Qalaa Holdings Reports FY14 Results

Qalaa reports 34% top-line growth, significant EBITDA improvement and narrowed by 54% its net loss after tax and minority; confirms return to profitability by year-end 2015

Highlights from FY14 Consolidated Income Statement[1]

Revenues EGP 6,452.7 mn vs. EGP 4,806.2 mn FY13	Contribution Margin 39%
EBITDA EGP 651.9 mn vs. EGP (23.1) mn FY13	Net Profit After Minority EGP (879.6) mn vs. EGP (1,897) mn FY13

Highlights from FY14 Consolidated Balance Sheet

Total Assets EGP 32,340.5 mn vs. EGP 30,039.7 mn FY13	Total Equity EGP 11,883.2 mn vs. EGP 12,723.7 mn FY13

[1] For the purpose of the business review, Qalaa Holdings compares actual 2014 results against pro forma 2013 figures, not the statutory figures reported in FY13. Qalaa Holdings was in 2013 a hybrid private equity firm. Statutory financial results for that year accordingly do not reflect the impact of the company's transformation in 2014 into an industrial holding group. Asset purchases made to facilitate that transformation have been consolidated on Qalaa's income statement and balance sheet since 1Q2014. The comparison of actual FY14 figures against pro forma FY13 figures allows a more accurate gauge of Qalaa's financial performance as a holding company under its new business model.

"We are reducing financial risk by significantly deleveraging at the holding and platform company levels. Meanwhile, we are limiting operational risk through the divestment of underperforming assets, focusing instead on the winners and ensuring they have the funding they need to deliver on growth plans,"

FY14 Financial & Operational Highlights

- **Total Revenues** rose 34% year-on-year to EGP 6,452.7 million.
- **EBITDA** in FY14 came in at EGP 651.9 million, representing a significant improvement over a negative EGP 23.1 million EBITDA in FY13. Meanwhile, EBT stood at EGP 1,252.4 million in FY14, essentially steady y-o-y.
- **Contribution margin** of c. 39% in FY14 will remain healthy in the new fiscal year, leading management to conclude that improvements in top-line performance will increasingly flow down the income statement to the EBITDA and bottom lines. Management however expects contribution margin to decrease over time as Qalaa expands its retail supermarkets and petroleum distribution businesses (fueling stations), where despite their high return on equity these lines of business have a relatively low contribution margin.
- **Net Loss After Minority Interest** narrowed 54% to EGP 879.6 million in FY14 compared to a loss of EGP 1,897.0 million in the previous year. Bottom-line is expected to turn to profitability by the end of 2015 on the back of asset sales, disposal of discontinued operations and a decline in interest expenses as the firm continues to reduce debt on the back of the ongoing deleveraging program.

- **Contributors to Revenues** were weighted toward the cement segment (40%) and energy segment (30%) on the back of strong performances from units of ASEC Cement and TAQA Arabia.

- **Seasonality in energy and cement consumption** typically sees the second and third quarters deliver the strongest results during the year, followed in turn by Q1 and Q4.

- **Completed exits of several non-core assets** including Sudanese Egyptian Bank, Sphinx Glass and foundries AAC and AMC in FY2014 under divestment plan; laid groundwork for successful 2015 exit of Pharos Holding. The company has also appointed advisors on strategic options for units Dina Farms, Rashidi El-Mizan, Misr Glass Manufacturing and Tanmeyah. Meanwhile, Qalaa is also negotiating the disposal of ASEC Cement Algeria (Djelfa) and Zahana Cement Company as well as the divestment of an unutilized Nile-front land owned by Nile Logistics. This comes as part of Qalaa's efforts to streamline core businesses and deleverage at the platform levels by channeling back sale proceeds.

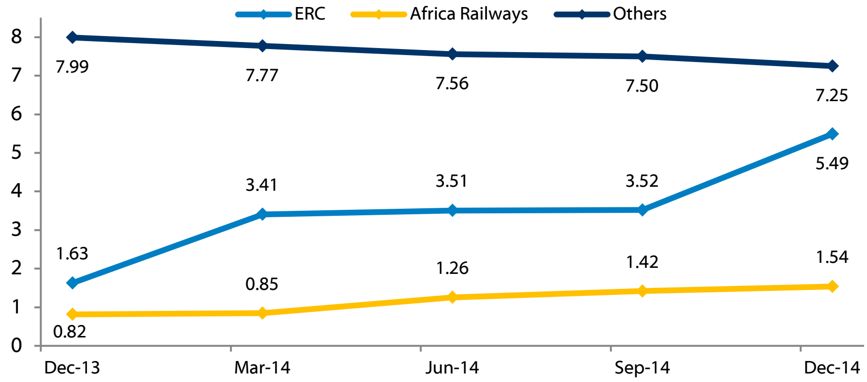
- **Continued emphasis on growth of existing assets** as well as build-out of major infrastructure plays Egyptian Refining Company and Mashreq, the company's sole remaining greenfields. The company also continued investing in the expansion of consumer-based businesses including supermarkets and fueling stations.

- Completed in April 2014 the **acquisition of additional stakes in core subsidiaries** via EGP 3.7 billion capital increase to paid-in capital of EGP 8 billion. Currently proceeding with approved EGP 1.7 billion capital increase to EGP 9.7 billion in paid-in capital, expected to be finalized in the coming months.

- Management restates its **guidance that it expects EBITDA to reach EGP 1.2 billion in 2015** and a return to profitability by year-end. Furthermore, management is also targeting to distribute dividends starting 2019.

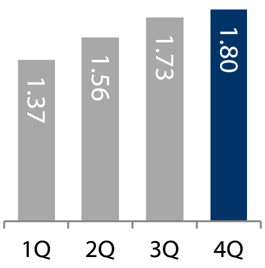
- The company reports **Total Bank Debt** of EGP 14.3 billion (of which EGP 5.5 billion relates to greenfield ERC and a further EGP 1.55 billion arises from Rift Valley Railways) vs. **Total Equity** of EGP 11.9 billion. Qalaa repaid debt equivalent to USD 62.8 million in FY14, of which USD 30 million was senior debt. A further EGP 246 million was debt paid in local currency in 2014.

Debt Progression (EGP bn)

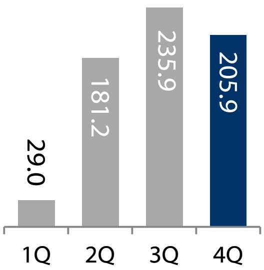


Management Comment:

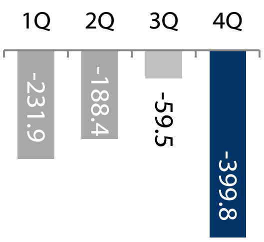
REVENUE PROGRESSION 2014 (Q-o-Q)
(in EGP bn)



EBITDA PROGRESSION 2014 (Q-o-Q)
(in EGP mn)



NET PROFIT PROGRESSION 2014 (Q-o-Q)
(in EGP mn)



Qalaa Holdings (CCAP on the Egyptian Exchange, formerly Citadel Capital) released today its consolidated financial results for the year ending 31 December 2014, reporting revenues of EGP 6,452.7 million, up 34% from 2013 pro forma figures.

"Despite the headwinds we have faced, Qalaa Holdings has consistently made critical calls since 2004 as regards macro trends and business model that are now being vindicated — and made clear in our financial statements. We have always invested in infrastructure and industry, with a particular eye on energy de-regulation and demand created by Egypt's compelling demographics. What was an investment thesis is now the core of our business strategy as a holding company as we finalize the transformation of our business model," said Ahmed Heikal, Chairman and Founder of Qalaa Holdings.

EBITDA meanwhile stood at EGP at EGP 651.9 million, a significant improvement over FY13's figure of negative EGP 23.1 million. Above the EBITDA line, management has reclassified Zahana Cement Co. in accordance with accounting policies to reflect its present status as a going concern; its results thus appear in Share of Associates' Results, having previously held it as a discontinued operation.

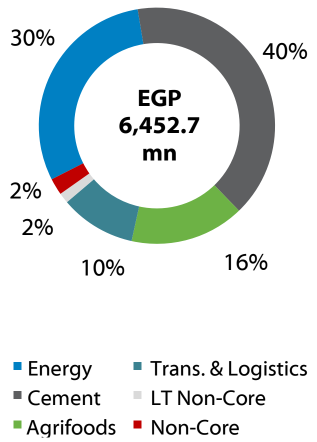
"Most notable in this regard is that we have not just swung to the positive on the EBITDA front, but we have done so in line with our guidance of EBITDA north of EGP 600 million from a negative a year ago," Heikal said. "Notable in this respect is that our EBITDA line reflects the impact of more than EGP 140 million in negative contributions from Rift Valley Railways — which is in the midst of a multi-year opreational turnaround — as well as from pre-operational greenfields Egyptian Refining Company and Mashreq. The completion of the turnaround and the start of operations at greenfields will result in further significant EBIDTA improvements out of proportion to our natural EBITDA growth curve."

On a full-year basis, the company reports a net loss after tax and minority of EGP 879.6 million, a 54% improvement from the previous year's pro forma figure of EGP 1,897.0 million. That improvement was muted in part by the impact of one-time charges recorded in 4Q14, including charges related to impairments, restructuring and layoffs, all of them designed to lock-in future efficiencies, weighted particularly toward TAQA Arabia and Rift Valley Railways. Moreover, results reflect the impact of the devaluation of the Egyptian pound against the US dollar, which contributed additional foreign exchange charges and inflated interest expenses, as the company has some dollar-denominated debt.

Some EGP 204 million in negative contributions from discontinued operations relate primarily to ESACO, Elmisrieen and Enjoy. Management restates its previous guidance that it aims for the income statement to include no charges from discontinued operations after 2Q15. Interest and depreciation due to discontinued operations are non-cash items; management accordingly estimates that c. 95% of losses from discontinued operations are non-cash.

Similarly, charges related to Bank PIK and One-Time Bank Fees (ERC PIK) totalling EGP 176.0 million in FY14 are non-cash expenses, as are the preponderance of foreign exchange charges. Lease payments are new income statement items as of 4Q14, being more capital-efficient means of managing expenditures related to Nile Logistics and Gozour.

QALAA HOLDINGS CONSOLIDATED REVENUES FY14



"Against this backdrop, I believe we will look at 2015 as marking a watershed year for Qalaa — a year in which we will distinguish ourselves as the owner and steward of large, transformative assets including Egypt's largest private-sector megaproject; the nation's leading independent energy distribution business; a highly competitive regional cement producer; and innovative transportation and logistics businesses that will change how goods move to market in Egypt and East Africa.

"In the year to come, our focus will be the completion of our transformation at the holding company level and a push forward with our divesting and deleveraging program, which will allow us to return to profitability by late this year — well ahead of schedule. Further to that, we will continue the steady build-out of our two key remaining greenfield operations: the Egyptian Refining Company (ERC, which is building a greenfield second-stage refinery in the Greater Cairo Area that will more than halve Egypt's present-day diesel imports) and Mashreq (which will become the first fuel bunkering facility in the Eastern Mediterranean)," Heikal noted.

Strategy: Financial & Operational Risk Reduction

Management has outlined key elements of its strategy for 2015:

- The company will **increase its stakes in core assets** through a capital increase that will see the firm capitalize liabilities arising from asset purchases worth around EGP 1.7 billion. This will see paid-in capital rise to EGP 9.7 billion through the issuance of an additional 340 million shares, of which 85 million will be preferred shares and 255 million common shares.

- **Sale of Assets:** Following the exit of Sudanese-Egyptian Bank, Sphinx Glass, the foundries AAC and AMC, and Pharos Holding in 2014 and early 2015, Qalaa is now looking forward to additional divestments including MGM (a container glass business and the sole remaining investment under QH GlassWorks platform) and remains watchful for other exit opportunities. The company is presently exploring the exit of Tanmeyah, its microfinance platform, and the sale of both confectioner Rashidi El-Mizan and the farm and fresh milk companies that operate under the Dina Farms brand in the wake of management's decision to treat the agrifoods sector as non-core. The company is also streamlining and delevraging its core businesses by selling non-core and non-essential elements of those units, such as ASEC Cement operations in Algeria and the Tebbin land held by Nile Logistics in Egypt. Proceeds of these sales and the consequent de-consildation of debt will have a powerfully positive impact on the consolidated financial statements.

- **Share Buybacks:** Management will create new value through share buybacks, using proceeds from strategic exits to acquire Qalaa shares for so long as these trade at a significant discount to their fair market value.

- **Equity-linked Issuance:** Management has appointed Renaissance Capital as mandated lead arranger to explore the potential issuance of a convertible bond in the fourth quarter of the current year.

Management's view is that the above will moreover allow the company to focus 100% of its bandwidth on proven winners while simultaneously enhancing cashflows, allowing Qalaa to drive growth at current assets; increase its ownership of current assets without resort to additional capital increases beyond the current (ongoing) capital increase to EGP 9.7 billion; and engage in share buybacks on an as-needed basis.

“Management will continue to pursue exits such as the potential sale of Tanmeyah to fund share buybacks, motivated by the belief that Qalaa's shares are presently trading at a steep discount to their fair market value," said Qalaa Co-Founder and Managing Director Hisham El-Khazindar. “As our recent disclosure on the subject indicated, our divestment program is progressing, multiple transactions having reached stages at which information memoranda have been withdrawn or at which binding offers are shortly due.

“As it has been for the past year, the mitigation of both financial and operational risk will be a key supporting factor in the delivery of this strategy. We are reducing financial risk by significantly deleveraging at the holding and platform company levels. Meanwhile, we are limiting operational risk through the divestment of underperforming assets, focusing instead on the winners and ensuring they have the funding they need to deliver on growth plans,” El-Khazindar said.

Added Heikal: “We continue to institutionalize the new systems rolled out in 2014 that are not only giving our board better oversight of Qalaa, but which have given both the board and Qalaa management clearer control over subsidiary management. With phase one now complete, we are moving into the second phase of a three-year technology implementation cycle for a common information-sharing platform across Qalaa and all of our subsidiaries. This process is already paying dividends, and we see substantial new opportunities to drive efficiencies not just through control of headcount and improved labor productivity, but through consolidation of spending on services and products ranging from assurance and mobile telephony to insurance, human resources and warehousing,” Heikal noted.

Similar advancements in compliance and internal audit have taken root at the board level as Qalaa continued to empower the Board’s compensation and audit committees.

"Our four strategic initiatives, in combination with other options now under consideration, will allow the company to reduce debt at the holding level to below EGP 4.5 billion (excluding ERC and RVR). In line with previously communicated expectations, debt at the Qalaa Holdings level declined to c. US$ 270 million in FY14 from US$ 300 million the previous year. Moreover, the strategy should see Qalaa Holdings return to profitability on a full-year basis in FY15, significantly ahead of schedule," Heikal concluded. "Having stayed the course through the rough seas post-2011, our core platforms—particularly those in energy and infrastructure—are ideally positioned to capture the upside of the prevailing macro climate starting in 2016."

Platform Company	QH Ownership Prior to Second Capital Increase	QH Ownership Post Second Capital Increase
ERC (refinery)	15.2%	18.9%
Mashreq (bunkering)	60.2%	71.3%
Tawazon (waste management)	53.4%	68.1%
Nile Logistics (river transport & stevedoring)	62%	67.6%
ASEC Cement Holding* (cement production)	4.85%	10.3%

*** QH also owns 69.2% of ASEC Holding (NDT), which owns 60% of ASEC Cement Holding**

Detailed overviews of the performance of operational companies in each of Qalaa’s core industries follow; complete financials are available for download on ir.qalaaholdings.com

Methods of Consolidation

Consolidation Method	Classification	Sector	Companies
Fully Consolidate Companies	**Core**	Energy	TAQA Arabia, tawazon, ERC, Mashreq Petroleum
		Cement	ASEC holding
		Agrifoods	Gozour, WAFRA
		Transportation & Logistics	Nile Logistics, Africa Railways
	Select Non-Core	MicroFinance	Tanmeyah
	Non-Core	Specialized Real Estate	BONYAN Development and Trade
		Metallurgy	U.C.F. United Company for Foundries
Equity Method Consolidated Companies (Share of Associates)	**Core**	Mining	ASCOM Geology & Mining
	Non-Core	Glass Manufacturing	GlassWorks
		Mid-cap Buyouts	GRANDVIEW
		Finance Unlimited / Financial Services	PHAROS
		Media & Retail	Tanweer

Qalaa Holdings Consolidated Income Statement for the twelve months ending 31 December 2014 (in EGP mn)

	Actual					Proforma				
	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013
Revenue	1,366.9	1,560.7	1,726.6	1,798.6	6,452.7	1,203.6	989.8	1,271.8	1,341.0	4,806.2
Cost of Sales	(1,128.8)	(1,134.3)	(1,312.9)	(1,416.1)	(4,992.0)	(1,040.9)	(808.9)	(1,028.4)	(991.6)	(3,869.8)
Gross Profit	**238.1**	**426.4**	**413.8**	**382.5**	**1,460.7**	**162.7**	**180.9**	**243.4**	**349.5**	**936.5**
Advisory fee	4.4	3.6	6.0	(4.0)	9.9	3.8	4.4	2.8	46.6	57.6
Share in Associates' Results	20.1	38.2	11.5	28.7	98.5	19.7	26.2	30.0	(23.1)	52.9
Total Operating Profit	**262.5**	**468.2**	**431.2**	**407.2**	**1,569.1**	**186.2**	**211.5**	**276.3**	**372.9**	**1,046.9**
SG&A	(219.0)	(210.0)	(215.4)	(230.7)	(875.0)	(239.1)	(221.9)	(175.2)	(265.5)	(901.8)
Other Income/Expenses (Net)	15.0	(72.7)	50.1	21.1	13.6	(73.1)	(5.2)	(14.6)	(75.4)	(168.2)
EBITDA (before one-offs)	**58.6**	**185.5**	**266.0**	**197.6**	**707.7**	**(125.9)**	**(15.6)**	**86.5**	**32.0**	**(23.1)**
SG&A (Non recurring)	(29.6)	(4.3)	(30.1)	8.3	(55.7)	-	-	-	-	-
EBITDA	**29.0**	**181.2**	**235.9**	**205.9**	**651.9**	**(125.9)**	**(15.6)**	**86.5**	**32.0**	**(23.1)**
Depreciation & Amortization	(103.5)	(119.4)	(91.7)	(74.4)	(388.9)	(77.5)	(85.3)	(143.0)	(28.6)	(334.4)
EBIT	**(74.4)**	**61.8**	**144.1**	**131.5**	**263.0**	**(203.5)**	**(100.9)**	**(56.5)**	**3.4**	**(357.4)**
Bank Interest Expense	(171.1)	(178.4)	(164.3)	(215.1)	(728.9)	(155.1)	(156.5)	311.6	(660.3)	(660.3)
Bank PIK	(24.0)	(24.0)	(24.0)	(24.0)	(96.0)				(21.4)	(21.4)
One Time Bank Fees (ERC-PIK)	-	-	-	(80.0)	(80.0)				-	-
Shareholder PIK Interest (ASEC Holding Convertible)	(13.6)	(19.6)	(18.1)	(27.0)	(78.4)	(13.8)	(14.4)	(467.6)	442.4	(53.4)
Interest Income	21.2	19.7	17.9	17.5	76.3	15.5	33.2	5.3	26.4	80.4
Lease Payments	-	-	-	(22.0)	(22.0)				-	-
EBT (before one-offs)	**(262.0)**	**(140.5)**	**(44.3)**	**(219.1)**	**(665.9)**	**(356.9)**	**(238.6)**	**(207.3)**	**(209.4)**	**(1,012.1)**
Gain (Loss) on Sale of Investments	-	-	85.0	(15.0)	70.0					
Impairments/Write-downs	-	-	(1.7)	(22.3)	(24.0)					
Restructuring/Layoffs	-	(9.6)	-	(110.4)	(120.0)					
CSR			(23.5)	-	(23.5)					-
Provisions	-	-	(10.7)	(75.2)	(85.9)					
Discontinued Operations *	(97.2)	(37.3)	(9.3)	(60.2)	(204.0)	(50.0)	(34.1)	(63.9)	(97.7)	(245.8)
FOREX	13.4	(35.8)	(68.8)	(107.8)	(199.0)	63.9	10.4	(32.1)	(39.8)	2.5
EBT	**(345.8)**	**(223.2)**	**(73.4)**	**(610.0)**	**(1,252.4)**	**(343.0)**	**(262.3)**	**(303.3)**	**(346.9)**	**(1,255.5)**
Taxes	(9.2)	(19.3)	(25.7)	(63.5)	(117.6)	(8.9)	(27.4)	(12.3)	1.6	(47.0)
Net P/L Before Minority Share	**(355.0)**	**(242.5)**	**(99.1)**	**(673.4)**	**(1,370.0)**	**(351.9)**	**(289.7)**	**(315.6)**	**(345.2)**	**(1,302.5)**
Minority Interest	(123.1)	(54.1)	(39.6)	(273.6)	(490.4)	(135.7)	(136.8)	(178.2)	1,045.3	594.6
Net Profit (Loss)	**(231.9)**	**(188.4)**	**(59.5)**	**(399.8)**	**(879.6)**	**(216.2)**	**(152.9)**	**(137.4)**	**(1,390.5)**	**(1,897.0)**

* Discontinued operations include ESACO, Djelfa (ASEC Cement), El-Aguizy, Elmisrieen, Enjoy, Mom's Foods (all Gozour), AMC, AAC, and Crondall (Misc.)

Qalaa Holdings Consolidated Income Statement by Sector for the twelve months ending 31 December 2014 (in EGP mn)

			Core										Select Non Core	Non Core		Actual
			Energy				Cement	Agrifoods		Transportation & Logistics		Mining				
	QH	SPVs	TAQA Arabia	Tawazon*	ERC	Mashreq	ASEC Holding	Gozour	Wafra	Nile Logistics	Africa Railways	ASCOM**	Tanmeyah	Miscellaneous^	Elimination	12M 2014
Revenue	-	-	1,798.0	130.3	-	-	2,606.1	1,008.1	3.6	60.6	606.6	-	92.1	147.3	-	6,452.7
Cost of Sales	-	-	(1,500.2)	(102.9)	-	-	(1,946.8)	(665.2)	(2.9)	(49.3)	(599.4)	-	-	(125.4)	-	(4,992.0)
Gross Profit	**-**	**-**	**297.9**	**27.4**	**-**	**-**	**659.2**	**342.9**	**0.7**	**11.3**	**7.2**	**-**	**92.1**	**21.9**	**-**	**1,460.7**
Advisory fee	82.1	13.7	-	-	-	-	-	-	-	-	-	-	-	-	(85.9)	9.9
Share in Associates' Results	-	-	-	-	-	-	139.6	-	-	3.0	-	(1.9)	-	-	(42.1)	98.5
Total Operating Profit	**82.1**	**13.7**	**297.9**	**27.4**	**-**	**-**	**798.9**	**342.9**	**0.7**	**14.3**	**7.2**	**(1.9)**	**92.1**	**21.9**	**(128.1)**	**1,569.1**
SG&A	(125.9)	(42.9)	(108.0)	(11.8)	(33.5)	(15.3)	(234.3)	(184.8)	(15.6)	(24.3)	(69.7)	-	(56.8)	(20.9)	68.9	(875.0)
Other Income/Expenses (Net)	6.2	-	(14.3)	0.3	-	0.1	18.1	9.0	(0.9)	(0.7)	-	-	1.8	0.1	(6.2)	13.6
EBITDA (before one-offs)	**(37.6)**	**(29.2)**	**175.6**	**15.9**	**(33.5)**	**(15.1)**	**582.7**	**167.1**	**(15.8)**	**(10.7)**	**(62.5)**	**(1.9)**	**37.1**	**1.0**	**(65.4)**	**707.7**
SG&A (Non recurring)	(18.3)	(33.7)	(2.8)	-	-	-	-	(1.0)	-	-	-	-	-	-	-	(55.7)
EBITDA	**(55.9)**	**(62.8)**	**172.8**	**15.9**	**(33.5)**	**(15.1)**	**582.7**	**166.1**	**(15.8)**	**(10.7)**	**(62.5)**	**(1.9)**	**37.1**	**1.0**	**(65.4)**	**651.9**
Depreciation & Amortization	(1.9)	(0.0)	(27.7)	(6.8)	-	(0.1)	(137.7)	(79.4)	(6.7)	(33.3)	(56.3)	-	(5.0)	(26.1)	(7.7)	(388.9)
EBIT	**(57.8)**	**(62.8)**	**145.1**	**9.1**	**(33.5)**	**(15.2)**	**444.9**	**86.7**	**(22.5)**	**(44.1)**	**(118.8)**	**(1.9)**	**32.1**	**(25.1)**	**(73.1)**	**263.0**
Bank Interest Expense	(122.6)	(27.2)	(28.7)	(1.0)		-	(271.9)	(59.8)	-	(53.6)	(122.8)	-	(0.1)	(34.4)	(6.7)	(728.9)
Bank PIK		(22.0)					(74.0)									(96.0)
One Time Bank Fees (ERC-PIK)					(80.0)											(80.0)
Shareholder PIK Interest (ASEC Holding Convertible)	-	(14.3)	-	-	(11.2)	-	(122.7)	(15.0)	-	(9.7)	-	-	-	(24.6)	119.1	(78.4)
Interest Income	119.2	15.5	58.4	-	0.7	0.1	9.3	0.4	-	0.2	0.0	-	2.2	7.7	(137.3)	76.3
Lease Payments	-	-	-	-	-	-	-	(10.0)	-	(12.0)	-	-	-	-	-	(22.0)
EBT (before one-offs)	**(61.2)**	**(110.9)**	**174.9**	**8.1**	**(123.9)**	**(15.2)**	**(14.4)**	**2.3**	**(22.5)**	**(119.1)**	**(241.6)**	**(1.9)**	**34.2**	**(76.5)**	**(98.0)**	**(665.9)**
Gain (Loss) on Sale of Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	70.0	70.0
Impairments/Write-downs	-	(28.5)	2.2	(0.0)	-	-	(5.1)	(3.6)	-	-	-	-	-	-	11.0	(24.0)
Restructuring/Layoffs	-	(92.8)	(9.6)	-	-	-	-	-	-	-	(17.7)	-	-	-	-	(120.0)
CSR	(5.5)	-	(4.3)				(8.5)	(3.3)		(0.5)			(1.0)	(0.5)		(23.5)
Provisions	-	(17.4)	(9.0)	(1.4)	-	-	(42.3)	(7.6)	-	(0.8)	-	-	-	(3.9)	(3.4)	(85.9)
Discontinued Operations ***	-	-	-	-	-	-	(25.8)	(155.8)	-	-	-	-	-	(263.1)	240.7	(204.0)
FOREX	21.2	(23.8)	-	(1.2)	(0.1)	1.9	(86.5)	12.7	(17.6)	2.4	(56.9)	-	-	(51.2)	-	(199.0)
EBT	**(45.4)**	**(273.4)**	**154.3**	**5.4**	**(124.0)**	**(13.2)**	**(182.7)**	**(155.3)**	**(40.0)**	**(118.1)**	**(316.2)**	**(1.9)**	**33.2**	**(395.2)**	**220.3**	**(1,252.4)**
Taxes	(0.2)	(0.1)	(62.3)	(0.9)	(0.0)	-	(53.1)	(13.3)	-	-	13.3	-	(0.6)	1.8	(2.3)	(117.6)
Net P/L Before Minority Share	**(45.6)**	**(273.5)**	**92.0**	**4.6**	**(124.0)**	**(13.2)**	**(235.8)**	**(168.6)**	**(40.0)**	**(118.1)**	**(302.9)**	**(1.9)**	**32.6**	**(393.4)**	**218**	**(1,369.9)**
Minority Interest	-	-	22.4	2.1	(15.2)	(3.3)	79.7	0.0	(0.7)	(33.8)	-	-	-	(2.9)	(538.8)	(490.4)
Net Profit (Loss)	**(45.6)**	**(273.5)**	**69.6**	**2.5**	**(108.8)**	**(10.0)**	**(315.5)**	**(168.6)**	**(39.3)**	**(84.3)**	**(302.9)**	**(1.9)**	**32.6**	**(390.5)**	**756.8**	**(879.6)**

* Consolidation of Tawazon Figures started 1st of April, 2014.
** ASCOM, which is Qalaa Holdings' core-platform company for the mining inudstry, is not fully consolidated but instead is treated as a share of associates as per the equity method of consolidation.
*** Discontinued operations include ESACO, Djelfa (ASEC Cement), El-Aguizy, Elmisrieen, Enjoy, Mom's Foods (all Gozour), AMC, AAC, and Crondall (Misc.)
^ Miscellaneous includes United Foundries, Designopolis & Crondall

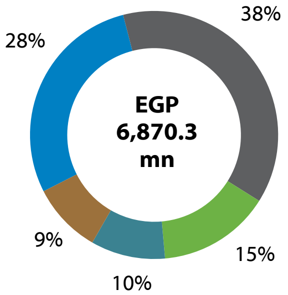
Qalaa Holdings Consolidated Balance Sheet as of 31 December 2014 (in EGP mn)

		Core										Select Non Core	Non Core			
		Energy				Cement	Agrifoods		T & L						
	QH	ERC	TAQA Arabia	Tawazon	Mashreq	ASEC Holding	Gozour	Wafra	Nile Logisics	Africa Railways	Tanmeyah	Misc *	Eliminations/ SPVs	FY2014	FY 2013**
Current Assets															
Trade and Other Receivables	1,563.5	454.6	723.3	84.9	1.9	670.5	285.8	16.4	66.3	401.2	30.3	201.4	(1,322.8)	3,177.4	2,267.5
Inventory	-	-	93.2	36.8	-	544.9	185.0	7.0	9.6	130.4	-	40.3	(0.0)	1,047.2	1,020.3
Assets Held For Sale	-	-	5.1	-	-	1,105.4	133.7	-	-	-	-	-	177.0	1,421.2	613.0
Cash and Cash Equivalents	258.8	783.7	527.6	8.7	16.7	178.5	16.6	0.6	5.0	315.9	49.3	5.1	15.6	2,182.1	2,149.9
Others	-	-	73.2	-	2.5	-	-	-	-	-	3.5	127.0	(125.3)	80.8	274.2
Total Current Assets	**1,822.3**	**1,238.4**	**1,422.40**	**130.4**	**21.1**	**2,499.2**	**621.2**	**23.97**	**80.9**	**847.6**	**83.1**	**373.7**	**(1,255.5)**	**7,908.7**	**6,325.0**
Non-Current Assets															
PP&E	21.8	11,352.9	495.7	91.0	110.2	2,868.7	1,148.9	224.5	603.7	93.0	9.7	258.6	588.2	17,866.9	16,112.4
Investments	8,698.8	-	2.3	-	-	956.8	3.4	-	6.2	-	-	345.7	(7,495.7)	2,517.5	2,424.6
Goodwill / Intangible assets	-	-	402.3	32.6	43.8	199.8	275.2	-	-	737.8	-	24.6	1,270.8	2,986.9	3,861.5
Others	578.8	486.5	30.0	-	-	45.7	11.3	-	-	-	-	-	(91.8)	1,060.5	1,316.1
Total Non-Current Assets	**9,299.3**	**11,839.4**	**930.33**	**123.7**	**154.0**	**4,071.0**	**1,438.8**	**224.54**	**610.0**	**830.7**	**9.7**	**628.9**	**(5,728.5)**	**24,431.8**	**23,714.7**
Total Assets	**11,121.5**	**13,077.7**	**2,352.73**	**254.1**	**175.1**	**6,570.2**	**2,060.0**	**248.51**	**690.8**	**1,678.3**	**92.9**	**1,002.6**	**(6,984.0)**	**32,340.5**	**30,039.7**
Shareholders' Equity															
Paid In Capital														8,000.0	4,358.1
Retained Losses														(4,695.7)	(2,656.1)
Reserves														202.4	374.2
Shareholders' Credit Balance														836.8	2,323.2
Net Loss for The Period														(879.6)	(374.7)
Total Equity Holders of the Company	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**3,463.9**	**4,024.7**
Minority Interest		3,214.7	260.5	48.0	25.0	1,864.3	-	(8.1)	51.2	-	-	2.0		8,419.3	8,699.1
Total Equity	**-**	**3,214.7**	**260.5**	**48.0**	**25.0**	**1,864.3**	**-**	**(8.05)**	**51.2**	**-**	**-**	**2.0**		**11,883.2**	**12,723.7**
Current Liabilities															
Borrowings	1,086.8	-	126.6	16.6	-	516.3	381.0	23.2	274.3	102.6	-	88.0	137.9	2,753.3	3,132.0
Trade and Other Payables	580.2	616.7	784.7	56.4	6.6	1,113.4	697.4	513.0	256.1	333.7	68.8	383.6	(1,423.0)	3,987.7	5,497.6
Provisions	191.1	-	26.5	31.5	3.8	177.6	21.2	2.0	7.2	-	1.1	8.7	18.9	489.6	477.2
Liabilities Held For Sale				-	-	506.3	431.6	-	-	-	-	-	-	937.9	623.2
Total Current Liabilities	**1,858.1**	**616.7**	**937.89**	**104.5**	**10.4**	**2,313.6**	**1,531.2**	**538.17**	**537.5**	**436.4**	**69.9**	**480.3**	**(1,266.2)**	**8,168.5**	**9,729.9**
Non-Current Liabilities															
Borrowings	846.1	5,485.6	66.3	-	-	1,907.1	96.5	25.1	131.3	1,443.9	-	188.4	544.2	10,734.3	6,783.0
Shareholder Lloan	-	-	-	-	-	1,209.5	-	-	-	-	-	217.3	(634.1)	792.8	524.7
Long-Term Liabilities	(0.6)	258.2	170.9	9.1	-	39.7	28.5	-	1.6	(57.2)	(6.3)	8.0	436.5	888.4	278.3
Total Non-Current Liabilities	**845.5**	**5,743.8**	**237.14**	**9.1**	**-**	**3,156.3**	**125.1**	**25.06**	**132.9**	**1,386.6**	**(6.3)**	**413.8**	**346.6**	**12,415.4**	**7,586.0**
Total Liabilities	**2,703.5**	**6,360.5**	**1,175.03**	**113.6**	**10.4**	**5,469.9**	**1,656.3**	**563.23**	**670.4**	**1,823.0**	**63.6**	**894.1**	**(919.7)**	**20,583.9**	**17,315.9**
Total Equity and Liabilities	**2,703.5**	**9,575.2**	**1,435.51**	**161.6**	**35.5**	**7,334.2**	**1,656.3**	**555.18**	**721.6**	**1,823.0**	**63.6**	**896.1**	**(919.7)**	**32,467.1**	**30,039.7**

* Miscellaneous includes United Foundries, Designopolis & Crondall
** FY2013 is pro forma

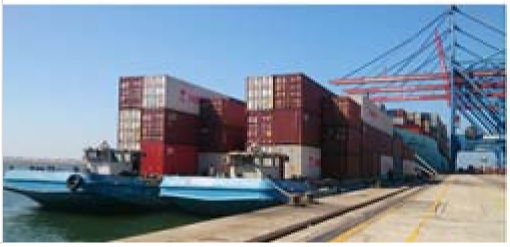
Operational Reviews

SECTOR CONTRIBUTION TO CORE PLATFORM REVENUES (FY14)
(in EGP mn)



Energy	1,956.7
Cement	2,606.1
Agrifoods	1,008.1
Trans. & Logistics	667.2
Mining	632.2

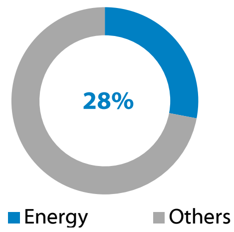




Sector Review: Energy

Qalaa Holdings' operational core Energy companies include TAQA Arabia (energy generation and distribution) and Tawazon (solid waste management / waste-to-energy). Pre-operational greenfields include Egyptian Refining Company (petroleum refining) and Mashreq (fuels bunkering).

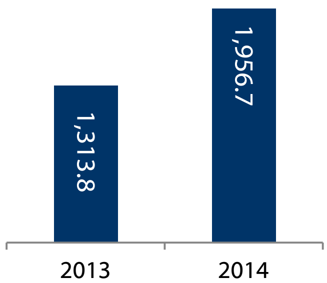
Energy Percent of Core Platform Revenues (FY14)



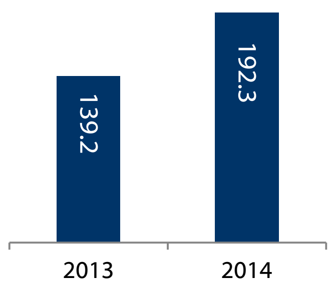
Operational and Financial Performance

Energy division Revenues were essentially steady q-o-q in 4Q14 while rising 49% y-o-y in FY14 to EGP 1,956.7 million as compared to EGP 1,313.8 million in FY13. EBITDA dropped q-o-q but increased by 38% y-o-y in the full year to EGP 192.3 million. Improved results in the year are attributable to better performance across both operational platform companies TAQA Arabia and Tawazon.

Energy Revenues*
EGP 1,956.7 mn
(FY14)



Energy EBITDA*
EGP 192.3 mn
(FY14)



(EGP mn unless otherwise stated)	FY13	FY14	% diff
TAQA Arabia Revenues	1,227.6	1,798.0	*46%*
TAQA Arabia EBITDA	154.7	172.8	*12%*
Tawazon Revenues	86.2	158.7	*84%*
Tawazon EBITDA	(15.5)	19.5	*n/a*

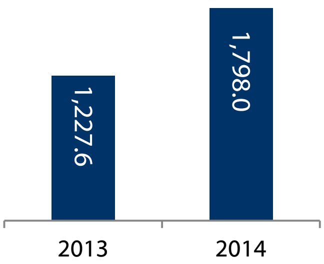
* Energy revenues and EBITDA are aggregate figures, representing the simple summation of TAQA Arabia and Tawazon's figures, as these are the only two operational companies within the Energy sector..

QH OWNERSHIP — 62.5%

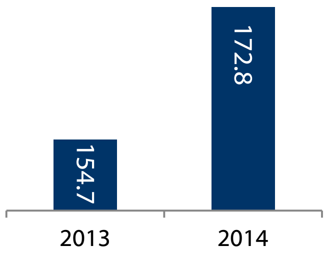
TAQA Arabia reports 46% y-o-y growth in FY14 Revenues

Egypt's leading independent energy company reports strong operational and financial results for FY14 on the back of a strong performance at its Fuels Marketing and Distribution division, additional filling stations, and a rise in total power generated and distributed.

Consolidated TAQA Arabia
Revenues
EGP 1,798.0 mn
(FY14)



Consolidated TAQA Arabia
EBITDA
EGP 172.8 mn
(FY14)



TAQA Arabia recorded somewhat flat revenues compared to the previous quarter, while FY14 revenues soared some 50% y-o-y. Meanwhile, FY14 EBITDA rose 12% over FY13.

The improved performance owes to strong operational results, primarily at TAQA Marketing, where revenues climbed 79% y-o-y in FY14 to EGP 967.4 million, buoyed by full capacity utilization at the company's storage facility in Suez, the opening of four new filling stations in 2014 – to close the year with 37 stations in total – and the partial lifting of energy subsidies. TAQA Marketing has secured financing for an additional 10 stations that should be completed over the course of 2015. Furthermore, TAQA's Power arm saw its revenues rise 45% y-o-y in FY14 to EGP 389.3 million on the back of the commencement of two power generation projects and increased distribution driven by higher consumption in CFC of Al-Futtaim and Nakheel projects; total power generated and distributed in FY14 stood at 591 M kW/hr, an increase of 21% y-o-y.

At the Gas arm, construction / conversion of households in FY14 was lower than the previous year mainly because of some delays in the awarding of new residential units. Notably, TAQA has signed an agreement with EGAS to convert 308,000 units over the next three years, a process the company began in 2015. Gas distribution, meanwhile, dropped from 4.8 BCM in FY13 to 3.9 BCM in FY14 on continued shortages in supply. To offset the shortage in gas supply and the decrease in industrial volumes the company managed to increase its customer service fee per household from EGP 1.75 / bill to EGP 2.5 / bill. This assisted in an increase of c.55% in gas distribution revenues.

TAQA Arabia Subsidiaries (EGP mn)	FY13	FY14	*% diff*
TAQA Arabia Power Revenues	269.3	389.3	*45%*
TAQA Arabia Power EBITDA	78.7	81.4	*3%*
TAQA Arabia Gas Revenues	417.1	439.4	*5%*
TAQA Arabia Gas EBITDA	98.4	99.1	*1%*
TAQA Marketing Revenues	541.2	967.4	*79%*
TAQA Marketing EBITDA	9.0	28.0	*211%*

Total Power Generated & Distributed* (FY14)

591
M kW/hr
▲21% y-o-y

Total Gas Distributed (FY14)

3.9
BCM
▼19% y-o-y

Total Liquid Fuels Distributed (FY14)

578
M Liters
▲61% y-o-y

Gas Construction (FY14)

54,849
Converted Customers
▼8% y-o-y

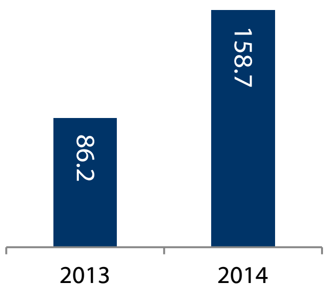
* Of the total, 76% is distributed while the remainder is generated.

QH OWNERSHIP — 53.4%

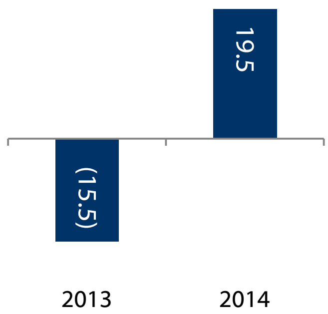
Tawazon reports positive EBITDA of EGP 19.5 mn in FY14

Solid waste management play **Tawazon** reported an 84% y-o-y increase in revenues in FY14 on the back of solid performances at fully-owned subsidiaries ECARU and ENTAG. These strong performances led to the company reporting a positive EBITDA of EGP 19.5 million in the year, a sharp turnaround from negative EBITDA in FY13.

Consolidated Tawazon
Revenues
EGP 158.7 mn
(FY14)



Consolidated Tawazon
EBITDA
EGP 19.5 mn
(FY14)



In 2014, **ECARU** reported an increase in tonnage supply and revenues at its Agricultural Waste operations, driven by long term contracts. Biomass supply in 2014 reached c.145,000 tons vs c.114,000 tons in 2013, an increase of 27% which is clearly reflected in Tawazon's y-o-y uptick in revenues. On a q-o-q basis, the suspension of Cemex orders beginning in September 2014 for maintenance work and installation of the coal mill saw 4Q14 revenues remain somewhat flat and contributed to the 55% drop in the quarter's EBITDA. Meanwhile, collection efforts were focused on fruit trimmings with the company adding two new collection sites. Municipal Waste operations reported tipping fees from the Dakahleyya MSW contract of EGP 6 million in 2014 compared to EGP 4.6 million in 2013 due to the receipt of more sites. The company's main focus for the coming period will be to increase capacity of RDF Fluff production to keep up with the increasing demand, mainly as a result of cement plants introducing RDF as an alternative fuel to their energy mix.

In 2014, **ENTAG** witnessed a significant jump in its top line, mainly due to the Omani (Sumrete) contract for the design and construction of an engineered sanitary landfill signed in January 2014, which generated c. EGP 27.8 million in revenues. Also key was the GIZ (German AID development agency) contract to design and build an MRF facility in the Governorate of Qalubeyya with revenues of EGP 7.1 million. The balance of revenues was derived from technical consultancy and equipment supply to sister company ECARU amounting to EGP 2.8 million. Similarly, EBITDA remained in the black at EGP 1.1 million in FY2014.

Total Biomass Supplied (ECARU) (FY14)

145,000
Tons
▲27% y-o-y

QH OWNERSHIP — 15.2%

Construction progress for Egyptian Refining Company exceeds 50%

Egyptian Refining Company (ERC) is building a US$ 3.7 billion greenfield petroleum refinery in the Greater Cairo Area (GCA) to begin operations during 2017 with 2018 to be the refinery's first full year of operations. GS Engineering & Construction Corp, the general contractors for the project, took full receipt of the project site earlier in the year; construction progress was 45.5% at the end of December 2014 and had reached 51.86% at the end of March 2015. Qalaa Holdings expects ERC to generate EBITDA of c. US$ 750 million in its first full operational year.

ERC continues to receive heavy equipment — including process reactors, fractionators and drums — at Al-Adabiya Port in Egypt's Gulf of Suez. The above photograph shows equipment stored on lands just outside the port, waiting for the building of two bridges over Ismalia Canal on the route from Suez to the ERC site in the GCA. Notably, the company has begun construction on those bridges.

QH OWNERSHIP — 54.9%

Qalaa is currently negotiating to finance the debt funding requirements of Phase 1 of the project

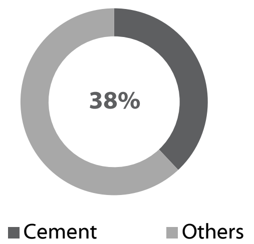
As part of the ongoing effort to develop Suez Canal corridor, in 2013 **Mashreq Petroleum** signed a 30-year concession agreement (in addition to a three-year grace period for construction) with the East Port Said Port Authority for the lease of a 210,000 sqm plot of land located in East Port Said near the Mediterranean terminus of the Suez Canal. On it, the company will build the first independent tank terminal and logistical hub of its kind in the region which will facilitate global trade and help Egypt maximize its use of the Suez Canal.

QH is currently engaged in negotiations with a leading financial institution to finance the debt funding requirements of Phase I of the project, which is expected to be operational by the end of 2016.

Sector Review: Cement

Qalaa Holdings' operational core Cement platform company is ASEC Holding, which includes cement manufacturing (ASEC Cement with production facilities: Al-Takamol Cement in Sudan, ASEC Minya, Misr Qena Cement and ASEC Ready Mix in Egypt; Zahana Cement Co. and Djelfa (under construction) in Algeria), construction (ARESCO, ASEC Automation) and technical management (ASEC Engineering and ASENPRO).

Sector Percent of Core Platform Revenues (FY14)

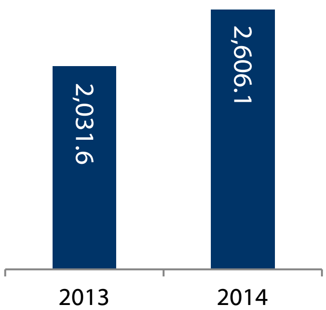


Operational and Financial Performance

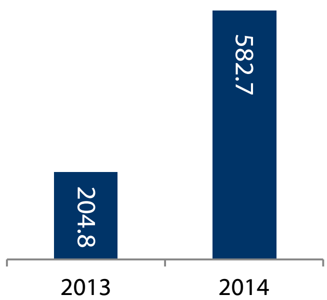
The Cement sector includes three divisions: Cement, Construction and Management. ASEC Holding saw a 28% y-o-y rise in consolidated revenues in FY14, driven by the strong contributions of the Cement division companies, and ASEC Minya in particular.

QH OWNERSHIP — 69.2%

ASEC Holding Consolidated Revenues
EGP 2,606.1 mn
(FY14)



ASEC Holding Consolidated EBITDA
EGP 582.7 mn
(FY14)



ASEC CEMENT

ASEC HOLDING OWNERSHIP — 59.9%

ASEC Cement reports 71% y-o-y growth in FY14 Revenues

ASEC Cement reported Sales Revenue growth of 71% as compared to FY13 driven by a c.105% increase in concrete (ASEC Ready Mix) sales volumes and a surge in cement sales volumes on the back of ASEC Minya's contribution. Similarly, EBITDA grew more than 3.5x over 2013.

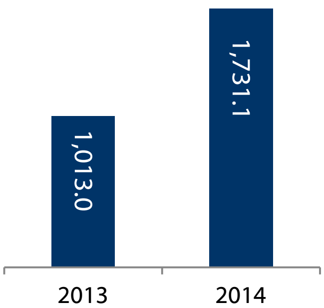
Despite signs of improved supply, fuel shortages continued to strain the cement industry in 2014, pressuring the average utilization of clinker capacity in Egypt to the level of 64%. Misr Qena Cement remained consistently above 100% utilization during the whole year, as it operates with heavy fuel oil which was largely available.

Despite challenges presented by electricity and fuel shortages in 2014 — its first full year of operations — greenfield plant ASEC Minya quickly ramped up production to reach an average utilization of some 90%.

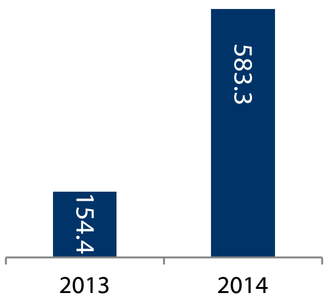
Al-Takamol Cement, meanwhile, saw its market share in the potentially lucrative Sudanese market drop to 13% during 2014 (as compared to a high of 25% in 2011) but in December of 2014 had regained its second-place ranking with a 23% share. The Sudanese market has been marked by severe inflation, fuel shortages and interrupted supply over the past couple of years, but the recent drop of international oil prices has benefitted the Sudanese market—where the government began the importation and supply of fuels to cement plants in December 2014, a practice which has continued uninterrupted since. Likewise, a 50% jump in sale prices offset the decrease in volumes produced. Notably, Al Takamol's FY14 EBITDA stood at EGP 61 mn in FY14, while it has registered at some EGP 45-50 mn in 1Q15 alone.

ASEC Minya, Misr Qena Cement and Al-Takamol have each signed contracts and started construction to convert their facilities to operate wholly or in part on coal and / or RDF (Refused-derived fuel) mills. ASEC Minya is expected to have its coal mill operational by 3Q15 and Al-Takamol by early 2016.

ASEC Cement Revenues
EGP 1,731.1 mn
(FY14)



ASEC Cement EBITDA
EGP 583.3 mn
(FY14)



ASEC Holding Subsidiaries (EGP mn)	FY13	FY14	% diff
Asec Minya Revenues*	124.0	1,176.6	*High*
Asec Minya EBITDA*	(1.1)	388.3	*High*
Misr Qena Cement Revenues	955.6	1,150.9	*20%*
Misr Qena Cement EBITDA	373.1	481.9	*29%*
Al-Takamol Cement Co. Revenues	411.8	436.9	*6%*
Al-Takamol Cement Co EBITDA	18.3	61.0	*234%*
ASEC Ready Mix Revenues	63.2	146.5	*132%*
ASEC Ready Mix EBITDA	6.4	19.9	*209%*

Total Sales Volume (ASEC Minya) (FY14)*

1.9
MTPA
▲373% y-o-y

Total Sales Volume (Al-Takamol) (FY14)

0.4
MTPA
▼32% y-o-y

Total Sales Volume (Misr Qena) (FY14)

2.0
MTPA
▲3% y-o-y

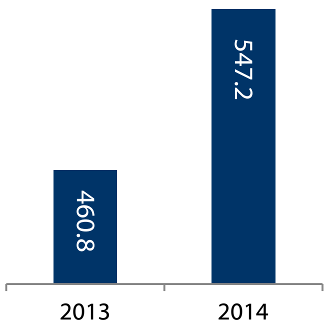
* ASEC Minya began operations in 4Q13, hence the significant increase y-o-y

ASEC HOLDING OWNERSHIP — 99.9%

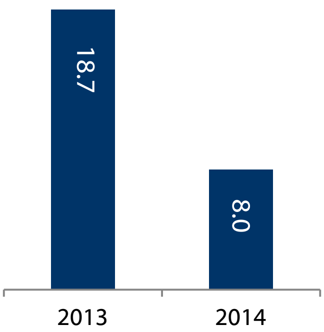
ASEC Engineering reports 19% y-o-y growth in FY14 Revenues

ASEC Engineering manages plants with a combined capacity of 13.5 MTPA in Egypt. The company managed the production of c. 10.2 million tons in 2014 (of the total 13.5 MT), with an expected increase to 11.7 MT in 2015 and close to 13 MT in 2016. Total Revenues increased over the previous year by 19% in FY14 as a result of the increase in clinker production as well as ASEC Minya coming on stream. ASEC Engineering's inter-company revenues amount to only c.13%. ASEC Engineering is on-track to expand its footprint regionally with contracts signed in Syria, Ethiopia, Mozambique and Jordan. Unplanned work stoppages and maintenance at the Nahda and Sinai Greay plants, along with fuel shortages at Sinai White and Misr Beni Suef had a negative impact on 4Q14 margins and brought down full year EBITDA significantly.

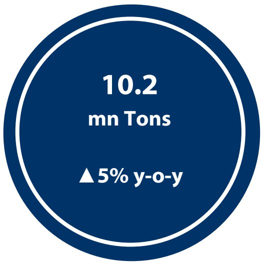
ASEC Engineering Revenues
EGP 547.2 mn
(FY14)



ASEC Engineering EBITDA
EGP 8.0 mn
(FY14)



Managed Clinker Production
(FY14)

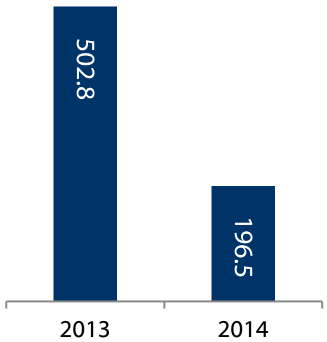


ASEC HOLDING OWNERSHIP — 99.9%

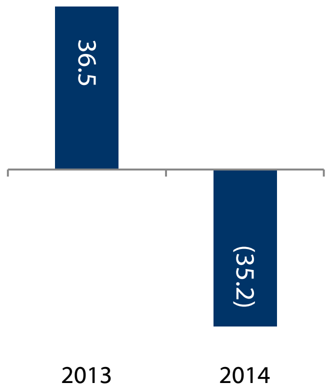
ARESCO closed 2014 with new contracts worth EGP 1.1 billion

ARESCO FY14 Revenues reported a steep 61% fall from FY13, with EBITDA impacted by considerable fixed costs and the delayed start of some projects. That said, ARESCO has been awarded new contracts totaling EGP 1.1 billion to be phased in over the course of 2015 and 2016, in addition to projects in the pipeline with an estimated value of EGP 2 billion. The only intercompany contracts are with ASEC Minya for EGP 160 million and with Misr Qena for EGP 43 million (equity method consolidated). The drop in revenues comes as the company has not signed new contracts over the past couple of years, leading to a diminishing backlog. That said, management is optimistic about ARESCO's outlook as the company signed new contracts worth EGP 1.1 billion in 2014. The new contracts come as the country's cement plants further their drive for energy efficiency as well as the installation of different energy feeding systems as coal and alternatives (ancillary projects).

ARESCO Revenues
EGP 196.5 mn
(FY14)



ARESCO EBITDA
EGP (35.2) mn
(FY14)

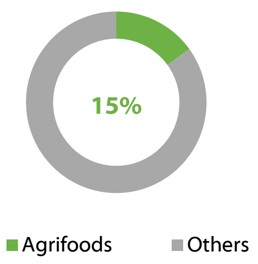


Total Construction Backlog (ARESCO) (FY14)

Sector Review: Agrifoods

Qalaa Holdings' operational core Agrifoods companies include Gozour (multicategory agriculture and consumer foods) and Wafra (agriculture in Sudan and South Sudan). Wafra faces difficulties in operations ranging from political and civil conflicts in South Sudan to technical problems in Sudan and hence its figures have been excluded from this review.

Sector Percent of Core Platform Revenues (FY14)

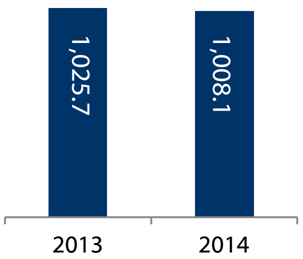


Operational and Financial Performance

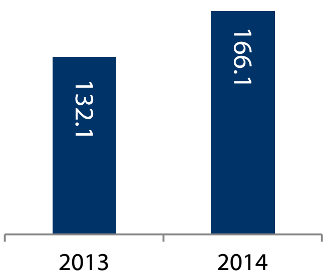
The sector saw a 2% y-o-y decrease in FY revenues to EGP 1,008.1 million, however, EBITDA improved, recording a 26% increase to EGP 166.1 million. Sector revenues & EBITDA only include integrated multi-category agriculture and consumer foods platform Gozour.

Gozour reports 26% y-o-y growth in FY14 EBITDA

Consolidated Gozour
Revenues
EGP 1,008.1 mn
(FY14)



Consolidated Gozour
EBITDA
166.1
(FY14)



Gozour Subsidiaries (EGP mn)	FY13	FY14	% diff
Rashidi El-Mizan Revenues	497.7	480.2	(4%)
Rashidi El-Mizan EBITDA	69.0	64.2	(7%)
Dina Farms Revenues	343.8	365.6	6%
Dina Farms EBITDA	95.0	106.8	12%
ICDP Revenues (Fresh Dairy producer)	84.1	110.7	32%
ICDP EBITDA	7.3	12.3	70%
ACST Revenues (Retail Supermarkets)	99.9	127.4	27%
ACST EBITDA	(2.0)	1.6	n/a

- In Egypt, leading regional confectioner **Rashidi El-Mizan (REM)** again felt the impact of increased sesame prices, which affected sales y-o-y. That said, management's successful marketing strategies throughout the year paid off with a rebound in sales in 4Q14 which drove an 18% increase in revenues and 61% improvement to EBITDA q-o-q.
- **Dina Farms** continued its path of organic growth, opening a new dairy unit with a capacity of 1,167 heads of cattle, and featuring new cooling systems and a new feeding machine.
- **ICDP**, which markets Dina Farms' fresh dairy produce, reports strong growth, achieving a 76% share of the Egyptian fresh milk market in 4Q14 as compared to 73% in 3Q14. The division continues to launch successful l new products appealing to a wide variety of consumers, increasing sales revenues.
- **ACST** (Dina Farms Retail) turned in an exceptional performance, increasing sales revenues 27% y-o-y and more than doubling outlets from 7 in 2013 to 15 by the end of 2014. Retail space by square meter increased 134% y-o-y to 5,215 sqm; while average like-to-like sales density rose 10% to EGP 4,112 per sqm per month as compared to EGP 3,743 per sqm per month in FY13

Qalaa Holdings has appointed leading investment bank EFG Hermes as sell-side advisors for the sales of Dina Farms and Rashidi El Mizan. The company is also in the process of divesting Enjoy and Elmisrieen. Qalaa has announced that it will retain the retail supermarkets business owned by Dina Farms.

Rashidi El Mizan Sales (FY14)

25,246
SKUs in Tons
▼12% y-o-y

Dina Farms Sales (FY14)

64,060
Tons raw milk
▲11% y-o-y

Dina Farms Total Herd* (FY14)

16,310
Cows
▲1% y-o-y

* Of which 7,403 are milking cows

ICDP Sales (FY14)

11,146
SKUs in Tons
▲16% y-o-y

Retail Stores / Retail Space (FY14)

15 / 5,215
/ sqm
▲114% / ▲134% y-o-y

Average Like-to-Like Sales Density (FY14)**

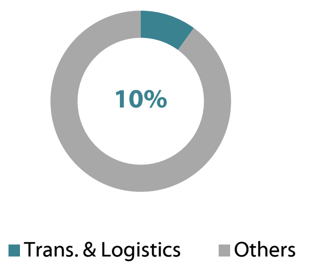
4,112
EGP / sqm / month
▲10% y-o-y

** Same store comparison, area of 2,225 sqm as at the end of 2013.

Sector Review: Transportation & Logistics

Qalaa Holdings' operational core Transportation & Logistics companies include Rift Valley Railways (the national railway of Kenya and Uganda) and Nile Logistics (sea port services in Egypt as well as river transportation in Egypt, Sudan and South Sudan).

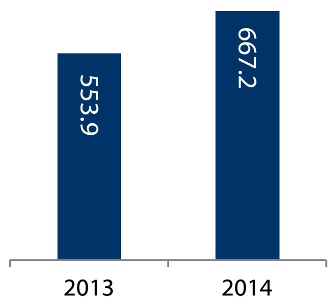
Sector Percent of Core Platform Revenues (FY14)



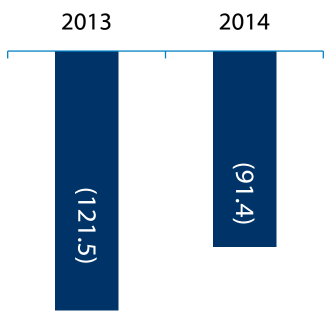
Operational and Financial Performance

The Transportation & Logistics division posted aggregate revenues in FY14 of EGP 667.2 million, a 20% increase over the EGP 553.9 million recorded last year. The sector's aggregate EBITDA came in at negative EGP 91.4 million in FY14 as compared to a negative EGP 121.5 million last year.

Trans. & Logistics Revenues*
EGP 667.2 mn
(FY14)



Trans. & Logistics EBITDA*
EGP (91.4) mn
(FY14)



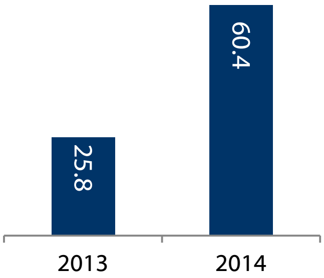
(EGP mn unless otherwise stated)	FY13	FY14	% diff
Nile Logistics Revenues	25.8	60.4	*126%*
Nile Logistics EBITDA	(93.0)	(10.7)	*n/a*
Africa Railways Revenues (in USD mn)	73.9	84.2	*14%*
Africa Railways EBITDA (in USD mn)	(4.1)	(11.3)	*70%*

* Revenue and EBITDA figures represent the aggregate / simple summation of Nile Logistics and Africa Railways results.

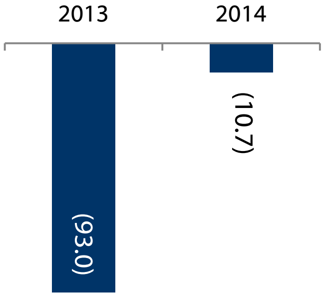
QH OWNERSHIP — 62.0%

Nile Logistics significantly increases Revenues by increasing capacity of sea port services

Revenues
EGP 60.4 mn
(FY14)



EBITDA
EGP (10.7) mn
(FY14)



Nile Logistics recorded a 126% growth y-o-y in Operating Revenues in FY14. The strong results are owing to the remarkable operational performance of Alexandria Floating Crane Anchorage Services (stevedoring) were total volume handled increased five-folds to 958 Ktons in FY14, compared to 175 Ktons the previous year. The y-o-y improvement comes despite 4Q14 volumes declining by 48% versus 3Q14 due to bad weather conditions which delayed shipment arrivals.

In Port Said, the launching of a feeder service operation — between Suez Canal Container Terminal "SCCT" in East Port Said to West Port Said Container Terminal "PSD" and vice versa — early in 2014 enabled the company to handle a total of c. 20,000 TEUs. The container transshipment business has proven to be very robust with the company recording the highest number of round trips per month in August 2014 (15 trips) with the highest operational efficiency in terms of the average volume per round trip (247 TEU), serving a total of 3,704 TEU in that month, which is double the May and June volumes.

While EBITDA came in at a negative EGP 10.7 million in FY14, it is a marked improvement over FY13 figure of negative EGP 93 million. Financial performance is expected to further improve in line with the company's operational expansion in 2015 on the back of (a) the launch of operations at Adabeya Port in 2Q15 (postponed from an earlier target of December 2014), (b) phasing-in of the second floating crane at Alexandria Port to widen the company's client and product base and (c) mobilizing two additional 100m barges to Port Said to serve contractual agreements with new clients one of which has already entered operations in 1Q15.

Stevedoring Tons Handled (FY14)

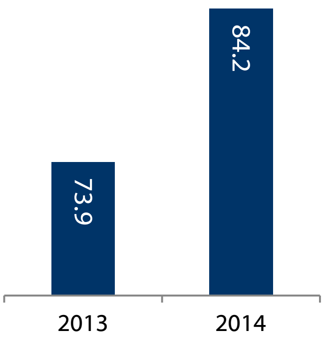
Container Transshipment (FY14)

QH OWNERSHIP — 30.8%

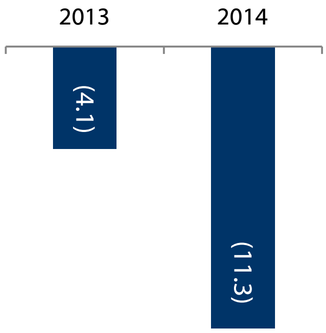
Africa Railways reports 14% y-o-y Revenue growth in FY14

Rift Valley Railways continued building on Revenue growth, reporting a 14% increase y-o-y in FY14. In parallel, operations showed Net Ton-Km (NTK) increase by 12% year on year, to total 1,334 million NTK of goods transported over the course of 2014.

Revenues
USD 84.2 mn
(FY14)



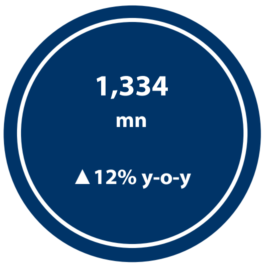
EBITDA
USD (11.3) mn
(FY14)



As of December 2014, Rift Valley Railways had received six of the awaited 20 GE locomotives — the first locomotives to arrive in East Africa since 1987. The remaining 14 locomotives will arrive over regular intervals, with the last expected by mid-June 2015. By that time, the hauling capacity of RVR should double compared to June 2014, which should enhance the company's revenue going forward. Also in December 2014, RVR successfully met the concession target of NTK set forth by the Kenyan government for the 21-month period ending March 2015 (i.e., three months earlier than the agreed deadline).

Cents/NTK decreased y-o-y because 1) Increased capacity required reducing rates and 2) Decreasing fuel prices allowed trucking companies to reduce their rates, thus putting pressure on RVR's rates.

Net Ton-Kilometer Rail (FY14)

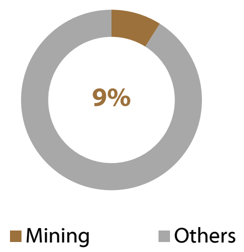


Revenues / Net Ton-Kilometer (FY14)

Sector Review: Mining

Qalaa Holdings' operational core platform in the Mining sector is ASCOM, which includes operating companies ASCOM (as standalone and leading provider of quarrying services), ASCOM for Chemicals and Carbonates Manufacturing (ACCM), ASCOM Precious Metals (APM), GlassRock, and ASCOM Sudan.

Sector Percent of Core Platform Revenues (FY14)



Operational and Financial Performance

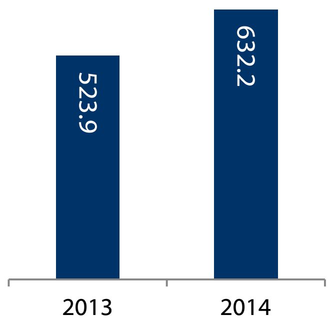
In FY14, ASCOM's consolidated revenues improved by 21% y-o-y to reach EGP 632.2 million, while EBITDA came in at a positive EGP 46.2 million compared to EGP 21.1 million in the same period last year, a 119% increase y-o-y.

ASCOM GEOLOGY & MINING

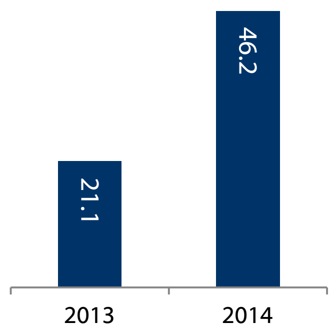
QH OWNERSHIP — 39.2%

ASCOM reports 21% y-o-y growth in FY14 Revenues; surge in EBITDA

ASCOM Consolidated
Revenues
EGP 632.2 mn
(FY14)



ASCOM Consolidated
EBITDA
EGP 46.2 mn
(FY14)



ASCOM Subsidiaries (EGP mn unless otherwise stated)	FY13	FY14	% diff
ACCM Revenues (in USD mn)	15.9	19.6	*23%*
ACCM EBITDA (in USD mn)	3.7	3.7	-
GlassRock Revenues (in USD mn)	3.7	4.0	*10%*
GlassRock EBITDA (in USD mn)	(3.2)	(1.2)	*(62.5%)*
Egypt Quarrying Revenues	310.7	343.3	*11%*
Egypt Quarrying EBITDA	28.7	26.8	*(7%)*
Other Quarry Management Revenues - ex Egypt*	47.4	120.2	*154%*
Other Quarry Management EBITDA - ex Egypt*	(1.5)	4.3	*n/a*

The improvement in **ACCM's** revenues comes largely on the back of full capacity utilization at its production facility, the addition of a new wet milling line and exports of some 24 thousand tons of Calcium Carbonate. Revenue improvement, however, was not echoed at the EBITDA level as the company witnessed sharp increases in operating costs, including an uptick caused by the partial lifting of subsidies on electricity and petroleum products during 2H14.

In **quarry management and services**, ASCOM is a leading supplier of limestone, clay, silica and gypsum, holding a more-than 40% share of the cement market in Egypt. In FY14 the quarry business benefited from the New Suez Canal project, where the company was commissioned by the Armed Forces to be one of the contractors doing dry excavation work, albeit with limited margins. Meanwhile, operations in Algeria and Sudan saw revenues spike 154% y-o-y to EGP 120.2 million in FY14.

In mining, ASCOM has several concessions in Sudan and in Ethiopia that it uses for exploration of gold, silver and copper. At its western Ethiopian concession, ASCOM's exploration drilling yielded very promising results and the company released its Maiden Mineral Resource Estimate putting gold resources in place at a total of 1.7 million ounces at 1.5 grams per ton. ASCOM is embarking on further exploration drilling work on site as well as on a full bankable feasibility study which should precede a full mining license and ultimately a gold production facility.

ACCM Volumes Sold (FY14)

247.5
k Ton
▲11% y-o-y

Egypt Quarrying Business Volumes Sold (FY14)

32.3
mn Ton
▲1% y-o-y

Select Non-Core: Microfinance

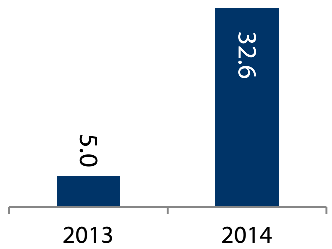
Tanmeyah Micro Enterprise Services was established in March 2009 to extend microfinance loans in the range of EGP 1,000 to EGP 30,000 to micro-businesses in Egypt and offers financial solutions to those segments of the population who previously had no access to such funding services.

QH OWNERSHIP — 70%

Tanmeyah reports more than six-fold growth in FY14 Net Income

Tanmeyah reported total Operating Revenues, including Net Interest Income, Insurance Income & Fees, in 4Q14 of EGP 26.4 million, rising 18% over EGP 22.3 million in the previous quarter. Meanwhile FY14 Operating Revenues stood at EGP 92.1 million, recording a 39% increase over the previous year's EGP 66 million.

Net Income
EGP 32.6 mn
(FY14)



In the quarter ending 31 December 2014 Tanmeyah reported Net Income of EGP 11.0 million, a 72% increase over the preceding quarter's figure of EGP 6.4 million. On a full year basis, Net Income came in at EGP 32.6 million in 2014, a 545% increase over FY13 figure of EGP 5 million. The improved results come on the back of Tanmeyah's efficiency optimization efforts that were implemented over the past couple of years. Tanmeyah managed to decrease the total number of loan officers and administrative staff across its branches while at the same time expanding its loan portfolio. This led to a decrease in cost / income ratio from 81% in 2013 to 64% in 2014. Costs include overheads, provisions, depreciation, etc; income is considered net of borrowing cost.

Tanmeyah extended total financing of EGP 180.6 million in the quarter ending 31 December against EGP 154.3 million in 3Q14, bringing its total value of loans issued in 2014 to EGP 623.3 million, a 36% increase over FY14. As at the end of December 2014, Tanmeyah had an amount of EGP 379.2 million as loans outstanding, a 33% increase over FY13. Tanmeyah currently has 99 branches in operation and has extended total credit of c.EGP 1.6 billion to over 330,000 projects since 2011.

Amount of Loans Outstanding (FY14)

379.2
EGP mn
▲33% y-o-y

Total Loans Issued in the Period (FY14)

623.3
EGP mn
▲36% y-o-y

Active Borrowers (FY14)

87,387
clients
▲19% y-o-y

ENERGY

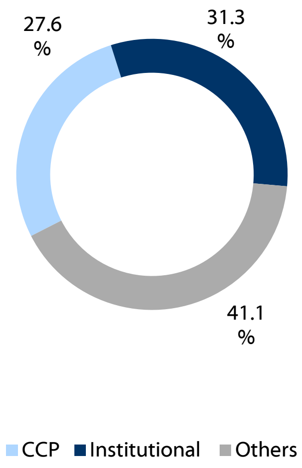
CEMENT

AGRIFOODS

TRANSPORTATION & LOGISTICS

MINING

SHAREHOLDER STRUCTURE
(as of 31 December 2014)



Forward Looking Statements

Statements contained in this Business Review that are not historical facts are based on current expectations, estimates, projections, opinions and beliefs of Qalaa Holdings. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon. Certain information contained herein constitutes "targets" or "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "seek," "should," "expect," "anticipate," "project," "estimate," "intend," "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology. Actual events or results or the actual performance of Qalaa Holdings may differ materially from those reflected or contemplated in such targets or forward-looking statements. The performance of Qalaa Holdings is subject to risks and uncertainties.

CCAP.CA on the Egyptian Stock Exchange

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