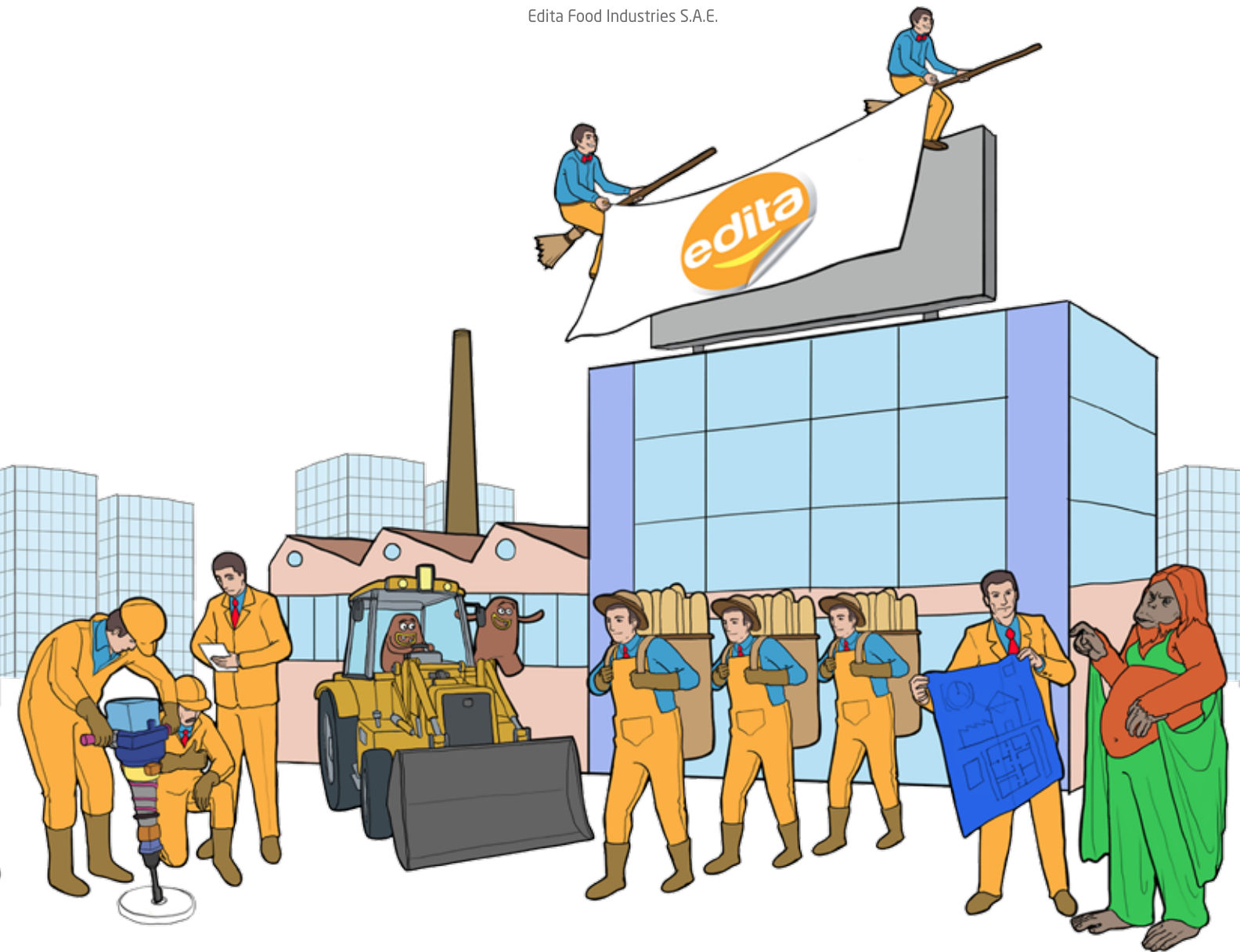




Edita Food Industries S.A.E.



THE SWEET SIDE OF LIFE

ANNUAL REPORT 2015

TABLE OF CONTENTS



The illustration features two men in blue shirts and yellow pants riding brooms at the top corners of the scroll, and two brown, blob-like creatures with large eyes at the bottom corners, all holding the edges of a large, vertical orange scroll that contains the table of contents.

EDITA AT A GLANCE	02
MESSAGE FROM OUR CHAIRMAN	04
HIGHLIGHTS OF 2015	06
OVERVIEW OF THE SNACKS MARKET	08
OVERVIEW OF EDITA	10
OUR HISTORY	12
SEGMENTS & BRANDS	14
FACILITIES AND PRODUCTION	20
MARKETING AND DISTRIBUTION	24
SUPPLY CHAIN	26
STRATEGY	28
MANAGEMENT DISCUSSION & ANALYSIS	30
MANAGEMENT OVERVIEW	40
CORPORATE GOVERNANCE	46
CORPORATE SOCIAL RESPONSIBILITY	52
AUDITED FINANCIAL STATEMENTS	54

EDITA AT A GLANCE

AT A GLANCE

EDITA IS A LEADER IN THE GROWING EGYPTIAN PACKAGED SNACK FOOD MARKET, OFFERING A WIDE RANGE OF BRANDED BAKED SNACK PRODUCTS INCLUDING PACKAGED CAKES, CROISSANTS, RUSKS, AND WAFERS AS WELL AS SELECTED CONFECTION-ARY / CANDY PRODUCTS.

Established in 1996, Edita Food industries is one of the leading FMCG companies in Egypt and the Middle East. With more than 5,542 employees and 73 SKUs, Edita holds a leading market share in each of its five segments that span the Egyptian snack food market; a success driven by the company's reputation for quality and affordability. Under Edita's production umbrella are a range of high quality products and household brand names that include, Molto, TODO, Bake Rolz, Bake Stix, Mimix, HoHo's, Twinkies, and Tiger Tail. Edita

also acts as the sole regional distributor of several brands of imported sweeteners, olive oils, and pasta.

With four state-of-the-art production facilities encompassing 25 production lines, as well as a nationwide distribution network, Edita is well able to meet the constant demand for its products. It's customer base includes more than 5,231 direct wholesale customers and 59,288 direct retail customers, with exports to more than 16 markets in the region.

OUR BRAND PORTFOLIO

TODO	Molto	Bake Rolz
Bake Stix	Freska	MiMix
HoHos	Twinkies	Tiger Tail



#2

Snack food company in Egypt with a c.13% market share

>16

Regional export destinations

>5,500

Employees

4

ISO Certified manufacturing facilities

>64,500

Wholesale & retail customers

3.3 bn

Packs sold in FY2015

9

Brands & 73 SKUs

5

Product segments

EGP 2.23 bn

Revenues in FY2015



NOTE FROM THE CHAIRMAN

MESSAGE FROM OUR CHAIRMAN

**Fellow Shareholders,**

I am honoured to introduce our first annual report as a publicly traded company. By every measure, the year just ended was a transformative one for Edita. We started 2015 by laying the groundwork for our very successful public offering in April. Today, our shares trade on the Egyptian Exchange and our global depositary receipts on the London Stock Exchange. It has been a pleasure meeting so many of you in Cairo and on the road in the months since.

Through 2015, we delivered top- and bottom-line growth in every quarter while also expanding our margins thanks to tight operational management and the introduction of new products, all while continuing to lay the foundation for future growth. In doing so, our goal is simple: to consolidate our position as the leader in the packaged snack food market in Egypt while pursuing a leading position in high-potential regional markets.

EXPANDED PRODUCT LINEUP, NEW PRODUCTION CAPACITY

Our significant investment in our facilities paid off in 2015 as production capacity rose 35.3% to 136,800 tons per annum (TPA). That push was led by the expansion of our E07 factory, which now hosts two new croissant lines as well as our new cake line. Meanwhile, our a new rusks line added in December 2015 doubled our capacity in this important segment, and I am delighted to report that products from this new line hit the market on schedule in February 2016. That same month, we commissioned our new strudel line, which will allow us to introduce the layered pastry — a new category in the Egyptian market — for the first time in March 2016.

As we delivered new capacity last year, we also began planning for the future, securing a 55,000 square-meter plot of land in Six of October's Zamil Polaris Industrial Complex that will house our new E08 facility. With the cost of acquisition and infrastructure already recorded in our books for 2015, E08 will provide us with room to expand our production of current products and to bring into production the new products and brands in time with our expansion strategy.

Throughout the year, our marketing activities supported the introduction of new

products, ensured we made good use of our new capacity, and paved the way for the introduction of higher-margin reformulated products including Molto Mix and Twinkies Extra. We continue to maintain close to 100% brand awareness in our core categories, namely the croissant and cake segments, while our wafer awareness grew to 81% by year's end. In tandem, the candy segment is also becoming a key contributor to our revenues, with the expansion of the Mimix brand across Egypt setting the stage for the addition of a new line. Meanwhile, the addition of four new distribution centres in the course of 2015, and one new centre in Luxor during the first months of 2016, bring our proprietary national distribution centres to 21.

Backed by a world-class product portfolio, strong marketing and our national distribution infrastructure, our sales and distribution team turned in another strong performance, delivering solid growth while laying the groundwork for the introduction of new products. In parallel, our export operations grew sales outside Egypt by more than 27% last year, gaining footholds in critical markets.

OUTLOOK

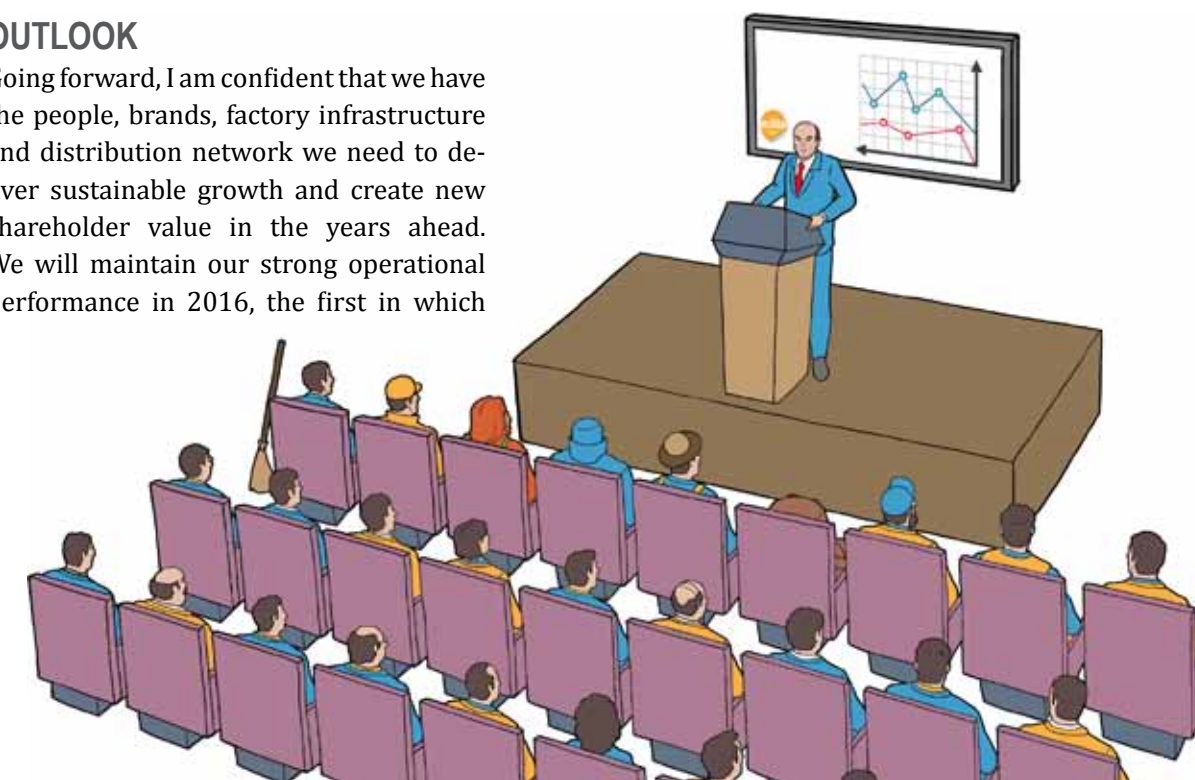
Going forward, I am confident that we have the people, brands, factory infrastructure and distribution network we need to deliver sustainable growth and create new shareholder value in the years ahead. We will maintain our strong operational performance in 2016, the first in which

we will have the full benefit of our new production capacity and newly launched products. We anticipate continued growth in our key indicators and continued maintenance of our strong margins in light of our successful price point migration of some 9% during the previous quarters. In parallel, we will keep a careful eye on operational efficiency to ensure top-line growth filters down to the bottom line.

I look forward to reporting to you here every year as we continue this journey together.

Hani Berzi

Chairman and Managing Director



HIGHLIGHTS OF 2015

HIGHLIGHTS OF 2015

2015 WAS A TRANSFORMATIVE YEAR FOR EDITA HAVING BEGUN WITH THE COMPANY LAYING THE GROUNDWORK FOR ITS VERY SUCCESSFUL IPO, ADDING NEW PRODUCTS AND GEOGRAPHIES, AND DELIVERING REVENUE GROWTH. TOP-LINE IMPROVEMENTS TRICKLED DOWN TO ACHIEVE RECORD EARNINGS FOR THE YEAR ON THE BACK OF STRONG MARGINS AND INCREASED OPERATIONAL EFFICIENCIES, ALL WHILE MAXIMIZING VALUE FOR SHAREHOLDERS.

FINANCIAL HIGHLIGHTS

IPO

In April 2015, Edita concluded its very successful secondary market public offering of its ordinary shares on the Egyptian Exchange and global depositary receipts on the London Stock Exchange.

OFFERING SIZE:

108,804,435 shares; 30%

OFFERING PRICE:

EGP 18.5 per share

SUBSCRIPTION:

13.4 times oversubscribed

MARKET CAP:

EGP 11.86 billion as of 31 December 2015

POST-IPO OWNERSHIP



Free Float	30%
Exoder Limited	13%
Berco Limited	42%
Africa Samba B.V.	15%

SALES

Edita delivered strong revenue growth across all its segments.

PROFITABILITY

Tight operational control and efficiency saw top-line growth trickle down to bottom-line profitability.

REVENUES:

EGP 2.23 billion, up 16% y-o-y with leading market shares in the core cakes and croissant segments

EBITDA:

EGP 521.9 mn, up 12.7%

y-o-y

EBITDA MARGIN:

23.5%

NET PROFIT:

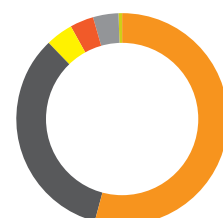
EGP 349.1 mn, up 31.3%

y-o-y

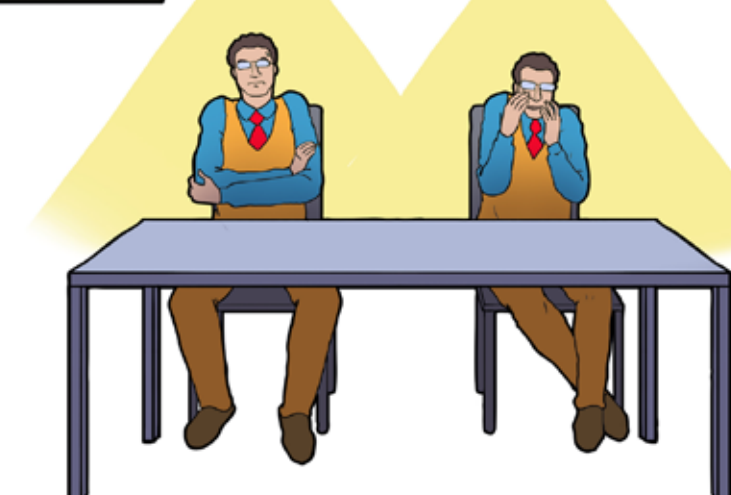
NP MARGIN:

15.7%

REVENUE CONTRIBUTION



Cakes	54.2%
Croissants	33.6%
Rusks	4.2%
Wafers	3.8%
Candy	3.8%
Imports	0.4%



OPERATIONAL HIGHLIGHTS

NEW CAPACITIES

Among the key operational developments in 2015 was Edita's execution of its expansion plans, with new capacities allowing it to capture the strong market growth.

FOUR new production lines added and operational, reaching a total of 25.

STRUDEL line installed with product to market in March 2016

35.3% increase in total production capacity to 136.8 thousand TPA as of year-end 2015

55,000 SQM new land plot acquired to house Edita's future E08 factory

NEW SKUs

As part of its strategy of migrating its product portfolio to higher price points, Edita has launched new products in its croissant and cakes segments.

MOLTO MIX a doubled-filled croissant with 3 variations

EGP 2 per pack

TWINKIES EXTRA an upsized Twinkies cake

EGP 1 per pack, 50 piasters higher than the regular Twinkies that was delisted

NEW PRODUCTS & GEOGRAPHIES

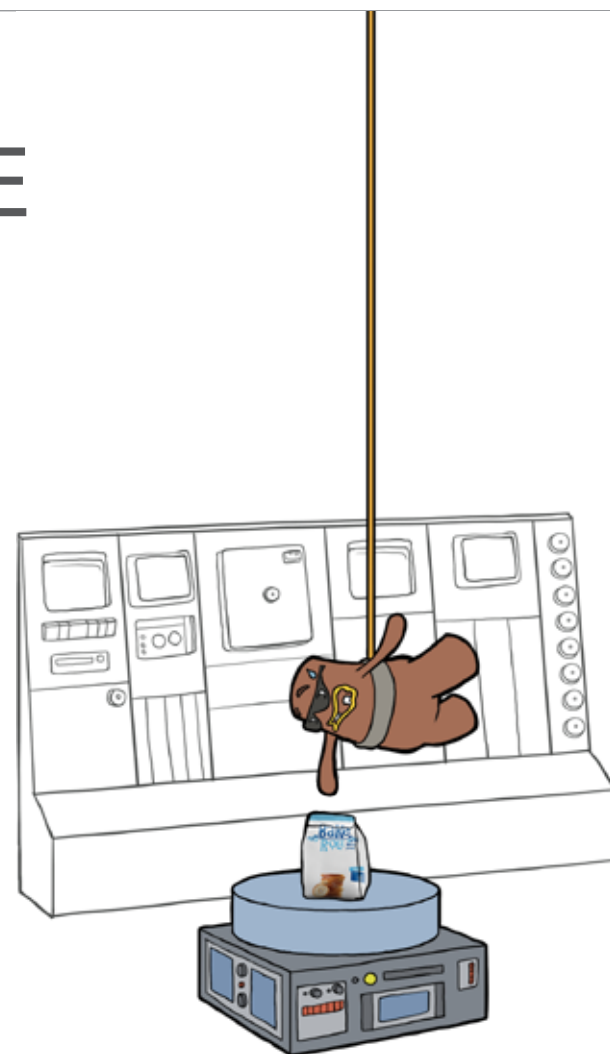
The year just ended saw Edita finalize an agreement with Hostess Brands LLC relating to the expansion of territory and the acquisition of new products.

12 additional countries added to existing HTT brands, namely HoHo's, Twinkies and Tiger Tail

11 additional products for which Edita has acquired know-how and technical assistance to produce across the expanded territory.

OVERVIEW OF THE SNACKS MARKET

OVERVIEW OF THE SNACKS MARKET

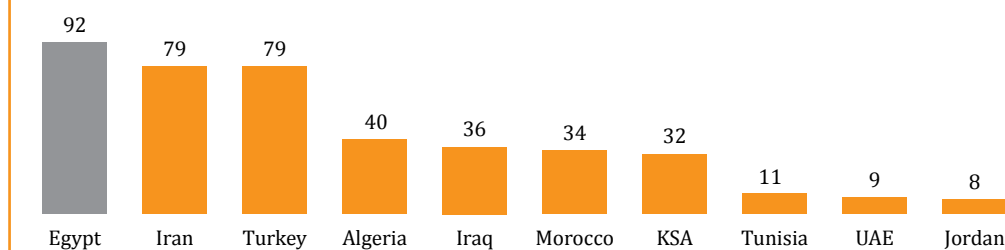
EDITA'S HOME MARKET
BOASTS STRONG
DEMAND AND SOLID
GROWTH FUNDAMENTALS

With a population of c. 90 million in 2015, Egypt is the most populous country in the MENA region with a population CAGR of 2.7% from 2010 - 2015. Its attractive demographic profile — 51% of the population under the age of 24 — makes for a strong driver of growth in the Egyptian snack market where changing lifestyle trends in Egypt, including greater time spent out of home, are supporting increased consumption of convenience / on-the-go packaged food products. The Egyptian snack market recorded a CAGR of 27.1% for the years 2010 through 2015. Moreover, the market has continued to grow even during political upheavals that disturbed many industries in the Egyptian economy, indicative of the snack food market's relative resilience to the external environment.

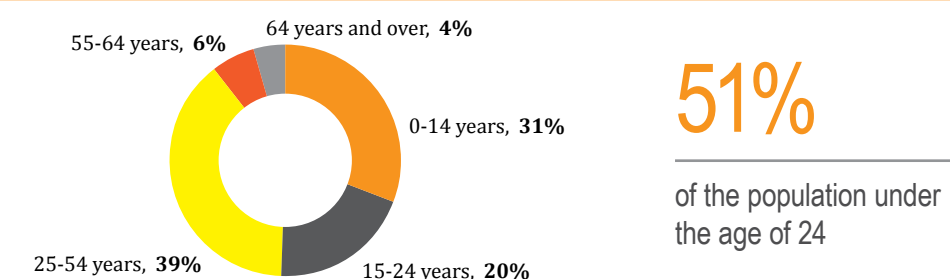
Nevertheless, according to AC Nielsen Retail Audit, the snack food market in Egypt is still relatively underdeveloped,

with average consumption per capita standing at only USD 25 per year, significantly lower than more developed markets such as North America (USD 234), Europe (USD 228) and developing markets in Latin America (USD 78). This offers a favourable climate for fast market growth and allows for the introduction of many new differentiated products to the market. This is clearly evident in the ever changing market dynamics with the number of consumers in this market having increased every year for the last six years, and with companies branching out to further expand their footprint while continuing to roll-out new products and SKUs to fully penetrate the market and target new segments.

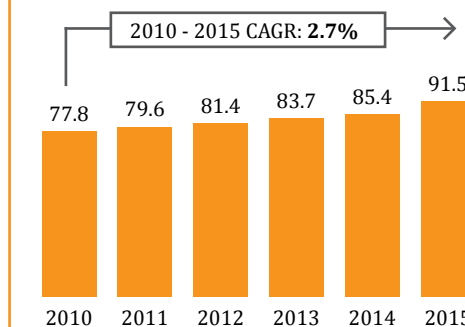
LARGEST POPULATION IN MENA (mn)



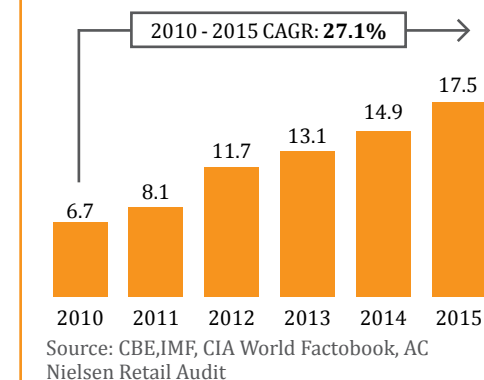
... WITH AN ATTRACTIVE DEMOGRAPHIC PROFILE...



... AND GROWING Y-O-Y...



... DRIVING MARKET GROWTH (EGP bn)*

MARKET SIZE¹

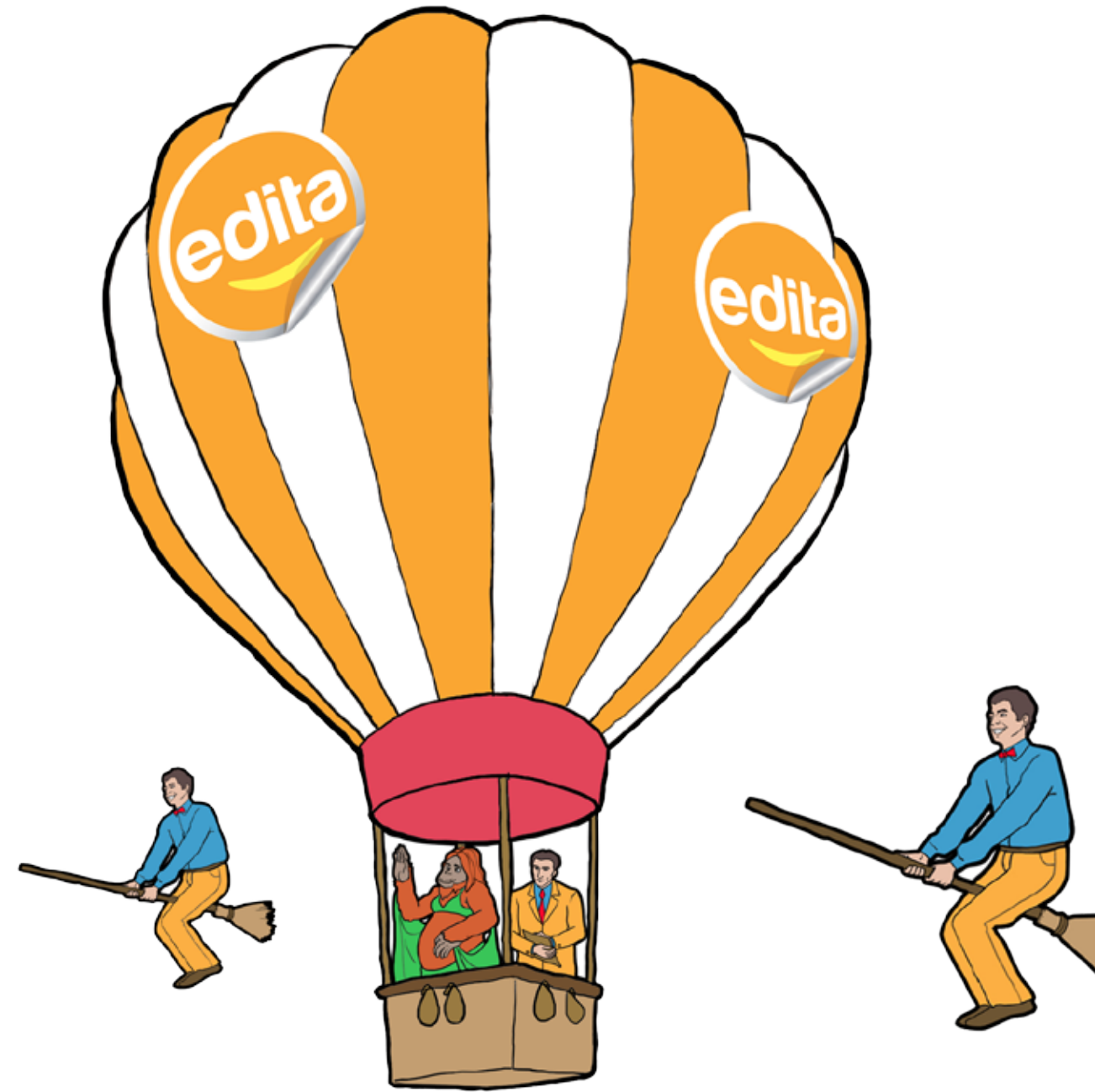
SEGMENT	FY2014 (EGP MN)	FY2015 (EGP MN)	% CHANGE
Salty Snacks ²	6,036	7,008	16.1%
Cakes	1,485	1,699	14.4%
Wafers	1,476	1,805	22.3%
Croissant	571	860	50.8%
Candy	570	584	2.3%
Total Market³	14,918	17,506	17.4%

¹ Source: AC Nielsen Retail Audit for FY2015

² Rusks are 5.1% of the total salty snacks segment and recorded y-o-y growth of 41.7% in FY2015

³ Total snacks food market also includes biscuits, gum and chocolates

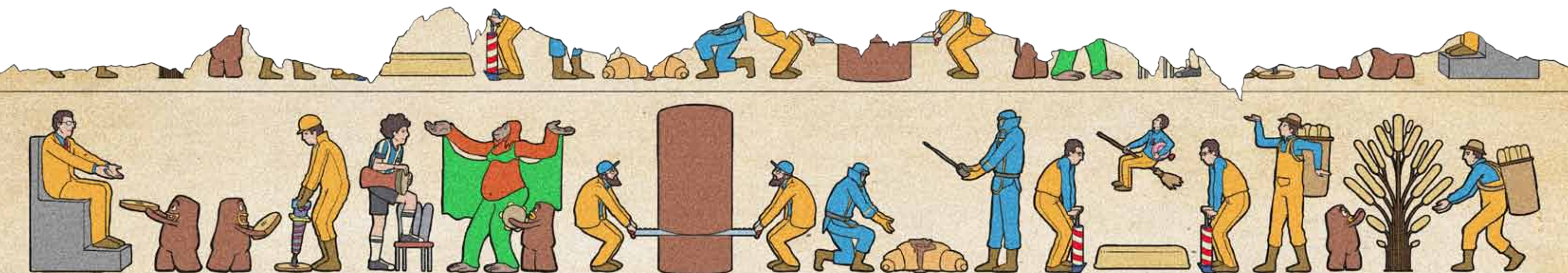
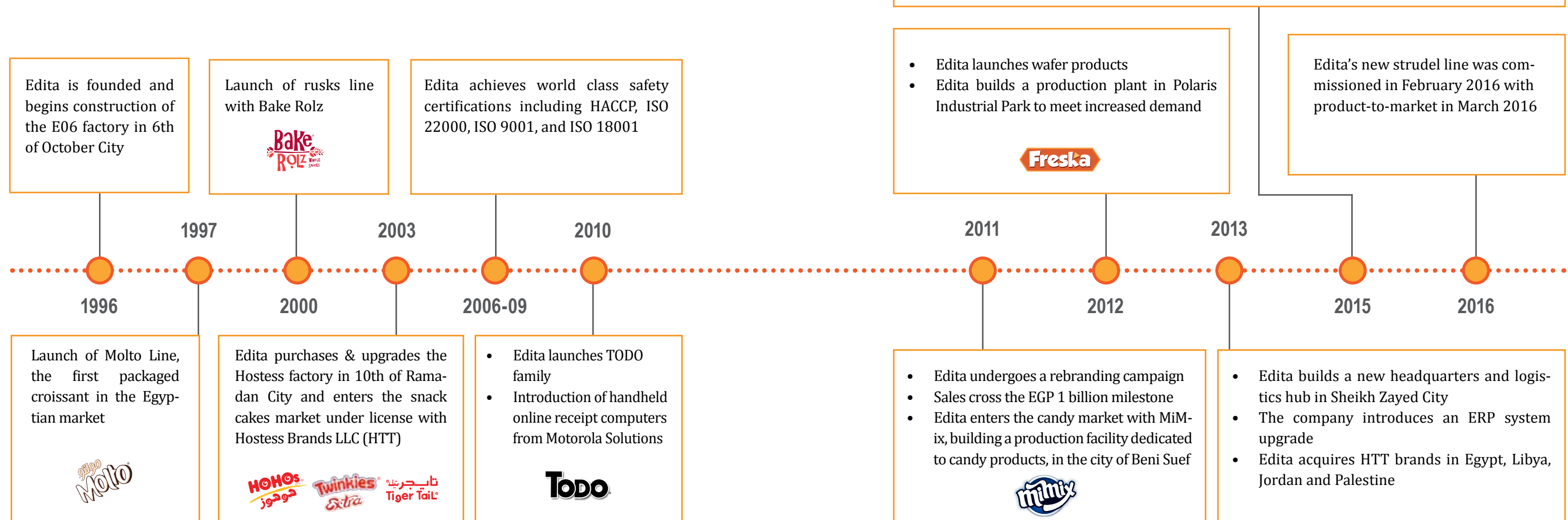
OVERVIEW OF EDITA



OUR HISTORY

PROVEN TRACK RECORD OF GROWTH

FOUNDED IN 1996, EDITA HAS CAPITALIZED ON ITS STRONG REPUTATION FOR QUALITY AND AFFORDABILITY TO BECOME THE SECOND-RANKED SNACK FOOD COMPANY IN EGYPT WITH A c.13% MARKET SHARE.








SEGMENTS & BRANDS

SEGMENTS & BRANDS

EDITA OPERATES ACROSS 5 SEGMENTS WITHIN THE SNACK FOOD MARKET OFFERING 9 DISTINCT BRANDS AND 73 SKUs.

Edita’s reputation for quality and affordability has led to the company commanding leading positions in all five of its market segments as of FY2015: cakes (ranked #1, with a 64% share of the Egyptian market), croissants (#1 with a 68% market share), baked salty snacks / rusks (#2, 37% market share), wafers (#4, 8% market share) and candy (#2, 12% market share).

88% of FY2015 Revenue

	Market Position	Market Share ¹	Relative Market Share ²	FY2015 Av. Consumer Price (EGP / US\$ ³)	Brands	Brand Awareness ⁴
Cakes	#1	64%	8.3x	0.74 / 0.09		97%
Croissants	#1	68%	3.2x	1.13 / 0.14		100%
Rusks	#2	37%	0.6x	1.00 / 0.13		88%
Wafers	#4	8%	0.2x	1.00 / 0.13		81%
Candy	#2	12%	0.7x	2.18 / 0.28		-

Source: AC Nielsen Retail Audit, IPSOS December 2015

1. Market Share data reflecting FY2015.

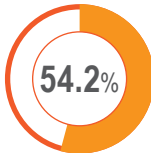
2. Relative market share calculated as Edita’s market share divided by market share of the largest competitor.

3. US\$/EGP of 7.83 as of 31 December 2015 (CBE).

4. Brand awareness measures the share of respondents that were familiar with the brand in aided, spontaneous consumer surveys. Figures as of October 2015



CAKES



of Revenues in FY2015

Egypt’s cake market is a relatively mature sector, accounting for c. 9.7% of the total snack foods market. In FY2015, the cake segment grew by 14.4% to EGP 1,699 million with the market being primarily characterized by low fragmentation, and Edita being the dominant player. Man-

agement believes that in the medium to long term, the sector has strong potential as penetration rates continue to rise in addition to the frequency of consumption among consumers, in line with the expected long-term growth in disposable income.

#1	PRODUCTS	21
Position with 64% market share	Rolled, filled and layered cakes	SKUs
9.2%	MARKETS	BRANDS
2012-2015 revenue CAGR	MENA including Egypt, Iraq, Libya, Jordan, Palestine, Syria, Yemen, Oman, Saudi Arabia, Kuwait, Morocco, Tunisia, Lebanon	TODO, HoHo’s Twinkies, Tiger Tail

HOHO’S

HoHo’s is one of Edita’s most popular cakes. These chocolate cylindrical, frosted, cream-filled snack cakes offer just the right amount of sweetness to tickle your taste buds.



TWINKIES

Edita’s golden sponge cake with creamy filling offering satisfaction with every bite.



TIGER TAIL

Similar to Edita’s Twinkies cake, Tiger Tail is our golden sponge cake with creamy filling and garnished with raspberry jelly and coconut.



TODO

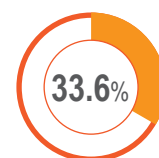
Edita’s newest and most premium range of cakes, TODO offers a variety of flavours positioned “as the sweet experience that keeps me going.”



SEGMENTS & BRANDS



CROISSANT



of Revenues
in FY2015

The packaged croissants sector is the fastest-growing segment of Egypt's snack foods market, growing at 50.8% in FY2015 to EGP 860 million and accounting for c. 5% of the total snack foods market. Edita is successfully capturing this growth by supporting an 87% increase

in the company's croissant capacity, and thus benefiting from increasing penetration rates within the segment. For the Full year 2015, Edita continued to maintain its dominant market share of 67.8% compared to 68.4% in FY2014, according to AC Nielsen Retail Audits.

#1

Position with 68% market share

PRODUCTS

Sweet and savoury croissants

15

SKUs

32.9%

2012-2015 revenue CAGR

MARKETS

MENA including Egypt, Iraq, Libya, Jordan, Palestine, Yemen, Lebanon, and Tanzania

BRANDS

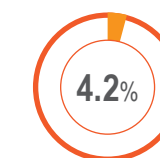
Molto, the first branded product introduced in 1996

MOLTO

The first of its kind in Egypt and its neighbouring countries, this packed croissant was launched over a decade ago and introduced as a new concept that promoted a healthy yet delicious snacking alternative. The brand is available in both sweet and savoury flavours.



RUSKS



of Revenues
in FY2015

The salty snacks segment represents Egypt's most frequently consumed snack food category, accounting for approximately 45% of all snacks consumption in the country, as well as being one of the industry's most mature segments. Within the salty snacks market, Edita competes in the relatively smaller but rapidly expanding rusks segment. The rusks segment grew a significant 41.7% in FY2015

to EGP 356 million, representing 5.1% of the salty snack segment (dominated by potato chips).

Through its Bake Family products, Edita has managed to penetrate this market, characterized by having higher barriers to entry, and has positioned the Bake Family as a baked product that is healthier than previous traditional fried snacks.

#2

Position with 37% market share

PRODUCTS

Baked wheat salty snacks

14

SKUs

10.3%

2012-2015 revenue CAGR

MARKETS

MENA including Egypt, Iraq, Libya, Jordan, Palestine, Yemen, Syria, Lebanon

BRANDS

Bake Rolz, Bake Stix

BAKE ROLZ

A real value brand that offers a cocktail of satisfaction, wellbeing, and choice to its consumers, Bake Rolz is a salty snack that, as its name suggests, is baked not fried, and made of 100% wheat. With its crunchy and rich toasted taste, Bake Rolz is available in 6 flavours; Salt, Pizza, Ketchup, Chilli & Lemon, and Cheese, and Olives.



BAKE STIX

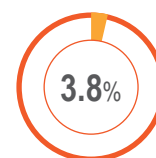
Emulating the satisfaction and wellbeing that Bake Rolz affords its consumers, Bake Stix extends the horizon for choice. 100% wheat, Baked not fried, Bake Stix is available to consumers in different shapes, textures and 5 unique flavours; Oriental sausages, Oriental spices, BBQ, Salt & Pepper, and Cheese.



SEGMENTS & BRANDS



WAFERS



of Revenues
in FY2015

Contributing over 10% to the total snacks market in 2015, the wafers segment enjoys a high growth profile owed to frequent and high consumption patterns. The segment recorded a significant 22.3% y-o-y growth in FY2015 to EGP 1,805 mil-

lion. Edita competes in this segment with its premium Freska brand and continues to gain market share by leveraging its competitive advantage within this highly fragmented market.

#4

Position with 8% market share

PRODUCTS

Filled wafers

5

SKUs

164.6%

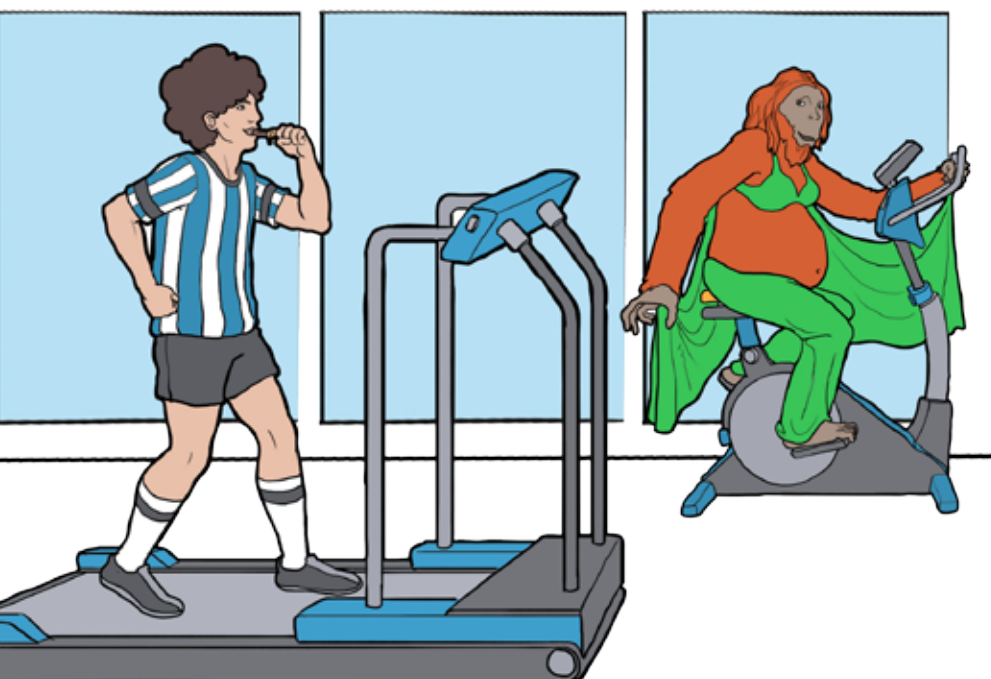
2012-2015 revenue CAGR

MARKETS

MENA including Egypt, Jordan, Palestine, Syria, Yemen, Saudi Arabia, Kuwait, Morocco, Lebanon

BRANDS

Freska

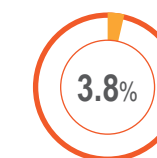


FRESKA

Freska is the most premium and indulging wafer product to hit the market. It is available in 5 different flavours, each with different coatings and distinct fillings to satisfy all tastes.



CANDY



of Revenues
in FY2015

The candy segment accounted for 3.4% of the snack market in 2015 with total sales reaching EGP 584 million, up 2.3% y-o-y. Within this highly fragmented market,

where c. 40% is dominated by small players, Edita offer its premium MiMix brand with its market share growing from 9.3% in FY2014 to 11.8% in FY2015.

#2

Position with 12% market share

PRODUCTS

Hard, soft and jelly candy

18

SKUs

81.5%

2012-2015 revenue CAGR

MARKETS

MENA including Egypt, Jordan, West Bank, Saudi Arabia, Lebanon, and Kenya

BRANDS

MiMix

MIMIX

MiMiX is Edita's unique range of confectioneries that are available in three families, Toffee, Candy, and Jelly and available in a variety of flavours that certainly add a burst of excitement to the day.



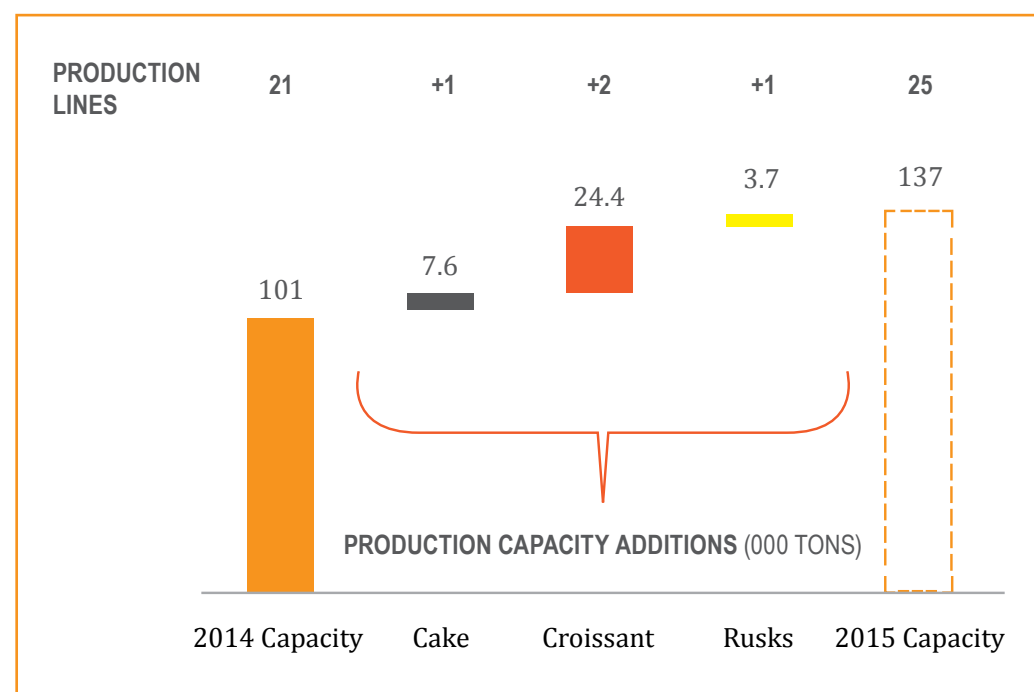
FACILITIES AND PRODUCTION

OUR INDUSTRIAL OPERATIONS

EDITA BOASTS FOUR STATE-OF-THE-ART, ISO CERTIFIED PRODUCTION FACILITIES, ENCOMPASSING 25 PRODUCTION LINES WITH AN ANNUAL CAPACITY OF 136.8 THOUSAND TPA AS OF FY2015.

Out of Edita's four state-of-the-art production facilities, encompassing a total of 25 production lines, two are located in 6th of October, one in 10th of Ramadan City and one in the Beni Suef industrial zone to the south of Cairo. Each facility is managed by a plant manager who is fully responsible for meeting production plans while maintaining Edita's high standards. A quality manager is also present in each facility. This department employs more than half (c.3,699) of Edita's 5,542 staff members.

During FY2015, Edita successfully increased its total production capacity by 35.3% from 101 thousand TPA at the end of FY2014 to 137 thousand TPA. Four production lines were added during the year including one cake line and two croissant lines in the first half of 2015, and most recently, the rusks line in December 2015. Additionally, the strudel line (capacity of 8.3 thousand TPA) is currently installed, bringing the total number of lines to 26, and is expected to become fully operational with product-to-market by March 2016.



6TH OCTOBER CITY E-06

- Began operations in 1997
- Produces croissants, cakes, baked snacks
- Houses 10 production lines
- Total land area of 33,638 sqm
- Total built-up area of 21,865 sqm
- Total staff of 1,430 employees

CERTIFICATIONS

- Food Safety Management System (ISO 22000)
- Quality Management System (ISO 9001)
- Environmental Management System (ISO 14001)
- Occupational Health and Safety Management System (OSAS 18001)



10TH OF RAMADAN E-10

- Acquired in 2003
- Produces cakes
- Houses 4 production lines
- Total land area of 11,733 sqm
- Total built-up area of 7,392 sqm
- Total staff of 775 employees

CERTIFICATIONS

- Food Safety Management System (ISO 22000)
- Quality Management System (ISO 9001)
- Environmental Management System (ISO 14001)
- Occupational Health and Safety Management System (OSAS 18001)



FACILITIES AND PRODUCTION

BENI SUEF E-15

- Began operations in 2011
- Produces hard candy, soft candy, and jelly
- Houses 3 production lines
- Total land area of 25,611 sqm
- Total built-up area of 5,378 sqm
- Total staff of 204 employees

CERTIFICATIONS

- Food Safety Management System (ISO 22000)
- Quality Management System (ISO 9001)
- Environmental Management System (ISO 14001)
- Occupational Health and Safety Management System (OSAS 18001)



POLARIS INDUSTRIAL PARK E-07 (HALL A & B)

- Began operations in 2012
- Produces croissants, cakes, wafers & rusks
- Houses 9 production lines post the addition of 4 new lines in FY2015
- Total land area of 50,000 sqm
- Total built-up area of 30,500 sqm
- Total staff of 1,290 employees

CERTIFICATIONS

- Food Safety Management System (ISO 22000)
- Quality Management System (ISO 9001)
- Environmental Management System (ISO 14001)
- Occupational Health and Safety Management System (OSAS 18001)



FUTURE CAPACITIES

Edita is currently exploring opportunities to fully utilize the available area in its E07 factory by adding a new production line, a decision on which will be reached during 2016. Additionally, Edita is also planning to install a new candy line with a total capacity of c. 2,000 TPA in its E15 factory during the second half of 2016. It is worth noting that Edita plans to launch some of the 11 new products, for which the company had acquired production know-how and technical assistance from Hostess Brands LLC, on its existing lines in 2016. Moreover, in April 2015, Edita acquired c. 55,000 square meters of land in Sixth of October City's Polaris Al-Zamil district, in close proximity to its E07 plant, to build a new factory. The new E08 factory will allow Edita to capture the strong growth in the snack food market once the facility comes online as early as 2017.

RESEARCH & DEVELOPMENT

Edita maintains an R&D operation responsible for continual product innovation, working closely with the marketing department as well providing technical support for our production facilities.

Edita's research and development department comprises around 15 specialists responsible for new product development as well as maintenance and enhancement of existing products. Our research laboratories are located within our factories, with the facilities having been recently

expanded in our E07 factory premises. Our laboratories are among the most important areas within our facilities, where we not only develop our market-leading products, but do so through the application of international-standard manufacturing practices to inspect, receive and handle ingredients. The laboratories are also where the production, handling, and testing of finished products takes place in order to ensure shelf life when introduced to the market.

R&D currently has around 90 SKUs in the pipeline across all of our segments that include both products developed in-house and several of the newly acquired Hostess Brands LLC products, which are being re-formulated to suit local market's tastes and that two of which are slated for launch in 2016. Edita successfully launched Molto Mix with three current variations as well as Twinkies Extra in FY2015, both developed in-house, and is launching the new strudel product slated to hit the market by March 2016 with several other new SKUs also slated for launch during 2016.

Edita continues to believe that differentiation is at the heart of its operation and a key factor for success. Our ability to offer new value propositions for our consumers is a key competitive advantage and one of the primary avenues for future growth.



MARKETING & DISTRIBUTION

MARKETING & DISTRIBUTION

EDITA'S MARKETING & DISTRIBUTION EFFORTS REFLECT THE EVER EVOLVING NATURE OF THE EGYPTIAN RETAIL MARKET, WITH MORE THAN 64,500 CUSTOMERS IN FY2015 ALLOWING THE COMPANY TO REACH A WIDE GEOGRAPHICAL BASE.

Edita's distribution channels can be broadly divided into wholesale, traditional trade, key accounts, direct supply and exports, each with its unique characteristics and market dynamics which Edita capitalizes on to ensure that its products reach the widest geographic footprint possible while simultaneously working to grow its top and bottom lines.

WHOLESALE

Wholesale channels have helped Edita expand its geographic reach by covering regions where the company does not currently have sufficient distribution capacity to sell directly to retailers. In 2015, Edita served more than 5,231 wholesale customers throughout Egypt that resell products to traditional trade in their regions. Edita seeks 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.

TRADITIONAL TRADE

Edita's direct sales in the traditional trade channel—primarily kiosks and small independent retail stores—have been the fastest growing of the company's sales channels. This growth is primarily attributable to the development of our distribution fleet and our expanding geographic coverage. Edita has adopted a strategy of increasing

revenues through the retail and traditional points of sale versus wholesale distribution, while simultaneously growing sales through all sales channels to maintain maximum control and flexibility when responding to its ever changing consumer needs.

KEY ACCOUNTS

Key accounts refer to modern trade, such as supermarket chains. Modern trade is an underdeveloped 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.

DIRECT SUPPLY

Direct supply refers to institutions to which Edita directly delivers its products such as schools and universities. Edita believes that this strategic channel is key to building brand loyalty among school-aged and younger consumers.

EXPORTS

Edita maintains access to 16 regional countries, namely Libya, Jordan, Palestine, Morocco, Algeria, Tunisia, Syria, Lebanon, Iraq, Bahrain, Oman, the UAE, Kuwait, Qatar and Saudi Arabia. Edita relies on international distributors in its export markets, providing them with marketing support.

SALES CHANNEL PERFORMANCE IN 2015

Gross sales through wholesalers in FY2015 grew by 12.9% y-o-y to EGP 1,361 million and contributed 58.3% of total revenues, compared to 60.0% over the same period last year. Gross sales through retail and traditional trade grew by 20.6% y-o-y to EGP 759.0 million and constituted 32.5% of total revenues compared to 31.3% in FY2014. It is worth noting that Edita is actively pursuing a strategy of increasing sales through retail and more traditional channels with the aim of reaching a 50:50 mix between wholesale and retail.

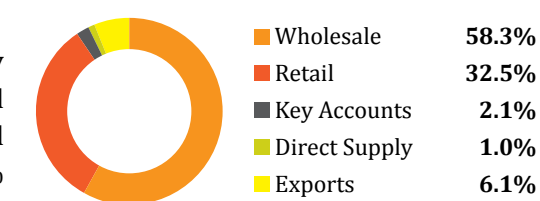
Meanwhile, revenue emanating from supply and key accounts (modern trade) remained at the same levels as the previous year and collectively contributed approximately 3% of total revenue.

Exports increased by 27.3% y-o-y in FY2015 to EGP 143 million and remained approximately 6% of total gross sales. The Palestinian Territories, Iraq, Syria, and Libya remain our core exporting countries, representing around 82.5% of total export revenue in FY2015. During FY2015, Edita exported to 13 countries across the MENA region and Africa including Kuwait, Kenya, Sudan and Tanzania.

By the end of FY2015, the total number of customers that Edita catered to directly increased to 64,519 points of sale,

up from 63,097 a year earlier, reflecting the company's strategy of expanding its proprietary distribution network across Egypt. In 4Q2015, the company opened 2 new distribution centres located in 15 May City and Menofia governorate, and in March 2016 another centre was opened in Luxor to bring the total to 21 distribution centres, up from 16 at the end of FY2014.

REVENUE CONTRIBUTION BY DISTRIBUTION CHANNEL FY2015

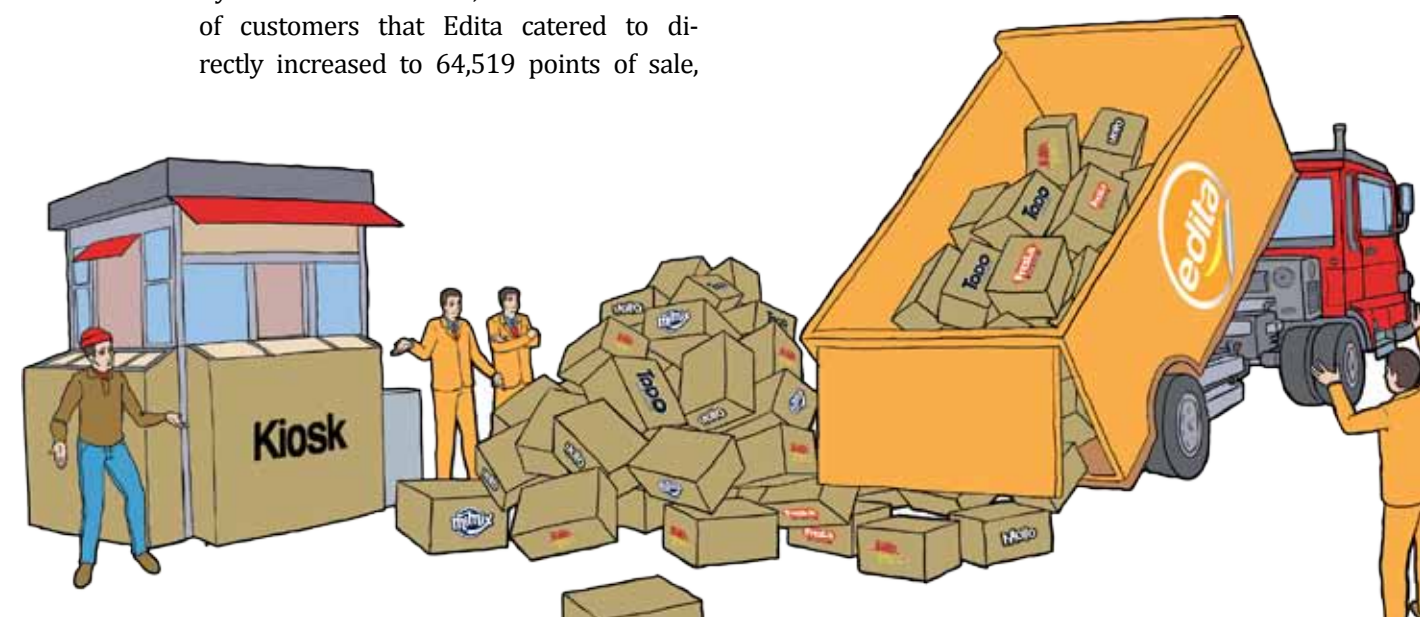


20
distribution centres

544
vehicles

16
governorates

1,003
total sales force



SUPPLY CHAIN

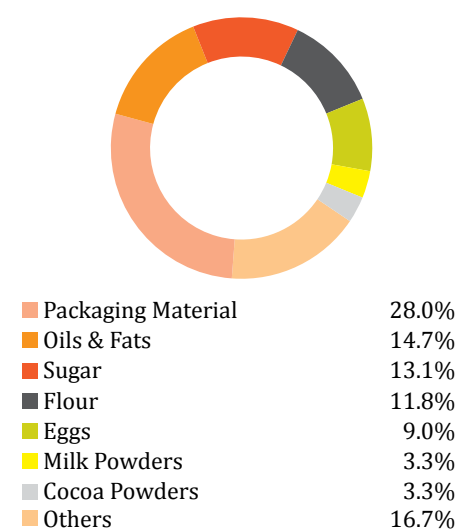
OUR SUPPLY CHAIN

EDITA'S SUPPLY CHAIN IS THE LYNCHPIN OF THE COMPANY'S OPERATIONAL MODEL.

In compliance with the highest international industry standards, Edita implements the internationally recognized Sales & Operational Planning process in terms of its supply chain, ensuring that planning, purchasing and logistics work streams are synchronized, streamlined and carried out in close coordination.

For sourcing inputs, a key part of the company's overall strategy is to avoid relying on a sole supplier to obtain raw materials so to reduce any potential leverage a certain supplier might have over the company; whether in terms of pricing, quality or delivery. Likewise, the company keeps supplies secure by working only with tried and tested suppliers.

DIRECT MATERIALS BREAKDOWN (FY2015)



DEVELOPMENTS IN 2015

The Supply Chain Department continued to track global commodity prices in order to maximize Edita's operational efficiency by locking in prices of direct materials at attractive levels. In FY2015, the supply chain department secured an average of 7-8% lower prices compared to what was budgeted for most of the major direct materials. Additionally, the weakening of the Euro against the US Dollar allowed Edita to book imported materials for 2016 at competitive prices.

On the macro level, the environment in 2015 was challenging in terms of sourcing foreign currency requirements, which may result in increased import process lead times going forward. However, the company does not foresee any changes in inventory management policy as to 1 month for local materials and 3 months for imported materials. Due to the weakening of the EGP, imported direct materi-

als constituted 25% of total direct costs in FY2015 compared to 23% in FY2014. It is worth mentioning that despite such a challenging environment, the company was able to conclude all of its contracts for 2016 for most of its locally sourced raw materials with suppliers in local currency (EGP).

Raw materials remain the largest constituent of the direct material bill, accounting for 72% of the total direct material costs in FY2015 versus packaging materials that accounted for 28% of direct costs.

Planning activities showed significant improvement y-o-y during FY2015, in terms of increased daily production capacities across all factories and production line utilizations. Inventory coverage of all production materials was kept at an average of c. 0.77 months and finished goods at an average of c. 2.1 days of sales for FY2015.

A HIGHLY INTEGRATED SUPPLY CHAIN



STRATEGY

OUR STRATEGY

THROUGH ITS FORWARD LOOKING STRATEGY, EDITA AIMS TO LAY THE GROUND WORK FOR CONTINUAL GENERATION OF TOP-LINE GROWTH, MARGIN EXPANSION AND CREATION OF SHAREHOLDER VALUE.

Edita’s strategy is guided by the company’s vision of maintaining its leadership position in the Egyptian snack food market and becoming a leading regional player. Our goal is to continue being a consumer-centric company that produces, distributes and markets a wide array of snack products that meet the ever changing consumer tastes. Meanwhile, Edita aims to continuously grow shareholder value by capturing a larger share of the markets where it operates and translating its top-line growth into healthy returns through increased operational efficiencies and margin expansion.

As a means of delivering on this strategy, Edita focuses on seven key pillars through which words on paper are translated into actions on the ground.

1. Capturing Growth in Existing Segments

Maintaining Edita’s growth trajectory in its existing segments necessitates further penetration of the snack food market and extended geographic coverage. In this regard, Edita has strengthened its position in its core cake and croissant segments with the continued roll-out of new products that offer new value propositions to our consumers. Additionally, Edita has made steady investments to grow its sales and distribution network with the addition of new centres, vehicle and sales representatives as it works to cover the largest portion possible of the Egyptian population.

2. Achieve Profitable Growth

Edita maintains an active strategy of enhancing its profitability through two main avenues, namely improving its product mix by adding higher-priced SKUs and gradually migrating its product portfolio to higher price points. This strategy was successfully deployed during FY2015 and was clearly reflected on profitability margins during the fourth quarter of the year (please refer to the MD&A section for more details). In parallel, Edita aims to control costs through successful line enhancements and increased production efficiencies across all factories, primarily through process adjustments and targeted production planning.

3. Diversify into New Revenues Streams

Egypt’s EGP 17.5 billion snack food market is primarily divided into eight main segments, including salty snacks, cakes, wafers, croissants, candy, biscuits, gum and chocolates. While Edita maintains market leadership in its core cakes and croissant segments, there are ample opportunities for growth in the more fragmented markets such as the salty snacks and wafer segments. By capitalizing on the company’s extensive distribution network, Edita can venture into these larger, more fragmented segments and create new revenue streams for the company.

4. Regional Expansion

As of year end 2015, Edita maintained access to 16 regional markets where it can distribute and market its products as well as holding production and distribution rights to the HTT brands — HoHo’s, Twinkies and Tiger Tail. By virtue of being in close proximity to Egypt — wherein lies the company’s production capacities — and as these regional markets share cultural affinities, demographic profile and macro metrics, Edita is confident in its ability to grow export operations both organically and inorganically. Edita also views its recent acquisition of production know-how and technical assistance for 11 new Hostess Brands LLC products across 16 regional countries significantly strengthens its product portfolio and regional standing.

5. Innovation & Differentiation

Product innovation and differentiation is one of Edita’s key strengths and the means through which it delivers on its promise of producing quality products that meet the ever changing tastes of its consumers. Our R&D department is constantly working to roll-out new products and SKUs — such as the recently launched Molto Mix, a doubled-filled croissant with 3 variations, as well as Twinkies Extra, an upsized Twinkies SKU — and works to adapt product formulas of new products whose production know-how was acquired from Hostess Brands LLC to meet local tastes. We believe that differentiation is at the heart of our business and our ability to offer new value propositions to our consumers is a key competitive advantage.

6. Enhance Distribution

Our ability to remain in close proximity to our consumers allows for maximum flexibility when meeting their evolving needs. That’s why at Edita we are actively pursuing a strategy of increasing sales through retail and more traditional channels with the aim of reaching a 50:50 mix between wholesale and retail. Efforts on the ground are already underway, with sales through retail channels contributing 32.5% in FY2015, up from 31.3% the previous year.

7. Develop Our Human Resources

Edita maintains a strong conviction that behind every successful company lies a dedicated team of professionals. By investing in its human capital, Edita ensure a steady supply of talent that are capable of leading the company forward and can allow it to realize its full growth potential.

OUR KEY INVESTMENT HIGHLIGHTS

Attractive industry and macroeconomic backdrop

Category leader with portfolio of highly recognized brands

Owns an extensive sales and distribution platform

Best-in-class industrial operations and supply chain

Leading R&D platform with a track record of successful innovation

Experienced, owner-led management team with strong corporate governance practices

Robust top and bottom-line growth

MANAGEMENT DISCUSSION & ANALYSIS

MANAGEMENT DISCUSSION & ANALYSIS

EDITA DELIVERS REVENUE GROWTH, SUSTAINS STRONG EBITDA MARGINS OF 23.5% AND REPORTS AN IMPRESSIVE 31.3% JUMP IN BOTTOM LINE IN FY2015, ALL WHILE INVESTING IN SIGNIFICANT CAPACITY ADDITIONS AND ROLLING OUT NEW PRODUCTS AND SKUs.

Edita delivered strong operational and financial performances in the year ending 31 December 2015, with top-line growth trickling down to achieve record earnings for the year on the back strong margins and increased operational efficiencies. Revenues for the year posted a solid 16% y-o-y growth to EGP 2,225.3 million with Net Profit After Tax and Minority Interest coming in at EGP 349.1 million, up an impressive 31.3 % y-o-y and a 1.8 percentage point improvement in margin to 15.7%. Contribution to revenues was weighed towards the cakes segment (54% of revenues) and the croissant segment (34% of revenues).

Revenue growth was primarily volume driven by the croissant segment which saw the addition of two new production lines commissioned during the first half of 2015 and that have significantly increased the croissant capacity by some 87% currently operating at full capacity utilization. The newly afforded capacity allowed Edita to deliver on its strategy of offering new value propositions for its consumers with the roll-out of Molto Mix in August 2015, selling at a consumer price of EGP 2, over 77% higher than the current average croissant consumer price per SKU.

Meanwhile, Edita's cake segment recorded a 5.5% y-o-y growth in revenues standing at EGP 1,205 million in FY2015. The relative slow performance in revenue growth is owed to the intentional reduction in capacity utilization during the third and fourth quarters of the year as the company prepared for the delisting of the EGP 0.5 Twinkies SKU and the introduction of the Twinkies Extra priced at EGP 1.0. Nevertheless, the newly launched Twinkies Extra — as well as the Molto Mix — falls in line with the company's strategy of gradually migrating its product portfolio to higher price points and hence achieve margin expansion. This also allows Edita to preempt inflationary risks and secure long term, profitable growth. Segment utilization rates are expected to gradually normalize following the roll-out of our new cake products — some of which the production know-how and technical assistance was recently acquired from Hostess Brands LLC — on freed-up capacities post the Twinkies upsizing. It worth noting that in March 2015 Edita added a new cake line with a capacity of 7.6 thousand TPA.

The merits of our price point migration strategy have already begun to reflect on the company's profitability, with Gross Profit

Margin (GPM) at the cake segment recording a healthy 39.5% in FY2015, up from 38.5% the previous year. Meanwhile, GPM at the croissant segment also inched up to 40.6% despite the 87% increase in production capacity and the associated Manufacturing Overheads (MOH). Overall, Edita recorded Gross Profit of EGP 867.5 million in FY2015, up 20.4% y-o-y and with a GPM of 39.0% compared to 37.6% in FY2014.

Margin enhancement was also carried down to the EBITDA level particularly during the fourth quarter of the year during which the effect of Edita's successful price point migration is more evident. In 4Q2015, EBITDA posted EGP 190.2 million, up 32.4% y-o-y, with an EBITDA margin of 29.4% versus 25.3% in 4Q2014. On a full year basis, EBITDA recorded EGP 521.9 million, up 12.7% compared to FY2014, with EBITDA margin sustained at a healthy 23.5% compared to 24.1% in FY2014 despite the increased SG&A costs incurred to support new product launches and the opening of 4 new distribution centres.

Edita's main operational achievements in FY2015 include the extension of our E07 factory, which hosted the two

newly added croissant lines with a total capacity of 24.4 TPA, as well as the new cake line and the new rusks line which doubled the segment's capacity to 7.4 thousand TPA. Overall, Edita expanded production capacities by 35.3% to 136.8 thousand TPA in FY2015 and installed a new strudel line that was commissioned in February 2016 with product-to-market in March 2016.

In April 2015, Edita finalized an agreement with Hostess Brands LLC relating to the extension of territory for the HTT brands to include 12 additional countries across the MENA region and the acquisition of know-how and technical assistance to 11 additional products from Hostess Brands LLC across the expanded region.

Detailed analysis of Edita's financial and operational performance follows, with the company's Audited Financial Statements and accompanying notes available on page 54 of this report.

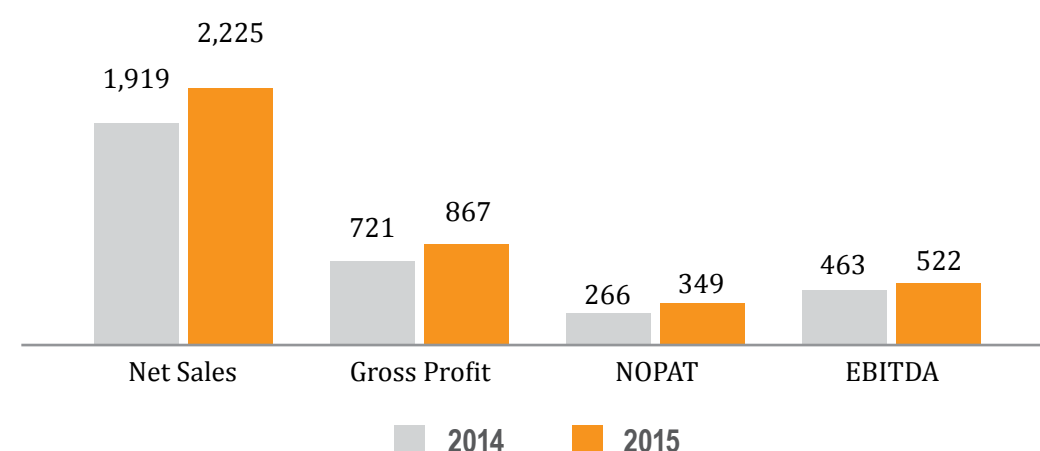


MANAGEMENT DISCUSSION & ANALYSIS

SUMMARY INCOME STATEMENT (EGP MILLION)

	4Q14	4Q15	CHANGE	2014	2015	CHANGE
Revenue	568	646	13.7%	1,919	2,225	16.0%
Gross Profit	225	273	21.7%	721	867	20.4%
Margin	39.5%	42.3%		37.6%	39.0%	
EBITDA	144	190	32.4%	463	522	12.7%
Margin	25.3%	29.4%		24.1%	23.5%	
Net Profit	103	137	32.7%	266	349	31.3%
Margin	18.2%	21.2%		13.9%	15.7%	

SNAPSHOT OF RESULTS FY2015 VS. FY2014 (EGP MILLION)



REVENUES

Total revenue for FY2015 increased 16.0% y-o-y to EGP 2,225 million compared to EGP 1,919 million in FY2014. Growth was mostly volume driven where Edita sold a total of 3.28 billion packs in FY2015 versus 3.07 billion packs in FY2014. Meanwhile, total tonnage sold in FY2015 stood at 114.6 thousand tons, up from 101.1 thousand tons in FY2014.

Croissant segment volumes — the main driver behind revenue growth — stood at 38.9 thousand tons in FY2015, up 34.6% y-o-y compared to FY2014. Growth in segment revenues mirrored production volumes having increase by 32.7% in FY2015 to EGP 749 million and contributing 33.6% of total revenues for the year.

Meanwhile, performance at the cake segment, Edita's largest contributor to top line, played into the company's margin expansion story with average factory prices for cakes up 8.2% y-o-y in FY2015 to EGP 0.57. Average price per pack for Edita's entire product portfolio was also up in FY2015 to EGP 0.68/pack from EGP 0.62/pack in FY2014, driven primarily by the aforementioned Twinkies upsizing. Overall, Edita sold a total of 65.1 thousand tons of cake in FY2015, up 1.7% y-o-y, yet segment revenues posted a 5.5% y-o-y increase to EGP 1,205 million in FY2015 and contributing 54.2% of total revenues.

Sales of rusks were up 6.3% y-o-y to EGP 94 million and constituted 4.2%

of Edita's total net sales. The rusks segment continues to operate at 100% capacity utilization, producing 3.9 thousand tons in FY2015 compared to 3.6 thousand tons the previous year. With the commissioning of the new rusks line in December 2015, which doubled the segment capacity to 7.4 thousand TPA, management iterates that segment revenues will show significant growth owing to this newly added capacity.

Wafer sales in FY2015 climbed 33.5% y-o-y to EGP 85 million as production reached near full capacity utilization compared to the previous year. It is worth noting that the wafer segment's utilization rate is susceptible to season-

ality with Edita's coated wafer variety being more popular during the winter months.

Meanwhile, coming from a low base, the candy segment posted the strongest growth in revenues during the year to EGP 84 million, up 60.5% y-o-y. Improved revenues are owed to capacity enhancements as well as a higher soft candy output following the installation of a new packaging machine. This is also clearly reflected in Edita's growing market share in the candy segment, which currently stands at 12%, and in becoming the second largest player in the market according to AC Nielsen Retail Audits.

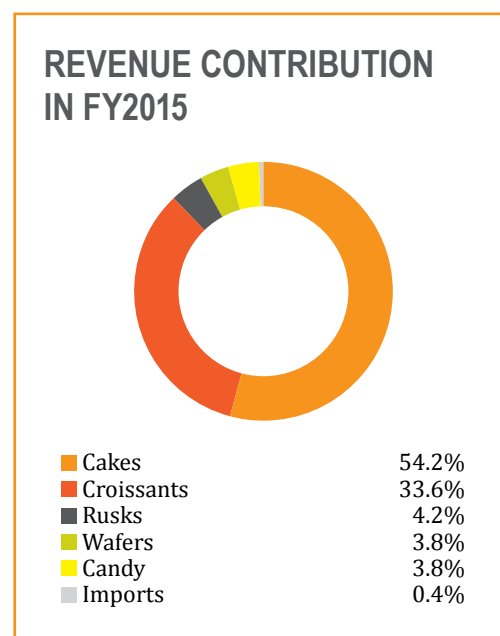
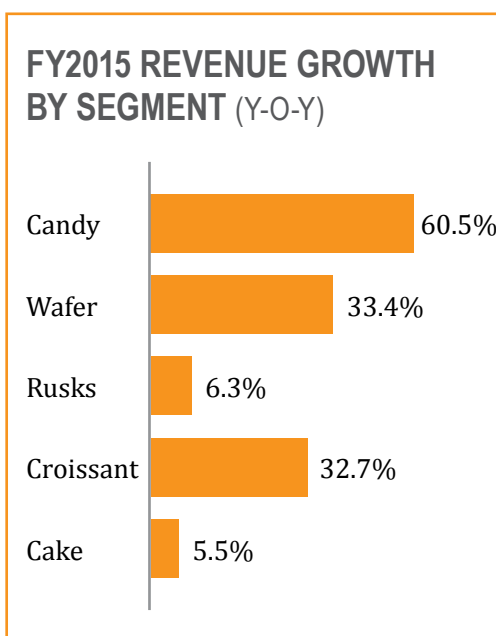
SEGMENT REVENUES AND VOLUMES SOLD

	2015			2014		
	NET SALES EGP MN	PACKS MILLIONS	TONS 000S	NET SALES EGP MN	PACKS MILLIONS	TONS 000S
Cakes	1,205	2,127	65.1	1,142	2,181	64.0
Croissant	749	850	38.9	564	644	28.9
Rusks	94	117	3.9	89	110	3.6
Wafers	85	115	3.1	64	86	2.4
Candy	84	71	3.7	53	54	2.3
Imports	8	-	-	8	-	-
Total	2,225	3,281	114.6	1,919	3,074	101.1

FY2015 AVERAGE PRICE POINTS

EGP	2014	2015	% CHANGE
Cakes	0.52	0.57	8.2%
Croissant	0.88	0.88	0.5%
Rusks	0.81	0.81	-0.3%
Wafers	0.74	0.74	-0.3%
Candy	0.98	1.13	21.0%
Average Edita	0.62	0.68	8.7%

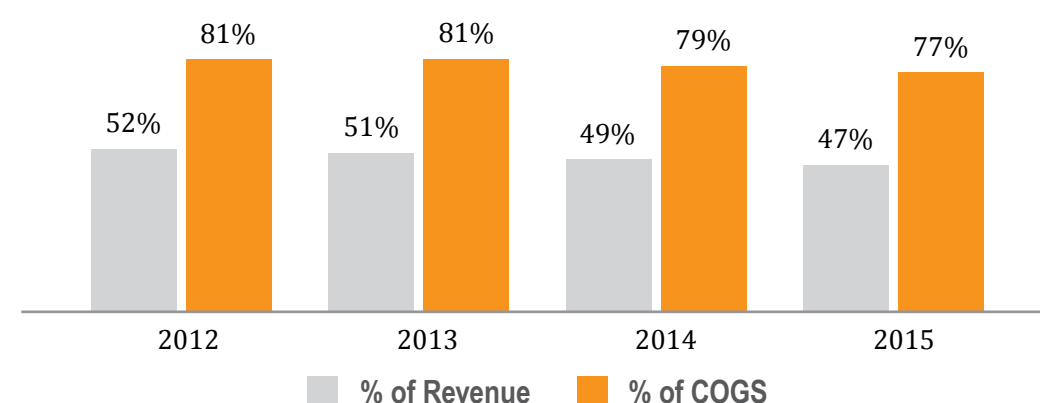
MANAGEMENT DISCUSSION & ANALYSIS

**COSTS OF GOODS SOLD**

Cost of Goods Sold (COGS) increased by 13% y-o-y in FY2015 to EGP 1,357.9 million, at a rate below revenue growth thanks to the general decline in global commodity prices as well as Edita's efforts to book direct materials (c.77% of COGS) at favourable prices. Consequently COGS/Sales ratio was down to 61.0% in FY2015 compared to 62.4% the previous year. It is worth noting that in FY2015 imported direct materials constituted 25% of total direct materi-

als compared to 23% in FY2014. This is primarily owed to the weakening of the EGP versus the USD.

Meanwhile Manufacturing Overheads (MOH), c.19% of COGS, climbed 20% y-o-y primarily on the back of increased wages and salaries, as well as an increase in electricity and natural gas bills and additional costs related to machinery maintenance.

DIRECT MATERIALS (AS % OF REVENUE AND COGS)**GROSS PROFIT**

Gross Profit in FY2015 increased 20.4% over FY2014 levels to EGP 867.5 million, with Edita's core cake and croissant product segments remaining the main contributors to the company's gross profit standing collectively at EGP 779.7 million or 89.9% of total gross profit.

Gross Profit Margin (GPM) stood at 39.0% in FY2015, an increase over the previous year's 37.6% which falls in line with the company's strategy of gradually migrating its product portfolio to higher price points. Additionally, margin improvement is also attributable to Edita's continued and successful efforts for line enhancements and increased production efficiencies across all factories, whether as a result of tweaking the processes or more focused and targeted production planning.

Gross Profit for the cake segment grew by 8.2% y-o-y in FY2015 to EGP 475.9 million, with GPM expanding to 39.5% compared to 38.5% in FY2014. As mentioned earlier, margin expansion is owing to the average price increases in the cake segment that were achieved in the fourth quarter of the year. It is also worth noting that said increases have allowed the segment to offset lower utilization rates at the Twinkies line — given the demand elasticity post the upsizing to Twinkies Extra — and post y-o-y value growth in FY2015.

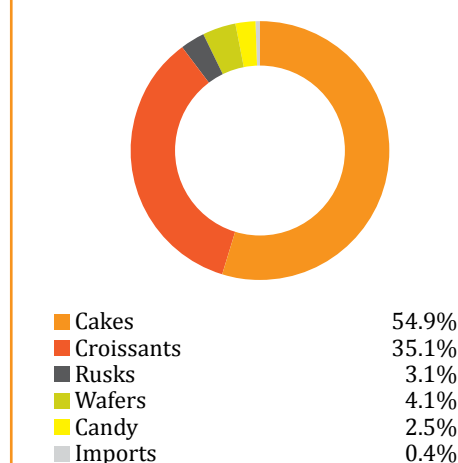
The croissant segment posted a Gross Profit of EGP 304.1 million in FY2015, up 34.5% y-o-y, with a GPM margin of 40.6%. In 2016, segment revenues and gross profit will reflect the full effect of the capacity additions completed during the first half of 2015.

Meanwhile, our rusks segment posted a Gross Profit of EGP 26.7 million in FY2015, with a GPM of 28.4% compared to 24.9% in FY2015. Margin expansion was driven

by increased operational efficiencies, with capacity utilization running at 100%, as well as implementing weigh reductions per pack.

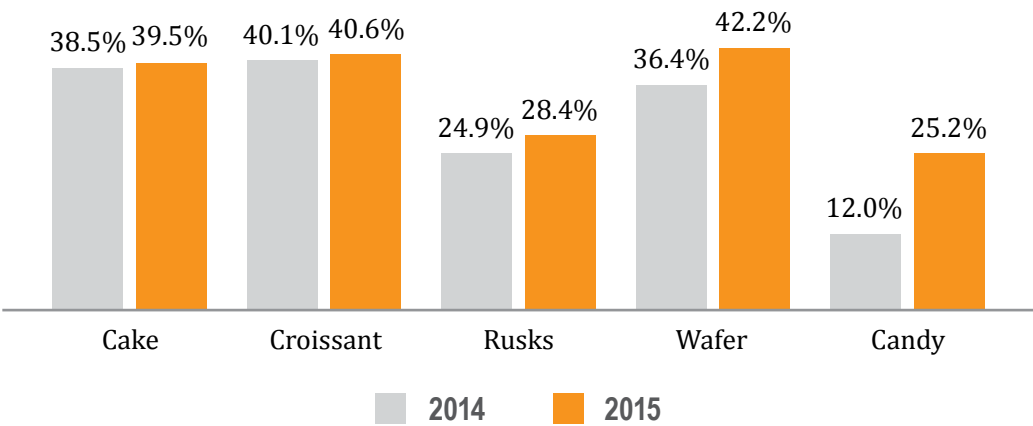
The wafer segment showed strong performance at the Gross Profit level growing by 54.8% y-o-y in FY2015 to EGP 35.9 million. Meanwhile, higher average utilization rates as well as continuous operational enhancements saw GPM for the segment record significant improvement standing at 42.2% in FY2015 compared to 36.4% in the previous year.

Although contributing a modest 2.5% to Edita total Gross Profit, the candy segment's Gross Profit recorded an impressive 237% y-o-y growth in FY2015 to EGP 21.3 million. Meanwhile, the segment's GPM stood at 25.2% in FY2015 and the company sees segment margin continuing to gradually improve as it implements a portfolio rationalization strategy by substituting lower margin SKUs with higher margin products such as the recently launched family packs.

GROSS PROFIT CONTRIBUTION IN FY2015

MANAGEMENT DISCUSSION & ANALYSIS

GROSS PROFIT MARGIN BY SEGMENT



OTHER EXPENSES¹

The three main expense categories relating to operations are namely: Selling and Distribution Expenses (S&D), Advertising and Marketing Expenses (A&M) and General and Administrative Expenses (G&A). In FY2015, SG&A came in at EGP 405.5 million, up 32.8% y-o-y.

S&D expenses increased 27.6% to EGP 180.7 million (8.1% of revenue) in FY2015, reflecting Edita’s strategy of fostering and increasing sales through the various retail channels and increasing its geographic coverage, thus involving higher truck rentals as the company began outsourcing its primary distribution of products from its factories to the distribution centres. Additionally, Edita also incurred increases in wages, commissions and incentives. It

must be noted that total S&D expenses include cost items relating to the addition of two new distribution centres in 4Q2015, bringing the total number to 20 centres as of FY2015.

Meanwhile, G&A were up 28.8% in FY2015 and constituted 6.4% of revenues. The main contributor to the increase in G&A was the rise in salaries and wages having recorded a 23% y-o-y increase in FY2015, owed to the higher headcount as well as the usual 10% annual increase in salaries.

A&M expenses increased by 55.4% y-o-y in FY2015 to EGP 82.5 million on the back of increased marketing spend to support new product launches.

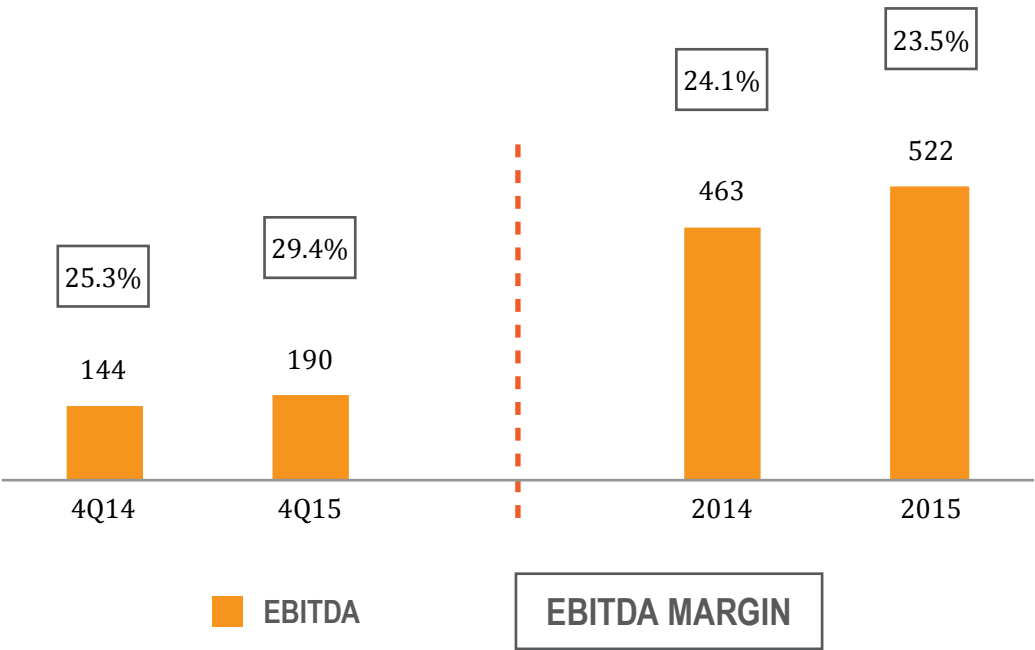
¹ Breakdown of Other Expenses is as per the company’s management accounts

EBITDA

At the EBITDA level, the company posted EGP 190.2 million in 4Q2015, up 32.4% y-o-y, with an EBITDA margin of 29.4% versus 25.3% in 4Q2014. Margin improvement in the quarter is owed to Edita’s successful price point migration with the launch of Molto Mix (EGP 2) and Twinkies Extra (EGP 1) during the third quarter of

the year beginning to bear fruit in 4Q2015. Margins were also buoyed by a global decline in commodity prices. EBITDA for the full year came in at EGP 521.9 million, up 12.7% compared to FY2014, with EBITDA margin sustained at a healthy 23.5% compared to 24.1% in the previous year.

EBITDA PROGRESSION (EGP MILLION, % MARGIN)



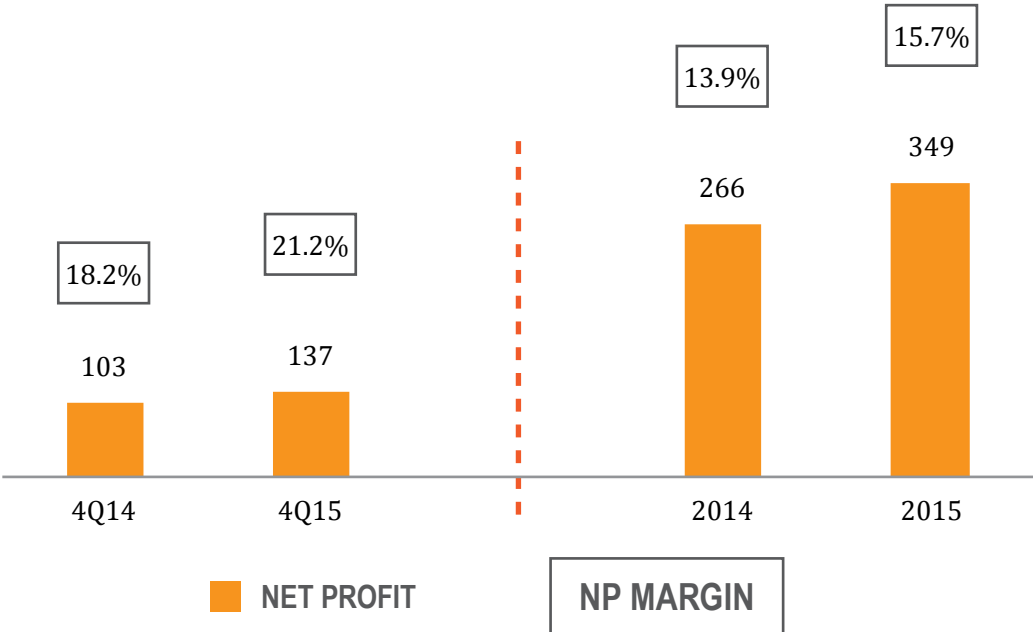
NET PROFIT

Net Profit After Tax and Minority Interest for FY2015 came in at EGP 349.1 million, up 31.3% y-o-y, and with a 1.8 percentage point increase in margin to 15.7%. It is worth noting that improved full year performance was supported by strong profitability during the final quarter of the year with 4Q2015 net

profit coming in at EGP 136.9 million, up 32.7% y-o-y and with a margin of 21.2%. Additionally, in August 2015 the Egyptian Government reduced the income tax rate from 30% to 22.5% retroactively starting January 2015. Consequently, the company recorded a tax reversal of EGP 23.9 million in 3Q2015.

MANAGEMENT DISCUSSION & ANALYSIS

NET PROFIT PROGRESSION (EGP MILLION, % MARGIN)



BALANCE SHEET

In FY2015 total assets increased to EGP 2.1 billion from EGP 1.6 billion from year-end FY2014. The bulk of the increase resulted from an increase in Property, Plant & Equipment, as the extension of the E07 plant materialized and the delivery of new lines was completed. Property, Plant & Equipment increased to EGP 1.143 billion in FY2015 from EGP 818.4 million at year-end 2014, while Projects under Construction decreased to EGP 156.0 million from EGP 197.4 million from the year before, upon completion of the new extension.

Total CAPEX for FY2015 reached EGP 361.8 million, of which EGP 255.6 million was expansion CAPEX. The completion of Hall B (an extension of the E07 factory) had a notable impact on CAPEX during FY2015, landing it at EGP 198.9 million. Total CAPEX relating to the acquisition of land for the new E08 factory amounted to EGP 56.7

million, including the cost of the plot and related infrastructure. Furthermore, EGP 68.7 million was spent on the new rusks line that began operations in February 2016, and EGP 33.1 million on the new strudel line.

Edita continued to maintain healthy Cash & Cash Equivalents and Treasury Bills with a balance of EGP 462.9 million at the end of December 2015, representing 21.7% of the Company's total assets.

With regards to Working Capital components, inventory levels continue to reflect Edita's policy of maintaining inventory coverage of all direct materials, one-month's-worth of sales for locally sourced material, and up to three months of imported material, with an average of c. 0.77 months during FY2015. The inventory of finished goods remained at an average of c. 2.1 days for FY2015. Trade Receivables decreased to EGP 7.0 million in FY2015, reflecting Edita's

continued cash sales policy (an excess of 97% of sales continue to be conducted on a cash basis). Trade & Other Payables increased to EGP 251.1 million, as Edita was able to secure better payment terms (c.50 days) with several of its key suppliers.

The Current Portion of Long-Term Liabilities increased to EGP 145.2 million from EGP 125.2 million as of year-end 2014, and Long-Term Loans increased to EGP 346.2 million from EGP 204.5 mil-

lion in the preceding year. This is owing to loan drawn downs to finance the Hostess contracts involving the acquisition of technical know-how for 11 new products and the territorial expansion of the HTT brands. Additionally, an EGP 170 million loan was withdrawn to finance the new rusk and strudel production lines.

Total Shareholders' Equity increased to EGP 1.175 billion at the end of FY2015, up from EGP 825.7 million in December 2014.

OUTLOOK

Heading into 2016, Edita remains confident in its ability to continue delivering strong operational performance and the implementation of its strategy to achieve top and bottom line growth across all its segments. The full benefit of our newly afforded capacities and product launches will be fully reflected in 2016, with several new developments and value propositions for our consumers already in the pipeline that will allow us to capture the strong growth in the snack food market.

Our croissant segment will see the launch of new, higher-priced variations of our Molto brand, with the first quarter of 2016 already having witnessed the roll-out of our new strudel SKUs with two variations. Meanwhile, Edita will utilize freed-up capacities at the cake segment's existing lines, following the delisting of the Twinkies SKUs, to launch new products — both developed in-house and from the 11 prod-

ucts for which Edita has acquired production know-how and technical assistance from Hostess Brandss LLC. Similarly, new value propositions from our Bake Rolz and Bake Stix products — Edita's flagship brands in the high growth rusk segment — will include flavour variations as well as an upsized family pack, capitalizing on the recent doubling of the segment's production capacity.

Edita will also continue to strengthen its proprietary distribution network with the addition of new distribution centres — already having opened a new Luxor centre in March 2016 bringing the total to 21 centres — as well as increasing its total sales force to allow for maximum geographic coverage and market penetration. On the regional level, we aim to capitalize on our access to over 16 export markets and to become a leading regional player over the coming three years.

MANAGEMENT OVERVIEW

MANAGEMENT OVERVIEW


ENG. 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 30 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 and Chairman of the Board in 2006. Mr. Berzi is also a member of the Board of the Chamber of Food Industries and the Egyptian Centre for Economic Studies, and is the Chairman of the Egyptian-Greek Business Council (Egyptian side), and is the Chairman of the Food Export Council. Previously, he was a member of the Boards of a number of companies in the food and beverage industry including Technopak in 1987, Rotopak in 1989 and Egypt Sack in 1997, and has also served as a Board Member of the Federation of Egyptian Industries.


MR. SAMIR NABIH AZIZ BERZI
 VICE CHAIRMAN

Mr. Berzi graduated from Cairo University (Cairo, Egypt) in 1982 with a BA in Commerce. He has 33 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, 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 in New Cairo.


MR. SHERIF MOHAMED FATHY
 VICE PRESIDENT FINANCE & CHIEF
 FINANCIAL OFFICER

Mr. Fathy has 35 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, a member of the Board and Treasurer of the Food Export Council, and previously was the Chairman of Egyptian Finance Executives Foundation, and a member of The Egyptian Institute of Directors.

MANAGEMENT OVERVIEW


MR. ALFRED YOUNAN
 VICE PRESIDENT SALES AND
 INTERNATIONAL MARKETS

Mr. Younan has 25 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 IN-SEAD (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.


ENG. OMAR ABDEL GHAFFAR
 VICE PRESIDENT INDUSTRIAL OPERATIONS

Mr. Abdel Ghaffar has over 11 years of experience in industrial operations. He graduated from Concordia University (Montreal, Canada) in 2004 with a BSc in Industrial Engineering, and completed the Executive Operations Management Program, Manufacturing, at IN-SEAD (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.


MS. 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), specialising 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 Centre for Political and Strategic Studies.

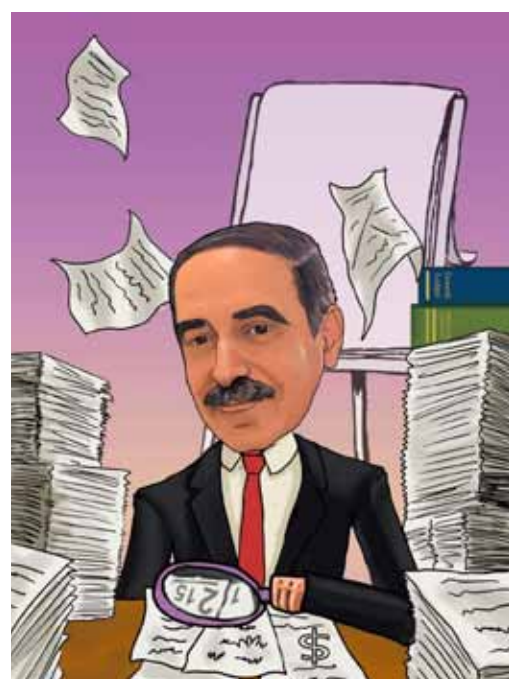

MR. MAGED TADROS
 VICE PRESIDENT HUMAN RESOURCES &
 ADMINISTRATION

Mr. Tadros has over 27 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 Organisational 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.



ENG. MOHAMED EL BAHEY
VICE PRESIDENT SUPPLY CHAIN

Mr. El Bahey has 20 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.



MR. SHERIF SHAKER
DIRECTOR OF INTERNAL AUDIT AND COMPLIANCE

Mr. Shaker has 31 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, specialising 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).



MR. PANAGIOTIS PAPADODIMAS
RESEARCH AND DEVELOPMENT DIRECTOR

Mr. Panagiotis has 15 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.



CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

At Edita, the leadership is well aware that a strong corporate governance framework is instrumental to the long-term success of any company. For this reason, the 9-member Board of Directors is composed primarily of non-executive

members, two of which are independent.

Edita has a clearly set out code of conduct stressing the company's values of teamwork & communication, respect, integrity, commitment and excellence.

Adherence to these values ensures that the needs of all stakeholders — from shareholders to employees to customers and communities — are considered in all decisions and actions.

BOARD OF DIRECTORS:

Edita's dedicated Board of Directors is comprised of two executive and seven non-executive members, two of which are independent. Under the expert and diverse guidance of this experienced group of men and women, Edita has grown from a small, family business into an international presence.



ENG. HANI NABIH AZIZ BERZI
CHAIRMAN AND MANAGING DIRECTOR,
REPRESENTING BERCO LIMITED

Mr. Berzi graduated from Ain Shams University (Cairo, Egypt) with a BSc in Computer and Control Engineering. He has 30 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 and Chairman of the Board in 2006. Mr. Berzi is also a member of the Board of the Chamber of Food Industries and the Egyptian Centre for Economic Studies, and is the Chairman of the Egyptian-Greek Business Council (Egyptian side), and the Chairman of the Food Export Council. 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 a Board Member of the Federation of Egyptian Industries.



MR. SAMIR NABIH AZIZ BERZI
VICE CHAIRMAN, REPRESENTING BERCO LIMITED

Mr. Berzi graduated from Cairo University (Cairo, Egypt) in 1982 with a BA in Commerce. He has 33 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, 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 in New Cairo.



MS. FATMA LOTFY
BOARD MEMBER, REPRESENTING BERCO LIMITED

Ms. Lotfy has been a member of Edita's Board of Directors since 2015 with over 30 years of commercial and investment banking experience under her belt. Since she began her career in the late 1980s, Ms. Lotfy has held senior and key executive positions in a number of renowned international and local banks and sits on the boards of several large-scale financial institutions. Since 2015, she has been a board member of Credit Libanias Beirut and a board member at EFG Hermes Leasing. Prior to that, Ms. Lotfy was the Deputy Chairperson and Managing Director at Bank Audi Egypt, the First Deputy Chairperson and Managing Director at Alexbank Intesa San Paolo, and Managing Director and Board and Executive Committee Member at Al Watani Bank of Egypt (currently NBK Egypt), in addition to several other senior positions at various institutions including the Commercial International Bank (CIB). Ms. Lotfy is also highly engaged in her role as an active corporate citizen through her activities as a member of the Egyptian European Council, the Young Presidents Organization (YPO), the Egyptian British Chamber of Commerce, the Egyptian American Chamber of Commerce, in addition to being an active member of the Economic Committee of the Women's National Congress.

CORPORATE GOVERNANCE



DR. SHERIF HESHAM MOHAMED EL KHOULY
BOARD MEMBER, REPRESENTING AFRICA SAMBA B.V.

Dr. El Kholy graduated from The American University in Cairo (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 15 years of experience in the private equity industry. Dr. El Kholy 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 in Egypt. Dr. El Kholy 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 Centre where he has authored and published work for the Cabinet's think tank focused on economic policy reform. Dr. El Kholy is also a member of the Board of Universite Centrale (Tunisia) and Emerging Markets Knowledge Holdings Limited. Dr. El Kholy is also a member of Edita's Audit Committee.



MR. RICHARD HENRY PHILIPS
BOARD MEMBER, REPRESENTING AFRICA SAMBA B.V.

Mr. Phillips graduated from Exeter University with a degree in Economics. He has 29 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.



MR. SPYRIDON THEODOROPOULOS
BOARD MEMBER, REPRESENTING EXODER LIMITED

Mr. Theodoropoulos 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 Manager of several FMCG companies. He acquired Chipita SA, a Greek based company specialising in snacks production, 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, as vice-president of Greek Federation of Industries and as vice-president of Helex. Mr. Theodoropoulos became a member of Edita's Board in 1996.



MS. MARIA GEORGALOU
BOARD MEMBER, REPRESENTING EXODER LIMITED

Ms. Georgalou graduated from the 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 the companies of De Benedetti Group and Commercial Capital, a subsidiary of Commercial Bank of Greece. During this time she covered a wide range of sectors (including, food, retail and timber) 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 elsewhere abroad. Mrs. Georgalou joined Edita as a Board Member in 2014.

CORPORATE GOVERNANCE



MR. HUSSEIN CHOUKRI
INDEPENDENT BOARD MEMBER

Mr. Choukri 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 acted as 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. Choukri is a board member of a number of associations and reputable companies, including the Holding Company for Tourism, Hotels and Cinema and The Egyptian British Business Council (EBBC). Mr. Choukri joined Edita as a Board Member in January 2015. Mr. Choukri is also a member of Edita's Audit Committee.



MS. SAHAR EL SALLAB
INDEPENDENT BOARD MEMBER

Ms. 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 assumed the roles of Vice Chairman and Managing Director. She was also the Chairperson of Commercial International Capital Holding Company (CI Capital). After significant private sector experience, she became the Deputy Minister of Trade and Industry for Development and Investment in Internal Trade in Egypt. Ms. El Sallab has been nominated as one of the 100 Most Powerful Arab Women 2011 by South African Magazine, CEO, and one of 10 Most Powerful Egyptian Women 2011 by the Egypt Business Directory. Ms. El Sallab currently serves as a chairperson of Hitekno-fal Company. Ms. El Sallab is also a member of Edita's Audit Committee.

COMPLIANCE

Edita's corporate affairs are governed by the Egyptian Companies Law, the Egyptian Capital Market Law, the EGX Listing Rules, and 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 and IFRS; provide notices of any material developments to the Egyptian Financial Supervisory Authority (EFSA), EGX and LSE; 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.

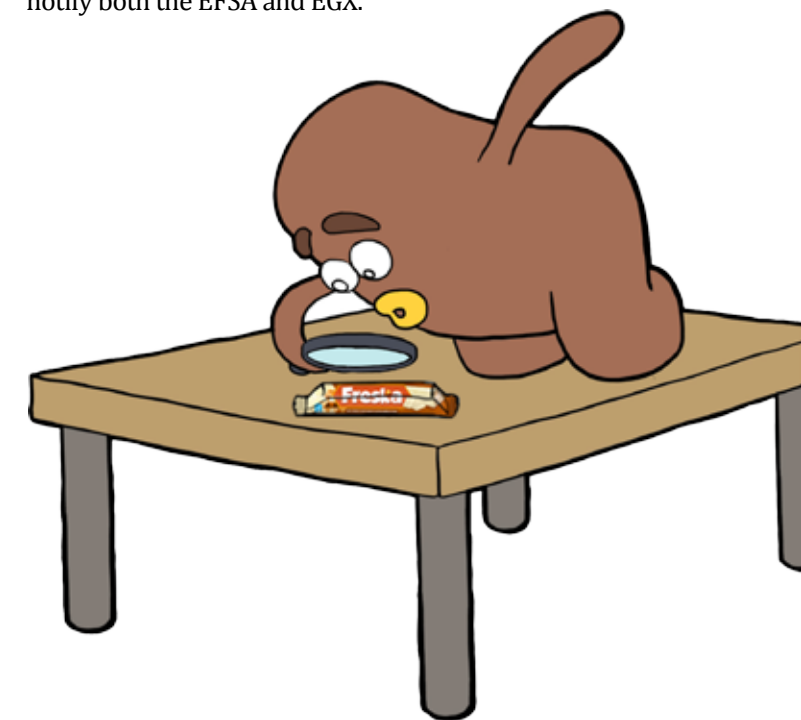
AUDIT COMMITTEE

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 and 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, plans and results;
- The inspection and review of our accounting standards and any changes resulting from the application of new accounting standards;
- 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.



CORPORATE SOCIAL RESPONSIBILITY

CORPORATE SOCIAL RESPONSIBILITY

AT EDITA, WE BELIEVE THAT SOCIAL RESPONSIBILITY STARTS AT HOME, AND THAT IT IS PART OF OUR MANDATE TO ENCOURAGE AND NURTURE THE GROWTH AND WELLBEING OF OUR STAFF AND THE COMMUNITIES IN WHICH WE DO BUSINESS.



PROMOTING ECONOMIC DEVELOPMENT

Edita continued to expand the scope of its corporate social responsibility efforts in 2015, placing special focus on improving the state of Egyptian industries by participating in various projects and national initiatives, such as the Ministry of Industry and Trade's "Proudly Made in Egypt" campaign. The project aims to promote local production and enhance Egypt's overall economic state and saw Edita contribute EGP 1.5 million to support the nationwide campaign.

In 2015, Edita also worked with the Ministry of Social Solidarity to battle rising unemployment rates, through a program that saw the Ministry provide the company with reliable labor.

TRAINING PROGRAMS

Our training programs are intensive and robust, actively helping ambitious employees to advance their careers, and thus improve their standards of living. Moreover, at the Edita Sales Academy and the Edita Manufacturing Academy we are not only teaching the trade, but also presentation, relationship management and other soft skills needed to thrive both at work and in life. Edita also provides scholarships for MBAs and other certifications for high potential employees.

HEALTH, SAFETY & ENVIRONMENT

Edita's management system clearly outlines requirements for the policies, specifications and programs that guide operations, guaranteeing the highest standards in product safety, occupational safety and health & environmental standards across all of Edita's operations.

As the company believes that its human resources are its greatest asset, the HSE department is responsible for ensuring that a safe working environment is available to all Edita employees. The company has invested considerable effort to that end and accordingly witnessed a significant improvement in its safety measures, having significantly reduced its Lost Time Injury Frequency Rate (LTIFR) in FY2015.

ENVIRONMENT

Edita is committed to the protection of the environment surrounding its facilities. The Health, Safety and Environment (HSE) department ensures that all company facilities comply with relevant environmental rules and regulations.





CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

International Financial Reporting Standards

Auditor's Report	56
Consolidated Balance Sheet	58
Consolidated Statement of Profit or Loss	59
Consolidated Statement of Comprehensive Income	60
Consolidated Statement of Changes in Equity	61
Consolidated Statement of Cash Flows	62
Notes to the consolidated financial statements	63

Egyptian Accounting Standards

Auditor's Report	104
Consolidated Balance Sheet	106
Consolidated Statement of Income	107
Consolidated Statement of Changes in Equity	108
Consolidated Statement of Cash Flows	109

International Financial Reporting Standards – IFRS

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

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 sheet as at 31 December 2015 and the consolidated statement of income, comprehensive income, changes in equity and cash flows for the year 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 and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 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 and fair presentation of the consolidated financial statements 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 present fairly in all material respects the financial position of Edita Food Industries Company (S.A.E) and its Subsidiaries as of 31 December 2015, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Ahmed Gamal El-Atrees
R.A.A. 8784
E.F.S.A. 136
Mansour & Co. PricewaterhouseCoopers

3 March 2016
Cairo

CONSOLIDATED BALANCE SHEET "IFRS"

At 31 December 2015

(All amounts in Egyptian Pounds)

	Note	2015	2014
Assets			
Non-current assets			
Property, plant and equipment	5	1,299,529,732	1,015,869,650
Intangible Assets	6	161,968,712	68,618,658
Total non-current assets		1,461,498,444	1,084,488,308
Current assets			
Inventories	7	140,297,471	112,481,757
Trade and other receivables	8	67,843,179	66,342,123
Treasury bills	9	149,591,114	106,014,124
Cash and cash equivalents (excluding bank overdrafts)	10	313,344,052	233,301,434
Total current assets		671,075,816	518,139,438
Total assets		2,132,574,260	1,602,627,746
Liabilities			
Non-current liabilities			
Long-term loans	11	346,217,286	204,543,390
Long-term notes payable	12	-	8,884,103
Deferred tax liabilities	13	94,536,302	79,424,174
Employee benefit obligations	14	2,533,203	-
Total non-current liabilities		443,286,791	292,851,667
Current liabilities			
Trade and other payables	15	255,248,981	205,931,191
Current tax liabilities	16	24,281,519	81,588,139
Current portion of long-term liabilities	17	145,235,152	125,176,964
Bank overdraft	18	73,698,428	60,418,179
Provisions	19	16,000,854	10,916,700
Total current liabilities		514,464,934	484,031,173
Total liabilities		957,751,725	776,882,840
Net assets		1,174,822,535	825,744,906
Equity			
Share capital	20	72,536,290	72,536,290
Legal reserve	21	38,947,275	31,103,903
Foreign currency translation reserve		5,568	3,501
Retained earnings		1,057,715,966	720,134,419
Capital and reserves attributable to owners of the parent		1,169,205,099	823,778,113
Non-controlling interest	22	5,617,436	1,966,793
Total equity		1,174,822,535	825,744,906

The above consolidated balance sheet should be read in conjunction with the accompanying notes.



Mr Sherif Fathy
Vice President - Finance



Eng Hani Berzi
Chairman

2 March 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS "IFRS"

For the year ended 31 December 2015

(All amounts in Egyptian Pounds)

	Note	2015	2014
Revenue		2,225,354,667	1,918,561,386
Cost of sales	28	(1,357,884,821)	(1,197,772,308)
Gross profit		867,469,846	720,789,078
Distribution cost	28	(282,347,968)	(211,275,916)
Administrative expenses	28	(157,323,657)	(123,581,905)
Other income	23	15,405,017	16,430,534
Other gains / (losses)-net	24	5,755,936	(7,951,259)
Operating profit		448,959,174	394,410,532
Finance income		29,470,219	23,264,342
Finance cost		(33,498,163)	(25,166,938)
Finance cost - Net	25	(4,027,944)	(1,902,596)
Profit before income tax		444,931,230	392,507,936
Income tax expense	26	(95,853,264)	(126,628,100)
Net profit for the year		349,077,966	265,879,836
Profit is attributable to			
Owners of the parent		345,424,919	266,083,415
Non-controlling interest		3,653,047	(203,579)
Net profit for the year		349,077,966	265,879,836
Earnings per share (expressed in EGP per share):			
Basic earnings per share	27	0.96	0.73
Diluted earnings per share	27	0.96	0.73

The above consolidated statements of profit or loss should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME “IFRS”

For the year ended 31 December 2015

(All amounts in Egyptian Pounds)

	2015	2014
Profit for the year	349,077,966	265,879,836
Items that will not be reclassified to profit or loss		
Other comprehensive income for the year net of tax	2,067	4,434
Assets revaluation reserve	(2,404)	(2,404)
Total comprehensive income for the year	349,077,629	265,881,866
Total comprehensive income is attributable to		
Owners of the parent	345,426,986	266,087,849
Non-controlling interest	3,650,643	(205,983)
Total comprehensive income for the year	349,077,629	265,881,866

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY “IFRS”

For the year ended 31 December 2015

(All amounts in Egyptian Pounds)

	Attributable to Owners of the parent				Attributable to Owners of the parent			
	Share capital	Legal reserve	Foreign currency translation reserve	Retained earnings	Total Owners of the parent	Non-controlling interest	Total owners' equity	
Balance at 31 December 2013 and 1 January 2014	72,536,290	16,407,621	(933)	618,747,286	707,690,264	2,261,950	709,952,214	
Profit for the year	-	-	-	266,083,415	266,083,415	(203,579)	265,879,836	
Foreign currency translation reserve	-	-	4,434	-	4,434	-	4,434	
Assets revaluation reserve	-	-	-	-	-	(2,404)	(2,404)	
Total comprehensive income for the year	-	-	4,434	266,083,415	266,087,849	(205,983)	265,881,866	
Transactions with the owners in their capacity as owners:								
Dividends distribution for 2013	-	-	-	(150,000,000)	(150,000,000)	(89,174)	(150,089,174)	
Transfer to legal reserve	-	14,696,282	-	(14,696,282)	-	-	-	
Balance at 31 December 2014	72,536,290	31,103,903	3,501	720,134,419	823,778,113	1,966,793	825,744,906	
Balance at 31 December 2014 and 1 January 2015	72,536,290	31,103,903	3,501	720,134,419	823,778,113	1,966,793	825,744,906	
Profit for the year	-	-	-	345,424,919	345,424,919	3,653,047	349,077,966	
Foreign currency translation reserve	-	-	2,067	-	2,067	-	2,067	
Assets revaluation reserve	-	-	-	-	-	(2,404)	(2,404)	
Total comprehensive income for the year	-	-	2,067	345,424,919	345,426,986	3,650,643	349,077,629	
Transactions with the owners in their capacity as owners:								
Transfer to legal reserve	-	7,843,372	-	(7,843,372)	-	-	-	
Balance at 31 December 2015	72,536,290	38,947,275	5,568	1,057,715,966	1,169,205,099	5,617,436	1,174,822,535	

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS “IFRS”

For the year ended 31 December 2015

(All amounts in Egyptian Pounds)

	Notes	2015	2014
Cash flows from operating activities			
Cash generated from operations	29	541,184,270	450,303,056
Interest paid		(29,459,700)	(23,435,140)
Income tax paid		(136,228,597)	(86,966,517)
Net cash inflow from operating activities		375,495,973	339,901,399
Cash flows from investing activities			
Payment for property, plant and equipment		(351,796,531)	(248,244,435)
Capitalized interest on property, plant and equipment		(9,971,079)	(6,423,328)
Payment for Intangible assets		(94,292,984)	-
Proceeds from sale of property, plant and equipment		14,443,739	3,064,817
Sales tax on machinery		-	(25,296)
Interest received		24,701,802	19,659,271
Interest received - treasury bills		2,946,854	2,521,191
Payments against notes payable for acquisition of land		(9,985,990)	(9,425,154)
Payment for purchase of treasury bills		(151,475,000)	(106,325,000)
Proceeds from sale of treasury bills		107,898,010	104,638,277
Net cash outflow from investing activities		(467,531,179)	(240,559,657)
Cash flows from financing activities			
Dividends paid to Shareholders		-	(149,991,722)
Repayments of borrowings		(163,356,268)	(136,597,210)
Proceeds from borrowings		322,151,776	202,259,546
Net cash inflow / (outflow) from financing activities		158,795,508	(84,329,386)
Net increase in cash and cash equivalents		66,760,302	15,012,356
Cash and cash equivalents at beginning of the year		172,883,255	157,866,465
Effects of exchange rate on cash and cash equivalents		2,067	4,434
Cash and cash equivalents at end of the year	10	239,645,624	172,883,255

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

In 31 December 2015 an amount of LE 2,907,145 has been deducted from proceeds from borrowings which represents the interest as it represents a non cash transaction

In 31 December 2014 Non cash transaction amounted to LE 263,709 excluding from Trade and other payable and from Dividends payments as well

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS “IFRS”

For the year ended 31 December 2015

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

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 Group comprise financial statements of Edita Food Industries Company (S.A.E.) 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 41.815% of the Company's share capital and Exoder participation, “Exoder Limited”, domiciled in Cyprus which owns 12.975% of the Company's share capital, and Africa Samba Cooperative which owns 15% and other shareholder owing 30.210% 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:

Edita food industries is the holding company. The company provides manufacturing, producing and packing of all food products and producing and packing of readymade food, cakes, pastry, milk, chocolate and other food products with all necessary ingredients and sell the products to Digma for Trading.

The group is composed of the following subsidiaries:

Digma for Trading:

Digma for trading main activity is wholesale and retail trading in consumable goods. The Company also acts as a 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 of distributions of Sweets, Toofy, Jelly and Caramel other nutrition materials and sell the products to Digma for Trading.

Edita participation limited:

The principal activities of the company are the provision of services and the holding of investments but the Company does not have any operations until now and all its transactions are immaterial

	Principle place of business	Interest held by non-controlling interest
Digma for trading	Egypt	0.20%
Edita Confectionery Industries	Egypt	22.3%
Edita participation limited	Cyprus	-

Financial information about the subsidiaries of the group as at 31 December 2015

Name of subsidiary	Total Assets	Total Equity	Total Sales	Net Profit/(loss)
Digma for trading	322,750,258	217,172,414	2,082,513,160	90,652,009
Edita Confectionery Industries	101,337,408	24,866,010	81,561,456	15,575,341
Edita participation limited	159,141	(121,503)	-	(31,121)

The above mentioned financial information are related to amounts as included in the separate financial statements which have been used in the consolidation

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 and IFRIC interpretations applicable to companies reporting under IFRS, the financial statements comply with IFRS as issued by International Accounting Standards Board IASB.

These consolidated financial statements have been prepared under the historical cost convention.

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.

New standards and amendments

Certain standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2015 which includes IFRS 8 which requires disclosure of the judgments made by management in aggregating operating segments and clarifies that a reconciliation of segment assets must only be disclosed if segment assets are reported, also the Defined Benefit Plans: Employee Contributions (Amendments to IAS 19) as The amendments clarify the accounting for defined benefit plans that require employees or third parties to contribute towards the cost of the benefits.

Certain new accounting standards and interpretations have been published that are not mandatory for the current year and have not been early adopted by the group related to:

- (i) IFRS 9 that introduces new rules for hedge accounting that made further changes to the classification and measurement rules and also introduced a new impairment model,
- (ii) IFRS 15 relates to revenue from contracts with customers this will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts.
- (iii) IFRS 16, ‘Leases’ addresses the definition of a lease, recognition and measurement of leases and establishes principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors. A key change arising from IFRS 16 is that most operating leases will be accounted for on balance sheet for lessees. The standard replaces IAS 17 ‘Leases’, and related interpretations.

The group is examining the impact of these standards in its financial statements.

B. 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.

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. Unless the transaction provides evidence of an impairment of transferred asset. When necessary amounts reported by subsidiaries have been adjusted to confirm to the group's accounting policies.

2. Changes in ownership interests

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.

3. Principles of consolidation and equity accounting

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 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.

C. Foreign currency translation

(1) Functional and presentation currency

Items included in the financial statements each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). All entities in Egyptian Pound except for Edita Participation Limited is in Euro.

The consolidated financial statements are presented in Egyptian Pounds, which is the group's presentation currency.

(2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss, they are deferred in equity if they are attributable to part of the net investment in foreign operations.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains and losses.

(3) Group companies

The results and financial position of foreign operations (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) Monetary assets and monetary 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 statement of profit or loss and statement of comprehensive income 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) All resulting exchange differences are recognized in other comprehensive income. The foreign currency exchange arising from translation of the net investment in foreign entities and loans or financial instruments in foreign currencies allocated to cover these investments are recognized in the equity in the consolidated financial statement. The foreign currencies exchange charged to the equity are recognized as part of gain or loss upon the disposal of these investments.

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.

D. Property, plant and equipment

All property, plant 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 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 year 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 & equipment	20 years
Vehicles	5 – 8 years
Tools & equipment	3 - 5 years
Furniture & office equipment	4 - 5 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 gains / (losses)” in the statement of profit or loss.

E. Impairment of non-financial assets

Intangible assets that have an indefinite useful life 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.

F. Financial assets

(1) Classification

The group classifies its financial assets in the following categories, loans and receivables, and held to maturity (treasury bills). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and in the case of assets classified as held to maturity, reevaluate this designation at the end of each reporting period.

(a) 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

(b) Held to maturity investments

The group classifies investments as held-to-maturity (treasury bills) if they are non-derivative financial assets and have fixed or determinable payments and fixed maturities and the group intends to, and is able to, hold them to maturity.

Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the end of the reporting period, which would be classified as current assets.

(2) Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

(3) Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Loans and receivables and held-to-maturity investments are subsequently carried at amortised cost using the effective interest method. Interest on held-to-maturity investments and loans and receivables calculated using the effective interest method is recognised in the statement of profit or loss as part of revenue from continuing operations.

(4) Impairment

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.

For loans and receivables, 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 recognised in profit or loss. 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 recognised (such as an improvement in the debtor’s credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

G. Intangible assets

Intangible assets (Trademarks) have indefinite useful lives as there is no foreseeable limit on the period of time over which the brands are expected to exist and generate cash Flows, and are carried at cost less impairment losses. Historical cost includes all expenses associated with the acquisition of an intangible asset,

The trademark is recognized as an intangible asset as the license is perpetual, irrevocable and exclusive including the trademark in the territory in connection with the cake products, the brand has an established presence in the territory in which it is licensed to operate for over 23 years in addition the company has a strong historic financial track record and forecasts continued growth also, the knowhow and perpetual license not exposed to typical obsolescence as it relates to a food stuff. The brand remain popular in the Middle East and the company does not foresee any decline in the foreseeable future)

Intangible assets (know how) have finite useful life and is carried at cost less accumulated amortization. Amortization of intangible assets which have finite useful lives is calculated using the straight line method, know how is amortized over 25 years, the Company's management put into consideration the following factors in determining the useful lives of the intangible assets that have finite useful lives:

- The expected usage of the asset by the entity and whether the asset could be managed efficiently by another management team;
- Typical product life cycles for the asset and public information on estimates of useful lives of similar assets that are used in a similar way;
- Technical, technological, commercial or other types of obsolescence;
- The stability of the industry in which the asset operates and changes in the market demand for the products or services output from the asset;
- The level of maintenance expenditure required to obtain the expected future economic benefits from the asset and the entity's ability and intention to reach such a level;
- The period of control over the asset and legal or similar limits on the use of the asset, such as the expiry dates of related leases; and
- Whether the useful life of the asset is dependent on the useful life of other assets of the entity.

H. 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 estimated costs necessary to make the sale. And the provision for obsolete inventory is created in accordance to the management's assessment.

I. Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Trade receivables are amounts due from customers for goods' sold 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.

J. 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 that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts and treasury bills. In the consolidated balance sheet, bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

K. 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.

L. 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.

M. Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred.

Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of profit or loss 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.

N. 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.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

O. Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. 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 provided in full, using the liability method, 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 recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

P. 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.

(2) Defined benefit pension plans

The Company has a defined benefit plan which is a plan that defines an amount of benefits to be provided in the form of half month payment for each year they had worked for the Company for employees who reach the age of sixty, according to the following criteria:

- The contribution is to be paid to employees for their working period at the Company only
- The working period must be not less than ten years
- The maximum contribution is 12 months' salary

The liability in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date minus the fair value of plan assets, together with adjustments for actuarial gains/losses and past service cost. The defined benefit obligation is calculated annually by independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by the estimated future cash outflows using interest rates of government bonds, which have terms to maturity approximating the terms of the related liability.

Actuarial gains and losses arising from experience adjustments, changes in actuarial assumptions and amendments to retirement plans are recognized in other comprehensive income

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

(3) 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.

(4) 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.

(5) 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.

Q. 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.

R. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable disclosed as revenue, stated net of discounts, returns and value added taxes. The group recognizes 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 – whole sale

Sales of goods are recognized 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 recognized 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 recognized using the original effective interest rate.

(3) Dividend income

Dividend income is recognised when the right to receive payment is established.

(4) Export subsidy

The Company obtains a subsidy against exporting some of its production. The subsidy is calculated based on a percentage from the total exports invoices determined by the Export Development Fund related to the Commercial and Industry Ministry. Export subsidy is recognized in the statement of profit or loss as other income when received in cash after meeting all required criteria.

S. 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.

T. Dividend distribution

Dividend distribution to the Group's shareholders is recognized as a liability in the Group's financial statements in the period in which the dividends are approved by the Group's shareholders.

U. Earnings per share

(1) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Group excluding any costs of servicing equity other than ordinary shares by the weight average number of ordinary shares in issue during the year excluding ordinary shares purchase by the Group and held as treasury shares.

(2) Diluted earnings per share

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 Group 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.

V. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The board has appointed a chief operating decision-maker who assess the financial performance and position of the group, and makes strategic decisions. Which has been identified as the chief executive officer.

W. Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year

3. Financial risk management

(1) Financial risk factors

The group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and cash flow and fair value interest rate 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.

(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 Euro and US dollar. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

The Company covers part of its imports of raw materials in foreign currency by local banks that the Company deals with in official rates and the rest from its exports in US Dollars

During the year, the following foreign-exchange related amounts were recognised in profit or loss and other comprehensive income:

	2015	2014
Amounts recognised in profit or loss		
Net foreign exchange gain included in other income/other expenses net of tax	1,095,862	4,591,094
	1,095,862	4,591,094
Net gains recognised in other comprehensive income		
Foreign currency translation reserve net of tax	2,067	4,434
	2,067	4,434

At year end, major financial liabilities in foreign currencies were as follows:

	Assets	Liabilities	Net 2015	Net 2014
Euros	26,293,031	(212,950,940)	(186,657,909)	(109,653,136)
United States Dollars	4,477,140	(39,207,322)	(34,730,182)	(16,869,762)

At 31 December 2015, if the Egyptian Pounds had weakened / strengthened by 2% against the Euro with all other variables held constant, post-tax profit for the year would have been LE 3,733,158 (2014: LE 10,965,314) higher / lower, mainly as a result of foreign exchange gains/ losses on translation of Euro-denominated financial assets and liabilities.

At 31 December 2015, 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 3,473,018 (2014: LE 1,686,976) higher / lower, mainly as a result of foreign exchange gains/ losses on translation of US dollar-denominated financial assets and liabilities.

(ii) Price risk

The Group has no investments in a quoted equity securities so it's not exposed to the fair value risk due to changes in the prices.

(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 short term time deposits which are renewed with the applicable interest rate at the time of renewal. Borrowings measured at amortized cost with fixed rates do not expose the company to fair value interest rate risk

At 31 December 2015, if interest rates on Egyptian pound -denominated net interest bearing liabilities had been 0.1% higher/lower with all other variables held constant, post-tax profit for the year would have been LE 342,889 (2014: LE 465,712) 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 480,905,613 (2014: LE 319,734,364).

Overdraft at the balance sheet on 31 December 2015 amounted to LE 73,698,428 (2014: LE 60,418,179).

(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+).

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 8).

The maximum exposure to credit risk is the amount of receivables as well as the cash and cash equivalents and Treasury Bills.

The group sells to retail customers which are required to be settled in cash, therefore there is no significant concentration of credit risk.

Trade receivables

Counter parties without external credit rating:

	2015	2014
Other parties	6,387,918	10,514,126
Total	6,387,918	10,514,126

Outstanding trade receivables are current and not impaired

Cash at bank and short-term bank deposits:

	2015	2014
AA	823,278	2,106,307
A	156,075,388	97,129,463
BBB	137,853,764	122,033,130
B	1,201,037	560,045
Total	295,953,467	221,828,945

We had excluded the cash on hand.

The table below summarizes the maturities of the Company's trade receivables at 31 December 2015:

	2015	2014
Less than 30 days	4,591,020	8,028,599
From 31 to 60 days	1,645,476	2,112,642
From 61 to 90 days	65,896	165,446
From 81 to 120 days	85,526	89,210
More than 120 days	-	118,229
	6,387,918	10,514,126

Movements in the provision for impairment of trade receivables that are assessed for impairment collectively are as follows:

	2015	2014
At 1 January	138,785	20,556
Provision for impairment recognized during the year	-	118,229
Receivables written off during the year as uncollectible	(118,229)	-
	20,556	138,785

(C) Liquidity risk

Management monitors rolling forecasts of the company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants) on any of its borrowing facilities. Such forecasting takes into consideration the company debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets.

The table below summarizes the maturities of the Company's undiscounted financial liabilities at 31 December 2015 based on contractual payment dates and current interest rates as we had excluded the taxes payable, advances from customers and social insurance:

	At 31 December 2015	Less than 6 month	Between 6 month & 1 year	Between 1 & 2 years	More than 2 years
Borrowings	63,735,176	70,953,151	97,684,524	248,532,762	
Future interest payments	2,578,269	3,240,990	6,307,605	15,705,858	
Trade and other payables	198,171,853	-	-	-	-
Bank overdraft	73,698,428	-	-	-	-
Notes payable	45,087,494	10,546,825	-	-	-
Total	383,271,220	84,740,966	103,992,129	264,238,620	

At 31 December 2014

Borrowings	52,849,934	62,341,040	103,200,332	101,343,058
Future interest payments	3,553,343	5,716,060	5,541,685	14,375,708
Trade and other payables	147,127,311	-	-	-
Bank overdraft	60,418,179	-	-	-
Notes payable	40,717,771	9,985,990	8,884,103	-
Total	304,666,538	78,043,090	117,626,120	115,718,766

The unused amount of borrowings is amounted to EGP 122,089,774 as of 31 December 2015, also the Group will have future interest payments related to borrowings amounting to LE 27,832,722 (2014: LE 429,186,796).

(2) Capital management

The group's objectives when managing capital is to safeguard their 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.

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.

	2015	2014
Total borrowings and long term notes payable	491,452,438	338,604,457
Bank overdraft	73,698,428	60,418,179
Total borrowings and loans	565,150,866	399,022,636
Less: Cash and cash equivalents	(313,344,052)	(233,301,434)
Net debt	251,806,814	165,721,202
Total equity	1,174,822,535	825,744,906
Total capital	1,426,629,349	991,466,108

Gearing ratio	18%	17%
----------------------	------------	------------

The increase in debt to equity is due to increase in borrowings and long term notes payable.

Loan covenants

Under the terms of the major borrowing facilities, the group is required to comply with the following financial covenants:

The debt to equity ratio must be not more than 1:1

(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:

Intangible assets impairment (Trade Mark)

The Group estimates the useful life of the trademark to be indefinite useful life based on trademark agreement which give the Group the license with perpetual, irrevocable and exclusive including the knowhow in the territory in connection with the HOHOS, Twinkies and Tiger tail products, accordingly, the Group’s management annually test the impairment of intangible assets (Trade Mark), that have an indefinite useful life based on the financial and operational performance in previous years and the management expectation for the market developments in the future by preparing a business plan by using the growth rate and the discount rate prevailing

Intangible assets useful life (Knowhow)

The Group estimates the useful life of the knowhow to be 25 years based on the Company’s useful life which is upon the management’s expectation and intention

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 estimate and judgments “Note 4-1” which might have a major impact on the value recognized at the financial statement.

5. Property, plant and equipment

	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 amount	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 amount	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)	-
Closing net book amount	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 amount	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
Year ended 31 December 2015								
Opening net book amount	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
Additions	44,487,197	94,541	17,057,231	36,072,030	7,893,495	15,670,686	240,492,430	361,767,610
Depreciation charge	-	(13,706,638)	(28,914,338)	(17,301,950)	(7,678,036)	(9,165,525)	-	(76,766,487)
Disposal depreciation	-	-	200,543	26,531,920	519,333	2,869,226	-	30,121,022
Disposals	-	(75,478)	(322,961)	(27,647,439)	(528,669)	(2,887,516)	-	(31,462,063)
Transfers from Projects under construction	-	119,313,063	151,186,774	-	11,206,129	198,924	(281,904,890)	-
Closing net book amount	106,714,128	421,846,604	474,450,648	84,586,123	27,847,610	28,076,290	156,008,329	1,299,529,732
At 31 December 2015								
Cost	106,714,128	478,089,014	635,645,904	138,939,208	57,917,104	59,424,230	156,008,329	1,632,737,917
Accumulated depreciation	-	56,242,410	161,195,256	54,353,085	30,069,494	31,347,940	-	333,208,185
Net book amount	106,714,128	421,846,604	474,450,648	84,586,123	27,847,610	28,076,290	156,008,329	1,299,529,732

* The additions in land is represented in new purchased plot for the purpose of building new factory in 6th of October city, and it's being approved from the new urban communities authority.

During the year, the Group has capitalized borrowings costs amounting to LE 9,971,079 (2014: LE 6,423,328) on qualifying assets. Borrowings costs were capitalized at the weight average rate of its general borrowings of 10%.

	2015	2014
Allocation of the borrowing cost on Qualified Assets		
Projects under construction - Buildings	7,363,397	2,895,203
Projects under construction - Machinery	2,607,682	3,528,125
Total	9,971,079	6,423,328

6. Intangible assets

	Net Book Value	
	2015	2014
A- Intangible assets which have indefinite useful lives	131,480,647	68,618,658
B- intangible assets which have finite useful lives	30,488,065	-
Balance as of	161,968,712	68,618,658

A. Intangible assets which have indefinite useful lives - Trademarks (HOHOS, Twinkies & Tiger Tail)

	Trade Mark (HOHOS, Twinkies & Tiger Tail)	
	2015	2014
Cost		
Opening Balance	68,618,658	68,618,658
Additions during the year	62,861,989	-
Balance as of	131,480,647	68,618,658

B. Intangible assets which have definite useful lives – Know how

	Know How	
	2015	2014
Cost		
Additions during the year	31,430,995	-
Balance as of	31,430,995	-

	2015	2014
Accumulated Amortization		
Amortization expense during the year	(942,930)	-
Balance as of	(942,930)	-
Net book value for know how	30,488,065	-
Net book value for intangible assets (a+b)	161,968,712	68,618,658

C. Intangible assets which have indefinite useful lives - Trademarks (HOHOS, Twinkies & Tiger Tail)

The intangible assets in the amount of ten million US Dollars equivalent to LE 68,618,658 paid against buying all the rights to the trademarks (HOHOS, Twinkies & Tiger Tail) and the consequences of this acquisition of the trademark in the countries of Egypt, Jordan, Libya and Palestine these rights do not have a definite time, and on the 16th of April 2015 the Company had signed a new contract for the expanding the scope of the rights to the trademarks (Hohos, Twinkies, and Tiger Tail) to include Algeria, Bahrain,, Iraq,, Kuwait, Lebanon, Morocco, Oman,, Qatar, Kingdom of Saudi Arabia, Syria, Tunisia, United Arab Emirates and this trademarks has

indefinite useful lives, and the this is against USD 8 Million equivalent to EGP 62,861,989.

HOHOS, Twinkies and Tiger tail are related to one cash generating unit within the same operating segment

The impairment of intangible assets is reviewed annually to ensure that the carrying value of the intangible assets does not exceed the recoverable value. The recoverable have been determined using value in use

Assumptions used by the Group when testing the impairment of intangible assets (indefinite useful life) as of 31 December 2015 as follows:

Average gross profit	34 %
Discount rate	19 %
Growth rate	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 a business plan using the growth rate and the discount rate prevailing. At the balance sheet date the carrying value of the intangible assets is not less than its recoverable amount.

Sensitivity of recoverable amounts

At 31 December 2015, 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 2015, if the growth 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 2015, if the gross profit 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.

D. Intangible assets which have definite useful lives – Know how

On the 16th of April 2015 the Company had signed a “License and Technical Assistance Agreement” with the owner of the knowhow with purpose to acquire the license, knowhow and technical assistance for some Hostess Brands products in the countries Egypt, Libya, Palestine, Jordan, Algeria, Bahrain, Iraq, Jordan, Lebanon, Kuwait, Morocco, Oman, Qatar, Kingdom of Saudi Arabia, Syria, Tunisia, and the United Arab Emirates, and this is against an amount of USD 4 Million equivalent to EGP 31,430,995.

7. Inventories

	2015	2014
Raw materials	96,827,316	78,624,516
Spare parts	26,436,664	21,637,869
Finished goods	10,177,972	8,197,309
Consumables	5,887,149	3,357,898
Work in process	1,935,464	1,443,165
Total	141,264,565	113,260,757
Less: provision for slow moving and obsolete inventory	(967,094)	(779,000)
Net	140,297,471	112,481,757

The cost of individual items of inventory are determined using moving average cost method.

During the year 2015, there has been a slow moving and obsolete inventory addition amounted to LE 738,482 (Note 24) and utilized amounted to LE 550,388.

The cost of inventory recognized as an expense and included in cost of sales amounted to LE 1,048,191,788 as of 31 December 2015 (2014: LE 941,125,610).

8. Trade and other receivables

	2015	2014
Trade receivables	6,387,918	10,514,126
Notes receivable	704,561	1,011,121
Total	7,092,479	11,525,247
Less: Provision for impairment of trade receivables	(20,556)	(138,785)
	7,071,923	11,386,462
Advances to suppliers	43,539,492	36,938,398
Prepaid expenses	4,708,186	4,316,961
Other debit balances	9,861,458	12,320,587
Deposits with others	2,106,229	920,373
Letters of credit	431,169	226,297
Employee loans	77,787	181,994
Accrued revenues	46,935	51,051
Total	67,843,179	66,342,123

9. Treasury bills

	2015	2014
Treasury bills par value	151,475,000	106,325,000
Unearned interest	(4,830,740)	(2,832,067)
Amount of treasury bills paid	146,644,260	103,492,933
Interest income recognized to profit or loss	2,946,854	2,521,191
Treasury bills balance	149,591,114	106,014,124

The Group purchased Egyptian treasury bills on 8st of September 2015 with par value of LE 32,225,000 with an annual interest of 11.25%. These treasury bills are due on 12th of January 2016. The total recognized interest income amounted to LE 1,089,850.

The Group purchased Egyptian treasury bills on 22nd of September 2015 with par value of LE 36,250,000 with an annual interest of 11.35%. These treasury bills are due on 2nd of February 2016. The total recognized interest income amounted to LE 1,082,594.

The Group purchased Egyptian treasury bills on 24th of November 2015 with par value amounted LE 35,000,000 with an annual interest of 11.13%. These treasury bills are due in 23rd of February 2016. The total recognized interest income amounted to LE 384,231.

The Group purchased Egyptian treasury bills on 24th of November 2015 with par value of LE 20,000,000 with an annual interest of 8.5%. These treasury bills are due on 23rd of February 2016. The total recognized interest income amounted to LE 219,560.

The Group purchased Egyptian treasury bills on 29st of November 2015 with par value amounted LE 8,000,000 with an annual interest of 11.10%. These treasury bills are due in 23rd of February 2016. The total recognized interest income amounted to LE 75,877.

The Group purchased Egyptian treasury bills on 15st of December 2015 with par value amounted LE 20,000,000 with an annual interest of 11.08%. These treasury bills are due in 8th of March 2016. The total recognized interest income amounted to LE 94,742.

10. Cash and cash equivalents (excluding bank overdrafts)

	2015	2014
Bank deposits	260,360,840	210,960,840
Cash at banks and on hand	52,983,212	22,340,594
Cash and cash equivalents (excluding bank overdrafts)	313,344,052	233,301,434

The average interest rate on local currency time deposits during 2015 is 7.50% (2014: 8.5%).

Bank deposits are having maturity period of less than 3 months from date of the deposit.

For the preparation of the cash flow statements, so cash and cash equivalents consists of:

	2015	2014
Cash and cash equivalents	313,344,052	233,301,434
Bank overdraft (Note 18)	(73,698,428)	(60,418,179)
Total	239,645,624	172,883,255

11. Loans

	2015			2014		
	Short-term portion	Long-term portion	Total	Short-term portion	Long-term portion	Total
Loans	134,688,327	346,217,286	480,905,613	115,190,974	204,543,390	319,734,364
	134,688,327	346,217,286	480,905,613	115,190,974	204,543,390	319,734,364

(1) Edita Food Industries Company

	2015			2014		
	Short-term portion	Long-term portion	Total	Short-term portion	Long-term portion	Total
First loan	13,057,767	-	13,057,767	26,690,885	12,500,000	39,190,885
Second loan	12,645,613	-	12,645,613	25,495,312	11,666,667	37,161,979
Third loan	11,830,743	-	11,830,743	23,834,870	11,667,000	35,501,870
Fourth loan	20,558,670	43,749,965	64,308,635	19,170,795	28,719,881	47,890,676
Fifth loan	34,408,847	115,311,417	149,720,264	3,472,419	115,689,842	119,162,261
Sixth Loan	20,438,125	72,000,000	92,438,125	-	-	-
Seventh Loan	162,383	89,431,939	89,594,322	-	-	-
	113,102,148	320,493,321	433,595,469	98,664,281	180,243,390	278,907,671

- **First loan**

This first loan is provided by one of the Egyptian banks in August 2011 based on a cross guarantee issued from Digma for Trading “Intercompany” 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 2015 after payment of due instalments amounted to 12,500,000 in addition accrued interests.

Terms of payments:

Edita Food Industries S.A.E. (borrower) is obligated to pay LE 12,500,000 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.

- **Second loan:**

This second loan is provided by one of the Egyptian banks in August 2012 based on a cross guarantee issued from Digma for Trading “Intercompany” 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 2015 after payment of accrued instalments is LE 11,666,667 in addition to the accrued interest.

Terms of payments:

Edita Food Industries S.A.E. (borrower) is obligated to pay the last installment LE 11,666,667 on 6 June 2016 in addition to the accrued interest.

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.

- **Third loan:**

This third loan is provided by one of the Egyptian banks in May 2013 based on a cross guarantee issued from Digma for Trading Company “Intercompany” 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 2015 after payment of due instalments is LE 11,667,000 in addition to the accrued interest.

Terms of payments:

Edita Food Industries S.A.E. (borrower) is obligated to pay last instalment amounted to LE 11,667,000 on 18 May 2016 in addition to accrued interest.

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.

- **Fourth loan:**

This fourth loan is provided by one of the Egyptian banks in January 2014 based on a cross guarantee issued from Digma for Trading “Intercompany” with an amount of LE 70,000,000 and the total withdrawal amount is LE 61,250,000 on 31 December 2015 in addition to accrued interest.

Terms of payments:

Edita Food Industries S.A.E. (borrower) is obligated to Pay LE 61,250,000 on 7 equal semi-annual instalments; each instalment is amounted to LE 8,750,000. The first installment is due on 22 January 2016 and the last on 22 January 2019 in addition to accrued interest.

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.

- **Fifth loan:**

This fifth loan is provided by one of the Egyptian banks on September 2014 based on a cross guarantee issued from Digma for Trading “Intercompany” amounted to LE 185,000,000 and the total withdrawal amount is LE 96,507,842 plus 5,561,950 Euro on 31 December 2015 in addition to accrued interest.

Terms of payments:

Edita Food Industries S.A.E. is obligated to Pay LE 96,507,842 on 10 equal semi-annual instalments; each instalment is amounted to LE 9,650,784. The first instalment is due on 1 January 2016 and the last on 1 July 2020 in addition to accrued interest. Total loan value and accrued interest to be paid to the bank in local currency without any obligation on the Company to pay foreign currency.

Interest:

The interest rate is 1.25% above mid corridor rate of Central Bank of Egypt and 2.5% above the Euribor rate.

Fair value:

Fair value is approximately equal to book value.

- Sixth loan:**

This sixth loan is provided by one of the Egyptian banks on April 2015 based on a cross guarantee issued from Digma for Trading “Intercompany” amounted to LE 90,000,000 and the total withdrawal amount is LE 90,000,000 in addition to accrued interest.

Terms of payments:

Edita Food Industries S.A.E. is obligated to Pay LE 90,000,000 on 10 equal semi-annual instalments; each instalment is amounted to LE 9,000,000. The first instalment is due on 9 April 2016 and the last on 9 October 2020 in addition to accrued interest.

Interest:

The interest rate is 1.25% above mid corridor rate of Central Bank of Egypt.

Fair value:

Fair value is approximately equal to book value.

- Seventh loan:**

This seventh loan is provided by one of the Egyptian banks on September 2015 based on a cross guarantee issued from Digma for Trading “Intercompany” amounted to LE 170,000,000 and the total withdrawal amount is LE 13,312,653 plus 7,811,566 Euro plus 453,204 USD plus 488,659 GBP on 31 December 2015 in addition to accrued interest. The bank committed to translate the foreign Currency to Egyptian pound as the company in not obligated to pay the loan back in foreign currency.

Terms of payments:

Edita Food Industries S.A.E. is obligated to Pay LE 170,000,000 on 11 equal semi-annual instalments; each instalment is amounted to LE 15,455,000, except for the last instalment amounted to LE 15,450,000 the first instalment is due on 19 Apr 2017 and the last on 18 April 2022 in addition to accrued interest. Total loan value and accrued interest to be paid to the bank in local currency without any obligation on the Company to pay foreign currency.

Interest:

The interest rate is 1% above mid corridor rate of Central Bank of Egypt and 2.5% above the Euribor rate.

Fair value:

Fair value is approximately equal to book value.

(2) Digma for Trading

	2015			2014		
	Short term portion	Long term portion	Total	Short term portion	Long term portion	Total
First loan	-	-	-	3,656,620	-	3,656,620
Second loan	3,733,704	3,333,334	7,067,038	3,948,750	6,666,667	10,615,417
Third loan	3,637,597	5,000,000	8,637,597	2,070,108	8,333,333	10,403,441
Fourth loan	7,620,274	14,290,631	21,910,905	-	-	-
Net	14,991,575	22,623,965	37,615,540	9,675,478	15,000,000	24,675,478

- The First loan**

The first loan is provided by one of the Egyptian banks in September 2012 and the total withdrawal amount is LE 14,000,000 in addition to accrued interest, the loan balance as of December 2014 after settlement of instalments amounted to LE 3,500,000 in addition to accrued interest. Digma for Trading had paid an amount of LE 3,500,000 in one instalment due on 31 March 2015

- The Second loan**

The second loan is provided by one of the Egyptian banks in December 2013 based on a cross guarantee issued from Edita Food Industries Company S.A.E “Intercompany” 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 for Trading S.A.E. is obligated to pay LE 6,666,666 on 4 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 next instalments is due on 1th of January 2016 and the last on 15th of July 2017 in addition to accrued interest.

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.

- 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 Company S.A.E “Intercompany” 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 for Trading S.A.E. is obligated to pay LE 8,333,333 on 5 equal semi-annual instalments, 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 February 2016 and the last on 20 February 2018 in addition to accrued interest.

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.

- The Fourth loan**

The fourth loan is provided by one of the Egyptian banks on 07 September 2015 based on a cross guarantee issued from Edita Food Industries Company S.A.E "Intercompany". amounted to LE 26,000,000 and the total withdrawal amount is LE 25,339,072 in addition to accrued interest,

Terms of payments:

Digma for Trading S.A.E. is obligated to pay LE 21,719,205 on 5 equal semi-annual instalments, each instalment is amounted to LE 3,714,286 and the last instalment amounted to LE 3,147,774 and the instalments come due after 6 months from the date the loan was issued to the company. The first instalment is due on April 2016 and the last on October 2018 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.

(3) Edita Confectionery Industries

	2015			2014		
	Short-term portion	Long-term portion	Total	Short-term portion	Long-term portion	Total
Long-term loan	6,594,604	3,100,000	9,694,604	6,851,215	9,300,000	16,151,215
	6,594,604	3,100,000	9,694,604	6,851,215	9,300,000	16,151,215

This loan is provided by one of the Egyptian banks based on a cross guarantee issued from Edita Food Industries Company "Intercompany" amounted to LE 31,000,000.

Terms of payments:

Edita Confectionery Industries 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 next instalment due on April 2016 and the last on 17 April 2017 in addition to accrued interest.

Interest:

The rate is 0.5% above central bank of Egypt mid corridor.

Fair value:

Fair value is approximately equal to book value.

Compliance with debt covenants

As of 31 December 2015, the group has complied with the financial covenants of its borrowing facilities during 2015 and 2014 reporting year.

12. Long-term notes payable

The long-term loan represents the total installment for the land purchased from Urban communities Authority – Shiekh Zayed City as the last installment on September 2016.

	2015		2014	
	Notes payable	Present value	Notes payable	Present value
Short-term notes payables				
Current portion of long-term notes payables (Note 17)	10,546,825	10,546,825	9,985,990	9,985,990
Total short-term liabilities	10,546,825	10,546,825	9,985,990	9,985,990

	2015		2014	
	Notes payable	Present value	Notes payable	Present value
Long-term notes payables:				
Notes payable due for more than one year and less than 5 years	-	-	10,546,825	8,884,103
Total long-term liabilities	-	-	10,546,825	8,884,103

The total accrued interest on the loan for the year ended at 31 December 2015 amounting to LE 1,131,318 (2014: LE 1,731,798) has been charged on the statement of income as a finance cost (Note 25).

13. Deferred income tax liability

Deferred income tax represents tax expenses on the temporary differences arising between the tax basis of assets and their carrying amounts in the financial statements:

	Property, plant & equipment and intangible assets	Acquiring Digma for Trading	Total
Balance at 1 January 2014	66,120,010	4,297,064	70,417,074
Charge to the statement of profit or loss	9,247,523	(240,423)	9,007,100
Balance at 31 December 2014 and 1 January 2015	75,367,533	4,056,641	79,424,174
Charged to the statement of profit or loss	15,352,551	(240,423)	15,112,128
Balance at 31 December 2015	90,720,084	3,816,218	94,536,302

According to the tax system in Egypt, the tax losses amounted to LE 53,278,941 may be changed during the tax inspection by the tax authority, accordingly the management did not recognize deferred tax assets except the tax profit recognized in the financial year ended as of December 31, 2015.

14. Employee Benefit obligations

Employees of the company are entitled upon their retirement to an end of service gratuity based on a defined benefit plan. The entitlement is based on the length of service and final remuneration package of the employee upon retirement. The defined benefit obligation is calculated using the projected credit unit method takes into consideration the principal actuarial assumptions as follows:

	2015
Discount rate	10%
Average salary increase rate	7%
Turnover rate	25%
Life table	49-52

The amounts recognized at the balance sheet date are determined as follows:

	2015	2014
Present value of obligations	2,533,203	-
Liability at the balance sheet	2,533,203	-

Movement in the liability recognized in the balance sheet:

	2015	2014
Balance at beginning of the year	-	-
Additions during year	2,533,203	-
Balance at end of the year	2,533,203	-

The amounts recognized in the statement of profit or loss are determined as follows:

	2015	2014
Present cost of the service		
Cost of interest	-	-
Accrued service cost	2,533,203	-
Total	2,533,203	-

15. Trade and other payables

	2015	2014
Trade payables	152,325,852	108,621,906
Notes payable	45,087,494	40,717,771
Accrued expenses	37,131,266	27,830,269
Other credit balances	8,639,617	10,600,214
Taxes payable	7,952,953	12,139,453
Advances from customers	2,582,453	4,715,426
Social insurance	1,454,228	1,231,230
Dividends payable	75,118	74,922
Total	255,248,981	205,931,191

Trade payables are unsecured and are usually paid within an average of 45 days of recognition.

The carrying amounts of trade and other payables are assumed to be the same as their fair values, due to their short-term nature.

16. Current income tax liabilities

	2015	2014
Balance at 1 January	81,588,139	52,015,132
Income tax paid during the year	(81,088,673)	(52,133,700)
Withholding tax	(3,789,924)	(2,836,383)
Income tax for the year (Note 26)	80,743,540	117,623,404
Corporate tax advance payment	(50,850,000)	(32,115,000)
Accrued interest – advance payment (Note 25)	(1,821,563)	(1,083,880)
Tax adjustments	(500,000)	118,566
Balance at end of year	24,281,519	81,588,139

17. Current portion of long-term liabilities

	2015	2014
Short-term loans (Note 11)	134,688,327	115,190,974
Current portion at long-term notes payable (Note 12)	10,546,825	9,985,990
Total	145,235,152	125,176,964

18. Bank overdraft

	2015	2014
Bank overdraft (Note 10)	73,698,428	60,418,179
Total	73,698,428	60,418,179

Bank overdraft is an integral part of the Company's cash management. Bank overdraft is secured against guarantees by cross guarantees from the group of shareholders. The effective interest rate for bank overdraft was 11.25 % as of 31 December 2015 (2014: 11.25%).

19. Provisions

	Other provisions	
	2015	2014
Balance at 1 January	10,916,700	9,034,968
Charged during the year	5,489,092	5,014,145
Utilized during the year	(404,938)	(3,132,413)
Balance at end of year	16,000,854	10,916,700

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.

20. Share capital

Authorized capital LE 360,000,000 (1,800,000,000 share, par value LE 0.20 per share).

The issued and paid up capital amounted by LE 72,536,290 presented in 362,681,450 share (par value LE 0.20 per share) as it is the structure before going for the public offering distributed as follow:

Capital structure before trading			
	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	0.210%
	362,681,450	72,536,290	100%

The new shareholders shares (issued and paid up capital amounted to LE 72,536,290) after trading are shown as follows:

Capital structure before trading			
Shareholders	No. of shares	Shares value	Percentage of ownership
BERCO Ltd.	151,654,150	30,330,830	41.815%
EXODER Ltd.	47,056,732	9,411,346	12.975%
Africa Samba Corporative	54,402,233	10,880,447	15.000%
Others (Public stocks)	109,568,335	21,913,667	30.210%
	362,681,450	72,536,290	100%

Edita Food Industries' shares started trading on April 2, 2015 on the Egyptian Stock Exchange (EFID.CA) and in GDRs on the London Stock Exchange (EFIDq.L) with strong trading reflecting the Company's robust performance. The secondary offering was of 30% of Edita's share capital with the offer being 85% directed to institutional buyers (both local shares and GDRs) and 15% of the offering directed to local retail investors. The institutional portion was 13.4x oversubscribed and the retail portion was 4.5x oversubscribed. At the start of trading, of the total 108,804,435 shares being offered 65,125,189 were allocated to the GDR program.

21. Legal reserve

In accordance with Companies 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 Company may stop such transfers when the legal reserve reaches 50% of the issued capital. The reserve is not eligible for distribution to shareholders.

22. Non-controlling interest

Edita Participation Limited has non-controlling interest in Edita Food Industries

	Paid up capital	Legal reserves	Revaluation assets reserve	Accumulated losses	Total	
					2015	2014
Balance at 1 January	12,271,000	5,000	40,566	(10,349,773)	1,966,793	2,261,950
Dividend distribution (minority share)	-	-	-	-	-	(89,173)
Minority share in profit / (loss) of subsidiaries	-	-	-	3,653,048	3,653,048	(203,579)
Assets revaluation reserve	-	-	(2,404)	-	(2,404)	(2,405)
Balance at end of year	12,271,000	5,000	38,162	(6,696,725)	5,617,437	1,966,793

23. Other income

	2015	2014
Gain from sale of production waste	4,940,762	5,238,248
Other income	5,634,304	3,117,894
Export subsidies	4,829,951	8,071,926
Investments in Osoul funds	-	2,466
Net	15,405,017	16,430,534

24. Other gains / (losses) net

	2015	2014
Other expenses	-	(10,000,000)
Provision for slow moving inventory	(738,482)	(532,325)
Other Provisions	(5,489,092)	(5,014,145)
Provision for employee benefit obligation	(2,533,203)	-
Total	(8,760,777)	(15,546,470)
Gain from sales of fixed assets	13,102,697	1,671,219
Foreign exchange gains	1,414,016	5,923,992
Net	5,755,936	(7,951,259)

25. Finance cost - net

	2015	2014
Finance income		
Interest income	24,701,802	19,659,271
Interest income – treasury bills	2,946,854	2,521,191
Interest income – corporate tax payment	1,821,563	1,083,880
	29,470,219	23,264,342
Finance cost		
Interest expense	(32,366,845)	(23,435,140)
Interest on land's instalments	(1,131,318)	(1,731,798)
	(33,498,163)	(25,166,938)
Finance cost – net	(4,027,944)	(1,902,596)

26. Income tax expense

The Company is subject to the corporate income tax according to tax law No. 91 of 2005 and its amendments of tax law No. 96 of 2015.

	2015	2014
Income tax for the year	80,743,540	117,623,404
Deferred tax expense for the year	15,109,724	9,004,696
Total	95,853,264	126,628,100
Profit before tax	444,931,230	392,507,936
Tax calculated based on applicable tax rates 22.5%	100,109,527	-
Tax calculated based on applicable tax rates 255%	-	250,000
Tax calculated based on applicable tax rates 30%	-	117,452,351
	100,109,527	117,702,351
Tax effect of non- deductible expenses	1,971,175	2,595,557
Tax effect of non-taxable revenues	-	(478,951)
Tax losses for which no deferred income tax asset was recognized and impact of changes in tax rate	(6,227,438)	(6,809,143)
Income tax expense	95,853,264	126,628,100

27. Earnings per share

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2015	2014
Profit attributed to owners of the parent	349,077,965	265,879,836
Weighted average number of ordinary shares in issue		
Ordinary shares	362,681,450	362,681,450
	362,681,450	362,681,450
Basic earnings per share	0.96	0.73

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.

28. Consolidated expenses by nature

	2015	2014
Cost of sales	1,357,884,821	1,197,772,308
Distribution cost	282,347,968	211,275,916
Administrative expenses	157,323,657	123,581,905
	1,797,556,446	1,532,630,129
Raw materials used	1,068,870,526	960,679,026
Salaries and wages	305,471,201	272,319,836
Advertising and marketing	108,714,342	73,212,365
Depreciation	76,766,487	63,851,047
Gas, oil, water and electricity	39,953,959	25,930,531
Miscellaneous and other expense	35,465,827	18,757,920
Employee benefits	48,241,442	38,904,255
Rent	34,320,999	16,481,141
Profit share employee	21,830,671	17,474,796
Transportation expenses	20,537,246	18,254,047
Maintenance	21,347,708	11,579,154
Vehicle expense	19,005,194	19,833,637
Consumable materials	10,495,081	9,210,745
Purchases – goods for resale	4,593,602	3,802,004
Royalty	1,677,969	1,893,041
Amortization of intangible assets	942,930	-
Change In Inventory	(20,678,738)	(19,553,416)
	1,797,556,446	1,532,630,129

29. Cash generated from operations

	2015	2014
Profit for the year before income tax	444,931,230	392,507,936
Adjustments for:		
Provisions	6,227,574	5,546,470
Provision for employee benefit obligations	2,533,203	-
Interest on lands' installments	1,131,318	1,731,798
Interest expense	32,366,845	23,435,140
Interest income	(27,648,656)	(22,180,462)
Interest income – corporate tax payment	(1,821,563)	(1,083,880)
Depreciation of property, plant and equipment	76,766,487	63,851,047
Amortization of Intangible assets	942,930	-
Gain on disposal of property, plant and equipment	(13,102,698)	(1,671,219)
	522,326,670	462,136,830
Change in working capital		
Inventories	(28,003,808)	(28,873,433)
Trade and other receivables	(1,382,827)	(193,917)
Trade and other payables	49,317,790	20,365,989
Provisions used	(1,073,555)	(3,132,413)
Cash generated from operations	541,184,270	450,303,056

In the statement of cash flows, proceeds from sale of property, plant and equipment comprise:

	2015	2014
Net book amount	1,341,041	1,393,598
Profit of disposal of property, plant and equipment	13,102,698	1,671,219
Proceeds from disposal of property, plant and equipment	14,443,739	3,064,817

30. 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 knowhow of Chipita International Company.

The royalty paid during 2015 amounted to LE 723,299 (2014: LE 723,049) Chipita Participation is considered a related party as it owns Exoder Ltd. Company that in turn owns 12.97% of Edita Food Industries S.A.E. shares.

2. Key management compensation

During the year ended 31 December 2015 the company paid an amount of LE 61,969,936 as salaries and benefits to the key management members (31 December 2014: LE 47,654,466).

31. 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 2015.

Edita Food Industries Company

a. Corporate tax

- The company is tax exempted 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.
- The tax inspection was performed for the year 2010 and the differences were finalized with internal committee and all due tax amounts were paid.
- For the years 2011-2014 the Company is submitting the tax return according to law No. 91 of 2005 in its legal period.

a) Payroll tax

- The payroll tax inspection was performed till 31 December 2013 and company paid tax due.
- As for the years 2014 and 2015 the tax inspection has not been performed yet till the balance sheet date.
- The Company is submitting the quarterly tax return on due time to the Tax Authority.

b) Sales tax

- The sales tax inspection was performed till 31 December 2012 and tax due was paid.
- For the years 2013 to 2015 the tax inspection has not been performed yet till the balance sheet date, monthly tax return were submitted on due time.

c) Stamp duty tax

- The stamp duty tax inspection was performed till 2006 and company paid tax due.
- Years 2007 till 2009 the company was inspected and the differences were finalized with internal committee but not paid yet.
- Years from 2010 till 2015 tax inspection have not been performed yet till the balance sheet date.

d) Withholding tax

- The withholding tax inspection was performed till the last quarter.

Digma for Trading

a) 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 2009 and the tax resulting from the tax inspection were settled and paid to the Tax Authority.
- For the years from 2010 to 2014 Company submits its tax returns on due dates according to law No, 91 for the year 2005.

b) Payroll 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.
- The tax inspection was performed for the years 2009 to 2012 and the differences were sent to the internal committee to study
- For the years from 2013 to 2015 the Company submitted its quarter tax returns to Tax Authority on due dates.

c) 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.
- The tax inspection was performed for the years from 2009 to 2012 and the difference were sent to internal committee to study.
- For the years from 2013 to 2015 the Company paid the tax due.

d) Sales tax

- The tax inspection was performed until 31 December 2012 and the tax resulting from the tax inspection and assessment were settled and paid to the Tax Authority.
- The years 2013-2015 the Company submits its monthly sales tax return on due date.

Edita Confectionary Industries

a) Corporate tax

- The Company is subject to the corporate income tax according to tax law No. 91 of 2005 and adjustments.
- The company's books have not been inspected yet until the financial statements date for corporate tax.

b) Payroll Tax

- The payroll tax inspection was performed from 2009 till 2012 and the company is waiting for the tax claims.
- The company hasn't been inspected for the years of 2013 to 2015.

c) Sales Tax

- The company is being inspected for the sales tax & the company for the years from the Company's inception till 2013
- The company hasn't been inspected for the years of 2014 to 2015.

d) Stamp Tax

- The stamp tax inspection was performed from 2009 till 2011 and the tax due was paid to the Tax Authority.
- The company hasn't been inspected for the year of 2012 and 2015.

Contingent Liabilities

(1) Edita Food Industries Company

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 22,649,329 as at 31 December 2015 (2014: LE 24,422,901).

(2) Digma for Trading

The Company guarantees Edita Food Industries "Intercompany" against third parties in borrowing from the banks.

At 31 December 2015 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 913,869 (2014: LE 453,934).

(3) Edita Confectionary Industries

At 31 December 2015 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 at 31 December 2015 amounted to LE 1,220,616 (2014: LE 1,185,971).

32. Capital commitments

The Company has capital commitments as of 31 December 2015 amounted to LE 116,000,000 in respect of the construction of a new factory for Edita Food Industries.

33. Financial instrument by category

	2015	
	Loans & receivables	Total
Assets as per balance sheet		
Trade and other receivables (excluding prepayments)*	63,134,993	63,134,993
Cash and cash equivalents	313,344,052	313,344,052
Treasury bills	149,591,114	149,591,114
Total	526,070,159	526,070,159

	2015	
	Other financial liabilities at amortised costs	Total
Liabilities as per balance sheet		
Borrowings*	491,452,438	491,452,438
Trade and other payables (excluding non-financial liabilities)	243,259,347	243,259,347
Bank overdraft	73,698,428	73,698,428
Total	808,410,213	808,410,213

	2014	
	Loans & receivables	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

	2014	
	Other financial liabilities at amortised costs	Total
Liabilities as per balance sheet		
Borrowings*	329,720,354	329,720,354
Trade and other payables (excluding non-financial liabilities)	187,845,082	187,845,082
Bank overdraft	60,418,179	60,418,179
Total	577,983,615	577,983,615

* 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.

Trade and other receivables presented above excludes prepaid expenses

Trade and other payables presented above excludes taxes payables, advances from customers and social insurances.

34. Segment reporting

(Amounts presented to the nearest thousands EGP)

	Cake		Croissant		Bake		Friska		Mimix		Other		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Revenue	1,205,203	1,142,056	748,680	563,995	94,155	88,556	85,181	63,833	84,281	52,521	7,855	7,600	2,225,355	1,918,561
Gross profit	475,946	439,900	303,756	226,041	26,727	22,127	35,894	23,160	21,581	6,267	3,566	3,294	867,469	720,789
Profit from operations.	262,723	257,627	158,291	136,051	4,151	5,641	13,423	(4,401)	7,987	(2,668)	2,385	2,161	448,960	394,411
Credit interest	(18,142)	(13,872)	(11,270)	(6,851)	(1,417)	(1,076)	(1,282)	(776)	(1,269)	(2,500)	(119)	(92)	(33,499)	(25,167)
Debit interest	15,960	14,239	9,915	7,032	1,247	1,105	1,128	794	1,116	-	104	95	29,470	23,265
Income tax	(56,027)	(81,232)	(33,796)	(42,848)	(1,015)	(2,062)	(2,903)	80	(1,609)	102	(503)	(668)	(95,853)	(126,628)
Net profit	204,514	176,762	123,140	93,384	2,966	3,608	10,366	(4,303)	6,225	(5,066)	1,867	1,496	349,078	265,881

The segment in formation disclosed in the table above represents the segment confirmation provided to the chief operating decision makers of the Group.

Egyptian Accounting Standards – EAS

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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 (the Group) which comprise the consolidated balance sheet as of 31 December 2015 and the consolidated statements of income, consolidated changes in equity and consolidated cash flows for the fiscal year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the consolidated financial statements

These consolidated financial statements are the responsibility of the Group's management. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Egyptian Accounting Standards and in light of the prevailing Egyptian laws, management responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; management responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 Egyptian Standards on Auditing and in light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that 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 Group's preparation and fair presentation of the consolidated financial statements 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 Group'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 on these consolidated financial statements.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Edita Food Industries Company (S.A.E.) and its subsidiaries as of 31 December 2015, and of its financial performance and its cash flows for the fiscal year then ended in accordance with Egyptian Accounting Standards and in light of the related Egyptian laws and regulations.

Ahmed Gamal Al-Atrees
R.A.A. 8784
E.F.S.A. 136
Mansour & Co. PricewaterhouseCoopers

3 March 2016
Cairo

CONSOLIDATED BALANCE SHEET

At 31 December 2015

(All amounts in Egyptian Pounds)

	Note	2015	2014
Non-current assets			
Property, plant and equipment	5	1,299,529,732	1,015,869,650
Intangible assets	6	161,968,712	68,618,658
Total non-current assets		1,461,498,444	1,084,488,308
Current assets			
Inventories	7	140,297,471	112,481,757
Trade and notes receivables	8	7,071,923	11,386,462
Debtors and other debit balances	9	60,771,256	54,955,661
Treasury Bills	10	149,591,114	106,014,124
Cash and bank balances	11	313,344,052	233,301,434
Total current assets		671,075,816	518,139,438
Current liabilities			
Provisions	12	16,000,854	10,916,700
Bank overdraft	13	73,698,428	60,418,179
Trade and other payables	14	255,248,981	205,931,191
Current Income tax liabilities	15	24,281,519	81,588,139
Current portion of long-term liabilities	16	145,235,152	125,176,964
Total current liabilities		514,464,934	484,031,173
Net working capital		156,610,882	34,108,265
Total invested funds		1,618,109,326	1,118,596,573
Represented in:			
Owners' equity			
Paid up capital	17	72,536,290	72,536,290
Legal reserve	18	38,947,275	31,103,903
Foreign currency translation reserve		5,568	3,501
Retained earnings		1,057,715,965	720,134,419
Total shareholders' equity		1,169,205,098	823,778,113
Minority interest	19	5,617,437	1,966,793
Total owners' equity		1,174,822,535	825,744,906
Non-current liabilities			
Long term loans	20	346,217,286	204,543,390
Long-term notes payable	21	-	8,884,103
Deferred income tax liabilities	22	94,536,302	79,424,174
Employee benefit obligation	23	2,533,203	-
Total non-current liabilities		443,286,791	292,851,667
Total owners' equity and non-current liabilities		1,618,109,326	1,118,596,573

The accompanying notes can be viewed at ir.edita.com.eg and form an integral part of these financial statements.



Mr Sherif Fathy
Vice President - Finance



Eng Hani Berzi
Chairman

2 March 2016

CONSOLIDATED STATEMENT OF INCOME

For the year ended 31 December 2015

(All amounts in Egyptian Pounds)

	Note	2015	2014
Sales		2,225,354,667	1,918,561,386
Cost of sales		(1,349,479,274)	(1,190,558,470)
Gross profit		875,875,393	728,002,916
Selling and marketing expenses		(276,435,403)	(205,785,594)
General and administrative expenses		(149,811,098)	(118,811,269)
Other income	24	28,507,714	18,101,753
Other expenses	25	(8,760,777)	(15,546,470)
Operating profit		469,375,829	405,961,336
Finance (cost) / income , net	26	(2,613,928)	4,021,396
Profit before tax		466,761,901	409,982,732
Income tax expense	27	(95,853,264)	(126,628,100)
Net profit for the year		370,908,637	283,354,632
Distributed as follows:			
Shareholders' equity		367,255,589	283,558,211
Minority interest		3,653,048	(203,579)
Net profit for the year		370,908,637	283,354,632
Earning per share (Basic and Diluted)	28	0.96	0.72

The accompanying notes can be viewed at ir.edita.com.eg and form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015

(All amounts in Egyptian Pounds)

	Paid up capital		Legal reserve	Foreign currency translation reserve	Retained earnings	Total shareholders' equity	Total Owners' Equity	
							Minority interest	Total owners' equity
Balance at 31 December 2013 and 1 January 2014	72,536,290	16,407,621	(933)	618,747,286	707,690,264	2,261,950	709,952,214	
Dividends distribution for 2013	-	-	-	-	(167,474,796)	(89,173)	(167,563,969)	
Assets revaluation reserve	-	-	-	-	-	(2,405)	(2,405)	
Foreign currency translation reserve	-	-	-	4,434	-	4,434	-	4,434
Net profit for the year	-	-	-	-	283,558,211	283,558,211	(203,579)	283,354,632
Transfer to legal reserve	-	14,696,282	-	-	(14,696,282)	-	-	-
Balance at 31 December 2014 and 1 January 2015	72,536,290	31,103,903	3,501	720,134,419	823,778,113	1,966,793	825,744,906	
Dividends distribution for 2014	-	-	-	(21,830,671)	(21,830,671)	-	(21,830,671)	
Assets revaluation reserve	-	-	-	-	-	(2,404)	(2,404)	
Foreign currency translation reserve	-	-	-	2,067	-	2,067	-	2,067
Net profit for the year	-	-	-	-	367,255,589	367,255,589	3,653,048	370,908,637
Transfer to legal reserve	-	7,843,372	-	-	(7,843,372)	-	-	-
Balance at 31 December 2015	72,536,290	38,947,275	5,568	1,057,715,965	1,169,205,098	5,617,437	1,174,822,535	

The accompanying notes can be viewed at ir.edita.com.eg and form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2015

	Notes	(All amounts in Egyptian Pounds)	
		2015	2014
Cash flows from operating activities			
Profit for the year before tax		466,761,901	409,982,732
Adjustments for:			
Provisions formed	25	6,227,574	5,546,470
Provision for employee benefit obligation	25	2,533,203	-
Interest on lands' installments	26	1,131,318	1,731,798
Interest expense	26	32,366,845	23,435,140
Interest income	26	(27,648,656)	(22,180,462)
Interest income - corporate tax advances	26	(1,821,563)	(1,083,880)
Depreciation of property, plant and equipment	5	76,766,487	63,851,047
Amortization of intangibles assets	6	942,930	-
Gain on sale of property, plant and equipment	24	(13,102,698)	(1,671,219)
Operating profits before changes in working capital		544,157,341	479,611,626
Changes in working capital			
Inventories		(28,003,808)	(28,873,433)
Trade and notes receivables		4,432,768	1,576,318
Debtors and other debit balances		(5,815,595)	(1,770,235)
Trade and other payables		49,094,792	20,370,423
Provisions used		(1,073,555)	(3,132,413)
Cash flows generated from operating activities		562,791,943	467,782,286
Interest paid		(29,459,700)	(23,435,140)
Income tax paid		(136,228,597)	(86,966,517)
Net cash flows generated from operating activities		397,103,646	357,380,629
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(361,767,610)	(254,667,763)
Purchase of intangible asset		(94,292,984)	-
Proceeds from sale of property, plant and equipment		14,443,739	3,064,817
Interest received		27,648,656	22,180,462
Paid sales tax on machinery		-	(25,296)
Notes payable		(9,985,990)	(9,425,154)
Payment for purchase of treasury bills		(151,475,000)	(106,325,000)
Proceeds from sale of treasury bills		107,898,010	104,638,277
Net cash flows used in investing activities		(467,531,179)	(240,559,657)
Cash flows from financing activities			
Dividends paid		(21,605,606)	(167,466,518)
Repayment of borrowings		(163,356,268)	(136,597,210)
Proceeds from borrowings		322,151,776	202,259,546
Net cash flows generated from / (used in) financing activities		137,189,902	(101,804,182)
Net increase in cash and cash equivalents		66,762,369	15,016,790
Cash and cash equivalents at beginning of the year		172,883,255	157,866,465
Cash and cash equivalents at end of the year	11	239,645,624	172,883,255

* At 31 December 2015, an amount of 2,907,145 EGP has been excluded from the proceeds from borrowings which is related to interest expense as it represents a non cash transaction

The accompanying notes can be viewed at ir.edita.com.eg and form an integral part of these financial statements.

This page has intentionally been left blank.

This page has intentionally been left blank.

This page has intentionally been left blank.



Edita Food Industries S.A.E.