

13th April 2017
Cairo, Egypt

Dear sirs/The Egyptian Exchange,

Elsewedy Electric Company and its Board of Directors would like to address the two articles listed in the Board of Directors minutes for the meeting held on 10th April 2017 related to the establishment of a company in the insurance brokerage field and another in the real estate field. We would like to clarify that the articles' listing as part of the decisions approved by the Board was an error as they were in fact not discussed during the meeting despite being on the agenda.

- **Regarding approval to establish an insurance brokerage company:**

We clarify that the article set out to establish an internal department within the Group to compare offers from various insurance companies and ascertain the best service at the lowest price for the Group's insurance policies. This is particularly relevant following the increase in contracting projects under the electricity division, which require high-value insurance policies. We affirm that the Company has no intention to conduct any other form of insurance activity.

- **Regarding approval to establish a real estate company:**

We clarify that the content of the article is an extension of the Group's Industrial Development Companies (Pyramids Company, Pyramids Zonafranca, and Al Oula) through completing the infrastructure of industrial zones only.

- **Regarding subsidiary SLP S.A.E:**

We clarify that subsidiary company SLP S.A.E will establish a logistics center in the 10th of Ramadan Industrial Zone for storage services related to its industrial companies and customers in the zone. DB Schenker Egypt will be responsible for store management and operation due to its extensive experience in the field. The investment cost is estimated at EGP 100 million.

Elsewedy Electric Group Companies would like to make it clear to investors that the Group is focusing all efforts in this next phase on promoting investments in cable and transformers manufacturing and contracting in the electricity sector, particularly under power generation and power transmission projects both inside and outside Egypt, leveraging the Group's experience and international reputation in these fields. Any activities or companies in any other field squarely serve the Group's main activities in these sectors.

Sincerely,
Tarek Yehia
Investor Relations

Tarek yehia .

