficient or developing recipes without certain ingredients, such as eggs in croissants.
- ***Grow operations in selected export markets.*** We currently export to more than 14 regional export markets, including Libya, Iraq, Palestine, Jordan, Syria and Yemen. As an Egypt based snack food producer, we believe we have significant potential to grow our export business in select destinations, mainly Arab countries that are in close proximity and that share cultural affinity with Egypt, have similar demographic and macro metrics and also have a large Egyptian expatriate population. We believe our potential growth in the export business was further strengthened by our acquisition of the HTT brands in Egypt, Libya, Jordan and Palestine. We will also continue working with major distributors and provide training and country-specific marketing support. We expect to increase our exports of products based on specific market and product segment opportunities. We believe that further export growth impetus can stem from the multiple favorable trade agreements that Egypt is party to, such as the Common Market for Eastern and Southern Africa (COMESA) and Arab Common Market (ACM) trade agreements, which offer preferential access to our products into high growth regional markets. Increasing our exports is expected to help us become a regional manufacturer as well as to serve as a foreign currency generator that helps with our foreign exchange requirements for import. In addition, we may pursue selective acquisition opportunities to expand our core business in Egypt or further into markets in the MENA region.

Our Shareholders

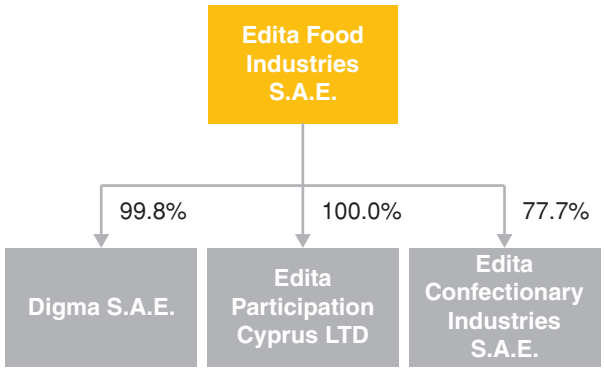
Our Principal Shareholders are Berco Limited, Africa Samba B.V. and Exoder Limited, which currently own 41.8%, 30.0% and 28.0% of the Issuer's shares, respectively. These shareholders have extensive local and international industry and emerging markets knowledge.

- Berco Limited (41.8% ownership) is the investment vehicle of our founders, the Berzi family. The Berzi family has extensive expertise in the Egyptian snack foods market having founded the Issuer in 1996 and operated it since then. Prior to 1996, the Berzi family also founded a leading salty snacks and wafer producer in Egypt which was sold to PepsiCo.
- Africa Samba B.V. (30.0% ownership) is a company that is an indirect subsidiary of funds managed by pan-emerging markets private equity firm Actis.
- Exoder Limited (28.0% ownership) is an investment subsidiary of Chipita, the leading Greek snack food company owned by Olayan Investments Group. Chipita sells flour-based snacks and chocolate products in more than 35 countries.

See "*The Selling and Principal Shareholders*".

Structure

Below is a diagram of our corporate structure.



- Edita Food Industries S.A.E., the Issuer, directly conducts all of our industrial operations, other than candy manufacturing that is done by Edita Confectionary Industries.
- Digma Trading S.A.E. is our distribution company, responsible for the sale of Edita Food Industries products and imported products. The remaining 0.2% of Digma is owned by Messrs. Hani and Samir Berzi.
- Edita Participation Cyprus Ltd. was incorporated as a vehicle through which we might make international investments in other companies and other countries. This entity is currently dormant and has no activities.
- Edita Confectionary Industries S.A.E. conducts our candy production operations. It is a joint venture with Confindel Cyprus, the investment vehicle of the Lavdas Company, a Greek company with expertise in candy manufacturing. The remaining 22.3% of Edita Confectionary is owned by Confindel Cyprus and 0.02% is owned by Messrs. Hani and Samir Berzi.

Our headquarters are located at the Edita Group Building, Plot No. 13 Central Pivot, El Sheikh Zayed, 6th of October City, Giza, Egypt 12588.

Our History

We were founded by the Berzi family, which has longstanding experience in the Egyptian snack food industry. Since then we have achieved the following milestones:

- 1997—After our establishment in 1996 by Berco Limited under the name of Edita Food Industries S.A.E., we entered the Egyptian baked snack market with Chipita and developed the unique concept of a packaged, on-the-go chocolate-filled croissant under the *Molto* brand. *Molto* has become synonymous with packed croissants in Egypt.
- 2000—Entered the baked salty snacks market with the *Bake Rolz* brand as an alternative to fried snacks. The product quickly became a leader in this new product segment.
- 2003—Entered the cakes segment by acquiring the factories producing the *HoHos, Twinkies* and *Tiger Tail* ("**HTT**") brands under licence in Egypt from Hostess, which we subsequently upgraded to meet ISO standards.
- 2005 to 2009—Obtained ISO and other certifications for our factories.
- 2010—Launched our own cake products under the *Todo* brand.
- 2011—Sales exceeded EGP 1.0 billion. We built the E15 factory in Beni Suef City and began producing candy under the *MiMiX* brand.
- 2012—Started operating our E07 factory (Hall A) in the Polaris Industrial Zone and launched our wafer products under the *Freska* brand.
- 2013—Acquired the HTT brands (previously produced under license since 2003) for Egypt, Libya, Jordan and Palestine. We launched SAP our ERP production control system and opened our new headquarters and logistics hub in 6th of October City, Cairo. Africa Samba B.V. (previously known as Africa Samba Coöperatief B.A.) acquired 30% of the Issuer's shares from Berco Limited and Exoder Limited.
- 2015—Started production out of the extension to our E07 factory (Hall B) extension.

Product Segments

We operate in five core product segments including cakes, croissants, rusks, wafers and candy. Some of these segments are further split into sub-product segments. Most of our products are mass-market affordable offerings catering to all demographic groups. We primarily target consumers between the ages of ten and 45 years, located in all regions of Egypt. However, some of our products have a narrower focus. For instance, our *MiMiX* toffee and jelly varieties are targeted primarily at ten to 17 year olds while our *Freska* and *Bake Rolz* are marketed to an older audience of 16 to 30 year olds.

Cakes

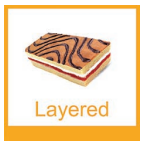
Our cakes product segment includes three main sub-product segments: filled cakes, rolled cakes and layered cakes. Our main brands in the cake product segment include *Todo, HoHos, Twinkies* and *Tiger Tail.*

We entered the cakes product segment in 2003, producing the HTT products under license. We introduced our own *Todo* brand in 2010 as a premium brand to capture additional market share. In 2013, we acquired ownership of the HTT brands in Egypt, Libya, Jordan and Palestine. *Twinkies* and *HoHos* are sold domestically and internationally, targeting the mass market, while *Tiger Tail* is an export brand and only marketed outside Egypt. *Todo* is a premium brand targeted at consumers between the ages of 16 and 24 living in urban areas in Egypt and in export markets. Our cake product segment produced 2.2 billion packs in 2014 and represented 59.5% of our 2014 consolidated net revenue.

Todo, *HoHos* and *Twinkies* are the dominant brands in the market, with a combined share of the total cakes market in Egypt of 68.4% at the end of 2014. The three brands also benefit from strong market shares: 84% for *HoHos*, 90% for *Twinkies* and 63% for *Todo* as of November 2014 and strong brand awareness: 100% for *HoHos*, 100% for *Twinkies* and 99% for *Todo*, according to IPSOS. Our relative market share for cakes was 13.3x at the end of 2014. The remainder of the market is fragmented, with the next largest player having a prompted market share of approximately 5.1%.

The total market in Egypt for packaged cakes was approximately EGP 1.4 billion in 2014, representing 9% of the total snack food market. From 2010 to 2014, the cakes market in Egypt grew at a CAGR of 22.1%. The cakes market in Egypt is split into four sub-product segments, the largest being rolled cakes, followed by layered, then filled and finally plain cakes.

Currently, we have 13 products represented by 19 SKUs in the cake product segment across four brands:

	Product[1]	Description
Filled	*Twinkies*	Golden sponge cake with creamy filling
	Tiger Tail	Golden sponge cake with creamy filling and decorated with raspberry jelly and coconut
	Todo Filled Cream	Sponge cake with cream filling
	Todo Filled Strawberry	Sponge cake with strawberry flavored cream filling
	Todo Filled Orange	Sponge cake with orange flavored cream filling
	Todo Filled Chocolate	Sponge cake with chocolate flavored cream filling
Rolled	*HoHos*	Chocolate cake rolled with creamy filling and coated with chocolate
	Todo Rolled Chocolate	Rolled chocolate cake with chocolate filling and coated with chocolate
	MINI *Todo* Chocolate	Rolled golden cake with chocolate cream filling
	MINI *Todo* Strawberry	Rolled golden cake with strawberry flavored jelly and cream filling
 Layered	*Todo* Layered Banana	Cake bar with cream filling and banana Jam
	Todo Layered Chocolate	Cocoa cake bar with chocolate cream filling and coated with chocolate
	Todo Layered Strawberry	Cake bar with strawberry flavored jelly and cream filling
	Todo Layered Hazelnut	Cake bar with hazelnut cream filling

Notes:

(1) the same product with different packaging (for example, packed in a larger display box or with a different language used on the wrapper) is counted is a standalone SKU.

Croissants

Our croissant product segment includes two main sub-product segments: sweet croissants and savory croissants. Our only brand in the croissant product segment is *Molto*.

We introduced *Molto* in 1997 in collaboration with Chipita, as our flagship product, pioneering the packaged croissant product segment in Egypt. Since then it has become our highest selling and fastest growing brand. We introduced the *Molto* cheese product in 2011. With sweet and savory variants, *Molto* is promoted both as a snack and as an anytime meal replacement option primarily marketed to consumers between the ages of 15 and 25. We produced 644 million packs of *Molto* in 2014, representing 29.4% of our 2014 consolidated net revenue.

Molto is the most frequently consumed brand of croissant in Egypt, according to IPSOS, with a market share of approximately 69%, 99% penetration and 100% brand awareness in 2014. Our relative market share for croissants, was 3.7x at the end of 2014. The croissant market is fragmented, with the next largest player having a market share of approximately 18.4%.

The total market in Egypt for sweet and savory packaged croissants was approximately EGP 800 million in 2014, representing 5% of the total snack food market. It has been the fastest growing snack food segment over the past five years, according to Nielsen. From 2010 to 2014, the croissant market grew at a CAGR of 36.7%.

At the end of 2014 we had 8 SKUs in the croissants product segment under the *Molto* brand.

	Product	Description
	XL Chocolate	Croissant filled with chocolate and hazelnut paste
	XL Cream	Croissant filled with cream
	XL Strawberry	Croissant filled with strawberry
	Mini Chocolate (4 pieces)	Mini croissants filled with chocolate and hazelnut paste
	Mini Chocolate (6 pieces)	Mini croissants filled with chocolate and hazelnut paste
	XXL Chocolate	Croissant filled with chocolate and hazelnut paste
	Cheese XXL Istanbolli	Croissant filled with istanbolli cheese
	Cheese XXL Feta	Croissant filled with feta cheese

Salty Snacks (Rusks)

Our salty snacks product segment focuses on the rusks sub-product segment (baked wheat snacks). Our current brands in the rusks sub-product segment are *Bake Rolz* and *Bake Stix*.

We entered the salty snacks market in 2000 by introducing *Bake Rolz*, a toasted whole wheat baked snack. *Bake Rolz* was the first baked salty snack product in the Egyptian market and is intended to be more filling and healthier than traditional salty snacks that are fried in oil. We have also expanded our product offering with the introduction of *Bake Stix*, a short breadstick-shaped product, as well as introducing new flavors and sizes of *Bake Rolz*. PepsiCo introduced its new rusk product, *Sunbites*, in Egypt in 2011 and thereby expanded the rusks market by creating greater awareness of the sub-product segment. We market the products to younger urban customers between the ages of 16 and 20. We produced 110 million packs of *Bake Rolz* and *Bake Stix* in 2014 and represented 4.6% of our 2014 consolidated revenue.

Apart from PepsiCo, we are the second-largest player in the rusks sub-product segment with a market share of approximately 42%. The salty snacks product segment is highly fragmented with PepsiCo, the largest player having a market share of approximately 57.4%. *Bake Rolz* and *Bake Stix* benefit from strong brand awareness: 95% and 88%, respectively, in 2014, according to IPSOS.

Our relative market share for rusks was 0.7x at the end of 2014. The rusks sub-product segment is relatively new and less developed than other salty snacks sub-product segments and is characterized by currently low penetration and low consumption frequency.

The total market in Egypt for rusks was approximately EGP 93 million in 2014, representing 1.6% of the total snack food market. Rusks form a small but fast growing sub-product segment within the salty snacks segment, according to Nielsen. From 2010 to 2014, the salty snacks segment grew at a CAGR of 23% and the rusks sub-product segment grew by 16.4%.

At the end of 2014 we had 11 SKUs under the *Bake Rolz* and *Bake Stix* brands:

	Flavors		
Rolz	Pizza Cheese	Chilli and Lemon Olive	Ketchup Salt
Stix	BBQ Oriental Spices	Oriental sausages Cheese	Salt and pepper

Wafers

Our wafers product segment includes two main sub-product segments: coated wafers and uncoated wafers. Our flagship brand in the wafers product segment is *Freska.*

We launched the Freska wafers brand in 2012, backed by a strong advertising campaign and quickly gained high brand awareness of 91% and an 6% market share. The Freska wafers feature an innovative pyramid shape and are positioned as a high quality product due to its higher quality chocolate than used by our competitors. Freska primarily targets younger urban consumers between the ages of 16 and 20. We produced 86 million packs of Freska in 2014 representing 3.3% of our 2014 consolidated revenue.

We had a market share of approximately 6% in 2014 and brand awareness of 91%. Our relative market share for wafers was 0.2x at the end of 2014. There is relatively low product differentiation in the wafers product segment and the market is dominated by Ocean Foods' Lambada wafers (with a 32.2% market share) and El Shemadan's wafers (with an 18.7% market share). The remainder of the segment is highly fragmented.

The total market in Egypt for wafers was approximately EGP 1.3 billion in 2014, representing 9% of the total snack food market. The segment has historically experienced high growth and a frequent consumption pattern. From 2010 to 2014, the wafer market grew at a CAGR of 20.5%.

At the end of 2014, we had five SKUs under the *Freska* brand.

	Flavors
Coated	• Chocolate coated wafer filled with chocolate cream • White chocolate coated wafer filled with chocolate cream
Uncoated	• Uncoated wafer filled with chocolate cream • Uncoated cocoa wafer filled with chocolate and hazelnut cream • Uncoated wafer filled with strawberry cream

Candy

Our candy product segment includes three main sub-product segments: hard candy, soft candy and jellied candy. Our flagship brand in the candy product segment is *MiMiX.*

In 2011, we launched *MiMiX* as a joint venture with Confindel, a leading Greek candy manufacturer. *MiMiX* covers a broad product portfolio of hard, soft and jellied candy and is the sole brand in Egypt with SKUs in all candy sub-product segments except lollipops. The *MiMiX* brand is primarily targeted at school age consumers in urban areas while the hard candy products are targeted at slightly older consumers. We produced 53 million packs of *MiMiX* in 2014 representing 2.7% of our 2014 consolidated revenue.

We had a market share of approximately 8% in 2014. Our relative market share for candy was 0.4x at the end of 2014. The candy market is highly fragmented, with small manufacturers representing approximately 40% of the market. The main brands in the market are Jelly Cola and Halls (Mondelez) and Scotch Mints (Delta Co.).

The total market in Egypt for candy was approximately EGP 600 million in 2014, representing 4% of the total snack food market. The segment is very fragmented, and has historically experienced relatively slow growth and consumption pattern. From 2010 to 2014, the candy market grew at a CAGR of 23.3%.

At the end of 2014, we had 13 products represented by 25 SKUs under the *MiMiX* brand.

	Soft	Hard	Jelly
Ties	Mix of four flavors	Mix of three flavors	Mix of two flavors
Medium Pack	Toffee strawberry	Butter cream	Jelly cola
	Toffee raspberry	Coffee cream	Jelly tutti frutti
	Toffee caramel		—
	Toffee coconut	—	—
Stick Pack	Toffee orange	Strawberry cream	—
	Toffee strawberry	Butter cream	—
	Toffee raspberry	Coffee cream	—
	Toffee caramel		—
	Toffee coconut	—	—
Family Pack	Toffee tutti frutti	Strawberry cream	Jelly cola
		Butter cream	Jelly tutti frutti
	—	Coffee cream	—
1 Kilogram	—	Mix of flavors	Mix of flavors

Factories and Main Facilities

We operate 24 production lines at our four factories, which currently have a combined capacity of approximately 4.3 billion packs per year. We operate our factories in a flexible manner and are able to switch products production between the factories if necessary.

Our factories:

- **6th October Factory (E06).** Our initial factory was established in 1996 and commenced operations in 1997. It is located in 6th of October City in western Cairo, and currently has a total land area of 33,638 m^2 and total built area of 21,865 m^2. The factory currently produces cakes, croissants and rusks.
- **10th Ramadan Factory (E10).** The factory was acquired by Edita in 2003. It is located in 10th of Ramadan Industrial zone with a total land area of 11,733 m^2 and total built area of 7,392 m^2. The factory produces cakes.
- **Beni Suef Factory (E15).** Our second factory was established and commenced operations in late 2011. It is located in Beni Suef, approximately 115 kilometers south of Cairo, and currently has a total land area of 25, 611 and total built area of 5,378 m^2. The factory currently produces candy. We intend to invest in additional capacity at this facility in the medium term to accommodate additional SKUs.

- **Polaris Industrial Park—6th October Factory (E07).** The factory was established in 2011 and commenced operations in 2012. It is located in 6th of October City with a total land area of 50,000 m^2 and a total built area of 14,300 m^2. An extension of 18,100 m^2 has been built to accommodate six new production lines and has started production in March 2015. The factory currently produces cakes, croissants and wafers.

The table below sets out our lines, capacity and production by factory for the period indicated.

	As at December 31, 2014		
	Lines	Capacity[1]	Production
		(thousand packs)	
By Factory:			
6th October (E06):			
Cakes	5	3,900	1,185,444
Croissants	3	840	275,352
Baked snack lines	2	415	110,997
Factory total	**10**	**5,155**	**1,571,793**
10th Ramadan (E10):			
Cakes	4	2,862	878,462
Beni Suef (E15):			
Candy	3	298	56,079
Polaris Industrial Park—6th October (E07):			
Cakes	1	622	181,649
Croissants	2	1,377	414,449
Wafers	1	466	86,935
Factory total	4	2,465	683,033
Total	**21**	**10,780**	**3,189,367**

Notes:

(1) Thousand packs per day.

In 2014, we produced 3.2 billion product packs and had average utilization of 100.1%. The table below shows the capacity and utilization by product segment in 2014.

	As at December 31, 2014	For the Year Ended December 31, 2014	
	Capacity[1]	Annual Production	Utilization (%)[2]
		(thousand packs)	
By product:			
Cakes	7,384	2,245,555	100.3
Croissants	2,217	689,801	103.5
Baked snacks	415	110,997	98.0[3]
Wafer	466	86,935	92.3
Candy	298	56,079	73.8
Total	**10,780**	**3,189,367**	**100.1**

Notes:

(1) Thousand packs per day.

(2) Our weighted average factory utilization is calculated on a maximum capacity of 298 days of production per year at three shifts of eight hours per day (representing production 24/7 except during two Fridays per month and public holidays). Factory utilization higher than 100% means our production facilities operated more than 298 days per year to meet the demand.

(3) For rusks only.

By the end of 2015, we expect cake capacity to increase by 3.2 thousand tons, croissant capacity to increase by 32.0 thousand tons, rusks capacity to increase by 3.7 thousand tons and total production capacity to be 140 thousand tons.

All of our factories are modern facilities with high quality equipment, sourced from leading German, Austrian and Italian manufacturers. We have implemented a Controlled Manufacturing system which plays a key role in ensuring product quality (see "*—Quality Control*"). Each of our factories holds the following certifications: Food Safety Management System (ISO 22000); Quality Management System (ISO 9001); Environmental Management System (ISO 14001); and Occupational Health and Safety Management System (OHSAS 18001).

We own all of our factories and our headquarters building. In addition, we operate 18 Distribution Centers of which 14 are rented and four are owned. The location of our factories and distribution centers is indicated on the map of Egypt below.

Location of Factories

We believe that one of our key operational strengths is our use of an integrated Sales and Operational Planning (S&OP) process which coordinates our planning, purchasing, manufacturing and logistics. We believe that our system and practices enhance the accuracy of our planning and the efficiency of our operations while reducing inventory, costs and distribution times.

Under our master plan, the sales department projects revenue for the year based on our strategic targets and the planning department forecasts the required material quantities, labor requirements, warehousing capacity and manages supplier relationships. Our procurement department forecasts direct materials prices and the purchasing department secures the necessary quantities of materials for the year.

We use a (1 + 2) rolling forecast model under which we assess each month projections for the next three months and track variances to our budget. At our monthly sales and planning meetings we plan the next month's sales and capacity allocation for the next two months in order to avoid overstocking materials or finished goods.

The demand planning and sales teams convene on a weekly basis to examine the expected weekly sales in light of the available stock of finished goods, adjusting production plans accordingly to avoid overstocking. Finally, we use a SAP enterprise resource planning system to determine our direct material purchase quantities according to the refined production plan. We maintain an average of approximately three days of packaging and one month's supply of most raw materials.

Sourcing of Raw Materials

Our products' main ingredients are sugar, flour, cocoa, oil and fats, milk and eggs, which comprise more than 80% of our total direct material requirements, by value. The diversity of our raw material requirements, which includes more than 100 raw materials, has historically reduced the effect of short-term price increases for particular raw materials. We seek to maintain a diverse network of reliable suppliers,

and in 2014 we purchased direct materials from more than 100 counterparties. In 2014, no supplier accounted for more than 10% of our direct materials by value. We typically source materials directly from producers, rather than relying on traders, as we believe that this helps us secure better payment terms and quality by taking advantage of the purchasing power that results from our purchase volumes. We use foreign currencies, mainly the US Dollar and the Euro, to purchase certain raw materials, primarily packaging supplies, representing 17.3% of our 2014 cost of goods sold.

New suppliers are subject to a rigorous approval process that considers, among other criteria, their size, reliability and quality of their products. Prospective suppliers must also submit samples for use in test formulas which we assess. Once selected, suppliers must sign a confidentiality agreement and their products are subject to on-going quality testing.

We do not commit to long-term contracts with our suppliers. We purchase materials under purchase agreements with a maximum term of one year. Our average payment terms with our suppliers in 2014 was 45 days.

We seek to maintain a maximum of one month's supply of locally sourced materials and a maximum of three months' supply of imported materials. As part of our S&OP processes our planning department considers warehousing capacity pursuant to the planned sales levels and selling areas. Additionally, the planning department identifies and builds strategic relationships with new suppliers that comply with our stringent selection criteria, in order to maintain our supplier diversification policy as our business continues to grow.

The logistics function of the supply chain department ensures that we deploy the most appropriate and effective warehousing, handling, storage, transportation and delivery methods to guarantee that all customer orders are fulfilled at the right time, with the right quantity and in the most cost effective way, while maintaining the best quality. The raw and packaging materials we need are generally transferred directly to the relevant factories in the quantities required based on the production plan. We maintain a three-month stock for imported direct materials and a one-month stock for domestically sourced direct materials. As and when required, the direct materials are delivered from storage to the factory floor, where a one- or two-day supply is maintained for use in production. The finished goods are then directly transferred to the distribution centers, using our 26 vehicles or with third party vehicles.

We believe that there is a ready supply of our main ingredients. However, as with all agricultural products, supplies and prices may be influenced by a number of factors, and we have experienced shortages in the past. *See* "*Risk Factors—Risks Relating to Our Business—An increase in the price of raw or packaging materials or other operating expenses could reduce our margins and profitability*".

Sales Overview

Our sales efforts reflect the evolving nature of the Egyptian retail market. In 2014, we had more than 63,000 customers. We categorize our customers as follows:

- **Wholesale.** Wholesalers have historically helped us expand our geographic reach, and we use them to cover regions where we do not currently have sufficient distribution capacity to sell directly to retailers. In 2014 we served more than 5,150 wholesale customers throughout Egypt that resell our products to traditional trade in their regions. We seek to maintain close relations with these wholesale customers through loyalty enhancing initiatives which include an annual gathering to recognize our top 100 customers and semi-annual incentives to top customers. Sales to wholesalers represented approximately 60% of our 2014 sales.
- **Traditional trade.** Our direct sales in the traditional trade channel—primarily kiosks and small independent retail stores—have been the fastest growing of our sales channels. This growth is primarily attributable to the development of our distribution fleet and our expanding geographic coverage. Direct sales to traditional trade represented approximately 31% of our 2014 sales.
- **Key accounts.** Key accounts refer to modern trade, such as supermarket chains. Modern trade is an under-developed sales channel in Egypt. Although the segment has been growing, this growth has been limited by the lack of suitable commercial sites and other infrastructure for development within Egypt. Sales to key accounts represented approximately 2% of our 2014 sales.
- **Direct supply to institutions.** We also directly supply institutions, such as schools and universities. We believe this is a strategic channel to build brand loyalty among school-aged and younger consumers. Direct supply to institutions represented approximately 1% of our 2014 sales.

- **Export sales.** We export to 14 countries, primarily Libya, Iraq, Palestine, Jordan, Syria and Yemen. We are currently considering expanding our exports of *Todo*, *Freska* and *MiMiX* products to Northern and Eastern Africa in addition to the GCC. We do not currently intend to expand sales in Syria, given the current security situation there. Under a non-compete agreement with Chipita, we must limit export of our *Molto* and *Bake Rolz* products to Jordan, Syria, Yemen, Iraq and Libya. Moreover, under our agreement with Hostess, we may export our HTT brands only to Libya, Jordan and Palestine. We rely on international distributors in our export markets and sell solely on a cash-in-advance basis or against irrevocable letters of credit. We provide marketing support for these distributors. Export sales represented 5.8% of our 2014 sales.

The table below indicates the number of customers by type and a breakdown of sales by type.

	2012		2013		2014		2012 - 14
	(EGP)	(% of total)	(EGP)	(% of total)	(EGP)	(% of total)	% change
	(In EGP millions, except percentages)						
Local (gross) sales:							
Wholesale	901	64%	1,096	63%	1,206	60%	34%
Traditional trade	347	25%	469	27%	629	31%	81%
Key accounts	23	2%	31	2%	40	2%	74%
Direct supply to institutions	23	2%	20	1%	24	1%	4%
Total local (gross) sales	**1,294**	**92%**	**1,615**	**94%**	**1,899**	**94%**	**(47)%**
Export (gross) sales:							
Libya	33	2%	27	2%	14	1%	(57)%
Iraq	23	2%	24	1%	27	1%	19%
Palestine	23	2%	23	1%	32	2%	39%
Jordan	8	1%	13	1%	8	0%	0%
Syria	13	1%	14	1%	18	1%	38%
Others	9	1%	9	1%	12	1%	33%
Total export (gross) sales	**109**	**8%**	**110**	**6%**	**112**	**6%**	**2%**
Gross total sales	**1,403**	**100%**	**1,726**	**100%**	**2,011**	**100%**	**43%**
Net total sales	**1,342**	**100%**	**1,648**	**100%**	**1,919**	**100%**	**100%**

Our strategy is to seek to increase our retail sales to represent approximately 50% of our sales by 2018, from 37% in 2014. We believe this strategy will provide us with a broader market presence, reaching almost 57.950 retail outlets directly, reduce dependence on wholesalers and enhance our margins. Moreover, we intend to enhance our distribution capabilities by adding 31 distribution vehicles in 2015 to our existing fleet of 515.

Except for agreements with certain larger retail and business customers who are invoiced and pay in arrears, the majority of our products are sold on a cash against delivery basis, which reduces our credit risk. In 2014, approximately 97% of our sales were made on a cash basis. We offer a return policy for our products, however, historically we experienced low return rates, with only approximately 0.2% of our total sales being returned during 2014.

Our Sales Team

At December 31, 2014, we had a sales force of 1,098, including 461 sales representatives, all of whom are employed by us. We use agents on a contract basis for export sales.

To ensure a qualified and committed sales team, our sales representatives must pass exams and satisfactorily complete training at our Edita Sales Academy, held in our headquarters. The sales team is highly incentivized with approximately two-thirds of their remuneration based on achieving key performance targets relating to, among other things, average order size, waste, successful visits and coverage. In addition, the sales representatives' eligibility to receive specific employee benefits, such as healthcare and additional 13th month salary, is also linked to achieving KPI targets. At the start of each year, we hold an annual retreat for the entire sales department to enhance team ties and to honor the best performing employees. We grant other incentive awards each month to the best retail and wholesale sales representatives in addition to the best sales representative each quarter.

In 2010, we rolled out hand-held online receipt devices to our sales personnel. Sales representatives enter new orders using these devices, which are integrated into our management systems. This allows our sales supervisors to track each transaction made and monitor the geographical location of each sales representative. They are also able to see on a real time basis other data such as daily transaction rates, trip times and routes, for example. As at December 31, 2014, we had 460 functioning hand-held devices.

Distribution

Our extensive domestic distribution network plays a key role in the penetration of our products across Egypt. We believe that this gives us an advantage, as the creation of such distribution networks constitutes a barrier to entry for potential new competitors.

The table below illustrates the growth of our distribution network.

	As at December 31,			2012 to 2014 % growth
	2012	2013	2014	
Distribution centers	13	15	16	11%
Delivery vans	369	425	515	18%
Sales representatives	338	386	461	17%
Total sales force	790	909	1,098	18%
Handheld sales devices	377	438	460	11%

Currently, we have a network of 18 distribution centers across 16 Governorates, as set out on the map below. We own four of these distribution centers and rent the other 14 under long-term contracts of up to ten years. We own all of our warehouses. We own and operate a fleet of 515 distribution vehicles. Our distribution network ensures delivery of our products across a wide geographical area, that products are kept in a good condition and delivered in a timely manner. Our distribution fleet served approximately 63,000 clients each week during 2014.

We also export our products through 14 third party distributors, each responsible for the marketing and distribution of our products within their respective geographic regions. We typically have long-standing relationships with our international distributors.

Due to strong demand for our products, we produce according to a sales plan agreed with our sales and marketing team which is based on projected orders. Further, we limit the stock in our warehouses to one day's supply, which helps us manage the shelf life of our products and limit volumes of expired products. As we increase the number of distribution centers in line with our strategy, we expect to reduce the average distance travelled for delivering products.

The following map shows our distribution centers.

Key performance indicators, which we regularly monitor to ensure the logistics system's efficiency include timeliness and completeness of deliveries.

Marketing

The primary function of the marketing department is to develop and manage our marketing strategy and tactics across all of our brands and markets. They also have a significant role in proposing and testing new products and changes to existing products. This includes corporate marketing, channel marketing, product and brand marketing and product management. We seek to engage with our customers through communications tailored to their known preferences, across all media channels including social media, to build brand loyalty. We engage in a range of general marketing activities, including outdoor ads, television commercials, radio and online advertising, as well as sponsorship, giveaways, in-store advertising and distribution of point of sale materials special events and brand awareness events. We believe we have a relatively conservative approach to media spending and we focus on more targeted media communications such as well-placed billboards. To help optimize our marketing efforts, a different advertising agency is associated with each brand, depending on the agency's compatibility with the brand's overall communication strategy and its inherent competency and specialty. We believe this helps each brand's distinctive "voice" and positioning. We measure the impact and reach of our campaigns by evaluating feedback such as brand health trackers and retail audits.

In 2014, we ran media campaigns for *Todo, Molto and Freska*, including television advertising, social media campaigns, moving billboards and others.

	For the Year Ended December 31,					March
	2010	2011	2012	2013	2014	2015
SKUs listed	14	13	15	2	5	1
SKUs delisted	12	2	2	3	2	0
Total SKUs (at year end)	41	52	65	64	67	68

In managing our product portfolio, our goal is to rationalize the number of SKUs in our portfolio to achieve efficiencies while meeting the market needs and bringing innovative new products to market. SKUs are often delisted because they have been replaced with another product, although some SKUs are delisted because they do not generate sufficient margins.

The marketing department currently has 15 staff members, including five brand managers and two marketing managers. In addition, we employ marketing researchers to conduct the required research for all our SKUs and to work on both monitoring our brands performance through monthly brand health trackers and retail audits and to identify opportunities to further understand consumers and traders (e.g. usage and attitudes research to understand consumers' usage habits and attitude towards particular brands or segments) and we carry out product testing as required through independent research agencies. The marketing team also includes graphic designers to design and fine-tune our packaging and all our visual elements. They are responsible for developing our graphic guidelines and monitoring strict compliance with it. The marketing team supplements its capabilities with external research and graphic design providers.

Research and Development

Our research and development department comprises ten specialists responsible for new product development as well as maintenance and enhancement of existing products. Our research laboratories are located within our factories, and central research is done at our E06 factory.

The team works closely with the marketing department to develop products and product variants, such as new flavors and serving sizes, as well as extending product shelf-life. As part of the development of new products, the research and development team has collaborated with the marketing team to coordinate 42 SKU launches since 2010, including our *Freska*, *Todo* rolled, *Todo* filled and *Molto* savory croissants.

In addition, the department provides technical support to our production facilities to optimize production processes, maintain product quality and ensure compliance with regulatory requirements. Together with the Quality Assurance Department, it also helps develop a quality plan for each new product.

Quality Control

Most of our equipment is fully automated using control panels and programmable logic controllers (PLCs) to enable us to fix settings and ensure efficiency and consistency in the production processes and comply with our quality and food safety standards.

As part of our Quality Control measures we have a dedicated Quality and Food Safety Department responsible for good manufacturing practice, audits, and training with respect to food hygiene and safety. Each of our production facilities has a quality team that reports directly to the Quality and Food Safety Department.

We perform regular chemical and microbiological tests throughout the production process and visually inspect all finished products to ensure safety and quality. As part of our Total Quality Management program each employee is responsible for ensuring that the preceding stage complied with our standards.

We must also comply with regulations regulating food safety, which provides that a producer will be liable for the sale or distribution of defective food. A food product is considered to be defective if the labeling is misleading or if it contains harmful ingredients. Each of our factories has ISO 9001 (Quality Management System), ISO 14001 (Environmental Management), ISO 18001 (OHSAS) and ISO 22000 (Food Safety Management) accreditation. In addition we are planning to undertake an American Institute of Bakery (AIB) audit to receive AIB certification. We believe that AIB is one of the most stringent international audit bodies for food safety and hygiene.

We use several KPIs to track and measure our quality control including the percentage of "right first time" products that meet our quality standards without needing adjustment, the percentage of "rejection versus production" and the percentage of the number of GMP deviations per ton.

Finance Department

The Finance Department is primarily responsible for the financial control of our business, budgeting and preparation of the financial strategy, accounting and reporting and other finance related functions. It also participates in reviews of investment opportunities and supports the Chief Executive Officer in the overall strategy. Main responsibilities include:

- *Financial control.* Setting the financial policies and procedures, preparing financial accounting and reporting raw material costing and inventory management, and financial planning and analysis, and tax.
- *Group treasury.* Managing our banking relationships, identifying financing resources, supervising cash management and insurance.
- *Information technology.* Supporting the Chief Information Officer in supervising the management of our ERP system, IT infrastructure and software.
- *Legal.* The department supports the legal department in managing our legal affairs, including trademark registration and employee matters.

Health, Safety and Environment

Our Health, Safety and Environment (HSE) department currently comprises a team of 28 specialists and is responsible for ensuring that all our facilities maintain a safe working environment and comply with relevant environmental rules and regulations. We closely monitor a number of safety-related measures including lost time injury frequency rate, injuries per million working hours, working days without lost time injuries, recordable injuries, and lost days due to injuries. We believe that we have a good safety record for our industry.

We are required to comply with governmental regulations pertaining to any environmental emissions and hazards resulting from our factory operations. This mainly pertains to staying within the permissible levels of gas emissions, and to properly treat any discharged water. We must ensure any hazardous substances are handled in accordance with the Egyptian Environmental Law and are strictly liable for any discharge. For a full description of the health, safety and environmental regulations we must comply with please see "*Regulatory and Environmental Matters*".

In addition to civil liability, violations could subject the producer to criminal prosecution. See "*Regulatory and Environmental Matters*".

Employees

The following table presents a breakdown of our employees by function as at 31 December 2012, 2013 and 2014:

	For the Year Ended 31 December		
	2012	2013	2014
Senior Management	23	26	33
Production	2,244	2,495	2,495
Warehouse	359	414	502
Maintenance	188	215	215
Quality control (laboratories)	86	94	96
Total operational personnel	**2,900**	**3,244**	**3,341**
Marketing	12	9	11
Sales	754	854	968
Finance	112	111	123
Administration and Human Resources	513	551	578
Clerical			
Purchasing and Supply Chain	74	66	66
Legal Affairs	3	3	3
Construction	9	13	12
Internal Audit	6	8	5
R&D	5	7	10
IR and Compliance	0	0	1
Other (Sector management (IO), Manufacturing excellence and ENG, SHE)	24	29	41
Total administrative personnel	**1,512**	**1,651**	**1,818**
Total	**4,412**	**4,895**	**5,159**

All of our employees are located in Egypt.

Our human resources department is responsible for recruiting, hiring, training and employee development, as well as setting our remuneration strategy in line with the market conditions. Management is committed to attracting top talent and recruits from local, regional and international markets. Specialized recruitment agencies assist us as necessary in recruiting personnel for management positions and roles that require specialized skills. As part of the hiring process we use competency based assessment centers to assess each candidate's competency, aptitude and cultural fit.

The human resources department also has a training and development department that prepares and oversees training programs. We operate a Sales Academy and a Manufacturing Academy with courses designed to help employees within these functions to increase their skills and progress within our company. We have career progression guidelines and succession planning strategies based on proper assessment of job competency's appropriate proficiency level. All of our new managers participate in a formal management training program.

We have set our pay rates with the assistance of an independent consulting firm to be within the upper quartile of our industry for managerial positions and in line with the industry's median for other positions. Employees receive a 13th month of salary, paid in two installments. We also maintain a profit sharing program which is distributed based on rated performance of the employees.

We believe we have good relations with our employees. We cultivate loyalty and a sense of common purpose among our employees by providing a range of benefits, including a loyalty program for additional wage increases awarded when employees reach certain length-of-service milestones. We provide transportation to employees to facilitate their commute to work and free or subsidized meals. Managerial level employees can participate in a car ownership program or receive a monthly car allowance. Employees also receive medical and life insurance coverage through MetLife Alico, one of the leading medical insurance companies in Egypt. At retirement, as employees who have worked for us for at least ten years receive a lump sum payment equal to half a month's salary for every year of service, up to 12 months of pay.

We do not operate a separate private pension scheme. Our employees instead rely upon the Egyptian social insurance system whereby employees are granted pensions by the Egyptian Government based upon contributions made by both the employees and by us during the course of their employment.

Statutory contributions are withheld by the employer at source on a monthly basis and paid to the Egyptian Social Insurance Authority. The employer's contribution is currently set at 26% of the employee's basic salary (capped for this purpose at EGP 1,012.5 per month). The "variable salary" portion covers incentives, commissions, bonuses overtime and other additional payments made to employees.

Information Technology

We operate a modern corporate computer network integrating all of our key business transactions across finance, production, logistics, procurement and distribution using SAP. All of our key business transactions are automated, with SAP generating timely reports on our financial and operating performance. Our sales force uses handheld online receipt computers introduced in 2010, which allow our sales representatives to print sales receipts directly when conducting transactions at customer locations. The devices are fully integrated in our internal management systems, enabling sales supervisors to track transactions, sales strategy and geographic location of the sales representatives. The sales handsets run the Mobisales application, which is integrated with our SAP ERP system. We are also introducing new modules to SAP relating to HR.

Over the last three years, we have spent approximately EGP 20 million on IT systems and infrastructure. In 2015, we expect to make further enhancements to our enterprise application SAP, HCM cloud solutions, SAP mobility solutions and business analytics and we are planning to add a new human resources module.

Intellectual Property

We believe that the Edita and product brand names are essential for our business. Our intellectual property includes brands created and developed by Edita as well as ownership from Hostess of the *HoHos*, *Twinkies* and *Tiger Tail* brands for Egypt, Libya, Jordan and Palestine, which we acquired in April 2013. We have registered English and Arabic versions of our Edita, *Molto*, *Todo*, *Bake Stix*, *Bake Rolz*, Mixo Magic, *MiMiX Freska*, *HoHos*, *Twinkies* and *Tiger Tail* trademarks, as well as the corresponding logos and the *Todo* Character, with the Egyptian trademark registry in all of the key classes in which we operate. These trademarks are also registered or relevant applications have been filed in all of the Arab countries to which we export, and *MiMiX* is registered in Russia and the EU/EEA. These trademark registrations expire at various times from August 2015 to September 2024. We anticipate that we will be able to extend the term of these trademarks. We do not hold any other material patents, trademarks, registered designs, copyrights or licenses.

Insurance

We maintain insurance policies with registered insurance companies in Egypt, which cover material damage to property, money-in-transit and premises, building foundations, fire, explosion and natural disasters. All of the properties owned by Edita Food Industries are covered by insurance (and we insure leased premises against loss of money-in-transit). Notwithstanding this coverage, our policies do not cover damage to infrastructure, telecommunications failure, intentional unlawful act and human error. We do not currently maintain product liability insurance which is not generally available in Egypt.

Legal Proceedings

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this prospectus which may have, or have had in the recent past, significant effects on the Issuer and/or the financial position or profitability of the Issuer and its consolidated subsidiaries.

EGYPTIAN SNACK FOOD INDUSTRY

*Information and statistics contained in this section regarding the Egyptian snack food industry are based on data from the United Nations Population Division ("**UNPD**"), United Nations Statistics Department ("**UNSD**"), EIU, the International Monetary Fund ("**IMF**"), the Central Agency for Public Mobilization and Statistics ("**CAPMAS**") and other independent sources in addition to our experience and assessment of market conditions. See "Third-Party Statistical and Other Information".*

Egyptian Macroeconomic Background

Egypt is the most populous country in the MENA region according to the IMF, with a population of 85.4 million in 2013 according to the UNPD. With a diverse economy and strategic geographic location, Egypt represents one of the key investment destinations in the region, according to the EIU.

Egypt's population growth is estimated by the UNPD to be 1.6% per year for the period 2010 to 2015. According to the UNPD, 43.1% of the population live in urban areas. The estimated rate of urbanization for the period 2010-2015 is 0.05% (per year), according to the UNPD. In the most recent census (conducted in 2006), four cities had a population of over 1 million persons, according to the UNSD. These were: Cairo (7.8 million), Alexandria (4.0 million), Giza (2.6 million), and Shubra El Khema (1.0 million).

The table below shows Egyptian GDP and GDP per capita for the years specified.

	2010	2011	2012	2013	2014
GDP					
Constant prices, EGP, billions	573.8	584.0	596.9	609.4	622.8
Constant prices, percentage change	5.1%	1.8%	2.2%	2.1%	2.2%
Current prices, EGP, billions	1,206.6	1,371.0	1,575.5	1,753.3	1,986.6
Current prices, USD, billions	218.8	235.6	262.3	271.4	284.9
GDP per capita[(1)]					
Constant prices, EGP	7,374.9	7,336.1	7,332.8	7,280.9	7,295.2
Current prices, EGP	15,509.0	17,224.9	19,335.0	20,947.4	23,269.7
Current prices, USD	2,811.9	2,959.8	3,221.8	3,242.9	3,336.6

Source: IMF

Note:

(1) GDP per capita based on IMF population data and estimates. The IMF uses CAPMAS population figures, for which the latest actual data is for 2010. Figures for subsequent years are IMF staff estimates.

Egyptian Snack Food Industry

Growth trends

The Egyptian snack food market has experienced strong growth in recent years, with a CAGR of 23.6% over the years 2010 to 2014 according to Nielsen. In 2013 the market size was EGP 13.1 billion, having increased from EGP 11.7 billion in 2012 and EGP 8.1 billion in 2011, according to Nielsen. The market size grew further to EGP 15.5 billion in 2014 and is estimated to reach EGP 24.0 billion in 2016 based on historical CAGR, representing a growth opportunity of around EGP 11 billion between 2013 and 2016.

The following table shows the value of the Egyptian snack food market for the years specified.

	2010	2011	2012	2013	2014
			(EGP billions)		
Egyptian Snack Foods Market Size	6.7	8.1	11.7	13.1	15.5

Source: Nielsen

The snack food market provides a favorable backdrop for growth in the consumption of affordable snacks. Low affordability levels and price sensitivity skew consumer demand towards affordable snacks, with SKU prices between EGP 0.8 and EGP 1.2 per SKU suitable for target consumers, according to Nielsen.

Based on research carried out by iQual and IPSOS, Management believes that the convenience of snack foods is and will continue to be an appealing proposition to consumers in light of changing lifestyles in Egypt. See "—*Consumer Profile*" below.

Market Overview

The relevant Egyptian snack food market is split into eight product categories: Packaged Croissants, Wafers, Chocolates, Salty Snacks, Cakes, Biscuits, Candy and Gums. Chocolates, biscuits and gums have been grouped together in the following analysis of these categories. The general definition of snack food includes ice cream, however, this is excluded from the Nielsen calculation of market size included in this section.

The following table sets out the market size for each product segment for each of the years 2010 to 2014, together with the CAGR over this period.

Egyptian Snack Food Market Segment	2010	2011	2012	2013	2014	CAGR 2010 - 2014
			(EGP billions)			
Salty Snacks	3.1	3.5	5.0	5.1	5.8	16.4%
Cake	0.6	0.8	1.1	1.3	1.4	22.1%
Wafer	0.6	0.8	1.2	1.3	1.3	20.5%
Croissant	0.2	0.3	0.5	0.6	0.8	36.7%
Candy	0.3	0.3	0.5	0.6	0.6	23.3%
Biscuits, gum and chocolate	1.8	2.4	3.5	4.2	5.6	33.4%
Total	**6.7**	**8.1**	**11.7**	**13.1**	**15.5**	**23.6%**

Source: Nielsen

The following paragraphs discuss each product segment of the Egyptian snack food market.

Croissants

The sweet and savory croissants product segment constituted 5% of the Egyptian snack food market in 2014, according to Nielsen, and has been the fastest growing product segment of the Egyptian snack food market over the previous five years, according to Nielsen. It is a concentrated and relatively young market, in which Edita introduced the first branded product in 1997. The main brands in the market are:

Producer	Brand Name	Market Share	Market Rank
Edita	***Molto***	68.9%	**1**
Al Faysal	Brunch	18.4%	2
Monginis	Monginis	4.4%	3
Faragello	Faragello	3.0%	4

Source: Nielsen

Wafers

The wafers product segment constituted 8.5% of the Egyptian snack foods market in 2014, according to Nielsen, and has historically exhibited a high growth profile due to frequent and high consumption patterns. This product segment is dominated by two producers, Ocean Foods (manufacturer of the Lambada brand) and El Shamadan, which had 2014 market shares of 32.2% and 18.7% of the market, respectively. The remainder of the market is captured by small players and is highly fragmented. There is very little product differentiation in the market. The main brands are:

Producer	Brand Name	Market Share	Market Rank
Ocean Foods	Lambada	32.2%	1
El Shamadan	El Shamadan	18.7%	2
Nestle	KitKat	10.2%	3
Bisco Misr	Bisco Wafers	7.3%	4
Edita	***Freska***	6.0%	**5**
PepsiCo (Chipsy)	Samba	3.8%	6

Source: Nielsen

Salty Snacks

The salty snacks product segment constituted 37.3% of the Egyptian snack food market in 2014, according to Nielsen, making it the highest contributor to the aggregated Egyptian snack food market. Salty snacks are the most frequently consumed snack food in Egypt, according to IPSOS. Despite being one of the most mature market product segments, it has continued to grow at a strong CAGR of 16.4% between 2010 to 2014. It is a highly fragmented market, with low barriers to entry.

Rusks (baked wheat) form a small but fast-growing sub-product segment within salty snacks. In 2014, rusks constituted 4.3% of the salty snacks product segment, but were the fastest growing sub-product segment within salty snacks, with a CAGR of 33%. The market for rusks is currently dominated by two producers, PepsiCo (Chipsy) and Edita, who between them captured nearly 100% of the market in 2013. The main brands in the rusks market are:

Producer	Brand Name	Market Share	Market Rank
PepsiCo (Chipsy)	Sunbites	57.5%	1
Edita	***Bake Stix* and Rolz**	42.5%	**2**

Source: Nielsen

Cakes

The cakes product segment constituted 8.9% of the Egyptian snack food market in 2014, according to Nielsen. Cakes are sold in a variety of forms, including rolled, filled, plain and layered cakes, and are one of the most frequently consumed snack food in Egypt, according to IPSOS. It is a relatively mature market sector, with a CAGR of 22% between 2010 to 2014, and is characterized by low market fragmentation—with Edita as the dominant player. The main brands in the market are:

Producer	Brand(s)	Market Share	Market Rank
Edita	***HoHos, Twinkies, Tiger Tail, Todo***	68.4%	**1**
Monginis Bakery	Monginis	5.1%	2
River Foods	Droo	5.0%	3
Shamedan	UNO, Great, Rolly	4.8%	4
Bisco Misr	Fundo	3.4%	5

Source: Nielsen

Candy

The hard, soft and jelly candy product segment constituted 3.8% of the Egyptian snack food market in 2014, according to Nielsen. It is the slowest growing area of the snack food market. The candy market is highly fragmented, with approximately 40% of the market captured by small producers. The main brands are:

Producer	Brand Name	Market Share	Market Rank
Mondelez	Jelly Cola, Halls	18.5%	1
Delta Co.	Scotch Mints	8.0%	2
Edita	**MiMiX**	7.9%	**3**

Source: Nielsen

Chocolates, biscuits and gums

In 2014, the market size for chocolate, biscuits and gums was EGP 3.2 billion, EGP 1.7 billion and EGP 0.7 billion, respectively, according to Nielsen. This market grew at a CAGR of 33.4% from 2010 to 2014.

Market Dynamics

The snack food market in Egypt is relatively underdeveloped, which has led to fast market growth and many new brands being introduced to the market. Due to the fast growth of the snack food market and increasing urbanization, the numbers of consumers participating in the market has increased every year for the last six years, and companies have become increasingly interested in reaching out to relatively remote areas such as Upper Egypt and Delta. As a result, the market in these regions has been growing faster than in Cairo and Alexandria. Management believes the following factors affect food and beverage companies' product SKU offerings:

- *Affordability.* Low affordability levels skew demand towards more affordable products and SKUs. This has led to a prevalence of single-serve SKUs priced between EGP 0.8 and EGP 1.2 (approximately US$0.11 to US$0.17). The following table sets out the average SKU price evolution by product segment from 2010 onwards.

Market product segment	2010	2011	2012	2013	2014
Croissants	0.8	0.9	1.1	1.2	1.2
Wafers	0.4	0.5	0.7	0.7	0.8
Salty Snacks	0.7	0.8	0.9	0.9	1.0
Cakes	0.5	0.6	0.8	0.8	0.8

Source: Nielsen

In addition, affordability affects market penetration and reach. In particular, there is a tendency among lower socio-economic classes to shop for food on a daily basis, as the large and less frequent shopping trips that characterize modern trade are not feasible for them. This has resulted in a proliferation of smaller local outlets.

- *Cluster dwelling.* According to the UNPD, 43.1% of Egypt's population resides in cities, while the remaining 56.9% of the population resides in remote village settlements. Many such village settlements are outside of the catchment area of modern trade channels. Therefore, traditional sales channels dominate in the market.

- *Underdeveloped infrastructure.* The limited infrastructure network in Egypt limits the mass shopping potential of modern trade channels located in the outskirts of cities (e.g. shopping malls, department stores and large supermarkets).

  In 2012, there were a total of 280,605 outlets for snack food in Egypt, according to Nielsen. Of these, almost 80% were small groceries. The following table sets out the relative proportion of sales channels in the Egyptian snack food market, according to number of outlets.

Sales channel	2008	2010	2012
Kiosks	8.0%	7.4%	7.7%
Variety stores	12.7%	11.6%	6.5%
Small groceries	78.3%	80.0%	84.5%
Large groceries	0.8%	0.8%	1.1%
Hypermarkets	0.2%	0.2%	0.2%

Source: Nielsen retail audit 2012

Management believes that these factors increase the importance of possessing an affordable product portfolio and an effective distribution platform with considerable reach.

Consumer Profile

Nearly half of Egyptians are urban-dwelling, low income consumers, who support vibrant, yet price sensitive, consumption patterns. Increasing income levels, and the country's rapid urbanization, have gradually shifted consumption patterns towards packaged food in general and packed snacks that could be eaten any time anywhere in particular, in line with changes in lifestyle.

According to various consumer researches conducted by iQual and IPSOS, most consumers consider snacking as a way to kill boredom, and/or as a way to satisfy their hunger during a busy day or while on the move. Consumption patterns are characterized by consumption of multiple brands and consumption of an

average of 10 snacks product segments per month, according to IPSOS. This demonstrates that consumers do not demonstrate a loyalty to any specific category or product.

One way to measure a category's penetration in terms of consumption is to track the percentage of consumers who eat at least one product within the measured category over the course of a single month. On this measure, product penetration for wafers, potato chips, cake, biscuits and sweet croissants was over 90% in each case. The table below sets out past month consumption for the product categories listed, as at June 2014, according to IPSOS.

Sales channel	Past Month Consumption
Wafers	95%
Potato chips	95%
Cakes	96%
Biscuits	78%
Sweet croissants	93%
Gum	63%
Chocolate	82%
Corn tortilla	84%
Ice cream	57%
Baked wheat	80%
Savory croissants	68%
Filled biscuits	45%
Candy	51%
Brownies	7%
Donuts	2%

Source: Ipsos Tracker (calculated based on a monthly tracker)

The "mass product" product segments within the snack food industry are wafers, potato chips, cakes, biscuits, sweet croissants, gum, chocolates and filled biscuits. As well as having a high penetration, being these products are all consumed with a high frequency (on average up to five products per week), according to Ipsos Tracker.

The "dormant product" product segments within the market are corn tortilla, ice cream, baked wheat, savory croissant, and candy. These products have a high penetration and are eaten by many consumers at least once monthly, however they are consumed less frequently (less than three times per week on average).

Management believes that opportunities for growth lie in increasing category penetration for relatively new product segments (both "dormant" and "greenfield" product segments, the latter consisting of new markets that have not yet established enough penetration), while enhancing consumption frequency. See "*Business—Strategy*".

Production of food products

The production of food products in Egypt is mainly regulated by Law No. 48 of 1941 (amended by Law No. 281 of 1994) pertaining to Commercial Fraud (the "**Commercial Fraud Law**") and Law No. 10 of 1966, regulating foodstuffs and their circulation.

According to the Commercial Fraud Law, a producer shall be liable in the event that he sells or distributes defective products. A product shall be considered to be defective if the producer misleads or attempts to mislead in connection with the design, production, installation, processing, packaging or display of such product. The producer of a defective product shall be liable vis-à-vis any third party who suffers damage if he proves that such damage has been caused by the product. The maximum sentence for any violation of the Commercial Fraud Law is five years' imprisonment and/or a fine of up to EGP 100,000 or the equivalent of the value of the commodity the subject of the crime, whichever is higher. In case of death resulting from such violation, the sentence is life time imprisonment and a fine not exceeding EGP 100,000 or the equivalent of the value of the commodity the subject of the crime, whichever is higher. The board members of an Egyptian company, if found guilty of a violation of the Commercial Fraud Law, could be subject to such penalties in their individual capacities. If found guilty, the company may also be subject to an equivalent fine and the court has the discretion to order the company to cease its activities for a period not exceeding one year. If the same violation is committed again by the company, the court may order that the company cease its activities for a period not exceeding five years or alternatively terminate the company's operating license.

Law No. 10 of 1966 prohibits the production, preparation, presentation or offering of products, or the storage, transfer or delivery of the same if: this is not in compliance with the requirements specified by applicable laws and regulations; the products contain harmful ingredients; or if the labelling is misleading. Persons found to be in violation of any of the foregoing shall be subject to a penalty of up to one month's imprisonment and a fine of no less than EGP 5.00 and no more than EGP 50.00 or both. The directors' of a violating company, if held liable, could also be subject to any of these penalties in their individual capacities. If found guilty, the company may also be subject to an equivalent fine and the court has the discretion to order the company to cease its activity for a period not exceeding one year.

The Egyptian Standardization Authority amends the applicable standards from time to time.

Environmental legislation

Environmental issues in Egypt are governed by Law No. 4 of 1994. This law provides for the creation of an agency for the protection and promotion of the environment, the Egyptian Environment Affairs Agency (the "**EEAA**"). The EEAA formulates general policy and prepares the plans necessary for the protection and promotion of the environment. It also reviews the implementation of such plans.

The law provides for a mandatory environmental review, to be undertaken by the competent administrative authority according to the EEAA's instructions, as part of the approval process for all proposed projects. In order to obtain a license to build, investors engaging in all new developments are now required to prepare Environmental Impact Statements (the "**EIS**"). The law places a duty on the developer to monitor its compliance with environmental laws. Owners of existing facilities must also prepare an EIS for all new development.

The law forbids the handling of hazardous substances and waste or the construction of any establishment for treating such substances without a license from the competent administrative authority. It is also forbidden to import hazardous waste or to allow its entrance into or passage through Egyptian territories. It is mandatory for all those who produce or handle dangerous materials to take precautions to ensure that no environmental damage occurs.

All establishments (industrial and others) are required to ensure that while practicing their activities, no leaked or emitted air pollutants (caused by the burning of fuel, etc.) shall exceed the maximum permissible levels. It is also prohibited to incinerate, to dispose of or to treat garbage and solid waste, as well as to spray pesticides or any other chemical compound, unless it is done according to the conditions and safety measures specified in the executive regulations of the law. Establishments shall ensure also that while operating their machines and equipment, the sound volume shall not exceed the maximum permissible levels.

The law further contains incentives for entities that operate in Egypt in an environmentally friendly manner, thus encouraging compliance. The law provides for fines and, in extreme cases, prison sentences for violations of its provisions.

Egypt is a signatory to various conventions concerning environment protection, among which are: the Environmental Modification Convention; the African Convention on the Conservation of Nature and Natural Resources; the Vienna Convention for the Protection of the Ozone Layer; the Convention for the Prevention of Pollution from Ships; the Barcelona Convention for the Protection of the Mediterranean Sea against Pollution; the Brussels Convention on Civil Liability for Oil Pollution Damage and the Moscow Treaty for Nuclear Weapon Tests in the Atmosphere.

Consumer protection legislation

The Consumer Protection Law No. 67 of 2006 ("**Consumer Protection Law**") and its Executive Regulations issued by Ministerial Decree No. 886 of 2006 (the "**Executive Regulations**") was promulgated in 2006 to establish the legal framework for consumer protection in Egypt, extending protection against fraud and ensuring transparency in selling goods while observing quality. The Consumer Protection Law establishes the Consumer Protection Authority, which is mandated with ensuring the implementation of consumer protection in accordance with the provisions of the Consumer Protection Law.

The Consumer Protection Law defines "Products" as being: goods and services offered by public and private law persons, including used goods offered by supplier.

A violation of the Consumer Protection Law, would, generally, include such acts or omission on the part of the producer/supplier in a manner that may lead to a false or misleading impression on the part of the consumer, or that may lead to confusion or mistake on the part of the consumer which would be deemed as misleading behavior.

A violation of certain provisions of the Consumer Protection Law shall result in a fine of not less than EGP 5,000 and not exceeding EGP 100,000, in addition to any damages that the consumer may claim.

Competition legislation

The Law on the Protection of Competition and the Prohibition of Monopolistic Practices number 3 of 2005 (the "**ECL**") establishes the terms of conditions of competition law enforcement in Egypt. Generally, the ECL regulates three main relations, (i) horizontal contracts or agreements (ii) vertical contracts or agreements and, (iii) events which constitute an abuse of a dominant position.

The first category which is that of horizontal relations, is regulated under Article 6 of the ECL where it sets an exhaustive list of agreements (or by practice concerted practices or decisions of an association of undertakings) which would be prohibited under the ECL. They include what is widely known as hardcore restraints such as price fixing, market sharing and bid rigging.

The second category is that of vertical agreements, which covers relations between suppliers and customers. In practice, it is not on the list of priorities of the Egyptian Competition Authority (the "**ECA**"). This is because it requires a rule of reason assessment which may be burdensome on the ECA.

The third category relates to the conduct from which dominant companies are required to refrain. It prohibits conduct of dominant persons which would generally be legal otherwise.

The ECL has also established the ECA which is the competent authority responsible for its enforcement. In 2014, a leniency programme was introduced and criminal fines were increased to up to EGP 500 million for cartels and up to EGP 300 million for abuse of dominant position.

Material Licenses

Operational licenses

Pursuant to Article 2 of the Law No. 453 of 1954, all industrial establishments which may cause a public disturbance, are required to obtain an operational license. Any industrial establishment which does not possess the required operational license will not be permitted to conduct its business. The granting of an operational license is dependent upon the satisfaction of certain requirements, for example, the date of any certified lease agreement must be checked, and the location of any factory must be approved. If these requirements are met then the operational license is issued by the relevant local licensing department.

Details of the operational licenses granted:

Entity	Date of Expiry of License
the Issuer—Plots No. 19 and 21 in Sixth of October Third Industrial Zone	June 30, 2015
the Issuer—Plot No. 63 Polaris Industrial Zone	July 10, 2015
the Issuer—Plots No. H3, H9 and part of H8	December 2, 2015
the Issuer—Building No. 2 located at Plot No. 13 in Sheikh Zayed	March 22, 2015

Boilers operation permit

Pursuant to Law No. 55 of 1977, we must obtain special permits for hazardous machinery and equipment, such as power generators and boilers. Such permits are issued in connection with each such machinery or equipment and are renewable. We have four boilers licenses as follows:

Entity	Date of Expiry of License
the Issuer—Plots No. 19, boiler No. 1345	October 10, 2016
the Issuer—Plots No. 19, boiler No. 2471	June 10, 2018
the Issuer—Plot No. 63, boiler No. 100003210	February 25, 2022
the Issuer—Plots No. H3, H9 and part of H8, boiler no. 1420	November 7, 2015

Industrial registration

Pursuant to Article 1 of law No. 24 of 1977 governing industrial registration, all industrial establishments must be registered in the industrial registry held by the Ministry of Industry and Foreign Trade. Industrial establishments must apply for registration within 30 days from commencement of production. Registration must be renewed every five years. Accordingly, we hold industrial registry certificates, certain details of which are set forth in the following table:

Entity	Date of Expiry of License
the Issuer—Plots No. 19 and 21 in Sixth of October Third Industrial Zone	December 13, 2015
the Issuer—Plot No. 63 Polaris Industrial Zone	September 1, 2018
the Issuer—Plot H3, H9 and part of H8	December 14, 2015

Other licenses and certificates

The Issuer holds an export certificate issued in accordance with the Investment Law valid until October 17, 2017, pursuant to which the Issuer is authorized to export its products outside of Egypt. The Issuer holds an import certificate issued in accordance with the Investment Law valid until October 17, 2017, pursuant to which the Issuer is authorized to import raw material, production necessities and spare parts for its equipment.

The Issuer holds a certificate from the Health Department dated January 30, 2014 confirming that we are in compliance with the required specification and a certificate dated September 4, 2014 confirming that our products and employees are subject to the supervision of the Health Department in 10th Ramadan.

The Issuer holds an ISO certificate 22000:2005 for its food safety management system expiring on November 11, 2017.

The Issuer holds an OHSAS certificate 18001:2007 for health and safety management expiring on March 8, 2018.

Other applicable legislation and certain regulatory developments

We are subject to the Money laundering Law No. 80 of 2002, the Anti-Monopoly Law No. 3 of 2005.

Under the decree No. 1162 of 2014, the sale price of natural gas supplied for generating electricity will change to US$3 for every million British thermal unit. The sale price of natural gas supplied to food companies increased to US$5 for every million British thermal unit, compared to US$2 for every million British thermal unit previously set by the amended Prime Minister's Decree No. 1953 of 2010.

Under the decree No. 1257 of 2014, the sale prices of electricity will gradually increase over the period of 5 years starting from July 1, 2014 and ending on July 1, 2018.

From 2014, the following tariffs applied:

- Extra High voltage (132, 220 KV): 22.6 Piasters/KW/month (US$0.031).
- High Voltage (33,66 KV): 27,5 Piasters/KW/month (US$0.037).
- Medium Voltage (11,22 KV): 36,5 Piasters/KW/month (US$0.05).
- From 2018, the following tariffs shall apply:
- Extra High Voltage (132, 220 KV): 43,3 Piasters/KW/month (US$0.06).
- High Voltage (33,66 KV): 44,7 Piasters/KW/month (US$0.062).
- Medium Voltage (22,11 KV): 49,5 Piasters/KW/month (US$0.069).

Under the decree No. 1160 of 2014, the sale price of gasoline, kerosene and diesel per liter, shall be as follows:

- Gasoline 80 Octane: EGP 1.60 (US$022).
- Gasoline 90 Octane: EGP 2.60 (US$0.36).
- Gasoline 95 Octane: EGP 6,25 (US$0.87).
- Kerosene: EGP 1.80 (US$0.25).
- diesel of normal and specific specifications: EGP 1.80 per litre (US$0.25) for all consumers.

SECURITIES MARKET INFORMATION

Egyptian Securities Market

The CMA was established by the State in 1979 pursuant to Presidential Decree No. 520 of 1979 to promote investment in the Egyptian securities market. The development of the securities market in Egypt since 1992 has encouraged certain Egyptian banks and financial institutions to begin to provide such services as securities underwriting, brokerage and mutual funds. Between 1979 and 2009, the CMA was responsible for regulating the securities market in Egypt, issuing licenses for financial intermediary businesses (including brokerage, venture capital, mutual fund management and portfolio management), monitoring the continuing obligations of listed companies, monitoring the central securities depositary and protecting investors. Law No. 10 of 2009, published on March 1, 2009, established the EFSA which replaced the CMA, the Egyptian Insurance Supervisory Authority and the Egyptian Financial Leasing Authority as of July 1, 2009. The Chairman of the Board of Directors of the EGX and the Chairman of the EFSA have the right under the Capital Market Law to prohibit certain offers and bids for shares of listed companies which are considered to be manipulative, distorting or in violation of market rules.

The most important factor in the growth of the Egyptian securities market since 1992 has been the State's privatization program. A Privatization Ministerial Committee led by the Prime Minister, determined the companies to be privatized, resulting in the full or partial privatization of approximately 314 enterprises, which then accounted for approximately 70% of the Egyptian public sector. During 1993, these enterprises were reorganized or regrouped under 27 holding companies, which have authority to dispose of or liquidate their assets, in some cases after restructuring to make them more attractive to investors. As of the date of this prospectus, there are nine holding companies which control a total of 146 companies.

The rate of privatization in the early years was slow, but the process was revitalized under the administration of Prime Minister El-Ganzouri from January 4, 1996 to October 15, 1999. As of February 1, 2008, the Ministry of Investment reported that the privatization program had resulted in 311 transactions generating revenue of EGP 22.5 billion (US$4.1 billion) from total asset sales of companies under Law No. 203 while generating for the same time period revenue of EGP 31.2 billion (US$5.6 billion) from joint venture and other public sector sales. Currently, there are plans for the privatization of 38 companies.

In 2011, a small number of former employees of privatized companies whose jobs were eliminated as a result of the privatizations filed lawsuits before the Egyptian administrative courts, requesting reversal of the privatizations and reinstation of their positions. In the first instance, many administrative courts ordered cancelation and reversal of the privatizations. These decisions are currently being appealed. However, the recent trend in the administrative courts has been to only reinstate employees to their former positions, but not to cancel or reverse the privatization process. Where there have been final court judgments ruling privatization to be cancelled, investors may arbitrate claims for resulting damages through the International Centre for Settlement of Investment Disputes (ICSID). Moreover, Egyptian Law No. 32 of 2014 has been enacted to grant protection to the agreements where the State is a contracting party. This law prevents any third party from challenging privatization agreements, and restricts cancelation claims to the contracting parties (i.e., only the State and the investor).

The Capital Market Law permitted the introduction of mutual funds to the Egyptian market, with 41 Egypt-based equity and fixed income mutual funds introduced as of April 3, 2008. Recently, the Minister of Investment has issued a decree amending the Executive Regulations of the Capital Market Law, enhancing the regulations governing mutual funds.

Egyptian Companies Law permits companies to issue bonds and other tradable securities. The only corporate bond issue listed on the EGX prior to the enactment of the Capital Market Law was the Credit Foncier Egyptian bonds, issued in 1951. Recently, Golden Pyramids Plaza Company, Contact, GB Auto and Mobinil have issued bonds on the EGX. In May 2013, law No. 10 of 2013 was issued regulating the issuance of a form of Sharia compliant debentures known as "Sukuk" by the government, certain governmental authorities and governorates, private sector companies, and international financial institutions authorized by the CBE and EFSA for funding of projects in Egypt. Such debentures have been defined as securities regulated by the Capital Market Law, and may be issued in both Egyptian Pounds and foreign currencies, and may be listed and traded on EGX.

In February 2007, the Minister of Investment issued a decree adding a new chapter to the Executive Regulations of the Capital Market Law. This chapter regulated tender offers and mandatory tender offers by prohibiting acquisitions of securities through open market purchases of one-third or more of the capital or voting rights of the target company. See "*Description of Share Capital and Applicable Egyptian Law*".

The EGX's market capitalization was EGP 374 billion (US$ 62 billion) as at December 31, 2012, EGP 427 billion (US$ 64 billion) as at December 31, 2013 and EGP 495 billion (US$ 72 billion) as at December 31, 2014. The EGX 30 Index's market capitalization was EGP 208 billion (US$ 33 billion) as at December 31, 2012, EGP 176 billion (US$ 25 billion) as at December 31, 2013 and EGP224 billion (US$ 31 billion) as at December 31, 2014.

The EGX 30 Index and the Hermes Financial Index currently cover the 30 and 41, respectively, most actively traded stocks on the EGX. From January 1, 2014 to December 31, 2014, the EGX 30 Index increased by 31.1% and the Hermes Financial Index increased by 22.8%. Average daily turnover of the EGX in 2014 increased by 108% compared to 2013, while market capitalization increased by 15.4%.

The EGX 30 Index's market capitalization increased by 27.5% during 2014. From January 1, 2013 to December 31, 2013, the EGX 30 Index increased by 20.4% and the Hermes Financial Index increased by 19.1%. Average daily turnover on the EGX in 2013 decreased by 13% compared to 2012, while market capitalization increased by 15.0%

The EGX 30 Index's market capitalization decreased by 15.1% during 2013. From January 1, 2012 to December 31, 2012, the EGX 30 Index increased by 48.4% and the Hermes Financial Index increased by 42.7%. The EGX is characterized by a relative lack of liquidity. As at December 31, 2014, there were 226 listed companies, only with a smaller subset trading on a regular basis. The average daily trading value for the period from January 1, 2014 to December 31, 2014 was approximately EGP806 million (US$114 million), compared to approximately EGP 386 million (US$56 million) from January 1, 2013 to December 31, 2013 and approximately EGP 445 million (US$73 million) from January 1, 2012 to December 31, 2012

Stock Exchange Trading Mechanisms

Egypt's trading and settlement mechanisms have been significantly improved over the past few years. A computerized trading system at the EGX allows for automatic electronic matching of bids and offers. The electronic trading system links the EGX and allows brokers remote access to the trading floor. It also links all independent bookkeeping activities to the MCDR, which helps ensure greater speed and efficiency in the settlement process. Trading on the EGX takes place between 10:30 a.m. and 2:30 p.m., Sunday through Thursday.

During each trading session, the prices of certain stocks is restricted by ceilings and floors from its previous closing price, starting from 5%. Stocks of certain actively traded companies are not subject to this restriction. The EGX removes the ceiling upon the request of a broker who is willing to effect a transaction above or below the ceiling, provided the pricing committee at the EGX approves. The closing price of traded shares is determined by calculating a price-weighted average of the traded shares for the session. Cumulative transactions below 100 shares do not affect the closing price of the relevant underlying security. Brokerage commissions for transactions over EGP 10,000 (US$1,398) are not fixed by the EGX or other regulatory bodies, but instead vary depending on the size of the transaction and the brokerage house executing the trade. Brokerage commissions for transactions under EGP 10,000 (US$1,398) are fixed by the EFSA.

Our corporate governing bodies are the General Meeting of Shareholders and the Board of Directors. Each has its own responsibilities in accordance with Egyptian law and the Issuer's articles of association. The Board of Directors is an executive body responsible for our day-to-day operations, and is elected by the Shareholders in a General Meeting.

General Meeting of Shareholders

The General Meeting of Shareholders is our supreme governing body and is authorized under Egyptian law and the Issuer's articles of association to pass resolutions on, among other things, the following issues:

- the election and dismissal of members of the Board of Directors;
- any amendment to the constitutional documents;
- any increase or reduction of the Issuer's share capital;
- approval of merger, consolidation, recapitalization or other reorganization;
- approval of the reports prepared by the Board of Directors;
- approval of our annual financial statements;
- the setting of remuneration of the Board of Directors;
- participation in litigation against the Board of Directors, including appointment of our representative for such litigation;
- approval or rejection of the profit (dividend) distribution proposal prepared by the Board of Directors;
- approval of any reduction in our share capital or of our shares or securities convertible into, exchangeable for or otherwise granting the right to acquire our share capital (including options, warrants and other rights);
- determination of a date for payment of contribution by the shareholders and/or requesting its payment; and
- other issues provided by law and the constitutional documents.

The Board of Directors

The Board of Directors is responsible for our day-to-day management (with the exception of functions reserved for the General Meeting of Shareholders). The members of the Board of Directors are appointed by the General Meeting of Shareholders for renewable terms of three years, and are also dismissed by a General Meeting. The appointment and the number of members of the Board of Directors is determined by a General Meeting from time to time and shall not be less than five and not more than nine members. The scope of authority of each member of the Board of Directors is defined by a General Meeting or by the Board of Directors with authorization from a General Meeting.

As at the date of this prospectus, the Board of Directors consists of nine members including (i) seven full-time directors including an executive chairman and managing director, a vice chairman and one Shareholder director, each of whom was appointed by and represents Berco Limited in its capacity as a shareholder of the Issuer, two shareholder directors appointed by and representing Africa Samba B.V. in its capacity as a shareholder of the Issuer, two further shareholder directors appointed by and representing Exoder Limited in its capacity as a shareholder of the Issuer, and (ii) two non-executive independent directors.

As at the date of this prospectus, the Board of Directors comprises the following members.

Name	Position	Age	Initial Year of Appointment	Date of Appointment of Current Term	Date of Expiration of Current Term
Hani Berzi	Chairman and Managing Director	53	1996	2015	2018
Samir Berzi	Vice Chairman	55	1996	2015	2018
Sameh Fikry Makram Ebeid .	Board Member	62	2013	2015	2018
Sherif ElKholy	Board Member	36	2013	2015	2018
Richard Phillips	Board Member	50	2013	2015	2018
Spyros Theodoropoulos	Board Member	56	1996	2015	2018
Maria Georgalou	Board Member	54	2014	2015	2018
Sahar El Sallab	Independent Board Member	62	2015	2015	2018
Hussein Choucri	Independent Board Member	64	2015	2015	2018

The business address for all members of the Board of Directors is Edita Group Building, Plot No. 13 Central Pivot, El Sheikh Zayed, 6th of October City, Giza, Egypt 12588.

Hani Berzi, Chairman and Managing Director. Mr. Berzi graduated from Ain Shams University (Cairo, Egypt) with a BSc in Computer and Control Engineering. He has 29 years of experience in the food and beverage industry, having started his career in 1986 by joining Tasty Foods Egypt, his family's snack food business. Mr. Berzi subsequently held the position of Sales and Marketing Vice President at Tasty Foods Egypt after a sale of a part of its shares to PepsiCo, from 1990 to 1992. Mr. Berzi became a member of the Board of Edita Food Industries in 1996 and became the Managing Director in 1996, and Chairman of the Board in 1996. Mr. Berzi is also a member of the Board of the Chamber of Food Industries and the Egyptian Center for Economic Studies, and is the Chairman of the Egyptian-Greek Business Council (Egyptian side). Previously, he was a member of the Boards of a number of companies in the food and beverage industry including Technopack in 1987, Rotopak in 1989 and Egypt Sack in 1997, and has also served as Chairman of the Food Export Council and a Board Member of the Federation of Egyptian Industry.

Samir Berzi, Vice Chairman. Mr. Berzi graduated from Cairo University (Cairo, Egypt) in 1982 with a BA in Commerce. He has 32 years of experience in the food and beverage industry, having started his career by joining Tasty Foods Egypt. In 1986, Mr. Berzi founded Berzi Confectionary, which was later acquired by Tasty Foods Egypt. He subsequently held the position of Industrial Operation Vice President at Tasty Foods Egypt after a sale of a part of its shares to PepsiCo. Mr. Berzi has also established a number of companies including Digma Trading, a fast-moving consumer goods distribution company and Edita Food Industries. Mr. Berzi became a member of the Board of Edita Food Industries in 1996. He is also the Chairman of Digma Trading and Edita Confectionary Industries, a member of the American Chamber of Commerce and a member of the Board and shareholder of Le Pacha 1901, a shareholder of Mirage Hotels, which owns the JW Marriott at Mirage City, and a shareholder of Sakkara Tourism Investment, which owns the Mirage City compound at New Cairo.

Sameh Fikry Makram Ebeid, Board Member representing Berco Limited. Mr. Makram-Ebeid graduated from The American University (Cairo, Egypt) with a B.A. in Economics. After six years of experience in international banking he joined his family's legal firm in 1982, a firm established since 1930, to operate its financial consultancy arm. For the past 30 years, the firm has been providing a wide range of financial services to a large portfolio of local and international clients. He has carried out consultancy assignments for many Egyptian clients in banking, manufacturing, trade, services and others. He has also been the special advisor to a number of international financial institutions, notably Nordea, (which comprises Nordbanken in Sweden, Merita Bank in Finland and Unibank in Denmark) as well as to HypoVereinsbank in Germany.

Sherif ElKholy, Board Member representing Africa Samba B.V. Dr. ElKholy graduated from The American University (Cairo, Egypt) with a BA in Economics, and from the University of London (London, United Kingdom) with a MSc in Finance and Economic Development and a PhD in Economics. He has 14 years of experience in the private equity industry. Dr. ElKholy is a Director at Actis. He previously worked at EFG-Hermes Private Equity where he focused on making private equity investments in the MENA region, and in the Structured Finance Division of HSBC Bank of Egypt. Dr. ElKholy became a member of the Board of Edita Food Industries in 2013. He is also a Consultant for the Egyptian Cabinet's Information

and Decision Support Center where he has authored and published work for the Cabinet's think tank focused on economic policy reform. Dr. ElKholy is also a member of the Board of Universite Centrale (Tunisia) and Emerging Markets Knowledge Holdings Limited.

Richard Phillips, Board Member representing Africa Samba B.V. Mr. Phillips graduated from Exeter University with a degree in Economics. He has 28 years of experience in the private equity industry. Mr. Phillips is a founding partner of Actis and also serves on the Actis global investment committee. Mr Phillips has spent his career in private equity, initially with 3i plc in the UK and subsequently with CDC and Actis, spending 20 years in Uganda, Zimbabwe, Malaysia and Egypt. He became a member of the Board of Edita in 2013. He is also a member of the Board of Emerging Markets Payments Holdings (Mauritius) Limited and a member of the Board of Integrated Diagnostics Holdings Limited, and Integrated Diagnostics Holdings PLC and Emerging Markets Knowledge Holdings Limited.

Spyros Theodoropoulos, Board Member representing Exoder Limited. He graduated from Athens Economic University with a business degree. He started his career with a small family business producing dairy products in 1976. Since then, he has uninterruptedly worked in the FMCG industry and was a General Manger of several FMCG companies. He acquired Chipita SA, a Greek based company producing snacks, in two stages: the first 50% of shares were acquired in 1986 and the remaining 50% in 1989. In 1990, Eurohellenic Fund (representing, among others, Olayan Group, De Benedetti, Alpha Finance and Titan Group) invested in Chipita which coincided in time with the commencement of the croissant production, expansion of Chipita's activities, setup of production facilities in several countries worldwide and formation of joint ventures in Egypt, Saudi Arabia and Mexico. In 2006, Chipita merged with Delta Holdings SA to form Vivartia SA. From 2006 until 2010 Mr. Theodoropoulos was the Managing Director of Vivartia SA. During 2010 together with Olayan group, as well as other Greek partners, Mr. Theodoropoulos acquired Chipita SA. As of today he is the CEO of Chipita SA and a member of the Board of Directors of the National Bank of Greece. In the past, he served as the president of the Athens Stock Exchange Listed Companies Association, a vice-president of Greek Federation of Industries and a vice-president of Helex. Mr. Theodoropoulos became Edita's Board Member in 1996.

Maria Georgalou, Board Member representing Exoder Limited. Mrs. Georgalou graduated from University of Belgrano, Buenos Aires in 1988 with a CPA degree. She has an extensive experience in venture capital and private equity in a number of countries, including Greece, Spain, Portugal, the Balkans and the CIS where she worked for companies of De Benedetti Group and Commercial Capital, a subsidiary of Commercial Bank of Greece. She used to cover a wide range of sectors (including, food, retail and timber sector) and phases of investments (including, start-up, development and mezzanine phases). She served as Business Development Director at Delta Holdings SA and Chief Financial Officer of the Vivartia Group headquartered in Greece. She is a Deputy CEO of Chipita Group and a member of the Board of Directors of several companies in Greece and abroad. Mrs. Georgalou joined Edita as a Board Member in 2014

Hussein Choucri, Independent Board Member. Mr. Choucri graduated from Ain Shams University and the American University in Cairo with a degree in commerce and management, respectively. He joined investment banking department of Morgan Stanley in New York as an Associate in 1980 and had been its Managing Director from 1987 until 1993. In 1993, he became its Advisory Director to serve in this capacity until 2007. In 1996, he established HC Securities & Investment, which currently is one of the leading investment banks in the Middle East and North Africa. Mr. Choucri is a board member of a number of associations and reputable companies, including Holding Company for Tourism, Hotels and Cinema and The Egyptian-British Business Council (EBBC). Mr. Choucri joined Edita as a Board Member in January 2015.

Sahar El Sallab, Independent Board Member. Mrs. El Sallab graduated from the American University in Beirut and from the Harvard Kennedy School for Management. She worked and trained at Citibank Cairo and Athens as well as joined Chase National Bank of Egypt. She then spent 25 years working at Commercial International Bank, where she achieved the position of Vice Chairman and Managing Director. She was also the Chairperson of Commercial International Capital Holding Company (CICapital). After significant private sector experience, she became the Deputy Minister of Trade and Industry for Development and Investment in Internal Trade in Egypt. Mrs. El Sallab has been nominated as one of 100 Most Powerful Arabic Women 2011 by South African Magazine CEO, and one of 10 Most Powerful Egyptians Women 2011 by the Egypt Business Directory. Mrs El Sallab currently serves as a chairperson of Hiteknofal Company.

Executive Officers

As at the date of this prospectus, our executive officers are:

Name	Age	Position
Hani Berzi	53	Chairman and Managing Director
Sherif Fathy	55	Vice President and CFO
Alfred Younan	44	Vice President (Sales and International Business)
Omar Abdel Ghaffar	33	Vice President (Industrial Operations)
Inas Abdel Rahman	45	Vice President (Marketing)
Maged Tadros	49	Vice President (HR and Administration)
Mohamed El Bahey	44	Vice President (Supply Chain)
Dina Al-Sonbaty	45	Vice President (Investor Relations and Corporate Affairs)
Sherif Shaker	53	Internal Audit and Compliance Director
Papardodimas Panagiotis	39	Research and Development Director

Hani Berzi, Chairman and Managing Director. Mr. Berzi's biographical details are set out above.

Sherif Fathy, Vice President and Chief Financial Officer. Mr. Fathy has 34 years of experience in professional auditing. He graduated from Ain Shams University (Cairo, Egypt) in 1980 with a BA in Accounting and from the United States International University (San Diego, USA) in 1984 with an MBA. Mr. Fathy joined Edita Food Industries as Vice President and Chief Financial Officer in 2007. Previously, Mr. Fathy was Chief Financial Officer of Amwal Arabia Group from 2002 to 2007, Middle East Regional Finance Director at Pfizer from 1999 to 2001 and Deputy Finance Director at Sanofi Aventis from 1995 to 1999, Finance Manager at Bristol Myers Squibb from 1992 to 1994 and Audit Manager at PricewaterhouseCoopers from 1981 to 1992. Mr. Fathy is a Certified Director of The Egyptian Institute of Directors, and previously was the Chairman of Egyptian Finance Executives Foundation, an ex-member of the Board and Treasurer of the Food Export Council and a member of The Egyptian Institute of Directors.

Alfred Younan, Vice President—Sales and International Business. Mr. Younan has 24 years of experience in the FMCG industry. He graduated from Alexandria University (Alexandria, Egypt) in 1992 with a BA in Commerce, and completed the International Marketing Program at INSEAD (Fontainebleau, France) in 1998 and the Executive Development Program at Kellogg School of Management (Chicago, USA) in 2009. Mr. Younan joined Edita Food Industries as National Sales Manager in 2005 and became Vice President—Sales and International Business in 2007. Previously, he worked as Business Development and Export Director at Hero Middle East from 2002 to 2005, National Sales and Distribution Director at Al Ahram Beverages (a member of the Heineken group) from 2000 to 2001, Marketing and Sourcing General Manager at Mansour Distribution Company (Distributor of Philip Morris in Egypt) from 1997 to 2000 and the Horn of Africa Representative at Philip Morris from 1994 to 1996.

Omar Abdel Ghaffar, Vice President—Industrial Operations. Mr. Abdel Ghaffar has 10 years of experience in industrial operations. He graduated from Concordia University (Montréal, Canada) in 2004 with a BSc in Industrial Engineering, and completed the Executive Operations Management Program, Manufacturing, at INSEAD (Fontainebleau, France) in 2013. Prior to obtaining his BSc, he participated in a number of internships and training programs with large multinationals including Danone and Henkel. Mr. Abdel Ghaffar joined Edita Food Industries as Vice President—Industrial Operations in 2012. Previously, Mr. Abdel Ghaffar was Operations Director at Orascom Housing Communities from 2007 to 2012, Development Manager at Kuwait Controls Company from 2005 to 2007, and worked with the International Operations at Forbes Marshall from 2004 to 2005.

Inas Abdel Rahman, Vice President—Marketing. Ms. Abdel Rahman has over 20 years of experience in marketing. She graduated from Cairo University in 1992 with a BA in Economics and Political Science and obtained her MBA from the American University (Cairo, Egypt), specializing in Marketing and International Business, in 1998. Ms. Abdel Rahman joined Edita Food Industries as Vice President—Marketing in 2009. Previously, Ms. Abdel Rahman was Global Category Manager at Tetra Pak Packaging Solutions, Italy from 2006 to 2009, Marketing Manager at Tetra Pak, Egypt from 2003 to 2006, and a Director and Partner at Directions Marketing Research & Services Limited from 1998 to 2003. Prior to that, she worked as marketing consultant and economic researcher in a number of organizations, including Carana Corporation, Phoenix Consulting Associates and Al-Ahram Center for Political and Strategic Studies.

Maged Tadros, Vice President—HR and Administration. Mr. Tadros has over 20 years of experience in human resources. He graduated from Helwan University (Cairo, Egypt) in 1986 with a BA in Hotel Management. Mr. Tadros joined Edita as Vice President—HR and Administration in 2010. Before joining us, Mr. Tadros was Human Resources Development Manager at Al Ahram Beverages (a member of the Heineken group) from 2006 to 2010 and as an Independent Organizational Development Consultant from 2004 to 2006. Prior to that, he worked as Training and Development Senior Supervisor at Vodafone Egypt from 1998 to 2004. Mr. Tadros is certified as a Human Resources Assessor and Franklin Covey Trainer.

Mohamed El Bahey, Vice President—Supply Chain. Mr. El Bahey has 19 years of experience in the FMCG industry. He graduated from Ain Shams University in 1995 with a BSc in Engineering (Mechanical Power Section). Mr. El Bahey joined Edita Food Industries as Vice President—Supply Chain in 2012. Previously, Mr. El Bahey was Managing Director and CEO of Kraft Foods Algeria from 2010 to 2012 and Supply Chain and Sale Director at Kraft Foods Egypt from 2004 to 2010. He has also been a member of the Board of Kraft Foods Egypt from 2004 to 2012 and Managing Director of Kraft Foods Distribution Limited from 2006 to 2012. From 1995 to 2004 he worked at Gillette Egypt, as Production Engineer, and later as Value Chain Manager for North Africa and Pakistan at Gillette Egypt, and as Assistant Regional Supply Chain Director at Gillette MEA.

Dina Al-Sonbaty, Vice President—Investor Relations and Corporate Affairs. Ms. Al-Sonbaty graduated with distinction from The American University (Cairo, Egypt) with a BA in Economics in 1990. She has 24 years of experience in finance. Ms. Al-Sonbaty joined Edita Food Industries as the Vice President for Investor Relations and Corporate Affairs in 2014, and is responsible for Investor Relations, Compliance, Business Process Management and Business Development, and is also the Corporate Secretary. Previously, she held positions with the Corporate Banking Group at Commercial International Bank in Egypt from 1990 to 1994, attending a 9-month Chase-based Corporate Credit Banking course. She then was a member of the core team setting up the Commercial International Investment Company, where she was the head of financial services and real estate sectors from 1994 to 1998. From 1998 to 2001, Ms. Al-Sonbaty held the same position at Flemings CIIC, a joint venture of Flemings Family & Partners and Commercial International Investment Company, a Senior Principal in charge of financial services, real estate, textiles and consumer durable goods sectors at EFG-Hermes Private Equity, a legal successor of Flemings CIIC from 2001 to 2004, and then was a Managing Director for Corporate Affairs and Investor Relations and Corporate Secretary of EFG-Hermes Holding, a legal successor of EFG-Hermes Private Equity from 2004 to 2010. Ms. Al-Sonbaty served on the Board of Governors of the EFG Hermes Foundation and she is a non-executive director of North Red Sea Integrated Development Projects, North Red Sea Touristic Services and Sawari Ventures for Financial Consultation.

Sherif Shaker, Internal Audit and Compliance Director. Mr. Shaker has 30 years of experience in finance and auditing. He graduated from Ain Shams University with a BA in Commerce in 1983 and obtained his MBA from the Arab Academy Graduate School of Business (Alexandria, Egypt) in 2009, specializing in Finance, Investment and Banking. Mr. Shaker joined Edita Food Industries as Financial Manager in 1997 and became Internal Audit and Compliance Director in 2010. Previously, Mr. Shaker was Financial Manager at Peugeot Egypt from 1993 to 1997, Accounting Supervisor at Hoechst Egypt Pharmaceutical Company from 1991 to 1993, and held various positions at PricewaterhouseCoopers from 1983 to 1991. Mr. Shaker is a Certified Director of the Egyptian Institute of Directors (EIoD).

Papardodimas Panagiotis, Research and Development Director. Mr. Panagiotis has 14 years' experience in research and development. He graduated from the University of Surrey (Guildford, United Kingdom) in 1998 with a BA in Chemistry and the University of Reading (Reading, United Kingdom) in 1999 with a master's degree in Food Science and Technology. He obtained his MBA from Alba Graduate Business School (Athens, Greece) in 2010. Mr. Panagiotis joined Edita as Research and Development Director in 2014. Before joining Edita, Mr. Panagiotis was Senior Research and Development Food Developer and Continuous Improvement at E.J. Papadopoulos from 2011 to 2014, Research and Development Scientist at General Mills from 2005 to 2009 and Jotis from 2001 to 2005.

Remuneration

The compensation system in place for members of the Board of Directors is subject to approval by the General Meeting.

Under the remuneration scheme currently in effect, the chairman and managing director of the Board of Directors receives a salary and an additional performance based cash incentive in connection with his

executive responsibilities in such role. Members of the board of directors are compensated by way of attendance allowances and fiscal year end profit sharing.

Remuneration, including salary and benefits, of our senior management in 2012, 2013 and 2014 was EGP 26,328,776, EGP 31,386,889 and EGP 45,446,219, respectively.

Corporate Governance Compliance

The corporate affairs of the Issuer are governed by the Egyptian Companies Law, the Egyptian Capital Market Law, the EGX Listing Rules, other laws governing companies incorporated in Egypt and its articles of association.

A general attribute of joint stock companies in Egypt is separation of ownership and control. Although shareholders own the Issuer nominally, the management of the Issuer is vested, by law in the hands of its Board of Directors.

We are subject to Egyptian disclosure requirements and are required to submit annual and quarterly financial statements prepared in accordance with EAS; provide notices of any material developments to the EFSA and to the EGX; provide the regulator with minutes of the Issuer's Ordinary and Extraordinary General Meeting; and publish our annual and quarterly financial statements in two widely circulated local daily newspapers.

Committees

Audit Committee

In accordance with the EGX listing Rules, the Board of Directors has constituted an Audit Committee, comprised of four Non-Executive Directors known for their competence experience. Two of which are independent.

The primary functions delegated by the Board to the Audit Committee are to assist the Board in fulfilling its oversight responsibilities in connection with:

- the inspection and review of our internal audit procedures;
- the inspection and review of our accounting standards and any changes resulting from the application of new accounting standards;
- the inspection and review of internal audit procedures, plans and results;
- the inspection and review of the periodic administrative information that is presented to the different levels of management and the methods of such preparation and timing of submission;
- ensuring the implementation of appropriate supervisory procedures in order to protect our assets;
- ensuring that we adhere to the recommendations of the auditor and EFSA;
- the inspection of the procedures carried out in preparing and reviewing (i) the financial statements, (ii) offerings relating to securities and (iii) estimated budgets, cash flow and income statements;
- advising on the appointment of auditors to perform services other than the preparation of the financial statements;
- the inspection and review of the auditor's report regarding the financial statements and discussing the comments included, in addition to working on resolving any misunderstandings between the Board and the auditors;
- ensuring the preparation by an independent financial advisor of a report regarding any related party transactions before being ratified; and
- ensuring the application of the necessary supervisory methods to maintain our assets, conduct periodic evaluation of administrative procedures and prepare reports to the Board.

The Board of Directors is required to adopt the Audit Committee's recommendations within fifteen days of receiving notice of such recommendations. If the Board of Directors does not follow the recommendations, the chairman of the Audit Committee must notify both the EFSA and EGX.

Conflicts of Interest

Two of the Issuer's members of the Board of Directors, Mr. Hani Berzi and Mr. Samir Berzi are part of the family that founded the Issuer. Further, Berco Limited, one of our Principal Shareholders, is indirectly wholly-owned by the Berzi family. Hani Berzi, Samir Berzi and Berco Limited have engaged in certain material contracts either with or relating to the Issuer. For more details on these agreements see "*Material Contracts*" and "*Related Party Transactions*". Save as described above, there are no conflicts of interest or potential conflicts of interest between any duties owed by members of the Board of Directors to us and their private interests and/or other duties. Other than, Samir Berzi and Hani Berzi, who are brothers, there are no family relationships between any of the directors or executive officers.

Receiverships, Liquidations and Administrations

At the date hereof, none of the members of the Board of Directors, for the previous five years:

- has had any convictions in relation to fraudulent offences; nor
- has held an executive function in the form of a senior manager or a member of the administrative, management or supervisory bodies, of any company at the time of or preceding any bankruptcy, receivership or liquidation; nor
- has been subject to any official public incrimination and/or sanction by any statutory or regulatory authority (including any designated professional body) nor has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

Management Shareholdings

The following Shares of the Issuer are owned by management (excluding Shares held by entities controlled by them):

Hani Berzi: 70,000 Shares, representing: 0.0193% of the Issuer's share capital.

Samir Berzi: 55,000 Shares, representing: 0.0151% of the Issuer's share capital.

THE SELLING AND PRINCIPAL SHAREHOLDERS

The table below sets forth certain information regarding our shareholders as at the date of this prospectus and after the Combined Offering.

	Shares owned immediately prior to the Combined Offering		Shares owned immediately following the Combined Offering[5]	
	Number of Shares	Percentage of outstanding Shares[1]	Number of Shares	Percentage of outstanding Shares
Berco Limited[2]	151,654,150	41.8%	151,654,150	41.8%
Africa Samba B.V.[3]	108,804,450	30.0%	54,402,233	15%
Exoder Limited[4]	101,458,950	27.9%	47,056,732	12.9%
Other	763,900	0.2%	763,900	0.2%
Holders of Shares sold in the Combined Offering (including those held in the free float)	0	0	108,804,435	30%
Total	362,681,450	**100%**	362,681,450	100%

Notes:

(1) Percentage rounded down to nearest 0.1% in order to better illustrate shareholder voting power.

(2) Berco Limited is an SPV that is indirectly wholly-owned by the Berzi family.

(3) Africa Samba B.V. is a company that is an indirect subsidiary of funds managed by pan-emerging markets private equity firm Actis.

(4) Exoder Limited is an SPV that is indirectly wholly owned by Chipita, a Greek snack food manufacturer.

(5) Assuming no Shares are returned to the Selling Shareholders at the end of the Stabilization Period.

Prior to the Combined Offering, the Berzi family held (directly and indirectly) a 41.8% stake in the Issuer. Following the Combined Offering, the Selling and Principal Shareholders will collectively hold 69.8% of the Share Capital of the Issuer.

See also "*Description of Share Capital and Applicable Egyptian Law—Certificates, Registry, and Transfer*".

Berco Limited

Berco Limited is a company incorporated as an SPV under the laws of the Channel Islands with registration number 90718 and having its registered office at Third Floor, Mielles House, La Rue des Mielles, St Helier, Jersey JE2 3QD, Channel Islands and is indirectly wholly-owned by the Berzi family.

Africa Samba B.V.

Africa Samba B.V. (previously known as Africa Samba Coöperatief B.A.) ("**Africa Samba**") a company incorporated under the laws of The Netherlands with registered number 57845948 and having its registered office at De Boelelaan 7, 1083HJ, Amsterdam, the Netherlands. Africa Samba B.V. is a company that is an indirect subsidiary of funds managed by pan-emerging markets private equity firm Actis.

Exoder Limited

Exoder Limited is a company incorporated as an SPV under the laws of Cyprus with registration number HE 241458 and having its registered office at Bouboulinas 11 Street, 1st Floor, 1060 Nicosia, Cyprus and is indirectly wholly owned by Chipita, a Greek snack food manufacturer with an international presence, selling flour based snacks and chocolate confectionary in more than 35 countries.

Immediately following Admission, it is expected that 100% of the GDRs will be held in public hands.

RELATED PARTY TRANSACTIONS

The Issuer has and will continue to enter into transactions with certain shareholders, directors, subsidiaries and affiliated companies. While Management believes that each of its related party transactions have been entered into on arm's length terms in the ordinary course of business and in accordance with normal business practice, there has been no formal process for the independent assessment of the appropriateness of the terms of such transactions. The Egyptian Companies Law sets forth certain guidelines for entering into related party transactions.

Chipita Participation LTD Manufacturing Technical Assistance Agreement

On April 29, 2011 the Issuer entered into an agreement with Chipita Participation LTD, under which Chipita agreed to grant the Issuer the license to use the production know how and provide technical assistance for the manufacturing of certain products, with a term of ten years commencing on January 1, 2011. The Issuer agreed to pay an annual royalty fee amounting to 0.5% of its annual net sales of the products, with a maximum of Euro 150,000 per year, to be paid quarterly as of January 1, 2011.

The Issuer may only sell the products in Egypt, Jordan, Syria, Yemen, Iraq and Libya (the "**Territory**"), and any sale outside the Territory will require the prior written consent of Chipita. Chipita warrants that it will not grant the license or know how to any third party in the Territory during the term of the agreement. Any assignment of the license granted by virtue of the agreement shall be null and void, and the Issuer may not grant a sublicense without the prior written consent of Chipita. According to the agreement, Chipita will not assume any liability with respect to the products or under any law, and is entitled to conduct inspections over the Issuer's facilities and send its representatives to perform same.

Edita Products Distribution Agreement

On March 10, 2015 the Issuer entered into a distribution agreement with Digma, for the sale and distribution of certain Edita products, in return for certain discounts on the sale price as set by the Issuer, which may be amended from time to time by the Issuer without liability, after notifying Digma of such change. The term of the agreement is one year commencing on March 10, 2015 and ending on March 9, 2016. The agreement is renewable unless terminated by any of the parties by at least three months' written notice prior to the expiry of the term.

ECI Products Distribution Agreement

On March 10, 2015 ECI entered into a distribution agreement with Digma, for the sale and distribution of certain ECI products, in return for a commission of 7% on the sale price set by ECI, which may be amended by ECI from time to time without liability, after notifying Digma of such change. The term of the agreement is one year commencing on April 1, 2014 and ending on March 31, 2015. The agreement is renewable unless terminated by any of the parties by at least three months' written notice prior to the expiry of the term.

Beni Suef Lease

On March 10, 2015 Edita Confectionary Industries ("ECI") entered into a lease with Digma in connection with the lease of 198.5 m^2 in the administrative building and a warehouse with an area of 255 m^2 located at the factory at Industrial Zone—Kom Abo Radi—Plot 101, 120—Beni Suef.

The Beni Suef Lease is a one year lease commencing on March 10, 2015 and ending March 9, 2016, and is renewable for additional terms by virtue of the parties' agreement. The quarterly rent payable under the lease is EGP 17,400 to be paid every three months, and Digma may not assign or sublease the leased premises without the prior written consent of ECI.

Sheikh Zayed Lease

On March 10, 2015 the Issuer entered into a lease with Digma in connection with the lease of an area of 300 square meters at the Issuer's premises to be used as a branch for its activities.

The Sheikh Zayed Lease is a one year lease commencing on March 10, 2015 and ending on March 9, 2016, and is renewable for additional terms by virtue of the parties' agreement. The monthly rent payable under the lease is EGP 15,000 to be paid in advance of each month, and Digma may not assign or sublease the leased premises without the prior written consent of the Issuer.

10th of Ramadan Lease

On March 10, 2015 the Issuer entered into a lease with Digma in connection with the lease of an area of 535 square meters located at Plot C3—IVEFG—10th of Ramadan, Sharkeya, Egypt, to be used as a branch for its activities. The 10th of Ramadan Lease is a one year lease commencing on March 10, 2015 and ending on March 9, 2016, and is renewable for additional terms by virtue of the parties' agreement. The monthly rent payable under the lease is EGP 26,750 to be paid in advance of each month, and Digma may not assign or sublease the leased premises without the prior written consent of the Issuer.

See also *"Material Contracts—Service Agreement between Berco Limited and Digma", "Material Contracts—Appointment Agreement between Berco Limited and Exoder Limited and Mr. Hani Nabih Berzi and Mr. Samir Nabih Berzi"* and *"Material Contracts—Termination of the Shareholders Agreement between the Issuer, Berco Limited, Exoder Limited, Africa Samba, and Mr. Hani Berzi"*.

MATERIAL CONTRACTS

The following is a summary of the material agreements entered into by the Issuer:

Shareholders Agreement with Confindel Ltd and Olympic Hermes S.A.

On July 30, 2008, the Issuer entered into a shareholders agreement with Confindel Ltd and Olympic Hermes S.A., relating to the incorporation of an Egyptian joint stock company under the name ECI with a share capital of EGP 10,000,000, for the production and sale of soft and hard candy, and jellies and other food products. Pursuant to the agreement, the Issuer holds 65% of ECI and 35% is held by Confindel. The Issuer has allocated 100 shares to Mr. Hani Berzi and Mr. Samir Berzi. The agreement shall be valid throughout the term of ECI. At present, the Issuer holds 77.71% of ECI, 22.27% is held by Confindel, and 0.02% held by Mr. Hani Berzi and Mr. Samir Berzi.

The Issuer and Confindel appointed three and two members of the board of directors respectively, making the board comprise of five members. The chairman, the managing directors and chief financial officer will be appointed by the Issuer, while the vice-chairman will be appointed by Confindel.

ECI will enter into a management services agreement with the Issuer or a designated company for an annual remuneration of €50,000, to be reviewed every two years. ECI will also enter into a Technology Transfer Agreement with Olympic, for a lump sum of €200,000, and enter into a Distribution Agreement with Digma, under which Digma will charge a 12% mark-up on the purchase price of products.

ECI is free to introduce and develop its trademarks for the marketing of its products in any market. The agreement provides for an annual profit distribution of not less than 30% to shareholders starting from the third fiscal year. The agreement further provides for a right of first refusal, pre-emptive rights to the parties, and tag along rights to Confindel.

Trademark and Goodwill Sale and License Agreement with New HB Acquisition LLC

On April 9, 2013, the Issuer entered into a trademark and goodwill sale and license agreement ("Trademark License Agreement") with New HB Acquisitions LLC ("**HB**"), under which HB granted the Issuer a royalty free, perpetual, irrevocable, exclusive, sub-licensable and fully assignable license to the know-how, and transferred and assigned to the Issuer all of its rights, title and interest in *HoHos, Tiger Tail* and *Twinkies* in the Territory. The Trademark License Agreement expressly terminated and replaced the Master Trademark License, Technical Assistance and Distribution Agreement, dated February 28, 2000, which was between Interstate Brands West Corporation (the former holder of the interest) and International Foods Company.

Under the terms of the Trademark License Agreement, HB is restricted from providing any third party with the right to manufacture, sell or market the cake products in the Territory, as well as providing any third party with a license to use the know how in the Territory. The Trademark License Agreement may be assigned or transferred by operation of law or otherwise, by way of: (i) written notice to the other party; or (ii) without its prior consent, to its parent company; or (iii) to an affiliate of the assigning or transferring party; or (iv) in connection with a sale of all or substantially all of the assets of that party. The agreement includes two deeds of assignment relating to the assignment of certain trademark registrations in Egypt and Jordan by HB to the Issuer.

Service Agreement between Berco Limited and Digma

On September 12, 2007 Berco Limited and Digma entered into a Service Agreement, pursuant to which Berco renders to Digma publicity and promotion services, as well as design and training services, in return for a monthly flat fee of US$42,000, to be paid on a monthly basis. The term of the agreement is four years commencing on January 1, 2007 and ending on December 31, 2010, and is renewed automatically, unless terminated by way of three months' notice.

The Service Agreement may not be assigned by any of the parties without the prior written consent of all the parties thereto. Under the terms of the Service Agreement, Berco Limited does not have the right to enter into any agreements on behalf of Digma, and all documents and materials prepared by Berco Limited shall be the exclusive property of Digma.

Management Agreement with Mr. Hani Berzi

In 2011, a management arrangement was introduced and put in place by virtue of an Appointment Agreement providing for a management compensation to Hani Berzi and Samir Berzi for both Edita and Digma which did not exceed 5% from Edita Food Industries' consolidated income statement EBITDA, subject to annual review. For the fiscal years under review (2012, 2013, and 2014), the said amount was expensed to the Issuer's financials as part of the general and administrative expenses.

On March 5, 2015, the Issuer, and by shareholder approval, entered into a management agreement with Mr. Hani Berzi, in his capacity as Chairman and Managing Director of the Issuer ("**Management Agreement**") to supersede the Appointment Agreement, which was accordingly terminated on the same day. Under the Management Agreement, Mr. Hani Berzi is entitled to a monthly salary and annual bonus, net of any taxes or social insurance, provided that the monthly salary and annual bonus shall not exceed 5% of the Issuer's EBITDA. In addition, the remuneration of Mr. Hani Berzi under the Management Agreement includes, all in-kind benefits generally applicable, including medical insurance, and company car and driver, as well as any allowances determined by the ordinary general meeting to the members of the board of directors, and any other benefits afforded to members of the board of directors by virtue of a resolution of the ordinary general meeting or the statutes. These amounts will continue, as per the historical practice, to be expensed to the Issuer's financials as part of the general and administrative expenses.

In parallel, and by shareholder approval, Digma entered into a management agreement with Samir Berzi in his capacity as the Chairman of Digma, for a fixed annual remuneration of EGP 3,500,000, which will be expensed to Digma's financials as part of the general and administrative expenses.

Distribution Agreement with Khalil Fattal and Sons Company

On April 1, 2008 the Issuer entered into a distribution agreement with Khalil Fattal and Sons Company ("**KFST**"), pursuant to which the Issuer appointed KFST as an exclusive distributor for certain of the Issuer's products in Lebanon. According to the agreement, KFST purchases the products from the Issuer at the terms and prices applicable at the time of shipping, and KFST shall immediately pay the Issuer in foreign currency. KFST may sell the products only in Lebanon, and is required to make minimum purchases in the amount of $450,000 per year. If KFST fails to meet the minimum sale targets, the Issuer shall have the right to sell and supply the products directly to the clients in Lebanon. Pursuant to the agreement, KFST may not procure the right to distribute any products that are considered competing products in accordance with the Issuer's discretion, without the prior written consent of the Issuer. KFST shall sell the products under the products' trademarks or trademarks owned or licensed by the Issuer, and shall not make any alterations to same without the prior written consent of the Issuer. KFST shall be restricted from using the Issuer's trademarks in its corporate or commercial name or using any similar trademarks, and further declares that nothing in the agreement shall confer upon him any rights with respect to such trademarks.

The term of the agreement is one year, and is renewable, unless terminated by any of the parties by at least sixty days' written notice prior the expiry of the term. The parties may agree to terminate the agreement at any time.

Distributorship Agreement between Digma and Cumberland Packing Corp.

The Distributorship Agreement entered into between Digma and Cumberland Packing Corp. ("**Cumberland**") dated January 1, 2010, was terminated by the parties on December 31, 2013, by way of a letter from Cumberland to Digma dated November 8, 2013. Cumberland also confirmed termination of the agency agreement dated November 8, 2013 by way of a letter sent by Cumberland to Digma on July 10, 2014. Digma can continue to sell its existing inventory until Cumberland appoints a new agent or distributor.

Credit and financing arrangements

The Issuer and its subsidiaries are parties to various credit and financing arrangement with different banks, in the ordinary course of business and in accordance with normal business practice. Some of the financing arrangements are guaranteed by the Issuer or another subsidiary via a corporate guarantee.

Credit Agricole Bank Egypt—First Loan (Edita E 07 (1)—Construction)

In 2011, the Issuer entered into an EGP 100,000,000 medium term loan with Credit Agricole, for the purpose of financing part of the construction costs of the new factory and importation of machinery. The term of the loan is five years, which includes a grace period of one year and an availability period of nine months. Interest is payable at a rate of 1% above the CBE mid corridor, and the bank may amend the interest rate in accordance with its internal policies. Principal and interest on the loan are payable on a semi-annual basis. The loan further provides for a penalty interest rate of 1% and an annual commitment fee of 1% over the available and unused amount of the loan. The is payable every three months after the expiry of the availability period. The Issuer may prepay part or all of the loan with a fifteen days prior written notice to the bank. The provisions of the loan include various covenants and events of default, among others, covenants from the Issuer (i) not to use the funds for any purpose other than that for which it was granted; (ii) to maintain its control and voting rights in Digma and not effect any change thereto without the prior written notice to the bank; (iii) not to distribute profits to shareholders unless the principal and interest are repaid consistently within each given fiscal year; and (iv) not to make any changes in its corporate form or shareholding structure throughout the term of the loan without the prior written consent of the bank. In addition, the loan contains a change of control provision, under which a change in the shareholding structure of the Issuer without the prior written consent of the bank would constitute an event of default, if such change would adversely effect the Issuer's ability to repay the loan. The Issuer's obligations in relation to the loan are guaranteed by an undertaking of the Issuer to provide a corporate guarantee in the amount of EGP 100,000,000 to be issued by Digma.

Credit Agricole Bank Egypt—Second Loan (E 07 (1)—Production lines)

In 2012, the Issuer entered into an EGP 70,000,000 medium term loan with Credit Agricole, for the purpose of financing the importation of machinery. The term of the loan is four years, which included the grace and availability periods. The seventeen months grace period and availability period commenced on August 6, 2012 and ended on January 5, 2014. Interest is payable at a rate of 1.5% above the CBE mid corridor, and the bank is free to amend the interest rate in accordance with its internal policies. The loan is payable on a semi-annual basis, commencing after seventeen months from the first drawdown. The loan further provides a penalty interest rate of 2% and a commitment fee of 1% over the available and unused amount of the loan, which is paid and calculated every three months. The Issuer is able to prepay part or all of the loan with fifteen days prior written notice to the bank. The provisions of the loan includes various covenants and events of default, among others, covenants from the Issuer (i) not to use the funds for any purpose other than that for which it was granted; (ii) to maintain its control and voting rights in Digma and not effect any change thereto without the prior written notice to the bank; and (iii) not to distribute profits to shareholders unless the principal and interest are repaid consistently within each given fiscal year. In addition, the loan contains a change of control provision, under which a change in the shareholding structure of the Issuer without the prior written consent of the bank would constitute an event of default, if such change would adversely effect the Issuer's ability to repay the loan. The Issuer's obligations in relation to the loan are guaranteed by an undertaking of the Issuer to provide a corporate guarantee covering the amount of the loan to be issued by Digma. The Issuer's obligations are further guaranteed by an irrevocable authorization to the bank to make deductions from any bank accounts opened by the Issuer at the bank.

NBK-Egypt MTLs and facilities arrangements

The Issuer has signed a general undertaking, in which it undertakes not to change its shareholding structure without the prior written notice to the bank and not to grant any guarantees or pledges over its assets throughout the term of the facilities arrangement granted by the bank to Digma. Digma has also issued a corporate guarantee relating to the obligations of the Issuer under the facilities arrangement granted to it by the National Bank of Kuwait.

NBK-Egypt—Third Loan

On April 24, 2013, the Issuer entered into an EGP 70,000,000 loan with National Bank of Kuwait (formerly known as Al Watany Bank of Egypt), for the purpose of financing the acquisition of the right to use certain trademarks. The term of the loan is three years and commenced on the date of the first drawdown and includes the availability period. Interest is payable at a rate of 2% above the CBE lending rate with a maximum of 13%, and the bank may amend the interest rate with fifteen days prior notice. The loan is payable in six semi-annual instalments. The loan further provides a penalty interest rate of 2%, a

commitment fee of 2% over the available and unused amount of the loan from the date of signing the agreement until full payment of the loan, and an administrative fee of 0.5% to be deducted once throughout the term of the loan at the first drawdown. The Issuer may prepay part or all of the loan with thirty days prior written notice to the bank. The provisions of the loan include various covenants and events of default, among others, covenants from the Issuer (i) not to use the funds for any purpose other than that for which it was granted; (ii) not to assign its rights without the prior written consent of the bank; and (iii) not to grant any guarantees or pledges over the assets of the Issuer. The Issuer's obligations in relation to the loan are guaranteed by a corporate guarantee issued by Digma covering the amount of the loan and a promissory note in the amount of EGP 70,000,000 signed by the Issuer and Digma as guarantor. The Issuer's obligations are further guaranteed by an irrevocable undertaking by the Issuer to transfer its export proceeds to the bank with a minimum amount of US$6,000,000 per year, an authorization to the bank to make deductions from any bank accounts opened by the Issuer at the bank, and a negative pledge.

NBK-Egypt—Fourth Loan (E 07 New Building)

On November 26, 2013, the Issuer entered into an EGP 70,000,000 loan with the National Bank of Kuwait (formerly known as Al Watany Bank of Egypt), for the purpose of financing the expansion of the factory at Sixth of October City. The term of the loan is four and a half years and commenced on the date of first drawdown. The loan includes a grace period of twelve months. Interest is payable at a rate of 2% above the CBE lending rate, and the bank may amend the interest rate in accordance with the market prices. The loan is payable in eight semi-annual instalments, and further provides a penalty interest rate of 2%, and an administrative fee of 0.15% to be deducted once throughout the term of the loan at the first drawdown. The Issuer may prepay part or all of the loan with thirty days prior written notice to the bank. The provisions of the loan include various covenants and events of default, among others, covenants from the Issuer (i) not to use the funds for any purpose other than that for which it was granted; (ii) not to assign its rights without the prior written consent of the bank; (iii) not to grant any guarantees or pledges over the assets of the Issuer; and (iv) to incur any additional costs that may be required for the project. The Issuer's obligations in relation to the loan are guaranteed by a promissory note in the amount of the loan signed by Digma, and a promissory note in the amount of the loan signed by the Issuer. The loan further provides an undertaking by the Issuer to provide the bank with a corporate guarantee issued by Digma to cover the amount of the loan.

NBK-Egypt—Fifth Loan (185 New Building)

On June 22, 2014, the Issuer entered into an EGP 185,000,000 medium term loan with National Bank of Kuwait, for the purpose of financing the expansion of one of its factories located in Sixth of October City. The term of the loan is six and a half years which includes a grace period and availability period of eighteen months. Interest is payable at a rate of 1.25% above the CBE mid corridor, which may be amended by the bank in accordance with the market prices, and is payable on a semi-annual basis. With respect to facilities in foreign currency, interest rate is payable at a rate of 2.5% above LIBOR, which may be amended by the bank in accordance with the market prices, and is payable on a semi-annual basis. The loan is payable in ten semi-annual instalments, and provides a penalty interest rate of 2% and a commitment fee of 1% over the available and unused amount of the loan to be calculated annually. The Issuer may prepay part or all of the loan with thirty days prior written notice to the bank. The provisions of the loan include various covenants and events of default, among others, covenants from the Issuer (i) not to use the funds for any purpose other than that for which it was granted; (ii) not to assign its rights without the prior written consent of the bank; (iii) not to grant any guarantees or pledges over the assets of the Issuer; and (iv) not to make any changes in its corporate form or shareholding structure throughout the term of the loan without the prior written notice to the bank. The Issuer's obligations in relation to the loan are guaranteed by ten promissory notes in the amount of EGP 18,500,000 each, and signed by the Issuer. The Issuer made an undertaking to provide a corporate guarantee issued by Digma covering the amount of the loan.

NBK—(short term facility 1)

On May 21, 2014, the Issuer entered into a short term facility in the form of financing import letters of credit with a maximum amount of EGP 30,000,000. The term of the facility is twelve months, commencing on May 21, 2014 and ending on May 21, 2015. Interest is payable at a rate of 2% on the outstanding balance to be calculated on a daily basis and paid at the end of each month, which may be amended by the bank at any time at its sole discretion without the need for the Issuer's approval. The loan further provides a penalty interest rate of 2%. The provisions of the loan include certain covenants and events of default,

including covenants from the Issuer (i) to provide the bank with any additional guarantees that may be requested by the bank; and (ii) to procure insurance over the goods related to the letters of credit. The bank also has the right to close the account at any time at its sole discretion, while the lien over the goods would remain in place and the Issuer's obligation would become payable within three days from notification of closure of the account. The Issuer's obligations in relation to the loan are guaranteed by a lien over all the goods in relation to the letters of credit.

NBK—(short term facility 2)

On May 21, 2014, the Issuer entered into a short term facility in the form of a credit line with a maximum amount of EGP 30,000,000, or its equivalent in foreign currency. The term of the facility is twelve months. It The term of the facility commenced on May 21, 2014 and will end on May 21, 2015. The facility may be renewed or extended by the bank for other terms at its sole discretion. Interest is payable at a rate of 1.25% above the CBE mid corridor, with a minimum of 11.5%. With respect to foreign currency, interest is payable at a rate of 2.5% above LIBOR. The bank may amend the interest rates at its sole discretion and without the need for the Issuer's approval. The bank also has the right to close the account at any time at its sole discretion, while the guarantees provided would remain in place. In such an event, the Issuer's obligations would become payable within three days from notification of closure of the account. The Issuer's obligations in relation to the loan are guaranteed by a promissory note issued by the Issuer in the amount of EGP 30,000,000.

Credit Agricole short term facilities

The Issuer entered into a credit approval memo on July 10, 2014 with respect to the approval of Credit Agricole Egypt to grant certain short term facilities to the Issuer.

Credit Agricole—(Credit approval)

On July 10, 2014, the Issuer accepted a facility line letter pursuant to which Credit Agricole granted the Issuer the following facilities: (i) a line of credit for overdraft in foreign currency in the amount of US$10,000,000; (ii) a line of credit for the importation of goods in the amount of EGP 40,000,000, with a sublimit of EGP 2,750,000 for importation of machinery and spare parts; (iii) a line of credit for clean overdraft for working investments in the amount of EGP 20,000,000; (iv) an outstanding medium term loan previously granted in relation to the construction of the Sheikh Zayed premises in the amount of EGP 13,318,895.12; (v) an outstanding medium term loan previously granted to partially finance the importation of machinery in the amount of EGP 50,000,000; (vi) an outstanding medium term loan previously granted to finance the importation of machinery in the amount EGP 46,666,666.66; (vii) a line of credit for the issuance of bid bonds, performance bonds, and advance payment guarantees in favor of governmental entities in the amount of EGP 1,500,000; and (viii) a line of credit for the issuance of corporate credit cards in the amount of EGP 100,000.

Credit Agricole short term facility request (1)—(EGP 40 Million)

The Issuer entered into a short term facility request (global loan agreement), pursuant to which the Issuer requested Credit Agricole Egypt to grant the Issuer an overdraft in the amount of EGP 40,000,000 to refinance letters of credit. With respect to facilities granted in EGP interest is payable at a rate of 2.5% over the CBE overnight depository rate, while facilities granted in foreign currency are subject to an interest payable at the annual inclusive interest rate of 1.25%. The facility will expire on May 31, 2015, and may be renewed automatically by the bank for other terms at its discretion. The loan further provides a penalty interest rate of 2%. The bank may, at its sole discretion, decrease the facility amount, close the Issuer's accounts, or terminate the approved facilities by way of notice, at which case all amounts shall become due.

Credit Agricole short term facility request (2)—(US$10 Million)

The Issuer entered into a short term facility request, pursuant to which the Issuer requested Credit Agricole to grant the Issuer a credit line against time deposits in the amount of US$10,000,000. Interest is payable at an annual inclusive rate of 2% above LIBOR. The facility will expire on May 31, 2015, and may be renewed automatically by the bank for other terms at its discretion. The loan further provides a penalty interest rate of 2%. The bank may, at its sole discretion, decrease the facility amount, close the Issuer's accounts, or terminate the approved facilities by way of notice, in which case all amounts shall become due.

Credit Agricole short term facility request (3)—(EGP 20 Million)

On June 10, 2014, the Issuer entered into a short term facility request, pursuant to which the Issuer requested Credit Agricole to grant the Issuer a credit line in the amount of EGP 20,000,000. With respect to facilities granted in EGP interest is payable at a rate of 2.5% over the CBE overnight depository rate, while facilities granted in foreign currency are subject to interest payable at the annual inclusive interest rate of 1.25%. The facility will expire on May 31, 2015, and may be renewed automatically by the bank for other terms at its discretion. The loan further provides a penalty interest rate of 2%. The bank may, at its sole discretion, decrease the facility amount, close the Issuer's accounts, or terminate the approved facilities by virtue of a notice, at which case all amounts shall be become due. The provisions of the loan include a covenant from the Issuer not to make any changes in its corporate form or shareholding structure throughout the term of the loan without the prior written consent of the bank.

Credit Agricole Corporate Guarantees

Digma has issued corporate guarantees in relation to the facilities granted by Credit Agricole to the Issuer, in the amounts of EGP 41,600,000, EGP 46,666,667, EGP 50,000,000, and EGP 13,318,896.

Commercial International Bank short term facility

On October 19, 2011, the Issuer entered into a short term facility with Commercial International Bank pursuant to which the Issuer was granted a credit line with a maximum amount to be determined based on the aggregate withdrawals and payments under the facility at its maturity date. Withdrawals from the credit line were against payment orders, bank checks, transfer orders, and disbursement orders drawn on the bank. Withdrawals were made in EGP or foreign currency. The credit line covered the extended credit facilities in the form of letters of guarantee, instant collection, overdrafts, and any other credit facilities that could be evidenced by the bank's books. The term of the loan commenced on October 19, 2011 and ended on October 18, 2012. This facility can be renewed automatically for additional terms, unless the bank decides otherwise. Interest was payable at a rate of 1.5% above the CBE corridor, while facilities granted in foreign currency are subject to an interest rate of 2.375% above LIBOR. The interest rates may be amended by the bank should it so decide. The loan further provides a penalty interest rate of 1% and a monthly commission of 0.05%. The Issuer has issued undertakings in connection with the facility, including (i) an irrevocable undertaking to pay from its resources the amount/percentage incurred by the bank where there is an accident, relating to insurance policies taken for the benefit of the bank; (ii) an irrevocable undertaking to repair any damages to its assets to ensure the continuation of the Issuer's business; and (iii) an irrevocable undertaking to cover the foreign currency debt from the export proceeds in foreign currency. The Issuer's obligations in relation to the loan are guaranteed by a promissory note in the amount of Euro 5,000,000 and a promissory note in the amount of EGP 11,500,000, both issued by the Issuer.

Credit Agricole—Digma MTL 1

In 2012, Digma entered into an EGP 14,000,000 medium term loan with Credit Agricole, for the purpose of financing the acquisition of 97 vehicles in relation to its activities. The term of the loan is three years, which includes the grace period and availability period. Interest is payable at a rate of 1.5% above the CBE mid corridor, and the bank may amend the interest rate in accordance with its internal policies. Principal and interest on the loan are payable in four semi-annual instalments to commence after the lapse of the grace period. The loan further provides a commitment fee of 1% to be paid and calculated every three months, effective upon expiry of the availability period, as well as a penalty interest rate of 2%. Digma may prepay part or all of the loan with fifteen days prior written notice to the bank. The provisions of the loan include various covenants and events of default, among others, covenants from Digma (i) not to use the funds for any purpose other than that for which it was granted; (ii) that the control and voting rights in the Issuer will be maintained as they are, and not to effect any change thereto without prior written notice to the bank; (iii) not to distribute profits to shareholders unless the principal and interest are repaid consistently within each given year; and (iv) not to make any changes in its corporate form or shareholding structure throughout the term of the loan without the prior written consent of the bank. In addition, the loan contains a change of control provision, under which a change in the shareholding structure of Digma without the prior written consent of the bank would constitute an event of default, if such change would adversely affect Digma's ability to repay the loan. Digma's obligations in relation to the loan are guaranteed by an undertaking of the Issuer to provide the bank with a corporate guarantee in the amount of EGP 14,000,000 to be issued by the Issuer.

NBK-Egypt—Digma EGP 10 Million MTL 2

On June 22, 2014, Digma entered into an EGP 10,000,000 loan with the National Bank of Kuwait, for the purpose of financing the expansion of Digma's fleet of vehicles and machinery. The term of the loan is three and a half years commencing on the date of first drawdown, which includes the grace period. Interest is payable at a rate of 1.25% above the CBE lending rate, and the bank may amend the interest rate in accordance with market prices. The loan is payable in six semi-annual instalments, and further provides a penalty interest rate of 2%. Digma may prepay part or all of the loan with thirty days prior written notice to the bank. The provisions of the loan include various covenants and events of default, among others, covenants from Digma (i) not to use the funds for any purpose other than that for which it was granted; and (ii) not to assign its rights without the prior written consent of the bank. Digma also signed an undertaking, in which it undertakes not to change its shareholding structure without prior written notice to the bank, and not to grant any guarantees or pledges over its the assets throughout the term of the loan. Digma's obligations in relation to the loan are guaranteed by a corporate guarantee issued by the Issuer covering the amount of the loan, and a promissory note in the amount of the loan signed by Digma.

NBK-Egypt—Digma EGP 10 Million MTL 3

On November 26, 2013, Digma entered into an EGP 10,000,000 loan with Al Watany Bank of Egypt (now known as the National Bank of Kuwait), for the purpose of financing the expansion of Digma's fleet of vehicles and machinery. The term of the loan is three and a half years commencing on the date of first drawdown, which includes the grace period. Interest is payable at a rate of 2% above the CBE lending rate, and the bank may amend the interest rate in accordance with market prices. The loan is payable in six semi-annual instalments, and provides an administrative fee of 0.15% to be deducted once throughout the term of the loan at the first drawdown. The loan contains a penalty interest rate of 2%. Digma may prepay part or all of the loan with thirty days prior written notice to the bank. The provisions of the loan include various covenants and events of default, among others, covenants from Digma (i) not to use the funds for any purpose other than that for which it was granted; and (ii) not to assign its rights without the prior written consent of the bank. Digma further signed an undertaking in which it undertakes not to change its shareholding structure without prior written notice to the bank, and not to grant any guarantees or pledges over its assets throughout the term of the loan. Digma's obligations in relation to the loan are guaranteed by a corporate guarantee issued by the Issuer covering the amount of the loan, and a promissory note in the amount of the loan signed by Digma.

NBK-Egypt—Digma short term facility

In 2014, Digma entered into a short term facility in the form of a line of credit with the National Bank of Kuwait with a maximum amount of EGP 5,000,000. The term of the facility is twelve months, commencing on May 21, 2014 and ending on May 21, 2015, and may be renewed or extended by the bank for other terms at its sole discretion. Interest is payable at a rate of 1.25% above the CBE mid corridor, with a minimum of 11.5%, which may be amended by the bank at its sole discretion and without the need for Digma's approval. The bank also has the right to close the relevant bank account at any time at its sole discretion. In such an event, the guarantees provided would remain in place and Digma's obligations would become payable within three days from notification of closure of the account. Digma also provided the bank with an undertaking that it would not change its shareholding structure without prior written notice to the bank, and not to grant any guarantees or pledges over its assets throughout the term of the facility granted by the bank to Digma. Digma's obligations in relation to the loan are guaranteed by a corporate guarantee issued by the Issuer covering the amount of the loan, and a promissory note in the amount of the loan signed by Digma.

Banque Misr—Digma short term facility

Digma entered into a short term facility in the form of a line of credit with Banque Misr, with a maximum amount of EGP 1,000,000. The term of the facility expired on June 30, 2014, but may be renewed or extended by the bank for other terms at its sole discretion. Interest was payable at a rate of 0.5% above the CBE mid corridor and could be amended by the bank at its sole discretion and without the need for Digma's approval. The bank also had the right to close the bank account at any time at its sole discretion, while the guarantees provided by Digma would remain in place. Digma's obligations in relation to the facility are guaranteed by a promissory note in the amount of the facility, and a pledge over the movable property deposited with the bank. The facility further authorizes the bank to receive any bonus shares to be issued or pledged for the benefit of the bank. The amount of this facility includes the credit balance of the

previous facility agreement dated August 20, 2013 entered into with Banque Misr amounting to EGP 470,167.28.

Credit Agricole—Digma facility line letter

On June 22, 2014, Digma signed a facility line letter in which Credit Agricole granted Digma the following facilities: (i) a first line of credit for clean overdraft in the amount of EGP 3,500,000, to finance its working investment; (ii) a second line in the amount of EGP 500,000, for the issuance of bid bonds, performance bonds and advance payment guarantees in relation to public and private tenders; and (iii) a third line of credit in the amount of EGP 7,000,000 to refinance the outstanding medium term loan. The term of the first and second lines of credit is one year, while the term of the third line of credit is three years including a one year grace period and availability period.

Banque Misr—ECI credit facility agreement

ECI entered into a short term facility in the form of a credit line with a maximum amount of EGP 1,500,000. The term of the facility expired on June 30, 2014, but may be renewed or extended by the bank for other terms at its sole discretion. Interest is payable at a rate of 0.5% above the CBE mid corridor and may be amended by the bank at its sole discretion and without the need for ECI's approval. The bank also has the right to close the account at any time at its sole discretion, while the guarantees provided by ECI would remain in place. ECI's obligations in relation to the facility are guaranteed by a promissory note in the amount of the facility, and a pledge over the movable property deposited with the bank. The facility further authorizes the bank to receive any bonus shares to be issued or pledged for the benefit of the bank. The amount of this facility includes the credit balance of the previous facility agreement dated August 20, 2013 entered into with Banque Misr amounting to EGP 10,341.11.

Banque Misr—ECI loan agreement

On April 18, 2011, ECI and the Issuer entered into a multipurpose mid-term loan agreement with Banque Misr, in which the bank granted ECI a loan with a value of EGP 31,000,000. The term of the loan is six years, which includes the availability period and grace period. The twelve month grace period commenced on April 18, 2011 and ended on April 17, 2012. Payment is be made over ten equal semi-annual instalments which commenced on October 17, 2012 and will end on April 17, 2017. Interest is 0.5% above the CBE mid corridor. The loan provides a commitment fee of 0.2% to be applied on the unused balance of the loan, a 0.3% LC commission, a 0.2% documents collection fee and a prepayment fee of 1%. In case of delaying the payment of outstanding amounts, whether loan or interest, a penalty interest rate of 1% shall be applied on a monthly basis until the actual date of payment. The Issuer may prepay part or all of the loan with fifteen days prior written notice to the bank. The provisions of the loan include various covenants and events of default, among others, covenants by ECI (jointly with the Issuer) (i) not to grant any mortgages or privileges or grant rights to third parties over the assets and funds of ECI that may prejudice the status and rights of the bank without the prior written consent of the bank; and (ii) not to distribute profits to shareholders unless the principal and interest are repaid consistently within each given fiscal year. In addition, the loan contains a change of control provision, where if the Issuer's shareholding stake in ECI falls below 51%, it is deemed to constitute an event of default. ECI's obligations in relation to the loan are guaranteed by a corporate guarantee by the Issuer for all of ECI's obligations.

Credit Agricole—ECI facility line letter

On June 22, 2014, ECI signed a facility line letter pursuant to which Credit Agricole granted ECI a first line of credit in the amount of EGP 5,000,000 and a second line of credit for clean overdraft in the amount of EGP 2,500,000 or its equivalent in foreign currency, to finance working investments. The facility is guaranteed by a corporate guarantee issued by the Issuer in the amount of EGP 7,500,000 or its equivalent in foreign currency, and a corporate guarantee issued by Digma in the amount of EGP 7,500,000 or its equivalent in foreign currency, both dated June 10, 2014.

Agreements in relation to the Combined Offering

Underwriting Agreement

On March 27, 2015 the Issuer, the Selling Shareholders and the Joint Global Coordinators and Bookrunners entered into the Underwriting Agreement providing the underwriting of the Institutional Offering. See "*Plan of Distribution*".

Deposit Agreement

On or about April 2, 2015, the Issuer and the Depositary will enter into the Deposit Agreement for the establishment and maintenance of (i) the Regulation S Facility and the Regulation S GDRs issued pursuant thereto and (ii) the Rule 144A Facility and the Rule 144A GDRs issued pursuant thereto, pursuant to which it will also execute a Deed Poll in favor of the holders of the GDRs in the form attached to the Deposit Agreement. See "*Terms and Conditions of the Global Depositary Receipts*".

Termination of the Shareholders Agreement between the Issuer, Berco Limited, Exoder Limited, Africa Samba B.V., and Mr. Hani Berzi

On June 6, 2013, the Issuer entered into a shareholders agreement with Berco Limited, Exoder Limited, Africa Samba, and Mr. Hani Berzi, relating to the general guidelines for the management and corporate affairs of the Issuer, as a result of Africa Samba purchasing a 30% block of shares in the Issuer. This shareholders agreement was terminated by the parties thereto effective as of November 12, 2014, by virtue of the termination agreement dated November 12, 2014.

Agreement for the Public Offering of the Issuer

On November 12, 2014, the Issuer entered into an agreement for the public offering of the Issuer, with Berco Limited, Exoder Limited, Africa Samba, and Mr. Hani Berzi, in which the parties agreed to take all necessary steps and actions to pursue the offering of a percentage of the shares of the issued share capital of the Issuer, in the form of secondary shares to the public on the EGX and in the form of GDRs on the LSE, subject to the terms and conditions of the relevant regulatory bodies. The parties shall pursue that the Combined Offering is completed by due listing of the shares on the EGX and the GDRs being admitted to the standard segment of the official list of the FCA and to trading on the LSE's main market for listed securities, and the offering documentation being officially published allowing for the trading of the Shares and the GDRs on or before April 30, 2015, or such other date as the parties may agree to in writing ("**Completion**"). The parties to the agreement have agreed to vote affirmatively in favor of all corporate resolutions of the Issuer aimed at procuring the Combined Offering and Completion. The agreement further provides that the parties shall exert all possible efforts to cause Completion to occur on or before June 30, 2015, or such other date as the parties may agree to in writing (the "**Long Stop Date**").

In addition to the material contracts summarized above we have also undertaken a number of related party transactions, for further details see "*Related Party Transactions*".

DESCRIPTION OF SHARE CAPITAL AND APPLICABLE EGYPTIAN LAW

Set out below is a summary of certain information relating to the Shares, certain provisions of the Issuer's constitutional document, the Capital Markets Law, the Egyptian Companies Law and certain related laws and regulations, all in effect as at the date hereof. This summary does not purport to be complete.

General

The Issuer was incorporated on July 9, 1996 under the name of Edita Food Industries S.A.E., as a joint venture between Chipita, a Greek snack food manufacturer, the Egyptian Company for Development and Financial Investments "**EDIC**" SAE (a company wholly owned and controlled by the Berzi family), and Hani Berzi. The Issuer is formed as an Egyptian joint stock company pursuant to Investment Law No. 230 of 1989 as restated by Investment Law No 8 of 1997 (the "**Investment Law**") and in accordance with Law No. 159 of 1981 and Law No. 95 of 1992, and registered in the Commercial Register under No. 692. The Issuer's registered office address is at Edita Group Building, Plot No. 13 Central Pivot, El Sheikh Zayed, 6th of October, Giza, Egypt 12588.

Under Egyptian law the Issuer may carry out all activities described by Article 3 of its Articles of Association, as reflected in the Commercial Register.

As at the date of this prospectus, the issued share capital of the Issuer is EGP 72,536,290 consisting of 362,681,450 ordinary shares, each with a nominal value of EGP 0.2, all of which are fully paid. Upon incorporation, the issued share capital was US$2,000,000 consisting of 100,000 ordinary shares, each with a nominal value of US$20.

The duration of the Issuer is 25 years commencing on July 9, 1996, being the date of registration in the Commercial Register. Accordingly, its initial term shall expire on July 8, 2021. The Issuer's initial period of duration may always be extended by a shareholders' resolution passed at an Extraordinary General Meeting, with the approval of GAFI.

The legal objects of the Issuer, as stated in the commercial registry, are:

- production and manufacture of food products, packing and wrapping thereof, manufacture, production and packing of juice, jam, ready-made and dry meals, made of pastry, produced from flour, dairy products, meat, vegetables, fruits, chocolate, natural and vegetarian cream, and other types of food products with all its necessary ingredients; and
- the Issuer may perform other projects or amend its objectives within the provisions of the Investment Law provided that the approval of GAFI is obtained. The Issuer may also have an interest or participate in any manner in other companies of various types, subject to the provisions of the laws applicable in Egypt.

Changes in Share Capital

The Issuer was incorporated with an authorized share capital of US$6,000,000 and issued share capital of US$2,000,000 distributed over 100,000 shares with a nominal value per share of US$20.

In 1997, the issued share capital of the Issuer was increased to US$3,000,000 distributed over 150,000 shares with a nominal value per share of US$20.

In 1998, the issued share capital of the Issuer was increased to US$4,000,000 distributed over 200,000 shares with a nominal value per share of US$20.

In 2000, the Issuer converted the denomination of its issued share capital from US$ to EGP and the nominal value per share from US$20 to EGP 10. The authorized share capital of the Issuer was increased to EGP 50,000,000 and the issued share capital was increased to EGP 31,000,000.

In 2005, the authorized share capital of the Issuer was increased to EGP 150,000,000 and the issued share capital was increased to EGP 72,536,290.

In 2014, the authorized share capital of the Issuer was increased to EGP 360,000,000, and the nominal value per share was split from EGP 10 to EGP 0.2.

The issued capital of the Issuer is paid-up in full.

The shares of Edita are in registered form. They are available in the form of an entry in the share register of Edita without the issuance of a share certificate.

Subject and in accordance with Egyptian law, shares can only be transferred by the execution of the transfer of the share through the EGX by a licensed stock broker. Shareholders balances are maintained with MCDR and local custodians. A holder of shares may freely transfer the shares without the consent of other shareholders and the Issuer.

Limitation of Liability

Pursuant to the Egyptian Companies Law, a shareholder's liability for an Egyptian joint stock company's losses is limited to the amount of his investment in the shares of the Issuer, unless the shares are not fully paid in which case the shareholder shall be liable for the rest of the unpaid portion of the par value of the partly-paid shares.

Voting Rights and Shareholders' Meetings

The Egyptian Companies Law provides for two types of shareholders' meetings: ordinary and extraordinary.

According to the Issuer's articles of association, the Ordinary General Meeting may only take place in Giza, or in Cairo based on the decision of the Board of Directors. Shareholders wishing to attend an Ordinary General Meeting are required to deposit their Shares at the Issuer's headquarters, a certified bank or one of the companies certified by EFSA, or present a statement from the central depository and registry company or their custodian evidencing that the Shares have been blocked at least three days prior to convening the Ordinary General Meeting. No transfer of the blocked Shares may be effected until the meeting is adjourned. The invitation of the Ordinary General Meeting must be published at least 15 days prior to the date of convening the Ordinary General Meeting, which exclude the date of publication of the invitation and the date of the meeting.

Ordinary General Meetings are convened upon the invitation of the Chairman, the Board of Directors, or upon the request of the Issuer's auditor or Shareholders holding at least 5% of the issued capital of the Issuer or GAFI. A quorum is constituted by the attendance of Shareholders representing 50% of the issued capital. If the quorum is not met, the meeting shall be adjourned to another meeting to be held within the 30 days following the first meeting. The invitation to the first meeting may refer to the date and time of the second meeting. The second meeting shall be deemed valid irrespective of the number of Shares represented therein.

Resolutions of the Ordinary General Meeting shall be taken by an absolute majority of the Shares represented in the meeting. The Ordinary General Meeting must be convened once a year within three months from the end of each fiscal year to consider certain matters, including but not limited to, approval of the financial statements and Board of Directors report, distribution of dividends, and appointment and dismissal of the Board of Directors.

Extraordinary General Meetings are convened upon the call of the Board of Directors, or upon the request of Shareholders holding at least 10% of the issued capital for serious reasons, and provided that they deposit their Shares at the Issuer's headquarters, a certified bank or one of the companies certified by the EFSA, or present a statement from the central depository and registry company or their custodian evidencing that the Shares have been blocked, and may not withdraw such Shares until the meeting is adjourned. If the Board of Directors fails to call for the Extraordinary General Meeting within one month from such Shareholders submitting the request, they may submit a request to GAFI to call for the meeting to convene. A quorum is constituted by the attendance of Shareholders representing at least 50% of the issued capital, and if the said quorum is not met at the first meetings the meeting shall be adjourned to another meeting to be held within 30 days following the first meeting. The second meeting shall be deemed valid if attended by Shareholders representing at least 25% of the issued capital.

Resolutions of the Extraordinary General Meeting shall be taken by a two-third majority of the Shares represented in the meeting. However, resolutions relating to an increase or decrease of the capital, dissolution of the Issuer prior to its term, change in the Issuer's original objective, amending the articles of association of the Issuer or a merger shall be issued by a majority vote of at least three-quarters of the Shares represented in the meeting.

A copy of any shareholders' meeting notification must be sent to EFSA and GAFI and disclosed to EGX at the same time as notification is published in order for their representatives to attend the General Meeting. The auditors of the Issuer must be invited by registered mail or hand-delivery to attend the

meeting and must confirm their attendance in writing. The auditors must attend the meeting for it to be valid.

The minutes of the shareholders' meetings are recorded on a register held by the Issuer. Such minutes are ratified by the GAFI. These registers are available for review and inspection by the shareholders, the Issuer's independent auditor and the competent administrative authorities, but are not available to the public. According to the EGX Listing Rules, General Meetings may not be held during EGX trading sessions. Under the EGX Listing Rules, the Issuer is required to notify the EGX and EFSA of the shareholders' meetings resolutions upon adjournment of the meeting and prior to the following EGX trading session. The Issuer is also required to provide the EGX with minutes of the shareholders' meetings certified by the Chairman and Managing Director of the Issuer by no later than one week from the date of convening the meeting, and shall further provide the EGX with the minutes of the shareholders' meetings as certified by the regulatory authorities within no later than three days from such certification.

The board of directors of the EFSA, based upon a request by any shareholder owning at least 5% of a company's shares, may suspend or nullify a resolution passed by any General Meeting if such resolution is found to favor or disfavor a certain group of shareholders or provides a special benefit to the board of directors.

Dividends

The Issuer's articles of association provide that dividends are paid annually and/or quarterly based on the generated profits according to the Issuer's audited financial statements prepared in accordance with EAS by virtue of a resolution adopted by the General Meeting of Shareholders. Pursuant to the Egyptian Companies Law, the Issuer must convene an Ordinary General Meeting not later than three months after the end of the fiscal year to determine the dividends, if any, to be distributed. The Issuer's articles of association and the law provide that certain portions of the Issuer's profits be allocated for legal reserves, institutional reserves, distribution to employees, shareholders' dividends and remuneration of the Board. See "*Dividend Policy*".

Pursuant to Egyptian legal requirements, the Issuer must convene an Ordinary General Meeting not later than three months after the end of the fiscal year to determine the dividends, if any, to be distributed. Dividends declared by resolution of the shareholders at an Ordinary General Meeting must be distributed within one month of the date of the Ordinary General Meeting.

Increases and Reductions in Capital

The Issuer's share capital may be decreased or increased only by a resolution adopted at a duly convened Extraordinary General Meeting. The approval of the EFSA is required on the issuance of any new Shares, as well as a reduction of the share capital. Certification of the minutes by GAFI is required for the minutes of the Extraordinary General Meeting or Board Meeting, as the case may be, approving the increase or reduction of the share capital. The amendment to the Issuer's articles of association is required for such resolutions to become effective, which would require the approval of GAFI. An amendment to the share capital of the Issuer must further be registered with MCDR and the issuance of new Shares shall be listed on the EGX within three months of the date of issuance, while a capital reduction shall be registered with EGX within three months of the date of the resolution of the Extraordinary General Meeting approving the reduction in share capital. Any amendment of the Issuer's share capital must be registered in the Commercial Register of the Issuer.

An increase in the issued share capital is made at the fair value in accordance with a fair valuation report prepared by an independent financial advisor, provided that rights issues allocating among existing Shareholders of the Issuer may be made at par value subject to approval of the Extraordinary General Meeting. Subscription rights may be traded by the holders of the Shares together with the Shares before the commencement of the subscription period and independently following the commencement of the subscription period.

According to the EGX Listing Rules, the Issuer may not increase or decrease its share capital, or publish the invitation for the Extraordinary General Meeting to consider matters such as an increase or decrease in share capital, or carry out the required procedures, without submitting a disclosure report to EFSA in the form prescribed and the relevant Board minutes approving the increase or decrease of the share capital. Further, the said report must be approved by EFSA and published on the EGX trading screens. The invitation to the Extraordinary General Meeting and/or commencement of the capital increase or

decrease procedures must be made within no later than one week from the date of the EFSA approval on the disclosure report and its publication on the EGX trading screens. The Board minutes should further authorize the Chairman and Managing Director to undertake those procedures.

Certificates, Registry, and Transfer

The Shares are registered on the MCDR system in dematerialized form and cannot be held in certificated form.

The Issuer is entitled to request the MCDR at any time to issue a detailed statement of the registered owners of the Shares. All transfers of Shares will be transacted on the EGX and are recorded in the electronic book-entry system of MCDR and reflected in the statements of account issued by authorized custodians.

According to the EGX Listing Rules, any shareholder acquiring, including through related parties, 5% or multiples thereof of the Shares or subscription rights must disclose such acquisition, and must further disclose any decrease of their shareholdings below 5% of the Shares. The said threshold is reduced to 3% with respect to Directors and related parties thereof. In the event that the stake acquired represents 25% or more of the Shares or voting rights, the purchasing shareholder must disclose its future investment plan and direction with regards to the Issuer's Management. Disclosures must be made to the EGX in required form and prior to the commencement of the following trading session, which are published immediately by the EGX on its trading screens and on its website. Further, any person desiring to acquire any number of shares, which would result in the percentage interest exceeding 10%, must notify the Issuer 2 weeks ahead of the transaction, and the Issuer would need to notify each shareholder holding 1% or more, this applies equally to directors and employees, however at a decreased threshold of 5%.

The Capital Market Law and its Executive Regulations set forth detailed rules regulating tender offers and disclosures. Pursuant to the tender offer rules, a person may acquire, independently or together with related parties, less than one third of the share capital or voting rights of the Issuer through open market transactions or through a voluntary tender offer. Further, the obligation to launch a mandatory tender offer for the acquisition of 100% of the Shares, voting securities and convertible securities of the Issuer, would arise in any of the following instances:

(a) if a person acquires, independently or together with related parties, one-third or more of the share capital or voting rights of the Issuer, provided, however, that EFSA may temporarily exempt such person from such obligation if the percentage in excess does not exceed 3% of the share capital or voting rights of the Issuer, and is disposed of within a period not exceeding six months from reaching the one-third threshold, and that the excess shares do not entitle its holder to any voting rights until the disposal of the excess percentage takes place;

(b) if a person holding, independently or together with related parties, between one third and one half of the shares or voting rights of the Issuer, and independently or through related parties (i) acquires more than an additional 2% of the share capital or voting rights within 12 consecutive months; or (ii) exceeds one half of the share capital or voting rights at any point of time; or

(c) if a person holding, independently or together with related parties, between one half and three quarters of the share capital or voting rights of the Issuer, and independently or through related parties (i) acquires more than an additional 2% of the share capital or voting rights within 12 consecutive months, or (ii) exceeds three quarters of the share capital or voting rights at any point in time.

The foregoing is not applicable in the case of a decrease of capital as result of cancellation of treasury Shares or the increase of the share capital in cash through debt-to-equity swaps.

Liquidation Rights and Other Distributions

In the event of the liquidation, dissolution or winding-up of the Issuer, the assets of the Issuer are to be applied to satisfy its liabilities. If any surplus remains, shareholders would participate equally on a pro-rata basis in any such surplus, provided, however, that if the nominal value of the outstanding share capital of the Issuer is not fully paid, the surplus is distributed to shareholders in proportion to the percentage of the paid-in nominal value of the outstanding share capital represented by each holder's shares.

If, during the Issuer's fiscal year, the losses of the Issuer exceed 50% or more of its capital, an Extraordinary General Meeting must be convened upon an invitation of the Board of Directors to decide

whether to dissolve the Issuer or to continue its activities. A resolution of the Extraordinary General Meeting in relation to the dissolution or continuation of the Issuer may only be adopted by a three quarters majority of the Shares present or represented at the meeting.

Listing of Shares on the EGX

The Shares have been listed on the EGX as of November 26, 2014. However trading in the Shares shall commence upon satisfaction of certain conditions in accordance with the EGX Listing Rules, including, but not limited to, completion of the Combined Offering. Trading in the Shares on the EGX is expected on or about April 2, 2015.

Pre-emptive Rights

In the event of an increase in the share capital by the issuance of Closed Subscription Shares for cash, Companies Law No. 159 of 1981 and the Issuer's articles of association provide that the existing shareholders have pre-emptive rights in connection with the shares to be issued on a pro rata basis with respect to the percentage held by each existing shareholder of the share capital outstanding prior to the issuance of such Closed Subscription Shares. Shareholders may waive pre-emptive rights on behalf of all shareholders by vote of at least 75% of the voting shares present at an Extraordinary General Meeting only in the case of a public offering. This procedure has also been used in the context of private offerings, with EFSA approval. However, in the case of private offerings, according to established practice in Egypt, if a shareholder objects to the decision to waive pre-emptive rights it will be permitted to acquire its pro rata portion of the shares in the capital increase. Since the Egyptian Retail Offering is a public offering, in the event that the shareholders of the Issuer pass a resolution by a vote of at least 75% of the voting shares present at the Extraordinary General Meeting, the Issuer may waive the pre-emptive rights on behalf of all shareholders of the Issuer. In the event of such a waiver, the existing shareholders would experience dilution.

Although any pre-emptive rights in connection with any future issuance of shares for cash will be (unless waived) available to the holders of Shares, US holders of Shares may not be entitled to exercise their pre-emptive rights unless a registration statement under the Securities Act has been declared effective in respect of such rights and such Shares or an exemption from the registration requirements thereunder is available. We intend to evaluate at the time of any pre-emptive rights offering the costs and potential liabilities associated with the filing of any such registration statement or qualifying for any such exemption, if required, as well as the indirect benefits to it of enabling the exercise of pre-emptive rights by US holders of Shares and any other factors we consider appropriate at such time, and then to make a decision regarding whether to file such registration statement or seek to qualify for such exemption. See "*Risk Factors—Risks Relating to the Shares and GDRs—Shareholders in the United States may be unable to participate in future rights offerings*".

Acquisition of Our Own Shares

The Issuer may purchase its Shares in order to reduce its outstanding share capital, to make a distribution to its employees as a means of profit sharing, or to de-list. If the Issuer acquires its own Shares in any case, it must either resell those shares within a maximum of one year of the date of acquisition or cancel such shares with a corresponding reduction in share capital. Shares purchased by the Issuer will not have distribution or voting rights.

Additionally, the Issuer must comply with Article 51 of the EGX Listing Rules. Pursuant to the said article, the Issuer that intends to acquire part of its shares shall notify EFSA and the EGX at least three business days prior to such action and include the reasons and the source of financing for such purchase, indicate whether the purchase process will be through a single transaction or through a specific program and state the Issuer's plan for disposal or cancellation of the shares purchased. The Issuer may not acquire more than 10% of its listed shares, and must hold the shares for not less than three months and not more than one year. In the event that the shares that the Issuer intends to purchase or hold exceed 5% of the Issuer's shares, the shares must be purchased from all shareholders wishing to sell their shares on a pro rata basis, as necessary.

The shares acquired by the Issuer must be local shares, and may not be depository receipts or other. The Issuer must disclose to the EGX the percentage of treasury shares acquired or disposed at the end of each day in which a transaction on treasury shares was concluded, and the EGX shall publish the disclosed information on its trading screens and website.

TERMS AND CONDITIONS OF THE GLOBAL DEPOSITARY RECEIPTS

The following terms and conditions (subject to completion and amendment and excepting sentences in italics) will apply to the Global Depositary Receipts, and will be endorsed on each Global Depositary Receipt certificate:

The Global Depositary Receipts ("**GDRs**") represented by this certificate are issued in respect of ordinary shares (the "**Shares**") in Edita Food Industries S.A.E. (the "**Company**") pursuant to and subject to an agreement dated April 2, 2015, and made between the Company and The Bank of New York Mellon in its capacity as depositary (the "**Depositary**") for the "Regulation S Facility" and for the "Rule 144A Facility" (such agreement, as amended from time to time, herein referred to as the "**Deposit Agreement**"). Pursuant to the provisions of the Deposit Agreement, the Depositary has appointed Commercial International Bank (Egypt) S.A.E. as Custodian (the "**Custodian**") to receive and hold on its behalf any relevant documentation respecting certain Shares (the "**Deposited Shares**") and all rights, interests and other securities, property and cash deposited with the Custodian which are attributable to the Deposited Shares (together with the Deposited Shares, the "**Deposited Property**"). The Depositary shall hold Deposited Property for the benefit of the Holders (as defined below) as bare trustee (other than any cash comprised in the Deposited Property which is held as banker pursuant to Condition 26) in proportion to their holdings of GDRs. In these terms and conditions (the "**Conditions**"), references to the "Depositary" are to The Bank of New York Mellon and/or any other depositary which may from time to time be appointed under the Deposit Agreement, references to the "Custodian" are to Commercial International Bank (Egypt) S.A.E. or any other custodian from time to time appointed under the Deposit Agreement and references to the "Main Office" mean, in relation to the relevant Custodian, its head office in the city of Cairo or such other location of the head office of the Custodian in Egypt as may be designated by the Custodian with the approval of the Depositary (if outside the city of Cairo) or the head office of any other custodian from time to time appointed under the Deposit Agreement.

The GDRs will upon issue be represented by interests in a Regulation S Master GDR, evidencing Regulation S GDRs, and by interests in a Rule 144A Master GDR, evidencing Rule 144A GDRs (as each such term is defined in the Deposit Agreement). The GDRs are exchangeable in the circumstances set out in "Summary of the Provisions Relating to the Global Depositary Receipts Whilst in Master Form" for a certificate in definitive registered form in respect of GDRs representing all or part of the interest of the holder in the Master GDR.

References in these Conditions to the "**Holder**" of any GDR shall mean the person or persons registered on the books of the Depositary maintained for such purpose (the "**Register**") as holder. These Conditions include summaries of, and are subject to, the detailed provisions of the Deposit Agreement, which includes the forms of the certificates in respect of the GDRs. Copies of the Deposit Agreement are available for inspection at the specified office of the Depositary and each Agent (as defined in Condition 17) and at the Main Office of the Custodian. Terms used in these Conditions and not defined herein but which are defined in the Deposit Agreement have the meanings ascribed to them in the Deposit Agreement. **Holders of GDRs are not party to the Deposit Agreement and thus, under English Law, have no contractual rights against, or obligations to, the Company or Depositary. However, the Deed Poll executed by the Company in favor of the Holders provides that, if the Company fails to perform the obligations imposed on it by certain specified provisions of the Deposit Agreement, any Holder may enforce the relevant provisions of the Deposit Agreement as if it were a party to the Deposit Agreement and was the "Depositary" in respect of that number of Deposited Shares to which the GDRs of which he is the Holder relate. The Depositary is under no duty to enforce any of the provisions of the Deposit Agreement on behalf of any Holder of a GDR or any other person.**

1. Withdrawal of Deposited Property and Further Issues of GDRs

1.1 Any Holder may request withdrawal of, and the Depositary shall thereupon relinquish, the Deposited Property attributable to any GDR upon production of such evidence of the entitlement of the Holder to the relative GDR as the Depositary may reasonably require, at the specified office of the Depositary or any Agent accompanied by:

(a) a duly executed order (in a form approved by the Depositary) requesting the Depositary to cause the Deposited Property being withdrawn to be delivered at the Main Office of the Custodian, or (at the request, risk and expense of the Holder, and only if permitted by applicable law from time to time) at the specified office located in New York, London or Egypt of the Depositary or any Agent, or to the order in writing of, the person or persons designated in such order;

(b) the payment of such fees, taxes, duties, charges, costs, expenses and governmental charges as; may be required under these Conditions or the Deposit Agreement;

(c) the surrender (if appropriate) of GDR certificates in definitive registered form properly endorsed in blank or accompanied by proper instruments of transfer satisfactory to the Depositary to which the Deposited Property being withdrawn is attributable; and

(d) the delivery to the Depositary of a duly executed and completed certificate substantially in the form set out either (i) in Schedule 3, Part B to the Deposit Agreement (or as amended by the Depositary in accordance with Clause 3.10 of the Deposit Agreement and Condition 1.8), if Deposited Property is to be withdrawn or delivered during the Distribution Compliance Period (such term being defined as the 40 day period beginning on the later of the commencement of the Combined Offering and the original issue date of the GDRs) in respect of surrendered Regulation S GDRs, or (ii) in Schedule 4, Part B to the Deposit Agreement (or as amended by the Depositary in accordance with Clause 3.10 of the Deposit Agreement and Condition 1.8), if Deposited Property is to be withdrawn or delivered in respect of surrendered Rule 144A GDRs.

1.2 Upon production of such documentation and the making of such payment as aforesaid for withdrawal of the Deposited Property in accordance with Condition 1.1, the Depositary will direct the Custodian, by tested telex, facsimile or SWIFT message, within a reasonable time after receiving such direction from such Holder, to deliver at its Main Office to, or to the order in writing of, the person or persons designated in the accompanying order:

(a) a certificate (if any) for, or other appropriate instrument of title (if any) to or evidence of a book-entry transfer in respect of the relevant Deposited Shares, registered in the name of the Depositary or its nominee and accompanied by such instruments of transfer in blank or to the person or persons specified in the order for withdrawal and such other documents, if any, as are required by law for the transfer thereof; and

(b) all other property forming part of the Deposited Property attributable to such GDR, accompanied, if required by law, by one or more duly executed endorsements or instruments of transfer in respect thereof; **provided however that** the Depositary may make delivery at its specified office in New York of any Deposited Property which is in the form of cash;

PROVIDED THAT the Depositary (at the request, risk and expense of any Holder so surrendering a GDR):

(i) will direct the Custodian to deliver the certificates for, or other instruments of title to, or book-entry transfer in respect of, the relevant Deposited Shares and any document relative thereto and any other documents referred to in sub-paragraphs 1.2(a) and (b) of this Condition (together with any other property forming part of the Deposited Property which may be held by the Custodian or its agent and is attributable to such Deposited Shares); and/or

(ii) will deliver any other property forming part of the Deposited Property which may be held by the Depositary and is attributable to such GDR (accompanied, if required by law, by one or more duly executed endorsements or instruments of transfer in respect thereof);

in each case to the specified office located in New York or London of the Depositary (if permitted by applicable law from time to time) or at the specified office in Egypt of any Agent as designated by the surrendering Holder in the order accompanying such GDR.

1.3 Delivery by the Depositary, any Agent and the Custodian of all certificates, instruments, dividends or other property forming part of the Deposited Property as specified in this Condition will be made subject to any laws or regulations applicable thereto.

1.4 The Depositary may, in accordance with the terms of the Deposit Agreement and upon delivery of a duly executed order (in a form reasonably approved by the Depositary) and a duly executed certificate substantially in the form of (a) Schedule 3, Part A of the Deposit Agreement (which is described in the following paragraph) (or as amended by the Depositary in accordance with Clause 3.10 of the Deposit Agreement and Condition 1.8) by or on behalf of any investor who is to become the beneficial owner of the Regulation S GDRs or (b) Schedule 4, Part A of the Deposit

Agreement (*which is described in the second following paragraph*) (or as amended by the Depositary in accordance with Clause 3.10 of the Deposit Agreement and Condition 1.8) by or on behalf of any investor who is to become the beneficial owner of Rule 144A GDRs from time to time execute and deliver further GDRs having the same terms and conditions as the GDRs which are then outstanding in all respects (or the same in all respects except for the first dividend payment on the Shares represented by such further GDRs) and, subject to the terms of the Deposit Agreement, the Depositary shall accept for deposit any further Shares in connection therewith, so that such further GDRs shall form a single series with the already outstanding GDRs. References in these Conditions to the GDRs include (unless the context requires otherwise) any further GDRs issued pursuant to this Condition and forming a single series with the already outstanding GDRs.

*The certificate to be provided in the form of Schedule 3, Part A of the Deposit Agreement certifies, among other things, that the person providing such certificate is not a U.S. person (as defined in Regulation S under the US Securities Act of 1933, as amended ("the "**Securities Act**"), is located outside the United States and will comply with the restrictions on transfer set forth under "Transfer Restrictions*".

The certificate to be provided in the form of Schedule 4, Part A, of the Deposit Agreement certifies, among other things, that the person providing such certificate is a qualified institutional buyer (as defined in Rule 144A under the Securities Act ("QIB")) or is acting for the account of another person and such person is a QIB and, in either case, will comply with the restrictions on transfer set forth under "Transfer Restrictions".

1.5 Any further GDRs issued pursuant to Condition 1.4 which (i) represent Shares which have rights (whether dividend rights or otherwise) which are different from the rights attaching to the Shares represented by the outstanding GDRs, or (ii) are otherwise not fungible (or are to be treated as not fungible) with the outstanding GDRs, will be represented by a GDR certificate in definitive form or a separate temporary Regulation S Master GDR and/or temporary Rule 144A Master GDR. Upon becoming fungible with outstanding GDRs, such further GDRs shall be evidenced by a Regulation S Master GDR and/or a Rule 144A Master GDR (by increasing the total number of GDRs evidenced by the relevant Regulation S Master GDR or Rule 144A Master GDR by the number of such further GDRs, as applicable).

1.6 The Depositary may issue GDRs against rights to receive Shares from the Company (or any agent of the Company recording Share ownership). No such issue of GDRs will be deemed a "Pre-Release" as defined in Condition 1.7.

1.7 Unless requested in writing by the Company to cease doing so, and notwithstanding the provisions of Condition 1.4, the Depositary may execute and deliver GDRs or issue interests in a Regulation S Master GDR or a Rule 144A Master GDR, as the case may be, prior to the receipt of Shares (a "**Pre-Release**"). The Depositary may, pursuant to Condition 1.1, deliver Shares upon the receipt and cancellation of GDRs, which have been Pre-Released, whether or not such cancellation is prior to the termination of such Pre-Release or the Depositary knows that such GDR has been Pre-Released. The Depositary may receive GDRs in lieu of Shares in satisfaction of a Pre-Release. Each Pre-Release will be (a) preceded or accompanied by a written representation and agreement from the person to whom GDRs or Deposited Property is to be delivered (the "**Pre-Releasee**") that such person, or its customer, (i) owns or represents the owner of the corresponding Deposited Property or GDRs to be remitted (as the case may be), (ii) assigns all beneficial right, title and interest in such Deposited Property or GDRs (as the case may be) to the Depositary in its capacity as such and for the benefit of the Holders, and (iii) will not take any action with respect to such GDRs or Deposited Property (as the case may be) that is inconsistent with the transfer of beneficial ownership (including without the consent of the Depositary, disposing of such GDRs or Deposited Property, as the case may be), other than in satisfaction of such Pre-Release, (b) at all times fully collateralised with cash or such other collateral as the Depositary determines in good faith will provide substantially similar liquidity and security, (c) terminable by the Depositary on not more than five (5) business days' notice, and (d) subject to such further indemnities and credit regulations as the Depositary deems appropriate. The number of GDRs which are outstanding at any time as a result of Pre-Release will not normally represent more than thirty per cent. of the total number of GDRs then outstanding; provided, however, that the Depositary reserves the right to change or disregard such limit from time to time as it deems appropriate and may, with the prior written consent of the Company, change such limit for the purpose of general application. The Depositary

will also set dollar limits with respect to Pre-Release transactions hereunder with any particular Pre-Releasee on a case by case basis as the Depositary deems appropriate. The collateral referred to in sub-paragraph (b) above shall be held by the Depositary as security for the performance of the Pre-Releasee's obligations in connection herewith, including the Pre-Releasee's obligation to deliver Shares and/or other securities or GDRs upon termination of a Pre-Release transaction anticipated hereunder (and shall not, for the avoidance of doubt, constitute Deposited Property hereunder).

The Depositary may retain for its own account any compensation received by it in connection with the foregoing including, without limitation, earnings on the collateral.

The person to whom any Pre-Release of Rule 144A GDRs or Rule 144A Shares is to be made pursuant to this Condition 1.7 shall be required to deliver to the Depositary a duly executed and completed certificate substantially in the form set out in Schedule 4 Part A of the Deposit Agreement (or as amended by the Depositary in accordance with Clause 3.10 of the Deposit Agreement and Condition 1.8). The person to whom any Pre-Release of Regulation S GDRs or Regulation S Shares is to be made pursuant to this paragraph shall be required to deliver to the Depositary a duly executed and completed certificate substantially in the form set out in Schedule 3 Part A of the Deposit Agreement (or as amended by the Depositary in accordance with Clause 3.10 of the Deposit Agreement and Condition 1.8).

1.8 The Depositary may make such amendments to the certificates contained in the Deposit Agreement in Schedule 3 Parts A and B and in Schedule 4 Parts A and B as it may determine are required in order for the Depositary to perform its duties under the Deposit Agreement, or to comply with any applicable law or with the rules and regulations of any securities exchange, market or automated quotation system upon which the GDRs may be listed or traded, or to comply with the rules or requirements of any book entry system by which the GDRs may be transferred, or to confirm compliance with any special limitations or restrictions to which any particular GDRs are subject.

1.9 In order to comply with any applicable laws and regulations, the Depositary may from time to time request each Holder of GDRs to, and each Holder shall upon receipt of such request, provide to the Depositary information relating to: (a) the capacity in which such Holder and/or any owner holds GDRs; (b) the identity of any owners of GDRs or other person or persons then or previously interested in such GDRs; (c) the nature of any such interests in the GDRs; and (d) any other matter where disclosure of such matter is required to enable compliance by the Depositary with applicable laws and regulations or the constitutional documents of the Company.

1.10 In order to comply with any applicable laws and regulations, the Depositary may from time to time request Euroclear, Clearstream and DTC to provide the Depositary with details of the accountholders within such settlement systems that hold interests in GDRs and the number of GDRs recorded in the account of each such accountholder, and each Holder or owner of GDRs, or intermediary acting on behalf of such Holder or owner, hereby authorizes each of Euroclear, Clearstream and DTC to disclose such information to the Depositary as issuer of the GDRs.

1.11 Notwithstanding any other provisions of these Conditions, the Depositary may, with (to the extent reasonably practicable) prior notice to the Company and the Holders, cancel a number of the GDRs then outstanding, sell (either by public or private sale and otherwise at its discretion, subject to all applicable laws and regulations) the Deposited Property formerly represented by such GDRs and distribute the net proceeds of such sale as a cash distribution pursuant to Condition 4 to the Holders entitled thereto, and thereby reduce the Depositary's holdings of any class of Deposited Property below an amount that the Depositary determines to be necessary or advisable, if (i) the Depositary or its agent receives any notice from any governmental or regulatory authority advising that the existence or operation of a Facility or the holding by the Depositary (or its Custodian or any of their respective nominees) of the Deposited Property violates applicable law or regulation, or that the Depositary (or its Custodian or any of their respective nominees) is required to make any filing or obtain any consent, approval or license to operate that facility or to own or exercise any rights with respect to the Deposited Shares or other Deposited Property (other than such filings, consents, approvals or licenses which the Depositary in its reasonable discretion considers to be of a routine administrative nature required in the ordinary course of business) or (ii) the Depositary or the Custodian receives advice from legal counsel that the Depositary (or the Custodian or any of their respective nominees) reasonably could be subject to criminal or civil or other liabilities as a

result of the existence or operation of the facility or the holding or exercise by the Depositary (or the Custodian or any of their respective nominees) of any rights with respect to the Deposited Shares or other Deposited Property. If the Depositary cancels GDRs and sells Deposited Property under the preceding sentence, the Depositary shall allocate the cancelled GDRs converted under the preceding sentence and the net proceeds of the sale of the Deposited Property previously represented thereby, among the Holders pro rata to their respective holdings of GDRs immediately prior to the cancellation, except that the allocations may be adjusted by the Depositary, in its sole discretion, so that no fraction of a cancelled GDR is allocated to any Holder. Any payment pursuant to this Clause in connection with GDRs represented by a Master GDR shall be made according to the usual practice between the Depositary and the relevant settlement system. Any payment pursuant to this Clause in connection with a GDR in definitive registered form shall be made to the relevant Holder only after surrender to the Depositary of the GDR certificate by such Holder for cancellation of the relevant number of GDRs.

2. **Suspension of Issue of GDRs and of Withdrawal of Deposited Property**

The Depositary shall be entitled, at its reasonable discretion, at such times as it shall determine, to suspend the issue or transfer of GDRs (and the deposit of Shares) generally or in respect of particular Shares. In particular, to the extent that it is in its opinion practicable for it to do so, the Depositary will refuse to accept Shares for deposit, to execute and deliver GDRs or to register transfers of GDRs if it has been notified by the Company in writing that the Deposited Shares or GDRs or any depositary receipts representing Shares are listed on a U.S. Securities Exchange or quoted on a U.S. automated inter-dealer quotation system unless accompanied by evidence satisfactory to the Depositary that any such Shares are eligible for resale pursuant to Rule 144A under the United States Securities Act of 1933, as amended (the "Securities Act"). Further, the Depositary may suspend the withdrawal of Deposited Property during any period when the Register, or the register of shareholders of the Company is closed or, generally or in one or more localities, suspend the withdrawal of Deposited Property or deposit of Shares if deemed necessary or desirable or advisable by the Depositary in good faith at any time or from time to time, in order to comply with any applicable law or governmental or stock exchange regulations or any provision of the Deposit Agreement or for any other reason. The Depositary shall (unless otherwise notified by the Company) restrict the withdrawal of Deposited Shares where the Company notifies the Depositary in writing that such withdrawal would result in ownership of Shares exceeding any limit under any applicable law, government resolution or the Company's constitutive documents or would otherwise violate any applicable laws.

3. **Transfer and Ownership**

The GDRs are in registered form. Title to the GDRs passes by registration in the Register and accordingly, transfer of title to a GDR is effective only upon such registration. The Depositary will refuse to accept for transfer any GDRs if it reasonably believes that such transfer would result in violation of any applicable laws. The Holder of any GDR will (except as otherwise required by law) be treated by the Depositary and the Company as its beneficial owner for all purposes (whether or not any payment or other distribution in respect of such GDR is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, or theft or loss of any certificate issued in respect of it) and no person will be liable for so treating the Holder.

Interests in Rule 144A GDRs represented by the Rule 144A Master GDR may be transferred to a person whose interest in such Rule 144A GDRs is subsequently represented by the Regulation S Master GDR only upon receipt by the Depositary of written certifications (in the forms provided in the Deposit Agreement) from the transferor and the transferee to the effect that such transfer is being made in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act. Prior to expiration of the Distribution Compliance Period, no owner of Regulation S GDRs may transfer Regulation S GDRs or Shares represented thereby except in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act or to, or for the account of, a qualified institutional buyer as defined in Rule 144A under the Securities Act (each a "QIB") in a transaction meeting the requirements of such Rule 144A. There shall be no transfer of Regulation S GDRs by an owner thereof to a QIB except as aforesaid and unless such owner (i) withdraws Regulation S Shares from the Regulation S Facility in accordance with Clause 3.5 of the Deposit Agreement and (ii) instructs the Depositary to deliver the Shares so withdrawn to the account of the Custodian to be deposited

into the Rule 144A Facility for issuance thereunder of Rule 144A GDRs to, or for the account of, such QIB. Issuance of such Rule 144A GDRs shall be subject to the terms and conditions of the Deposit Agreement, including, with respect to the deposit of Shares and the issuance of Rule 144A GDRs, delivery of the duly executed and completed written certificate and agreement required under the Deposit Agreement by or on behalf of each person who will be the beneficial owner of such Rule 144A GDRs certifying that such person is a QIB and agreeing that it will comply with the restrictions on transfer set forth therein and to payment of the fees, charges and taxes provided therein.

4. **Cash Distributions**

Whenever the Depositary shall receive from the Company any cash dividend or other cash distribution on or in respect of the Deposited Shares (including any amounts received in the liquidation of the Company) or otherwise in connection with the Deposited Property, the Depositary shall, as soon as practicable, convert the same into United States dollars in accordance with Condition 8. The Depositary shall, if practicable in the opinion of the Depositary, give notice to the Holders of its receipt of such payment in accordance with Condition 23, specifying the amount per Deposited Share payable in respect of such dividend or distribution and the earliest date, determined by the Depositary, for transmission of such payment to Holders and shall as soon as practicable distribute any such amounts to the Holders in proportion to the number of Deposited Shares represented by the GDRs so held by them respectively, subject to and in accordance with the provisions of Conditions 9 and 11; **PROVIDED THAT**:

(a) in the event that the Depositary is aware that any Deposited Shares are not entitled, by reason of the date of issue or transfer or otherwise, to such full proportionate amount, the amount so distributed to the relative Holders shall be adjusted accordingly; and

(b) the Depositary will distribute only such amounts of cash dividends and other distributions as may be distributed without attributing to any GDR a fraction of the lowest integral unit of currency in which the distribution is made by the Depositary, and any balance remaining shall be retained by the Depositary beneficially as an additional fee under Condition 16.1(d).

5. **Distributions of Shares**

Whenever the Depositary shall receive from the Company any distribution in respect of Deposited Shares which consists of a dividend or free distribution of Shares, the Depositary shall cause to be distributed to the Holders entitled thereto, in proportion to the number of Deposited Shares represented by the GDRs held by them respectively, additional GDRs representing an aggregate number of Shares received pursuant to such distribution. Such additional GDRs shall be distributed by an increase in the number of GDRs represented by the Master GDRs or by an issue of certificates in definitive registered form in respect of GDRs, according to the manner in which the Holders hold their GDRs; **PROVIDED THAT**, if and in so far as the Depositary deems any such distribution to all or any Holders not to be reasonably practicable (including, without limitation, due to the fractions which would otherwise result or to any requirement that the Company, the Custodian or the Depositary withhold an amount on account of taxes or other governmental charges) or to be unlawful, the Depositary shall (either by public or private sale and otherwise at its discretion, subject to all applicable laws and regulations) sell such Shares so received and distribute the net proceeds of such sale as a cash distribution pursuant to Condition 4 to the Holders entitled thereto.

6. **Distributions other than in Cash or Shares**

Whenever the Depositary shall receive from the Company any dividend or distribution in securities (other than Shares) or in other property (other than cash) on or in respect of the Deposited Property, the Depositary shall distribute or cause to be distributed such securities or other property to the Holders entitled thereto, in proportion to the number of Deposited Shares represented by the GDRs held by them respectively, in any manner that the Depositary may deem equitable and practicable for effecting such distribution; **PROVIDED THAT**, if and in so far as the Depositary deems any such distribution to all or any Holders not to be reasonably practicable (including, without limitation, due to the fractions which would otherwise result or to any requirement that the Company, the Custodian or the Depositary withhold an amount on account of taxes or other

governmental charges) or to be unlawful, the Depositary shall deal with the securities or property so received, or any part thereof, in such way as the Depositary may determine to be equitable and practicable, including, without limitation, by way of sale (either by public or private sale and otherwise at its discretion, subject to all applicable laws and regulations) and shall (in the case of a sale) distribute the resulting net proceeds as a cash distribution pursuant to Condition 4 to the Holders entitled thereto.

7. **Rights Issues**

If and whenever the Company announces its intention to make any offer or invitation to the holders of Shares to subscribe for or to acquire Shares, securities or other assets by way of rights, the Depositary shall as soon as practicable give notice to the Holders, in accordance with Condition 23, of such offer or invitation, specifying, if applicable, the earliest date established for acceptance thereof, the last date established for acceptance thereof and the manner by which and time during which Holders may request the Depositary to exercise such rights as provided below or, if such be the case, specifying details of how the Depositary proposes to distribute the rights or the proceeds of any sale thereof. The Depositary will deal with such rights in the manner described below:

(a) if and to the extent that the Depositary shall, at its discretion, deem it to be lawful and reasonably practicable, the Depositary shall make arrangements whereby the Holders may, upon payment of the subscription price in EGP or other relevant currency together with such fees, taxes, duties, charges, costs and expenses as may be required under the Deposit Agreement and completion of such undertakings, declarations, certifications and other documents as the Depositary may reasonably require, request the Depositary to exercise such rights on their behalf with respect to the Deposited Shares and to distribute the Shares, securities or other assets so subscribed or acquired to the Holders entitled thereto by an increase in the numbers of GDRs represented by the Master GDRs or an issue of certificates in definitive registered form in respect of GDRs, according to the manner in which the Holders hold their GDRs; or

(b) if and to the extent that the Depositary shall at its discretion, deem it to be lawful and reasonably practicable, the Depositary will distribute such rights to the Holders entitled thereto in such manner as the Depositary may at its discretion determine; or

(c) if and to the extent that the Depositary deems any such arrangement and distribution as is referred to in paragraphs (a) and (b) above to all or any Holders not to be lawful and reasonably practicable (including, without limitation, due to the fractions which would otherwise result or to any requirement that the Company, the Custodian or the Depositary withhold an amount on account of taxes or other governmental charges) or to be unlawful, the Depositary (i) will, **PROVIDED THAT** Holders have not taken up rights through the Depositary as provided in (a) above, sell such rights (either by public or private sale and otherwise at its discretion subject to all applicable laws and regulations) or (ii) may, if such rights are not transferable, in its discretion, arrange for such rights to be exercised and the resulting Shares or securities sold and, in each case, distribute the net proceeds of such sale as a cash distribution pursuant to Condition 4 to the Holders entitled thereto.

(d) (i) Notwithstanding the foregoing, in the event that the Depositary offers rights pursuant to Condition 7(a) (the "**Primary GDR Rights Offering**"), if authorised by the Company to do so, the Depositary may, in its discretion, make arrangements whereby in addition to instructions given by a Holder to the Depositary to exercise rights on its behalf pursuant to Condition 7(a), such Holder is permitted to instruct the Depositary to subscribe on its behalf for additional rights which are not attributable to the Deposited Shares represented by such Holder's GDRs ("**Additional GDR Rights**") if at the date and time specified by the Depositary for the conclusion of the Primary GDR Rights Offering (the "**Instruction Date**") instructions to exercise rights have not been received by the Depositary from the Holders in respect of all their initial entitlements. Any Holder's instructions to subscribe for such Additional GDR Rights ("**Additional GDR Rights Requests**") shall specify the maximum number of Additional GDR Rights that such Holder is prepared to accept (the "**Maximum Additional Subscription**") and must be received by the Depositary by the Instruction Date. If by the Instruction Date any rights offered in the Primary GDR Rights

Offering have not been subscribed by the Holders initially entitled thereto ("**Unsubscribed Rights**"), subject to Condition 7(d)(iii) and receipt of the relevant subscription price in EGP or other relevant currency, together with such fees, taxes, duties, charges, costs and expenses as it may deem necessary, the Depositary shall make arrangements for the allocation and distribution of Additional GDR Rights in accordance with Condition 7(d)(ii).

(ii) Holders submitting Additional GDR Rights Requests shall be bound to accept the Maximum Additional Subscription specified in such Additional GDR Rights Request but the Depositary shall not be bound to arrange for a Holder to receive the Maximum Additional Subscription so specified but may make arrangements whereby the Unsubscribed Rights are allocated pro rata on the basis of the extent of the Maximum Additional Subscription specified in each Holder's Additional GDR Rights Request.

(iii) In order to proceed in the manner contemplated in this Condition 7(d), the Depositary shall be entitled to receive such opinions from Egyptian counsel and U.S. counsel as in its discretion it deems necessary which opinions shall be in a form and provided by counsel satisfactory to the Depositary and at the expense of the Company and may be requested in addition to any other opinions and/or certifications which the Depositary shall be entitled to receive under the Deposit Agreement and these Conditions. For the avoidance of doubt, save as provided in these Conditions and the Deposit Agreement, the Depositary shall have no liability to the Company or any Holder in respect of its actions or omissions to act under this Condition 7(d) and, in particular, the Depositary will not be regarded as being negligent, fraudulent, or in wilful default if it elects not to make the arrangements referred to in Condition 7(d)(i).

The Company has agreed in the Deposit Agreement that it will, unless prohibited by applicable law or regulation, give its consent to, and if requested use all reasonable endeavors (subject to the next paragraph) to facilitate, any such distribution, sale or subscription by the Depositary or the Holders, as the case may be, pursuant to Conditions 4, 5, 6, 7 or 10 (including the obtaining of legal opinions from counsel reasonably satisfactory to the Depositary concerning such matters as the Depositary may reasonably specify).

If the Company notifies the Depositary that registration is required in any jurisdiction under any applicable law of the rights, securities or other property to be distributed under Conditions 4, 5, 6, 7 or 10 or the securities to which such rights relate in order for the Company to offer such rights or distribute such securities or other property to the Holders or owners of GDRs and to sell the securities corresponding to such rights, the Depositary will not offer such rights or distribute such securities or other property to the Holders or sell such securities unless and until the Company procures the receipt by the Depositary of an opinion from counsel reasonably satisfactory to the Depositary that a registration statement is in effect or that the offering and sale of such rights or securities to such Holders or owners of GDRs are exempt from registration under the provisions of such law. Neither the Company nor the Depositary shall be liable to register such rights, securities or other property or the securities to which such rights relate and they shall not be liable for any losses, damages or expenses resulting from any failure to do so.

If at the time of the offering of any rights, at its discretion, the Depositary shall be satisfied that it is not lawful or practicable (for reasons outside its control) to dispose of the rights in any manner provided in paragraphs (a), (b), (c) and (d) above, the Depositary shall permit the rights to lapse. The Depositary will not be responsible for any failure to determine that it may be lawful or feasible to make such rights available to Holders or owners of GDRs in general or to any Holder or owner of a GDR or Holders or owners of GDRs in particular.

8. **Conversion of Foreign Currency**

Whenever the Depositary shall receive any currency other than United States dollars by way of dividend or other distribution or as the net proceeds from the sale of securities, other property or rights, and if at the time of the receipt thereof the currency so received can in the judgment of the Depositary be converted on a reasonable basis into United States dollars and distributed to the

Holders entitled thereto, the Depositary shall as soon as practicable convert or cause to be converted, by sale or in any other manner that it may reasonably determine, the currency so received into United States dollars. If such conversion or distribution can be effected only with the approval or licence of any government or agency thereof, the Depositary may make reasonable efforts to apply, or procure that an application be made, for such approval or licence, if any, as it may deem desirable. If at any time the Depositary shall determine that in its judgment any currency other than United States dollars is not convertible on a reasonable basis into United States dollars and distributable to the Holders entitled thereto, or if any approval or licence of any government or agency thereof which is required for such conversion is denied or, in the opinion of the Depositary, is not obtainable, or if any such approval or licence is not obtained within a reasonable period as determined by the Depositary, the Depositary may distribute such other currency received by it (or an appropriate document evidencing the right to receive such other currency) to the Holders entitled thereto to the extent permitted under applicable law, or the Depositary may in its discretion hold such other currency without liability for interest for the benefit of the Holders entitled thereto. If any conversion of any such currency can be effected in whole or in part for distribution to some (but not all) Holders entitled thereto, the Depositary may at its discretion make such conversion and distribution in United States dollars to the extent possible to the Holders entitled thereto and may distribute the balance of such other currency received by the Depositary to, or hold such balance for the account of, the Holders entitled thereto, and notify the Holders accordingly.

9. **Distribution of any Payments**

9.1 Any distribution of cash under Conditions 4, 5, 6, 7 or 10 will be made by the Depositary to Holders on the record date established by the Depositary for that purpose (such date to be as close to the record date set by the Company as is reasonably practicable) and, if practicable in the opinion of the Depositary, notice shall be given promptly to Holders in accordance with Condition 23, in each case subject to any laws or regulations applicable thereto and (subject to the provisions of Condition 8) distributions will be made in United States dollars by cheque drawn upon a bank in New York City or, in the case of the Master GDRs, according to usual practice between the Depositary and Clearstream, Euroclear or DTC, as the case may be. The Depositary or the Agent, as the case may be, may deduct and retain from all moneys due in respect of such GDR in accordance with the Deposit Agreement all fees, taxes, duties, charges, costs and expenses which may become or have become payable under the Deposit Agreement or under applicable law or regulation in respect of such GDR or the relative Deposited Property.

9.2 Delivery of any securities or other property or rights other than cash shall be made as soon as practicable to the Holders on the record date established by the Depositary for that purpose (such date to be as close to the record date set by the Company as is reasonably practicable), subject to any laws or regulations applicable thereto. If any distribution made by the Company with respect to the Deposited Property and received by the Depositary shall remain unclaimed at the end of three years from the first date upon which such distribution is made available to Holders in accordance with the Deposit Agreement, all rights of the Holders to such distribution or the proceeds of the sale thereof shall be extinguished and the Depositary shall (except for any distribution upon the liquidation of the Company when the Depositary shall retain the same) return the same to the Company for its own use and benefit subject, in all cases, to the provisions of applicable law or regulation.

10. **Capital Reorganization**

Upon any change in the nominal or par value sub division, consolidation or other reclassification of Deposited Shares or any other part of the Deposited Property or upon any reduction of capital, or upon any reorganization, merger or consolidation of the Company or to which it is a party (except where the Company is the continuing corporation), the Depositary shall as soon as practicable give notice of such event to the Holders and at its discretion may treat such event as a distribution and comply with the relevant provisions of Conditions 4, 5, 6 and 9 with respect thereto, or may execute and deliver additional GDRs in respect of Shares or may require the exchange of existing GDRs for new GDRs which reflect the effect of such change.

11. **Withholding Taxes and Applicable Laws**

11.1 Payments to Holders of dividends or other distributions on or in respect of the Deposited Shares will be subject to deduction of Egyptian and other withholding taxes, if any, at the applicable rates.

11.2 If any governmental or administrative authorization, consent, registration or permit or any report to any governmental or administrative authority is required under any applicable law in Egypt in order for the Depositary to receive from the Company Shares or other securities to be deposited under these Conditions, or in order for Shares, other securities or other property to be distributed under Condition 4, 5, 6 or 10 or to be subscribed under Condition 7 or to offer any rights or sell any securities represented by such rights relevant to any Deposited Shares, the Company has agreed to apply for such authorization, consent, registration or permit or file such report on behalf of the Holders within the time required under such laws. In this connection, the Company has undertaken in the Deposit Agreement to the extent reasonably practicable to take such action as may be required in obtaining or filing the same. The Depositary shall not be obliged to distribute GDRs representing such Shares, Shares, other securities or other property deposited under these Conditions or make any offer of any such rights or sell any securities corresponding to any such rights with respect to which (as notified to the Depositary by the Company) such authorization, consent, registration or permit or such report has not been obtained or filed, as the case may be, and shall have no duties to obtain any such authorization, consent, registration or permit, or to file any such report.

12. **Voting Rights**

12.1 Holders will have voting rights with respect to the Deposited Shares to the extent permitted by Egyptian law. The Company has agreed to notify the Depositary of any resolution to be proposed at a General Meeting of the Company and the Depositary will vote or cause to be voted the Deposited Shares in the manner set out in this Condition 12.

The Company has agreed with the Depositary that it will in accordance with the timeline prescribed by Egyptian law and the EGX listing rules, promptly provide to the Depositary sufficient copies, as the Depositary may reasonably request, of notices of meetings of the shareholders of the Company and the agenda therefor as well as written requests containing voting instructions by which each Holder may give instructions to the Depositary to vote for or against each and any resolution specified in the agenda for the meeting which the Depositary shall send to any person who is a Holder on the record date established by the Depositary for that purpose (which shall be the same as the corresponding record date set by the Company or as near as practicable thereto) as soon as practicable after receipt of the same by the Depositary in accordance with Condition 23. The Company has also agreed to provide to the Depositary appropriate proxy forms to enable the Depositary to appoint a representative to attend the relevant meeting and vote on behalf of the Depositary.

12.2 In order for each voting instruction to be valid, the voting instructions form must be completed and duly signed by the respective Holder (or in the case of instructions received from the clearing systems should be received by authenticated SWIFT message) in accordance with the written request containing voting instructions and returned to the Depositary by such record date as the Depositary may specify.

12.3 The Depositary will exercise or cause to be exercised the voting rights in respect of the Deposited Shares so that a portion of the Deposited Shares will be voted for and a portion of the Deposited Shares will be voted against any resolution specified in the agenda for the relevant meeting in accordance with the voting instructions it has received.

12.4 If the Depositary is advised in the opinion referred to in Condition 12.7 below that it is not permitted by Egyptian law to exercise the voting rights in respect of the Deposited Shares differently (so that a portion of the Deposited Shares may be voted for a resolution and a portion of the Deposited Shares may be voted against a resolution), the Depositary shall, if the opinion referred to in Condition 12.7 below confirms it to be permissible under Egyptian law, calculate from the voting instructions that it has received from all Holders (x) the aggregate number of votes in favor of a particular resolution and (y) the aggregate number of votes opposed to such resolution and cast or cause to be cast in favor of or opposed to such resolution the number of votes representing the net positive difference between such aggregate number of votes in favor of such resolution and such aggregate number of votes opposed to such resolution.

12.5 The Depositary will only endeavor to vote or cause to be voted the votes attaching to Shares in respect of which voting instructions have been received, except that if no voting instructions are received by the Depositary (either because no voting instructions are returned to the Depositary or because the voting instructions are incomplete, illegible or unclear) from a Holder with respect to any or all of the Deposited Shares represented by such Holder's GDRs on or before the record date specified by the Depositary, such Holder shall be deemed to have instructed the Depositary to give a discretionary proxy to a person designated by the Company with respect to such Deposited Shares, and the Depositary shall give a discretionary proxy to a person designated by the Company to vote such Deposited Shares, **PROVIDED THAT** no such instruction shall be deemed given, and no such discretionary proxy shall be given, with respect to any matter as to which the Company informs the Depositary (and the Company has agreed to provide such information in writing as soon as practicable) that (i) the Company does not wish such proxy to be given, or (ii) such matter materially and adversely affects the rights of holders of Shares.

12.6 If the Depositary is advised in the opinion referred to in Condition 12.7 below that it is not permissible under Egyptian law or the Depositary determines that it is not reasonably practicable to vote or cause to be voted such Deposited Shares in accordance with Conditions 12.3, 12.4 or 12.5, the Depositary shall not vote or cause to be voted such Deposited Shares.

12.7 Where the Depositary is to vote in respect of each and any resolution in the manner described in Conditions 12.3, 12.4 or 12.5 above, the Depositary shall notify the Chairman of the Company and appoint a person designated by him as a representative of the Depositary to attend such meeting and vote the Deposited Shares in the manner required by this Condition. The Depositary is entitled to request the Company to provide to the Depositary, and where such request has been made shall not be required to take any action required by this Condition 12 unless it shall have received, an opinion from the Company's legal counsel (such counsel being reasonably acceptable to the Depositary) at the expense of the Company to the effect that such voting arrangement is valid and binding on Holders under Egyptian law and the constitutional documents of the Company and that the Depositary is permitted to exercise votes in accordance with the provisions of this Condition 12 but that in doing so the Depositary will not be deemed to be exercising voting discretion.

12.8 By continuing to hold the GDRs, all Holders shall be deemed to have agreed to the provisions of this Condition 12 as it may be amended from time to time in order to comply with applicable Egyptian law.

12.9 The Depositary shall not, and the Depositary shall ensure that the Custodian and its nominees do not, vote or attempt to exercise the right to vote that attaches to the Deposited Shares, other than in accordance with instructions given, or deemed given, in accordance with this Condition.

13. **Recovery of Taxes, Duties and other Charges, and Fees and Expenses due to the Depositary**

The Depositary shall not be liable for any taxes, duties, charges, costs or expenses which may become payable in respect of the Deposited Shares or other Deposited Property or the GDRs, whether under any present or future fiscal or other laws or regulations, and such part thereof as is proportionate or referable to a GDR (the "**Charges**") shall be payable by the Holder thereof to the Depositary at any time on request or may be deducted from any amount due or becoming due on such GDR in respect of any dividend or other distribution. The Depositary may sell (whether by way of public or private sale and otherwise at its discretion, subject to all applicable laws and regulations) for the account of the Holder an appropriate number of Deposited Shares or amount of other Deposited Property and will discharge out of the proceeds of such sale any Charges, and any fees or expenses due to the Depositary from the Holder pursuant to Condition 16, and subsequently pay any surplus to the Holder. Any request by the Depositary for the payment of Charges shall be made by giving notice pursuant to Condition 23.

14. **Liability**

14.1 In acting hereunder, the Depositary shall have only those duties, obligations and responsibilities expressly specified in the Deposit Agreement and these Conditions and, other than holding the Deposited Property for the benefit of Holders as bare trustee, does not assume any relationship of trust for or with the Holders or owners of GDRs or any other person.

14.2 Neither the Depositary, the Custodian, the Company, any Agent, nor any of their agents, officers, directors or employees shall incur any liability to any other of them or to any Holder or owner of a GDR or any other person with an interest in any GDRs if, by reason of any provision of any present or future law or regulation of Egypt or any other country or of any relevant governmental authority, or by reason of the interpretation or application of any such present or future law or regulation or any change therein, or by reason of any other circumstances beyond their control, or in the case of the Depositary, the Custodian, any Agent, or any of their agents, officers, directors or employees, by reason of any provision, present or future, of the constitutive documents of the Company, any of them shall be prevented, delayed or forbidden from doing or performing any act or thing which the terms of the Deposit Agreement or these Conditions provide shall or may be done or performed; nor shall any of them incur any liability to any Holder or owner of GDRs or any other person with an interest in any GDRs by reason of any exercise of, or failure to exercise, any voting rights attached to the Deposited Shares or any of them or any other discretion or power provided for in the Deposit Agreement. Any such party may rely on, and shall be protected in acting upon, any written notice, request, direction or other document believed by it to be genuine and to have been duly signed or presented (including a translation which is made by a translator believed by it to be competent or which appears to be authentic).

14.3 Neither the Depositary nor any Agent shall be liable (except for its own wilful default, negligence or fraud or that of its agents, officers, directors or employees) to the Company or any Holder or owner of GDRs or any other person, by reason of having accepted as valid or not having rejected any certificate for Shares or GDRs or any signature on any transfer or instruction purporting to be such and subsequently found to be forged or not authentic or for its failure to perform any obligations under the Deposit Agreement or these Conditions.

14.4 The Depositary and its agents may engage or be interested in any financial or other business transactions with the Company or any of its subsidiaries or affiliates, or in relation to the Deposited Property (including without prejudice to the generality of the foregoing, the conversion of any part of the Deposited Property from one currency to another), may, at any time, hold or be interested in GDRs for its own account, and shall be entitled to charge and be paid all usual fees, commissions and other charges for business transacted and acts done by it as a bank, and not in the capacity of Depositary, in relation to matters arising under the Deposit Agreement (including, without prejudice to the generality of the foregoing, charges on the conversion of any part of the Deposited Property from one currency to another and on any sales of property) without accounting to Holders or any other person for any profit arising therefrom.

14.5 The Depositary shall endeavor to effect any such sale as is referred to or contemplated in Conditions 5, 6, 7, 10, 13 or 21 or any such conversion as is referred to in Condition 8 in accordance with the Depositary's normal practices and procedures but shall have no liability (in the absence of its own wilful default, negligence or fraud or that of its agents, officers, directors or employees) with respect to the terms of such sale or conversion or if such sale or conversion shall not be reasonably practicable.

14.6 The Depositary shall not be required or obliged to monitor, supervise or enforce the observance and performance by the Company of its obligations under or in connection with the Deposit Agreement or these Conditions.

14.7 The Depositary shall have no responsibility whatsoever to the Company, any Holders or any owner of GDRs or any other person as regards any deficiency which might arise because the Depositary is subject to any tax in respect of the Deposited Property or any part thereof or any income therefrom or any proceeds thereof.

14.8 In connection with any proposed modification, waiver, authorization or determination permitted by the terms of the Deposit Agreement, the Depositary shall not, except as otherwise expressly provided in Condition 22, be obliged to have regard to the consequence thereof for the Holders or the owners of GDRs or any other person.

14.9 Notwithstanding anything else contained in the Deposit Agreement or these Conditions, the Depositary may refrain from doing anything which could or might, in its opinion, be contrary to any law of any jurisdiction or any directive or regulation of any agency or state or which would or might otherwise render it liable to any person and the Depositary may do anything which is, in its opinion, necessary to comply with any such law, directive or regulation.

14.10 The Depositary may, in relation to the Deposit Agreement and these Conditions, act or take no action on the advice or opinion of, or any certificate or information obtained from, any lawyer, valuer, accountant, banker, broker, securities company or other expert whether obtained by the Company, the Depositary or otherwise, and shall not be responsible or liable for any loss or liability occasioned by so acting or refraining from acting or relying on information from persons presenting Shares for deposit or GDRs for surrender or requesting transfers thereof.

14.11 Any such advice, opinion, certificate or information (as discussed in Condition 14.10 above) may be sent or obtained by letter or facsimile transmission and the Depositary shall not be liable for acting on any advice, opinion, certificate or information purported to be conveyed by any such letter or facsimile transmission although (without the Depositary's knowledge) the same shall contain some error or shall not be authentic.

14.12 The Depositary may call for and shall be at liberty to accept as sufficient evidence of any fact or matter or the expediency of any transaction or thing, a certificate, letter or other communication, whether oral or written, signed or otherwise communicated on behalf of the Company by a director of the Company or by a person duly authorized by a director of the Company or such other certificate from persons specified in Condition 14.10 above which the Depositary considers appropriate and the Depositary shall not be bound in any such case to call for further evidence or be responsible for any loss or liability that may be occasioned by the Depositary acting on such certificate.

14.13 The Depositary shall have no obligation under the Deposit Agreement except to perform its obligations as are specifically set out therein without wilful default, negligence or fraud.

14.14 The Depositary may delegate by power of attorney or otherwise to any person or persons or fluctuating body of persons, whether being a joint Depositary of the Deposit Agreement or not and not being a person to whom the Company may reasonably object, all or any of the powers, authorities and discretions vested in the Depositary by the Deposit Agreement and such delegation may be made upon such terms and subject to such conditions, including power to sub-delegate and subject to such regulations as the Depositary may, in the interests of the Holders think fit, provided that no objection from the Company to any such delegation as aforesaid may be made to a person whose financial statements are consolidated with those of the Depositary's ultimate holding company. Any delegation by the Depositary shall be on the basis that the Depositary is acting on behalf of the Holders and the Company in making such delegation. The Company shall not in any circumstances and the Depositary shall not (**provided that** it shall have exercised reasonable care in the selection of such delegate) be bound to supervise the proceedings or be in any way responsible for any loss, liability, cost, claim, action, demand or expense incurred by reason of any misconduct or default on the part of any such delegate or sub-delegate. However, the Depositary shall, if practicable, and if so requested by the Company, pursue (at the Company's expense and subject to receipt by the Depositary of such indemnity and security for costs as the Depositary may reasonably require) any legal action it may have against such delegate or sub-delegate arising out of any such loss caused by reason of any such misconduct or default. The Depositary shall, within a reasonable time of any such delegation or any renewal, extension or termination thereof, give notice thereof to the Company. Any delegation under this Condition which includes the power to sub-delegate shall provide that the delegate shall, within a specified time of any sub-delegation or amendment, extension or termination thereof, give notice thereof to the Company and the Depositary.

14.15 The Depositary may, in the performance of its obligations hereunder, instead of acting personally, employ and pay an agent, whether a solicitor or other person, to transact or concur in transacting any business and do or concur in doing all acts required to be done by such party, including the receipt and payment of money.

14.16 The Depositary shall be at liberty to hold or to deposit the Deposit Agreement and any deed or document relating thereto in any part of the world with any banking company or companies (including itself) whose business includes undertaking the safe custody of deeds or documents or with any lawyer or firm of lawyers of good repute, and the Depositary shall not (in the case of deposit with itself, in the absence of its own negligence, wilful default, or fraud or that of its agents, directors, officers or employees) be responsible for any losses, liability or expenses incurred in connection with any such deposit.

14.17 Notwithstanding anything to the contrary contained in the Deposit Agreement or these Conditions, the Depositary shall not be liable in respect of any loss or damage which arises out of or in connection with its performance or non-performance, or the exercise or attempted exercise of (or the failure to exercise any of) its powers or discretions, under the Deposit Agreement, except to the extent that such loss or damage arises from the wilful default, negligence or fraud of the Depositary or that of its agents, officers, directors or employees. Without prejudice to the generality of the foregoing, in no circumstances shall the Depositary have any liability for any act or omission of any securities depository, clearing agency or settlement system in connection with or arising out of book-entry settlement of Deposited Shares or otherwise.

14.18 No provision of the Deposit Agreement or these Conditions shall require the Depositary to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

14.19 For the avoidance of doubt, the Depositary shall be under no obligation to check, monitor or enforce compliance with any ownership restrictions in respect of GDRs or Shares under any applicable Egyptian law as the same may be amended from time to time. Notwithstanding the generality of Condition 3, the Depositary shall refuse to register any transfer of GDRs or any deposit of Shares against issuance of GDRs if notified by the Company, or the Depositary becomes aware of the fact, that such transfer or issuance would result in a violation of the limitations set forth above.

14.20 No disclaimer of liability under the Securities Act is intended by any provision of the Deposit Agreement.

15. **Issue and Delivery of Replacement GDRs and Exchange of GDRs**

Subject to the payment of the relevant fees, taxes, duties, charges, costs and expenses and such terms as to evidence and indemnity as the Depositary may require, replacement GDRs will be issued by the Depositary and will be delivered in exchange for or replacement of outstanding lost, stolen, mutilated, defaced or destroyed GDRs upon surrender thereof (except in the case of the destruction, loss or theft) at the specified office of the Depositary or (at the request, risk and expense of the Holder) at the specified office of any Agent.

16. **Depositary's Fees, Costs and Expenses**

16.1 The Depositary shall be entitled to charge the following remuneration and to receive the following remuneration and reimbursement (such remuneration and reimbursement being payable on demand) from the Holders in respect of its services under the Deposit Agreement:

(a) for the issue of GDRs (other than upon the issue of GDRs pursuant to the Combined Offering) or the cancellation of GDRs: U.S.$5.00 or less per 100 GDRs (or portion thereof) issued or cancelled, including for the avoidance of doubt, but not limited to, transfers between the Regulation S Master GDR and the Rule 144A Master GDR which transfers shall be treated as cancellations of GDRs represented by one Master GDR and issuances of GDRs represented by the other Master GDR;

(b) for issuing GDR certificates in definitive registered form in replacement for mutilated, defaced, lost, stolen or destroyed GDR certificates: a sum per GDR certificate which is determined by the Depositary to be a reasonable charge to reflect the work, costs and expenses involved;

(c) for issuing GDR certificates in definitive registered form (other than pursuant to (b) above): the greater of U.S.$1.50 per GDR certificate (plus printing costs) or such other sum per GDR certificate which is determined by the Depositary to be a reasonable charge to reflect the work plus costs (including but not limited to printing costs) and expenses involved;

(d) for receiving and paying any cash dividend or other cash distribution on or in respect of the Deposited Shares: a fee of U.S.$0.05 or less per GDR for each such dividend or distribution;

(e) in respect of any issue of rights or distribution of Shares (whether or not evidenced by GDRs) or other securities or other property (other than cash) upon exercise of any rights, any free distribution, stock dividend or other distribution: U.S.$5.00 or less per 100

outstanding GDRs (or portion thereof) for each such issue of rights, dividend or distribution;

(f) a fee of U.S.$0.05 or less per GDR (or portion thereof) per calendar year for depositary services which shall be payable as provided in paragraph (h) below;

(g) a fee of U.S.$0.01 or less per GDR per annum for local share registry inspection and related services by the Depositary or the Custodian or their respective agents, which shall be payable as provided in paragraph (h) below; and

(h) any other charge payable by the Depositary, any of the Depositary's agents, including the Custodian, or the agents of the Depositary's agents, in connection with the servicing of Deposited Shares or other Deposited Property (which charge shall be assessed against Holders as of the date or dates set by the Depositary and shall be payable at the sole discretion of the Depositary by billing such Holders for such charge or deducting such charge from one or more cash dividends or other cash distributions),

together with all expenses (including currency conversion expenses), transfer and registration fees, taxes, duties and charges payable by the Depositary, any Agent or the Custodian, or any of their agents, in connection with any of the above.

16.2 The Depositary is entitled to receive from the Company the fees, taxes, duties, charges costs and expenses as specified in a separate agreement between the Company and the Depositary.

16.3 From time to time, the Depositary may make payments to the Company to reimburse and / or share revenue from the fees collected from Holders, or waive fees and expenses for services provided, generally relating to costs and expenses arising out of establishment and maintenance of the GDR facilities established pursuant to the Deposit Agreement. In performing its duties under the Deposit Agreement, the Depositary may use brokers, dealers or other service providers that are affiliates of the Depositary and that may earn or share fees and commissions.

17. **Agents**

17.1 The Depositary shall be entitled to appoint one or more agents (the "**Agents**") for the purpose, inter alia, of making distributions to the Holders.

18. **Listing**

The Company has undertaken in the Deposit Agreement to use its reasonable endeavors to obtain and thereafter maintain, so long as any GDR is outstanding, a listing for the GDRs on the Official List maintained by the Financial Conduct Authority (the "**Offcial List**") and admission to trading on the regulated market of the London Stock Exchange.

For that purpose, the Company will pay all fees and sign and deliver all undertakings required by the Financial Conduct Authority and the London Stock Exchange in connection with such listings. In the event that the listing on the Official List of the Financial Conduct Authority and admission to trading on the regulated market for listed securities of the London Stock Exchange is not maintained, the Company has undertaken in the Deposit Agreement to use its reasonable endeavors with the reasonable assistance of the Depositary (provided at the Company's expense) to obtain and maintain a listing of the GDRs on any other internationally recognized stock exchange in Europe.

19. **The Custodian**

The Depositary has agreed with the Custodian that the Custodian will receive and hold (or appoint agents approved by the Depositary to receive and hold) all Deposited Property for the account and to the order of the Depositary in accordance with the applicable terms of the Deposit Agreement which include a requirement to segregate the Deposited Property from the other property of, or held by, the Custodian **PROVIDED THAT** the Custodian shall not be obliged to segregate cash comprised in the Deposited Property from cash otherwise held by the Custodian. The Custodian shall be responsible solely to the Depositary **PROVIDED THAT**, if and so long as the Depositary and the Custodian are the same legal entity, references to them separately in these Conditions and the Deposit Agreement are for convenience only and that legal entity shall be responsible for discharging both functions directly to the Holders and the Company. The Custodian may resign or

be removed by the Depositary by giving prior notice, except that if a replacement Custodian is appointed which is a branch or affiliate of the Depositary, the Custodian's resignation or discharge may take effect immediately on the appointment of such replacement Custodian. Upon the removal of or receiving notice of the resignation of the Custodian, the Depositary shall promptly appoint a successor Custodian which shall, upon acceptance of such appointment, and the expiry of any applicable notice period, become the Custodian. The Depositary, in its discretion, may appoint a substitute or additional custodian or custodians, which shall, upon acceptance of such appointment, become the Custodian under the Deposit Agreement. The Depositary shall notify Holders of such change in accordance with Condition 23. Notwithstanding the foregoing, the Depositary may temporarily deposit the Deposited Property in a manner or a place other than as therein specified; **PROVIDED THAT**, in the case of such temporary deposit in another place, the Company shall have consented to such deposit, and such consent of the Company shall have been delivered to the Custodian. In case of transportation of the Deposited Property under this Condition, the Depositary shall obtain appropriate insurance at the expense of the Company if and to the extent that the obtaining of such insurance is reasonably practicable and the premiums payable are of a reasonable amount.

20. **Resignation and Termination of Appointment of the Depositary**

20.1 The Company may terminate the appointment of the Depositary under the Deposit Agreement by giving at least 90 days' prior notice in writing to the Depositary and the Custodian, and the Depositary may resign as Depositary by giving at least 90 days' prior notice in writing to the Company and the Custodian. Within 30 days after the giving of either such notice, notice thereof shall be duly given by the Depositary to the Holders in accordance with Condition 23.

The termination of the appointment or the resignation of the Depositary shall take effect on the date specified in such notice; **PROVIDED THAT** no such termination of appointment or resignation shall take effect until the appointment by the Company of a successor depositary under the Deposit Agreement and the acceptance of such appointment to act in accordance with the terms thereof and of these Conditions, by the successor depositary. The Company has undertaken in the Deposit Agreement to use its reasonable endeavours to procure the appointment of a successor depositary with effect from the date of termination specified in such notice as soon as reasonably possible following notice of such termination or resignation. Upon any such appointment and acceptance, notice thereof shall be duly given by the Depositary to the Holders in accordance with Condition 23.

20.2 Upon the termination of the appointment or resignation of the Depositary and against payment of all fees and expenses due to the Depositary from the Company under the Deposit Agreement, the Depositary shall deliver to its successor as depositary sufficient information and records to enable such successor efficiently to perform its obligations under the Deposit Agreement and shall deliver and pay to such successor depositary all property and cash held by it under the Deposit Agreement. The Deposit Agreement provides that, upon the date when such termination of appointment or resignation takes effect, the Custodian shall be deemed to be the Custodian thereunder for such successor depositary, and shall hold the Deposited Property for such successor depositary, and the Depositary shall thereafter have no obligation under the Deposit Agreement or the Conditions (other than liabilities accrued prior to the date of termination of appointment or resignation or any liabilities stipulated in relevant laws or regulations).

21. **Termination of Deposit Agreement**

21.1 Either the Company or the Depositary but, in the case of the Depositary, only if the Company has failed to appoint a replacement Depositary within 60 days of the date on which the Depositary has given notice pursuant to Condition 20 that it wishes to resign, may terminate the Deposit Agreement by giving 60 days' prior notice to the other and to the Custodian. Within 30 days after the giving of such notice, notice of such termination shall be duly given by the Depositary to Holders of all GDRs then outstanding in accordance with Condition 23.

21.2 During the period beginning on the date of the giving of such notice by the Depositary to the Holders and ending on the date on which such termination takes effect, each Holder shall be entitled to obtain delivery of the Deposited Property relative to each GDR held by it, subject to the provisions of Condition 1.1 and upon compliance with Condition 1, payment by the Holder of the charge specified in Condition 16.1(a) and Clause 10.1(a)(i) of the Deposit Agreement for such

delivery and surrender, and payment by the Holder of any sums payable by the Depositary and/or any other expenses incurred by the Depositary (together with all amounts which the Depositary is obliged to pay to the Custodian) in connection with such delivery and surrender, and otherwise in accordance with the Deposit Agreement.

21.3 If any GDRs remain outstanding after the date of termination, the Depositary shall as soon as reasonably practicable sell the Deposited Property then held by it under the Deposit Agreement and shall not register transfers, shall not pass on dividends or distributions or take any other action, except that it will deliver the net proceeds of any such sale, together with any other cash then held by it under the Deposit Agreement, pro rata to Holders of GDRs which have not previously been so surrendered by reference to that proportion of the Deposited Property which is represented by the GDRs of which they are the Holders. After making such sale, the Depositary shall be discharged from all obligations under the Deposit Agreement and these Conditions, except its obligation to account to Holders for such net proceeds of sale and other cash comprising the Deposited Property without interest.

22. **Amendment of Deposit Agreement and Conditions**

22.1 Subject to Condition 22.3, all and any of the provisions of the Deposit Agreement and these Conditions may at any time and from time to time be amended by written agreement between the Company and the Depositary in any respect which they may deem necessary or desirable. Notice of any amendment of these Conditions (except to correct a manifest error) shall be duly given to the Holders by the Depositary, and any amendment which shall increase or impose fees payable by Holders, which amends this Condition 22 or which in the opinion of the Depositary, would be materially prejudicial to the interests of the Holders (as a class) shall not become effective so as to impose any obligation on the Holders until the expiration of 30 calendar days after such notice shall have been given. During such period of 30 calendar days, each Holder shall be entitled to obtain, subject to and upon compliance with Condition 1, delivery of the Deposited Property relative to each GDR held by it upon surrender thereof, payment of the charge specified in Condition 16.1(a) for such delivery and surrender and otherwise in accordance with the Deposit Agreement and these Conditions. Each Holder at the time when such amendment so becomes effective shall be deemed, by continuing to hold a GDR, to approve such amendment and to be bound by the terms thereof in so far as they affect the rights of the Holders. In no event shall any amendment impair the right of any Holder to receive, subject to and upon compliance with Condition 1, the Deposited Property attributable to the relevant GDR.

22.2 For the purposes of this Condition 22, an amendment shall not be regarded as being materially prejudicial to the interests of Holders if its principal effect is to permit the creation of GDRs in respect of additional Shares to be held by the Depositary which are or will become fully consolidated as a single series with the other Deposited Shares **PROVIDED THAT** temporary GDRs will represent such Shares until they are so consolidated.

22.3 The Company and the Depositary may at any time by agreement in any form amend the number of Shares represented by each GDR, provided that each outstanding GDR represents the same number of Shares as each other outstanding GDR, and at least 30 calendar days notice of such amendment is given to the Holders, but in no circumstances shall any amendment pursuant to this Condition 22.3 be regarded as an amendment requiring 30 calendar days notice in accordance with Condition 22.1.

23. **Notices**

23.1 Any and all notices to be given to any Holder shall be duly given if personally delivered, or sent by mail (if domestic, first class, if overseas, first class airmail) or air courier, or by facsimile transmission confirmed by letter sent by mail or air courier, addressed to such Holder at the address of such Holder as it appears on the transfer books for GDRs of the Depositary, or, if such Holder shall have filed with the Depositary a written request that notices intended for such Holder be mailed to some other address, at the address specified in such request.

23.2 Delivery of a notice sent by mail or air courier shall be effective three days (in the case of domestic mail or air courier) or seven days (in the case of overseas mail) after dispatch, and any notice sent by facsimile transmission, as provided in this Condition, shall be effective when the intended recipient has confirmed by telephone to the transmitter thereof that the recipient has received such

facsimile in complete and legible form. The Depositary or the Company may, however, act upon any facsimile transmission received by it from the other or from any Holder, notwithstanding that such facsimile transmission shall not subsequently be confirmed as aforesaid.

24. **Reports and Information on the Company**

24.1 The Company has undertaken in the Deposit Agreement (so long as any GDR is outstanding) to furnish the Depositary with six copies in the English language (and to make available to the Depositary, the Custodian and each Agent as many further copies as they may reasonably require to satisfy requests from Holders) of:

(a) in respect of the financial year ending on December 31, 2014 and in respect of each financial year thereafter, the consolidated financial statements for such financial year in respect of the Company, prepared in conformity with IFRS and reported upon by independent public accountants selected by the Company, as soon as practicable (and in any event within 180 days) after the end of such year;

(b) if the Company publishes semi-annual financial statements for holders of Shares, such semi-annual financial statements of the Company, as soon as practicable, after the same are published and in any event no later than three months after the end of the period to which they relate; and

(c) if the Company publishes quarterly financial statements for holders of Shares, such quarterly financial statements, as soon as practicable, after the same are published, and in any event no later than three months after the end of the period to which they relate.

24.2 The Depositary shall upon receipt thereof give due notice to the Holders that such copies are available upon request at its specified office and the specified office of any Agent.

24.3 For so long as any of the GDRs remains outstanding and are "**restricted securities**" within the meaning of Rule 144(a)(3) under the Securities Act, if at any time the Company is neither subject to and in compliance with the reporting requirements of Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended, nor exempt from such reporting requirements by complying with the information furnishing requirements of Rule 12g3-2(b) thereunder, the Company has agreed in the Deposit Agreement to supply to the Depositary such information, in the English language and in such quantities as the Depositary may from time to time reasonably request, as is required to be delivered to any Holder or beneficial owner of GDRs or to any holder of Shares or a prospective purchaser designated by such Holder, beneficial owner or holder pursuant to a Deed Poll executed by the Company in favor of such persons and the information delivery requirements of Rule 144A(d)(4) under the Securities Act, to permit compliance with Rule 144A thereunder in connection with resales of GDRs or Shares or interests therein in reliance on Rule 144A under the Securities Act and otherwise to comply with the requirements of Rule 144A(d)(4) under the Securities Act. Subject to receipt, the Depositary will deliver such information, during any period in which the Company informs the Depositary it is subject to the information delivery requirements of Rule 144(A)(d)(4), to any such holder, beneficial owner or prospective purchaser but in no event shall the Depositary have any liability for the contents of any such information.

25. **Copies of Company Notices**

The Company has undertaken in the Deposit Agreement to transmit to the Custodian and the Depositary on or before the day when the Company first gives notice, by mail, publication or otherwise, to holders of any Shares or other Deposited Property, whether in relation to the taking of any action in respect thereof or in respect of any dividend or other distribution thereon or of any meeting or adjourned meeting of such holders or otherwise, such number of copies of such notice and any other material (which contains information having a material bearing on the interests of the Holders) furnished to such holders by the Company (or such number of English translations of the originals if the originals were prepared in a language other than English) in connection therewith as the Depositary may reasonably request. If such notice is not furnished to the Depositary in English, either by the Company or the Custodian, the Depositary shall, at the Company's expense, arrange for an English translation thereof (which may be in such summarised form as the Depositary may deem adequate to provide sufficient information) to be prepared. Except as provided below, the

Depositary shall, as soon as practicable after receiving notice of such transmission or (where appropriate) upon completion of translation thereof, give due notice to the Holders which notice may be given together with a notice pursuant to Condition 9.1, and shall make the same available to Holders in such manner as it may determine.

26. **Moneys held by the Depositary**

The Depositary shall be entitled to deal with moneys paid to it by the Company for the purposes of the Deposit Agreement in the same manner as other moneys paid to it as a banker by its customers and shall not be liable to account to the Company or any Holder or any other person for any interest thereon, except as otherwise agreed and shall not be obliged to segregate such moneys from other moneys belonging to the Depositary.

27. **Severability**

If any one or more of the provisions contained in the Deposit Agreement or in these Conditions shall be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained therein or herein shall in no way be affected, prejudiced or otherwise disturbed thereby.

28. **Governing Law**

28.1 The Deposit Agreement, the GDRs, and all non-contractual obligations arising from or connected with the Deposit Agreement and the GDRs, are governed by, and shall be construed in accordance with, English law except that the certifications set forth in Schedules 3 and 4 to the Deposit Agreement and any provisions relating thereto shall be governed by and construed in accordance with the laws of the State of New York. The rights and obligations attaching to the Deposited Shares will be governed by Egyptian law. The Company has submitted in respect of the Deposit Agreement and the Deed Poll to the exclusive jurisdiction of the English courts. The Company has also agreed in the Deposit Agreement and the Deed Poll to allow, respectively, the Depositary and the Holders to elect that Disputes are resolved by arbitration.

28.2 The Company has irrevocably appointed Capita Trust Secretaries Limited, as its agent in England to receive service of process in any Proceedings in England based on the Deed Poll. The Company has agreed that, if for any reason it does not have such an agent in England or New York as the case may be, it will promptly appoint a substitute process agent and notify the Holders and the Depositary of such appointment. Nothing herein shall affect the right to serve process in any other manner permitted by law.

28.3 The courts of England shall have exclusive jurisdiction to settle any disputes (each a "**Dispute**") which may arise out of or in connection with the GDRs (including any dispute relating to the existence, validity or termination of the GDRs, or any non-contractual obligation arising out of or in connection with the GDRs, or the consequences of the nullity of the GDRs), and accordingly any legal action or proceedings arising out of or in connection with the GDRs ("**Proceedings**") may be brought in such courts. The Depositary irrevocably submits to the exclusive jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

28.4 These submissions are made for the benefit of each of the Holders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdictions (whether concurrently or not).

28.5 In the event that the Depositary is made a party to, or is otherwise required to participate in, any litigation, arbitration, or Proceeding (whether judicial or administrative) which arises from or is related to or is based upon any act or failure to act by the Company, or which contains allegations to such effect, upon notice from the Depositary, the Company has agreed to fully cooperate with the Depositary in connection with such litigation, arbitration or Proceeding.

28.6 The Depositary irrevocably appoints The Bank of New York Mellon, London Branch, (Attention: The Manager) of 49th Floor, One Canada Square, London E14 5AL as its agent in England to receive service of process in any Proceedings in England based on any of the GDRs. If for any reason the Depositary does not have such an agent in England, it will promptly appoint a substitute

process agent and notify the Holders of such appointment. Nothing herein shall affect the right to serve process in any other manner permitted by law.

28.7 To the extent that the Company may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Company or its assets or revenues, the Company has agreed not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction.

29. Arbitration and Submission

29.1 Notwithstanding any other provision of these Conditions, the Holders agree that the Depositary may elect, by notice in writing to the Holders issued no later than the filing of a defence in any Proceedings, that the Dispute be resolved by arbitration and not litigation. In such case, the Dispute shall be referred to arbitration under the Rules of the London Court of International Arbitration (the "**Rules**") and finally resolved by arbitration under the Rules which Rules are deemed to be incorporated by reference into this Condition. Judgement upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof.

29.2 If the Depositary elects arbitration proceedings in accordance with Condition 29.1, the Depositary and the Holders agree that:

(a) The number of arbitrators shall be three, appointed by the London Court of International Arbitration in accordance with its Rules;

(b) The place of the arbitration shall be London;

(c) The language to be used in the arbitration proceedings shall be English; and

(d) The decision and award of the arbitration shall be final and binding on the parties from the day it is made.

29.3 The governing law of this arbitration agreement shall be the substantive law of England, excluding conflict of law rules.

29.4 If a Proceeding has been initiated by any Holder in a court of competent jurisdiction at the time that the Depositary elects to submit the matter to arbitration in accordance with Condition 29.1, then such Holder agrees that it shall discontinue such Proceeding without delay.

29.5 If any Dispute raises issues which are substantially the same as or connected with issues raised in a Dispute which has already been referred to arbitration (an "**Existing Dispute**"), or arises out of substantially the same facts as are the subject of an Existing Dispute, or a dispute, controversy or claim, arising out of or in connection with the Conditions or the Deed Poll, whether in tort, contract, statute or otherwise, including any question regarding their existence, validity, interpretation, breach or termination (in any such case a "**Related Dispute**" provided that such Related Dispute has been or is to be submitted to arbitration), the arbitrators appointed or to be appointed in respect of any such Existing Dispute shall also be appointed as the arbitrators in respect of any Related Dispute, save where the arbitrators consider such appointment to be inappropriate.

29.6 The arbitrators, upon the request of one of the parties to a Dispute or Related Dispute or a Holder or the Depositary which itself wishes to be joined in any reference to arbitration proceedings in relation to a Dispute or Related Dispute, may join any Holder or any party to the Deposit Agreement, these Conditions or the Deed Poll to any reference to arbitration proceedings in relation to that Dispute or Related Dispute and may make a single, final award determining all Disputes and Related Disputes between them. Each of the Holders and the Depositary hereby consents to be joined to any reference to arbitration proceedings in relation to any dispute at the request of a party to that Dispute or Related Dispute, and to accept joinder of any party requesting to be joined in accordance with this Condition 29.6.

29.7 Where, pursuant to the above provisions, the same arbitrators have been appointed in relation to an Existing Dispute and one or more Related Disputes, the arbitrators may, with the agreement of all the parties concerned or upon the application of one of the parties, being a party to each of the

Disputes, order that the whole or part of the matters at issue shall be heard together upon such terms or conditions as the arbitrators think fit.

29.8 The arbitrators shall have power to make such directions and any provisional, interim or partial awards as they consider just and desirable.

29.9 Nothing in these dispute resolution provisions shall be construed as preventing either party from seeking conservatory or similar interim relief in any court of competent jurisdiction.

29.10 The Holders hereby agree to waive any right of appeal to any court of law or other judicial authority insofar as such waiver may be validly made.

29.11 Without prejudice to the powers of the arbitrators provided in the Rules, statute or otherwise, the arbitrators shall have power at any time, following the written request (with reasons) of any party at any time, and after due consideration of any written and/or oral response(s) to such request made within such time periods as the arbitrators shall determine, to make an award in favour of the claimant(s) (or the respondent(s) if a counterclaim) in respect of any claims (or counterclaims) if it appears to the arbitrators that there is no reasonably arguable defence to those claims (or counterclaims), either at all or except as to the amount of any damages or other sum to be awarded.

29.12 The Depositary and the Holders agree that in no circumstances will they request the arbitrators to, and the arbitrators shall have no authority to, exercise any power to award damages which are not calculated by reference to the party's actual costs or to award any loss of profit whatsoever or any consequential, special or punitive damages.

29.13 The Depositary irrevocably appoints the Bank of New York Mellon, London Branch (Attention: The Manager), of 48th Floor, One Canada Square, London E14 5AL as its agent in England to receive service of process on any suit or proceedings in England based on any of the GDRs. If for any reason the Depositary does not have such an agent in England, it will promptly appoint a substitute process agent and notify the Holders of such appointment. Nothing herein shall affect the right to serve process in any other manner permitted by law.

30. Language

Although the Deposit Agreement or these Conditions may be translated into the Arabic language, the Arabic version of the Deposit Agreement and these Conditions is for informational purposes only. In the event of any discrepancies between the English version and the Arabic version of the Deposit Agreement or these Conditions, or any dispute regarding the interpretation of any provision in the English version or Arabic version of the Deposit Agreement or these Conditions, the English version of the Deposit Agreement and these Conditions shall prevail and questions of interpretation shall be addressed solely in the English language.

Certificate and Agreement of persons acquiring the Regulation S GDRs upon Deposit of Shares in the Regulation S Facility pursuant to Condition 1 and Clause 3.3 of the Deposit Agreement

[Date]

The Bank of New York Mellon, as Depositary
101 Barclay Street
New York, New York 10286

Dear Sirs

EDITA FOOD INDUSTRIES S.A.E.

Reference is hereby made to the Deposit Agreement, dated April 2, 2015 (the "**Deposit Agreement**"), between Edita Food Industries S.A.E. (the "**Company**") and The Bank of New York Mellon, as Depositary with respect to Regulation S Global Depositary Receipts ("**Regulation S GDRs**") issued thereunder. Capitalized terms used but not defined herein shall have the meanings given to them in the Deposit Agreement.

1. This certification and agreement is furnished in connection with the deposit of Regulation S Shares in the Regulation S Facility under the Deposit Agreement and issuance of Regulation S GDRs pursuant to Condition 1 and Clause 3.3 of the Deposit Agreement.

2. We acknowledge (or if we are acting for the account of another person, such person has confirmed to us that it acknowledges) that the Regulation S GDRs and the Regulation S Shares represented thereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Act**").

3. We certify that either:

   (a) we are, or at the time the Shares are deposited and at the time the Regulation S GDRs are issued will be, the beneficial owner of the Shares represented by such Regulation S GDRs, and (i) we are not a U.S. person (as defined in Regulation S under the Act) and are located outside the United States (within the meaning of Regulation S under the Act) and we have acquired, or have agreed to acquire and will have acquired, the Shares to be deposited outside the United States (within the meaning of Regulation S under the Act), (ii) we are not an affiliate of the Company or a person acting on behalf of such an affiliate, and (iii) we are not in the business of buying and selling securities or, if we are in such business, we did not acquire the securities to be deposited from the Company or any affiliate thereof in the initial distribution of the GDRs and the Shares,

   OR

   (b) we are a broker-dealer acting on behalf of our customer, and such customer has confirmed to us that it is, or at the time the Shares are deposited and at the time the Regulation S GDRs are issued will be, the beneficial owner of the Regulation S Shares represented by such Regulation S GDRs and (i) it is not a U.S. Person (as defined in Regulation S under the Act) and is located outside the United States (within the meaning of Regulation S under the Act) and it has acquired, or has agreed to acquire and will have acquired, the Shares to be deposited outside the United States (within the meaning of Regulation S under the Act), (ii) it is not an affiliate of the Company or a person acting on behalf of such an affiliate, and (iii) it is not in the business of buying and selling securities or, if it is in such business, it did not acquire the securities to be deposited from the Company or any affiliate thereof in the initial distribution of the GDRs and the Shares.

As the beneficial owner of the Regulation S GDRs we agree (or if we are a broker-dealer acting on behalf of our customer, our customer has confirmed to us that as the beneficial owner of the Regulation S GDRs, it agrees) that prior to the expiration of 40 days after the later of the commencement of the offering of GDRs, and the original issue date of the GDRs (the "**Distribution Compliance Period**") neither we (or it) will offer, sell, pledge or otherwise transfer any Regulation S GDRs or the Shares represented thereby except (a) to a person whom we and anyone acting on our behalf reasonably believes (or it and anyone acting on its behalf reasonably believes) is a qualified institutional buyer ("QIB") within the meaning of Rule 144A under the Act in a transaction meeting the requirements of Rule 144A, or (b) in an offshore transaction in accordance with Rule 903 or 904 of Regulation S under the Act, in either case in accordance with any applicable securities laws of any state or other jurisdiction of the United States. As beneficial

owner of the Regulation S GDRs, we further agree (or if we are a broker dealer, acting on behalf of our customer, our customer has confirmed to us that as the beneficial owner of the Regulation S GDRs it agrees) that if we sell or otherwise transfer (or it sells or otherwise transfers) the Regulation S GDRs referred to above or the Regulation S Shares represented thereby in accordance with paragraph (a) above prior to the expiration of the Distribution Compliance Period, we (or our customer) will, prior to settlement of such sale, cause such Regulation S Shares to be withdrawn from the Regulation S Facility in accordance with the terms and conditions of the Deposit Agreement and instruct that such Regulation S Shares be delivered to the Custodian under the Deposit Agreement for deposit in the Rule 144A Facility and that Rule 144A GDRs represented by a Rule 144A Master GDR be issued upon receipt of the proper certification on behalf of the purchaser and otherwise in accordance with the terms and conditions of the Deposit Agreement, to or for the account of such QIB.

Very truly yours,

[name of CERTIFYING ENTITY]

By: _____

Title:

Certificate and Agreement of Acquirors of Rule 144A GDRs upon Deposit of Shares in the Rule 144A Facility pursuant to Condition 1 and Clause 3.3 of the Deposit Agreement

[Date]

The Bank of New York Mellon, as Depositary
101 Barclay Street
New York, New York 10286

Dear Sirs

EDITA FOOD INDUSTRIES S.A.E.

Reference is hereby made to the Deposit Agreement dated April 2, 2015 (the "**Deposit Agreement**"), between Edita Food Industries (the "**Company**") and The Bank of New York Mellon, as Depositary with respect to Rule 144A Global Depositary Receipts ("**Rule 144A GDRs**") issued thereunder. Capitalised terms used but not defined herein shall have the meanings given to them in the Deposit Agreement.

1. This certification and agreement is furnished in connection with the deposit of Rule 144A Shares in the Rule 144A Facility under the Deposit Agreement and issuance of Rule 144A GDRs pursuant to Condition 1 and Clause 3.3 of the Deposit Agreement.

2. We acknowledge (or if we are acting for the account of another person, such person has confirmed to us that it acknowledges) that the Rule 144A GDRs and the Rule 144A Shares represented thereby have not been and will not be registered under the United States Securities Act 1933, as amended (the "**Act**").

3. We certify (or if we are acting for the account of another person, such person has confirmed that it certifies) that either:

   (a) we are (or it is) a qualified institutional buyer (within the meaning of Rule 144A under the Act) and at the time of issue of the Rule 144A GDRs referred to above, we (or it) (or one or more qualified institutional buyers for whose account we are acting) will be the beneficial owner of such Rule 144A GDRs.

   OR

   (b) we are (or it is) a broker-dealer acting for the account of a customer, such customer has confirmed to us (or it) that it is a qualified institutional buyer (within the meaning of Rule 144A under the Act) and either (i) at the time of issuance of the Rule 144A GDRs referred to above, it will be the beneficial owner of such Rule 144A GDRs, or (ii) it is acting for the account of a qualified institutional buyer that, at the time of issuance of the Rule 144A GDRs referred to above, will be the beneficial owner of such Rule 144A GDRs.

4. We agree (or if we are acting for the account of another person, such person has confirmed to us that it agrees) that we (or it) will not offer, sell, pledge or otherwise transfer the Rule 144A GDRs or the Rule 144A Shares represented thereby except (a) to a person whom we and anyone acting on our behalf reasonably believe (or it and anyone acting on its behalf reasonably believe) is a qualified institutional buyer ("QIB") within the meaning of Rule 144A under the Act in a transaction meeting the requirements of Rule 144A, (b) in an offshore transaction in accordance with Rule 903 or Rule 904 under Regulation S under the Act or (c) pursuant to an exemption from registration provided by Rule 144 under the Act (if available), in each case in accordance with any applicable securities laws of any state or other jurisdiction of the United States.

Very truly yours,

[name of CERTIFYING ENTITY]

By:

Title:

SUMMARY OF THE PROVISIONS RELATING TO THE GLOBAL DEPOSITARY RECEIPTS WHILST IN MASTER FORM

The GDRs will initially be evidenced by (i) a single Regulation S Master GDR in registered form and (ii) a single Rule l44A Master GDR in registered form. The Regulation S Master GDR will be registered in the name of The Bank of New York Depository (Nominees) Limited, as nominee for The Bank of New York Mellon, London Branch, as common depositary for Euroclear and Clearstream on the date the GDRs are issued and the Rule 144A Master GDR will be deposited with The Bank of New York Mellon in New York as custodian for DTC and registered in the name of Cede & Co., as nominee for DTC. The Master GDRs contain provisions that apply to the GDRs while they are in master form, some of which modify the effect of the terms and conditions of the GDRs (the "**Conditions**") set out in this prospectus. The following is a summary of certain of those provisions. Unless otherwise defined herein, the terms defined in the Conditions shall have the same meaning herein.

Any increase or decrease in the number of GDRs evidenced thereby from that initially notified to the Holder, as defined in the Conditions, will be promptly notified to the Holder by the Depositary in accordance with the Conditions.

For risks related to potential future limitations on the exercise of voting and/or dividends rights by a GDRs holder, see "Risk Factors—Risks Relating to the Securities and the Trading Market".

Exchange

The Master GDRs will be exchanged for certificates in definitive registered form representing GDRs only in the circumstances described in (i), (ii), (iii), or (iv) below, in whole but not in part. The Depositary will irrevocably undertake in the Master GDRs to deliver certificates in definitive registered form representing GDRs in exchange for the relevant Master GDR, to Holders of GDRs within 60 calendar days in the event that:

(i) either DTC (in the case of the Rule 144A Master GDR), or Euroclear or Clearstream (in the case of the Regulation S Master GDR) or any successor advises the Issuer in writing at any time that it is unwilling or unable to continue as a depositary and a successor depositary is not appointed within 90 calendar days; or

(ii) either DTC (in the case of the Rule 144A Master GDR), or Euroclear or Clearstream (in the case of the Regulation S Master GDR) is closed for business for a continuous period of 14 calendar days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so, and, in each case, no alternative clearing system satisfactory to the Depositary is available within 45 calendar days; or

(iii) in respect of the Rule 144A Master GDR, DTC or any successor ceases to be a "clearing agency" registered under the United States Securities Exchange Act of 1934, as amended; or

(iv) the Depositary has determined that, on the occasion of the next payment in respect of the Master GDRs, the Depositary or its agent would be required to make any deduction or withholding from any payment in respect of the Master GDRs which would not be required were the GDRs represented by certificates in definitive registered form (provided that the Depositary shall have no obligation to so determine or to attempt to so determine).

Any such exchange shall be at the expense (including printing costs) of the relevant Holders of GDRs receiving definitive certificates.

A GDR evidenced by an individual definitive certificate will not be eligible for clearing and settlement through: Euroclear; Clearstream; or DTC.

Upon any exchange of a Master GDR for certificates in definitive registered form, or any exchange of interests between the Rule 144A Master GDR and the Regulation S Master GDR pursuant to Clause 4 of the Deposit Agreement, or any distribution of GDRs pursuant to Conditions 5, 7 or 10 or any reduction in the number of GDRs represented thereby following any withdrawal of Deposited Property or increase in the number of GDRs following the deposit of Shares pursuant to Condition 1, the relevant details shall be entered by the Depositary on the register maintained by the Depositary whereupon the number of GDRs represented by a Master GDR shall be reduced or increased (as the case may be) for all purposes by the number so exchanged and entered on the register. If the number of GDRs represented by a Master GDR is reduced to zero, such Master GDR shall continue in existence until the obligations of the Issuer under

the Deposit Agreement and the obligations of the Depositary pursuant to the Deposit Agreement and the Conditions have terminated.

Payments, Distributions and Voting Rights

Payments of cash dividends and other amounts (including cash distributions) will, in the case of GDRs represented by the Regulation S Master GDR, be made by the Depositary through Euroclear and Clearstream and, in the case of GDRs represented by the Rule 144A Master GDR, will be made by the Depositary through DTC, on behalf of persons entitled thereto upon receipt of funds therefor from the Issuer. A free distribution or rights issue of Shares to the Depositary on behalf of the Holders will result in the record maintained by the Depositary being marked up to reflect the enlarged number of GDRs represented by the relevant Master GDR.

Holders of GDRs will have voting rights as set out in the Conditions.

Surrender of GDRs

Any requirement in the Conditions or relating to the surrender of a GDR to the Depositary shall be satisfied by the production by Euroclear, or Clearstream (in the case of GDRs represented by the Regulation S Master GDR), or DTC (in the case of GDRs represented by the Rule 144A Master GDR), on behalf of a person entitled to an interest therein of such evidence of entitlement of such person as the Depositary may reasonably require, which is expected to be a certificate or other documents issued by Euroclear or Clearstream, or DTC, as appropriate. The delivery or production of any such evidence shall be sufficient evidence in favour of the Depositary, any Agent and the Custodian of the title of such person to receive (or to issue instructions for the receipt of) all money or other property payable or distributable in respect of the Deposited Property represented by such GDRs.

Notices

For as long as the Regulation S Master GDR is registered in the name of a nominee for a common depository holding on behalf of Euroclear and Clearstream, and the Rule 144A Master GDR is registered in the name of DTC or its nominee, notices to Holders may be given by the Depositary by delivery of the relevant notice to Euroclear and Clearstream, or (as appropriate) DTC, for communication to persons entitled thereto in substitution for delivery of notices in accordance with the Conditions.

Information

For so long as any of the Rule 144A GDRs or Shares represented thereby remain outstanding and are "restricted securities" within the meaning of Rule 144(a) (3) under the Securities Act, if at any time the Issuer is neither subject to and in compliance with the reporting requirements of Section 13 or 15(d) of the Exchange Act, nor exempt from such reporting requirements by complying with the information furnishing requirements of Rule 12g3-2(b) thereunder, the Issuer has agreed to supply to the Depositary such information in the English language and in such quantities as the Depositary may from time to time reasonably request, as is required to be delivered to any Holder or beneficial owner of Rule 144A GDRs or to any holder of Shares or prospective purchaser designated by such Holder, beneficial owner or holder pursuant to a Deed Poll executed by the Issuer in favor of such persons and the information delivery requirements of Rule 144A(d)(4) under the Securities Act, as amended, to permit compliance with Rule 144A in connection with resales of Rule 144A GDRs or Shares or interests therein in reliance on Rule 144A under the Securities Act and otherwise will comply with the requirements of Rule 144A(d)(4) under the Securities Act.

Governing Law

The Master GDRs, and all non-contractual obligations arising from or connected with the Master GDRs, shall be governed by and construed in accordance with English law.

DESCRIPTION OF ARRANGEMENTS TO SAFEGUARD THE RIGHTS OF THE HOLDERS OF THE GLOBAL DEPOSITARY RECEIPTS

Information relating to the Depositary

The Depositary is an entity established in the State of New York and is a state chartered New York banking corporation and a member of the United States Federal Reserve System, subject to regulation and supervision principally by the United States Federal Reserve Board and the New York State Banking Department.

Rights of Holders of GDRs

Relationship of Holders of GDRs with the Depositary

The rights of Holders against the Depositary are governed by the Conditions and the Deposit Agreement, which are governed by English law (except that the certifications to be given upon deposit or withdrawal of Shares (in Schedules 3 and 4 of the Deposit Agreement) are governed by the laws of the State of New York). The Depositary and the Company are parties to the Deposit Agreement. Holders of GDRs have contractual rights against the Depositary under the Conditions in relation to cash held by the Depositary, and rights against the Depositary under the Conditions under a bare trust in respect of Deposited Property other than cash (including Deposited Shares, which are Shares of the Company represented by GDRs) deposited with the Depositary under the Deposit Agreement, and certain limited rights against the Company by virtue of the Deed Poll.

The Depositary (The Bank of New York Mellon) will be registered in the central securities depositary in Egypt as the owner of the Shares underlying the GDRs. The Deposit Agreement and the Conditions are governed by English law. The Company and the Depositary have agreed that any disputes under the Deposit Agreement or the Conditions shall be resolved by proceedings in the courts of England, or the courts of New York State or United States Federal Court sitting in the Borough of Manhatten, New York City, or where the Depositary so elects by arbitration under the rules of the London Court of International Arbitration.

Voting: With respect to voting of Deposited Shares and other Deposited Property represented by GDRs, the Conditions and the Deposit Agreement provide that, if instructed by the Company, the Depositary shall send to any person who is a Holder on the record date established by the Depositary for that purpose voting materials and instructions for voting. The Deposit Agreement and the Conditions provide that the Depositary will endeavor to exercise or cause to be exercised the voting rights with respect to Deposited Shares in accordance with the voting instructions it has received from Holders, subject to applicable Egyptian laws. (See Condition 12 if the "*Terms and Conditions of the Global Depoositary Receipts*").

Delivery of Shares

The Deposit Agreement and the Conditions provide that the Deposited Shares can only be delivered out of the Regulation S and Rule 144A GDR facilities to, or to the order of, a Holder of related GDRs upon receipt and cancellation of such GDRs.

Cancellation of GDRs and Withdrawal of Shares

Whenever the Depositary in good faith deems it necessary or desirable or advisable at any time or from time to time, in order to comply with any applicable law or governmental or stock exchange regulations, the Depositary may close its books to deposits of additional Shares, including where the Depositary believes that the deposit of Shares against issuance of GDRs would result in GDRs representing a percentage exceeding any limit established by any applicable law, directive, regulation or permit, or trigger any condition for the making of any filing, application, notification or registration or for obtaining any approval, license or permit under any applicable law, directive or regulation, or for taking any other action.

Where the Depositary or its agent receives any notice from any governmental or regulatory authority advising that the GDR arrangements violates applicable law or regulation, or that the Depositary (or its agents) is required to obtain any authorisation to operate the GDR arrangements, or advice from legal counsel that the Depositary (or its agents) could be subject to criminal, civil or other liabilities as a result of operating the GDR facility, including a situation where Shares represented by GDRs exceed any limit established by any applicable law, directive, regulation or permit, or trigger any condition for the making of any filing, application, notification or registration or for obtaining any approval, license or permit under

any applicable law, directive or regulation, or for taking any other action, the Depositary may, with (to the extent reasonably practicable) prior notice to the Company and the Holders, cancel a number of the GDRs then outstanding, sell (either by public or private sale and otherwise at its discretion, subject to all applicable laws and regulations) the Shares formerly represented by such GDRs and distribute the net proceeds of such sale as a cash distribution to the Holders entitled thereto, and thereby reduce the Depositary's holdings of any class of Shares.

As is customary in such circumstances, the Depositary will put in place systems and procedures to monitor the number of Shares represented by outstanding GDRs. This monitoring is intended to ensure that the number of Shares represented by outstanding GDRs at any time does not exceed 33% of the number of the Company's currently outstanding Shares as permitted by the approval given to the Company by the EFSA on March 8, 2015. The Custodian, Commercial International Bank of Egypt, will be informed of the 33% limit. The Custodian will, in turn, code its systems not to accept deposits of shares in excess of this 33% limit. As a secondary back up, the Depositary will also code its systems with this same limit—"Maximum Allowable Limit". Once this limit is reached, the Depositary will close its books to deposits of shares and will not allow further issuances of GDRs. It will also publish a notice on its website to inform brokers that the books are closed for the GDR facility and will not be reopened until the number of shares falls below the Maximum Allowable limit.

In the unlikely event of governmental or regulatory intervention or unforeseen corporate action resulting in the current or any future percentage limit on the number of our Shares represented by GDRs being exceeded, the Depositary may take such steps as are necessary to remedy the consequences of such limit being exceeded. Where voluntary withdrawals of Shares from the GDR program do not bring the number of Shares representing outstanding GDRs below the applicable limit, the Depositary may undertake a pro rata cancellation of GDRs among the existing holders of GDRs in order to bring the number of Shares representing outstanding GDRs below such limit. In such circumstances, the Depositary may sell the Deposited Property and remit the net proceeds of such sale among the relevant holders pro-rata to their respective holdings of GDRs immediately prior to the cancellation, except that the allocations may be adjusted by the Depositary, in its sole discretion, so that no fraction of a cancelled GDR is allocated to any holder. Any payment in connection with GDRs represented by a Master GDR shall be made according to the usual practice between the Depositary and the relevant settlement system.

Rights of the Company

The Company has broad rights to remove the Depositary under the terms of the Deposit Agreement, but no specific rights under the Deposit Agreement which are triggered in the event of the insolvency of the Depositary.

Insolvency of the Depositary

Applicable insolvency law

If the Depositary becomes insolvent, the insolvency proceedings will be governed by U.S. law applicable to the insolvency of banks.

Effect of applicable insolvency law in relation to cash

The Conditions state that any cash held by the Depositary for Holders is held by the Depositary as banker. Under current U.S. law, it is expected that any cash held for Holders by the Depositary as banker under the Conditions would constitute an unsecured obligation of the Depositary. Holders would therefore only have an unsecured claim in the event of the Depositary's insolvency for such cash, and such cash would be also be available to general creditors of the Depositary or the U.S. Federal Deposit Insurance Corporation ("FDIC").

Effect of applicable insolvency law in relation to non-cash assets

The Deposit Agreement states that the Deposited Shares and other non-cash assets which are held by the Depositary for Holders are held by the Depositary as bare trustee and, accordingly, the Holders will be tenants in common for such Deposited Shares and other non-cash assets. Under current U.S. law, it is expected that any Deposited Shares and other non-cash assets held for Holders by the Depositary on trust under the Conditions would not constitute assets of the Depositary and that Holders would have ownership rights relating to such Deposited Shares and other non-cash assets and be able to request the

Depositary's liquidator to deliver to them such Depositary Shares and other non-cash assets, and such Depositary Shares and other non-cash assets would be unavailable to general creditors of the Depositary or the FDIC.

Default of the Depositary

If the Depositary fails to pay cash or deliver non-cash assets to Holders in the circumstances required by the Conditions or otherwise engages in a default for which it would be liable under the Conditions, the Depositary will be in breach of its contractual obligations under the Conditions. In such case, Holders will have a claim under English law against the Depositary to the extent that the Depositary is in breach of its contractual obligations under the Conditions.

The Custodian

The Custodian is Commercial International Bank (Egypt) S.A.E., an entity established under Egyptian law. The Custodian holds securities for the Depositary subject to a custody agreement between the Custodian and the Depositary which is governed by New York law.

The Custodian may resign or be discharged from its duties by prior notice except that if a replacement Custodian is appointed which is a branch or an affiliate of the Depositary, the Custodian's resignation or discharge may take place immediately on the appointment of such replacement Custodian. Notice of any change of Custodian shall be given to Holders by the Depositary, following such change. The Depositary shall promptly appoint a successor Custodian which shall upon acceptance of such appointment and the expiry of any applicable notice period become the Custodian and the retiring Custodian shall vest the Deposited Property and the relevant records in the replacement Custodian.

Relationship of Holders of GDRs with the Custodian

The Holders do not have any contractual relationship with, or rights enforceable against, the Custodian. All of the Company's Shares, including the Deposited Shares, will be held through the local central securities depository, MCDR. The account of the Depositary will be shown in the books of MCDR as the registered owner of a global account containing the Deposited Shares and managed by the Custodian.

Default of the Custodian

Failure to deliver cash

Cash payments from the Company (which are expected to be denominated in EGP) will initially be received by the Depositary in an account held by the Custodian in the Depositary's name. Subject to Egyptian legislation (which currently permits amounts in EGP to be removed from Egypt and converted into U.S. dollars by the Depositary without restriction), amounts received from the Company by the Depositary will then be exchanged for U.S. dollars in accordance with the Conditions and the U.S. dollars will be received by the Depositary in New York. After deduction of any fees and expenses of the Depositary, the U.S. dollars will then be paid by the Depositary to the Holders in accordance with the Conditions. If the Custodian fails to deliver cash to the Depositary as required under the custody agreement or otherwise engages in a default for which it would be liable under the terms of the custody agreement, the Custodian will be in breach of its contractual obligations under the custody agreement. In such case, the Depositary would have a claim under New York law against the Custodian for the Custodian's breach of its contractual obligations under the custody agreement. The Depositary can also remove the Custodian and appoint a substitute or additional custodians and may exercise such rights if it deems necessary.

Failure to deliver non-cash assets

If the Custodian fails to deliver Deposited Shares or other non-cash assets held for the Depositary as required by the Depositary, the Custodian will be in breach of its obligations to the Depositary. In such case, the Depositary will have a claim under New York law against the Custodian for the Custodian's breach of its obligations under the custody agreement. The Depositary can also remove the Custodian and appoint a substitute or additional custodians and may exercise such rights if it deems necessary.

The Depositary's obligations

The Depositary has no obligation to pursue a claim for breach of obligations against the Custodian on behalf of Holders.

The Depositary is not responsible for and shall incur no liability in connection with or arising from default by the Custodian. Holders will have a claim against the Depositary under the Conditions to the extent that any act or omission to act on the part of the Custodian constitutes wilful default, negligence or fraud of the Depositary, or its agents, officers, directors or employees.

Applicable law

The custody agreement is governed by New York law.

Bankruptcy of the Custodian

Applicable law

If the Custodian becomes bankrupt, the bankruptcy proceedings will be governed by applicable Egyptian law.

Effect of applicable bankruptcy law in relation to cash

Cash held by the Depositary on deposit with the Custodian may be reimbursed to the Depositary in the event of the Custodian's bankruptcy if it is allocated in a separate account in the Depositary's name and, provided that such reimbursement is approved by the trustee in bankruptcy and the competent court. Any remaining cash would form part of the Custodian's insolvent estate and would be available to satisfy the claims of the Custodian's creditors. Generally, there can be no assurance that in the event of such bankruptcy, cash will be available for distribution to the shareholders.

Under the Egyptian Commercial Code, in the event of the Custodian's bankruptcy, creditors may request the annulment of any transaction entered into within a two year period prior to the date the Custodian is judged to be bankrupt if there is evidence that such transaction harmed the interests of the creditors and the third party beneficiaries of such transaction knew at that time that the Custodian had suspended payments to its creditors.

Effect of applicable bankruptcy law in relation to non-cash assets

The Depositary will maintain ownership rights in the Deposited Shares held at MCDR in an account managed by the Custodian at the time of its bankruptcy. Applicable Egyptian rules and regulations provide for and empower the responsible authorities to ensure continuous operations of the Depositary's account at the MCDR until another Custodian is appointed by the Depositary and take over the management of the account held at MCDR.

The Depositary's liability

The Depositary is only liable to Holders for loss incurred by Holders as a result of the Custodian's bankruptcy to the extent such loss arises from the wilful default, negligence or bad faith of the Depositary or that of its agents, officers, directors or employees.

The Depositary's obligations

The Depositary has no obligation to pursue a claim in the Custodian's bankruptcy on behalf of the Holders. The Depositary has no responsibility for, and will incur no liability in connection with or arising from, the insolvency of any custodian. In the event of the bankruptcy of the Custodian, the Holders have no direct recourse to the Custodian under the Deposit Agreement, though the Depositary can remove the Custodian and appoint a substitute or additional custodians and may exercise such rights if it deems necessary.

TAXATION

The following summary of certain U.S. federal, United Kingdom and Egyptian tax consequences of ownership of the Shares or the GDRs based upon laws, regulations, decrees, rulings, income tax conventions (treaties), administrative practice and judicial decisions in effect at the date hereof. Legislative, judicial or administrative changes or interpretations may, however, be forthcoming. Any such changes or interpretations could affect the tax consequences to holders of the Shares or the GDRs, possibly on a retroactive basis, and could alter or modify the statements and conclusions set forth herein. This summary does not purport to be a legal opinion or to address all tax aspects that may be relevant to a holder of the Shares and GDRs. Each prospective holder is urged to consult its own tax advisor as to the particular tax consequences to such holder of the ownership and disposition of the Shares or the GDRs, including the applicability and effect of any other tax laws or tax treaties, of pending or proposed changes in applicable tax laws as at the date hereof, and of any actual changes in applicable tax laws after such date.

Certain United States Federal Income Tax Considerations

The following is a summary of certain US federal income tax consequences with respect to the acquisition, ownership and disposition of the Shares or the GDRs by a US Holder (as defined below). This summary deals only with initial purchasers of Shares or GDRs in the Combined Offering that use the US Dollar as their functional currency and will hold the Shares or the GDRs as capital assets.

This discussion does not address all US tax consequences that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership and disposition of the Shares or the GDRs and does not address aspects of US federal income taxation that may be applicable to investors that are subject to special tax rules, including without limitation:

- banks, financial institutions or insurance companies;
- real estate investment trusts, regulated investment entities or grantor trusts;
- dealers or traders in securities, commodities or currencies;
- tax-exempt entities, including "Section 401" pension plans, individual retirement accounts and other tax deferred accounts;
- persons who receive the Shares or the GDRs as compensation for the performance of services;
- persons who will hold the Shares or the GDRs as part of a "hedging", "conversion" or constructive sale transaction, or as a position in a "straddle" for US federal income tax purposes;
- certain US expatriates;
- "dual resident" corporations;
- persons who are resident in or have a permanent establishment in Egypt; or
- holders that own (directly, indirectly or constructively) ten per cent or more, by voting power or value, of the equity interests of the Issuer.

Further, this description does not address state, local, foreign or other tax laws, nor does it address the 3.8 per cent US federal Medicare tax on net investment income, the alternative minimum tax or the US federal gift and estate tax consequences of the acquisition, ownership or disposition of the Shares or the GDRs.

This summary is based on the US Internal Revenue Code of 1986, as amended (the "**Code**"), its legislative history, existing and proposed regulations promulgated thereunder, published rulings and court decisions, as well as on the Income Tax Convention Between the United States of America and Egypt (the "**US Treaty**"), in each case as of the date of this Offering, all of which are subject to change (or to changes in interpretation), possibly with retroactive effect. The Issuer has not requested, and does not intend to request, a ruling from the US Internal Revenue Service (the "**IRS**") with respect to matters addressed herein.

US Holders

For the purposes of this summary, a "**US Holder**" is a beneficial owner of the Shares or the GDRs that is, for US federal income tax purposes:

- a citizen or individual resident of the United States;
- a corporation created or organized in or under the laws of the United States or any political subdivision thereof, including the District of Columbia;
- an estate, the income of which is subject to US federal income tax regardless of its source; or
- a trust if (i) a court within the United States is able to exercise primary supervision over its administration and one or more US persons have the authority to control all of the substantial decisions of such trust, or (ii) such trust has a valid election in effect to be treated as a US person for US federal income tax purposes.

The US federal income tax treatment of a partner in an entity or arrangement treated as a partnership for US federal income tax purposes that holds the Shares or the GDRs will depend on the status of the partner and the activities of the partnership. Such a partner or partnership should consult its tax advisor as to the US federal income tax consequences of the acquisition, ownership or disposition of the Shares or the GDRs.

Holders of the GDRs generally will be treated for US federal income tax purposes as holding Shares represented by the GDRs. No gain or loss will be recognized on an exchange of Shares for the GDRs or an exchange of the GDRs for Shares, provided the Depositary has not taken any action inconsistent with either the material terms of the Deposit Agreement or the US Holder's ownership of the Shares. Upon an exchange, the tax basis and holding period of the Shares would be the same as the tax basis and holding period of the GDRs.

THE SUMMARY OF US FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY AND IS INCLUDED HEREIN BY THE ISSUER IN CONNECTION WITH THE PROMOTION OR MARKETING BY THE ISSUER OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN. IT IS NOT INTENDED TO BE RELIED UPON BY PURCHASERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED UNDER THE CODE. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF THE SHARES OR THE GDRS, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

Distributions

General. Subject to the passive foreign investment company ("**PFIC**") rules discussed below, distributions with respect to the Shares or the GDRs paid by the Issuer out of current or accumulated earnings and profits (as determined for US federal income tax purposes), before reduction for any Egyptian withholding tax paid by the Issuer, with respect thereto, generally will be taxable to a US Holder as foreign source dividend income and will not be eligible for the dividends received deduction allowed to corporations. Distributions in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the US Holder's basis in the GDRs and thereafter as capital gain. However, the Issuer does not maintain calculations of its earnings and profits in accordance with US federal income tax accounting principles. Therefore, US Holders should assume that any distribution by the Issuer with respect to the Shares or the GDRs will be reported as ordinary dividend income. US Holders should consult their own tax advisors with respect to the appropriate US federal income tax treatment of any distribution received from the Issuer.

The US Dollar amount of dividends received by an individual, trust or estate will be subject to taxation at a maximum rate of 20.0 per cent if the dividends are "qualified dividends". Dividends will be treated as qualified dividends (a) if certain holding period requirements are satisfied, (b) if the US Treaty is a qualified treaty and the Issuer is eligible for the benefits under the US Treaty, and (c) provided that the Issuer was not, in the taxable year prior to the year in which the dividend was paid, and is not, in the taxable year in which the dividend is paid, a PFIC. The Issuer does not believe it has been a PFIC or will become one in the future. See the discussion below under "*—Passive Foreign Investment Company Considerations*". The IRS has determined that the US Treaty is a qualified treaty. Relevant US Holders

should consult their tax advisors regarding whether such dividends will qualify for the reduced rates provided by the "qualified dividend" rules.

Dividends paid in Egyptian Pounds will be includable in income in a US Dollar amount calculated by reference to the exchange rate in effect on the day the dividends are actually or constructively received by the US Holder, regardless of whether the Egyptian Pounds are converted into US Dollars at that time. If dividends received in Egyptian Pounds are converted into US Dollars on the day they are received, the US Holder generally will not be required to recognize foreign currency gain or loss in respect of the dividend income.

A US Holder may have foreign currency gain or loss if the dividend is converted into US dollars after the date of receipt. Any such foreign currency gain or loss generally will be treated as ordinary income or loss from sources within the United States.

Under current Egyptian law (see "*—Egypt—Dividend Withholding Tax*"), dividends paid by an Egyptian corporation to a US Holder will ordinarily be subject to Egyptian withholding tax. For US federal income tax purposes, US Holders will be treated as having received the amount of Egyptian taxes withheld by the Issuer, and as then having paid over the withheld taxes to the Egyptian taxing authorities. As a result of this rule, the amount of dividend income included in gross income for US federal income tax purposes by a US Holder with respect to a payment of dividends by the Issuer to a US Holder may be greater than the amount of cash actually received (or receivable) by the US Holder.

A US Holder generally will be entitled, subject to certain limitations, to a credit against its US federal income tax liability, or to a deduction, if elected, in computing its US federal taxable income, for non-refundable Egyptian income taxes withheld from dividends not exceeding the applicable rate under the US Treaty. An election to deduct foreign taxes instead of claiming foreign tax credits must apply to all foreign taxes paid or accrued in the taxable year. US Holders that are eligible for benefits under the US Treaty will not be entitled to a foreign tax credit for the amount of any Egyptian taxes withheld in excess of the applicable rate or for any Egyptian taxes which are refundable because they were imposed at a rate in excess of the applicable US Treaty rate. In most circumstances, the Egyptian statutory withholding tax rate on dividends should be less than the applicable withholding tax rate on dividends under the US Treaty. Aspects of the Egyptian legislation remain unclear and a US Holder should consult its tax advisor to determine whether it needs to apply for a reduced US Treaty rate and what US Treaty certification requirements would be required under Egyptian law.

Sale, Exchange or Other Disposition of the Shares or the GDRs

Subject to the PFIC rules discussed below, on the sale, exchange or other disposition of the Shares or the GDRs, a US Holder generally will recognize gain or loss for US federal income tax purposes equal to the difference, if any, between the amount realized on the sale, exchange or other disposition and the US Holder's adjusted tax basis in such Shares or GDRs, each determined in US Dollars. This capital gain or loss will be long-term capital gain or loss if the US Holder's holding period in the Shares or the GDRs exceeds one year. Deductions for capital losses are subject to limitations.

Any gain or loss will generally be US source gain or loss for foreign tax credit limitation purposes.

If a US Holder receives Egyptian Pounds (or other currency other than US Dollars) upon a sale, exchange or other disposition of the Shares or the GDRs, the amount realized generally will be the US Dollar value of the payment received determined on the date of disposition. If the Shares or the GDRs are traded on an "established securities market", a cash basis taxpayer or, if it so elects, an accrual basis taxpayer, will determine the US Dollar value of the amount realized by translating the amount received at the spot rate of exchange on the settlement date of the sale. A US Holder will have a tax basis in the foreign currency received equal to the amount realized. Any currency exchange gain or loss realized on the settlement date or a subsequent conversion sale or other disposition of the foreign currency into US Dollars for a different amount generally will be treated as ordinary income or loss from sources within the United States.

Under current Egyptian law (see "*—Egypt—Taxation of Capital Gains"*), an Egyptian capital gains tax will ordinarily be levied on the sale or exchange of listed shares on an Egyptian stock exchange at a rate of 10.0%. This rate should be reduced to zero pursuant to the terms of the US Treaty. If Egypt were to apply the statutory Egyptian tax notwithstanding the terms of the US Treaty, US Holders would likely not be able to credit such taxes under the US foreign tax credit limitations either because the tax would not be seen as a compulsory tax for foreign tax credit purposes or, even if the tax were treated as a compulsory tax for foreign tax credit purposes, because the resulting gain would be treated as US source income. In the latter

case, any Egyptian tax would not be creditable except to the extent the US Holder had other foreign source income in the same category from other sources.

If Egypt would otherwise exempt a US Holder from the Egyptian capital gain tax because of the terms of the US Treaty, but the US Holder failed to certify its status as a taxpayer entitled to exemption under the terms of the US Treaty (with the consequence that Egypt imposed the capital gains tax), the US Holder would also not be able to credit such taxes for US foreign tax credit purposes because, in such a case, the Egyptian tax would not be seen as a compulsory tax for foreign tax credit purposes.

The precise application of the Egyptian capital gains tax remains uncertain (particularly with respect to its application to Shares or the GDRs). US Holders are urged to consult their tax advisors regarding the US federal income tax consequences were an Egyptian capital gains tax to be imposed on a disposition of the Shares or the GDRs, including the availability of the foreign tax credit under their particular circumstances.

Passive Foreign Investment Company Considerations

A non-US corporation will be classified as a PFIC, for US federal income tax purposes in any taxable year in which, after applying certain look-through rules, either:

- at least 75.0 per cent of its gross income is "passive income"; or
- at least 50.0 per cent of the quarterly average value of its gross assets is attributable to assets that produce "passive income" or are held for the production of passive income.

Passive income for this purpose generally includes, among other things, dividends, interest, royalties, rents and gains from commodities and securities transactions and from the sale or exchange of property that gives rise to passive income. However, rents and gains derived in the active conduct of a trade or business in certain circumstances are considered active income. In determining whether a non-US corporation is a PFIC, a proportionate share of the income and assets of each corporation in which it owns, directly or indirectly, at least a 25.0 per cent interest (by value) is taken into account.

The Issuer does not believe that it was a PFIC for US federal income tax purposes for its most recent taxable year and does not expect that it will be a PFIC for its current taxable year or in the foreseeable future. However, the determination of PFIC status is a factual determination that must be made annually at the close of each taxable year and therefore, there can be no certainty as to its status in this regard until the close of the current or any future taxable year. The Issuer's status could change depending upon, among other things, the trading price of its Shares or GDRs, changes in the composition and relative values of its assets, and the sources of its income. If the Issuer were a PFIC in any year during a US Holder's holding period for the Shares or the GDRs, the Issuer generally would continue to be treated as a PFIC for each subsequent year during which the US Holder owned the Shares or the GDRs.

If the Issuer were a PFIC for a taxable year during a US Holder's holding period for the Shares or the GDRs, such US Holder generally would be subject to additional taxes on any "excess distributions" received from the Issuer and on any gain realized from a sale, exchange or other disposition of the Shares or the GDRs. A US Holder would have an excess distribution to the extent that distributions on the Shares or the GDRs during a taxable year exceed 125 per cent of the average of the annual distributions received during the three preceding taxable years (or, if shorter, the US Holder's holding period). To compute the tax on excess distributions, (i) the excess distribution would be allocated ratably over the US Holder's holding period, (ii) amounts allocated to the current taxable year and any year before the Issuer became a PFIC would be taxed as ordinary income in the current year and (iii) amounts allocated to other taxable years would be taxed at the highest applicable marginal rate in effect for each such year (i.e., at ordinary income tax rates) and (iv) an interest charge would be imposed to recover the deemed benefit from the deferred payment of the tax attributable to each year described in (iii) above. Gain on the disposition of the Shares or the GDRs will be subject to taxation in the same manner as an excess distribution, described immediately above.

Furthermore, if the Issuer were a PFIC with respect to a US Holder for any taxable year, to the extent any of the Issuer's subsidiaries were also PFICs, the US Holder may be deemed to own shares in such lower-tier PFICs that are directly or indirectly owned by the Issuer in the proportion to which the value of the Shares or the GDRs such US Holder owns bears to the value of all of the Issuer's shares, and the US Holder may be subject to the tax consequences described above with respect to the Shares of such lower-tier PFIC that such US Holder would be deemed to own. As a result, if the Issuer were a PFIC and

received a distribution from any lower-tier PFIC or any shares in a lower-tier PFIC were disposed of (or deemed disposed of), a US Holder may be subject to tax under the PFIC rules described above in the same manner as if the US Holder had held its proportionate share of the lower-tier PFIC stock directly even though such US Holder has not received the proceeds of the distribution or disposition directly. US Holders should consult their tax advisors regarding the application of the PFIC rules to any of the Issuer's subsidiaries.

If the Issuer were a PFIC and the Shares or the GDRs were "regularly traded" on a "qualified exchange", a US Holder could make a mark-to-market election that would result in tax treatment different from the treatment described above. The IRS has not identified specific foreign exchanges that are "qualified exchanges" for this purposes. The Issuer expects the London Stock Exchange, on which the Shares or the GDRs will be listed, would be considered a qualified exchange; however, no assurance can be given as to whether the Shares or the GDRs will be traded in sufficient frequency to be considered regularly traded for these purposes. Additionally, because a mark-to-market election cannot be made for equity interests in any lower tier PFICs that the Issuer may own, a US Holder that makes a mark-to-market election with respect to the Issuer may continue to be subject to the PFIC rules with respect to any indirect investments held by the Issuer that are treated as an equity interest in a PFIC for US federal income tax purposes.

A US Holder would not be able to avoid the tax consequences described above by electing to treat the Issuer as a qualified electing fund ("**QEF**"), because the Issuer does not intend to provide US Holders with the information that would be necessary to make a QEF election with respect to the Shares or the GDRs.

If the Issuer were regarded as a PFIC, a US Holder would be required to file an annual information return on IRS Form 8621 relating to the US Holder's ownership of the Shares or the GDRs.

The PFIC rules are particularly complex. Prospective purchasers should consult their tax advisors regarding the potential application of the PFIC regime.

Backup Withholding and Reporting Requirements

Payments of dividends with respect to the Shares or the GDRs and proceeds from the sale, exchange or other disposition of the Shares or the GDRs, by a US paying agent or other US intermediary, or made into the United States, will be reported to the IRS and to the US Holder as may be required under applicable Treasury regulations. Backup withholding may apply to these payments if the US Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to comply with applicable certification requirements. Certain US Holders (including, among others, corporations) are not subject to backup withholding and information reporting. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a US Holder will be refunded (or credited against such US Holder's US federal income tax liability, if any), provided the required information is timely furnished to the IRS. Prospective investors should consult their own tax advisors as to their qualification for exemption from backup withholding and the procedure for establishing an exemption.

Certain individual US Holders (and under proposed Treasury regulations, certain entities) may be required to report to the IRS information with respect to their investment in the Shares or the GDRs not held through an account with a US financial institution. US Holders who fail to report required information could become subject to substantial penalties. US Holders are encouraged to consult with their own tax advisors regarding foreign financial asset reporting requirements with respect to their investment in the Shares or the GDRs.

US Holders who acquire any of the Shares or the GDRs for cash may be required to file an IRS Form 926 (Return by a US Transferor of Property to a Foreign Corporation) with the IRS and to supply certain additional information to the IRS if (i) immediately after the transfer, the US Holder owns directly or indirectly (or by attribution) at least 10 per cent of the Issuer's total voting power or value or (ii) the amount of cash transferred to the Issuer in exchange for the Shares or the GDRs when aggregated with all related transfers under applicable regulations, exceeds US$100,000. Substantial penalties may be imposed on a US Holder that fails to comply with this reporting requirement. Each US Holder is urged to consult with its own tax advisor regarding this reporting obligation.

United Kingdom Tax Considerations

The following is a general summary of certain United Kingdom tax considerations relating to the ownership and disposal of the Shares or the GDRs. It is based on current United Kingdom tax law and published HM Revenue & Customs ("**HMRC**") practice as at the date hereof, as well as the provisions of

the 1977 double taxation treaty between the United Kingdom and Egypt, as amended, each of which is subject to change, possibly with retrospective effect.

The summary applies only to persons who are resident (and, in the case of individuals, resident and domiciled) in the United Kingdom for tax purposes and who are not resident for tax purposes in any other jurisdiction and do not have a permanent establishment or fixed base in any other jurisdiction with which the holding of the Shares or the GDRs is connected ("**U.K. Holders**"). Persons (a) who are not resident (or, if resident, are not domiciled and to whom "split year" treatment does not apply) in the United Kingdom for tax purposes, including those individuals and companies who trade in the United Kingdom through a branch, agency or permanent establishment in the United Kingdom to which the Shares or the GDRs are attributable, or (b) who are resident or otherwise subject to tax in a jurisdiction outside the United Kingdom, are recommended to seek the advice of professional advisors in relation to their taxation obligations.

This summary is for general information only and is not intended to be, nor should it be considered to be, legal or tax advice to any particular investor. It does not address all of the tax considerations that may be relevant to specific investors in light of their particular circumstances or to investors subject to special treatment under United Kingdom tax law. In particular:

- this summary only applies to the absolute beneficial owners of the Shares, the GDRs and any dividends paid in respect of the Shares where the dividends are regarded for United Kingdom tax purposes as that person's own income (and not the income of some other person);
- this summary: (a) only addresses the principal United Kingdom tax consequences for U.K. Holders who hold their Shares and/or GDRs as capital assets, (b) does not address the tax consequences which may be relevant to certain special classes of investor such as dealers, brokers or traders in shares or securities and other persons who hold the Shares or the GDRs otherwise than as an investment, (c) does not address the tax consequences for U.K. Holders that are trustees, financial institutions, insurance companies, collective investment schemes, pension schemes, charities or tax-exempt organizations, (d) assumes that the U.K. Holder is not one of the Issuer's officers or employees (or of any related company) and has not (and is not deemed to have) acquired the Shares or the GDRs by virtue of an office or employment, and (e) assumes that the U.K. Holder does not control or hold (and is not deemed to control or hold), either alone or together with one or more associated or connected persons, directly or indirectly (including through the holding of the Shares or the GDRs), an interest of 10% or more in the Shares, voting power, rights to profits or capital, and is not otherwise connected with the Issuer.

This summary further assumes that (a) a holder of the Shares or the GDRs is, for United Kingdom tax purposes, absolutely beneficially entitled to such Shares, or to the Shares underlying the relevant GDRs, and to the dividends on those Shares and (b) dividends paid by the Issuer will be treated as income distributions for United Kingdom tax purposes.

Potential investors in the Shares or the GDRs should satisfy themselves prior to investing as to the overall tax consequences, including, specifically, the consequences under United Kingdom tax law and HMRC practice of the acquisition, ownership and disposal of the Shares or the GDRs, in their own particular circumstances by consulting their own tax advisors.

Taxation of dividends

Withholding tax

Dividend payments in respect of the Shares or the GDRs may be made without withholding or deduction for or on account of United Kingdom tax.

Currency of Dividends

U.K. Holders of GDRs should note that their liability to United Kingdom tax in respect of dividends paid by the Issuer will be determined by reference to the amount of the dividend in the currency in which it is paid, which may not be the same as the US Dollar amount received by such U.K. Holders from the Depositary in respect of such dividend.

Income tax

Dividends received by individual U.K. Holders will be subject to United Kingdom income tax on the full amount of the dividend paid (before the deduction of any Egyptian withholding tax (see "*—Egyptian Tax Considerations—Dividend Withholding Tax*")) grossed up for the amount of the non-refundable United Kingdom dividend tax credit referred to below, with potential credit for Egyptian tax deducted at source (as described below).

The rate of United Kingdom income tax which is chargeable on dividends received in the tax year 2014/2015 by (i) additional rate taxpayers is 37.5%, (ii) higher rate taxpayers is 32.5%, and (iii) basic rate taxpayers is 10%. Individual U.K. Holders will be entitled to a non-refundable tax credit equal to one-ninth of the full amount of the dividend received from the Issuer (before the deduction of any Egyptian withholding tax), which will be taken into account in computing the gross amount of the dividend which is chargeable to United Kingdom income tax. The tax credit will be credited against the U.K. Holder's liability (if any) to United Kingdom income tax on the gross amount of the dividend. An individual shareholder who is not subject to United Kingdom income tax on dividends received from us will not be entitled to claim payment of the tax credit in respect of such dividends. An individual's dividend income is treated as the top slice of their total income which is chargeable to United Kingdom income tax.

Corporation tax

A U.K. Holder within the charge to United Kingdom corporation tax should generally be entitled to exemption from United Kingdom corporation tax in respect of dividend payments. If the conditions for the exemption are not satisfied, or a U.K. Holder elects for an otherwise exempt dividend to be taxable, United Kingdom corporation tax will be chargeable on the gross amount of any dividends received from the Issuer (before deduction of any Egyptian withholding tax), subject to any applicable credit for Egyptian tax deducted at source (as described below). If potential investors are in any doubt as to their position, they should consult their own professional advisors.

Credit for Egyptian tax

Credit may be given for Egyptian tax withheld from dividends, subject to general rules regarding the calculation and availability of such credit, including a requirement to take all reasonable steps to minimize the amount of Egyptian tax on such dividends, including obtaining relief at source and any available refunds. See also "*—Egyptian Tax Considerations—Dividend Withholding Tax*". Where a dividend paid by the Issuer is treated as exempt from U.K. corporation tax or United Kingdom income tax, a United Kingdom Holder will not be entitled to claim relief by way of credit in the United Kingdom in respect of any Egyptian tax paid by such holder, either directly or by deduction, in respect of that dividend.

Provision of information

Information relating to securities may be required to be provided to HMRC in certain circumstances. This may include details of the beneficial owners of the Shares, the GDRs (or the Shares represented by such GDRs) or the persons for whom such securities are held, details of the persons to whom payments derived from the Shares or the GDRs (or the Shares represented by such GDRs) are or may be paid and information and documents in connection with transactions relating to the Shares or the GDRs (or the Shares represented by such GDRs). Information may be required to be provided by, amongst others, the holders of the Shares, the GDRs, the Depositary, the Custodian, persons by (or via) whom payments derived from the Shares or the GDRs (or the Shares represented by such GDRs) are made or who receive (or would be entitled to receive) such payments, persons who effect or are a party to transactions relating to the Shares or the GDRs (or the Shares represented by such GDRs) on behalf of others and certain registrars or administrators. In certain circumstances, the information obtained by HMRC may be exchanged with tax authorities in other countries. However, in accordance with guidance published by HMRC applicable for the 2014/2015 tax year, dividend payments in respect of the Shares or the GDRs (or the Shares represented by such GDRs) should not be treated as falling within the scope of the requirement. There is no guarantee that equivalent guidance will be issued in respect of future years.

Taxation of disposals

A disposal or deemed disposal of the Shares or the GDRs by an individual U.K. Holder may, depending on his or her individual circumstances, give rise to a chargeable gain or to an allowable loss for the purpose of United Kingdom capital gains tax. The principal factors that will determine the capital gains tax liability of

an individual U.K. Holder on a disposal of the Shares or the GDRs are the extent to which the holder realizes any other chargeable gains in the tax year in which the disposal is made, the extent to which the holder has incurred allowable losses in that or any earlier tax year and the level of the annual allowance of tax-free gains for that tax year (the "**Annual Exemption**"). The Annual Exemption for the 2014/2015 tax year is £11,000 and for the 2015/2016 tax year is to be £11,100. If, after all allowable deductions, an individual U.K. Holder's taxable income for the year exceeds the basic rate income tax limit, taxable chargeable gains will be taxed at 28%. In other cases, taxable chargeable gains may be taxed at 18% or 28% or at a combination of both rates.

An individual U.K. Holder who ceases to be resident in the United Kingdom for a period of five years or less and who disposes of his or her Shares or GDRs during that period of temporary non-residence may be liable to United Kingdom capital gains tax on a chargeable gain accruing on such disposal on his or her return to the United Kingdom (subject to available exemptions or reliefs).

A disposal of the Shares or the GDRs by a corporate U.K. Holder may give rise to a chargeable gain or an allowable loss for the purpose of United Kingdom corporation tax. Such a holder should be entitled to an indexation allowance, which (broadly) applies to reduce capital gains to the extent that such gains arise due to inflation. The allowance may reduce a chargeable gain but will not create an allowable loss.

Any gains or losses in respect of currency fluctuations between US Dollars and sterling (or, in the case of certain corporate U.K. Holders, their functional currency) between the date of acquisition and the date of disposal of the Shares or the GDRs would be brought into account in computing any chargeable gain or allowable loss on the disposal.

Credit for Egyptian withholding tax

Certain capital gains may be subject to Egyptian withholding tax. See "*—Egyptian Tax Considerations—Taxation of Capital Gains*". Credit against United Kingdom tax may be given for Egyptian tax withheld, subject to general rules regarding the calculation and availability of such credit, including a requirement to take all reasonable steps to minimize the amount of Egyptian tax on such capital gains.

Stamp duty and stamp duty reserve tax ("SDRT")

Provided that the Shares are only registered on a register outside the United Kingdom and provided that no instrument of transfer either is executed in the United Kingdom or relates to any matter or thing done in the United Kingdom, there will be no United Kingdom stamp duty or SDRT payable on the issue or transfer of the Shares.

No United Kingdom stamp duty or SDRT will be payable on the issue of the GDRs or their delivery into DTC, Euroclear or Clearstream (as applicable).

No United Kingdom stamp duty or SDRT will be payable on any transfer of the GDRs once they are issued into DTC, Euroclear or Clearstream (as applicable), where such transfer is effected in electronic book-entry form in accordance with the procedures of DTC, Euroclear or Clearstream (as applicable).

No United Kingdom stamp duty should be payable in respect of the transfer of the GDRs, where the document of transfer is not executed in the United Kingdom and does not relate to any property situate or to any matter or thing done or to be done in the United Kingdom. No United Kingdom SDRT should be payable in respect of any agreement to transfer the GDRs.

Inheritance tax

United Kingdom inheritance tax may be chargeable on the death of, or in certain circumstances on a gift by, the holder of Shares or GDRs, where the holder is an individual who is domiciled or is deemed to be domiciled in the United Kingdom. If the Shares or the GDRs (or the Shares underlying such GDRs) are considered to be a United Kingdom situs asset for inheritance tax purposes, regardless of the holder's domicile, the asset may be subject to United Kingdom inheritance tax upon the death of the holder or in certain circumstances on the gift by the holder of the Shares or the GDRs. For United Kingdom inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift and particular rules apply to gifts where the donor receives or retains some benefit in the gifted property.

Egyptian Tax Considerations

The following is a summary of the principal tax consequences for holders of ordinary shares and GDRs who are not resident in Egypt ("**Non-Residents**"). From an Egyptian taxation point of view, the contribution of Shares into the deposit facility (i.e. the conversion of Shares into GDRs) or withdrawal of ordinary shares from the deposit facility (i.e. the conversion of GDRs into their underlying Shares) is considered as a transfer of ordinary shares. This summary addresses only the tax consequences for investors who hold the ordinary shares or GDRs as capital assets and does not address the tax consequences which may be relevant to other classes of investors, such as dealers in securities.

In 2014, Law No. 53 was issued amending the then existing tax law to, among other thing, introduce taxation on dividend distributions and capital gains on sales of securities. To date there has been limited interpretive guidance from the tax authorities regarding Law No. 53, and the corresponding executive regulations have not yet been issued. As a result, there is significant uncertainty regarding the proper application and calculation of tax with respect to securities, in particular GDRs. The following summary is based on the wording of Law No. 53 and the limited available guidance relating to this new law. However, there can be no assurance that the tax authorities will not take differing interpretations of Law No. 53 or that the executive regulations, once adopted, will not materially change the application of the taxes described below. Investors should seek independent tax advice with respect to their tax position arising out of trading of the Shares or GDRs.

Dividend Withholding Tax

Under Law No. 53, for Non-Residents, dividends of an Egyptian company are currently taxed at a rate of 10%, which is reduced to 5% for shareholdings in excess of 25% of the company's capital or shareholding rights, provided that the ordinary shares or GDRs have been owned by the holder for not less than two years. This Issuer and MCDR are required to withhold this tax on dividends on all Shares, including the Shares underlying the GDRs.

Taxation of Capital Gains

Under Law No. 53, for Non-Residents capital gains tax is levied on the net gain on a sale or exchange of securities listed in Egypt at a rate of 10%. The MCDR is required to withhold 6% of the amount of realized capital gains for each trade on the EGX in accordance with procedures to be set forth in the executive regulations to Law No. 53.

The tax laws have not addressed the contribution of Shares into or the withdrawal of Shares from the deposit facility. Such contribution or withdrawal should not give rise to capital gains tax, however, this remains uncertain, and the tax authorities may apply capital gains tax.

Stamp Duty

Under Law No. 111 of 1980 (as amended), no stamp duty is to be levied on the sale or exchange of securities listed in Egypt. Accordingly, no stamp duty would apply to the GDRs or Shares.

Inheritance Tax

Under Law No. 227 of 1996, Egypt has abolished all inheritance taxes. Accordingly, no inheritance taxes in Egypt will be chargeable on the death of an owner of GDRs or Shares.

PLAN OF DISTRIBUTION

Description of the Distribution

The Issuer, the Selling Shareholders and the Joint Global Coordinators, in their capacity as underwriters ("**Underwriters**"), entered into an underwriting agreement on March 27, 2015 (the "**Underwriting Agreement**") with respect to the Shares and GDRs being offered by the Selling Shareholders pursuant to the Institutional Offering. EFG Hermes Promoting & Underwriting and Goldman Sachs International are acting as Joint Global Coordinators and Joint Bookrunners in connection with the Institutional Offering pursuant to their appointment in the Underwriting Agreement. The Underwriting Agreement does not relate to the Egyptian Retail Offering, and the Underwriters are not under any obligation under the Underwriting Agreement to procure purchasers for, or to purchase Shares being offered in the Egyptian Retail Offering. Under the terms of and subject to the conditions set forth in the Underwriting Agreement, each underwriter will agree, severally and not jointly, to procure purchasers for, or failing which to purchase, the number of Shares (in the form of Shares or GDRs), set forth opposite its name in the following table:

Underwriters	
EFG Hermes Promoting & Underwriting	46,241,885
Goldman Sachs International	46,241,885
Total	92,483,770

The Offer Price has been set at EGP 18.50 per Share or US$12.28 per GDR.

Allocations to investors were made, and binding contracts to purchase Shares and/or GDRs were entered into on March 27, 2015. Without prejudice to the foregoing, purchases of Shares and GDRs will be booked (and confirmations distributed) on April 1, 2015, in the case of Shares, and beginning on March 27, 2015, in case of GDRs.

The Shares and the GDRs have not been and will not be registered under the Securities Act or any securities laws of any state of the United States, and may not be offered or sold within the United States except in transactions exempt from, or not subject to, the registration requirements of the Securities Act and any applicable state securities laws. See "*Selling and Transfer Restrictions*".

In the event of a significant over-subscription in either the Institutional Offering or the Egyptian Retail Offering, the Joint Global Coordinators may, following consultation with the Issuer and the Selling Shareholders, re-allocate Shares either from the Institutional Offering to the Egyptian Retail Offering.

Prior to the Combined Offering, there has been no public market for the Shares or the GDRs. The Offer Price was determined by the Issuer and the Selling Shareholders, after consultation with the Joint Global Coordinators, based, among other things, on prevailing market and economic conditions, the Issuer's revenues and earnings, market valuations of other companies engaged in activities similar to that of the Issuer, the present state of the Issuer's business operations, its management, indications of interest from potential investors in the Shares and GDRs and other factors deemed relevant. There can be no assurance that a regular trading market for the Shares and the GDRs will develop or can be sustained. The price at which the Shares and GDRs will trade in the public markets after the Combined Offering may be lower than the price at which those Shares and GDRs are sold in the Institutional Offering.

The Underwriters have agreed to certain restrictions regarding the offer and sale of the Shares and GDRs as part of their distribution. The Underwriters, through their respective selling agents, will propose to resell Shares and/or GDRs in the United States to qualified institutional buyers in reliance on Rule 144A under the Securities Act. Any offer of Shares and/or GDRs in reliance on Rule 144A will be made by broker-dealers who are registered as such under the Exchange Act.

The Underwriters' obligations under the Underwriting Agreement are subject to the approval of certain legal matters by their counsel and certain other conditions, such as the accuracy of the representations and warranties of the Issuer and the Selling Shareholders made by each of them in the Underwriting Agreement and the absence of the occurrence of certain events or circumstances affecting the Issuer and its subsidiaries.

The closing of the Institutional Offering is subject to fulfillment of certain conditions, but it is not conditional upon closing of the Egyptian Retail Offering. Pursuant to the Underwriting Agreement, the Underwriters will have a right to terminate the Institutional Offering in certain circumstances prior to

admission of the GDRs to the Official List and trading on the London Stock Exchange's regulated market for listed securities and the admission of the Shares to trading on the EGX.

If an Underwriter defaults, the Underwriting Agreement provides that in certain circumstances, the purchase commitments of the non-defaulting underwriter may be increased or the Underwriting Agreement may be terminated.

In the Underwriting Agreement, the Issuer and each of the Selling Shareholders make certain representations and warranties. In addition, the Issuer has agreed to indemnify, under certain circumstances, the several Underwriters against certain liabilities, including liability under the Securities Act, the EGX Listing Rules and any relevant Egyptian laws or regulations. The Selling Shareholders have also agreed to provide a limited indemnity in favor of the Underwriters.

Stabilization

In connection with the Combined Offering, the Stabilizing Manager, or any of its agents, may, effect transactions in the Shares with a view to supporting or maintaining the market price of the Shares at a level higher than that which might have otherwise prevailed in the open market. However, there is no assurance that the Stabilizing Manager (or any persons acting on its behalf) will undertake any stabilizing activity. Any stabilizing transaction may begin on or after the date of the commencement of trading of Shares on the EGX, and, if begun, must end no later than 30 days after that date.

If the trading price per Share falls below the Offer Price, the Stabilizing Manager may submit purchase orders for Shares at the Offer Price, which will remain open until the end of the Stabilization Period. At the end of the Stabilization Period, open purchase orders submitted by the Stabilizing Manager will be matched with open sale orders and executed on the EGX. If the purchase orders submitted by the Stabilizing Manager exceed the amount deposited in the Stabilization Fund, such purchase orders will be executed on a pro rata basis up to the amount of the Stabilization Fund, and all Shares purchased will be placed in the Stabilization Fund. The Stabilizing Manager will remit to the Selling Shareholders, at the end of the Stabilization Period, any funds then remaining in the Stabilization Fund and any remaining Shares purchased during the Stabilization Period using the Stabilization Fund.

The Stabilizing Manager will disclose the stabilization transactions to the EGX at the end of the Stabilization Period.

Underwriters' Commissions

The Selling Shareholders will pay the Underwriters a commission equal to 2.00 per cent. of the aggregate gross proceeds relating to the sale of Shares (in the form of Shares or GDRs) by the Selling Shareholders in the Institutional Offering, plus applicable VAT if any.

The Selling Shareholders may, in their absolute discretion, pay the Underwriters a discretionary fee of up to 0.75 per cent. of the aggregate gross proceeds from the Institutional Offering received by the Selling Shareholders plus applicable VAT, if any. In addition, the Issuer has agreed to reimburse the Underwriters for certain of their expenses incurred in connection with the Institutional Offering.

Lock-up Provisions

The Underwriting Agreement will provide that the Issuer, subject to customary exceptions, for a period of 180 days following the commencement of trading of the Shares on the EGX and the GDRs on the London Stock Exchange, will not without the prior written consent of the Joint Global Coordinators, directly or indirectly, issue, offer, sell, contract to sell, pledge, otherwise dispose of, enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition of (whether by actual disposition or effective economic disposition due to cash settlement or otherwise), or publicly announce the offer of, any shares of the Issuer or any securities convertible into, or exercisable or exchangeable for, shares of the Issuer (including GDRs) or the intention to effect any transaction involving shares of the Issuer (including GDRs).

The Underwriting Agreement will provide that each of the Selling Shareholders and Berco Limited, subject to customary exceptions, for a period of one year following the commencement of trading of the Shares on the EGX and the GDRs on the London Stock Exchange, will not, without the prior written consent of the Joint Global Coordinators, directly or indirectly, issue, offer, sell, contract to sell, pledge, otherwise dispose of, enter into any transaction which is designed to, or might reasonably be expected to,

result in the disposition of (whether by actual disposition or effective economic disposition due to cash settlement or otherwise), or publicly announce the offer of, any shares of the Issuer or any securities convertible into, or exercisable or exchangeable for, shares of the Issuer (including GDRs) or the intention to effect any transaction involving shares of the Issuer (including GDRs).

In addition, the Selling Shareholders, and certain shares of Berco Limited, will be subject to a two-year statutory lock-up imposed by the EGX, which is expected to expire on April 1, 2017. The EGX requires at least 51% of the aggregate number of shares held by Principal Shareholders (prior to the Combined Offering) to be locked up for a period of two financial years of the Company, commencing on the first day of trading of the Shares on the EGX. The Shares locked up in accordance with the EGX Listing Rules requirements may be transferred during the lock-up period, subject to EFSA approval and the fulfilment of certain other EGX Listing Rules requirements.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities for the Issuer and/or certain of the Selling Shareholders. The Underwriters, and their respective affiliates have in the past performed commercial banking, investment banking and advisory services for the Issuer and/or certain of the Selling Shareholders, from time to time for which they have received customary fees and reimbursement of expenses and may, from time to time, in the future engage in transactions with and perform services for the Issuer and/or certain of the Selling Shareholders in the ordinary course of their business for which they may receive customary fees and reimbursement of expenses.

In connection with the Institutional Offering, each of the Underwriters and any affiliate acting as an investor for its own account may take up Shares and GDRs and in that capacity may retain, purchase or sell for its own account such Shares and GDRs and any related investments and may offer or sell such Shares and GDRs or other investments otherwise than in connection with the Institutional Offering. Accordingly, references in this prospectus to the Shares and GDRs being offered or placed should be read as including any offering or placement of Shares and GDRs to the Underwriters and any affiliate acting in such capacity. No Underwriter intends to disclose the extent of any such investment or transactions otherwise than to the Issuer and/or in accordance with any legal or regulatory obligation to do so. In addition, in connection with the Institutional Offering, certain of the Underwriters may enter into financing arrangements with investors, such as share swap arrangements or lending arrangements where Shares and GDRs are used as collateral, which could result in such Underwriters acquiring shareholdings in the Issuer.

SELLING AND TRANSFER RESTRICTIONS

Purchasers are advised to consult legal counsel prior to making any resale, pledge or transfer of GDRs.

Selling Restrictions

No action has been or will be taken in any jurisdiction other than the Egyptian Retail Offering that would permit a public offering of the Shares or the GDRs (or the shares represented thereby) offered in the Combined Offering, or possession or distribution of this prospectus or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, the Securities may not be offered or sold, directly or indirectly, and neither this prospectus nor any other offering material or advertisement in connection with the Securities may be distributed or published in or from any country or jurisdiction except under circumstances that would comply with any and all applicable rules and regulations of any such country or jurisdiction.

Persons into whose possession this prospectus comes should inform themselves about and observe any restrictions on the distribution of this prospectus and the offer and sale of Securities offered in the Institutional Offering, including those in the paragraphs below. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This prospectus does not constitute an offer to buy any of the Securities offered in the Combined Offering to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

Egypt

The Securities may not be offered or sold in any form of general solicitation or general advertising or in a public offering in Egypt, unless the pre-approval of the EGX and EFSA has been obtained. GDRs offered and sold in the Institutional Offering may only be offered or sold in Egypt through a private placement to Egyptian QIBs or Professional High Net Worth Investors (as defined below) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments for the purposes of their business and only in accordance with applicable Egyptian law and regulations including the applicable provisions of the Capital Market Law, its Executive Regulations and the provisions of the CMA's Directives No. 31 for the year 2002 concerning private placements.

Each purchaser of the Securities offered in the private placement in Egypt will be deemed to have represented that it is either an Egyptian QIB or a Professional High Net Worth Investor within the meaning of the Capital Market Law, its Executive Regulations and the CMA's Directive No. 31 of 2002 concerning private placements.

An "**Egyptian QIB**" is an institutional investor having (i) a minimum asset book value of EGP 20.0 million; (ii) a minimum equity book value of EGP 10.0 million; (iii) a minimum investment in securities (excluding securities related to the Combined Offering) of EGP 5.0 million as of date of the placement; or (iv) a license to operate in the field of securities and permitted to acquire securities within its objects. In addition, an Egyptian QIB should also have at least five years' experience in capital markets and stock exchanges locally and internationally.

A "**Professional High Net Worth Investor**" is an individual investor who meets one of the following criteria: (i) who owns assets with a minimum value of EGP 2.0 million; (ii) with a minimum annual income of EGP 500,000 (US$65,519); (iii) with a minimum bank savings account balance of EGP 500,000; or (iv) who, as of the placement date, holds securities in two joint stock companies (excluding securities acquired in the Combined Offering) with a minimum value of EGP 2.0 million.

United States

The Securities have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered or sold within the United States except in certain transactions exempt from the registration requirements of the Securities Act.

Prospective investors are hereby notified that sellers of the Securities may be relying on the exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A or another exemption from the registration requirements of the Securities Act. The Securities are being offered and sold outside of the United States in reliance on Regulation S. The Underwriting Agreement provides that certain of the Joint Global Coordinators may directly or through their respective US broker-dealer

affiliates, arrange for the offer and resale of the Securities within the United States only to QIBs in reliance on Rule 144A.

United Kingdom

Each of the Joint Global Coordinators has represented and agreed that: (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (as amended) (the "**FSMA**") received by it in connection with the issue or sale of the Securities in circumstances in which Section 21(1) of FSMA does not apply to the Issuer or the selling shareholders; and (ii) it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom.

This document is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons

European Economic Area

This prospectus has been prepared on the basis that any offer of Securities in any Member State of the European Economic Area (EEA) will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of Securities. Accordingly any person making or intending to make an offer in that Member State of Securities which are the subject of the offer contemplated in this prospectus may only do so (i) in circumstances in which no obligation arises for the Issuer or any of the Joint Global Coordinators to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor the Joint Global Coordinators have authorised, nor do they authorise, the making of any offer of Securities in circumstances in which an obligation arises for the Issuer or the Joint Global Coordinators to publish or supplement a prospectus for such offer.

Each of the Joint Global Coordinators has represented and agreed in relation to each Relevant Member State, with effect from and including the Relevant Implementation Date it has not made and will not make an offer of any Securities which are the subject of the Institutional Offering contemplated herein to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Securities to the public in that Relevant Member State with effect from and including the Relevant Implementation Date under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, subject to obtaining the prior consent of the Joint Global Coordinators for any such offer.

provided that no such offer of Securities shall result in a requirement for the publication by the Issuer or the Joint Global Coordinators of a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Each person in a Member State who receives any communication in respect of, or who acquires any Securities under, the offers contemplated here in this prospectus will be deemed to have represented, warranted and agreed to and with each underwriter, the selling shareholders and us that:

(a) it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and

(b) in the case of any Securities acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the Securities acquired by it in the offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in the circumstances in which the prior consent of the representatives of the Joint Global Coordinators has been given to the offer or resale or (ii) where Securities have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of such Securities to it is not treated under the Prospectus Directive as having been made to such persons.

The Issuer, the Joint Global Coordinators and their affiliates and others will rely (and we acknowledge that the Joint Global Coordinators and their affiliates and others will rely) upon the truth and accuracy of the foregoing representations, acknowledgements and agreements and will not be responsible for any loss occasioned by such reliance.

For the purposes of the provisions and representations above, the expression "an offer to the public" in relation to any Securities in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Securities to be offered so as to enable an investor to decide to purchase or subscribe for any Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (as amended) and includes any relevant implementing measure in each Member State.

Australia

The provision of this prospectus to any person does not constitute an offer of Securities to that person or an invitation to that person to apply for any Securities of the Company unless they are a person to whom an offer of Securities can be made in Australia without the need for a disclosure document under Chapter 6D of the *Corporations Act 2001* (Cth) ("**Corporations Act**"). Any such offer or invitation will only be extended to a person in Australia if that person is (i) a wholesale client for the purposes of section 761G of the Corporations Act, and is (ii) a sophisticated investor or a professional investor for the purposes of sections 708(8) or 708(11) of the Corporations Act, respectively, and (iii) a person whose ordinary business is to buy or sell shares, debentures or interests in managed investment schemes, whether as principal or agent, in each case a "wholesale investor."

This prospectus is intended to be provided only to wholesale investors. By retaining this prospectus, the recipient represents that the recipient is a wholesale investor.

This prospectus is not intended to be distributed or passed on, directly or indirectly, to any other class of persons in Australia.

The information in this prospectus is not personal advice and has been prepared without taking into account any investor's investment objectives, financial situation or particular needs. Before acting on the information, the investor should consider its appropriateness having regard to their investment objectives, financial situation and needs and consider obtaining their own financial product advice from an independent person who is licensed by the Australian Securities and Investments Commission ("**ASIC**"), to give such advice.

This prospectus is not a disclosure document under Chapter 6D of the Corporations Act or a product disclosure statement under Part 7.9 of the Corporations Act. It is not required to, and does not, contain all the information which would be required in a disclosure document or a product disclosure statement. It has not been lodged with ASIC. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of the Securities in Australia. No securities commission or similar authority in Australia, including ASIC, has reviewed or in any way passed upon this document or the merits of the Securities.

This prospectus has not been prepared specifically for Australian investors. It:

- may contain references to dollar amounts which are not Australian dollars;
- may contain financial information which is not prepared in accordance with Australian law, accounting standards or practices;
- may not address risks associated with investment in foreign currency denominated investments; and
- does not address Australian tax issues.

Any person to whom any Securities are issued or sold (an "**Investor**"), must not, within 12 months after the issue, offer, transfer or assign such Securities, or granting, issuing or transferring interests in, or options over such Securities, to investors in Australia except in circumstances where disclosure to investors is not required under the Corporations Act, such as to other wholesale investors.

Each Investor acknowledges the above and, by applying for Securities, gives an undertaking not to offer, transfer, assign or sell those Securities, or granting, issuing or transferring interests in, or options over such Securities, in any circumstances other than those described in the paragraph above.

This prospectus is issued by us. We are not licensed in Australia to provide financial product advice in relation to the Securities. An investor in the Securities will not have cooling off rights in relation to the Securities.

Italy

This prospectus has not been submitted to the *Commissione Nazionale per le Società e la Borsa*, the Italian securities regulator ("**CONSOB**") for clearance and will not be subject to formal review or clearance by CONSOB. The Securities may not be offered, sold or delivered, directly or indirectly, in the Republic of Italy or to a resident of the Republic of Italy, unless such offer, sale or delivery of the Securities, or distribution of copies of the prospectus, in the Republic of Italy is:

(a) made only to qualified investors (*investitori qualificati*) as defined pursuant to Article 34-*ter*, first paragraph, letter b), of CONSOB Regulation No. 11971 of May 14, 1999, as amended ("**Regulation No. 11971**"), as implemented by Article 26, first paragraph, letter d) of CONSOB Regulation No. 16190 of October 29, 2007, as amended ("**Regulation No. 16190**"), provided that such qualified investors will act in their own account and not as depositaries or nominees for other shareholders or third parties; or

(b) in other circumstances which are exempt from the rules on public offers pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Italian Securities Act**") and its implementing CONSOB regulations, including Regulation No. 11971.

Any such offer, sale or delivery of any Securities, or distribution of copies of the Prospectus, in the Republic of Italy must be in compliance with the selling restrictions under (a) and (b) above and must be:

(i) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the relevant provisions of the Italian Securities Act, Regulation No. 16190 and Legislative Decree No. 385 of September 1, 1993, as amended (the "**Italian Banking Act**");

(ii) in compliance with Article 129 of the Italian Banking Act and the implementing guidelines of the Bank of Italy, as amended, pursuant to which the Bank of Italy may request information on the offering or issue of securities in Italy; and

(iii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or the Bank of Italy or any other Italian authority.

In accordance with Article 100-bis of the Italian Securities Act, either the subsequent resale on the secondary market in the Republic of Italy of the Securities (which were part of an offer made pursuant to an exemption from the obligation to publish a prospectus) or the subsequent systematic resale on the secondary market in Italy to investors that are not qualified investors within 12 months of completion of the offer reserved to qualified investors only.

Switzerland

This document, as well as any other material relating to the securities which are the subject of the offering contemplated by this prospectus, does not constitute an issue prospectus pursuant to Articles 652a and/or 1156 of the Swiss Code of Obligations. The shares will not be listed on the SIX Swiss Exchange and, therefore, the documents relating to the shares, including, but not limited to, this document, do not claim to comply with the disclosure standards of the listing rules of the SIX Swiss Exchange and corresponding prospectus schemes annexed to the listing rules of the SIX Swiss Exchange. The shares are being offered in Switzerland by way of a private placement, i.e. to a small number of selected investors only, without any public offer and only to investors who do not purchase the shares with the intention to distribute them to the public. The investors will be individually approached by the Issuer from time to time. This document as well as any other material relating to the shares is personal and confidential and does not constitute an offer to any other person. This document may only be used by those investors to whom it has been handed out in connection with the offering described herein and may neither directly nor indirectly be distributed or made available to other persons without express consent of the Issuer. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in (or from) Switzerland.

Singapore

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, no Securities will be sold or caused to be made the subject of an invitation for subscription or purchase, directly or indirectly, to persons in Singapore, nor shall this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Securities, be circulated or distributed whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275, or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

1. A corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

2. A trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Securities pursuant to an offer made under Section 275 except:

   (a) To an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;

   (b) Where no consideration is or will be given for the transfer; or

   (c) Where the transfer is by operation of law.

State of Qatar

The Securities have not been and will not be offered, sold or delivered at any time, directly or indirectly, in the State of Qatar in a manner that would constitute a public offering. This Prospectus has not been reviewed or approved by or registered with the Qatar Central Bank or the Qatar Financial Markets Authority. This Prospectus is strictly private and confidential and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof.

Dubai International Financial Centre

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("DFSA"). This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for the prospectus. The securities to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this prospectus you should consult an authorized financial advisor.

Kingdom of Saudi Arabia

This Prospectus may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations issued by the Capital Market Authority of the Kingdom of Saudi Arabia.

The Capital Market Authority does not make any representations as to the accuracy or completeness of this Prospectus, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Prospectus. Prospective investors should conduct their own due diligence on the accuracy of the information relating to the Shares. If a prospective investor does not understand the contents of this Prospectus he or she should consult an authorised financial adviser.

Kuwait

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Securities in Kuwait. The Securities have not been licensed for offering in Kuwait by the Kuwait Capital Markets Authority, the Ministry of Commerce and Industry or the Central Bank of Kuwait or any other relevant Kuwaiti government agency. The Offer in Kuwait, on the basis of a public offering, is therefore restricted in accordance with Decree Law No. 31 of 1990 and the implementing regulations thereto (as amended), Ministerial Order No. 113 of 1992 and Law No. 7 of 2010 and the bylaws thereto (as amended). No private or public offering of the Securities is being made in Kuwait, and no agreement relating to the sale of the Securities will be concluded in Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the Securities in Kuwait.

United Arab Emirates

This offering circular is not intended to constitute an offer, sale or delivery of the Securities or other securities under the laws of the UAE. The Shares have not been and will not be registered under Federal Law No. 4 of 2000 concerning the Emirates Securities and Commodities Authority and the Emirates Security and Commodity Exchange, or with the UAE Central Bank, the Dubai Financial Market, the Abu Dhabi Securities Market or with any other UAE exchange.

In relation to its use in the UAE, this offering circular is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the Securites may not be offered or sold directly or indirectly to the public in the UAE.

South Africa

Due to restrictions under the securities laws of South Africa, the Securities are not offered, transferred, sold, made, renounced or delivered in South Africa or to a person with an address in South Africa and the Combined Offering is not made, offered, transferred, sold, renounced or delivered in South Africa or to a person with an address in South Africa, unless such person falls within one or more of the exemptions to the securities laws relating to offers to the public set out in Section 96 of the Companies Act, No. 71 of 2008 (as amended). The exemptions include:

- offers made only to the following persons, namely (i) persons whose ordinary business, or part of whose ordinary business, is to deal in securities, whether as principals or agents; (ii) the Public Investment Corporation as defined in the Public Investment Corporation Act, No. 23 of 2004 (as amended); (iii) persons regulated by the Reserve Bank of South Africa; (iv) authorised financial services providers as defined in the Financial Advisory and Intermediary Services Act, No. 37 of 2002

(as amended); (v) financial institutions as defined in the Financial Services Board Act, No. 97 of 1990; (vi) wholly owned subsidiaries of the persons contemplated in (iii), (iv) and (v), acting as agent in the capacity of authorised portfolio manager for a pension fund registered in terms of the Pension Funds Act, No. 24 of 1956 or as a manager for a collective investment scheme registered in terms of the Collective Investment Schemes Control Act, No. 45 of 2002; (vii) any combination of the persons contemplated in (i) to (vi); and

- offers made to a single addressee acting as principal where the contemplated acquisition cost of the Shares is equal to or greater than R1,000,000.

The Combined Offering does not constitute an offer for the sale of or subscription for, or the solicitation of an offer to buy and subscribe for, Securities to the public as defined in the Companies Act, No. 71 of 2008 (as amended) and will not be distributed to any person in South Africa in any manner which could be construed as an offer to the public in terms of the Companies Act, No. 71 of 2008 (as amended) and should any person who does not fall into any of the above exemptions receive this Prospectus they should not and will not be entitled to acquire any Securities or otherwise act thereon. This Prospectus does not, nor is it intended to, constitute a prospectus prepared and registered under the Companies Act, No. 71 of 2008 (as amended).

Transfer Restrictions

Rule 144A GDRs

Each purchaser of the Securities pursuant to Rule 144A, by its acceptance of delivery of this prospectus and the GDRs, will be deemed to have represented, agreed and acknowledged as follows:

1. The purchaser is aware that the GDRs have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions on transfer.

2. The purchaser (i) is a qualified institutional buyer, or QIB, as that term is defined by Rule 144A under the Securities Act, (ii) is aware that, and each beneficial owner of such GDRs has been advised that, the sale to it is being made in reliance on Rule 144A under the Securities Act or pursuant to another exemption from, or transaction not subject to, the registration requirements of the Securities Act, (iii) is acquiring such GDRs for its own account or for the account of one or more QIBs and (iv) if it is acquiring such GDRs for the account of one or more QIBs, has sole investment discretion with respect to each such account and has full power to make the acknowledgements, representations and agreements herein on behalf of each such account.

3. The purchaser is aware that the GDRs, purchased pursuant to Rule 144A under the Securities Act or another exemption from, or transaction not subject to, the registration requirements of the Securities Act, have not been and will not be registered under the Securities Act and are being offered in the United States in reliance on Rule 144A or another exemption from the registration requirements of the Securities Act only in transactions not involving any public offering in the United States and are "restricted securities" as defined in Rule 144(a)(3) under the Securities Act ("**Restricted Securities**"), and no representation is made as to the availability of the exemption provided by Rule 144 for the resale of any GDRs.

4. In the future, if the purchaser decides to offer, resell, pledge or otherwise transfer the GDRs purchased pursuant to Rule 144A under the Securities Act or another exemption from, or transaction not subject to, the registration requirements of the Securities Act, such GDRs may be offered, sold, pledged or otherwise transferred only in accordance with the following legend, which the GDRs, purchased pursuant to Rule 144A under the Securities Act or another exemption from, or transaction not subject to, the registration requirements of the Securities Act, will bear unless otherwise determined by us and the Depositary in accordance with applicable law:

   THIS RULE 144A MASTER GLOBAL DEPOSITARY RECEIPT AND THE ORDINARY SHARES OF EDITA FOOD INDUSTRIES S.A.E. REPRESENTED HEREBY (THE "**SHARES**") HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE HOLDER HEREOF BY PURCHASING THE GDRs, AGREES FOR THE BENEFIT OF EDITA FOOD INDUSTRIES S.A.E. THAT THE GDRs AND THE

SHARES REPRESENTED HEREBY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) TO A PERSON WHOM THE SELLER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER ("**QIB**") (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (B) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, OR (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE HOLDER OF THE GDRs WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY SUBSEQUENT PURCHASER OF SUCH GDRs OF THE RESALE RESTRICTIONS REFERRED TO ABOVE. THE BENEFICIAL OWNER OF SHARES RECEIVED UPON CANCELLATION OF ANY RULE 144A GLOBAL DEPOSITARY RECEIPT MAY NOT DEPOSIT OR CAUSE TO BE DEPOSITED SUCH SHARES INTO ANY DEPOSITARY RECEIPT FACILITY IN RESPECT OF SHARES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK, OTHER THAN A RULE 144A RESTRICTED DEPOSITARY RECEIPT FACILITY, SO LONG AS SUCH SHARES ARE "RESTRICTED SECURITIES" WITHIN THE MEANING OF RULE 144(a)(3) UNDER THE SECURITIES ACT. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALE OF THE SHARES OR ANY RULE 144A GLOBAL DEPOSITARY RECEIPTS.

5. For so long the GDRs are Restricted Securities, it will not deposit such GDRs into any unrestricted depositary receipt facility in respect of GDRs established and maintained by a depositary bank unless and until such time as the GDRs are no longer Restricted Securities We shall not recognize any offer, sale, pledge or other transfer of the GDRs other than in compliance with the above-stated restrictions.

6. We, the Selling Shareholders, the Joint Global Coordinators, their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Prospective purchasers are hereby notified that sellers of the GDRs purchased within the United States pursuant to Rule 144A may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A under the Securities Act.

Regulation S GDRs

Each purchaser of GDRs pursuant to Regulation S, by its acceptance of the delivery of this prospectus and the GDRs, will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Regulation S are used herein as defined therein):

1. the purchaser is, at the time of the offer to it of GDRs and at the time the buy order originated, outside the United States for the purposes of Rule 903 under the Securities Act;

2. the purchaser is aware that the GDRs have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States, are being offered outside the United States in reliance on Regulation S and are subject to significant restrictions on transfer;

3. the purchaser is aware of the restrictions on the offer and sale of the Securities pursuant to Regulation S in this document;

4. the purchaser is aware that the GDRs have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States, and subject to certain exceptions, may not be offered or sold within the United States;

5. any offer, sale, pledge or other transfer made other than in compliance with the above-stated restrictions shall not be recognized by us;

6. we, the Selling Shareholders, the Joint Global Coordinators, their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements; and

7. the purchaser understands that the Regulation S GDRs and the Master Regulation S GDR will bear a legend substantially to the following effect:

   THIS REGULATION S MASTER GLOBAL DEPOSITARY RECEIPT AND THE ORDINARY SHARES OF EDITA FOOD INDUSTRIES S.A.E. REPRESENTED HEREBY (THE "**SHARES**") HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND, PRIOR TO THE EXPIRATION OF A DISTRIBUTION COMPLIANCE PERIOD (DEFINED AS THE PERIOD ENDING 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE GDR OFFERING, AND THE ORIGINAL ISSUE DATE OF THE GDRs) MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (B) TO A PERSON WHOM THE SELLER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER ("**QIB**") (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES; **PROVIDED THAT** IN CONNECTION WITH ANY TRANSFER UNDER (B) ABOVE, THE TRANSFEROR SHALL PRIOR TO THE SETTLEMENT OF SUCH SALE, WITHDRAW THE SHARES FROM THE REGULATION S FACILITY (AS DEFINED IN THE DEPOSIT AGREEMENT) IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE DEPOSIT AGREEMENT AND INSTRUCT THAT SUCH SHARES BE DELIVERED TO THE CUSTODIAN UNDER THE DEPOSIT AGREEMENT FOR DEPOSIT IN THE RULE 144A FACILITY (AS DEFINED IN THE DEPOSIT AGREEMENT) THEREUNDER AND THAT RULE 144A GLOBAL DEPOSITARY RECEIPTS REPRESENTED BY A RULE 144A MASTER GLOBAL DEPOSITARY RECEIPT BE ISSUED, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE DEPOSIT AGREEMENT, TO OR FOR THE ACCOUNT OF SUCH QIB.

   UPON THE EXPIRATION OF THE DISTRIBUTION COMPLIANCE PERIOD, THE GLOBAL DEPOSITARY RECEIPTS AND THE SHARES REPRESENTED THEREBY SHALL NO LONGER BE SUBJECT TO THE RESTRICTIONS ON TRANSFER PROVIDED IN THIS LEGEND IF, AT THE TIME OF SUCH EXPIRATION, THE OFFER AND SALE OF THE GLOBAL DEPOSITARY RECEIPTS AND THE SHARES REPRESENTED THEREBY BY THE HOLDER IN THE UNITED STATES WOULD NOT BE RESTRICTED UNDER THE SECURITIES LAWS OF THE UNITED STATES OR ANY STATE OF THE UNITED STATES.

If a purchaser of GDRs is acquiring such GDRs as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing representations and agreements on behalf of each account.

Other provisions regarding transfers of the GDRs

Interests in the Rule 144A GDRs may be transferred to a person whose interest in such GDRs is subsequently represented by a Regulation S GDR only upon receipt by the Depositary of written certifications (in the forms provided in the Deposit Agreement) from the transferor and the transferee to the effect that, among other things, such transfer is being made in accordance with Regulation S. Interests in Regulation S GDRs may be transferred to a person whose interest in such GDRs is subsequently represented by a Rule 144A GDR only upon receipt by the depositary of written certifications from the transferor and the transferee (in the forms provided in the Deposit Agreement) to the effect that, among other things, such transfer is being made in accordance with Rule 144A. Any interest in GDRs represented by one of the GDRs that is transferred to a person whose interest in such GDRs is subsequently represented by the other GDR will, upon transfer, cease to be an interest in the GDRs represented by such first GDR and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to interests in GDRs represented by such other GDR for so long as it remains such an interest.

Shares

Neither the Shares have not been, nor will be, registered under the Securities Act, and such Rights and ordinary shares may not be offered or sold within the United States (as such terms are defined in Regulation S), except pursuant to transactions exempt from, or not subject to, the registration requirements of the Securities Act.

Each purchaser of any the Shares offered and sold in reliance on Regulation S under the Securities Act will be deemed to have represented, acknowledged and agreed as follows (terms used in this paragraph that are defined in Regulation S are used herein as defined therein):

1. The purchaser (i) is, and the person, if any, for whose account it is acquiring such Shares is, outside the United States and (ii) is acquiring the Shares in an offshore transaction meeting the requirements of Regulation S;
2. The purchaser is aware that the Shares have not been and will not be registered under the Securities Act and are being offered and sold outside the United States in reliance on Regulation S; and
3. The purchaser acknowledges that the Company, the Underwriters, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.

Each purchaser of any Shares offered and sold in the United States will be deemed to have represented, acknowledged and agreed to the following:

1. The purchaser: (i) is a QIB and is acquiring the Shares for its own account or for the account of another QIB; and (ii) is aware that the sale of the Shares to the purchaser is being made in reliance on Rule 144A or another exemption from the registration requirements of the Securities Act;
2. The purchaser understands that the Shares have not been and will not be registered under the Securities Act and are being offered in the United States in a transaction not involving a public offering in the United States within the meaning of the Securities Act in reliance on Rule 144A or another exemption from the registration requirements of the Securities Act, and may not be reoffered, resold, pledged or otherwise transferred except (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB, (ii) in an offshore transaction outside the United States in accordance with Rule 902 or Rule 904 under Regulation S, or (iii) pursuant to an exemption from registration under the Securities Act provided by Rule 144, in each case in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. No representation can be made as to the availability of the exemption provided by Rule 144 under the Securities Act for resale of the Rights and ordinary shares; and
3. The purchaser acknowledges that the Company, the Underwriters, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.

SETTLEMENT AND TRANSFER

Clearing and Settlement of GDRs

Custodial and depositary links have been established between Euroclear, Clearstream and DTC to facilitate the initial issue of the GDRs and cross-market transfers of the GDRs associated with secondary market trading.

The Clearing Systems

Euroclear and Clearstream

Euroclear and Clearstream each hold securities for participating organisations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective customers may settle trades with each other. Indirect access to Euroclear or Clearstream is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream participant, either directly or indirectly.

Distributions of dividends and other payments with respect to book-entry interests in the GDRs held through Euroclear or Clearstream will be credited, to the extent received by the Depositary, to the cash accounts of Euroclear or Clearstream participants in accordance with the relevant system's rules and procedures.

DTC

DTC has advised the Issuer as follows: DTC is a limited-purpose trust company organised under the laws of the State of New York, a "banking organization" within the meaning of the New York Banking Law, a member of the United States Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities for DTC participants and facilitates the clearance and settlement of securities transactions between DTC participants through electronic computerised book-entry changes in DTC participants' accounts. DTC participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organisations. Indirect access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly.

Holders of book-entry interests in the GDRs holding through DTC will receive, to the extent received by the Depositary, all distributions of dividends or other payments with respect to book-entry interests in the GDRs from the Depositary through DTC and DTC participants. Distributions in the United States will be subject to relevant U.S. tax laws and regulations. See "*Taxation*".

As DTC can act on behalf of DTC direct participants only, who in turn act on behalf of DTC indirect participants, the ability of beneficial owners who are indirect participants to pledge book-entry interests in the GDRs to persons or entities that do not participate in DTC, or otherwise take actions with respect to book-entry interests in the GDRs, may be limited.

Registration and form

Book-entry interests in the GDRs held through Euroclear and Clearstream will be represented by the Regulation S Master GDR registered in the name of The Bank of New York Depository (Nominees) Limited, as nominee of The Bank of New York Mellon, London Branch, as common depositary for Euroclear and Clearstream. Book-entry interests in the GDRs held through DTC will be represented by the Rule 144A Master GDR registered in the name of Cede & Co., as nominee for DTC, which will be held by The Bank of New York Mellon in New York as custodian for DTC. As necessary, the Depositary will adjust the amounts of GDRs on the relevant register for the accounts of the common nominee and nominee, respectively, to reflect the amounts of GDRs held through Euroclear, Clearstream and DTC,

respectively. Beneficial ownership in the GDRs will be held through financial institutions as direct and indirect participants in Euroclear, Clearstream and DTC.

The aggregate holdings of book-entry interests in the GDRs in Euroclear, Clearstream and DTC will be reflected in the book-entry accounts of each such institution. Euroclear, Clearstream and DTC, as the case may be, and every other intermediate holder in the chain to the beneficial owner of book-entry interests in the GDRs, will be responsible for establishing and maintaining accounts for their participants and customers having interests in the book-entry interests in the GDRs. The Depositary will be responsible for maintaining a record of the aggregate holdings of GDRs registered in the name of the common nominee for Euroclear and Clearstream and the nominee for DTC. The Depositary will be responsible for ensuring that payments received by it from the Issuer for holders holding through Euroclear and Clearstream are paid to Euroclear or Clearstream, as the case may be, and the Depositary will also be responsible for ensuring that payments received by it from the Issuer for holders holding through DTC are received by DTC. The address for DTC is P.O. Box 5020, New York, New York 10274, United States. The address for Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium. The address for Clearstream is 42 Avenue J.F Kennedy, L-1855 Grand Duchy of Luxembourg, Luxembourg.

The Issuer will not impose any fees in respect of the GDRs; however, holders of book-entry interests in the GDRs may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear, Clearstream or DTC and certain fees and expenses payable to the Depositary in accordance with the terms of the Conditions.

Global Clearance and Settlement Procedures

Initial settlement

The GDRs will be in global form evidenced by the two Master GDRs. Purchasers electing to hold book-entry interests in the GDRs through Euroclear and Clearstream accounts will follow the settlement procedures applicable to depositary receipts. DTC participants acting on behalf of purchasers electing to hold book-entry interests in the GDRs through DTC will follow the delivery practices applicable to depositary receipts.

Transfer restrictions

For a description of the transfer restrictions relating to the GDRs, see "Terms and Conditions of the Global Depositary Receipts" and "Selling and Transfer Restrictions".

Trading between Euroclear and Clearstream participants

Secondary market sales of book-entry interests in the GDRs held through Euroclear or Clearstream to purchasers of book-entry interests in the GDRs through Euroclear or Clearstream will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream and will be settled using the normal procedures applicable to depositary receipts.

Trading between DTC participants

Secondary market sales of book-entry interests in the GDRs held through DTC will occur in the ordinary way in accordance with DTC rules and will be settled using the procedures applicable to depositary receipts, if payment is effected in U.S. dollars, or free of payment, if payment is not effected in U.S. dollars. Where payment is not effected in U.S. dollars, separate payment arrangements outside DTC are required to be made between the DTC participants.

Trading between DTC seller and Euroclear/Clearstream purchaser

When book-entry interests in the GDRs are to be transferred from the account of a DTC participant to the account of a Euroclear or Clearstream participant, the DTC participant must send to DTC a delivery free of payment instruction at least two business days prior to the settlement date. DTC will in turn transmit such instruction to Euroclear or Clearstream, as the case may be, on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream participant. On the settlement date, DTC will debit the account of its DTC participant and will instruct the Depositary to instruct Euroclear or Clearstream, as the case may be, to credit the relevant account of the Euroclear or Clearstream participant, as the case may be. In addition, on the settlement date, DTC will instruct the Depositary to (1) decrease the amount of book-entry interests in the GDRs

registered in the name of a nominee for DTC and represented by the Rule 144A Master GDR and (2) increase the amount of book-entry interests in the GDRs registered in the name of the common nominee for Euroclear and Clearstream and represented by the Regulation S Master GDR.

Trading between Clearstream/Euroclear seller and DTC purchaser

When book-entry interests in the GDRs are to be transferred from the account of a Euroclear or Clearstream participant to the account of a DTC participant, the Euroclear or Clearstream participant must send to Euroclear or Clearstream a delivery free of payment instruction at least one business day prior to the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream participant, as the case may be. On the settlement date, Euroclear or Clearstream, as the case may be, will debit the account of its participant and will instruct the Depositary to instruct DTC to credit the relevant account of Euroclear or Clearstream, as the case may be, and will deliver such book-entry interests in the GDRs free of payment to the relevant account of the DTC participant. In addition, Euroclear or Clearstream, as the case may be, shall on the settlement date instruct the Depositary to (1) decrease the amount of the book-entry interests in the GDRs registered in the name of the common nominee and evidenced by the Regulation S Master GDR and (2) increase the amount of the book-entry interests in the GDRs registered in the name of a nominee for DTC and represented by the Rule 144A Master GDR.

General

Although the foregoing sets out the procedures of Euroclear, Clearstream and DTC in order to facilitate the transfers of interests in the GDRs among participants of Euroclear, Clearstream and DTC, none of Euroclear, Clearstream or DTC are under any obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time.

None of the Issuer, the Joint Global Coordinators and Bookrunners, the Depositary or, the Custodian or their respective agents will have any responsibility for the performance by Euroclear, Clearstream or DTC or their respective participants of their respective obligations under the rules and procedures governing their operations.

Settlement and Clearance of the Shares on the EGX

Egypt is a beneficiary owner market. Accordingly, all investors in Shares must have established a valid client-specific custody account with a local custodian within Egypt and must have a unique, personalised stock exchange code for the EGX (a "**Unified Code**"). Investors will need to provide, among other things, information as to their legal name and any sub-account details, together with details of their custody account and their Unified Code when submitting a request for an allocation of Shares. Accordingly, requests for an allocation of Shares can only be taken from an investor if such investor already has a valid custody account open with an Egyptian custodian. Investors should contact their global custodian to set up a custody account in Egypt. It can take up to two weeks to set up such an account. All transfers of ownership of the Shares must be effected on the EGX by an EFSA-licensed broker. Ownership of the Shares will be shown on, and the transfer of that ownership will be executed on the EGX books and will be effected through the records of the MCDR. Transfer of Shares will settle in the same day funds. Settlement of share transfers on the EGX occurs on a delivery-versus-payment basis, with transfers of dematerialised securities such as the Shares settling at T+2. Non-Egyptian purchasers of Shares must arrange for their Shares to be delivered to a custodian authorised by the EFSA (a "**Local Custodian**") to hold dematerialised Shares. The Local Custodian designated by the purchaser will hold the Shares in accordance with the purchaser's instructions. Subject to compliance with the transfer restrictions set forth herein, purchasers of the Shares wishing to sell their Shares must instruct an EGX-licensed broker to block such Shares. The broker then effects such sale through the EGX who will register such transfer on the registry. None of the Issuer, the Selling Shareholders or the Joint Global Coordinators will have any responsibility for the performance by the Local Custodians or their agents of their respective obligations under the rules and procedures governing their operations.

Egypt's trading and settlement mechanisms have been significantly improved over the past few years. A computerized trading system at the EGX allows for automatic electronic matching of bids and offers. The electronic trading system links the EGX and allows brokers remote access to the trading floor. It also links all independent bookkeeping activities to the MCDR, which helps ensure greater speed and efficiency in the settlement process. Trading on the EGX takes place between 10:30 a.m. and 2:30 p.m., Sunday through Thursday, excluding official public holidays.

During each trading session, the price of the stocks is generally restricted to a 5% ceiling and floor from its previous closing price. The EGX removes the price restrictions or increases them on the request of a broker who is willing to effect a transaction above the ceiling or below the floor, provided the pricing committee at the EGX approves. The closing price of traded shares is determined by calculating a volume-weighted average price of the traded shares for the session. Cumulative transactions below 100 shares do not affect the closing price of the relevant underlying security.

Brokerage commissions for transactions are not fixed by the EGX or other regulatory bodies, but instead vary depending on the size of the transaction and the brokerage house executing the trade.

INFORMATION RELATING TO THE DEPOSITARY

The Depositary is a state-chartered New York banking corporation and a member of the United States Federal Reserve System subject to regulation and supervision principally by the United States Federal Reserve Board and the New York State Banking Department. The Depositary was constituted in 1784 in the State of New York. It is a wholly-owned subsidiary of The Bank of New York Mellon Corporation, a Delaware bank holding company. The principal office of the Depositary is located at One Wall Street, New York, NY 10286. Its principal administrative offices are located at 101 Barclay Street, New York, NY 10286. A copy of the Depositary's Articles, as amended, together with copies of The Bank of New York Mellon Corporation's most recent quarterly financial statements and annual report are available for inspection at www.bnymellon.com or the principal office of the Depositary located at One Wall Street, New York, NY 10286 and at The Bank of New York Mellon, One Canada Square, London E14 5AL.

LEGAL MATTERS

Certain legal matters with respect to the Institutional Offering will be passed upon for us in respect of the laws of England and the United States by Baker & McKenzie LLP and in respect of Egyptian law by Baker & McKenzie (Helmy, Hamza & Partners).

Certain legal matters with respect to the Institutional Offering will be passed upon for the Joint Global Coordinators in respect of the laws of England and the United States by Shearman & Sterling (London) LLP and in respect of Egyptian law by Matouk Bassiouny.

INDEPENDENT AUDITORS

Edita Food Industries S.A.E and its subsidiaries' audited consolidated financial statements as of and for the years ended December 31, 2014, 2013 and 2012 included in this Prospectus have been audited by Mansour & Co. PricewaterhouseCoopers, independent auditors, as stated in their audit report appearing herein (the "**Independent Auditor's Report**"). The address of Mansour & Co. PricewaterhouseCoopers is Plot no. 211, Second Sector, City Center, New Cairo 11835 Egypt.

For the purposes of paragraph 5.5.4R(2)(f) of the Prospectus Rules, Mansour & Co. PricewaterhouseCoopers is responsible for the Independent Auditor's Report, as part of the Prospectus, and declare that it has taken all reasonable care to ensure that the information contained in the Independent Auditor's Report is, to the best of Mansour & Co. PricewaterhouseCoopers's knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex X in Appendix 3 to the Prospectus Rules.

For the purpose of compliance with item 23.1 of Annex X in Appendix 3 to the Prospectus Rules, Mansour & Co. PricewaterhouseCoopers has given and not withdrawn its written consent to the inclusion of the Independent Auditor's Report, in the form and context in which it is included and has authorized the content of the Independent Auditor's Report.

A written consent under the Prospectus Rules is different from a consent filed with the U.S. Securities and Exchange Commission under Section 7 of the Securities Act, which is applicable only to transactions involving securities registered under the Securities Act. As the Securities have not and will not be registered under the Securities Act, Mansour & Co. PricewaterhouseCoopers has not filed a consent under Section 7 of the Securities Act.

GENERAL INFORMATION

1. It is expected that the GDRs will be admitted, subject only to the issue of the Regulation S Master GDR and the Rule 144A Master GDR, to the Official List on or about April 1, 2015. Application has been made for the GDRs to be traded on the regulated market of the London Stock Exchange through its IOB. Prior to Admission to the Official List, dealings will be permitted by the London Stock Exchange in accordance with its rules on an if-and-when-issued basis. Transactions in GDRs will normally be effected for delivery on the third working day after the day of the transaction.

2. We have obtained all consents, approvals and authorizations required under Egyptian law in connection with the issue of the new Shares in the form of the GDRs and entry into the Underwriting Agreement and the Deposit Agreement. No new shares have been issued. The Combined Offering was approved in the General Meeting of March 5, 2015.

3. Copies of the following documents will be available for inspection free of charge, during normal business hours on any weekday, at the registered offices of the Issuer for a period of 12 months from the date of publication of this prospectus:

   - this prospectus;
   - the Issuer's constitutional documents;
   - the Deposit Agreement;
   - the Deed Poll; and
   - the Issuer's Financial Statements as of and for the years ended December 31, 2014, 2013 and 2012, together with the independent auditors' report relating thereto.

   The registered office of the Issuer is located at Edita Group Building, Plot No. 13 Central Pivot, El Sheikh Zayed, 6th of October City, Giza, Egypt 12588 and its telephone number is +202 38516464.

4. If definitive certificates are issued in exchange for the Master GDRs, the Issuer will appoint an agent in the United Kingdom.

5. There has been no significant change in the financial or trading position of the Issuer and its consolidated subsidiaries since December 31, 2014, the end of the last financial period for which financial information has been published.

6. There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this prospectus which may have, or have had in the recent past, significant effects on the Issuer and/or the financial position or profitability of the Issuer and its consolidated subsidiaries.

7. The GDRs are denominated in US Dollars and have no nominal value. The Offer Price was determined based on the results of the bookbuilding exercise conducted by the Joint Global Coordinators. We will make the results of the Combined Offering public through a press release and notice to the Regulatory Information Service promptly upon the closing of the Combined Offering.

8. The ISIN for the Rule 144A GDRs is US28106T1007, the Common Code for the Rule 144A GDRs is 120426052, the CUSIP number for the Rule 144A GDRs is 28106T100 and the SEDOL for the Rule 144A GDRs is BVFZKF1.

9. The ISIN for the Regulation S GDRs is US28106T2096, the Common Code for the Regulation S GDRs is 120426079 , the CUSIP number for the Regulation S GDRs is 28106T209 and the SEDOL for the Regulation S GDRs is BVFZKG2.

10. The London Stock Exchange trading symbol for the GDRs is EFID.

11. We are not aware of any person intending to subscribe for more than 5% of the Combined Offering.

DEFINITIONS

The following definitions apply throughout this prospectus, unless the context requires otherwise:

"**Bake Rolz & Stix**" refers to the baked salty snack manufactured and sold by us;

"**Brand awareness**" means the number of people who know/are aware/are familiar of the brand out of the total sample/population (whether spontaneously or aided), expressed as a percentage based on aided consumer surveys;

"**CAGR**" means compound annual growth rate;

"**Capital Market Law**" means Egyptian Capital Market Law No. 95 of 1992;

"**CAPMAS**" means the Central Agency for Public Mobilization and Statistics;

"**Closing Date**" means April 2, 2015;

"**CMA**" means the Egyptian Capital Market Authority which, on July 1, 2009, was superseded by the EFSA;

"**Commercial Register**" means the commercial registration of the company in question at the relevant commercial registry office;

"**Competition Authority**" means the authority responsible for protection of competition and prohibition of monopolistic practices in Egypt established in accordance with law No. 3 of 2005 pertaining to protection of competition and prohibition of monopolistic practices;

"**Consumer**" means the end user of our products;

"**Controlled Manufacturing**" refers to the systematic planning and coordinating of manufacturing activities to ensure goods are delivered on time, of satisfactory quality and at a reasonable cost;

"**Deed Poll**" means the deed poll executed by the Issuer in favour of the Holders of the GDRs in connection with the Deposit Agreement;

"**EAS**" means Egyptian Accounting Standards;

"**EEAA**" means the Egyptian Environmental Affairs Agency;

"**EFSA**" means the Egyptian Financial Supervisory Authority, established by Law No. 10 of 2009 (published on March 1, 2009) and which replaced the CMA, as of July 1, 2009;

"**Egyptian Retail Offering**" means the domestic offering of Shares to the public in Egypt pursuant to the Public Offering Notice;

"**EGX**" means the Egyptian Stock Exchange (formerly the Cairo and Alexandria Stock Exchange or "CASE");

"**Egypt**" means the Arab Republic of Egypt;

"**Egyptian Companies Law**" means Law 159 of the year 1981 and the amendments thereof;

"**Egyptian Pound**" or "**Egyptian Pounds**" or "**EGP**" refers to the lawful currency of Egypt;

"**EU**" means the European Union;

"**Euro**" or "**€**" refers to the single currency of the participating Member States in the Third Stage of the European Economic and Monetary Union of the Treaty Establishing the European Community, as amended from time to time;

"**Extraordinary General Meeting**" means a shareholders' meeting that requires a quorum of at least 75% of the attending and represented shares and at least a quorum of 75% of votes cast for the resolutions to be adopted;

"**Financial Statements**" means the Company's audited consolidated financial statements as of and for the financial years ended December 31, 2014, 2013 and 2012;

"**GAFI**" means the Egyptian General Authority for Investment and Free Zones, being the administrative authority solely responsible for applying the provisions of Investment Law No. 8 of 1997, Companies Law No. 159 of 1981, Financial Lease Law No. 95 of 1995 and the executive regulations of such laws, without

prejudice to the provisions of Capital Market Law. No. 90 of 1992 and Real Estate Finance Law No. 148 of 2002;

"**General Meeting**" means the supreme governing body of the Company. Depending on the nature of the resolutions being passed at the meeting, they can be either Ordinary General Meetings or Extraordinary General Meetings;

"**Gross domestic product**", or "**GDP**", is a measure of the total value of final products and services produced in a country in a specific year. Real GDP measures the total value of final production in constant prices of a particular year, thus allowing historical GDP comparisons that exclude the effect of inflation. In this prospectus, GDP figures are real GDP figures based on constant prices, the year used by the State for purposes of maintaining real GDP statistics;

"**Gross Rating Points**" means the impact of advertising, i.e. the size of an audience reached by a specific media or schedule;

"**FATCA**" means the parts relating to the Foreign Account Tax Compliance Act contained in the United States Hiring Incentives to Restore Employment Act 2010;

"**IFRS**" means International Financial Reporting Standards;

"**IMF**" means the International Monetary Fund;

"**Institutional Offering**" means the offering of Shares to which this prospectus relates, (i) to institutional investors outside the United States in offshore transactions in a number of countries in reliance on Regulation S and (ii) to certain qualified institutional buyers (as defined in Rule 144A) in the United States in reliance on Rule 144A;

"**Investment Law**" means Investment Law No. 230 of 1989;

"**ISA**" means International Standards on Auditing;

"**Issuer**" means Edita Food Industries S.A.E., the joint stock company incorporated under the laws of Egypt;

"**Joint Global Coordinators**" means Goldman Sachs International and EFG Hermes Promoting & Underwriting;

"**London Stock Exchange**" means London Stock Exchange plc;

"**LIBOR**" means the London Interbank Offered Rate;

"**Management**" means the members of our management;

"**Market penetration**" is the number of customers who said they consumed a product divided by the total sample size (representative of the population), expressed as a percentage. Our market penetration is measured monthly;

"**MCDR**" means Misr for Central Clearing, Depositary and Registry;

"**MENA**" means Middle East and North Africa;

"**Modern Trade**" means entities that retail fast moving consumer goods, namely supermarkets and hypermarkets;

"**Offering**" means the offering of Shares to which this prospectus relates, (i) to institutional investors outside the United States in offshore transactions in a number of countries in reliance on Regulation S, and (ii) to certain qualified institutional buyers (as defined in Rule 144A) in the United States in reliance on Rule 144A;

"**Offering Price**" means EGP 18.50 per Share and US$12.28 per GDR;

"**Offering Shares**" means the Shares being offered in the Institutional Offering;

"**Ordinary General Meeting**" means a shareholders' meeting where resolutions are passed with a simple majority of votes cast, i.e. a quorum of at least 50% plus one vote of present and represented shareholders;

"**Osoul Fund**" means the money market mutual fund managed by Commercial International Bank (Egypt) S.A.E.;

"**Principal Shareholders**" means Africa Samba B.V., Berco Limited and Exoder Limited, each of whom hold a significant proportion of the Issuer's share capital;

"**PwC**" means Mansour & Co. PricewaterhouseCoopers

"**Regulation S**" means Regulation S under the Securities Act;

"**Regulation S Shares**" means such Shares as are offered to institutional investors in the Institutional Offering outside the United States in reliance upon Regulation S;

"**Relevant Member State**" means the separate account created in the books and records of the Custodian in the name of the Depositary in which the Deposited Property corresponding to GDRs are deposited;

"**Rule 144A**" means Rule 144A under the Securities Act, as amended;

"**Rule 144A Shares**" means such Shares as are offered in the Institutional Offering to qualified institutional buyers in the United States in reliance upon Rule 144A;

"**Securities**" means the Shares and the GDRs;

"**Securities Act**" means the United States Securities Act of 1933, as amended;

"**Selling Shareholders**" means Africa Samba B.V. and Exoder Limited;

"**Shares**" means the ordinary shares in the share capital of the Issuer;

"**Shareholders**" means holders of Shares from time to time;

"**SKU**" means stock keeping units;

"**Snack Food**" means within the following categories: cakes; candy; chocolates, biscuits and gum; packaged croissants; salty snacks; and wafers, which is the definition used by IPSOS and Nielsen;

"**Stabilizing Manager**" means EFG Hermes Promoting & Underwriting in its capacity as stabilizing manager;

"**State**" means the Government of Egypt;

"**Traditional Trade**" means the traditional form of trading whereby goods are sold via retail stores.

"**Underwriting Agreement**" means the underwriting agreement signed on or about March 27, 2015 among the Issuer, the Selling Shareholders and the Joint Global Coordinators.

"**US Dollar**", "**US Dollars**" or "**US$**" refers to the lawful currency of the United States of America;

"**variety stores**" means haberdasheries and mekla; and

"**we**", "**us**", "**our**" refers to the Issuer or and its subsidiaries.

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

INDEPENDENT AUDITOR'S REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2014, 2013 AND 2012

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

Consolidated financial statements
For the years ended 31 December 2014. 2012 and 2012

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Independent Auditor's report

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

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Edita Food Industries Company (S.A.E) and its Subsidiaries, which comprise the consolidated balance sheets as at 31 December 2014, 2013 and 2012 and the consolidated statements of income, comprehensive income, changes in owners' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRSs), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of Edita Food Industries Company (S.A.E) and its Subsidiaries as at 31 December 2014, 2013 and 2012, and of their financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

PricewaterhouseCoopers

26 March 2015

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

Consolidated balance sheet

At 31 December 2014, 2013 and 2012

(all amounts in Egyptian Pounds)

	Note	2014	2013	2012
Non-current assets				
Property, plant and equipment	6	1,015,869,650	826,446,532	721,818,437
Intangible assets	7	68,618,658	68,618,658	—
Investments available for sale	8	—	—	43,203,000
Total non-current assets		**1,084,488,308**	**895,065,190**	**765,021,437**
Current assets				
Inventories	9	112,481,757	84,140,649	80,775,579
Trade and other Receivables	10	66,342,123	66,148,206	42,921,469
Treasury bills	11	106,014,124	104,327,401	—
Cash and cash equivalents (excluding bank overdrafts)	12	233,301,434	196,574,696	237,377,400
Financial assets at fair value through profit or loss		—	43,815	39,623
Total current assets		**518,139,438**	**451,234,767**	**361,114,071**
Total assets		**1,602,627,746**	**1,346,299,957**	**1,126,135,508**
Equity and Liabilities				
Equity				
Ordinary Shares	13	72,536,290	72,536,290	72,536,290
Legal reserve	14	31,103,903	16,407,621	16,407,621
Retained earnings		720,137,920	618,746,353	519,521,351
Equity attributable to owners of the parent		**823,778,113**	**707,690,264**	**608,465,262**
Non-controlling interests	15	1,966,793	2,261,950	5,931,838
Total equity		**825,744,906**	**709,952,214**	**614,397,100**
Liabilities				
Non-current liabilities				
Long term loans	16	204,543,390	134,150,199	132,481,532
Long-term notes payable	17	8,884,103	17,138,295	24,231,361
Sales tax on machinery	18	—	—	25,296
Deferred tax liabilities	19	79,424,174	70,417,074	59,178,713
Total non-current liabilities		**292,851,667**	**221,705,568**	**215,916,902**
Current liabilities				
Provisions	20	10,916,700	9,034,968	7,782,393
Bank overdraft	21	60,418,179	38,752,046	27,227,110
Trade and other payables	22	205,931,191	185,467,750	136,746,287
Current income tax liabilities	23	81,588,139	52,015,132	34,740,256
Current portion of long-term liabilities	24	125,176,964	129,372,279	89,325,460
Total current liabilities		**484,031,173**	**414,642,175**	**295,821,506**
Total Liabilities		**776,882,840**	**636,347,743**	**511,738,408**
Total equity and liabilities		**1,602,627,746**	**1,346,299,957**	**1,126,135,508**

The accompanying notes on pages F-11 - F-60 form an integral part of these financial statements.

The financial statements on pages F-6 to F-60 were authorized for issuance by the board of directors on 10 February 2015 and were signed on its behalf.

/s/ Mr. Sherif Fathy
Vice President—Finance

/s/ Eng. Hani Berzi
Chairman and Managing Director

10 February 2015
Auditor's report attached

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

Consolidated statement of income

For the years ended 31 December 2014, 2013 and 2012

(All amounts in Egyptian Pounds)

	Note	2014	2013	2012
Revenue		1,918,561,386	1,647,488,499	1,341,878,733
Cost of goods sold		(1,197,772,308)	(1,028,286,034)	(862,938,190)
Gross profit		**720,789,078**	**619,202,465**	**478,940,543**
Distribution cost		(211,275,916)	(188,193,601)	(171,045,396)
Administrative expenses		(123,581,905)	(88,857,985)	(70,666,954)
Other income	25	16,430,534	21,249,797	15,271,764
Other (losses)/ gains-net	26	(7,951,259)	1,402,135	1,161,750
Profit from operations		**394,410,532**	**364,802,811**	**253,661,707**
Finance income	27	23,264,342	6,840,616	977,140
Finance cost	27	(25,166,938)	(26,042,750)	(10,353,083)
Finance (cost) income, net	27	**(1,902,596)**	**(19,202,134)**	**(9,375,943)**
Profit before income tax		**392,507,936**	**345,600,677**	**244,285,764**
Income tax expense	28	(126,628,100)	(94,191,730)	(77,277,460)
Net profit		**265,879,836**	**251,408,947**	**167,008,304**
Earnings per share (expressed in EGP per share):				
Basic earnings per share	29	0.73	0.69	0.46
Diluted earnings per share	29	0.73	0.69	0.46
Distributed as following:				
Shareholders' equity		266,083,415	254,999,704	172,235,195
Non-controlling interest		(203,579)	(3,590,757)	(5,226,891)
Net profit for the year		**265,879,836**	**251,408,947**	**167,008,304**

The accompanying notes on pages F-11 - F-60 form an integral part of these financial statements.

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

Consolidated statement of comprehensive income

For the years ended 31 December 2014, 2013 and 2012

(All amounts in Egyptian Pounds)

	2014	2013	2012
Items that will not be reclassified to profit and loss			
Profit for the year	265,879,836	251,408,947	167,008,304
Forex Translation	4,434	(5,581,090)	3,320,207
Total comprehensive income for the year	**265,884,270**	**245,827,857**	**170,328,511**

The accompanying notes on pages F-11 - F-60 form an integral part of these financial statements.

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

Consolidated statement of changes in shareholders' equity

For the years ended 31 December 2014, 2013 and 2012

(All amounts in Egyptian Pounds)

				Total Owners' Equity		
	Paid up capital	Legal reserve	Retained earnings	Total shareholders	Non-controlling interest	Total owners' equity
Balance at 1 January 2012	**72,536,290**	**16,407,621**	**393,965,949**	**482,909,860**	**11,257,133**	**494,166,993**
Profit for the year	—	—	172,235,195	**172,235,195**	(5,226,891)	**167,008,304**
Other comprehensive income for the year	—	—	3,320,207	**3,320,207**	—	**3,320,207**
Total comprehensive income for the year	**—**	**—**	**175,555,402**	**175,555,402**	**(5,226,891)**	**170,328,511**
Dividends	—	—	(50,000,000)	**(50,000,000)**	(100,000)	**(50,100,000)**
Total contribution by and distribution to owners of the parent, recognized directly in equity	**—**	**—**	**(50,000,000)**	**(50,000,000)**	**(100,000)**	**(50,100,000)**
Increase in capital	—	—	—	**—**	4,000	**4,000**
Assets revaluation reserve	—	—	—	**—**	(2,404)	**(2,404)**
Balance at 31 December 2012	**72,536,290**	**16,407,621**	**519,521,351**	**608,465,262**	**5,931,838**	**614,397,100**
Balance at 1 January 2013	**72,536,290**	**16,407,621**	**519,521,351**	**608,465,262**	**5,931,838**	**614,397,100**
Net profit for the year	—	—	254,999,704	**254,999,704**	(3,590,757)	**251,408,947**
Other comprehensive income for the year	—	—	(5,581,090)	**(5,581,090)**	—	**(5,581,090)**
Total other comprehensive income for the year	**—**	**—**	**249,418,614**	**249,418,614**	**(3,590,757)**	**245,827,857**
Dividends distribution for 2012	—	—	(150,193,612)	**(150,193,612)**	(76,727)	**(150,270,339)**
Total contribution by and distribution to owners' of the parent recognized directly in Equity	**—**	**—**	**(150,193,612)**	**(150,193,612)**	**(76,727)**	**(150,270,339)**
Assets revaluation reserve	—	—	—	**—**	(2,404)	**(2,404)**
Balance at 31 December 2013	**72,536,290**	**16,407,621**	**618,746,353**	**707,690,264**	**2,261,950**	**709,952,214**
Balance at 1 January 2014	**72,536,290**	**16,407,621**	**618,746,353**	**707,690,264**	**2,261,950**	**709,952,214**
Net profit for the year	—	—	266,083,415	**266,083,415**	(203,579)	**265,879,836**
Other comprehensive income for the year	—	—	4,434	**4,434**	—	**4,434**
Total other comprehensive income for the year	**—**	**—**	**266,087,849**	**266,087,849**	**(203,579)**	**265,884,270**
Dividends distribution for 2013	—	—	(150,000,000)	**(150,000,000)**	(89,173)	**(150,089,173)**
Total contribution by and distribution to owners' of the parent recognized directly in Equity	**—**	**—**	**(150,000,000)**	**(150,000,000)**	**(89,173)**	**(150,089,173)**
Assets revaluation reserve	—	—	—	**—**	(2,405)	**(2,405)**
Transfer to legal reserve	—	14,696,282	(14,696,282)	**—**	—	**—**
Balance at 31 December 2014	**72,536,290**	**31,103,903**	**720,137,920**	**823,778,113**	**1,966,793**	**825,744,906**

The accompanying notes on pages F-11 - F-60 form an integral part of these financial statements.

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

Consolidated statement of cash flows

For the years ended 31 December 2014, 2013 and 2012

(All amounts in Egyptian Pounds)

	Notes	2014	2013	2012
Cash flows generated from operating activities	31	450,469,871	422,162,628	300,865,005
Interest paid		(23,435,140)	(23,710,662)	(7,172,168)
Income tax paid		(87,085,083)	(64,712,257)	(45,804,755)
Net cash flows generated from operating activities		**339,949,648**	**333,739,709**	**247,888,082**
Cash flows from investing activities				
Purchase of property, plant and equipment	6	(254,667,763)	(154,710,274)	(133,509,719)
Purchase of intangible asset		—	(68,618,658)	—
Proceeds from sale investments		—	50,355,074	—
Proceeds from sale of property, plant and equipment		3,064,817	3,133,651	7,738,294
Interest received		22,180,462	5,867,620	330,715
Treasury bills		(1,686,723)	(104,327,401)	—
Net cash flows used in investing activities		**(231,109,207)**	**(268,299,988)**	**(125,440,710)**
Cash flows from financing activities				
Sales tax on machinery		(25,296)	(80,519)	(80,519)
Notes payable		(9,425,154)	(8,864,318)	(8,511,670)
Dividends paid for shareholders'		(149,991,722)	(150,032,397)	(50,086,535)
Non-controlling interest increase in capital		—	—	4,000
Proceeds from borrowings		202,259,546	153,002,824	80,446,005
Repayment of borrowings		(136,597,210)	(111,792,951)	(54,702,481)
Net cash flows used in financing activities		**(93,779,836)**	**(117,767,361)**	**(32,931,200)**
Increase in cash and cash equivalents		**15,060,605**	**(52,327,640)**	**89,516,172**
Cash and cash equivalents at beginning of the year		157,822,650	210,150,290	120,634,118
Cash and cash equivalents at end of the year	12	**172,883,255**	**157,822,650**	**210,150,290**

The accompanying notes on pages F-11 - F-60 form an integral part of these financial statements.

1. General information

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

Consolidated financial statements of the Company comprise financial statements of the Company and its subsidiaries (together referred to as the "Group").

The Group provides manufacturing, producing and packing of all food products and producing and packing of juices, jams, readymade food, cakes, pastry, milk products, meat, vegetables, fruits, chocolate, vegetarian products and other food products with all necessary ingredients.

The Group's financial year start on 1 January and ends on 31 December each year.

The main shareholders are BERCO Limited which owns 41.82% of the Company's share capital, Exoder Limited, domiciled in Cyprus which owns 27.97% of the Company's share capital, and Africa Samba Cooperative which owns 30% and other shareholders own 0.21% of Company's share capital.

These consolidated financial statements have been approved by the board of directors and taken into account that the General Assembly Meeting has the right to change the consolidated financial statements after issuance.

The parent Company:

Edita Food Industries S.A.E.:

Edita Food Industries S.A.E. is the holding company. The company provides manufacturing, producing and packing of all food products and producing and packing of ready made food, cakes, pastry, milk, chocolate and other food products with all necessary ingredients and sell the products to Digma Trading S.A.E.

The group is composed of the following subsidiaries:

Digma Trading S.A.E.:

The main activity of Digma Trading S.A.E. is wholesale and retail trading in consumable goods. The Company also acts as an agent and distributor for local and foreign factories and companies producing these goods and also imports and exports, in accordance with laws and regulations. The company buys from Edita confectionery industries and Edita food industries and distributes to others.

Edita Confectionery Industries:

The company's purpose is to build and operate a factory for production, sales and distributions of sweets, toffee, jelly, caramel and other nutrition materials and sell the products to Digma for trading company.

Edita Participation Cyprus Ltd:

The principal activities of the company are the provision of services and the holding of investments.

	Principle place of business	Interest held by non-controlling interest
Digma Trading S.A.E.	Egypt	0.20%
Edita for Confectionery Industries S.A.E.	Egypt	22.3%
Edita Participation Cyprus Ltd	Cyprus	—

1. General information (Continued)

Financial information about the subsidiaries of the group:

2014

Name of subsidiary	Total assets	Total equity	Total sales	Net Income/ (loss)
Digma Trading S.A.E.	198,691,680	132,986,474	1,806,571,777	54,755,351
Edita Confectionery Industries S.A.E.	—	9,290,669	49,818,573	(1,404,621)
Edita Participation Cyprus Ltd	188,872	(54,334)	—	(68,792)

2013

Name of subsidiary	Total assets	Total equity	Total sales	Net Income/ (loss)
Digma Trading S.A.E.	183,204,830	127,682,033	1,537,555,915	73,465,631
Edita Confectionery Industries S.A.E.	80,862,910	10,695,290	16,502,091	(16,768,453)
Edita Participation Cyprus Ltd	188,872	(54,334)	—	(68,792)

2012

Name of subsidiary	Total assets	Total equity	Total sales	Net Income
Digma Trading S.A.E.	153,320,158	96,842,612	1,232,039,903	56,489,998
Edita Confectionery Industries S.A.E.	86,861,033	27,463,743	11,425,396	(23,956,352)
Edita Participation Cyprus Ltd	43,280,506	43,910,429	—	(30,112)

2. Summary of significant accounting policies

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

A. Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") and IFRIC interpretations.

These consolidated financial statements have been prepared under the historical cost convention.

Reconciliations and descriptions of the effect of the transition from Egyptian Accounting Standards to International Financial Reporting Standards on the Group's equity and its net income and cash flows in accordance with IFRS 1 first time adoption of IFRS are provided in Note 5. The Group adopted IFRS in 2012.

The preparation of the consolidated financial statements in conformity with International Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

B. Changes in accounting policy and disclosure

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2014 that would be expected to have a material impact on the company.

2. Summary of significant accounting policies (Continued)

The Group has changed during the period the process of evaluating its inventory from first in first out to moving average to give information that is reliable and more relevant. No significant effect from this change on each of inventory, earnings per share and statement of income for corresponding figures.

C. Basis of consolidation

1. Subsidiaries

Subsidiaries are all entities (including structured) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiring on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

2. Acquisitions

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognized in profit or loss.

Any contingent consideration to be transferred by the group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated. When necessary amounts reported by subsidiaries have been adjusted to confirm to the group's accounting policies.

3. Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions—that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

4. Disposal of subsidiaries

When the group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or

2. Summary of significant accounting policies (Continued)

loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

D. Foreign currency translation

(1) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). For all entities, it is Egyptian Pound except for Edita Participation Cyprus Ltd whose functional currency is Euro.

The consolidated financial statements are presented in Egyptian Pounds, which is the group's presentation currency.

(2) Transactions and balances

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognized in profit or loss, and other changes in carrying amount are recognized in other comprehensive income.

(3) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(b) Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(c) The Equity items other than profit or losses for the year have been translated at the historical exchange rate.

(d) All resulting exchange differences are recognized in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognized in other comprehensive income.

E. Property and equipment

All property and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the

2. Summary of significant accounting policies (Continued)

group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual value over their estimated useful lives, as follows:

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within 'Other (losses)/gains—net' in the income statement.

F. Impairment of non-financial assets

Assets that have an indefinite useful life—for example, intangible assets not ready to use—are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

G. Financial assets

(1) Classification

The group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

2. Summary of significant accounting policies (Continued)

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' and 'treasury bills' in the balance sheet

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

(2) Recognition and measurement

Regular purchases and sales of financial assets are recognized on the trade-date—the date on which the group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within 'Other (losses)/gains—net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognized in the income statement as part of other income when the group's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognized in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognized in equity are included in the income statement as 'Gains and losses from investment securities'.

Interest on available-for-sale securities calculated using the effective interest method is recognized in the income statement as part of other income. Dividends on available-for-sale equity instruments are recognized in the income statement as part of other income when the group's right to receive payments is established.

H. Intangible assets

The intangible assets (Trade Mark) are stated at historical cost less impairment loss, where it does not have estimated useful lives. The historical cost includes all costs associated with acquiring the intangible asset.

I. Impairment of financial assets

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

2. Summary of significant accounting policies (Continued)

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the consolidated income statement.

J. Inventories

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

In years before 2014, the cost was determined using the first-in, first-out (FIFO) method.

K. Trade receivables

Trade receivables are amounts due from customers for goods' sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

L. Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the consolidated balance sheet, bank overdrafts are shown within borrowings in current liabilities.

M. Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2. Summary of significant accounting policies (Continued)

Where any group company purchases the company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders.

N. Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method.

O. Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred.

Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

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

P. Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Q. Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income and as per tax law, the income tax is calculated on the standalone level rather that the consolidation level. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a

2. Summary of significant accounting policies (Continued)

business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

Only where there is an agreement in place that gives the group the ability to control the reveal of the temporary difference not recognized.

Deferred income tax assets are recognized on deductible temporary differences arising from investments in subsidiaries, only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

R. Employee benefits

(1) Pension obligations

A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

For defined contribution plans, the group pays contributions to The Egyptian Authority for Social Insurance on a mandatory basis as per Egyptian Law of Social Insurance. The group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due.

(2) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. All other short-term employee benefit obligations are presented as payables.

(3) Dividends distribution

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

2. Summary of significant accounting policies (Continued)

(4) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer and in accordance with labour law. Falling due more than 12 months after the end of the reporting period are discounted to present value.

S. Provisions

Provisions are recognized when: the group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

T. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(1) Sales of goods—wholesale

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

(2) Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired receivables is recognised using the original effective interest rate.

(3) Dividend income

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

2. Summary of significant accounting policies (Continued)

(4) Revenues from investment in Osoul Fund

Revenue is recognized monthly at each of the Osoul Fund certificate as per the bank announced rate; at the year end the Group revaluates the outstanding numbers of Osoul Fund certificate up on the rate announced by the bank.

(5) Government subsidy on export sales

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

U. Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

V. Dividend distribution

Dividend distribution to the company's shareholders is recognized as a liability in the group's financial statements in the period in which the dividends are approved by the company's shareholders.

W. Legal reserve

In accordance with the Companies Law No. 159 year 1981 and the company's Articles of Association, 5% of annual net profit is transferred to the legal reserve. Upon the recommendation of the Board of Directors, the company may stop such transfers when the legal reserve reaches 20% of the issued capital. The reserve is not eligible for distribution to shareholders.

X. Earnings per share

(1) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Group by the weight average number of ordinary shares in issue during the year excluding ordinary shares purchase by the Company and held as treasury shares.

(2) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The company does not have any categories of dilutive potential ordinary shares, hence the diluted earnings per share is the same as the basic earnings per share.

Y. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

3. Financial risk management

(1) Financial risk factors

The group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The group's management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the group's financial performance.

The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(A) Market risk

(i) Foreign exchange risk

The group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the Euro. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

At year end, major financial assets / (liabilities) in foreign currencies were as follows:

	Assets	Liabilities	Net 2014	Net 2013	Net 2012
United States Dollars . . .	5,991,878	(22,861,640)	**(16,869,762)**	**25,582,204**	**96,496,842**
Euros	6,346,638	(115,999,774)	**(109,653,136)**	**763,061**	**(35,258,706)**

At 31 December 2013, if the Egyptian Pounds had weakened / strengthened by 10% against the US Dollars with all other variables held constant, post tax profit for the year would have been LE 1,686,976 (2013: LE 2,558,220 and 2012: LE 9,649,684) higher / lower, mainly as a result of foreign exchange gains/losses on translation of US dollar-denominated financial assets and liabilities.

At 31 December 2014, if the Egyptian Pounds had weakened / strengthened by 10% against the Euro with all other variables held constant, post tax profit for the year would have been LE 10,965,313 (2013: LE 76,306 and 2012: LE 3,525,870) higher / lower, mainly as a result of foreign exchange gains/losses on translation of Euro-denominated financial assets and liabilities.

(ii) Price risk

2014

The Group has no investments in quoted equity or debts securities and accordingly is not exposed to price risk related to the change in the fair value of the investment.

2013

The group is exposed to equity securities price risk because of investments held by the group and classified on the consolidated balance sheet as available for sale. The fair value of the investment did not change and 100% of the investment was sold subsequently in 2013.

2012

The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated balance sheet as available for sale. The fair value of the investments did not change and 100% of the investment was sold subsequently in 2013.

3. Financial risk management (Continued)

(iii) Cash flow and fair value interest rate risk

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

At 31 December 2014, if interest rates on Egyptian pound -denominated borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the year would have been LE 465,712 (2013: LE 304,783 and 2012: LE 251,101) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

Borrowings at the balance sheet date with variable interest rate amounted to LE 319,734,364 (2013: LE 254,072,028 and 2012: LE 212,862,155).

Overdraft at the balance sheet date in 2014 amounted to LE 60,418,179 (2013: LE 38,752,046 and 2012: LE 27,227,110).

Financial assets exposed to variable interest rate amounted to LE 210,960,840 (2013: LE 185,438,113 and 2012: LE 218,830,040).

	2014	2013	2012
Time deposit—LE	210,960,840	165,960,840	120,860,840
Time deposit—USD	—	19,477,273	97,969,200
	210,960,840	**185,438,113**	**218,830,040**

(B) Credit risk

Credit risk is managed on group basis, except for credit risk relating to accounts receivable balances. Each local entity is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, treasury bills, as well as credit exposures to customers, including outstanding receivables

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

For the customers, the Group assesses the credit quality of the customers, taking into account its financial position, and their market reputation, past experience and other factors.

For Treasury bills, the Group deals with governments which are considered with a high credit rating (Egypt B+).

For Individual the legal arrangements and documents accepted by the customer are minimizing the credit risk

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties except for the impairment of accounts receivables presented in (Note 10).

The maximum exposure to credit risk is the amount of receivables and the intercompany receivable as well as the cash and cash equivalents and Treasury Bills.

(C) Liquidity risk

The Group treasury monitors rolling forecasts of the group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed

3. Financial risk management (Continued)

borrowing facilities (Note 15) at all times so that the group does not breach borrowing limits or covenants) on any of its borrowing facilities. Such forecasting takes into consideration the group debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets.

	Less than 6 months	Between 6 months & 1 year	Between 1 & 2 years	Between 2 & 5 years
At 31 December 2014				
Borrowings	52,849,934	69,516,600	103,200,332	82,843,058
Trade and other payables	165,213,420	—	—	—
Bank overdraft	60,418,179	—	—	—
Notes payable	40,717,771	9,985,990	8,884,103	—
Accrued interest	11,324,441	—	—	—
Total	**330,523,745**	**79,502,590**	**112,084,435**	**82,843,058**
At 31 December 2013				
Borrowings	55,752,159	55,752,159	84,699,866	49,450,333
Trade and other payables	139,212,721	—	—	—
Bank overdraft	38,752,046	—	—	—
Notes payable	46,255,029	9,425,154	17,138,295	—
Accrued interest	8,417,509	—	—	—
Total	**288,389,464**	**65,177,313**	**101,838,161**	**49,450,333**
At 31 December 2012				
Borrowings	36,291,730	44,088,893	61,191,532	71,290,000
Trade and other payables	136,746,287	—	—	—
Sales tax on machinery	25,296	—	—	—
Bank overdraft	27,227,110	—	—	—
Notes Payable	33,645,417	—	24,231,361	—
Total	**233,935,840**	**44,088,893**	**85,422,893**	**71,290,000**

(2) Capital management

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

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

3. Financial risk management (Continued)

The group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net loan represents all loans and borrowings, and long-term notes payables less cash and cash equivalents. Total capital is calculated as equity, plus net debts.

	2014	2013	2012
Current and long-term liabilities and loans	338,604,457	280,660,772	246,063,649
Bank Over Draft	60,418,179	38,752,046	27,227,110
Total liabilities and loans	**399,022,636**	**319,412,818**	**273,290,759**
Less: Cash and bank balances	(233,301,434)	(196,574,696)	(237,377,400)
Treasury bills	(106,014,124)	(104,327,401)	—
Net debt	**59,707,078**	**18,510,721**	**35,913,359**
Total equity	825,744,906	709,952,214	614,397,100
Total working capital	**885,451,984**	**728,462,935**	**650,310,459**
Gearing ratio	***7%***	***3%***	***5.5%***

(3) Fair value estimation

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

4. Critical accounting estimates and judgments

1. Critical accounting estimates and assumptions

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

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

a. Fixed assets useful lives

Fixed assets are depreciated based on useful lives and estimated residual values of each asset which is determined in accordance with the Group's policy and in the light of the technical study prepared for each asset separately. Residual value and useful lives of assets are reviewed and modified periodically.

During 2013, The group changed the useful life timed for the furniture to be 5 years instead of 10 years , the financial impact of changing the life time is increase the depreciation cost for the year.

b. Intangible assets impairment (Trade Mark)

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

4. Critical accounting estimates and judgments (Continued)

2. Critical judgments in applying the group's accounting policies

In general the application of the Group's accounting policies does not require from management the use of personal judgment (except relating to critical accounting estimates and assumptions as described in Note 4-1 which may have a significant impact on the value recognized in the financial statement.

5. Transition to IFRS

5.1 Basis of transition to IFRS 1

5.1.1 Application of IFRS 1

The Group's consolidated financial statements for the year ended 31 December 2012 will be the first annual financial statements that comply with IFRS. These consolidated financial statements have been prepared as described in Note 2.A. The Group has applied IFRS 1 in preparing these consolidated financial statements.

The Group's transition date is 1 January 2012. The Company prepared its opening IFRS balance sheet at that date. The reporting date of these financial statements is 31 December 2012. The Group's IFRS adoption date is 1 January 2011.

In preparing these consolidated financial statements in accordance with IFRS 1, the Group has applied the mandatory exceptions and certain of the optional exemptions from full retrospective application of IFRS.

5.1.2 Exemptions from full retrospective application followed by the Company

The Group has applied the following mandatory exceptions from retrospective application.

(a) Estimates exemption

Estimates under IFRS at 1 January 2012 should be consistent with the estimates made for the same date under previous EAS, unless there is evidence that those estimates were in error.

(b) Derecognition of financial assets and liabilities exemption

Financial assets and liabilities derecognized under previous EAS before January 2012 will remain derecognized and financial assets and liabilities that were derecognized under previous EAS after 1 January 2011 will be recognized again in the financial statements if they don't qualify for derecognition under IAS 39.

(c) Hedge accounting exemption

IFRS 1 allows hedge accounting to be used only from the date that the designation and documentation of a hedge relationship is completed. The Group, however, does not have any hedge accounting agreements.

(d) Non-controlling interests exemption

A Company must apply the following requirements of IAS 27 prospectively from the date of transition to IFRS:

- Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance;
- Accounting for changes in the parent's ownership interest in a subsidiary that do not result in a loss of control; and
- Accounting for a loss of control over a subsidiary.

5. Transition to IFRS (Continued)

5.2 Reconciliation between IFRS and EAS

The following six reconciliations provide details of the impact of the transition on

- balance sheet at 1 January 2011 (Note 5.2.1)
- balance sheet at 31 December 2011 (Note 5.2.2)
- balance sheet at 31 December 2012 (Note 5.2.3)
- net profit for the year ended 31 December 2011 (Note 5.2.4)
- net profit for the year ended 31 December 2012 (Note 5.2.5)
- comprehensive income for the period ended 31 December 2011 (Note 2.5.6)
- comprehensive income for the period ended 31 December 2012 (Note 2.5.7)
- cash flows for the period ended 31 December 2012 (note 5.2.8)

5. Transition to IFRS (Continued)

5.2.1 Reconciliation of balance sheet at 1 January 2011

	EAS	Effect of transition to IFRS	IFRS
Non-current assets			
Property, plant and equipment	387,450,603	—	387,450,603
Investments available for sale	38,900,000	—	38,900,000
Deferred tax assets	—	—	—
Total non-current assets	**426,350,603**	**—**	**426,350,603**
Current assets			
Inventories	55,740,946	—	55,740,946
Trade and other Receivables	79,236,936	—	79,236,936
Cash and cash equivalents (excluding bank overdrafts)	188,552,423	—	188,552,423
Financial assets at fair value through profit or loss	—	—	—
Total current assets	**323,530,305**	**—**	**323,530,305**
Total assets	**749,880,908**	**—**	**749,880,908**
Equity and Liabilities			
Equity			
Ordinary Shares	72,536,290	—	72,536,290
Legal reserve	16,407,621	—	16,407,621
Forex translation reserve	1,302,600	(1,302,600)	—
Retained earnings	379,159,999	1,302,600	380,462,599
Equity attributable to owners of the parent	**469,406,510**	**—**	**469,406,510**
Non-controlling interests	12,590,200	—	12,590,200
Total equity	**481,996,710**	**—**	**481,996,710**
Liabilities			
Non-current liabilities			
Long term loans	—	—	—
Long-term notes payable	35,353,742	—	35,353,742
Sales tax on machinery	186,334	—	186,334
Deferred tax liabilities	31,757,335	—	31,757,335
Total non-current liabilities	**67,297,411**	**—**	**67,297,411**
Current liabilities			
Provisions	3,523,038	—	3,523,038
Bank overdraft	55,231,306	—	55,231,306
Trade and other payables	97,075,565	—	97,075,565
Income tax liabilities	10,734,495	—	10,734,495
Current portion of long-term liabilities	34,022,383	—	34,022,383
Total current liabilities	**200,586,787**	**—**	**200,586,787**
Total Liabilities	**267,884,198**	**—**	**267,884,198**
Total equity and liabilities	**749,880,908**	**—**	**749,880,908**

5. Transition to IFRS (Continued)

Explanation of the effect of the transition of IFRS

Transition to IFRS resulted in the reclassification of the forex translation reserve from the owner's equity to the statement of other comprehensive income shown under the retained earnings. Transition to IFRS does not have any other effect on the balance sheet line items due to the fact that all adjustments made were within retained earnings with zero net effect, as shown below:

	EAS	Effect of transition to IFRS	IFRS
Balance at 1 January 2010	**352,458,549**	**—**	**352,458,549**
Shareholders dividends distribution	(100,000,000)	—	(100,000,000)
Employee dividends distribution	(8,157,908)	8,157,908	—
Profit for the year	134,859,358	(8,157,908)	126,701,450
Other Comprehensive income for the year	—	1,302,600	1,302,600
Balance at 31 December 2010	**379,159,999**	**1,302,600**	**380,462,599**

5. Transition to IFRS (Continued)

5.2.2 Reconciliation of balance sheet at 31 December 2011

	EAS	Effect of transaction to IFRS	IFRS
Non-current assets		—	
Property, plant and equipment	634,335,732	—	634,335,732
Investments available for sale	39,862,500	—	39,862,500
Deferred tax assets	1,047,307	—	1,047,307
Total non-current assets	**675,245,539**	**—**	**675,245,539**
Current assets		—	
Inventories	77,618,347	—	77,618,347
Trade and other Receivables	58,443,499	—	58,443,499
Cash and cash equivalents (excluding bank overdrafts)	133,256,785	—	133,256,785
Financial assets at fair value through profit or loss	35,539	—	35,539
Total current assets	**269,354,170**	**—**	**269,354,170**
Total assets	**944,599,709**	**—**	**944,599,709**
Equity and Liabilities			
Equity		—	
Ordinary Shares	72,536,290	—	72,536,290
Legal reserve	16,407,621	—	16,407,621
Forex translation reserve	2,259,950	(2,259,950)	—
Retained earnings	391,705,999	2,259,950	393,965,949
Equity attributable to owners of the parent	**482,909,860**	**—**	**482,909,860**
Non-controlling interests	11,257,133	—	11,257,133
Total equity	**494,166,993**		**494,166,993**
Liabilities			
Non-current liabilities		—	
Long term loans	136,659,068	—	136,659,068
Long-term notes payable	30,294,318	—	30,294,318
Sales tax on machinery	105,815	—	105,815
Deferred tax liabilities	36,365,875	—	36,365,875
Total non-current liabilities	**203,425,076**	**—**	**203,425,076**
Current liabilities		—	
Provisions	4,648,302	—	4,648,302
Bank overdraft	12,622,667	—	12,622,667
Trade and other payables	143,292,755	—	143,292,755
Income tax liabilities	27,771,718	—	27,771,718
Current portion of long-term liabilities	58,672,198	—	58,672,198
Total current liabilities	**247,007,640**	**—**	**247,007,640**
Total Liabilities	**450,432,716**	**—**	**450,432,716**
Total equity and liabilities	**944,599,709**	**—**	**944,599,709**

5. Transition to IFRS (Continued)

Explanation of the effect of the transition of IFRS

Transition to IFRS resulted in the reclassification of the forex translation reserve from the owner's equity to the statement of other comprehensive income shown under the retained earnings. Transition to IFRS does not have any other effect on the balance sheet line items due to the fact that all adjustments made were within retained earnings with zero net effect, as shown below:

	EAS	Effect of transition to IFRS	IFRS
Balance at 1 January 2011	**379,159,999**	**1,302,600**	**380,462,599**
Shareholders dividends distribution	(125,000,000)	—	(125,000,000)
Employee dividends distribution	(9,781,747)	9,781,747	—
Profit for the year	147,327,747	(9,781,747)	137,546,000
Other Comprehensive income for the year	—	957,350	957,350
Balance at 31 December 2011	**391,705,999**	**2,259,950**	**393,965,949**

5. Transition to IFRS (Continued)

5.2.3 Reconciliation of balance sheet at 31 December 2012

	EAS	Effect of transition to IFRS	IFRS
Non-current assets			
Property, plant and equipment	721,818,437	—	721,818,437
Investments available for sale	43,203,000	—	43,203,000
Deferred tax assets	—	—	—
Total non-current assets	**765,021,437**	**—**	**765,021,437**
Current assets			
Inventories	80,775,579	—	80,775,579
Trade and other Receivables	42,921,469	—	42,921,469
Cash and cash equivalents (excluding bank overdrafts)	237,377,400	—	237,377,400
Financial assets at fair value through profit or loss	39,623	—	39,623
Total current assets	**361,114,071**	**—**	**361,114,071**
Total assets	**1,126,135,508**	**—**	**1,126,135,508**
Equity and Liabilities		—	
Equity		—	
Ordinary Shares	72,536,290	—	72,536,290
Legal reserve	16,407,621	—	16,407,621
Forex translation reserve	5,580,157	(5,580,157)	—
Retained earnings	513,941,194	5,580,157	519,521,351
Equity attributable to owners of the parent	**608,465,262**	**—**	**608,465,262**
Non-controlling interests	5,931,838	—	5,931,838
Total equity	**614,397,100**	**—**	**614,397,100**
Liabilities			
Non-current liabilities			
Long term loans	132,481,532	—	132,481,532
Long-term notes payable	24,231,361	—	24,231,361
Sales tax on machinery	25,296	—	25,296
Deferred tax liabilities	59,178,713	—	59,178,713
Total non-current liabilities	**215,916,902**	**—**	**215,916,902**
Current liabilities			
Provisions	7,782,393	—	7,782,393
Bank overdraft	27,227,110	—	27,227,110
Trade and other payables	136,746,287	—	136,746,287
Income tax liabilities	34,740,256	—	34,740,256
Current portion of long-term liabilities	89,325,460	—	89,325,460
Total current liabilities	**295,821,506**	**—**	**295,821,506**
Total Liabilities	**511,738,408**	**—**	**511,738,408**
Total equity and liabilities	**1,126,135,508**		**1,126,135,508**

5. Transition to IFRS (Continued)

Explanation of the effect of the transition of IFRS

Transition to IFRS resulted in the reclassification of the forex translation reserve from the owner's equity to the statement of other comprehensive income shown under the retained earnings. Transition to IFRS does not have any other effect on the balance sheet line items due to the fact that all adjustments made were within retained earnings with zero net effect, as shown below:

	EAS	Effect of transition to IFRS	IFRS
Balance at 1 January 2012	**391,705,999**	**2,259,950**	**393,965,949**
Shareholders dividends distribution	(50,000,000)	—	(50,000,000)
Employee dividends distribution	(11,452,066)	11,452,066	—
Profit for the year	183,687,261	(11,452,066)	183,687,261
Other Comprehensive income for the year	—	3,320,207	3,320,207
Balance at 31 December 2012	**513,941,194**	**5,580,157**	**519,521,351**

5.2.4 Reconciliation of net profit for the year ended at 31 December 2011

	EAS	Effect of transition to IFRS	IFRS
Revenue	1,135,758,046	—	1,135,758,046
Cost of goods sold	(763,451,169)	(3,893,814)	(767,344,983)
Gross profit	**372,306,877**	**(3,893,814)**	**368,413,063**
Distribution cost	(131,791,284)	(2,723,259)	(134,514,543)
Administrative expenses	(59,022,952)	(3,164,674)	(62,187,626)
Other income	8,006,010	—	8,006,010
Other (losses)/ gain—net	6,027,747	—	10,762,594
Profit from operations	**200,261,245**	**(9,781,747)**	**190,479,498**
Finance Income	1,122,491	—	1,122,491
Finance Cost	(3,816,902)	—	(3,816,902)
Finance (cost) income, net	**(2,694,411)**	**—**	**(2,694,411)**
Profit before income tax	**197,566,834**	**(9,781,747)**	**187,785,087**
Income tax expense	(51,509,750)	—	(51,509,750)
Net profit	**146,057,084**	**(9,781,747)**	**136,275,337**
Earnings per share (expressed in EGP per share):			
Basic earnings per share	0.40		0.38
Diluted earnings per share	0.40		0.38
Distributed as following:			
Shareholders' equity	147,327,747	(9,781,747)	137,546,000
Non-controlling interest	(1,270,663)	—	(1,270,663)
Net profit for the year	**146,057,084**	**(9,781,747)**	**136,275,337**

5. Transition to IFRS (Continued)

Explanation of the effect of the transition of IFRS

The following explains the material adjustments to the net profit.

Employees' dividends distribution

Previously the company presented the employees' profit share as a distribution of retained earnings in accordance with EAS. In accordance with IAS 1 *Presentation of Financial Statements*, distribution of retained earnings is limited to owners' of the company. Accordingly, the distribution to the employees was treated as an expense in the statement of income. The impact is an increase in cost of sales by LE 3,893,814, in administrative costs by LE 3,164,674 and in distribution costs by LE 2,723,259.

5.2.5 Reconciliation of net income for the year ended 31 December 2012

	EAS	Effect of transition to IFRS	IFRS
Revenue	1,341,878,733	—	1,341,878,733
Cost of goods sold	(858,252,599)	(4,685,591)	(862,938,190)
Gross profit	**483,626,134**	**(4,685,591)**	**478,940,543**
Distribution cost	(167,501,092)	(3,544,304)	(171,045,396)
Administrative expenses	(67,444,783)	(3,222,171)	(70,666,954)
Other income	15,271,764	—	15,271,764
Other (losses)/ gain-net	1,161,750	—	1,161,750
Profit from operations	**265,113,773**	**(11,452,066)**	**253,661,707**
Finance Income	977,140	—	977,140
Finance Cost	(10,353,083)	—	(10,353,083)
Finance (cost) income, net	**(9,375,943)**	**—**	**(9,375,943)**
Profit before income tax	**255,737,830**	**(11,452,066)**	**244,285,764**
Income tax expense	(77,277,460)	—	(77,277,460)
Net profit	**178,460,370**	**(11,452,066)**	**167,008,304**
Earnings per share (expressed in EGP per share):			
Basic earnings per share	0.49		0.46
Diluted earnings per share	0.49		0.46
Shareholders' equity	183,687,261	(11,452,066)	172,235,195
Non-controlling interest	(5,226,891)	—	(5,226,891)
Net profit for the year	**178,460,370**	**(11,452,066)**	**167,008,304**

Explanation of the effect of the transition of IFRS

The following explains the material adjustments to the net profit.

Employees' dividends distribution

Previously the company presented the employees' profit share as a distribution of retained earnings in accordance with EAS. In accordance with IAS 1 *Presentation of Financial Statements*, distribution of retained earnings is limited to owners' of the company. Accordingly, the distribution to the employees was treated as an expense in the statement of income. The impact is an increase in cost of sales by L.E 4,685,591 in administrative costs by LE 3,222,171 and in distribution costs by LE 3,544,304.

5. Transition to IFRS (Continued)

5.2.6 Reconciliation for comprehensive income for the year ended 31 December 2011

	EAS	Effect of transition to IFRS	IFRS
Profit for the year	—	136,275,337	136,275,337
Forex translation reserve	—	957,350	957,350
Total comprehensive income for the year	**—**	**137,232,687**	**137,232,687**

Explanation of the effect of the transition of IFRS

The statement of other comprehensive income is not presented under Egyptian Accounting Standards and it is presented under International Financial Reporting Standards (IFRS).

5.2.7 Reconciliation for comprehensive income for the year ended 31 December 2012

	EAS	Effect of transition to IFRS	IFRS
Profit for the year	—	167,008,304	167,008,304
Forex translation reserve	—	3,320,207	3,320,207
Total comprehensive income for the year	**—**	**170,328,511**	**170,328,511**

Explanation of the effect of the transition of IFRS

The statement of other comprehensive income is not presented under Egyptian Accounting Standards and it is presented under International Financial Reporting Standards (IFRS).

5. Transition to IFRS (Continued)

5.2.8 Reconciliation of cash flow at 31 December 2012

	EAS	Effect of transition to IFRS	IFRS
Cash flows generated from operating activities	312,320,163	(11,452,066)	300,865,005
Interest paid	(7,172,168)	—	(7,172,168)
Income tax paid	(45,804,756)	—	(45,804,756)
Net cash flows generated from operating activities	**259,340,147**	**(11,452,066)**	**247,888,081**
Cash flows from investing activities			
Purchase of property, plant and equipment	(133,509,719)	—	(133,509,719)
Proceeds from sale of property, plant and equipment	7,738,295	—	7,738,295
Interest received	330,715	—	330,715
Net cash flows used in investing activities	**(125,440,709)**	**—**	**(125,440,709)**
Cash flows from financing activities			
Sales tax on machinery	(80,519)	—	(80,519)
Notes payable	(8,511,670)	—	(8,511,670)
Dividends paid	(61,538,601)	11,452,066	(50,086,535)
Non-controlling interest increase in capital	4,000	—	4,000
Received loans	25,743,524	—	25,743,524
Net cash flows (used in) / generated from financing activities	**(44,383,266)**	**11,452,066**	**(32,931,200)**
Increase/ (Decrease) in cash and cash equivalents	**89,516,172**	**—**	**89,516,172**
Cash and cash equivalents at beginning of the year	120,634,118	—	120,634,118
Cash and cash equivalents at end of the year	**210,150,290**	**—**	**210,150,290**

Explanation of the effect of the transition of IFRS

The following explains the material adjustments to the statement of cash flow.

Employees' dividends distribution

Previously the group presented the employees' profit share as a distribution of retained earnings in accordance with EAS. In accordance with IAS 1 *Presentation of Financial Statements*, distribution of retained earnings is limited to owners' of the group. Accordingly, the distribution to the employees was treated as an expense in the statement of income. The impact is a decrease in the profit before tax by L.E 11,452,066 as well as a decrease in the dividends paid by L.E 11,452,066.

6. Property, plant and equipment

	Land	Buildings	Machinery & equipment	Vehicles	Tools & equipment	Furniture & office equipment	Projects under construction	Total
At 31 December 2011								
Cost	62,226,931	83,671,769	279,065,441	87,677,233	18,966,642	22,305,559	235,609,371	789,522,946
Accumulated depreciation	—	(18,135,633)	(76,909,180)	(36,197,599)	(12,210,445)	(11,734,357)	—	(155,187,214)
Net book value	**62,226,931**	**65,536,136**	**202,156,261**	**51,479,634**	**6,756,197**	**10,571,202**	**235,609,371**	**634,335,732**
Year ended 31 December 2012								
Opening net book value	62,226,931	65,536,136	202,156,261	51,479,634	6,756,197	10,571,202	235,609,371	634,335,732
Additions	—	32,280	4,992,234	11,501,990	1,369,741	3,219,030	112,394,444	133,509,719
Depreciation charge	—	(5,007,169)	(17,153,166)	(12,120,685)	(3,752,456)	(5,211,558)	—	(43,245,034)
Disposals depreciation	—	554,762	—	7,028,018	605,847	275,883	—	8,464,510
Disposals	—	(918,888)	—	(9,375,145)	(627,152)	(325,305)	—	(11,246,490)
Transfers from projects under construction	—	103,855,234	118,028,252	—	7,740,460	1,992,130	(231,616,076)	—
Closing net book value	**62,226,931**	**164,052,355**	**308,023,581**	**48,513,812**	**12,092,637**	**10,521,382**	**116,387,739**	**721,818,437**
At 31 December 2012								
Cost	62,226,931	186,640,395	402,085,927	89,804,078	27,449,691	27,191,414	116,387,739	911,786,175
Accumulated depreciation	—	(22,588,040)	(94,062,346)	(41,290,266)	(15,357,054)	(16,670,032)	—	(189,967,738)
Net book value	**62,226,931**	**164,052,355**	**308,023,581**	**48,513,812**	**12,092,637**	**10,521,382**	**116,387,739**	**721,818,437**
At 1 January 2013								
Cost	62,226,931	186,640,395	402,085,927	89,804,078	27,449,691	27,191,414	116,387,739	911,786,175
Accumulated depreciation	—	(22,588,040)	(94,062,346)	(41,290,266)	(15,357,054)	(16,670,032)	—	(189,967,738)
Net book value	**62,226,931**	**164,052,355**	**308,023,581**	**48,513,812**	**12,092,637**	**10,521,382**	**116,387,739**	**721,818,437**
Year ended 31 December 2013								
Opening net book value	62,226,931	164,052,355	308,023,581	48,513,812	12,092,637	10,521,382	116,387,739	721,818,437
Additions	—	154,000	1,817,768	27,633,932	1,991,211	4,279,448	118,833,915	154,710,274
Depreciation charge	—	(7,023,411)	(15,690,368)	(13,565,882)	(4,355,686)	(5,031,538)	—	(45,666,885)
Disposal Depreciation	—	—	158,671	1,505,284	1,796,234	4,893,780	—	8,353,969
Disposals	—	—	(2,065,626)	(2,286,166)	(1,831,022)	(6,586,449)	—	(12,769,263)
Transfers from Projects under construction	—	152,092,102	52,139,084	—	4,902,998	10,989,657	(220,123,841)	—
Balance at 31 December 2013	**62,226,931**	**309,275,046**	**344,383,110**	**61,800,980**	**14,596,372**	**19,066,280**	**15,097,813**	**826,446,532**

6. Property, plant and equipment (Continued)

	Land	Buildings	Machinery & equipment	Vehicles	Tools & equipment	Furniture & office equipment	Projects under construction	Total
At 31 December 2013								
Cost	62,226,931	338,886,497	453,977,153	115,151,844	32,512,878	35,874,070	15,097,813	1,053,727,186
Accumulated depreciation	—	(29,611,451)	(109,594,043)	(53,350,864)	(17,916,506)	(16,807,790)	—	(227,280,654)
Net book value	**62,226,931**	**309,275,046**	**344,383,110**	**61,800,980**	**14,596,372**	**19,066,280**	**15,097,813**	**826,446,532**
At 1 January 2014								
Cost	62,226,931	338,886,497	453,977,153	115,151,844	32,512,878	35,874,070	15,097,813	1,053,727,186
Accumulated depreciation	—	(29,611,451)	(109,594,043)	(53,350,864)	(17,916,506)	(16,807,790)	—	(227,280,654)
Net book value	**62,226,931**	**309,275,046**	**344,383,110**	**61,800,980**	**14,596,372**	**19,066,280**	**15,097,813**	**826,446,532**
Year ended 31 December 2014								
Opening net book value	62,226,931	309,275,046	344,383,110	61,800,980	14,596,372	19,066,280	15,097,813	826,446,532
Additions	—	2,833,108	11,979,837	20,434,335	6,948,313	10,575,822	201,896,348	254,667,763
Depreciation charge	—	(12,961,342)	(22,971,288)	(14,391,308)	(5,104,782)	(8,422,327)	—	(63,851,047)
Disposal Depreciation	—	37,021	83,870	4,159,117	110,497	178,476	—	4,568,981
Disposals	—	(458,265)	(94,828)	(5,071,562)	(115,042)	(222,882)	—	(5,962,579)
Transfers from Projects under construction	—	17,495,548	1,862,698	—	—	215,126	(19,573,372)	—
Balance at 31 December 2014	**62,226,931**	**316,221,116**	**335,243,399**	**66,931,562**	**16,435,358**	**21,390,495**	**197,420,789**	**1,015,869,650**
At 31 December 2014								
Cost	62,226,931	358,756,888	467,724,860	130,514,617	39,346,149	46,442,136	197,420,789	1,302,432,370
Accumulated depreciation	—	(42,535,772)	(132,481,461)	(63,583,055)	(22,910,791)	(25,051,641)	—	(286,562,720)
Net book value	**62,226,931**	**316,221,116**	**335,243,399**	**66,931,562**	**16,435,358**	**21,390,495**	**197,420,789**	**1,015,869,650**

6. Property, plant and equipment (Continued)

During the year, the Company has capitalized borrowings costs amounting to LE 6,423,328 (2013: LE 5,848,410 and 2012: LE 13,828,153) on qualifying assets. Borrowings costs were capitalized at the weight average rate of its general borrowings of 10%.

	2014	2013	2012
Classification of the Qualified Assets			
Buildings	2,895,203	4,666,650	7,095,366
Machinery	3,528,125	1,181,760	6,483,832
Tools & equipment	—	—	248,954
Total	**6,423,328**	**5,848,410**	**13,828,152**

7. Intangible assets

	2014	2013	2012
Trade Mark (HOHOS, Twinkies & Tiger Tail)	68,618,658	68,618,658	—
Total	**68,618,658**	**68,618,658**	**—**

The intangible assets in the amount of ten million U.S. dollars which is equivalent to LE 68,618,658 against buying all the rights to the trademarks (HOHOS, Twinkies & Tiger Tail) as well as all the consequences of this acquisition of the trademark in the countries of Egypt, Jordan, Libya and Palestine. The trademark has an indefinite life because it is irrevocable, exclusive, sub licensable and fully assignable, license (the perpetual license) to use the know how in the territory in connection with the cake products.

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

Assumptions used by the Group when testing the impairment of intangible assets in 31 December 2014 and 31 December 2013 as follows:

	2014	2013
Average Gross profit	30%	47%
Discount rate	19%	19%
Growth rate	3%	3%

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

Sensitivity of recoverable amounts

At 31 December 2014, if the discount rate had increased / decreased by 1% with all other variables held constant, the recoverable amount is higher than the carrying amount, therefore there will be no need to make an impairment.

At 31 December 2013, if the discount rate had increased / decreased by 1% with all other variables held constant, the recoverable amount is higher than the carrying amount, therefore there will be no need to make an impairment.

8. Investments available for sale

	% Interest held			
	2013	2012	2013	2012
UFIB Company	0%	1.17%	—	43,203,000
Balance at year end			**—**	**43,203,000**

9. Inventories

	2014	2013	2012
Raw materials	78,624,516	57,151,452	63,894,308
Spare parts	21,637,869	14,298,676	9,317,501
Finished goods	8,197,309	10,387,212	4,005,564
Consumables	3,357,898	1,735,851	1,593,033
Work in process	1,443,165	1,172,910	2,165,173
Total	**113,260,757**	**84,746,101**	**80,975,579**
Less: provision for slow moving and obsolete inventory	(779,000)	(605,452)	(200,000)
Net	**112,481,757**	**84,140,649**	**80,775,579**

2014

The Group has changed during the period the process of evaluating its inventory from first in first out to moving average to give information that is reliable and more relevant. No significant effect from this change on each of inventory, earnings per share and statement of income for corresponding figures in which the change in the accounting policy amounted to LE 171 thousand related to the raw materials.

The cost of inventory recognized as an expense and included in cost of sales amounts to LE 429,061,545 (2013: LE 829,969,663).

During the year, there has been a slow moving and obsolete inventory amounted to LE 779,000. Net realizable value provision have been built by an amount of LE 532,325 and provision used an amount of LE 358,777 (Note 26).

2013

The cost of inventory recognized as an expense and included in cost of sales amounts to LE 829,969,663 (2012: LE 697,864,239).

There has been a write off for slow moving and obsolete inventory against; the declared accumulated balance of net realizable value by LE 92,091 and there has been an addition for net realizable value by LE 500,004 (Note 26).

2012

There has been a write off for slow moving and obsolete inventory against; the declared accumulated balance of net realizable value by LE 649,788 and there has been an addition for net realizable value by LE 149,038 (Note 26).

The cost of inventories recognized as an expense and included in cost of sales amounts to LE 697,864,239 (2011: LE 634,337,806).

10. Trade and other receivables

	2014	2013	2012
Trade receivables	10,514,126	12,633,335	7,422,805
Notes receivable	1,011,121	350,001	174,841
Total	**11,525,247**	**12,983,336**	**7,597,646**
Provision for doubtful debts	(138,785)	(20,556)	(20,556)
	11,386,462	**12,962,780**	**7,577,090**
Due from related parties		—	49,951
Advances to suppliers	36,938,398	45,319,802	24,537,342
Other debit balances	12,320,587	5,435,519	7,017,268
Prepaid expenses	4,316,961	1,190,285	2,401,683
Deposits with others	920,373	772,273	748,303
Employee loans	181,994	122,252	457,343
Letters of credit	226,297	257,073	67,003
Accrued revenues	51,051	88,222	65,486
Total	**66,342,123**	**66,148,206**	**42,921,469**

11. Treasury bills

	2014	2013	2012
Treasury bills par value	106,325,000	105,125,000	—
Net accrued interest income	(310,876)	(797,599)	—
Treasury bills balance	**106,014,124**	**104,327,401**	**—**

2014

The Group purchased treasury bills on 14 October 2014 with par value of LE 20,000,000 with an annual interest of 11.40%. These treasury bills are due on 13th of January 2015. The total recognized interest income amounted to LE 473,829.

The Group purchased treasury bills on 31 October 2014 with par value of LE 51,325,000 with an annual interest of 11.40%. These treasury bills are due on 6th of January 2015. The total recognized interest income amounted to LE 1,218,162.

The Group purchased treasury bills on 31 October 2014 with par value of LE 35,000,000 with an annual interest of 11.40%. These treasury bills are due on 13th of January 2015. The total recognized interest income amounted to LE 829,200.

2013

The Company purchased treasury bills on 30 December 2013 with par value amounted LE 104,327,401 with an annual interest of 9.95%. these treasury bills are due in 28 January 2014. The total accrued interest income amounted to LE 22,531 on 31 December 2013. In 2013, treasury bills were considered as part of cash and cash equivalents. However, they were reassessed in 2014 and no longer meet the definition of cash and cash equivalents as they cannot be liquidated except on maturity date.

The average interest rate on EGP Time deposits during 2013 is 8% (EGP Time deposit 2012: 8%), and for foreign currency time deposits 0.12% (2012: 0.19%). Time deposits are having maturity period of less than 3 months from date of the deposits.

12. Cash and cash equivalents (excluding bank overdrafts)

	2014	2013	2012
Bank deposits	210,960,840	185,438,113	218,830,040
Cash at banks and on hand	22,340,594	11,136,583	18,547,360
Cash and cash equivalents (excluding bank overdrafts)	**233,301,434**	**196,574,696**	**237,377,400**

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

	2014	2013	2012
Cash and cash equivalents	233,301,434	196,574,696	237,377,400
Bank overdraft (Note 21)	(60,418,179)	(38,752,046)	(27,227,110)
Total	**172,883,255**	**157,822,650**	**210,150,290**

13. Ordinary shares

2014

Authorized capital LE 360,000,000 (1,800,000,000 share, par value LE .20 per share).

The issued and paid up capital amounted by LE 72,536,290 presented in 362,681,450 share (par value LE .20 per share) distributed as follow:

	No. of shares	Shares value	Percentage of ownership
BERCO Ltd.	151,654,150	30,330,830	41.815%
EXODER Ltd.	101,458,950	20,291,790	27.975%
Africa Samba Corporative	108,804,450	21,760,890	30.000%
Others	763,900	152,780	0.211%
	362,681,450	**72,536,290**	**100%**

Extraordinary General Assembly Meeting on 9 September 2014, which approved the increase of the authorized capital to become LE 360,000,000 instead of LE 150,000,000, also approved amendment par value of LE 10 to 20 piasters per share, thus the total issued and paid up capital amounted to 362,681,450 shares instead of 7,253,629 with shareholders retain the same contribution rates.

2013, 2012

Authorized capital LE 150,000,000 (15,000,000 share, par value LE 10 per share).

The issued and paid up capital amounted by LE 72,536,290 presented in 7,253,629 share (par value LE 10 per share) distributed as follow:

	No. of shares	Shares value	Percentage of ownership
BERCO Ltd.	3,033,083	30,330,830	41.815%
EXODER Ltd.	2,029,179	20,291,790	27.975%
Africa Samba Corporative	2,176,089	21,760,890	30.000%
Others	15,278	152,780	0.211%
	7,253,629	**72,536,290**	**100%**

14. Legal reserve

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

In years before 2014, the Group was allowed to stop transferring 5% of the net profit for the year when the legal reserve reach 20% of the issued capital.

15. Non-controlling interest

2014

	Paid up capital	Legal reserves	Revaluation assets reserve	Accumulated losses	2014	2013
Balance at 1 January	12,271,000	5,000	42,971	(10,057,021)	**2,261,950**	**5,931,838**
Increase in capital	—	—	—	—	**—**	**—**
Dividend distribution (minority share)	—	—	—	(89,173)	**(89,173)**	**(76,727)**
Minority share in loss of subsidiaries	—	—	—	(203,579)	**(203,579)**	**(3,590,757)**
Asset revaluation difference	—	—	(2,405)	—	**(2,405)**	**(2,404)**
Balance at 31 December	**12,271,000**	**5,000**	**40,566**	**(10,349,773)**	**1,966,793**	**2,261,950**

2013

	Paid up capital	Legal reserves	Revaluation assets reserve	Accumulate losses	2013	2012
Balance at 1 January	12,271,000	5,000	45,375	(6,389,537)	**5,931,838**	**11,257,133**
Increase in capital	—	—	—	—	**—**	**4,000**
Dividend distribution	—	—	—	(76,727)	**(76,727)**	**(100,000)**
Non-controlling interest share of (losses) / profits of the subsidiaries	—	—	—	(3,590,757)	**(3,590,757)**	**(5,226,891)**
Asset revaluation difference	—	—	(2,404)	—	**(2,404)**	**(2,404)**
Balance at 31 December	**12,271,000**	**5,000**	**42,971**	**(10,057,021)**	**2,261,950**	**5,931,838**

2012

	Paid up capital	Legal reserves	Revaluation assets reserve	Accumulated losses	31 December 2012	31 December 2011
Balance at 1 January	12,267,000	5,000	47,779	(1,062,646)	**11,257,133**	**12,590,200**
Increase in capital	4,000	—	—		**4,000**	**—**
Dividend distribution	—	—	—	(100,000)	**(100,000)**	**(60,000)**
Non-controlling interest share in (losses) / profit of the subsidiaries	—	—	—	(5,226,891)	**(5,226,891)**	**(1,270,663)**
Assets revaluation differences	—	—	(2,404)		**(2,404)**	**(2,404)**
Balance at 31 December	**12,271,000**	**5,000**	**45,375**	**(6,389,537)**	**5,931,838**	**11,257,133**

16. Loans

	2014			2013			2012		
	Short-term portion	Long-term portion	Total	Short-term portion	Long-term portion	Total	Short-term portion	Long-term portion	Total
Loans	115,190,974	204,543,390	319,734,364	119,921,829	134,150,199	254,072,028	80,380,623	132,481,532	**212,862,155**
	115,190,974	**204,543,390**	**319,734,364**	**119,921,829**	**134,150,199**	**254,072,028**	**80,380,623**	**132,481,532**	**212,862,155**

The loans due according to the following schedule:

	2014	2013	2012
Balance due within 1 year	103,866,533	111,504,320	73,007,786
Accrued interest	11,324,441	8,417,509	7,372,837
Short-term portion	**115,190,974**	**119,921,829**	**80,380,623**

(1) Edita Food Industries S.A.E.

	2014			2013			2012		
	Short-term portion	Long-term portion	Total	Short-term portion	Long-term portion	Total	Short-term portion	Long-term portion	Total
First loan . .	—	—	**—**	27,084,155	—	**27,084,155**	27,546,110	26,637,785	**54,183,895**
Second loan	26,690,885	12,500,000	**39,190,885**	27,825,521	37,500,000	**65,325,521**	29,034,401	62,500,000	**91,534,401**
Third loan .	25,495,312	11,666,667	**37,161,979**	26,371,395	35,000,000	**61,371,395**	12,486,480	11,143,745	**23,630,225**
Fourth loan .	23,834,870	11,667,000	**35,501,870**	24,135,284	35,000,199	**59,135,483**	—		**—**
Fifth loan . .	19,170,795	28,719,881	**47,890,676**	—	—	**—**	—	—	**—**
Sixth loan . .	3,472,419	115,689,842	**119,162,261**	—	—	**—**	—	—	**—**
	98,664,281	**180,243,390**	**278,907,671**	**105,416,355**	**107,500,199**	**212,916,554**	**69,066,991**	**100,281,530**	**169,348,521**

The loans due according to the following schedule:

	2014	2013	2012
Balance due within 1 year	89,166,533	98,304,320	63,307,786
Accrued interest	9,497,748	7,112,035	5,759,203
Total	**98,664,281**	**105,416,355**	**69,066,989**

- ***First loan***

The first loan is provided by one of the Egyptian banks in July 2009 based on a cross guarantee from Digma Trading S.A.E. with an amount of LE 90,000,000 and the total withdrawal amount is LE 76,826,053 in addition to accrued interest. The loan balance is Zero at 31 December 2014 after payment of due instalments amounted to LE 27,084,155 in addition to the accrued interest.

- ***Second loan***

This second loan is provided by one of the Egyptian banks in August 2011 based on a cross guarantee issued from Digma Trading S.A.E. with an amount of LE 100,000,000 and the total withdrawal amount is LE 100,000,000 in addition to accrued interest. The loan outstanding balance at 31 December 2014 after payment of due instalments amounted to 37,500,000 in addition accrued interests.

Terms of payments:

Edita Food Industries S.A.E. is obligated to pay LE 37,500,000 on 3 equal semi-instalments annual amounting to LE 12,500,000 each.

16. Loans (Continued)

The first instalment is due on 1 February 2015 and the last on 1 February 2016 in addition to accrued interest.

Interest:

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

Fair value:

Fair value is approximately equal to book value.

- ***Third loan:***

This Third loan is provided by one of the Egyptian banks in August 2012 based on a cross guarantee issued from Digma Trading Company with an amount of LE 70,000,000 and the total withdrawal amount is LE 70,000,000 in addition to the accrued interest. The loan outstanding balance at 31 December 2014 after payment of accrued instalments is LE 35,000,000 in addition to the accrued interest.

Terms of payments:

Edita Food Industries S.A.E. (borrower) is obligated to pay LE 35,000,000 on 3 equal semi-annual instalments; each instalment is amounted to LE 11,666,667.

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

Interest:

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

Fair value:

Fair value is approximately equal to book value.

- ***Fourth loan:***

This fourth loan is provided by one of the Egyptian banks in May 2013 based on a cross guarantee issued from Digma Trading Company with an amount of LE 70,000,000 and the total withdrawal amount is LE 70,000,000 in addition to the accrued interest. The loan outstanding balance at 31 December 2014 after payment of due instalments is LE 35,000,200 in addition to the accrued interest.

Terms of payments:

Edita Food Industries S.A.E. is obligated to pay LE 35,000,200 on 3 equal semi-instalments annual instalment is amounted to LE 11,666,600 except for last instalment amounted to LE 11,667,000.

The first instalment is due on 18 May 2015 and the last on 18 May 2016.

Interest:

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

Fair value:

Fair value is approximately equal to book value.

16. Loans (Continued)

- ***Fifth loan:***

This fifth loan is provided by one of the Egyptian banks in January 2014 based on a cross guarantee issued from Digma Trading S.A.E. with an amount of LE 70,000,000 and the total withdrawal amount is LE 46,219,881 on 31 December 2014 in addition to accrued interest.

Terms of payments:

Edita Food Industries S.A.E. is obligated to pay LE 70,000,000 on 8 equal semi-annual instalments; each instalment is amounted to LE 8,750,000. The first instalment is due on 22 January 2015 and the last on 22 July 2018.

Interest:

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

Fair value:

Fair value is approximately equal to book value.

- ***Sixth loan:***

This sixth loan is provided by one of the Egyptian banks on June 2014 based on a cross guarantee issued from Digma Trading S.A.E. amounted to LE 185,000,000 and the total withdrawal amount is LE 60,984,331 and 6,260,514 Euro on 31 December 2014 in addition to accrued interest. The total loan amount including the foreign currency will be paid in Egyptian pound as the bank will convert the foreign currency to Egyptian pound by using the official rate.

Terms of payments:

Edita Food Industries S.A.E. is obligated to Pay LE 185,000,000 on 10 equal semi-annual instalments; each instalment is amounted to LE 18,500,000. The first instalment is due on 26 December 2015 and the last on 26 June 2020, total loan amount with interest will be paid in local currency without any obligation settle balance in foreign currency.

Interest:

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

Fair value:

Fair value is approximately equal to book value.

(2) Digma for Trading Company

	2014			2013			2012		
	Short-term portion	**Long-term portion**	**Total**	**Short-term portion**	**Long-term portion**	**Total**	**Short-term portion**	**Long-term portion**	**Total**
First loan	3,656,620	—	**3,656,620**	7,379,696	3,500,000	**10,879,696**	3,971,499	10,500,000	**14,471,499**
Second loan	3,948,750	6,666,667	**10,615,417**	40,641	7,650,000	**7,690,641**	—	—	**—**
Third loan	2,070,108	8,333,333	**10,403,441**	—	—	**—**	—	—	**—**
	9,675,478	**15,000,000**	**24,675,478**	**7,420,337**	**11,150,000**	**18,570,337**	**3,971,499**	**10,500,000**	**14,471,499**

16. Loans (Continued)

The loans due according to the following schedule:

	2014	2013	2012
Balance due within 1 year	8,500,000	7,000,000	3,500,000
Accrued interest	1,175,478	420,337	471,499
	9,675,478	**7,420,337**	**3,971,499**

- ***The First loan***

The first loan is provided by one of the Egyptian banks in September 2012 based on a cross guarantee issued from Edita Food Industries S.A.E. and the total withdrawal amount is LE 14,000,000 in addition to accrued interest. And the remaining balance at 31 December 2014 after payment of accrued instalments is LE 3,500,000 in addition to accrued interest.

Terms of payments:

Digma Trading S.A.E. is obligated to pay the remaining balance of LE 3,500,000 on one instalment on 11 March 2015.

Interest:

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

- ***The Second***

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

Terms of payments:

Digma Trading S.A.E. is obligated to pay LE 10,000,000 on 6 equal semi-annual instalment, each instalment is amounted to LE 1,666,667 and the instalments come due after 12 months from the date the loan was issued to the company. The first instalments is due on 15th of January 2015 and the last on 15th of July 2017,

Interest:

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

- **The Third loan**

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

Terms of payments:

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

16. Loans (Continued)

Interest:

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

(3) Edita Confectionery Industries S.A.E.

	2014			2013			2012		
	Short-term portion	Long-term portion	Total	Short-term portion	Long-term portion	Total	Short-term portion	Long-term portion	Total
Long-term loan . . .	6,851,215	9,300,000	**16,151,215**	7,085,136	15,500,000	**22,585,136**	7,342,135	21,700,000	**29,042,135**
	6,851,215	**9,300,000**	**16,151,215**	**7,085,136**	**15,500,000**	**22,585,136**	**7,342,135**	**21,700,000**	**29,042,135**

The loans due according to the following schedule:

	2014	2013	2012
Balance due within 1 year	6,200,000	6,200,000	6,200,000
Accrued interest	651,215	885,136	1,142,135
	6,851,215	**7,085,136**	**7,342,135**

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

Terms of payments:

Edita Confectionary Industries S.A.E. is obligated to pay LE 31,000,000 on 10 equal semi-annual instalments (each instalment is amounted to LE 3,100,000) and the instalments come due after 6 months from the first withdrawal. The first instalment was due on 17 October 2012 and the last on 17 April 2017.

Interest:

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

Fair value:

Fair value is approximately equal to book value.

17. Long-term notes payable

The long-term loan represents the total instalment for the land purchased from Ministry of housing, Utilities and Urban communities as the first instalment will be due on November 2014 and the last instalment on November 2016.

Current portion of long-term notes payable:

	2014		2013		2012	
	Notes payable	Present Value	Notes payable	Present Value	Notes payable	Present Value
Less than one year (Note 24)	9,985,990	9,985,990	9,425,154	9,425,154	8,864,318	8,864,318
	9,985,990	**9,985,990**	**9,425,154**	**9,425,154**	**8,864,318**	**8,864,318**

17. Long-term notes payable (Continued)

	2014		2013		2012	
	Notes payable	Present value	Notes payable	Present value	Notes payable	Present value
Notes payable due for more than one year and less than 5 years	10,546,825	8,884,103	20,532,815	17,138,295	29,957,968	24,231,361
Total long-term liabilities	**10,546,825**	**8,884,103**	**20,532,815**	**17,138,295**	**29,957,968**	**24,231,361**

The total accrued interest on the loan for the year ended 2014 amounting to LE 1,731,798 (2013: LE 2,332,088 and 2012: LE 3,180,915) has been charged on the statement of income as a finance cost (Note 27).

18. Sales tax on machinery

The balance represents the sales tax due on machinery and equipment to be paid on installments up to 2014.

	2014	2013	2012
Less than one year	—	25,296	80,519
More than 1 year up to 5 years	—	—	25,296
Total	**—**	**25,296**	**105,815**
Current portion (Note 16)	—	(25,296)	(80,519)
Total balance of long term liabilities	**—**	**—**	**25,296**
Present value of installments	**—**	**—**	**25,296**

19. Deferred tax liability

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

	Property and Equipment depreciation	Acquiring Digma Company for Trading	Total
Balance at 1 January 2011	26,739,002	5,018,333	**31,757,335**
Charge to the statement of income	4,848,963	(240,423)	**4,608,540**
Balance at 31 December 2011 and 1 January 2012	**31,587,965**	**4,777,910**	**36,365,875**
Charge to the statement of income	23,053,261	(240,423)	**22,812,838**
Balance at 31 December 2012	**54,641,226**	**4,537,487**	**59,178,713**

	Property, plant & equipment depreciation	Acquiring Digma Company for Trading	Total
Balance at 1 January 2013	54,641,226	4,537,487	**59,178,713**
Charge to the statement of income	11,478,784	(240,423)	**11,238,361**
Balance at 31 December 2013 and 1 January 2014	**66,120,010**	**4,297,064**	**70,417,074**
Charged to the statement of income	9,247,523	(240,423)	**9,007,100**
Balance at 31 December 2014	**75,367,533**	**4,056,641**	**79,424,174**

Unrecognized temporary differences were not recorded due to the uncertainty of future benefit.

20. Provisions

	Other provisions		
	2014	2013	2012
Balance at 1 January	9,034,968	7,782,393	4,648,302
Additions during the year (Note 26)	5,014,145	8,321,000	6,749,999
Utilized during the year	(3,132,413)	(7,068,425)	(3,615,908)
Balance at 31 December	**10,916,700**	**9,034,968**	**7,782,393**

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

21. Bank overdraft

	2014	2013	2012
Bank overdraft (Note 12)	60,418,179	38,752,046	27,227,110
Total	**60,418,179**	**38,752,046**	**27,227,110**

Bank overdraft is represented in credit facilities granted to the Group to open letters of credit and finance its working capital. Overdraft is secured against guarantees by the Group's shareholders.

The effective interest rate for bank overdraft was 11.25% as of 31 December 2014 (2013: 10.75% and 2012: 10.75%).

22. Trade and other payables

	2014	2013	2012
Trade payables	108,621,906	72,796,798	62,753,895
Notes payable	40,717,771	46,255,029	33,645,417
Accrued expenses	27,830,269	38,728,338	23,640,306
Taxes payable	12,139,453	11,434,452	6,578,698
Other credit balances	10,759,252	9,818,751	8,209,812
Advances from customers	4,715,426	5,380,839	1,087,504
Dividends payable	1,072,192	974,741	736,796
Social insurance	74,922	78,802	93,859
Total	**205,931,191**	**185,467,750**	**136,746,287**

23. Income tax liabilities

	2014	2013	2012
Balance at 1 January	52,015,132	34,740,256	27,771,718
Income tax paid during the year (Note 28)	(52,133,700)	(34,744,618)	(27,771,950)
Withholding tax	(2,836,383)	(1,134,639)	(794,806)
Income tax for the year (Note 28)	117,623,404	82,955,771	53,522,889
Corporate tax advance payment	(32,115,000)	(28,833,000)	(17,238,000)
Accrued interest—advance payment (Note 27)	(1,083,880)	(973,000)	(646,425)
Tax adjustments	118,566	4,362	(103,170)
Balance at end of year	**81,588,139**	**52,015,132**	**34,740,256**

24. Current portion of long-term liabilities

	2014	2013	2012
Short-term loans (Note 16)	115,190,974	119,921,829	80,380,623
Current portion at long-term notes payable (Note 17)	9,985,990	9,425,154	8,864,318
Sales tax on machinery	—	25,296	80,519
Total	**125,176,964**	**129,372,279**	**89,325,460**

25. Other income

	2014	2013	2012
Export subsidies	8,071,926	2,810,683	3,676,989
Gain from sale of production waste	5,238,248	4,837,263	3,335,480
Others	3,117,894	1,683,663	3,393,298
Investment in Osoul Fund	2,466	11,918,188	4,865,997
Net	**16,430,534**	**21,249,797**	**15,271,764**

26. Other (losses)/ gains—net

	2014	2013	2012
Other expenses*	(10,000,000)	—	—
Provisions (Note 20)	(5,014,145)	(8,321,000)	(6,749,999)
Provision for slow moving inventory (Note 9)	(532,325)	(500,004)	(149,038)
Total	**(15,546,470)**	**(8,821,004)**	**(6,899,037)**
(Losses)/Gain from sales of fixed assets	1,671,219	(1,281,643)	4,956,314
Gain from sale of investment	—	12,733,164	—
Foreign exchange (losses)/gains	5,923,992	(1,228,382)	3,104,473
Total	**(7,951,259)**	**1,402,135**	**1,161,750**

* Due to the Company's responsibility in supporting the national economy, the Company made donation to "Tahia Misr Fund" for LE 10 million.

27. Finance (cost) income, net

	2014	2013	2012
Finance income			
Interest in corporate tax advance	1,083,880	973,000	646,425
Interest income	22,180,462	5,867,616	330,715
	23,264,342	**6,840,616**	**977,140**
Finance expense			
Interest on land's instalments	(1,731,798)	(2,332,088)	(3,180,915)
Interest expenses	(23,435,140)	(23,710,662)	(7,172,168)
	(25,166,938)	**(26,042,750)**	**(10,353,083)**
Net	**(1,902,596)**	**(19,202,134)**	**(9,375,943)**

28. Income tax expense

	2014	2013	2012
Income tax for the year (Note 21)	117,623,404	82,955,771	53,522,889
Deferred tax liabilities	9,004,696	11,235,959	23,857,741
Effect from change tax rate	—	—	(103,170)
Total	**126,628,100**	**94,191,730**	**77,277,460**

	2014	2013	2012
Net profit before tax	392,507,936	345,600,677	244,285,764
	250,000	—	2,000,000
	117,452,381	86,400,169	58,982,976
Tax calculated based on applicable tax rates	117,702,381	86,400,169	60,982,976
Tax effect on non-deductible expenses	7,787,995	6,440,306	5,007,589
Tax effect on non-taxable revenues	(478,951)	(3,222,375)	(2,072,331)
Deferred tax adjustments	1,616,675	4,573,630	9,492,252
Other adjustments	—	—	3,866,974
Income tax expense	**126,628,100**	**94,191,730**	**77,277,460**

29. Earnings per share

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Group by the weight average number of ordinary shares in issue during the year excluding ordinary shares purchase by the Company and held as treasury shares.

	2014	2013	2012
Profit attributed to owners of the parent	**265,879,836**	**251,408,947**	**167,008,304**
Weighted average number of ordinary shares in issue			
Original shares	362,681,450	362,681,450	362,681,450
	362,681,450	**362,681,450**	**362,681,450**
Basic earnings per share	**0.73**	**0.69**	**0.46**

29. Earnings per share (Continued)

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The company does not have any categories of dilutive potential ordinary shares, hence the diluted earnings per share is the same as the basic earnings per share.

30. Consolidated expenses by nature

	2014	2013	2012
Cost of goods sold	1,197,772,308	1,028,286,034	862,938,190
Selling and marketing	211,275,916	188,193,601	171,045,396
General and administrative expenses	123,581,905	88,857,985	70,666,954
	1,532,630,129	**1,305,337,620**	**1,104,650,540**
Employee's profit share	17,474,796	13,764,740	11,452,066
Raw materials used	960,836,819	840,149,588	691,772,082
Salaries and wages	272,319,836	221,041,918	177,863,389
Depreciation	63,851,047	45,666,885	43,245,034
Advertising and marketing	73,212,365	75,007,607	67,909,552
Employee benefits	39,929,032	16,858,627	12,187,418
Other expense	22,171,382	14,214,162	15,133,384
Vehicle expense	32,913,351	28,942,017	21,809,538
Gas, oil, water and electricity	24,604,170	17,389,062	12,520,958
Transportation expenses	17,229,269	13,631,900	10,602,862
Maintenance	10,225,732	11,082,107	5,356,266
Consumable materials	8,515,050	6,651,376	6,076,389
Purchases—goods for resale	3,681,436	4,321,618	4,679,303
Rent	3,326,219	3,947,145	4,582,352
Royalty	1,893,041	2,848,793	13,367,790
Change in inventory	(19,553,416)	(10,179,925)	6,092,157
	1,532,630,129	**1,305,337,620**	**1,104,650,540**

31. Cash generated from operations

	2014	2013	2012
Net profit for the year before tax	392,507,936	345,600,677	244,285,764
Adjustments for:			
Additions to provision	5,546,470	8,821,004	6,899,037
Interest on lands' installments	1,731,798	2,332,088	3,180,915
Interest expense	23,435,140	23,710,662	7,172,168
Interest income	(22,180,462)	(5,867,619)	(330,715)
Interest income corporate tax prepayments	(1,083,880)	(973,000)	(646,425)
Depreciation of property, plant and equipment	63,851,047	45,666,885	43,245,034
Loss / (gain) on disposal of property, plant and equipment	(1,671,219)	1,281,643	(4,956,314)
Tax settlements	118,566	4,362	—
Gain on sale of investments	—	(12,733,164)	—
	462,255,396	**407,843,538**	**298,849,464**
Change in working capital			
Inventories	(28,873,433)	(3,865,074)	(3,306,270)
Accounts and notes receivables	1,576,318	(5,385,690)	(3,656,621)
Debtors and other debit balances	(1,770,235)	(17,890,998)	19,228,602
Due to related party	—	49,951	(803,651)
Trade payables and other credit balances*	20,370,423	48,483,518	(5,826,527)
Provisions used	(3,132,413)	(7,068,425)	(3,615,908)
Financial assets at fair value through profit and loss	43,815	(4,192)	(4,084)
Cash generated from operations	**450,469,871**	**422,162,628**	**300,865,005**

* Trade and other payables include LE 97,451 (2013: LE 237,945) represent in non cash transaction related to dividends payable.

In the statement of cash flows, proceeds from sale of property, plant and equipment comprise:

	2014	2013	2012
Net book amount	1,393,598	4,415,294	2,781,980
Profit/(loss) of disposal of property, plant and equipment	1,671,219	(1,281,643)	4,956,314
Proceeds from disposal of property, plant and equipment	**3,064,817**	**3,133,651**	**7,738,294**

32. Related party transactions

The following transactions were carried out with related parties:

1. Chipita Participation Company

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

Edita Food Industries sold all its investments in Edita Participation to Chipita Participation by an amount of Euro 5,397,516.

The royalty paid for the year ended 31 December 2014 LE 723,049 (2013: LE 796,880) (2012: LE 963,481). The Balance of due from Chipita Participation as of 31 December 2014, 2013 are amounted to Nil and 2012 amounted to LE 49,951. Chipita Participation is considered a related party as it owns Exoder Ltd. Company that in turn owns 27.98% of Edita Food Industries S.A.E. shares.

32. Related party transactions (Continued)

2. Key management compensation

During the year ended 2014 the Company paid an amount LE 47,654,467 (2013: LE 37,506,112), (2012: LE 29,166,791) as salaries to the key management members.

33. Tax position

Due to the nature of the tax assessment process in Egypt, the final outcome of the assessment by the Tax Authority might not be realistically estimated. Therefore, additional liabilities are contingent upon the tax inspection and assessment of the Tax Authority. Below is a summary of the tax status of the group as at 31 December 2014.

Edita Food Industries S.A.E.

a. Corporate tax

- The company is tax exempt for a period of 10 years ending 31 December 2007 in accordance with Law No. 230 of 1989 and Law No. 59 of 1979 related to New Urban Communities. The exemption period was determined to start from the fiscal year beginning on 1 January 1998. The company submits its tax returns on its legal period.
- The tax inspection was performed for the period from the company's inception till 31 December 2009 and all due tax amounts paid.
- For the years 2010-2013 the Company is submitting the tax return according to law No. 91 of 2005 in its legal period.

b. Payroll tax

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

c. Sales tax

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

d. Stamp duty tax

- The stamp duty tax inspection was performed till year 2006 and Company paid tax due.
- Years from 2007 till 2013 tax inspection have not been performed yet till the balance sheet date.

33. Tax position (Continued)

Digma Trading S.A.E.

(1) Corporate tax

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

- The tax inspection was performed by the Tax Authority for the period from the company's inception until year 2007 and the tax resulting from the tax inspection were settled and paid to the Tax Authority.
- For the years from 2008 to 2009, the inspection completed and the differences submitted to internal committee for discussion.
- For the years from 2010 to 2013 the company submits its tax returns on due dates according to law No, 91 for the year 2005.

(2) Salaries tax

- The tax inspection was performed until 31 December 2008 and the tax resulting from the tax inspection and assessment were settled and paid to the Tax Authority.
- For the years from 2009 to 2013 the company submitted its quarter tax returns to Tax Authority on due dates.

(3) Stamp tax

- The tax inspection was performed for the period from the company's inception until 31 December 2008 and the tax resulting from the tax inspection and assessment were settled and paid to the Tax Authority.
- For the years from 2009 to 2013 the company paid the tax due.

(4) Sales tax

- The tax inspection was performed until 31 December 2010 and the tax resulting from the tax inspection and assessment were settled and paid to the Tax Authority.
- The years 2011-2013 the company submits its monthly sales tax return on due date.

Edita Confectionary Industries S.A.E.

Corporate tax

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

The company's books have not been inspected yet until the financial statements date for corporate tax, stamp tax, withholding tax, sales tax and payroll tax.

The company submits it's tax returns stated by tax law on due time to the Tax Authority.

34. Contingent Liabilities

(1) Edita Food Industries S.A.E.

2014

The Company had contingent liabilities in respect of letters of guarantee and letters of credit arising from ordinary course of business which resulted in no actual liabilities. The uncovered portion of the letter of guarantee and letters of credit granted to the Company arising from ordinary course of business amounted to LE 24,422,901 as at 31 December 2014 (2013: LE 13,730,297), (2012: LE 2,322,749).

2013

The Company had contingent liabilities in respect letters of guarantee and letters of credit arising from ordinary course of business which resulted in no actual liabilities. The uncovered portion of the letter of guarantee and letters of credit granted to the Company arising from ordinary course of business amounted to LE 13,730,297 as at 31 December 2013 (2012: LE 2,322,749).

2012

The Company had contingent liabilities in respect letters of guarantee and letters of credit arising from ordinary course of business which resulted in no actual liabilities. The uncovered portion of the letter of guarantee and letters of credit granted to the Company arising from ordinary course of business amounted to LE 2,322,749,as at 31 December 2012 (2011: LE 2,045,121).

(2) Digma Trading S.A.E.

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

At 31 December 2014, the company had contingent liabilities to third parties in respect of bank and other guarantee and other matters arising in the ordinary course of business of which no significant liabilities are expected to arise from them, The company issued letter of guarantee amounting to LE 453,934 (2013: LE 25,000), (2012: LE 25,000).

(3) Edita Confectionary Industries S.A.E.

2014

At 31 December 2014, the company had contingent liabilities to third parties. The uncovered portion of the guarantee to the company arising from ordinary course of business amounted to LE 1,185,971 as at 31 December 2014.

35. Financial instrument by category

	2014		
	Loans & receivables	Assets at fair value through profit and loss	Total
Assets as per balance sheet			
Trade and other receivables (excluding prepayments)*	62,025,162	—	62,025,162
Cash and cash equivalents	233,301,434	—	233,301,434
Treasury bills	106,014,124	—	106,014,124
Total	**401,340,720**	**—**	**401,340,720**

35. Financial instrument by category (Continued)

	2014	
	Other financial liabilities and amortised costs	Total
Liabilities as per balance sheet		
Borrowings*	259,316,185	259,316,185
Trade and other payables (excluding non-financial liabilities)	205,856,269	205,856,269
Bank overdraft	60,418,179	60,418,179
Total	**525,590,633**	**525,590,633**

	2013		
	Loans & receivables	Assets at fair value through profit and loss	Total
Assets as per balance sheet			
Trade and other receivables (excluding prepayments)*	64,957,921	—	64,957,921
Cash and cash equivalents	196,574,696	—	196,574,696
Treasury bills	104,327,401	—	104,327,401
Financial assets at fair value through profit and loss	—	43,815	43,815
Total	**365,860,018**	**43,815**	**365,903,833**

	2013	
	Other financial liabilities and amortised costs	Total
Liabilities as per balance sheet		
Borrowings*	254,072,028	254,072,028
Trade and other payables (excluding non-financial liabilities)	185,388,948	185,388,948
Total	**439,460,976**	**439,460,976**

	2012		
	Loans & receivables	Assets at fair value through profit and loss	Total
Assets as per balance sheet			
Trade and other receivables (excluding prepayments)*	40,519,786	—	40,519,786
Cash and cash equivalents	237,377,400	—	237,377,400
Financial assets at fair value through profit and loss	—	39,623	39,623
Total	**277,897,186**	**39,623**	**277,936,809**

35. Financial instrument by category (Continued)

	2012	
	Other financial liabilities and amortised costs	Total
Liabilities as per balance sheet		
Borrowings*	212,862,155	212,862,155
Trade and other payables (excluding non-financial liabilities)	136,652,428	136,652,428
Total	**349,514,583**	**349,514,583**

* At the Balance sheet date, the carrying value of all short-term financial assets and liabilities approximates the fair value and management made the assessment by using level II approaches by relying significantly on observable data. Long-term borrowings also approximates the fair value as the management uses a variable interest rate above the mid corridor rate.

36. Credit quality of financial assets

Trade receivables

Counter parties without external credit rating:

	2014	2013	2012
Others parties	10,514,126	12,633,335	7,422,805
Total	**10,514,126**	**12,633,335**	**7,422,805**

Cash at bank and short-term bank deposits:

	2014	2013	2012
AA	2,106,307	100,265,822	185,888,555
A	97,129,463	485,995	12,524
BBB	122,033,130	90,378,204	—
B	393,679	1,701,143	34,866,697
Total	**221,662,579**	**192,831,164**	**220,767,776**

37. Segment reporting

(Amounts presented to the nearest thousands EGP)

	Cake			Croissant			Rusk			Wafers			Candy			Other			Total		
	2014	2013	2012	2014	2013	2012	2014	2013	2012	2014	2013	2012	2014	2013	2012	2014	2013	2012	2014	2013	2012
Revenue	1,142,057	1,034,613	926,248	563,995	450,073	319,057	88,556	78,059	70,149	63,833	58,252	4,616	52,521	19,277	14,138	7,600	7,215	7,671	1,918,561	1,647,488	1,341,879
Gross Profit	439,900	391,670	330,614	226,041	180,824	127,049	22,127	20,937	20,388	23,160	24,589	1,935	6,267	(2,022)	(3,986)	3,294	3,205	2,941	720,789	619,202	478,941
Profit from Operations (before forex and investment income)	254,101	248,843	186,693	134,310	103,427	74,732	5,368	7,775	4,791	(4,598)	4,543	(5,466)	(2,830)	(12,748)	(13,999)	2,136	2,273	2,046	388,487	354,113	245,691
Debit Interest																			(25,167)	(26,043)	(10,353)
Credit interest and investment income																			23,264	18,759	5,843
Forex																			5,924	1,228	3,104
Income Tax																			(126,628)	(94,192)	(77,277)
Net profit for the year																			265,880	251,409	167,008
Depreciation	34,178	23,430	25,958	19,248	11,504	10,086	3,820	3,172	3,297	3,189	2,727	57	3,254	4,167	3,753	162	667	94	63,851	45,668	43,245

The segment information disclosed in the table above represents the segment information provided to the chief operating decision makers of the Company. The segment assets and liabilities were not presented to the chief operating decision makers of the Company in these years.

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