

## Ibnsina Pharma Releases Audited 1H18 Results

*Ibnsina Pharma's strong performance sees it continuing to outperform the market in the first half of 2018, posting year-on-year revenue growth of 46.0%; net profit records a 40.1% increase to EGP 75.2 million in 1H2018 despite one-off charges during the period*

**Cairo, 12 August 2018**

### 1H18 Highlights

#### Net Revenues

**EGP 6.0 BN**

▲ 46.0% y-o-y

#### Gross Profit

**EGP 464.3 MN**

▲ 42.7% y-o-y

#### EBITDA

**EGP 210.1 MN**

▲ 60.3% y-o-y

#### Net Profit

**EGP 75.2 MN**

▲ 40.1% y-o-y

#### Normalized NP

**EGP 105.7 MN**

▲ 96.9% y-o-y

Ibnsina Pharma (ISPH.CA on the Egyptian Stock Exchange), Egypt's fastest-growing and second-largest pharmaceutical distributor, announced today its audited results for the six-month period ending 30 June 2018, posting net revenues of EGP 6.0 billion, up 46.0% year-on-year.

Gross profit grew 42.7% year-on-year, recording EGP 464.3 million in 1H18 and yielding a gross profit margin of 7.8%. EBITDA expanded 60.3% year-on-year, posting EGP 210.1 million in 1H18. Ibnsina's EBITDA margin expanded to 3.5% from 3.2% in 1H17.

Net profit came in at EGP 75.2 million in 1H18, representing a year-on-year growth of 40.1% despite the company incurring one-off charges during the period. Normalized net profit, which factors out a one-time capital increase expense of EGP 7.5 million and a general provision of EGP 26.2 million, grew by 96.9% year-on-year to reach EGP 105.7 million in 1H18.

On a quarterly basis, Ibnsina Pharma saw its revenues climb 41.6% year-on-year to EGP 3.1 billion. Gross profit grew at a similar pace, expanding by 40.8% year-on-year to EGP 248.6 million and yielding a gross margin of 8.1%. 2Q18 has seen EBITDA increase rapidly to EGP 117.8 million from EGP 74.0 million in 2Q17, raising Ibnsina's EBITDA margin from 3.5% to 3.8% over the same period. Net profit rose increased 36.7% year-on-year to EGP 47.2 million in 2Q18 from EGP 34.6 million in 2Q17, while net profit margin stood at 1.5% for the quarter.

In the first half of 2018 Ibnsina Pharma served 41,733 customers across Egypt and made 2.6 million deliveries in 1H18, up 14.1% year-on-year.

### Summary Income Statement

EGP mn	2Q2017	2Q2018	Change	1H17	1H18	Change
Net Revenue	2,168.6	3,069.8	41.6%	4,075.4	5,950.9	46.0%
<b>Gross Profit</b>	<b>176.6</b>	<b>248.6</b>	<b>40.8%</b>	<b>325.4</b>	<b>464.3</b>	<b>42.7%</b>
GP Margin	8.1%	8.1%		8.0%	7.8%	
<b>EBITDA</b>	<b>76.5</b>	<b>117.8</b>	<b>53.9%</b>	<b>131.0</b>	<b>210.1</b>	<b>60.3%</b>
EBITDA Margin	3.4%	3.8%		3.2%	3.5%	
<b>Net Profit</b>	<b>34.6</b>	<b>47.2</b>	<b>36.7%</b>	<b>53.7</b>	<b>75.2</b>	<b>40.1%</b>
NP Margin	1.6%	1.5%		1.3%	1.3%	
<b>Normalized Net Profit</b>	<b>34.6</b>	<b>69.7</b>	<b>101.6%</b>	<b>53.7</b>	<b>105.7</b>	<b>96.9%</b>

## Comments from our Co-CEOs

“With another quarter of market-beating growth behind us, Ibnsina Pharma’s financial and operational indicators for the first half of 2018 are highly encouraging across the board,” said Omar Abdel Gawad, Co-CEO of Ibnsina Pharma. “The six-month period just ended saw Ibnsina grow its revenues by 46.0% year-on-year, approaching the EGP 6 billion-mark and outperforming the wider pharma industry by a spread of 12 %. Most importantly, the company’s bottom line continues to exhibit healthy expansion: Net profit for the first half of 2018 is up by an impressive 40.1% year-on-year, recording EGP 75.2 million and yielding a margin of 1.3% despite one-off charges of c. EGP 34 million during the period. Ibnsina has made great strides in its path to becoming the region’s premier healthcare supply business. Our three-pronged strategy of strengthening our core business, pursuing value-based differentiation, and diversifying our streams of revenue has begun to yield concrete results,” said Omar.

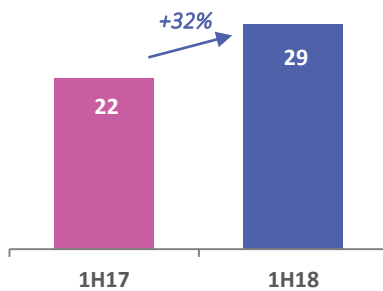
“Ibnsina’s solid pharmaceuticals distribution business is supported by a healthy and growing healthcare market that is one of Egypt’s most defensive sectors, with continued room for growth. Our client base has grown by 16% year-on-year in the first half of 2018, and now stands at 41,733 allowing Ibnsina to spread fixed operational and administrative expenses across an even wider revenue base,” he added. “Our distribution capabilities are now supported by 57 distribution sites and a fleet of more than 650 vehicles. Even as Ibnsina augments and develops its asset base, it has leveraged them in such a way as to optimize their productivity: total revenue per site and total revenue per vehicle have exhibited year-on-year growth rates of 33.3% and 35.8%, respectively. We have benefitted from our investment in a highly efficient supply chain and advanced technologies, and view investment in human resources as similarly vital in ensuring that our clients are provided with the highest standard of service, which ultimately results in value-creation for our stakeholders. Core operations are booming, as demonstrated by Ibnsina’s EBITDA of EGP 210 million in 1H18, up 60.3% year-on-year.”

“As we approach year-end, we expect our gross profit, EBITDA and net profitability to improve considerably as economies of scale take effect across our distribution chain and we begin to leverage our suppliers’ attractive year-end bonuses,” Omar concluded.

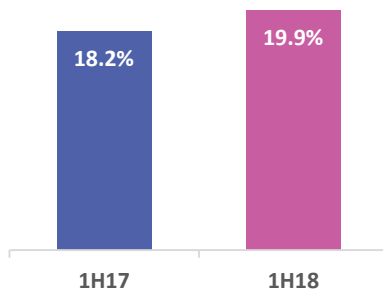
“Extending our highest-value clients a portfolio of services beyond our core distribution business remains a key driver of Ibnsina Pharma’s market-beating performance. Our pursuit of sustainable, value-based differentiation in the market has helped us to maximize revenue and has given the company a boost in its market share from 18.2% in 1H17 to 19.9% 1H18,” said Mahmoud Abdel Gawad, Co-CEO of Ibnsina Pharma.

“Ibnsina has complemented its efforts to optimize its resource allocation with a solid risk-reduction strategy involving the addition of products, services, locations, customers and markets to our portfolio to reduce concentration. With a product offering upwards of 9,500 SKUs, revenue growth in the first half of 2018 was driven by double-digit expansion across all business lines,” Mahmoud explained. “Shortly after inaugurating our first dedicated cosmetics warehouse to serve the Greater Cairo area, our personal care business recorded growth of 67.8% year-on-year and contributed 4.3% to total revenues year-to-date. Ibnsina expects to open similar dedicated warehouses across Egypt, with management seeking to foster and grow its higher-margin cosmetics business through expanding our portfolio and purchases of cosmetics product, while allocating more resources to this new venture to better serve our clients’ needs,” Mahmoud added.

**Total Market Growth  
(EGP bn)**



**ISP Market Share**



## Market Overview

Egypt’s pharmaceutical market recorded a 31.9% year-on-year increase in end-user sales in the first half of 2018. The market maintained its record-breaking momentum achieved in 2017 even as the effects of Egypt’s major economic reforms continue to challenge markets and businesses across. Market growth during 1H2018 comes despite overstocking by pharmacies in anticipation of price increases in 1H2017. Developments in the first six months of the year confirm the perception of the market as a defensive one supported by strong fundamentals including favorable demographic trends, an evolving disease profile, and an expanding middle class. Volumes sold continue to grow, while pharma manufacturers’ product substitution mechanisms have helped support overall market levels through the regular introduction of higher-priced variants.

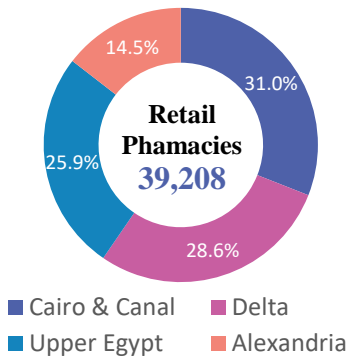
Per capita healthcare expenditure in Egypt continues to lag behind many of the country’s regional peers, prompting significant interest from domestic and foreign investors in the market’s upside potential. Growth opportunities within the distribution sector have proven especially rewarding. Foreign investors already hold more than 40% of the EGP 120 billion invested in Egypt’s pharmaceutical industry, and this interest is expected to hold over the medium-term.<sup>1</sup> Moreover, government support through the Universal Healthcare Act, which will widen insurance coverage and increase investment in healthcare facilities, will help extend access to medication to a broader segment of Egyptians. The proposed system is expected to cover 107 million Egyptians by 2032, when it is fully rolled out.

Ibnsina Pharma is in a position to capitalize on these developments given the geographic diversification of its c.42 thousand clients – spread across retail pharmacies, hospitals and wholesalers with zero concentration risk – and the fact that it’s the second-largest player in the institutional sales including the Ministry of Health, Egyptian Army and Police Department.

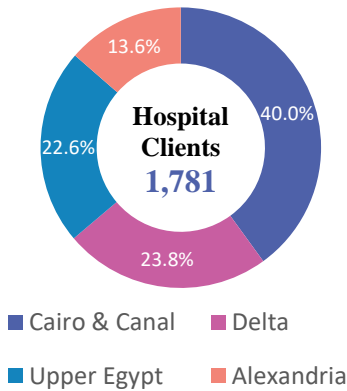
As the fastest growing pharmaceutical distributor in Egypt with the second-largest market share, Ibnsina Pharma has successfully established a solid footprint in its market. Optimal expansion of its distribution network, the diversification of its product portfolio, and the enhancement of its operational efficiency have given Ibn Sina control of 19.9% market share in 1H18 up from 18.2% in the same period last year. Since 2015, Ibnsina’s value-based differentiation strategy has allowed the company to outperform the market’s sales growth by a minimum spread of 12% - a trend that has carried into the first half of 2018 where Ibnsina’s growth rate of 46.0% surpasses the overall market by 12.6% as of 30 June 2018.

<sup>1</sup> Egypt Today – Pharmaceutical investments in Egypt hit LE 120 bn: Ahmed El Wakil - Head of the Federation of Egyptian Chambers of Commerce

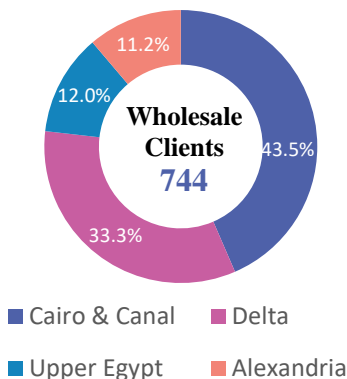
## Retail Pharmacies by Geography (1H2018)



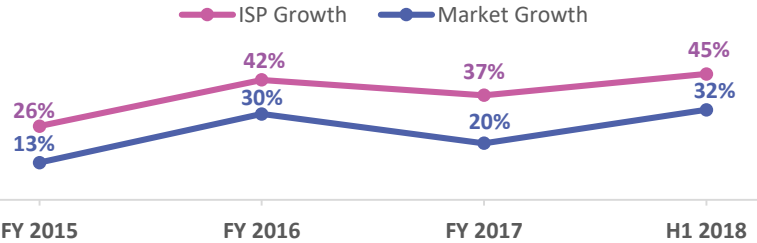
## Hospital Clients by Geography (1H2018)



## Wholesale Clients by Geography (1H2018)



## Market Growth vs. Ibnsina Pharma Growth (IMS Criteria)



## Operational Review

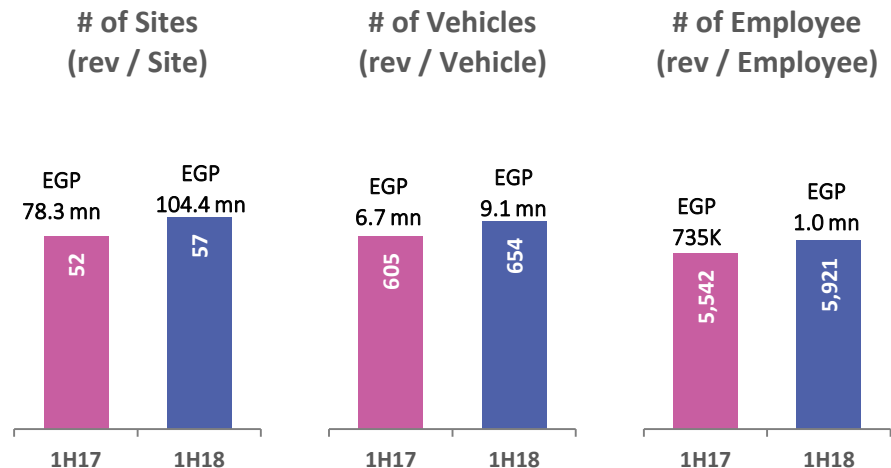
Ibnsina Pharma continued to expand its client base during the first half of 2018, with the company serving a total of 41,733 clients during the period or a 16% year-on-year increase.

The company maintains optimum distribution of its client base throughout Egypt, in-line with population distribution. Over 31.7 % of total clients served in 1H18 were in Cairo and the Canal Zone, followed by the Delta and Upper Egypt at 28.5% and 25.4%, respectively, and finally Alexandria with 14.4% of total clients served in 1H18.

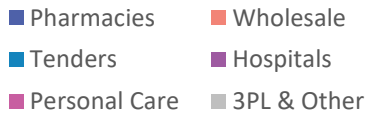
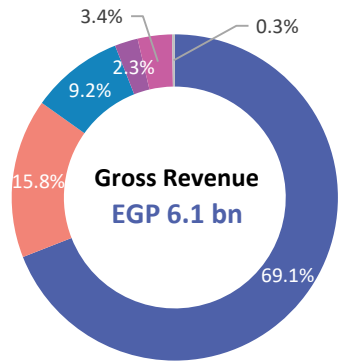
Both retail clients and hospitals segments continued to demonstrate sustainable growth. Management believes that Ibnsina Pharma is poised to materially benefit from the roll-out of Egypt's Universal Healthcare Act this year due to its diverse client profile and optimal geographical distribution.

Ibnsina Pharma's distribution network included 57 sites in 1H18, up from 52 sites in 1H17 and 55 sites as of year-end 2017. Total revenue per site grew by a third year-on-year, from EGP 78.3 million in 1H17 to EGP 104.4 million in 1H18.

The company's fleet grew to 654 vehicles in 1H18 from 605 in 1H17. This expansion has allowed Ibnsina to keep up with rising demand and continue to deliver higher revenue per vehicle year-on-year thanks to strong top-line growth. Total revenue per vehicle recorded EGP 9.1 million in 1H18, up from EGP 6.7 million in 1H17 and represented a year-on-year increase of 35.8%.



Revenue\* by Business Line (1H2018)



\* Revenues refer to gross sales prior to discounts

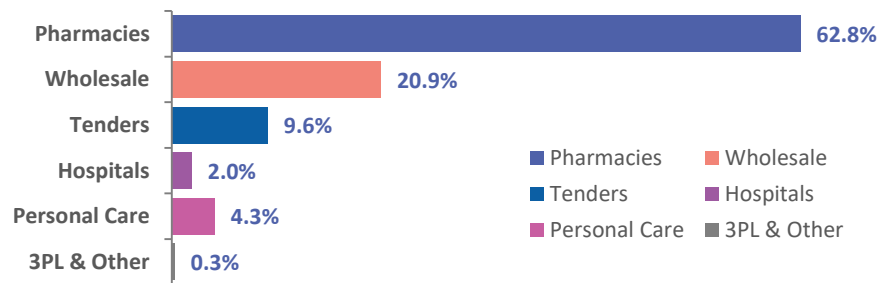
## Financial Performance

### Revenues

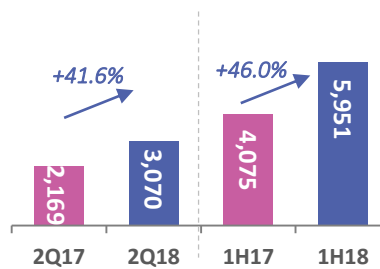
Ibnsina reported gross revenues of EGP 6.1 billion in 1H18, up 46.2% year-on-year on the back of double-digit growth across all business lines. Retail and client pharmacies continued to be the primary growth driver, contributing 62.8% to consolidated growth in absolute terms. Meanwhile, wholesalers were the fastest growing segment in 1H18, posting revenues of EGP 962.0 million or 72.4% higher than 1H17 and contributing 20.9% to total revenue growth in absolute terms.

On a quarterly basis, Ibnsina posted net revenues of EGP 3.1 billion in 2Q18, up 41.6% year-on-year. Growth was driven primarily by client pharmacies.

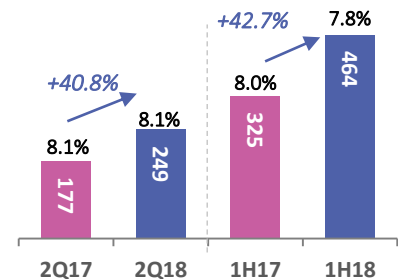
Business Line Contribution to Revenue Growth (1H2018)



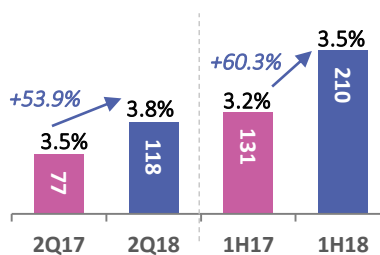
Revenue Progression (EGP mn)



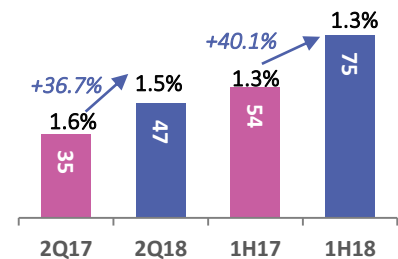
Gross Profit Progression (EGP mn, % margin)



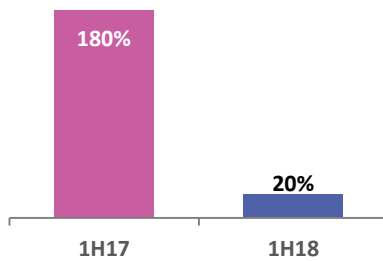
EBITDA Progression (EGP mn, % margin)



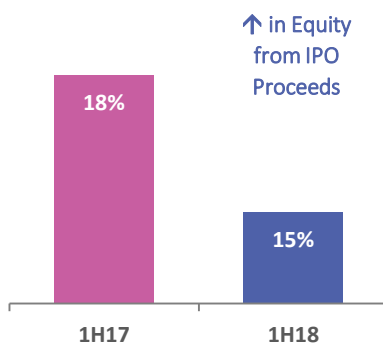
Net Profit Progression (EGP mn, % margin)



### Net Debt / Equity



### Return on Equity



### Gross Profit

Gross profit climbed to EGP 464.3 million as of 1H18 representing an expansion of 42.7% and yielding a margin of 7.8% for the period, slightly down from 8.0% in 1H17. This is a result of the expansion of Ibnsina’s business with wholesalers, which tend to buy in cash and to take advantage of cash discounts, slightly affecting the company’s gross profit margin. However, in addition to growing Ibnsina’s revenue base, it is expected that continued growth in this segment will allow the company to reduce financial expenses as it receives more cash and comes to depend less on overdraft facilities. Financial expenses to sales ratio fell in 1H18 to 0.98% from 1.23% in 1H17. Moreover, with the CBE expected to resume its policy of monetary loosening in the final two quarters, Ibnsina will move to increase its use of accretive cash discounts, thus boosting gross profitability for the remainder of 2018. Additionally, the company is expected to benefit from attractive year-end bonuses from its suppliers, which typically results in higher margins during the latter part of the year. On a quarterly basis, Ibnsina Pharma’s gross profit posted EGP 248.6 million in 2Q18, up 40.8% year-on-year, and yielding a stable gross profit margin of 8.1%.

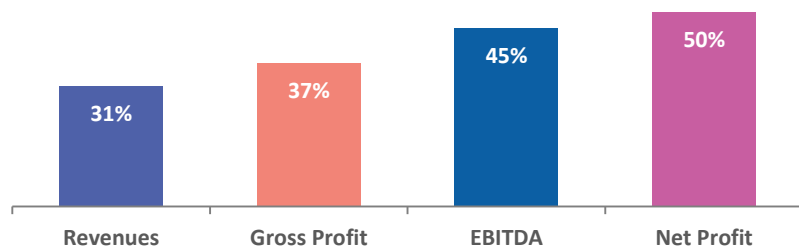
### EBITDA

On a half-year basis, Ibnsina registered an EBITDA of EGP 210.1 million, up 60.3% from EGP 131.0 million in 1H17. The expansion in profitability of core operations comes on the back of improved operating leverage, with the company’s fixed operational and administrative expenses spread across a wider revenue base as it grows its client book, distribution network and product portfolio. In 2Q18, EBITDA increased by 53.9% year-on-year to EGP 117.8 million, compared to EGP 76.5 million in 2Q17. EBITDA margin expanded to 3.8% in 2Q18 from 3.5% in 2Q17.

### Net Profit

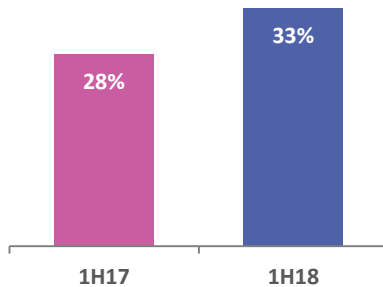
Between 1H17 and 1H18, net profit grew by 40.1% from EGP 53.7 million to EGP 75.2 million, with margin stable at 1.3%. Normalized net profit, which factors out a one-time capital increase expense of EGP 7.5 million and a general provision of EGP 26.2 million grew 96.9% year-on-year to EGP 105.7 million in 1H18, boosted by reduced financial outlays associated with cash discounts at the gross profit level. On a quarterly basis, Ibnsina Pharma recorded a 37.7% year-on-year increase in net profit to EGP 47.2 million in 2Q18, with a net profit margin of 1.5%. Normalized net profit for the quarter recorded EGP 69.7 million in 2Q18, up 101.6% year-on-year and with a 2.3% margin.

### Ibnsina Pharma 5-Year CAGRs

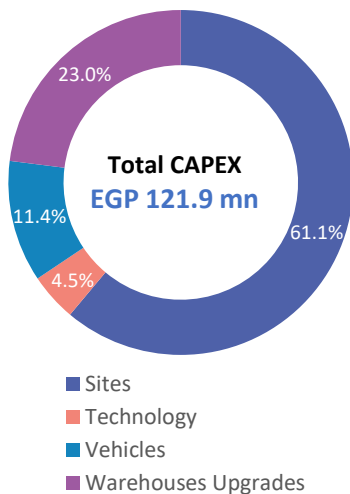




## Return on Fixed Assets



## CAPEX Breakdown (1H2018)



## Key Balance Sheet Items

### CAPEX

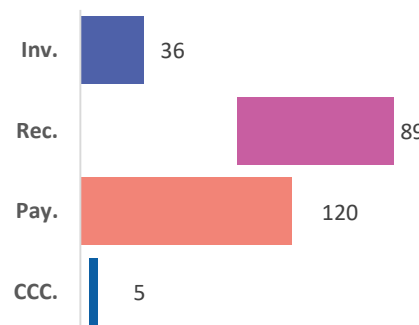
Ibsina Pharma's total CAPEX outlay reached EGP 121.9 million in 1H18. Investments during the period included new distribution sites as well as upgrades to existing ones. This in line with management's budgeted CAPEX of EGP 170 million for 2018 to expand its distribution reach across Egypt through the investment in 6 new warehouses and distribution centers and 33 vehicles.

The expansion of our distribution reach in 2018 will see two site launches in 3Q18 and three sites launches in 4Q18, bringing the total number of warehouse and distribution centers to 62 by year-end.

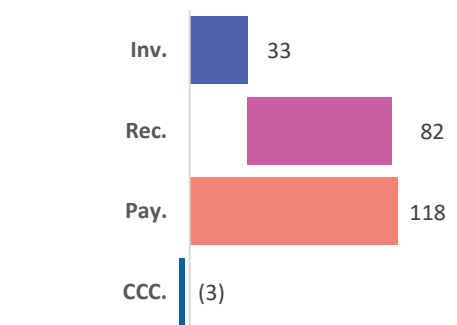
### Working Capital

Ibsina Pharma's cash conversion cycle fell from an already-low figure of 5 days in 2Q17 to -3 days in 2Q18, indicating further improvements to the effectiveness of Ibsina's collection practices in relation to the company's debtors and the maintenance of favorable payment terms.

### Cash Conversion Cycle 1H2017



### Cash Conversion Cycle 1H2018



Inventory DOH fell from 36 days to 33 days between 1H17 and 1H18. Meanwhile, payment terms with customers were more stringent in 1H18 than in 1H17, with receivable DOH decreasing from 89 days to 82 days between both periods. Supplier discount terms for cash payments were higher in 2Q18 than 1Q18 with the start of the CBE's monetary easing strategy for 2018, which already included a 1% interest rate cut during the first quarter of the year. We expect to increasingly utilize accretive cash discounts using bank financing for the remainder of the year.

It is worth noting that Ibsina Pharma utilizes to its advantage a favorable spread between interest paid on overdraft facilities and supplier discounts for early payment. As a result, the company maintains an inverse correlation between accounts payable DOH and outstanding short-term debt.

## RECENT CORPORATE DEVELOPMENTS

### Ibnsina Pharma Joins the Egyptian Exchange Main Index (EGX 30)

As of 1 August 2018, Ibnsina Pharma was included as a constituent of the Egyptian Exchange's (EGX) primary index, the EGX 30. The inclusion followed the EGX's semi-annual review of the index's constituents. The EGX 30 includes the market's top 30 stocks in terms of liquidity and activity. These qualifications assure market participants that the index constituents represent actively traded companies and that the index is an efficient and accurate measure of the stock market's performance. Ibnsina Pharma had its initial public offering (IPO) in December 2017, just 8 months before the semi-annual review in which the company's stock was incorporated into the EGX30.

Ibnsina's IPO was 18.2 times oversubscribed in the retail offering and 17.1 times oversubscribed in the institutional offering. High liquidity amongst holders of the stock was a solid indicator of investors' confidence in Ibnsina's business model and in management's ability to sustainably create shareholder value.

Ibnsina's accession to the EGX30 makes it the only representative of Egypt's healthcare sector represented on the index, which draws the focus of the biggest domestic and foreign equity investors.



## Income Statement

<i>In EGP</i>	2Q2017	2Q2018	YoY ▲	1H2017	1H2018	YoY ▲
<b>Gross Revenue</b>	<b>2,222,809</b>	<b>3,149,036</b>	<b>41.7%</b>	<b>4,175,998</b>	<b>6,107,378</b>	<b>46.2%</b>
Net Revenue	2,168,647	3,069,762		4,075,393	5,950,861	
Cost Of Revenue	(1,992,085)	(2,821,193)		(3,749,954)	(5,486,558)	
<b>Gross Profit</b>	<b>176,561</b>	<b>248,568</b>	<b>40.8%</b>	<b>325,439</b>	<b>464,303</b>	<b>42.7%</b>
<b>Gross Profit Margin</b>	<b>8.1%</b>	<b>8.1%</b>		<b>8.0%</b>	<b>7.8%</b>	
Selling, General & Administrative	(103,885)	(135,403)		(199,788)	(261,323)	
Penalties on Returned Checks	3,857	4,629		5,395	7,149	
<b>EBITDA</b>	<b>76,533</b>	<b>117,794</b>	<b>53.9%</b>	<b>131,046</b>	<b>210,129</b>	<b>60.3%</b>
<b>EBITDA Margin</b>	<b>3.5%</b>	<b>3.8%</b>		<b>3.2%</b>	<b>3.5%</b>	
Depreciation & Amortization	(7,541)	(10,409)		(14,666)	(20,168)	
<b>EBIT</b>	<b>68,992</b>	<b>107,386</b>	<b>55.6%</b>	<b>116,380</b>	<b>189,962</b>	<b>63.2%</b>
<b>EBIT Margin</b>	<b>3.5%</b>	<b>3.2%</b>		<b>2.9%</b>	<b>3.2%</b>	
Net Interest	(31,159)	(19,863)		(49,964)	(52,011)	
Other Expenses	0	(22,696)		(56)	(34,482)	
Other Income	2,674	373		3,018	637	
<b>EBT</b>	<b>40,507</b>	<b>65,199</b>	<b>61.0%</b>	<b>69,378</b>	<b>104,106</b>	<b>50.1%</b>
<b>EBT Margin</b>	<b>1.9%</b>	<b>2.1%</b>		<b>1.7%</b>	<b>1.8%</b>	
Differed Tax	2,372	932		2,222	1,229	
Income Tax	(8,322)	(18,902)		(17,937)	(30,151)	
<b>Net Profit</b>	<b>34,557</b>	<b>47,229</b>	<b>36.7%</b>	<b>53,663</b>	<b>75,183</b>	<b>40.1%</b>
<b>Net Profit Margin</b>	<b>1.6%</b>	<b>1.5%</b>		<b>1.3%</b>	<b>1.3%</b>	

## Balance Sheet

<i>In EGP</i>	Dec-2017	Mar-2018	Jun-2018
Property & Equipment, net	210,264	221,731	220,750
Other Assets	8,804	8,750	8,092
Project Under Construction	161,267	276,755	341,642
Deferred Income Taxes	11,104	11,400	12,332
<b>Total Long-term Assets</b>	<b>391,438</b>	<b>518,637</b>	<b>582,816</b>
Inventories	1,050,549	971,748	986,302
Incoming Documents for Collection	273	527	3,020
Trade & Notes receivable, net	2,459,296	2,706,771	2,973,417
Supplier Advances	101,360	201,573	251,938
Debtors & Other Debit Balance, net	165,718	131,417	130,611
Due from Related Parties	372	372	372
Cash & Cash Equivalent	164,791	41,718	86,518
<b>Total Current Assets</b>	<b>3,942,358</b>	<b>4,054,127</b>	<b>4,432,177</b>
<b>Total Assets</b>	<b>4,333,796</b>	<b>4,572,764</b>	<b>5,014,994</b>
Paid In Capital	168,000	180,500	180,500
Share Premium	0	277,500	277,500
General Reserve	3,079	3,079	3,079
Legal Reserve	12,000	20,507	20,507
Retained Earnings	62,980	224,610	216,161
Net Profit For The Year	170,137	27,954	75,183
<b>Total Shareholders' Equity</b>	<b>416,196</b>	<b>734,150</b>	<b>772,931</b>
Non-current portion of medium term loan	25,083	59,339	56,525
Non-current notes payable	7,660	6,090	15,651
Other Non-current liabilities	20,815	24,939	29,517
Non-current portion of land creditors	0	0	0
<b>Total Long-term Liabilities</b>	<b>53,558</b>	<b>90,368</b>	<b>101,692</b>
Credit facilities	6,952	93,711	138,252
Contingency provision	24,067	27,567	47,067
Customers Advance Payments	6,453	5,178	11,160
Current portion of land creditors	71	71	71
Trade and notes payable	3,700,786	3,523,678	3,832,441
Current portion of medium term loan	25,794	30,496	32,933
Creditors & other credit balances	99,919	67,545	78,448
<b>Total Current Liabilities</b>	<b>3,864,042</b>	<b>3,748,246</b>	<b>4,140,371</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>4,333,796</b>	<b>4,572,764</b>	<b>5,014,994</b>

## About Ibnsina Pharma

Originally established in 2001, today Ibnsina Pharma is Egypt’s fastest-growing and second largest pharmaceutical distribution company. The Company distributes a competitive portfolio of pharmaceutical products from over 350 Egyptian and multinational pharmaceutical companies to more than 41,000 customers including pharmacies, hospitals, retail outlets and wholesalers. Its fleet of around 650 vehicles completes an average of over 460,000 deliveries each month.

Ibnsina Pharma’s core services for suppliers include management of warehousing and logistics for pharmaceutical products as well as the development and execution of tailored marketing solutions targeting a nationwide database of customers. The Company also provides efficient and reliable order-taking and delivery services to customers and was the first in its industry to pioneer a telesales model. Operating across 57 sites in 23 cities nationwide, Ibnsina Pharma’s team of more than 5,500 employees is dedicated to improving people’s quality of life by ensuring their access to safe and high quality pharmaceutical products.

For more information about Ibnsina Pharma, please visit: [www.ibnsina-pharma.com](http://www.ibnsina-pharma.com).

For further information, please contact:

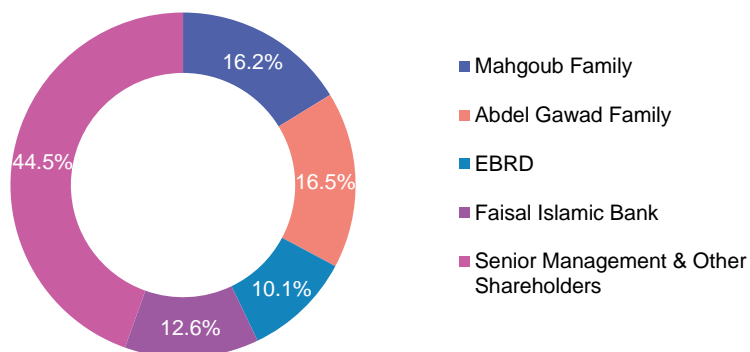
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**Shareholding Structure**  
(Post IPO and Capital Increase)



## Forward-Looking Statements

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

Forward-looking statements reflect our management's ("Management") current views of future events, are based on Management's assumptions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these 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 become inaccurate. These risks include fluctuations prices, costs, ability to retain the services of certain key employees, ability to compete successfully, changes in political, social, legal or economic conditions in Egypt, worldwide economic trends, the impact of war and terrorist activity, inflation, interest rate and exchange rate fluctuations and Management's ability to timely and accurately identify future risks to our business and manage the risks mentioned above.