

June 18, 2012

KEY DATA

Fair Value per Share (EGP)	23.0
Closing Price (EGP)*	22.8
52-week High / Low (EGP)	30.0 / 17.5
YTD / 12-month Return	10% / -23%
P/E (TTM)	11.7
Shares Outstanding (Millions)	223
Market Cap (EGP Millions)	5,098
Free Float	34%
Reuters / Bloomberg Code	SWDY.CA / SWDY EY

*Prices as of June 17, 2012. Sources: Bloomberg and NBK Capital

KEY METRICS

	2011A	2012F	2013F	2014F
EPS (EGP)	2.28	2.51	2.97	3.41
EPS Growth	-36%	10%	19%	15%
P/E	10.0	9.1	7.7	6.7
Dividend Yield	4.4%	4.8%	5.2%	6.0%
EV/EBITDA	7.3	7.0	6.4	5.9
Revenue (EGP Millions)	15,169	15,523	16,842	18,070
Revenue Growth	18%	2%	8%	7%
EBITDA (EGP Millions)*	1,342	1,403	1,536	1,669
EBITDA Growth	-5%	5%	9%	9%
EBITDA Margin	8.8%	9.0%	9.1%	9.2%

*Excludes other income and expenses. Prices as of June 17, 2012. Sources: El Sewedy and NBK Capital

QUARTERLY FORECASTS

EGP Millions	2Q2011A	1Q2012A	2Q2012F	3Q2012F
Revenue	3,933	3,457	4,089	3,820
EBITDA*	393	295	345	388

*Excludes other income and expenses. Sources: El Sewedy and NBK Capital

REBASED PERFORMANCE



Sources: Bloomberg and NBK Capital

Analysts

Ashish Jain

T. +965 2259 5115
E. ashish.jain@nbkcapital.com

Samir Murad, CFA

T. +965 2259 5145
E. samir.murad@nbkcapital.com

HIGHLIGHTS

12-Month Fair Value: EGP 23.0

Recommendation: Hold - Risk Level: 4**

Reason for Report: Initiation of Coverage

- **El Sewedy Electric (Sewedy) is a leading electric cable producer (primarily copper) in the Middle East and Africa (MEA)** with manufacturing facilities spread across the region. Sewedy also engages in electrical turnkey activities and produces and sells electrometers, transformers, and other electrical products in the region.
- Continuous spending by regional governments on infrastructure development and the urgent need to improve the infrastructure in under-penetrated Africa underpin the growth for the cable industry. **Despite strong potential in the long-term, the near-term outlook appears somewhat subdued, marred by the ongoing political uncertainties in Egypt and elsewhere in the region.** The recent political crisis has halted progress on some of the ambitious regional power projects. The impending threat of a global slowdown also casts doubt on general economic growth and government fiscal balances, particularly for oil exporters.
- **Saudi Arabia and other regional markets are suffering from oversupply**, which, coupled with high copper prices in the recent past, has squeezed margins for the cable producers. Gross profits (GP) per ton for Sewedy have fallen to historic lows recently. We expect continuous pressure on GP per ton in the current weak operating environment notwithstanding the recent fall in copper prices. However, we expect a gradual recovery beginning 2013, as we hope to see some political stability. This, along with the improving economic outlook, could drive further spending on power projects across the region.
- However, **Sewedy's other segments (turnkey, transformer, and meters) are expected to perform relatively better in 2012 from a profitability perspective**, according to the management guidance. We believe the turnkey segment could grow faster than the core cable segment over the medium-term, particularly in Egypt, with the resumption of projects pipeline and in Africa, where Sewedy enjoys close geographic proximity and access to the markets.
- **We initiate coverage on Sewedy with a "Hold" recommendation and a fair value of EGP 23.0 per share.** The stock currently trades in line with its peers and continues to face pressures from the weak operating environment, political uncertainty in Egypt, and Sewedy's stretched balance sheet. We believe improving political outlook in Egypt and an increase in infrastructure investments should be strong positive catalysts for the stock; however, visibility on the matter remains low at this stage.

**Please refer to page 29 for recommendations and risk ratings.

CONTENTS

EXECUTIVE SUMMARY	3
VALUATION	5
THE MEA POWER INFRASTRUCTURE MARKET	8
Demand drivers for cable in the region	8
Dynamics of cable supplies	11
Factors affecting the (copper) cable market	12
The impact of copper prices on cable producers' profitability.....	14
EL SEWEDY ELECTRIC CO	15
Overview	15
Business segments: A closer look	16
Operating expenses: Relatively high operating leverage.....	23
Balance sheet structure: Strained by elevated working capital levels	23
FINANCIAL STATEMENTS	28

EXECUTIVE SUMMARY

The demand for cable and overall transmission and distribution-related electrical products in the Middle East and Africa (MEA) region is driven by governments' fiscal spending on infrastructure developments. Oil-exporting economies have been spending heavily to diversify the economic base away from oil while other nations are striving hard to improve their overall infrastructure to create a more favorable investment environment. Moreover, the majority of the African continent remains under-served and under-penetrated, which suggests an urgent need for developing the power infrastructure in the region.

However, the recent Arab Spring and the related political crisis in the region have impacted some of the ambitious power projects, existing ones as well as those in the pipeline. Further, a surge in cable capacity (expansions initiated/completed during the 2006-08 boom) in the region has overtaken demand in the recent past, especially for the low-end low-voltage segment. Therefore, despite having high potential in the medium- to long-term, the near-term outlook appears less bright. Additionally, the current oversupply along with weaker demand in countries affected by unrest leaves regional cable producers vulnerable to the relatively higher bargaining power of customers, in our view.

Sewedy is an Egypt-based leading electric cable producer in the MEA region (excluding South Africa) with production and commercial operations spread across several countries. Cable is the largest segment, contributing around 75% to the total revenues followed by turnkey (contracting) contributing around 17%.

Sewedy follows a "cost-plus" approach for selling cables, where copper is the main cost component. Therefore, Sewedy's revenues have broadly mirrored the trend in copper prices. Cable revenues grew at a 7% CAGR over the past five years compared to a 5% CAGR in average copper prices over the same period. However, Sewedy has also been increasing its focus on the turnkey business in the region, which is among the fastest-growing segments, for the company. Therefore, on the back of high growth in the turnkey segment (40% CAGR), overall revenues recorded a 13% CAGR over 2007-11 to EGP 15.1 billion in 2011. Sewedy continues to benefit from the favorable environment over the medium- to long-term; however, the near-term outlook is dampened by the ongoing political uncertainties in some key markets as well as due to the looming global slowdown. An improvement in the political situation in Egypt will potentially help Sewedy find lost revenue streams, but the visibility on the matter at this point is scant. The company is currently guiding for muted growth in key cable and turnkey segments for 2012. Given the challenging near-term outlook, we forecast overall revenue growth of 2% for 2012 and an 8% CAGR for 2012-17F.

Sewedy's profitability ratios have been fluctuating due to volatile copper prices as well as an oversupply situation of cables in key Middle East and North Africa (MENA) markets, especially Saudi Arabia. The gross margin expanded during the low copper price environment in 2009; however, the gross margin declined by 280 bps year-on-year (YoY) to 12.6% in 2011, when copper prices hit all-time high. The 2011 Arab Spring also impacted the company's profitability due to the shift in sales to lower-margin markets such as the Gulf and Europe. Copper prices this year have declined by around 7% from the 2011 average. However, continued weak demand in politically hit countries and the increasing revenue contribution from the highly competitive Gulf markets may offset this positive development. Therefore, we believe the benefits from low copper prices may not be material from an operating profitability perspective in the near-term. A stabilizing political scenario, sustained infrastructural spending in the Gulf Cooperation Council (GCC) and an uptick in demand from the Africa should start absorbing the overcapacity in cables industry in the region over the medium- to long-term, in our view. This could result in increasing bargaining power for the cable producers, and therefore, we believe Sewedy's gross margins should start improving over the medium-term.

High copper prices have also weighed on the company's working capital requirements in the past. Account receivables and inventories account for more than half of Sewedy's total assets. Much of this working capital is funded through short-term debt (short-term debt is around 85% of the total debt with the overall net debt to equity ratio 84% as of 2011). Therefore, Sewedy's balance sheet appears stretched; however, the balance sheet structure seems broadly in line with the regional industry norms. We also feel that the decrease in copper prices in 2012 will help reduce the drain on working capital due to lower inventory costs.

We initiate coverage on Sewedy with a "Hold" recommendation and a fair value of EGP 23.0 per share, which represents around 1% upside from the last close. Despite the strong growth potential over the medium- to long-term, the current weak environment may not benefit the stock over the near-term, in our view. However, stabilizing political situation in Egypt could act as a catalyst for the stock and may lift the overall investors' sentiment.

VALUATION

The purpose of this valuation exercise is to arrive, through fundamental analysis, at a fair value estimate of the share price that should prevail for Sewedy over the next 12 months. This does not represent a guarantee that this value is achievable within that time frame, as a wide range of variables and market dynamics affect the market price of an asset.

Each investor must use his or her favorite mix of fundamental research, technical analysis, and market intelligence to arrive at an investment decision that matches his or her objectives and tolerance for risk.

We arrive at a 12-month fair value for Sewedy of EGP 23.0 per share by using two valuation methods: discounted cash flow (DCF) and peer comparison based on forward PE multiples. We specify a weight for each method, as shown in Figure 1. The greater weight is assigned to DCF, as this method examines the fundamentals of the company to determine its future cash-generating ability. The 12-month fair value of EGP 23.0 represents around 1% upside potential from the last close; hence, our recommendation is “Hold.”

Figure 1 Fair Value per Share

Our fair value represents 1% upside potential; therefore, our recommendation is “Hold”

Valuation Method	Weights	Value
Discounted cash flow	70%	EGP 22.7
Peer comparison (PE)	30%	EGP 23.6
Weighted average fair value	100%	EGP 23.0

Source: NBK Capital

Discounted cash flow valuation

Our DCF valuation (Figure 2) is based on forecast financial results through 2017. The DCF valuation is a function of the following major variables, which have been estimated by our models:

- Future net operating profit less adjusted taxes (NOPLAT), which is driven primarily by expectations of sales and operating expenses
- Future changes in working capital
- Future net expenditures on fixed assets
- The weighted average cost of capital (WACC), which is a weighted average of our estimated cost of equity and the after-tax cost of debt
- The long-term expected growth rate in NOPLAT and the expected rate of return on net new invested capital (RONIC)

From the forecasted financial results, we extract the free cash flows used in our valuation. We discount those cash flows to a point in time 12 months into the future to obtain an estimate of the value of the company's operations. Therefore, we arrive at a total equity value of EGP 5,081 million.

Figure 2 DCF Valuation

Figures in EGP Millions*		Forecast					
Fiscal Year Ends December		2012	2013	2014	2015	2016	2017
Net Operating Profit after Tax		867	963	1,060	1,190	1,324	1,501
Add: Depreciation and Amortization		351	368	376	387	404	422
Gross Cash Flow		1,219	1,331	1,436	1,577	1,728	1,923
(Incr.)Decr. in Working Capital		(141)	(473)	(483)	(603)	(617)	(693)
(Incr.)Decr. in Operating Fixed Assets		(171)	(253)	(307)	(372)	(402)	(424)
Free Cash Flow from Operations		907	606	646	602	709	806
Terminal Value		13,212					
Value of Operations in 12 Months		9,416					
Add: Excess Cash		1,288					
Add: Value of Long-Term Investments		401					
Less: Total Debt		5,599					
Less: Minority Interest		440					
Value of Equity in 12 Months		5,081					
Per Share Value in EGP		22.7					

*Except per-share values. Source: NBK Capital

Sensitivity analysis

We also perform a sensitivity analysis (Figure 3) on two important inputs for our DCF valuation model: the cost of equity and the perpetual growth rate used in computing the terminal value.

Figure 3 DCF Sensitivity

		Growth				
		-1.00%	-0.50%	Base case	0.50%	1.00%
Cost of Equity	-1.50%	EGP 25.4	EGP 26.6	EGP 28.0	EGP 29.5	EGP 31.2
	-0.75%	EGP 23.1	EGP 24.1	EGP 25.2	EGP 26.5	EGP 27.9
	Base case	EGP 20.9	EGP 21.8	EGP 22.7	EGP 23.8	EGP 25.0
	0.75%	EGP 19.0	EGP 19.7	EGP 20.5	EGP 21.4	EGP 22.4
	1.25%	EGP 17.2	EGP 17.9	EGP 18.5	EGP 19.3	EGP 20.1

Source: NBK Capital

Peer group comparison

Sewedy is currently trading at 9.1x PE and 7.0x EV/EBITDA for FY2012, broadly in line with peers. Given the challenging environment in the region coupled with a slightly stretched balance sheet compared to international peers, we do not expect Sewedy to command any material premium at this point.

Figure 4 Peer Comparison

Company	Country	M Cap	P/E		EV/EBITDA		ROE	Div yield	
		(USD mn)	2012	2013	2012	2013	2012	2012	2013
International cable peers									
General Cables	USA	1,376	10.2	7.9	5.5	4.7	9.6%	na	na
Prysmian	Italy	3,051	9.1	7.3	6.0	5.3	19.9%	2.3%	3.0%
Leoni Cables	Germany	1,341	6.0	5.7	3.3	3.3	21.9%	5.1%	5.4%
Prysmian	Italy	3,051	9.1	7.3	6.0	5.3	19.9%	2.3%	3.0%
Nexans	France	1,192	9.6	7.2	3.3	2.8	5.4%	3.7%	4.3%
Hitachi Cables	Japan	849	nm	12.6	6.0	4.1	-23.1%	1.1%	1.6%
XP Power	Singapore	364	12.5	10.9	9.5	8.3	29.2%	3.8%	4.1%
Regional cable peers									
Saudi Cables	Saudi Arabia	298	11.1	7.9	15.4	12.0	8.5%	6.5%	6.9%
ME Specialized Cables	Saudi Arabia	170	na	30.3	17.8	11.5	-5.4%	na	3.1%
Oman Cables	Oman	194	8.3	7.9	9.0	8.2	14.8%	4.8%	5.4%
Gulf Cables	Kuwait	898	8.6	8.0	14.1	12.4	16.0%	6.3%	6.7%
Sector median			9.1	7.9	6.0	5.3	14.8%	3.8%	4.2%
Sector average*			9.4	8.3	7.8	7.1	13.5%	4.0%	4.4%
El Sewedy Electric	Egypt	843	9.1	7.7	7.0	6.4	10.5%	4.8%	5.2%

*excluding outliers. Sources: Bloomberg and NBK Capital

Sewedy is trading broadly in line with its peers on FY2012 PE and EV/EBITDA

Key risks

Key risks for our recommendation and fair value include the following:

1. Significant exposure to the volatility in commodity (primarily copper) prices:

Copper is the primary raw material used by Sewedy and accounts for the majority of the total cost. Since Sewedy's revenues are largely based on a "cost-plus" approach, volatility in copper prices has a significant impact on Sewedy's revenues and profitability.

2. Heavy reliance on government fiscal spending:

Government spending on infrastructure development is among the primary drivers for Sewedy's business. The recent regional political crisis impacted fiscal development plans in key regional markets, which also affected Sewedy's overall performance. Management provides for a cautious outlook in the markets currently witnessing political uncertainties.

3. Foreign exchange risks:

Sewedy's revenues, costs, and loans are denominated in different currencies; therefore, movements in foreign exchange (forex) rates have produced significant volatility in the company's financial performance in the recent past. Such a volatile performance cannot be ruled out going forward as well.

4. Low bargaining power:

The Middle Eastern region currently seems to have an oversupply from the electrical cable perspective, especially for standard and bulk products such as low-voltage cables. Therefore, Sewedy and other regional players lack pricing power and depend upon the overall demand outlook in the region.

5. General economic slowdown:

Since cable and other electrical products sales are typically cyclical in nature, demand may be hampered by downturns in the economic cycle such as potentially a global slowdown in the wake of the ongoing Eurozone crisis.

THE MEA POWER INFRASTRUCTURE MARKET OFFERS GOOD POTENTIAL TO THE CABLE INDUSTRY BUT IS CONSTRAINED BY OVERSUPPLY AND HIGH COPPER PRICES

We believe the power infrastructure industry in the Middle East and Africa (MEA) region (ex-South Africa) (where El Sewedy primarily operates) offers good medium- to long-term potential for cable producers. The need to expand the power infrastructure is growing in the GCC region, driven by high economic growth, particularly in Saudi Arabia and Qatar, and in the under-served and under-penetrated African continent.

However, on the supply side, the growth in cable capacity has overtaken the demand in the region over the recent past, which has put some pressure on cable pricing. Although, the current investment requirements in power and other infrastructure, coupled with the improving political environment across the region should help generate an overall favorable public investment outlook. Therefore, we believe that the overcapacity should start getting absorbed over the medium- to long-term.

Profitability for the regional cable producers continues to be driven by movement in copper prices. The sustained level of high copper prices has negatively impacted the profitability of the producers in the recent past against the backdrop of weakening demand in some key markets due to slow economic recovery and political unrest in the region.

Demand drivers for cable in the region

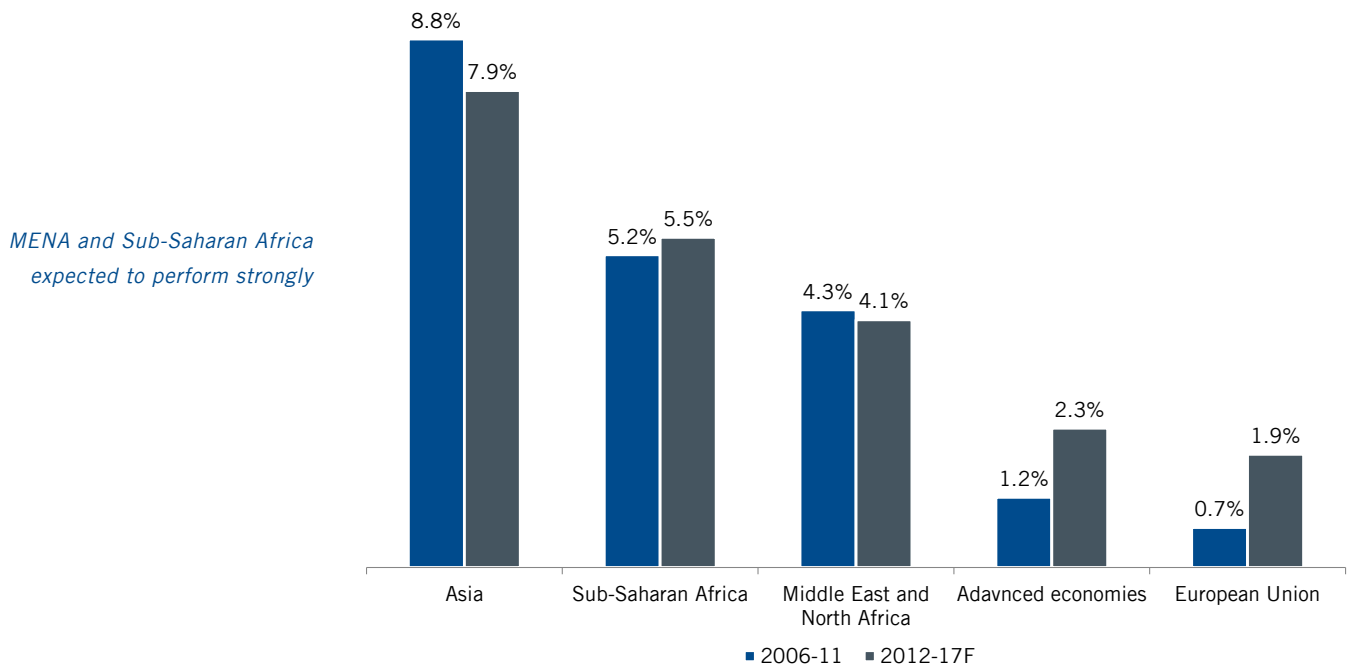
The demand for cables in the MEA (ex. South Africa—we exclude South Africa when mentioning Africa as a region in our report) has been driven by strong government fiscal expenditure in the GCC and an urgent need to develop the power infrastructure in under-penetrated Africa. Further, the stabilizing political situation should help the pipeline for infrastructure projects in the countries affected during the 2011 Arab Spring, notably Egypt and Libya, resume over the medium-term. However, the current uncertain political environment in Syria could act as a minor dampener on the overall demand outlook for the cable industry in the MEA region over the near- to medium-term.

Below we look at each driver for the cable demand in the region in detail:

High economic growth and government spending on infrastructure in the region

Demand for cable is driven by overall economic growth and infrastructure development in the country. In this regard, we view MENA and Africa favorably. High oil prices and fiscal spending will be the key drivers for high economic growth in the region, particularly for the oil producers.

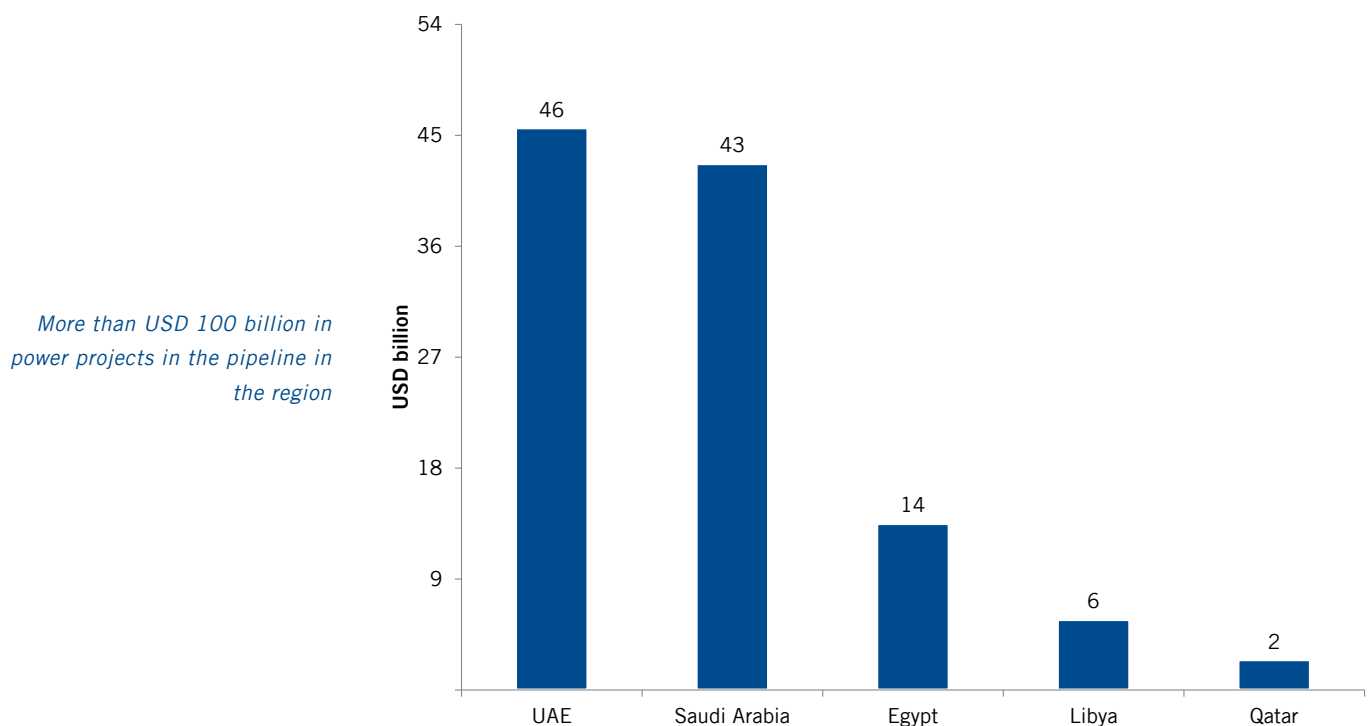
Figure 5 Average Real Gross Domestic Product Growth



Source: International Monetary Fund

High government expenditures in the GCC aimed at reducing the economic reliance on hydrocarbon revenues have been driving the overall infrastructure development. The total value of the ongoing projects in the power infrastructure in the MENA region currently stands at well over USD 100 billion. Moody's recently estimated that the GCC states have earmarked total spending of USD 29 billion on power projects over the next two years.

Figure 6 Ongoing Power Projects Pipeline



Source: Zawya

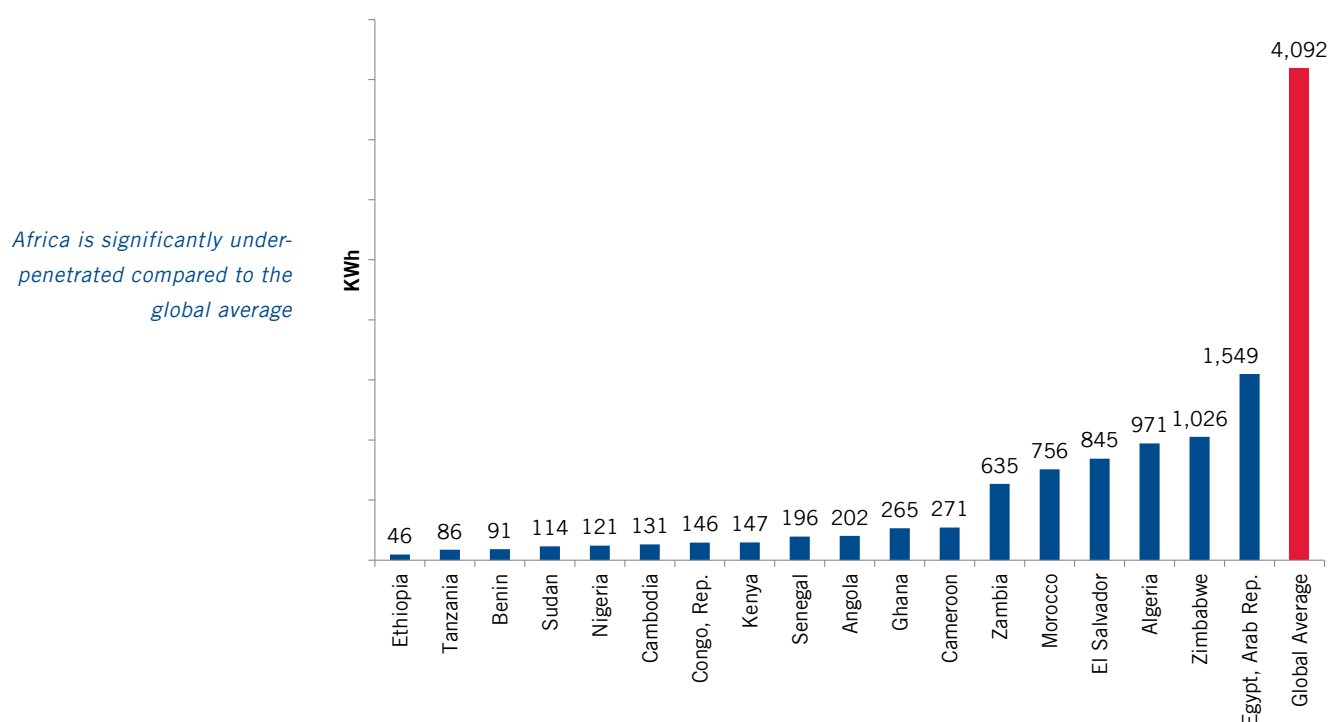
Improving political situation should support the project pipeline

The Arab Spring in 2011 halted some of the ambitious developmental programs in the affected countries, including Egypt and Libya. The recent regime change in Libya and any potential improvement in the political situation in Egypt should bode well for resuming the existing pipeline of power projects along with new awards, in our view. El Sewedy Electric (Sewedy) believes the resumption of work in Libya could surprise on the upside over the near- to medium-term. However, the company, cautiously, does not guide for any material improvement in the business outlook at this stage. In Syria, the outlook continues to be dampened by the ongoing political uncertainties.

Africa – A significantly under-penetrated/under-served market; a land of untapped opportunities

The majority of the African continent remains highly under-penetrated and under-served compared to other developing countries despite having a vast pool of natural resources (such as oil, minerals, agri-products, etc.).

Figure 7 Per-capita Consumption of Electricity, African Countries vs. Global Average

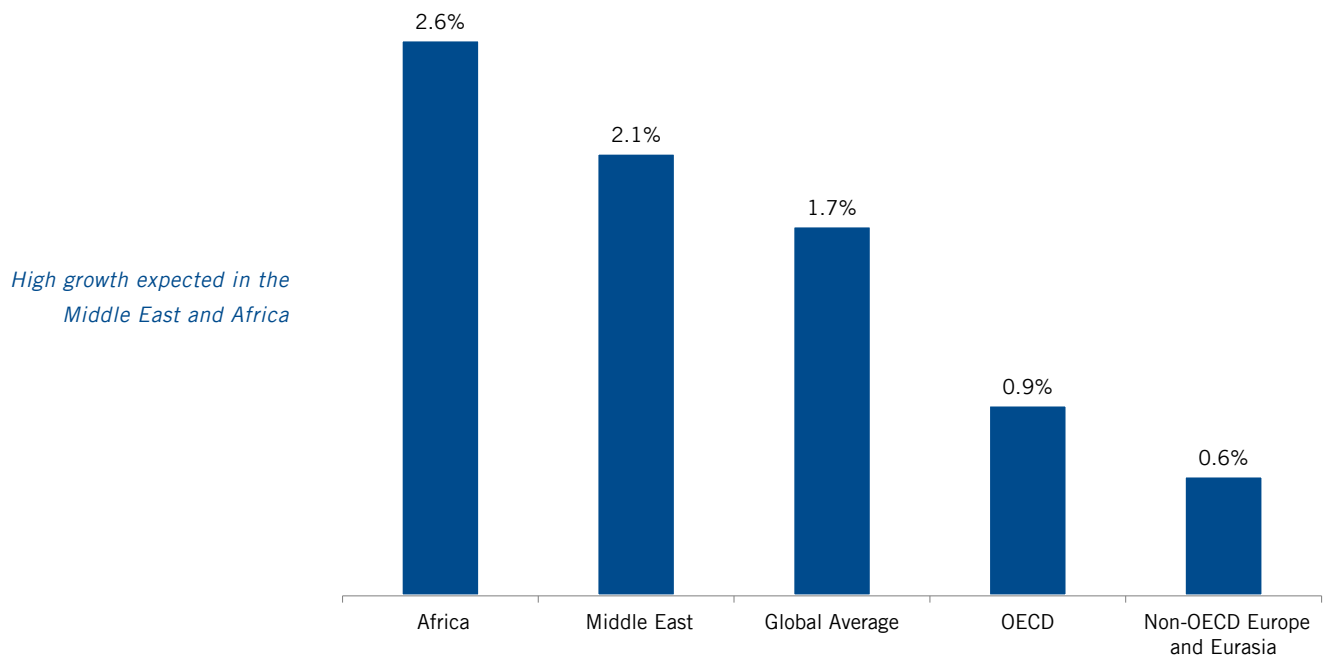


Source: World Bank

The aforementioned drivers should lead to high growth in installed power capacity in the Middle East and Africa

The outlook for power infrastructure development appears strong for the region. The underlying growth drivers mentioned above should result in high growth in installed power capacity in the ME and Africa, as forecasted by the US Energy Information Administration (EIA).

Figure 8 Installed Power Capacity CAGR (2011-21E)



Source: EIA

Dynamics of cable supplies

The cable industry in general is experiencing excess capacity compared to current demand estimates. A series of production capacity expansions in emerging markets (notably in China), a weak demand outlook against the backdrop of the current Eurozone recessionary environment, and the widely feared soft/hard landing of the Chinese economy may cause pressure on cable pricing, especially for low value-added products.

An oversupplied Gulf Cooperation Council cable market, especially for the low-voltage segment

According to some industry sources, the overall cable production capacity in the GCC almost doubled during 2006-10. The bust of the global credit cycle in 2008 and the impact on the region's economic growth are still felt in the regional cable market. The surge in investment to add capacity during the boom period and then halted or slow progress on projects in the pipeline have created an oversupply situation in the regional cable market. In our view, this situation continues to put pressure on the pricing and hence margins for local cable producers. The pressure from oversupply is more intensified for the low-voltage (LV) cable segment where cable as a product is fairly standardized. LV cables account for around 40% of the total cable production globally. We also believe the bulk of the capacity addition that took place over the last few years in the GCC belonged to LV cables.

Cable producers have already started experiencing the signs of stiff competition even in the most promising markets, including Saudi Arabia. Sewedy finds operating in Saudi Arabia challenging from a margin perspective due to the highly competitive pricing environment despite the very strong demand potential.

We see African markets positively in this regard as the market is largely untapped and under-served. However, the situation in Africa is not expected to change materially in the near future due to tight project financing, volatile local currencies, and ongoing civil and political unrest in some parts of the African continent.

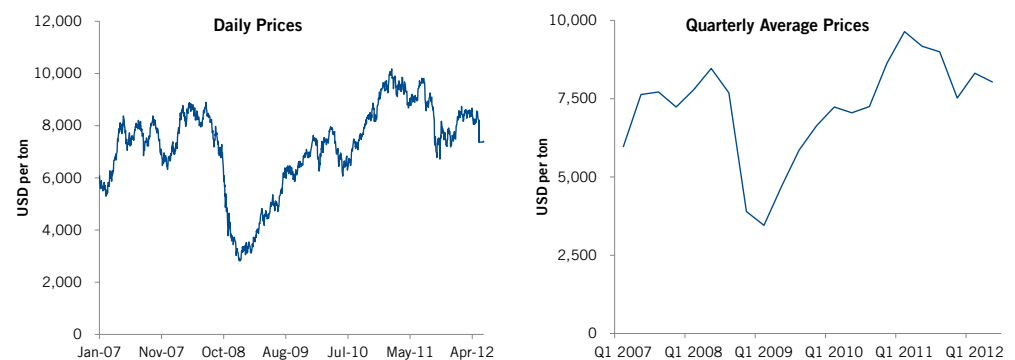
Factors affecting the (copper) cable market

Copper is among the most important raw material components for producing power cables. Since Sewedy's cable mix largely comprises copper cables, our focus is on copper from a raw materials perspective in this report. Based on our discussion with Sewedy's management, we estimate copper (as a raw material) accounts for the majority of the total production cost. Therefore, movement in copper prices has a direct impact on the margins, particularly in a scenario where cable producers have not been able to pass the increase in raw material costs on to customers in the past.

Highly volatile copper prices

Like any other base commodity, copper prices typically follow the trend in economic cycles. Copper prices have increased sharply since the start of 2009 and hit an all-time high in early 2011. The rise in copper prices during 2011 was influenced by supply constraints due to low-grade copper ore production as well as problems related to workers in Indonesia, Peru, Chile, and other countries. The problem of lower production was further compounded by the growing demand and global economic recovery (since 2010), which together resulted in copper prices hitting a peak in February 2011.

Figure 9 Copper Prices



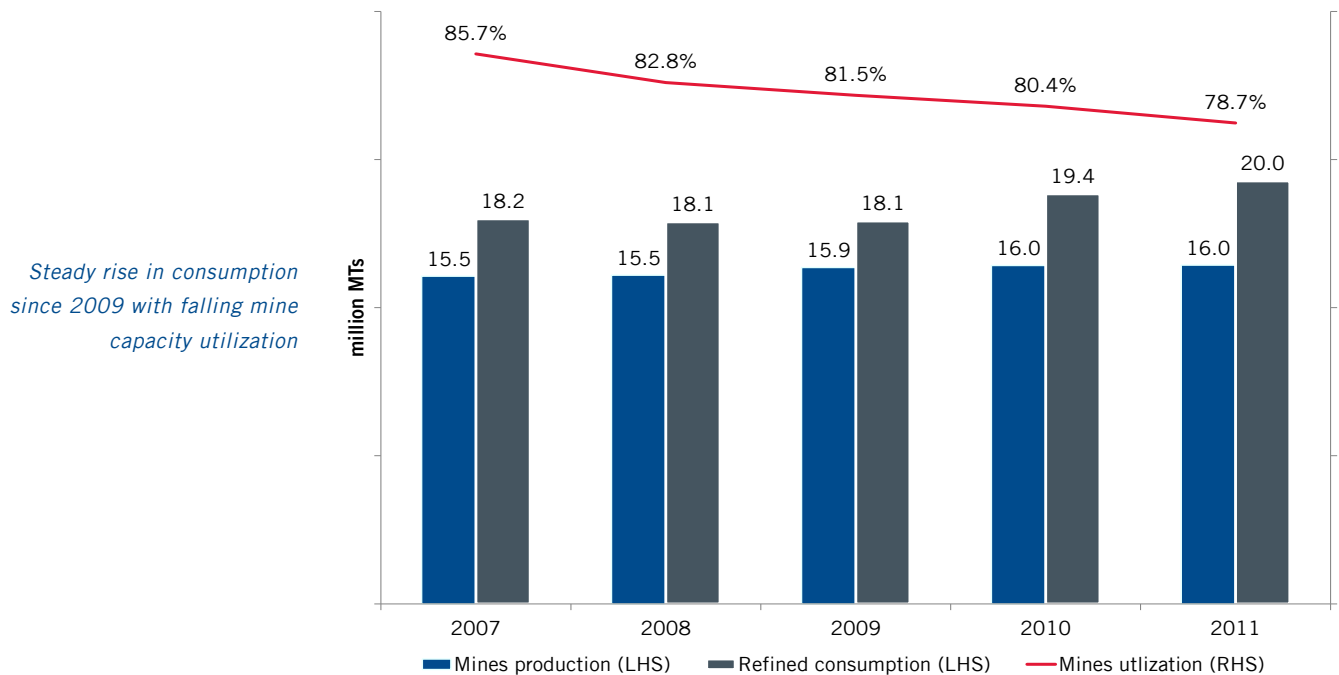
Source: Bloomberg

Copper supply and demand outlook

As we discussed above, copper prices shot up in 2011 due to production disruptions in the increasing demand scenario. According to the International Copper Study Group (ICSG), copper mine capacity utilization declined to 78.7% in 2011 compared to 80.4% in 2010. Copper production in Chile (the largest copper producer in the world with more than one-third of the total global production) declined by 3% YoY in 2011. In addition, production outputs from other major producers such as Australia, Indonesia, Peru, and the United States (combined 25% of total global production) decreased by an aggregated 6% YoY.

In contrast, China, which accounts for around 40% of global copper consumption, recorded a 7% YoY increase in refined copper consumption during 2011.

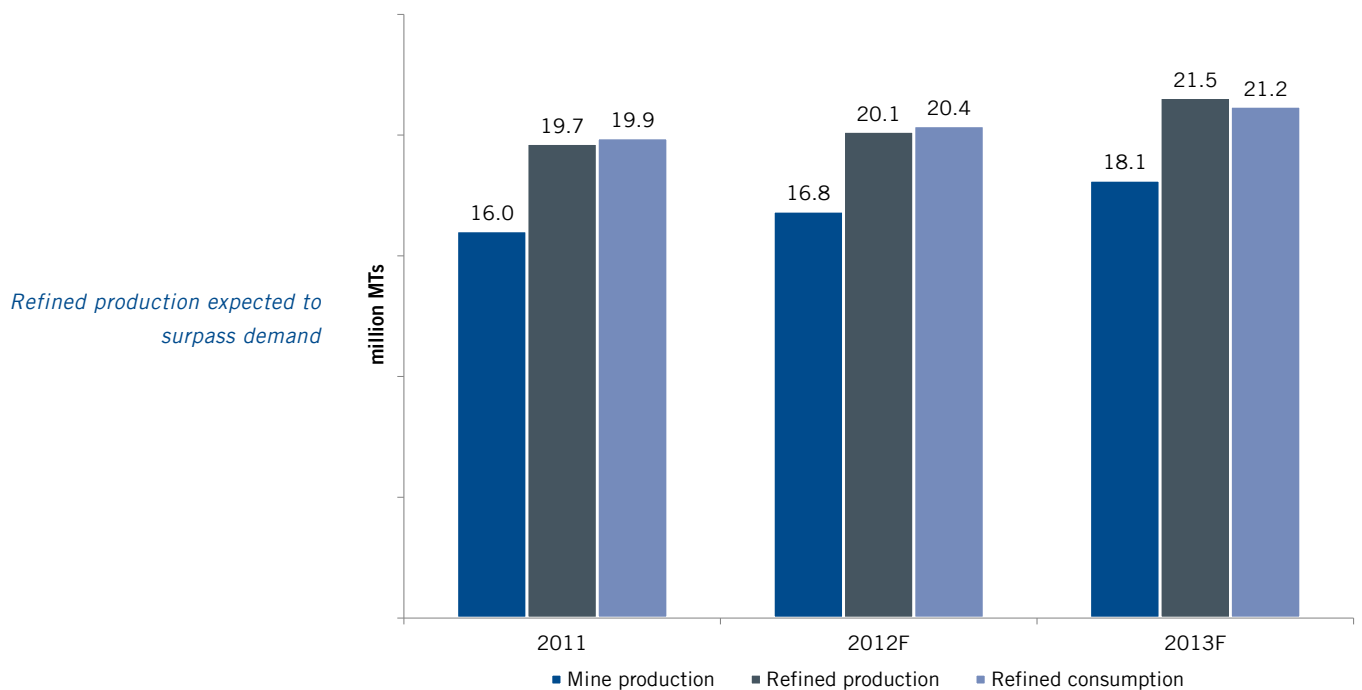
Figure 10 Global Copper Production and Consumption



Source: The International Copper Study Group

The ICSG expects mine production to improve significantly in 2012 with capacity utilization increasing to 81% from 79% in 2011. However, the demand outlook seems more conservative in relation to production increases due to the slowing Chinese economy and a potential global slowdown. The ICSG forecasts Chinese demand growth will slow to 3.6% YoY in 2012 from 7% in 2011. Overall, the group expects refined copper production to surpass demand by 2013.

Figure 11 Global Copper Production and Demand Forecast

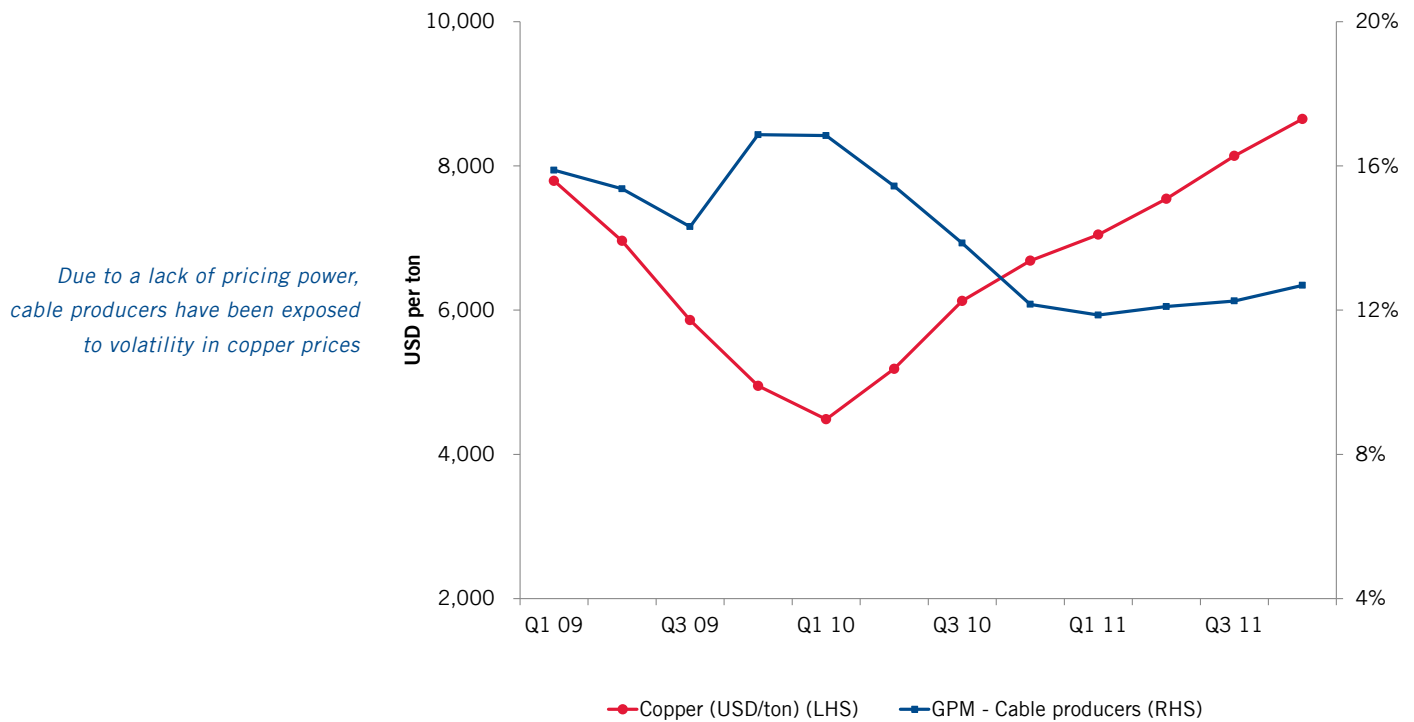


Source: The International Copper Study Group

The impact of copper prices on cable producers' profitability

The steep rally in the copper prices impacted the profitability of cable producers severely. As we mentioned earlier, an oversupply situation may have been the key driver behind the lack of pricing power and hence more volatility in gross margins for the cable producers.

Figure 12 Average Copper Prices (with Two Quarters Lag) and Gross Profit Margins for Cable Manufacturers (Rolling Four Quarters)



Sources: Bloomberg and NBK Capital

Copper prices so far this year, on average, have declined by around 7% YoY compared to the 2011 average. We believe if the trend continues with a decline in copper prices, profitability for the regional cable producers may improve in the near-term.

EL SEWEDY ELECTRIC CO

Overview

El Sewedy Electric Co (Sewedy) is an Egypt-based leading cable, transformer, electrometer, and other transmission and distribution (T&D) related electrical products manufacturer. The company's production facilities are spread across the MEA region, Spain, and Slovenia.

Figure 13 El Sewedy's Current Production Capabilities

	Wire and Cable (tons)	Transformer (MVA)	Meter (000s)	Others
Egypt cable	156,000	8,500	2,000	Wind towers
Egypt (copper rod)	120,000			
Egypt (PVC)	100,000			
Saudi Arabia	31,000			
Syria	24,000	2,800		
Qatar	24,000			
Algeria	16,000			
Sudan	12,000	450		
Yemen	10,000			
Ethiopia	10,000			
Nigeria		750		
Zambia		450		
Ghana				Electric Poles
Malaysia			250	
Slovenia			2,500	
Spain				100 wind turbines
Total	503,000	12,950	4,750	

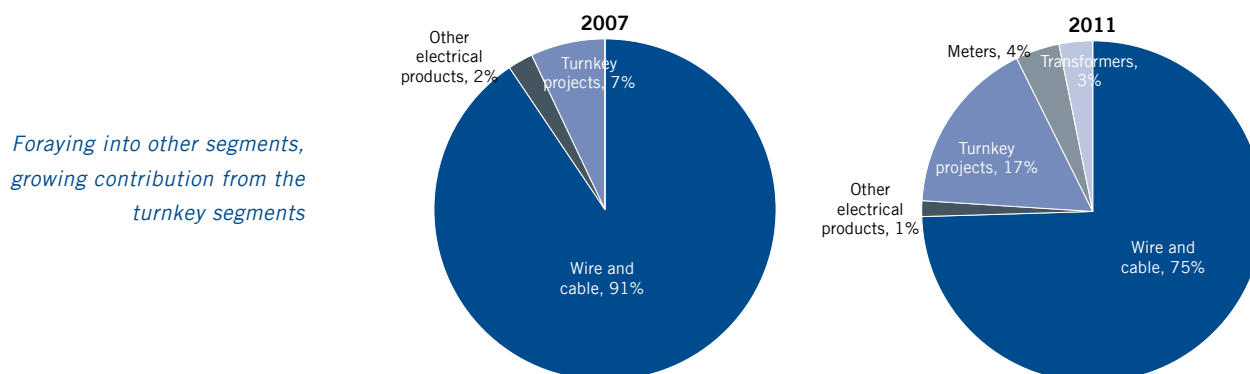
Source: El Sewedy

Sewedy has traditionally been a wire and cable producer with small contributions coming from other electrical T&D-related goods such as transformers. However, over the past several years, Sewedy has been diversifying into new businesses such as turnkey and electrometers through greenfield expansions as well as acquisitions.

Sewedy also serves utilities, government, and industrial clients in the region as an electrical contractor for electrical generation and T&D requirements under the turnkey segment (among the fastest-growing businesses for the company). Sewedy acquired an electrometer company in Slovenia (the third-largest meter manufacturer in Europe) and a wind turbine manufacturer in Spain in 2008. The company also acquired an electrical insulator manufacturer in Egypt in 2008. In addition to these acquisitions, Sewedy has been expanding by setting up new production units in many MEA countries to cater to local demand as well as requirements in neighboring countries where establishing production units has not been feasible, such as Iraq.

Cable remains the largest revenue segment followed by turnkey and others.

Figure 14 Revenue Segments

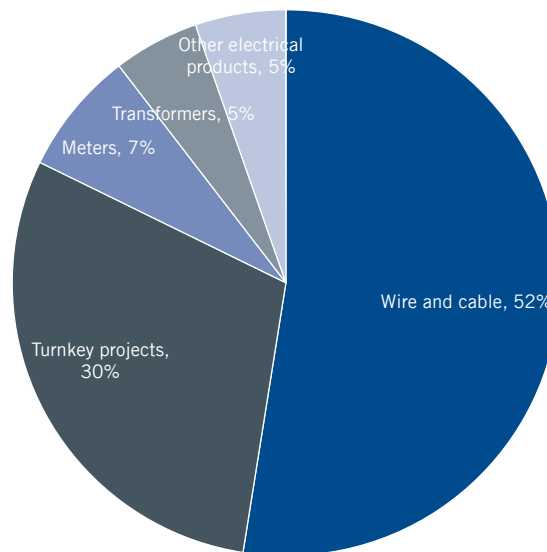


Source: El Sewedy

However, in terms of contribution to gross profit, the cables segment contributed to only 52% of the total gross profit, followed by turnkey (30%) in 2011.

Figure 15 Contribution to Gross Profit (2011)

Turnkey and other segments have higher margins than the cable segment



Source: El Sewedy

Business segments: A closer look

Wire and cable segment: Bread and butter for Sewedy

Wire and cable is the largest segment for Sewedy with around 75% of the group's total revenue coming from the segment, according to the company's financial statements. However, the true contribution from the segment is higher than 75% as the company reports revenues from cable volumes sold by the turnkey business under the turnkey segment.

Sewedy produces and sells copper, aluminum, and PVC cables with copper the bulk of the volumes sold. The company also produces copper rods (used for manufacturing copper cables).

Revenues and volumes

Cable volumes have been growing at an impressive 17% CAGR over the past four years to 149K tons in 2011, as Sewedy continues to ride the infrastructure and economic growth in the MEA region. During this period, Sewedy also expanded its annual cable capacity by around 19% CAGR to 250K tons.

However, revenues have been closely linked to the raw material prices (primarily copper).

Figure 16 Capacity and Volumes

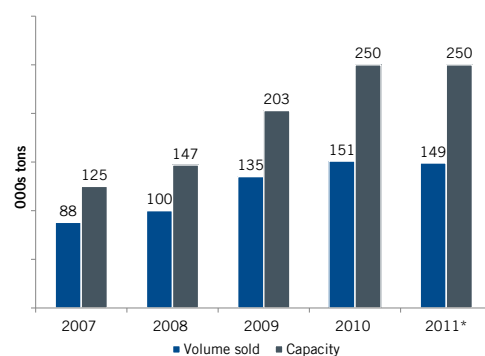
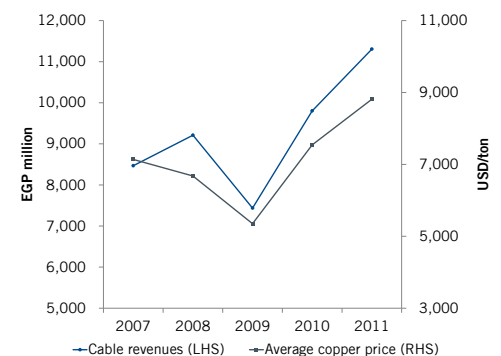


Figure 17 Revenues and Copper Prices



*Qatar volumes on proportionate basis. Sources: El Sewedy and Bloomberg

Gross margins

Volatile gross profit margins due to the “cost plus” approach and lack of pricing power

Sewedy follows a “cost plus” approach for its pricing policy, where the company aims to keep pricing based on a target gross profit per ton (on an absolute basis). Over the past few years, Sewedy’s gross profit per ton from the cable sales has been declining. As we mentioned earlier in the report, oversupply is causing pressure on pricing in the regional cable market, which may have been the key driver behind this decline. Moreover, the company also suffered in 2011 due to the Arab Spring and lost some business opportunities in its home market as well as in Libya and Syria. This forced Sewedy to sell its volumes at lower prices in highly competitive markets such as Europe and the GCC, and hence, achieved lower gross profit margins (GPMs).

Sewedy’s GPM has been hit hard by high copper prices over the past two years as the company has tried to follow an absolute fixed gross profit per ton. Therefore, high input costs and the inability to pass the cost increases on to customers significantly deteriorated the GPM in 2011.

Figure 18 GP per Ton and GPM

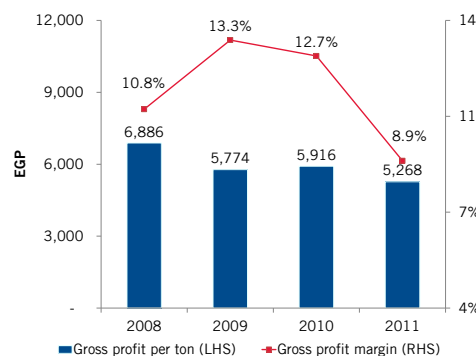
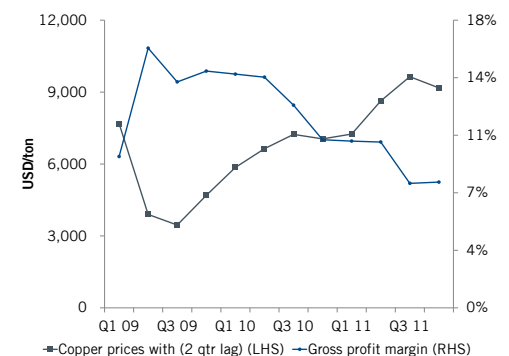


Figure 19 Copper Prices (2Q Lag) and GPM



Steep decline in 2011 due to high copper prices and lost business opportunities in Egypt and Libya

An inverse relationship between the gross profit margin and copper prices shows an inability to pass the cost increases on to customers

Sources: El Sewedy, Bloomberg, and NBK Capital

Outlook

The company’s cable volumes have been driven by regional government spending on the power infrastructure. We continue to see high fiscal spending in oil-exporting economies that drives the demand for cables and other electrical goods. Moreover, an improving political scenario, particularly in Egypt, Libya, Syria, and Iraq, will further stimulate sales growth for Sewedy over the medium- to long-term, in our view.

Demand drivers in Egypt and Libya remain suppressed in the near-term

The company, cautiously, does not guide for any significant improvement in business outlook for the near-term and points toward flat to 5% growth in overall cable volumes for 2012. Moreover, Sewedy expects a 20% decline in volumes in Egypt following a 10% drop in 2011. However, the company has been noticing tentative signs of an improving situation in Libya, which could surprise on the upside, according to management. Our forecasts are broadly in line with the company’s guidance for 2012, and we do not consider any material incremental contribution from the politically hit markets for 2012.

However, going into 2013 and beyond we expect a gradual pick-up in volumes driven by continued fiscal spending in the GCC, potentially improving business opportunities in Egypt and Libya, and an urgent need to develop the power infrastructure in Africa.

Figure 20 Cable Revenues Forecast

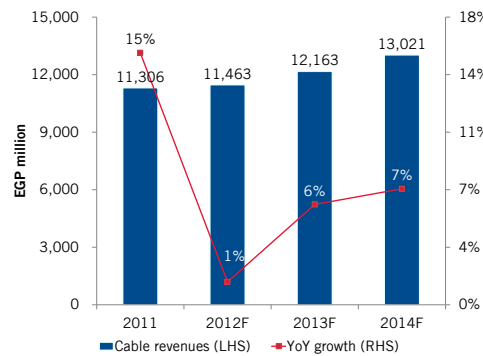
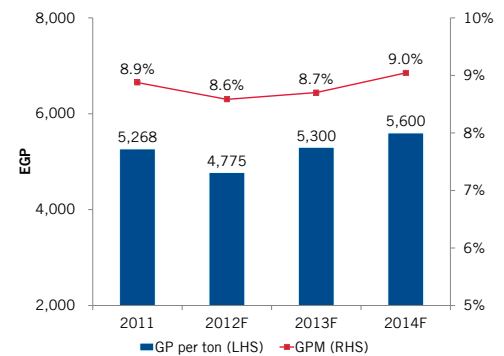


Figure 21 GP per Ton and GPM Forecast



Sources: El Sewedy and NBK Capital

Revenue growth to slow in 2012 due to the weak operating environment and the decline in copper prices

Pressure continues on GP per ton for 2012 as well

Gross profit per ton expected to remain depressed in 2012 before recovering in 2013

Copper prices in 2012 thus far, on an average, are down 7% compared to 2011. If the trend continues, Sewedy's GPM could improve this year. However, the ongoing political uncertainty in Egypt, Libya, and Syria will continue to put pressure on the company's pricing ability. Moreover, current strong markets such as Saudi Arabia and other parts of the GCC remain highly competitive and oversupplied (to a certain extent), where Sewedy expects continued pricing challenges. Therefore, despite the decline in copper prices, we do not expect improvement in the GPM in 2012. Recently the company reported GP per ton of EGP 4,000 for 1Q2012 compared to EGP 5,268 in FY2011. The company cited tough market conditions and higher-priced copper inventory as the reasons for the drop in GP per ton. As copper prices have been declining in 2012, we expect a gradual improvement in the GP per ton over the coming quarters. However, on a YoY basis, we continue to see downward pressure on GP per ton in 2012 but expect a gradual recovery from 2013. The market conditions should start to become normal following a pick-up in business from the politically hit markets and an overall improvement in regional demand outlook over the medium- to long-term.

Turnkey segment: Growing with promising opportunities in Africa

Sewedy undertakes electrical contracting activities in Egypt, the GCC, and some parts of the African region. These activities, broadly classified as engineering, procurement, and construction (EPC), include installing generation, T&D goods, and machinery, consulting, procuring raw materials and electrical goods, among others.

Turnkey has been historically the company's fastest-growing business segment and currently contributes to around 17% of total revenues compared to just 7% in 2007.

Figure 22 Turnkey Revenue Performance

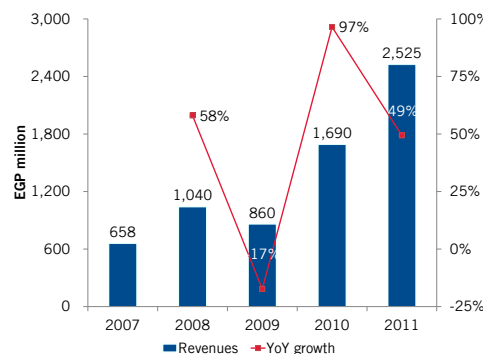
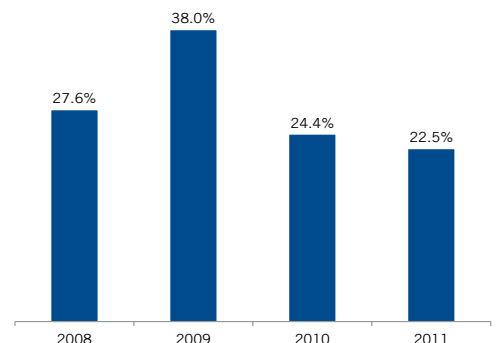


Figure 23 Gross Profit Margin



Source: El Sewedy

The fastest-growing segment with relatively higher margins

Turnkey has relatively higher margins compared to other segments, including cables. As Sewedy strives to provide complete solutions to its clients, including consulting and procurement, margins tend to be higher. The turnkey segment provides an attractive opportunity for Sewedy to procure its own production for clients, and hence, the segment generates overall higher profitability for the group.

Outlook

Africa provides an attractive opportunity over the long-term

Geographic proximity to the African market and a better understanding of local requirements compared to international players will help Sewedy gain a strong foothold in these markets, in our view. Sewedy's production facilities in some of the promising African markets work to the company's advantage in securing local government projects. Therefore, we believe the medium- to long-term potential could be high for Sewedy in Africa; although we do not account for any major increase in the backlog in Africa in the near-term. As we emphasized earlier in the report, the absence of effective project financing channels and unstable domestic and political conditions in some African countries could be among the major challenges to growing the business.

At the end of December 2011, the total backlog for the turnkey segment stood at around EGP 4.7 billion, which provides decent visibility for the next 18-24 months of revenues. The year-end backlog grew more than 56% YoY, but declined from EGP 6 billion at the end of 3Q2011. The sequential decline was due to the hold on an EGP 2 billion contract in Africa. Sewedy is currently witnessing a difficult environment as was evident from the 1Q2012 performance when the turnkey revenues declined 15% YoY. The company provides for a muted growth outlook for the rest of the year, and our forecasts are largely in line with management's guidance.

Figure 24 Turkey Revenue Forecast

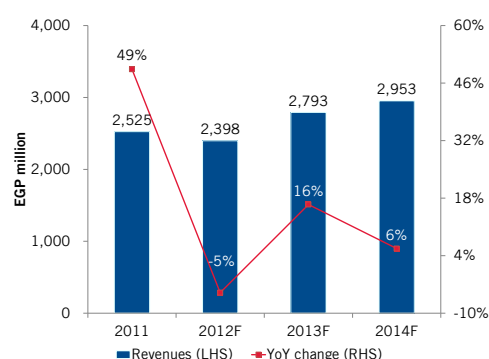
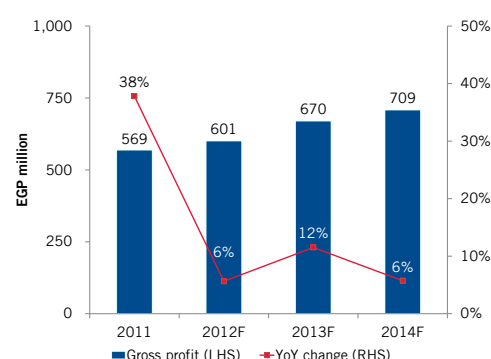


Figure 25 Turkey Gross Profit Forecast



Sources: El Sewedy and NBK Capital

Turnkey GPMs have averaged around 25% over the past two years with the exception of 4Q2011, when the GPM fell to 13% due to an adverse foreign exchange impact because of US Dollar and Euro exchange rates. Management considered this drop in the margin an exceptional impact and expects turnkey GPMs to be around the average levels of the last two years; the GPM recovered to 26.1% in 1Q2012.

Other segments (electrometers, transformers, and other products): Small but relatively more profitable

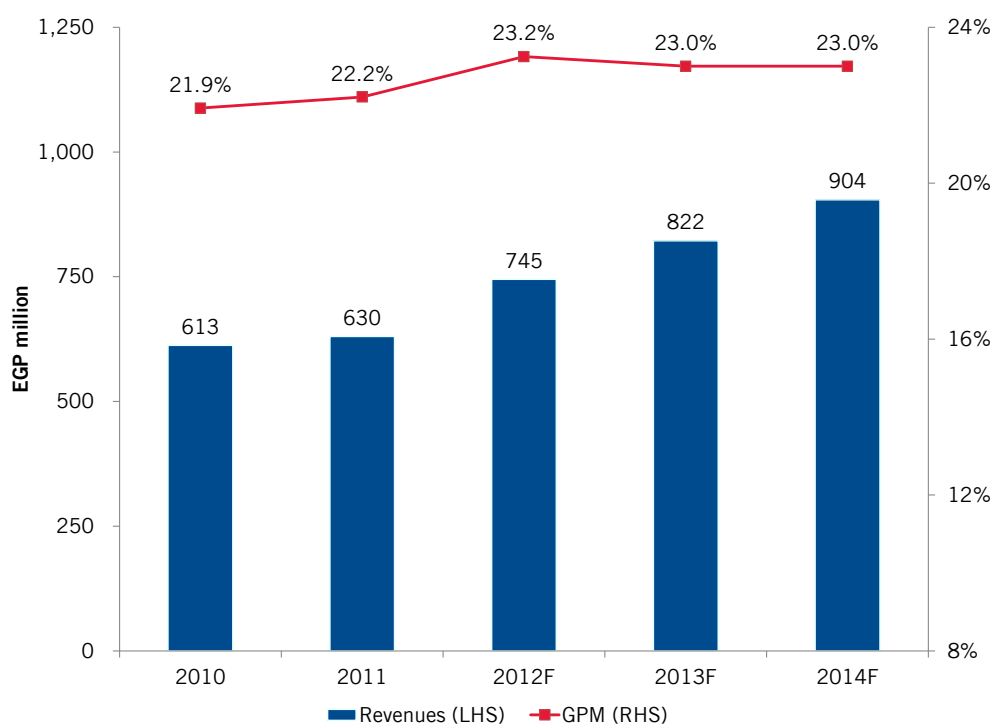
Sewedy has also expanded its scope in electrometers, transformers, and other electrical products such as ceramic insulators and wind turbines.

Electrometers

With the acquisition of Iskraemeco in Slovenia in 2007/08, Sewedy entered the electrometer segment, which currently contributes around 4-5% to the company's total revenues. Europe is currently the primary market for Sewedy's electrometer segment. The meters' sales volumes have remained flat with Sewedy selling around 2.9 million meters annually for the last two years.

The company is guiding for a strong sales order pipeline for Europe as well as for the region. With increasing government spending in the region, we expect revenues to grow by around 18% in 2012.

Figure 26 Meters Revenues and Gross Profit Margin



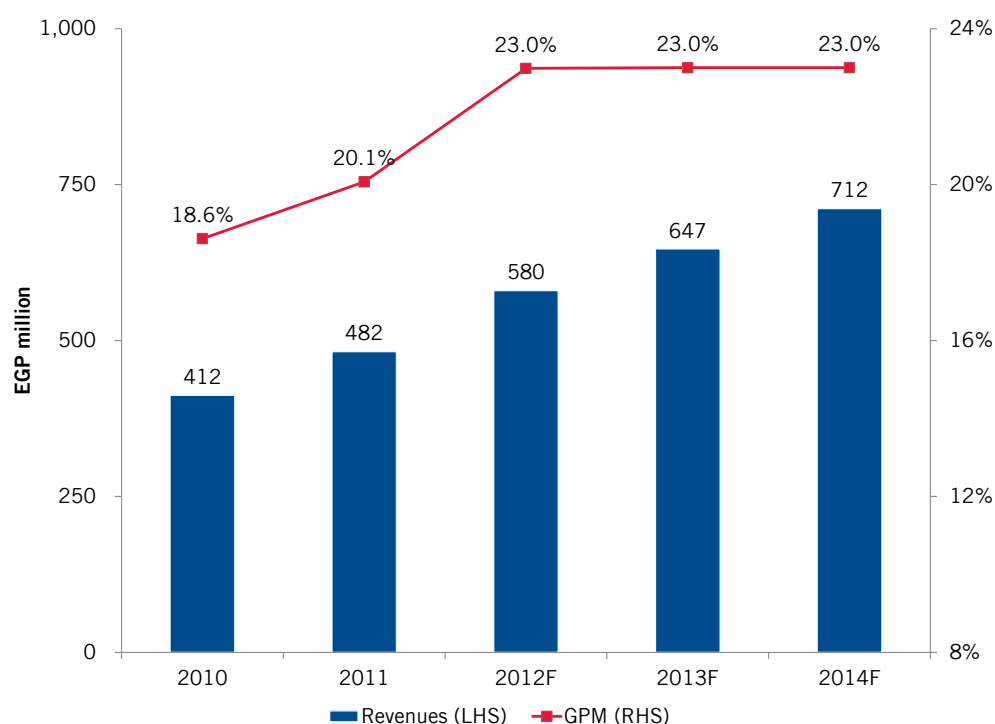
Sources: El Sewedy and NBK Capital

The GPM for the segment has improved slightly, to 22.2% in 2011 compared to 19.9% in 2009. The GPM continued to improve further in 1Q2012 to 23.2%, and we expect GPMs to remain broadly at similar levels.

Transformers

The transformers segment has been growing strongly and currently contributes to around 3-4% of total revenues for Sewedy. The company's operations in Egypt, Syria, and Nigeria supply local orders as well as cater to demand in neighboring countries, including Iraq and Libya.

Figure 27 Transformer Revenues and Gross Profit Margin



Source: El Sewedy

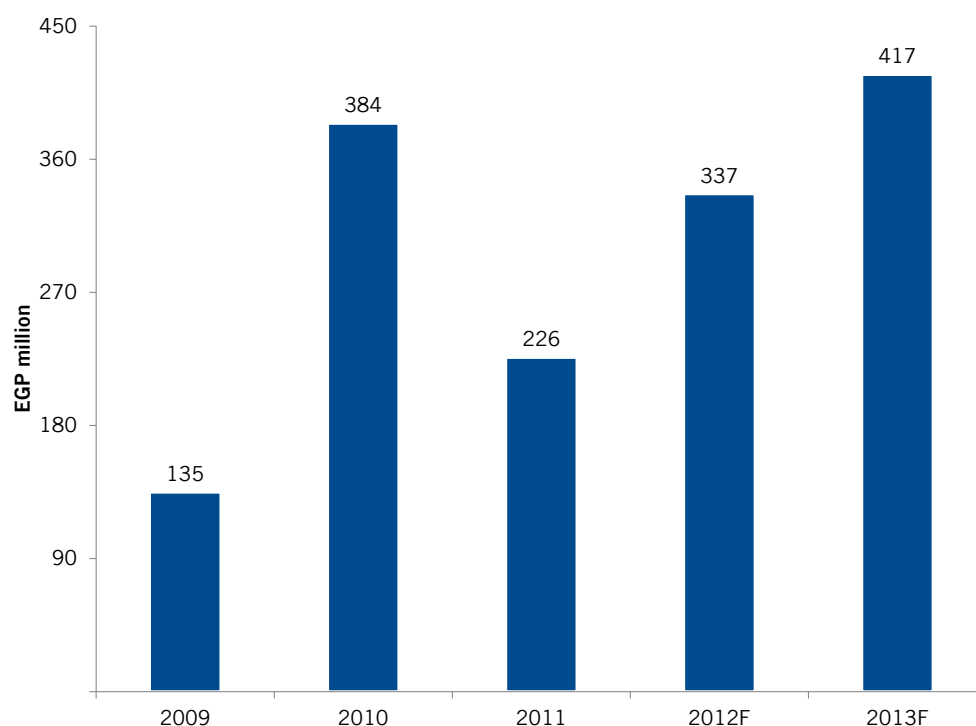
Similar to electrometers, Sewedy points to a strong backlog in Egypt and Africa for transformers and, therefore, expects around 35% YoY growth in gross profit for 2012.

Over the past three years, GPMs have averaged around 18-20%. However, with the fall in copper prices management expects the GPMs for the segment for 2012 to improve to around 22-24%.

Others

Sewedy also manufactures and sells other T&D electrical products such as ceramic insulators, fiberglass poles, and explosion-proof products. In addition, Sewedy has a segment for developing wind farms and supplying solutions for generating wind energy as the company acquired a majority stake in M Torres of Spain in 2010. The company was aiming to target a significant portion of government spending and investment in wind energy, primarily in Egypt and Africa. However, the pace of investments in alternate energy sources such as wind in the region has been slower than the company's expectations. Therefore, Sewedy does not expect a significant contribution from the wind division over the near- to medium-term. Overall, these products combined contribute around 2-3% to total revenues for Sewedy but have been volatile mainly due to the nature of the backlog.

Figure 28 Other Revenues (EGP million)

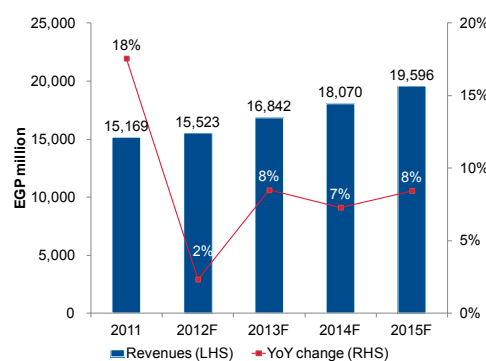


Sources: El Sewedy and NBK Capital

Sewedy currently has a more than EGP 400 million order for wind turbines pending in Libya that was put on hold after the political crisis in 2011. The company believes the outstanding orders in Libya could start materializing toward the 2H2012 or early 2013.

Overall, we expect Sewedy's total revenues to grow by a modest 2% in 2012 against the backdrop of a challenging environment and weak demand from Egypt and other politically hit markets. However, we expect a gradual pick-up from 2013 and beyond on expectations of stabilizing political situations and an improving economic outlook.

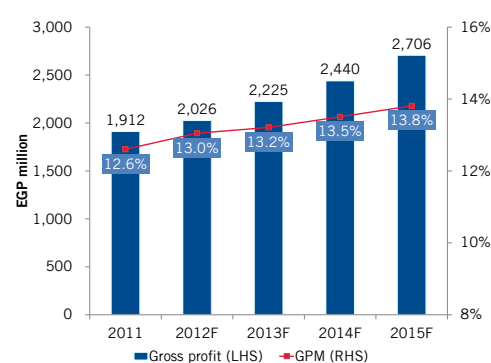
Figure 29 Total Revenue Forecast



Revenue growth to slow in 2012 but pick up gradually thereafter

GPM expected to improve due to increased contribution from the higher-margin segments

Figure 30 Total Gross Profit Forecast

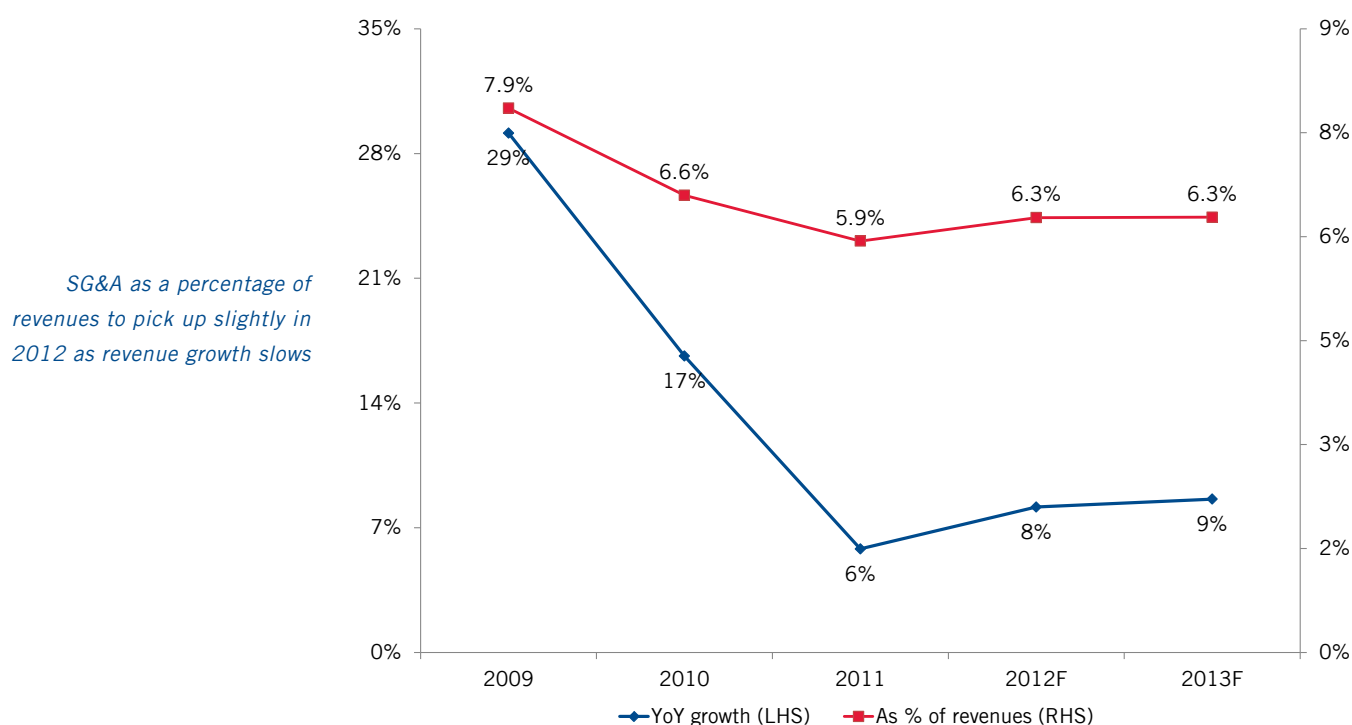


Sources: El Sewedy and NBK Capital

Operating expenses: Largely fixed, therefore, relatively high operating leverage

Sewedy's operating expenses (selling, general, and administrative [SG&A] expenses) as a percentage of sales peaked in 2009 and since then have been falling. The reason for the steep rise in SG&A as a percentage of sales in 2009 was the drop in revenues following the decline in copper prices and the continued expansion in the production facilities across the region. Thereafter, the reversal in these drivers such as growth in revenues with the increase in copper prices and slower expansion resulted in SG&A expenses falling to 5.9% of sales in 2011 compared to 7.9% in 2008.

Figure 31 SG&A Expenses



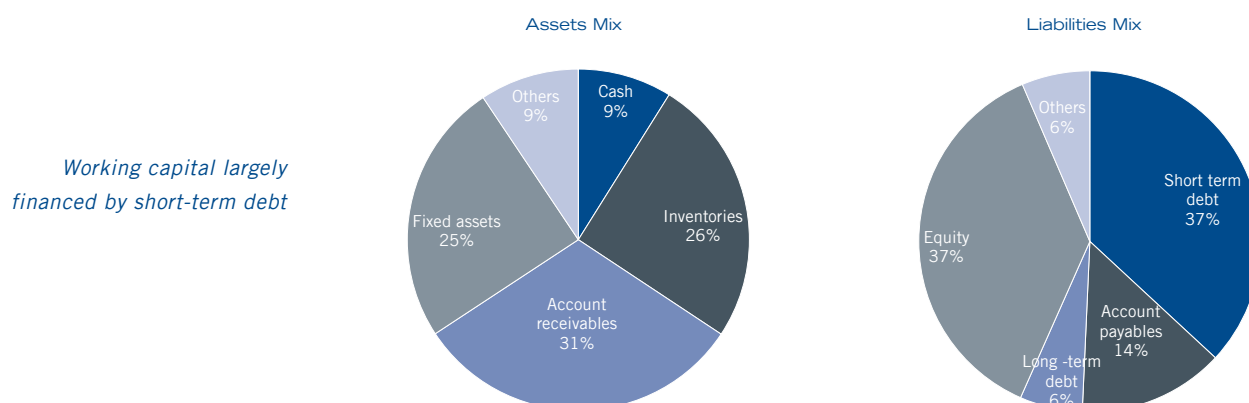
Sources: El Sewedy and NBK Capital

Sewedy does not have aggressive expansion plans for the near future. Moreover, we expect revenue growth to slow in the near-term; therefore, we expect SG&A expenses as a percentage of sales to remain broadly flat at the current levels and grow broadly in line with the growth in sales.

Capital and balance sheet structure: Strained by high working capital requirements

More than two-thirds of Sewedy's asset base is composed of current assets (primarily account receivables and inventories). A major portion of the current assets is funded through current liabilities (mostly short-term borrowing). Therefore, any increase in working capital requirement is usually met by short-term bank borrowing, which puts pressure on profitability because of increased interest expenses.

Figure 32 Balance Sheet Structure (2011)

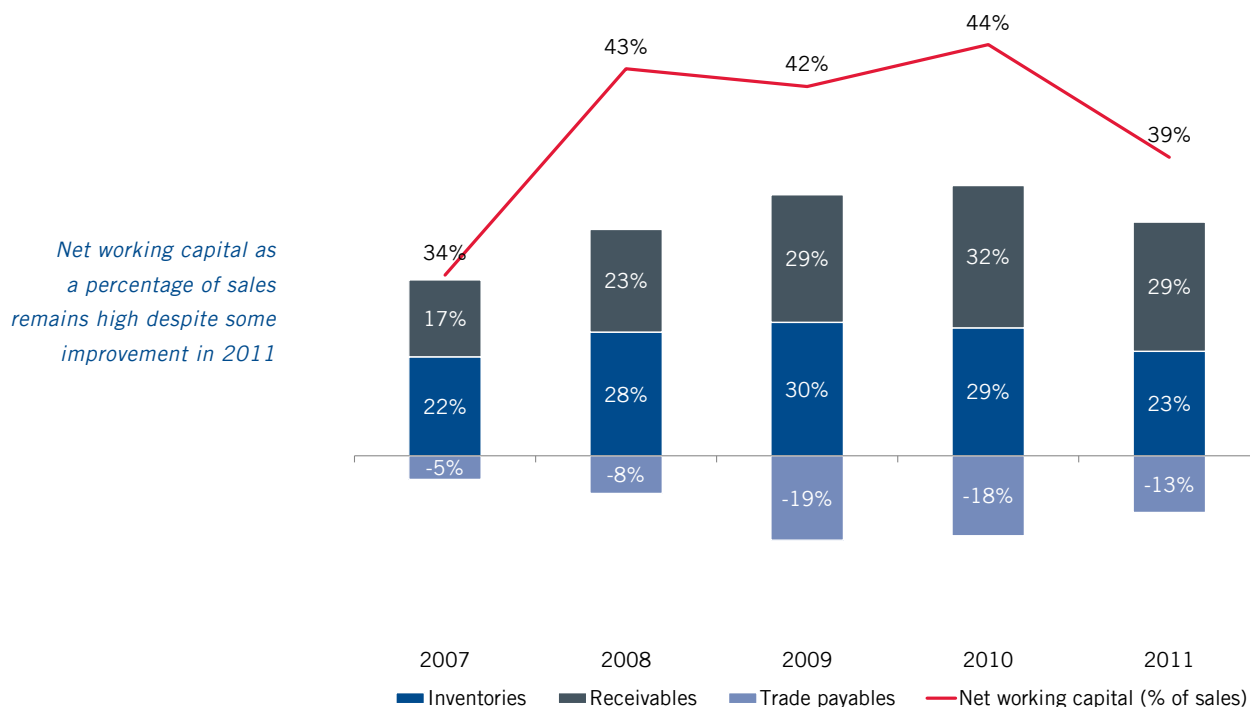


Source: El Sewedy

Working capital: Remains high, partially driven by high copper prices

Continued expansion in newer markets and unfavorable market dynamics have pushed account receivables higher in the recent past, while account payables continue to decline, although the company's net working capital improved slightly in 2011. Reduced inventories due to declining copper prices (in 2H2011) and the company switching to cash sales in some of the markets (primarily Syria and Sudan) due to the highly volatile local forex rates resulted in an improvement in the working capital for 2011.

Figure 33 Working Capital (As a Percentage of Sales)



Sources: El Sewedy and NBK Capital

As copper prices, despite having decreased from 2011 highs, remain elevated, account receivables and inventories may continue to put a strain on Sewedy's working capital requirement. If copper

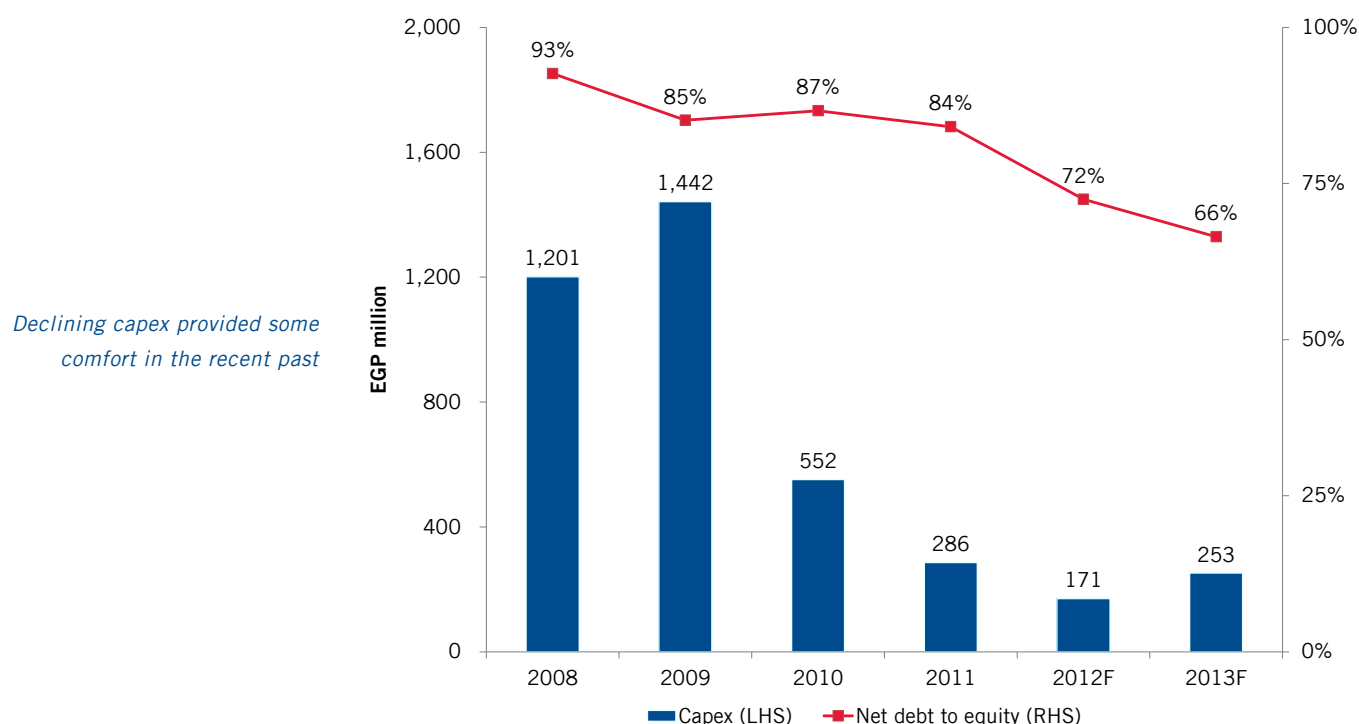
prices continue to fall further, it could help Sewedy reduce its working capital. Going forward, we expect broadly similar levels of net working capital requirements (as a percentage of sales) over the next few years. However, as the company looks to do more cash sales, particularly in Syria and Sudan, account receivables as a percentage of sales may decline slightly.

Debt: High short-term debt is mostly financing working capital requirements

Sewedy's net debt to equity ratio has been around 80-90% over the recent past. However, more than 80% of the company's total debt is short-term in nature and mostly in the form of bank overdrafts that are financing the working capital requirements. As we discussed earlier, Sewedy also embarked on a major expansion drive, which also led to an increase in the company's debt requirements during 2008-10.

The company is not looking for significant expansion in the near future, and therefore we believe this should ease some pressure on the balance sheet. Furthermore, falling copper prices could help reduce strains on the balance sheet due to lower-priced inventories and hence moderate working capital requirements.

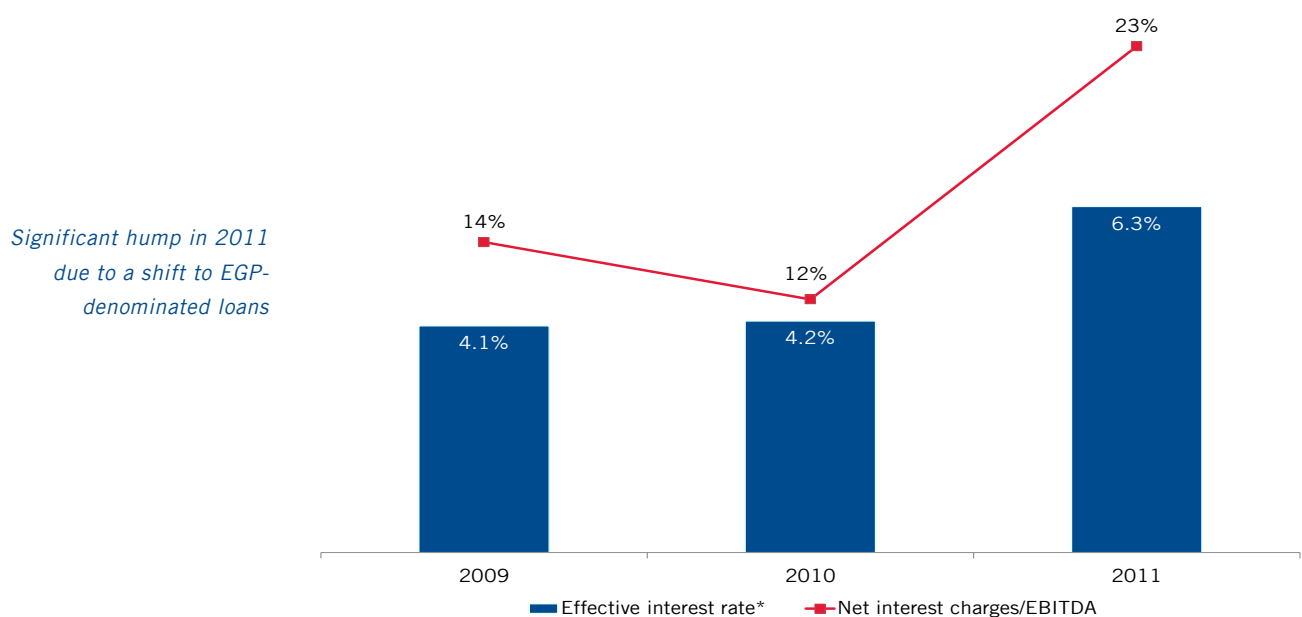
Figure 34 Capex and Net Debt to Equity



Sources: El Sewedy and NBK Capital

Sewedy tries to balance its debt mix between local and foreign currencies in line with the company's revenue mix and currently has a ratio of 30:70 (local:USD/USD pegged and Euro). However, the company recently converted a portion of its USD-denominated loan into EGP, which increased Sewedy's interest expenses significantly in 2011 due to the interest rate differential between the USD- and EGP-denominated loans. The company currently pays around 10-11% on EGP-denominated loans compared to 0.75%+LIBOR/1.5% on USD loans and 1.5%+EURIBOR on Euro loans. The increase in the net effective interest rate resulted in interest charges accounting for more than 30% of EBITDA for 2011 compared to just 12% in 2010.

Figure 35 Effective Interest Rate and Net Interest Charges/EBITDA

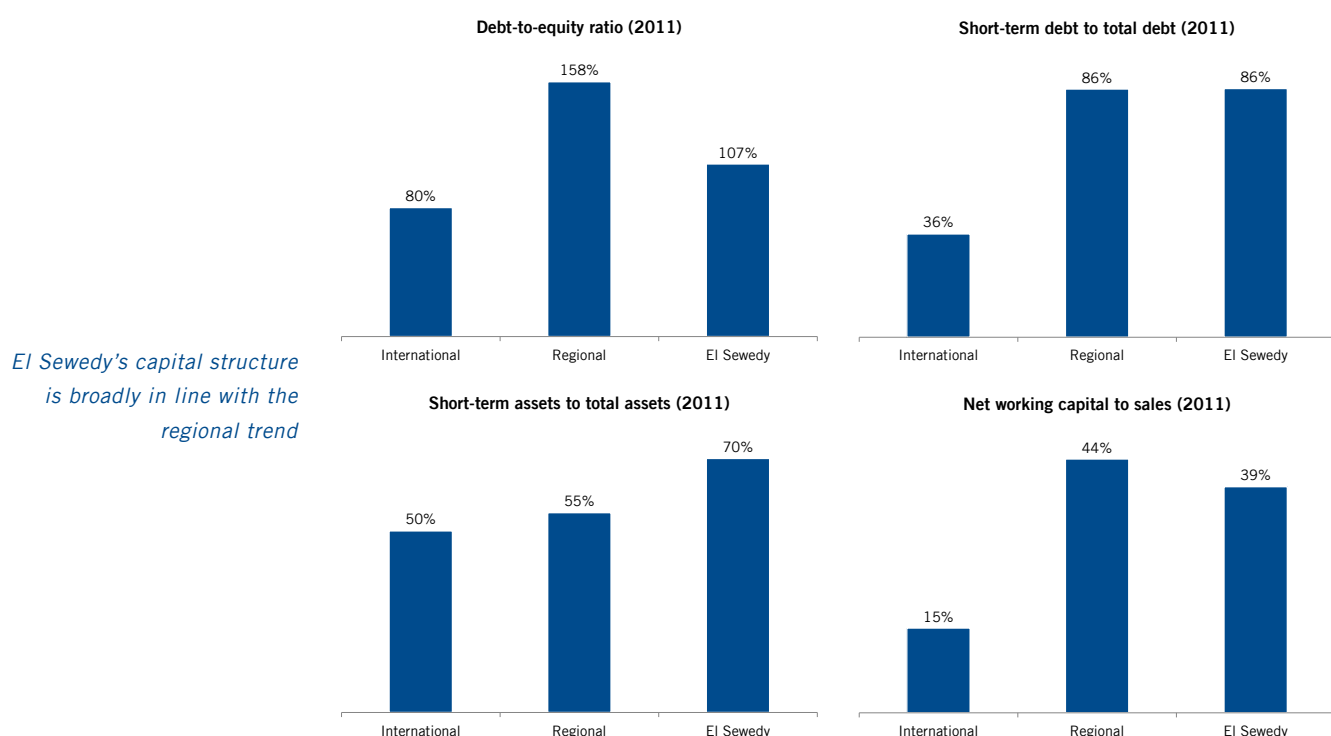


*Effective interest rate is calculated as interest expense excluding forex losses over average total debt.
Sources: El Sewedy and NBK Capital

According to management, the company enjoys a strong relationship with its banks. However, in the background of the well-covered event of declining levels of forex reserves in Egypt, any shift to (or increasing contribution from) EGP-denominated loans is likely to have a significant impact on Sewedy's profitability given the current relatively low levels of LIBOR and EURIBOR. Our forecast for the net effective interest rate in future is broadly similar to that of 2011.

However, when we compare Sewedy's balance sheet structure with its regional and international peers, we find the trend is similar across most regional peers compared to international peers.

Figure 36 Balance Sheet Structure Comparison with Regional and International Peers



Sources: El Sewedy, Bloomberg, and NBK Capital

Therefore, on an absolute basis, Sewedy's capital structure and working capital requirements appear stretched; however, when compared to regional players, the company looks in line with the industry trend in the region. That said, high working capital requirements continue to weigh on Sewedy's balance sheet and its bottom line. We do not expect the debt levels to rise in the near future due to the low capex guidance over the near-term and believe the company should not face difficulty in meeting near-term working capital requirements.

FINANCIAL STATEMENTS

Balance Sheet (EGP Millions)	Historic		Forecast				
Fiscal Year Ends December	2010	2011	2012	2013	2014	2015	2016

ASSETS

Cash	1,000	1,242	1,252	1,335	1,357	1,384	1,463
Total Receivables, Net	4,398	4,547	4,564	4,951	5,311	5,759	6,217
Total Inventory	3,700	3,554	3,726	4,210	4,517	4,899	5,290
Investments	569	401	401	401	401	401	401
Total Current Assets	9,667	9,744	9,942	10,898	11,587	12,443	13,371
Property/Plant/Equipment, Total - Net	3,814	3,736	3,555	3,439	3,370	3,356	3,354
Goodwill and Intangibles	166	227	227	227	227	227	227
Other Assets	297	268	268	268	268	268	268
TOTAL ASSETS	13,944	13,975	13,993	14,833	15,453	16,295	17,221

LIABILITIES & EQUITY

Accounts Payable	2,472	2,170	2,218	2,617	2,802	3,028	3,260
Short-Term Debt	4,765	5,158	4,827	4,827	4,753	4,753	4,753
Other Current Liabilities	72	49	49	49	49	49	49
Total Current Liabilities	7,310	7,377	7,094	7,493	7,604	7,831	8,063
Long-Term Debt	1,073	825	772	772	761	761	761
Other Liabilities	220	198	198	198	198	198	198
Minority Interest	414	414	431	453	478	509	544
Total Liabilities	9,017	8,815	8,495	8,916	9,041	9,298	9,566
Total Equity	4,927	5,161	5,498	5,916	6,412	6,997	7,655
TOTAL LIABILITIES AND EQUITY	13,944	13,975	13,993	14,833	15,453	16,295	17,221

Income Statement (EGP Millions)	Historic		Forecast				
Fiscal Year Ends December	2010	2011	2012	2013	2014	2015	2016
Total Revenue	12,902	15,169	15,523	16,842	18,070	19,596	21,159
Operating expenses	(11,486)	(13,827)	(14,120)	(15,306)	(16,401)	(17,749)	(19,121)
Depreciation/Amortization	(279)	(331)	(351)	(368)	(376)	(387)	(404)
Operating Income	1,137	1,011	1,052	1,167	1,292	1,461	1,634
Finance charges	(163)	(310)	(347)	(317)	(312)	(307)	(309)
Other	(65)	(67)	12	-	-	-	-
Taxes	(91)	(97)	(125)	(149)	(176)	(213)	(252)
Minority Interest	(21)	(27)	(30)	(36)	(43)	(51)	(59)
Net Income	796	509	560	665	761	890	1,014

Cash Flow Statement (EGP Millions)	Historic		Forecast				
Fiscal Year Ends December	2010	2011	2012	2013	2014	2015	2016
Cash from Operating Activities	(526)	429	1,078	858	953	974	1,111
Cash from Investing Activities	(713)	(136)	(161)	(253)	(307)	(372)	(402)
Cash from Financing Activities	1,524	(51)	(908)	(522)	(624)	(575)	(630)
Net Change in Cash	285	242	9	83	22	27	79

Sources: El Sewedy and NBK Capital

RISK AND RECOMMENDATION GUIDE

RECOMMENDATION			UPSIDE (DOWNSIDE) POTENTIAL	
BUY			MORE THAN 20%	
ACCUMULATE			BETWEEN 5% AND 20%	
HOLD			BETWEEN -10% AND 5%	
REDUCE			BETWEEN -25% AND -10%	
SELL			LESS THAN -25%	
RISK LEVEL				
LOW RISK			HIGH RISK	
1	2	3	4	5

DISCLAIMER

The information, opinions, tools, and materials contained in this report (the "Content") are not addressed to, or intended for publication, distribution to, or use by, any individual or legal entity who is a citizen or resident of or domiciled in any jurisdiction where such distribution, publication, availability, or use would constitute a breach of the laws or regulations of such jurisdiction or that would require Watani Investment Company KSCC ("NBK Capital") or its parent company, its subsidiaries or its affiliates (together "NBK Group") to obtain licenses, approvals, or permissions from the regulatory bodies or authorities of such jurisdiction. The Content, unless expressly mentioned otherwise, is under copyright to NBK Capital. Neither the Content nor any copy of it may be in any way reproduced, amended, transmitted to, copied, or distributed to any other party without the prior express written consent of NBK Capital. All trademarks, service marks, and logos used in this report are trademarks or service marks or registered trademarks or registered service marks of NBK Capital.

The Content is provided to you for information purposes only and is not to be used, construed, or considered as an offer or the solicitation of an offer to sell or to buy or to subscribe for any investment (including but not limited to securities or other financial instruments). No representation or warranty, express or implied, is given by NBK Capital or any of its respective directors, partners, officers, affiliates, employees, advisors, or representatives that the investment referred to in this report is suitable for you or for any particular investor. Receiving this report shall not mean or be interpreted that NBK Capital will treat you as its customer. If you are in doubt about such investment, we recommend that you consult an independent investment advisor since the investment contained or referred to in this report may not be suitable for you and NBK Capital makes no representation or warranty in this respect.

The Content shall not be considered investment, legal, accounting, or tax advice or a representation that any investment or strategy is suitable or appropriate for your individual circumstances or otherwise constitutes a personal recommendation to you. NBK Capital does not offer advice on the tax consequences of investments, and you are advised to contact an independent tax adviser.

The information and opinions contained in this report have been obtained or derived from sources that NBK Capital believes are reliable without being independently verified as to their accuracy or completeness. NBK Capital believes the information and opinions expressed in this report are accurate and complete; however, NBK Capital gives no representations or warranty, express or implied, as to the accuracy or completeness of the Content. Additional information may be available upon request. NBK Capital accepts no liability for any direct, indirect, or consequential loss arising from the use of the Content. This report is not to be relied upon as a substitution for the exercise of independent judgment. In addition, NBK Capital may have issued, and may in the future issue, other reports that are inconsistent with and reach different conclusions from the information presented in this report. Those reports reflect the different assumptions, views, and analytical methods of the analysts who prepared the reports, and NBK Capital is under no obligation to ensure that such other reports are brought to your attention. NBK Capital may be involved in many businesses that relate to companies mentioned in this report and may engage with them. Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information, opinions, and estimates contained in this report reflect a judgment at the report's original date of publication by NBK Capital and are subject to change without notice.

The value of any investment or income may fall as well as rise, and you may not get back the full amount invested. Where an investment is denominated in a currency other than the local currency of the recipient of the research report, changes in the exchange rates may have an adverse effect on the value, price, or income of that investment. In the case of investments for which there is no recognized market, it may be difficult for investors to sell their investments or to obtain reliable information about their value or the extent of the risk to which they are exposed.

NBK Capital has not reviewed the addresses of, the hyperlinks to, or the websites referred to in the report and takes no responsibility for the content contained therein. Such address or hyperlink (including addresses or hyperlinks to NBK Capital's own website material) is provided solely for your convenience and information, and the content of the linked site does not in any way form part of this document. Accessing such websites or following such links through this report or NBK Capital's website shall be at your own risk.

NBK Group may have a financial interest in one or any of the securities that are the subject of this report. Funds managed by NBK Group may own the securities that are the subject of this report. NBK Group may own units in one or more of the aforementioned funds.

NBK Group may be in the process of soliciting or executing fee-earning mandate or doing business for companies that are either the subject of this report or are mentioned in this report. As a result, you should be aware that NBK Group may have material conflict of interest that could affect the objectivity of this report.

© COPYRIGHT NOTICE

This is a publication of NBK Capital. No part of this publication may be reproduced or duplicated without the prior consent of NBK Capital.

NBK CAPITAL**Kuwait****Head Office**

38th Floor, Arraya II
Al Shuhada Street, Block 6, Sharq
P.O.Box 4950, Safat 13050
Kuwait
T. +965 2224 6900
F. +965 2224 6905

MENA Research

35th Floor, Arraya II
Al Shuhada Street, Block 6, Sharq
P.O.Box 4950, Safat 13050, Kuwait
T. +965 2224 6663
F. +965 2224 6905
E. menaresearch@nbkcapital.com.kw

Brokerage

37th Floor, Arraya II
Al Shuhada Street, Block 6, Sharq
P.O.Box 4950, Safat 13050, Kuwait
T. +965 2224 6964
F. +965 2224 6978
E. brokerage@nbkcapital.com

United Arab Emirates**NBK Capital Limited**

Precinct Building 3, Office 404
Dubai International Financial Center
P.O.Box 506506
Dubai, UAE
T. +971 4 365 2800
F. +971 4 365 2805

Turkey**NBK Capital**

Arastima ve Musavirlik AS,
Sun Plaza, 30th Floor,
Dereboyu Sk. No.24
Maslak 34398, Istanbul, Turkey
T. +90 212 276 5400
F. +90 212 276 5401

Egypt**NBK Capital Securities**

Egypt SAE
20 Aisha EL Taymouria St.
Garden City
Cairo, Egypt
T. +202 2798 5900
F. +202 2798 5905

NATIONAL BANK OF KUWAIT**Kuwait****National Bank of Kuwait SAK**

Abdullah Al-Ahmed Street
P.O. Box 95, Safat 13001
Kuwait City, Kuwait
T. +965 2242 2011
F. +965 2243 1888
Telex: 22043-22451 NATBANK

Jordan**National Bank of Kuwait SAK**

Head Office
Al Hajj Mohd Abdul Rahim Street
Hijazi Plaza, Building # 70
P.O.Box 941297,
Amman -11194, Jordan
T. +962 6 580 0400
F. +962 6 580 0441

United States of America**National Bank of Kuwait SAK**

New York Branch
299 Park Avenue, 17th Floor
New York, NY 10171, USA
T. +1 212 303 9800
F. +1 212 319 8269

China**National Bank of Kuwait SAK**

Shanghai Representative Office
Suite 1003, 10th Floor,
Azia Center, 1233 Lujiazui Ring Rd.
Shanghai 200120, China
T. +86 21 6888 1092
F. +86 21 5047 1011

INTERNATIONAL NETWORK**Bahrain****National Bank of Kuwait SAK**

Bahrain Branch
Seef Tower, Al-Seef District
P.O. Box 5290, Manama, Bahrain
T. +973 17 583 333
F. +973 17 587 111

Saudi Arabia**National Bank of Kuwait SAK**

Jeddah Branch
Al-Andalus Street, Red Sea Plaza
P.O. Box 15385
Jeddah 21444, Saudi Arabia
T. +966 2 653 8600
F. +966 2 653 8653

United Arab Emirates**National Bank of Kuwait SAK**

Dubai Branch
Sheikh Rashed Road, Port Saeed
Area, ACICO Business Park
P.O. Box 88867, Dubai
United Arab Emirates
T. +971 4 2929 222
F. +971 4 2943 337

Lebanon**National Bank of Kuwait**

(Lebanon) SAL
Sanayeh Head Office
BAC Building, Justinian Street
P.O. Box 11-5727, Riyad El Solh
1107 2200 Beirut, Lebanon
T. +961 1 759 700
F. +961 1 747 866

Iraq**Credit Bank of Iraq**

Street 9, Building 187
Sadoon Street, District 102
P.O.Box 3420, Baghdad, Iraq
T. +964 1 7182198/7191944
+964 1 7188406/7171673
F. +964 1 7170156

Egypt**Al Watany Bank of Egypt**

13 Al Thamar Street
Gameat Al Dowal AlArabia
Fouad Mohie El Din Square
Mohandessin, Giza, Egypt
T. +202 333 888 16/17
F. +202 333 79302

United Kingdom**National Bank of Kuwait (Intl.) Plc**

Head Office
13 George Street,
London W1U 3QJ, UK
T. +44 20 7224 2277
F. +44 20 7224 2101

NBK Investment

Management Limited
13 George Street
London W1U 3QJ, UK
T. +44 20 7224 2288
F. +44 20 7224 2102

France**National Bank of Kuwait (Intl.) Plc**

Paris Branch
90 Avenue des Champs-Elysees
75008 Paris, France
T. +33 1 5659 8600
F. +33 1 5659 8623

Singapore**National Bank of Kuwait SAK**

Singapore Branch
9 Raffles Place #51-01/02
Republic Plaza, Singapore 048619
T. +65 6222 5348
F. +65 6224 5438

ASSOCIATES**Qatar****International Bank of Qatar (QSC)**

Suhaim bin Hamad Street
P.O.Box 2001
Doha, Qatar
T. +974 447 3700
F. +974 447 3710

Turkey**Turkish Bank**

Head Office
Valikonagl Avenue No. 1
P.O.Box 34371 Nisantasi,
Istanbul, Turkey
T. +90 212 373 6373
F. +90 212 225 0353

KUWAIT ▪ DUBAI ▪ ISTANBUL ▪ CAIRO