

## Ibnsina Pharma Releases 1H2019 Results

Ibnsina maintains its momentum from the start of the year into the first half, with rapid top- and bottom-line expansions on the back of a strong market; net revenues expand 26.8% year-on-year to reach EGP 7.6 billion, driving 34.8% year-on-year climb in net profit

### 1H2019 Highlights\*

#### Net Revenues

**EGP 7.6 BN**

▲ 26.8% y-o-y

#### Gross Profit

**EGP 608.3 MN**

▲ 31.0% y-o-y

#### EBITDA

**EGP 299.1 MN**

▲ 41.5% y-o-y

#### Net Profit

**EGP 103.2 MN**

▲ 34.8% y-o-y

### Cairo, 6 August 2019

Ibnsina Pharma (ISPH.CA on the Egyptian Stock Exchange), Egypt's fastest-growing and second-largest pharmaceutical distributor, released today its audited results for the six-month period ended 30 June 2019, booking net revenues of EGP 7.6 billion, up 26.8% year-on-year. Gross profit expanded by 31.0% year-on-year, reaching EGP 608.3 million, while the gross profit margin climbed twenty-six basis points to 8.06% for 1H2019. Ibnsina Pharma's gross profitability for the period was boosted by a temporary change in the contribution of different sectors to absolute revenue growth, with the company's wholesale segment (a cash-intensive business where clients receive cash discounts) seeing its contribution decline relative to traditional levels.

Meanwhile, EBITDA came in at EGP 299.1 million in 1H2019, up 41.5% year-on-year. Ibnsina Pharma's EBITDA margin expanded by forty-one basis points to reach 3.96% in 1H2019. The company recorded a net profit of EGP 103.2 million during the period, representing a rapid bottom-line expansion of 34.8% year-on-year. Ibnsina Pharma's net profit margin climbed to 1.37% in 1H2019 from 1.29% one year previously.

On a quarterly basis, Ibnsina Pharma's revenues grew at 24.4% year-on-year to record EGP 3.8 billion. Quarterly gross profit expanded at 26.9% year-on-year, reaching 315.5 million and yielding a gross margin of 8.26%. EBITDA grew 26.5% year-on-year to register EGP 155.1 million in 2Q2019, with the quarterly EBITDA margin reaching 4.06% in 2Q2019. Net profit rose by 26.0% year-on-year to book EGP 60.5 million in 2Q2019, while the net profit margin stood at 1.58% for the quarter.

The first half of 2019 saw Ibnsina Pharma serve 42,087 customers across Egypt and make 2.7 million deliveries, up 4% year-on-year.

### Summary Income Statement

EGP mn	2Q2019	2Q2018	Change	1H2019	1H2018	Change
Net Revenue	3,819.8	3,069.8	24.4%	7,546.1	5,950.9	26.8%
Gross Profit	315.5	248.6	26.9%	608.3	464.3	31.0%
GP Margin	8.26%	8.10%		8.06%	7.80%	
OPEX	160.4	126.0		309.2	253.0	
OPEX / Sales	4.20%	4.10%		4.10%	4.25%	
EBITDA	155.1	122.6	26.5%	299.1	211.3	41.5%
EBITDA Margin	4.06%	3.99%		3.96%	3.55%	
Net Profit	60.5	48.0	26.0%	103.2	76.6	34.8%
NP Margin	1.58%	1.56%		1.37%	1.29%	

\* As of 2Q2019, Ibnsina Pharma has adopted the new Egyptian Accounting Standards EAS 49, implementing new accounting rules and standards in the treatment of financial leasing. Comparable period figures in Ibnsina Pharma's FY18 balance sheet and its income statements for 1H2018 and 1H2019 have been adjusted accordingly.

## Comments from our Co-CEOs

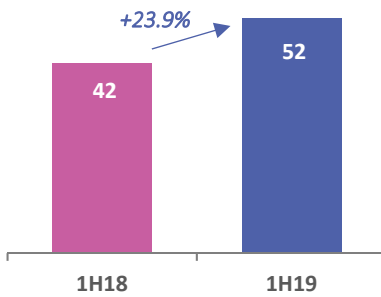
“Midway into 2019, Ibnsina is in clear sight of its strategic objectives for the year,” commented Omar Abdel Gawad, Co-CEO of Ibnsina Pharma. “We have leveraged the strength of our position in a vigorous market to maintain double-digit top line growth of 26.8% year-on-year to EGP 7.6 billion, outperforming our market for yet another quarter. Our margins exhibited similar strength during the period, expanding down our income statement, while our net profit climbed to 103.2 million for 1H2019.”

“Over recent quarters and years, we have invested in the capacities and capabilities required to construct as sound a platform for growth as possible, and we will continue to do so over coming quarters and years,” he added. “Ensuring that our distribution network is as optimally distributed as possible, that our facilities can accommodate the widest and most diverse range of our partners’ products, that our portfolio composition reflects market trends in a proactive manner; these are efforts that yield tangible benefits over both the long- and short-terms if coupled with a solid commitment to operational efficiency,” Omar concluded.

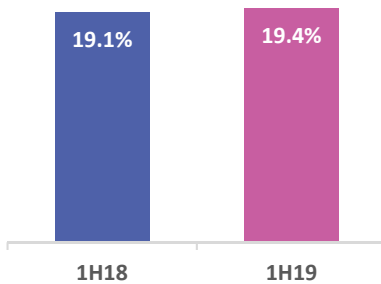
“During the first half of 2019, Ibnsina Pharma has shown itself more than able to take any development in its stride,” said Mahmoud Abdel Gawad, Co-CEO of Ibnsina Pharma. “The company’s ability to keep closely abreast of temporary changes affecting Egypt’s pharmaceuticals market and its strong and expanding footprint allows us to reap the benefits of market growth in different sectors, from retail pharmacies and tenders to wholesale and private hospitals.”

“Heading into the second half of 2019, we are taking all measures to ensure that core profitability and the bottom line continue on their positive trajectory, with a focus on fostering economies of scale across our distribution network and leveraging the bonuses traditionally provided by our suppliers’ at year-end,” Mahmoud ended.

**Total Market Growth  
(EGP bn)**



**ISP Market Share**



## Market Overview

Egypt’s market for pharmaceuticals generated sales of EGP 52.4 billion during the first six months of 2019, according to data published by IMS Health. This figure, accounting for both the industry’s retail and non-retail segments, represented a year-on-year increase of 23.9% from the EGP 42.3 million in sales generated during the first half of 2018. Retail sales continue to drive the overall expansion in Egypt’s pharmaceuticals market, with the country’s demographic, economic and epidemiological profiles providing a solid basis for sustained growth over the long run.

With the country’s population growing at the relatively high rate of 2% per annum, the substantially inelastic demand for the industry’s products has grown rapidly over recent years and is expected to continue doing so for the foreseeable future. Industry-level volumes sold grew approximately 11% year-on-year during the first half of 2019. Average selling price, which functions as a supply-side adjustment mechanism in the absence of government intervention, rose by 13% y-o-y during 1H2019, allowing suppliers to mitigate the effects of persistent inflation.

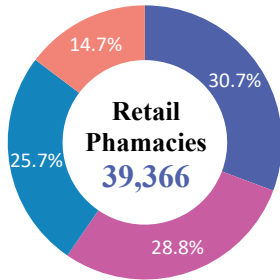
Growth in pharmaceutical expenditures has been further boosted by an improving macroeconomic environment, with growth in gross domestic product averaging upwards of 5% in the years since FY2017/2018 and forecast to maintain this trend in the years to 2021. Despite quickening economic growth and cooling inflation, however, Egypt’s per capita expenditure on pharmaceutical products continues to lag behind many regional peers, leaving substantial room for growth and attracting significant attention from foreign and domestic investors.

Ibnsina Pharma remains Egypt’s fastest-growing distributor of pharmaceutical products. The company saw its top line climb by 26.8% during the first six months of 2019, exceeding market-wide growth by upwards of two percentage points and maintaining its multiyear record of market-beating top line performance.

An optimized expansion of the company’s distribution network, continuously enhanced operational efficiency and the diversity of its product portfolio leave it in prime position to capitalize on future developments in the wider market. These include the adoption of the proposed Universal Healthcare Act, which will widen government insurance coverage and increase public investment in healthcare facilities, while helping extend medication to a broader segment of Egyptians. The proposed system is expected to cover 107 million by 2032.

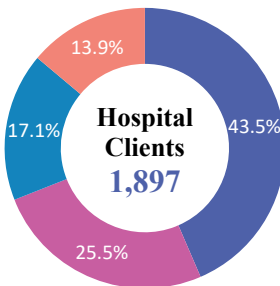
Ibnsina supplied 19.4% of Egypt’s pharmaceutical distribution market in 1H2019, up from 19.1% one year previously. It is worth mentioning that, although Ibnsina’s market share in the segment increased in 1H2019, delayed implementation of tenders by the Ministry of Health (which account for 80% of the Egyptian tender business) during 2Q19 has affected the company’s market share compared to year-end 2018. Management expect strong segment performance in the second half of 2019, reflected in above average monthly sales beginning in the month of July. Ibnsina maintains its guidance of continuous annual gains in market share.

## Retail Pharmacies by Geography (1H2019)



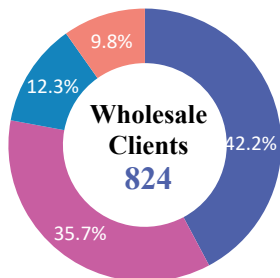
■ Cairo & Canal ■ Delta  
■ Upper Egypt ■ Alexandria

## Hospital Clients by Geography (1H2019)



■ Cairo & Canal ■ Delta  
■ Upper Egypt ■ Alexandria

## Wholesale Clients by Geography (1H2019)



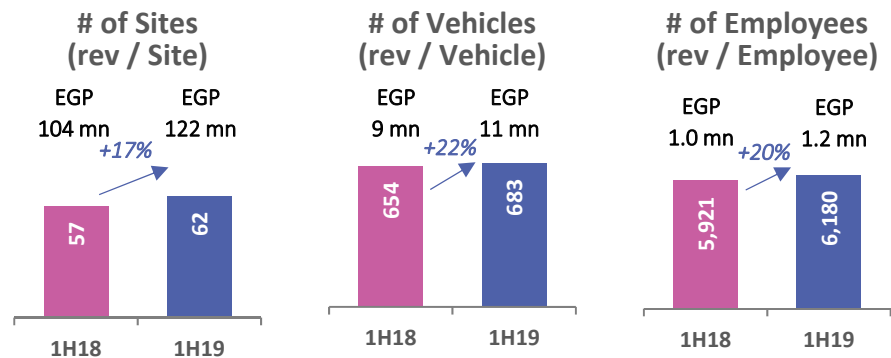
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## Operational Review

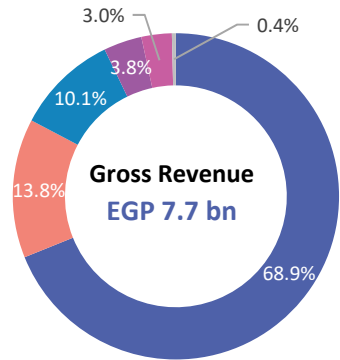
Ibsina Pharma served 42,087 clients during 1H2019, up from the 41,733 served during the first half of the previous year. Cairo and the Canal Zone, Egypt's most heavily populated metropolitan areas and the country's economic hub, accounted for 31.5% of Ibsina Pharma's client base during the period. Clients in the Delta and Upper Egypt constituted 14.6% and 28.8% of Ibsina's client base, respectively. Meanwhile, Egypt's second largest city, Alexandria, was home to 25.1% of the company's clients in 1H2019. The company maintains an optimum distribution of its client base, aligning the network with geographic population density.

Ibsina Pharma's distribution network included 62 sites in 1H2019, up from 57 sites during the same period of 2018. Total revenue per site rose by 17% between 1H2019 and 1H2018, rising from EGP 104 million to EGP 122 million during the period.

The company's fleet grew to 683 vehicles in 1H2019 from 654 vehicles in 1H2018. This expansion has boosted Ibsina's ability to efficiently satisfy rising demand, with revenue per vehicle growing by 22% to 11 million in 1H2019. Revenues per employee increased by 20% during the period, recording EGP 1.2 million in 1H2019.



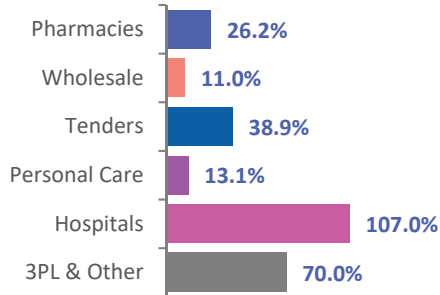
Revenue\* by Business Line (1H2019)



- Pharmacies
- Wholesale
- Tenders
- Hospitals
- Personal Care
- 3PL & Other

\* Revenues refer to gross sales prior to discounts

Business Line Revenue Growth (1H2019)

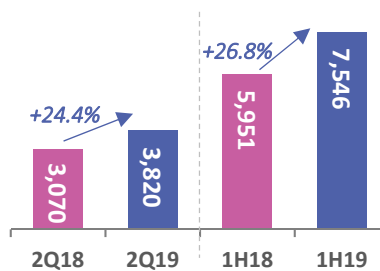


## Financial Performance

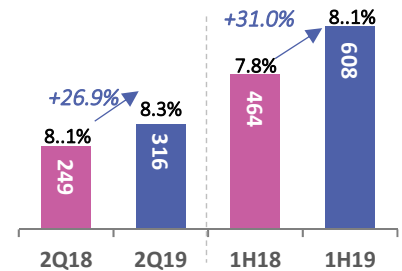
### Revenues

Ibnsina Pharma booked gross revenues of EGP 7.7 billion in 1H2019, an increase of 26.5% year-on-year spurred by rapid growth across the company's lines of business. The company's core business with retail pharmacies remained the primary driver of growth, booking EGP 5.3 billion in revenues and contributing 68.9% of Ibnsina's consolidated top line during 1H2019. Wholesale revenues expanded by 11.0% year-on-year in 1H2019, registering revenues of EGP 1.1 billion, contributing by 13.8% of total revenues. Meanwhile, the tenders segment brought in EGP 779.1 million, up by 38.9% year-on-year. Tenders' top line contribution now stands at 10.1%. Hospitals was Ibnsina's fastest-growing business, with its revenues more than doubling year-on-year to record EGP 296.8 million during 1H2019 with a contribution of 3.8% to total revenues.

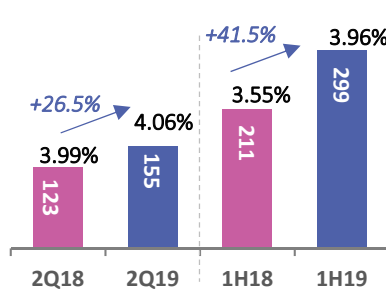
Net Revenue Progression (EGP mn)



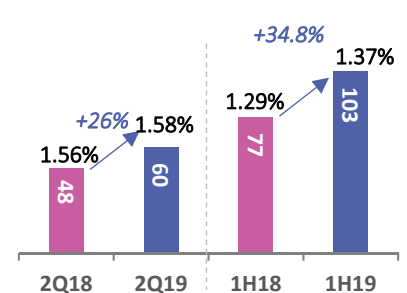
Gross Profit Progression (EGP mn, % margin)



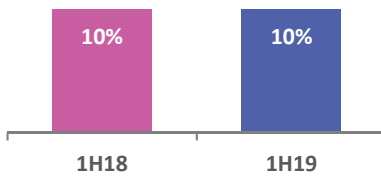
EBITDA Progression (EGP mn, % margin)



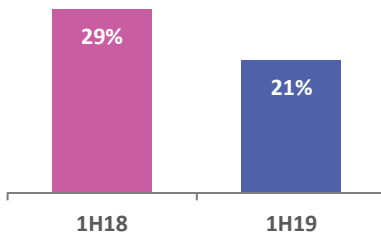
Net Profit Progression (EGP mn, % margin)



### Return on Equity



### Return on Fixed Assets



### Gross Profit

Gross profit for 1H2019 came in at EGP 608.3 million, representing an expansion of 31.0% on the EGP 464.3 million recorded in 1H2018. Ibnsina’s gross profit margin grew to 8.06% from 7.80% between 1H2019 and 1H2018, reflecting changes in the company’s revenue composition, which saw modest growth in the contribution of the wholesale segment, where sales are made in cash and where clients receive a cash discount. Wholesale revenues grew 11% year-on-year. Such discounts declined by twenty-one basis points to 2.35% as a percentage of gross revenues. On the other hand, the company’s institutional businesses, including tenders and private hospitals, where transactions are largely completed on credit, expanded by 52% year-on-year compared to overall top line growth of 26.8% during the period.

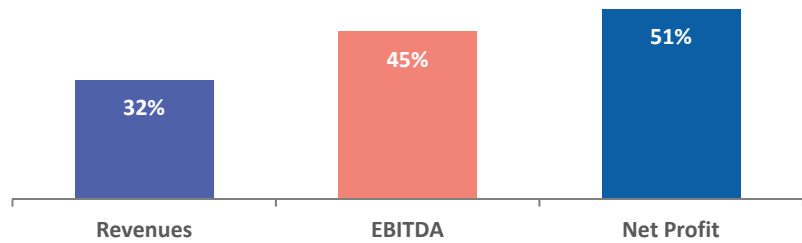
### EBITDA

Ibnsina booked an EBITDA of EGP 299.1 million for 1H2019, representing growth of 41.5% from the EGP 211.3 million generated in 1H2018. The period saw Ibnsina Pharma expand its EBITDA margin to 3.96% from 3.55%.

### Net Profit

Net profit grew by 34.8% year-on-year between 1H2018 and 1H2019, registering EGP 103.2 million, with an improvement in the net profit margin from 1.29% to 1.37% over the period.

### Ibnsina Pharma 5-Year CAGRs



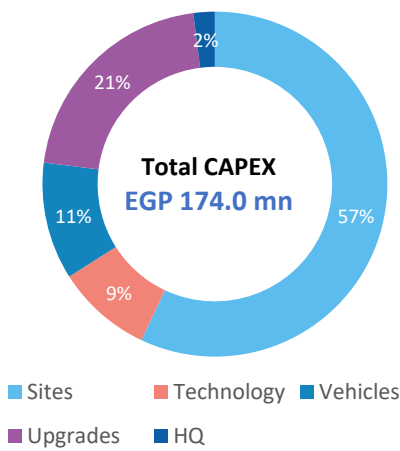


## Key Balance Sheet Items

### CAPEX

Ibnsina Pharma committed EGP 174 million for CAPEX purposes during 1H2019. Distribution sites were the primary focus of the company’s CAPEX efforts in 1H2019, with EGP 98 million allocated to expanding and improving Ibnsina’s network during the period. Ibnsina Pharma inaugurated 3 new branches during 1H2019, with the facilities boasting sufficient storage capacity to further deepen the company’s reach in the key Cairo and Canal Zone markets. Technology projects and upgrades were allocated EGP 15 million and EGP 38 million, respectively, while EGP 19 million were expended on vehicle purchases during the period. CAPEX related to headquarters construction recorded EGP 4 million, in line with management’s plan to expand Ibnsina Pharma’s distribution reach across Egypt.

**CAPEX Breakdown (1H2019)**



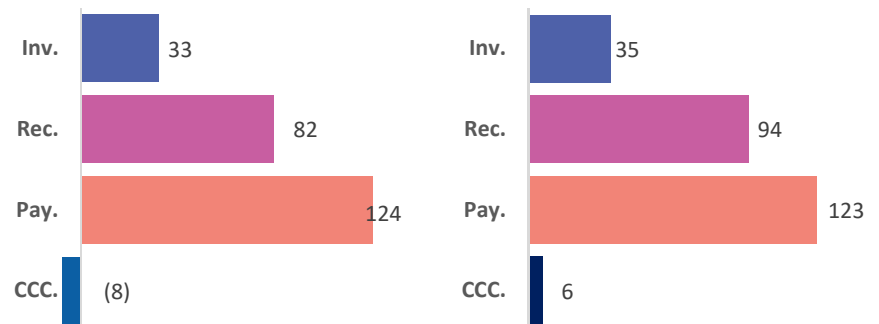
### Working Capital

Ibnsina Pharma’s cash conversion cycle rose from negative 8 days in 1H2018 to 6 days in 1H2019. Inventory DOH rose from 33 days to 35 days between 1H2018 and 1H2019, reflecting the effects of high-margin special agreements with specific suppliers. Receivable DOH grew from 82 to 94 days during the period, mirroring the rising contribution of institutional sales, including to Ibnsina’s tenders and private hospital clients, which contributed 13.9% of total revenues during 1H2019 – an increase of 2.4% against its contribution in 1H2018. Meanwhile, the wholesale segment’s contribution to Ibnsina’s top line decreased by 2% year-on-year during 1H2019, driving growth in the share of Ibnsina’s sales made on credit relative to cash sales.

Payables DOH came in at 123 days in 1H2019, down from 124 days one year previously.

**Cash Conversion Cycle 1H2018**

**Cash Conversion Cycle 1H2019**

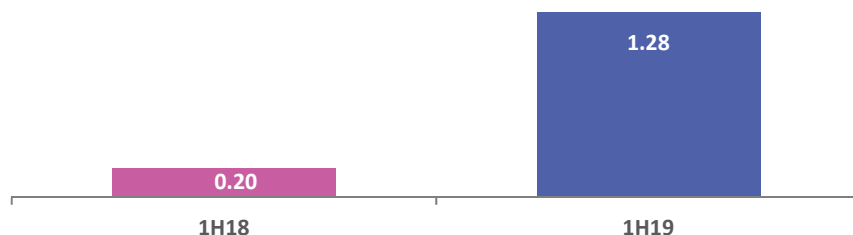


It is worth noting that Ibnsina Pharma utilizes to its advantage a favorable spread between interest paid on overdraft facilities and supplier discounts for early payment. As a result, the company maintains an inverse correlation between accounts payable DOH and outstanding short-term debt.

**Net Debt**

Ibnsina Pharma recorded a net debt/equity ratio of 1.28 in 1H2019, with the company booking a total net debt of EGP 1.2 billion for the first six months of 2019. Of this figure, 40%, or EGP 523 million is composed of a medium-term loan allocated to fund Ibnsina’s CAPEX efforts in 2H2018 and 1H2019. Of the remainder, EGP 160 million is related to payment of an anti-trust fine and 590 million is composed of working capital financing, extended in light of the rapid growth in Ibnsina’s credit-intensive tenders business and the relative decline in the top line contribution of the company’s cash-intensive wholesale segment.

**Net Debt / Equity**





## RECENT CORPORATE DEVELOPMENTS

### Ibnsina Pharma Declares Cash Dividend and Bonus Shares

Ibnsina Pharma announced that it would distribute a cash dividend of EGP 0.070 per share on 19 May 2019. The dividend, which amounts to a total of EGP 50.9 million was approved by the Board of Directors and will be paid from retained earnings for FY2018. Ibnsina Pharma also distributed bonus shares, valued at approximately 0.1357 bonus shares per original share, while approximating fractions for minor shareholders.

In a meeting of the Egyptian Stock Exchange's Listing Committee held on 27 June 2019 approved an increase to Ibnsina Pharma's share capital proposed by the company's Board of Directors. The company has gained assent to increase its issued and paid-in capital to EGP 205 million from EGP 180.5 million, an increase amounting to EGP 24.5 million. This increase will be distributed over 98 million shares at a price of EGP 0.25 per share. Shareholders of record were entitled to distribution of the resulting bonus shares up to the end of the 14 July trading session.

## Income Statement

<i>In EGP</i>	2Q2018	2Q2019	YoY ▲	1H2018	1H2019	YoY ▲
<b>Gross Revenue</b>	<b>3,149,036</b>	<b>3,916,623</b>	<b>24%</b>	<b>6,107,378</b>	<b>7,728,104</b>	<b>26.5%</b>
Net Revenue	3,069,762	3,819,772		5,950,861	7,546,121	
Cost Of Revenue	(2,821,193)	(3,504,269)		(5,486,558)	(6,937,852)	
<b>Gross Profit</b>	<b>248,568</b>	<b>315,504</b>	<b>27%</b>	<b>464,303</b>	<b>608,268</b>	<b>31.0%</b>
<b>Gross Profit Margin</b>	<b>8.10%</b>	<b>8.26%</b>		<b>7.80%</b>	<b>8.06%</b>	
Selling, General & Administrative	(130,578)	(169,665)		(260,114)	(325,169)	
Penalties on Returned Checks	4,629	9,261		7,149	15,993	
<b>EBITDA</b>	<b>122,619</b>	<b>155,100</b>	<b>26%</b>	<b>211,339</b>	<b>299,093</b>	<b>41.5%</b>
<b>EBITDA Margin</b>	<b>3.99%</b>	<b>4.06%</b>		<b>3.55%</b>	<b>3.96%</b>	
Depreciation & Amortization	(12,866)	(19,100)		(25,118)	(36,454)	
<b>EBIT</b>	<b>109,753</b>	<b>136,001</b>	<b>24%</b>	<b>186,221</b>	<b>262,638</b>	<b>41.0%</b>
<b>EBIT Margin</b>	<b>3.58%</b>	<b>3.56%</b>		<b>3.13%</b>	<b>3.48%</b>	
Financial Expenses	(21,267)	(59,256)		(54,956)	(113,166)	
Other Expenses	(22,696)	(590)		(26,007)	(15,535)	
Other Income	373	1,110		637	1,087	
<b>EBT</b>	<b>66,163</b>	<b>77,264</b>	<b>17%</b>	<b>105,894</b>	<b>135,024</b>	<b>27.5%</b>
<b>EBT Margin</b>	<b>2.16%</b>	<b>2.02%</b>		<b>1.78%</b>	<b>1.79%</b>	
Deferred Tax	715	2,682		826	3,233	
Income Tax	(18,902)	(19,489)		(30,151)	(35,060)	
<b>Net Profit</b>	<b>47,976</b>	<b>60,457</b>	<b>26%</b>	<b>76,569</b>	<b>103,197</b>	<b>34.8%</b>
<b>Net Profit Margin</b>	<b>1.56%</b>	<b>1.58%</b>		<b>1.29%</b>	<b>1.37%</b>	
<b>EPS</b>	<b>0.06</b>	<b>0.07</b>		<b>0.09</b>	<b>0.12</b>	

## Balance Sheet

<i>In EGP</i>	1H2019	FY2018
Property & Equipment, net	457,929	431,409
Other Assets	8,137	7,641
Projects Under Construction	429,687	336,288
Leased Assets	54,586	37,475
Deferred Income Taxes	12,145	8,912
<b>Total Long-term Assets</b>	<b>980,484</b>	<b>821,726</b>
Inventories	1,585,053	1,407,363
Trade & Notes receivable, net	4,177,861	3,648,233
Supplier Advances	215,875	213,862
Debtors & Other Debit Balance, net	335,141	296,569
Due from Related Parties	372	372
Cash & Cash Equivalent	283,269	96,618
<b>Total Current Assets</b>	<b>6,597,571</b>	<b>5,663,017</b>
<b>Total Assets</b>	<b>7,578,055</b>	<b>6,484,742</b>
Paid-In Capital	180,500	180,500
Share Premium	277,500	277,500
General Reserve	3,079	3,079
Legal Reserve	33,633	20,507
Retained Earnings	399,758	218,271
Net Profit for The Year	103,197	265,723
<b>Total Shareholders' Equity</b>	<b>997,667</b>	<b>965,581</b>
Non-Current Portion of Medium-Term Loan	453,106	348,179
Non-Current Obligation Under Finance Lease	30,438	16,884
Non-Current Notes Payable	2,584	4,779
Other Non-Current Liabilities	17,496	30,360
<b>Total Long-term Liabilities</b>	<b>503,624</b>	<b>400,201</b>
Credit Facilities	1,040,771	65,087
Contingency Provision	81,067	70,400
Customers Advance Payments	9,029	5,277
Trade and Notes Payable	4,704,774	4,753,051
Current Portion of Medium-Term Loan	70,595	38,850
Current Obligation Under Finance Lease	15,251	13,739
Creditors & Other Credit Balances	155,278	172,557
<b>Total Current Liabilities</b>	<b>6,076,764</b>	<b>5,118,960</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>7,578,055</b>	<b>6,484,742</b>

## Cash Flow

<i>In EGP</i>	1H2019	1H2018
<b><u>Cash flow from operating activities:</u></b>		
Net profit before tax	135,024	105,894
<b><u>Adjustments for:</u></b>		
Depreciation of fixed assets	28,760	18,846
Amortization of leased assets	6,600	4,950
Amortization of Other Assets	1,094	1,322
Allowance for impairment of current assets	9,313	1,639
Provisions	10,667	23,000
Capital gain (loss)	(273)	(81)
Credit/Debit interest	113,166	61,065
<b>Operating profit before changes in working capital</b>	<b>304,351</b>	<b>216,635</b>
<b><u>Changes in working capital:</u></b>		
Change in inventory	(177,690)	61,500
Change in trade receivables	(538,942)	(515,759)
Change in supplier advances	(2,013)	(150,578)
Change in debtors and other debt balances	(38,571)	35,106
Change in trade payables	(50,471)	139,645
Change in customer advance payments	3,752	4,707
Change in creditors and other credit balances	(59,730)	(51,615)
Other non-current liabilities	(12,864)	8,701
<b>Cash flow from operating activities</b>	<b>(572,179)</b>	<b>(251,659)</b>
Financing expense	(106,042)	(76,940)
<b>Net cash flow from operating activities</b>	<b>(678,221)</b>	<b>(328,598)</b>
<b><u>Cash flow from investment activities:</u></b>		
Payments for purchase of fixed assets	(33,636)	(29,377)
Payments for purchase of other assets	(1,590)	(611)
Payments for Projects under Construction	(133,057)	(164,501)
Proceeds from sale of fixed assets	288	120
<b>Net cash flow from investment activities</b>	<b>(167,995)</b>	<b>(194,367)</b>
<b><u>Cash flow from financing activities:</u></b>		
Dividends paid	(70,844)	(8,449)
Proceeds from capital increase	-	290,000
Proceeds from short term Facilities	975,684	131,300
Proceeds from Medium term Loan	136,672	38,581
Repayment of Leasing Assets	(8,644)	(6,739)
<b>Net cash flow from financing activities</b>	<b>1,032,868</b>	<b>444,693</b>
<b>Net change in cash and cash equivalents during the period</b>	<b>186,651</b>	<b>(78,273)</b>
Cash and cash equivalents at the beginning of the period	96,618	164,791
<b>Cash and cash equivalents at the end of the period</b>	<b>283,270</b>	<b>86,518</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 42,000 customers including pharmacies, hospitals, retail outlets and wholesalers. Its fleet of around 670 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 62 sites in 23 cities nationwide, Ibnsina Pharma’s team of more than 6,000 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:

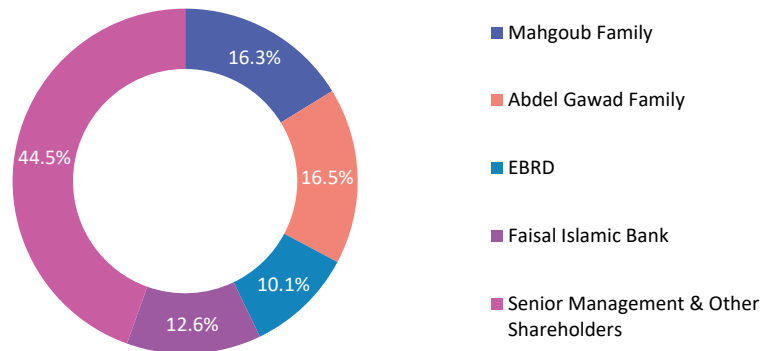
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### Shareholding Structure (Post IPO and Capital Increase)



## 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.