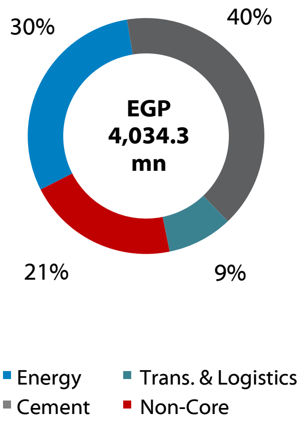
Qalaa Holdings Reports 2Q/1H 2015 Results

Qalaa's Total Revenues climb 37.8% and EBITDA records a three-fold surge to EGP 565.1 million in 1H15; ongoing restructuring efforts continue to reflect positively in its bottom line with losses narrowing 53% y-o-y

Highlights Consolidated Income Statement	
2Q 2015	
Revenues EGP 2,086.8 mn vs. EGP 1,560.6 mn in 2Q14	Contribution Margin 38%
EBITDA EGP 289.3 mn vs. EGP 181.2 mn in 2Q14	Net Profit After Minority EGP (84.7) mn vs. EGP (188.3) mn in 2Q14
1H 2015	
Revenues EGP 4,034.3 mn vs. EGP 2,927.5 mn in 1H14	Contribution Margin 38.9%
EBITDA EGP 565.1 mn vs. EGP 210.2 mn in 1H14	Net Profit After Minority EGP (196.9) mn vs. EGP (420.2) mn in 1H14

Highlights from Consolidated Balance Sheet as at 30 June, 2015	
Total Assets EGP 35,448.3 mn vs. EGP 32,415.2 mn in FY14	Total Equity EGP 11,818.4 mn vs. EGP 12,226.2 mn in FY14

QALAA HOLDINGS CONSOLIDATED REVENUES 1H15



"[...] several developments taking place during 2015 that play into our risk reduction strategy and our ongoing deleveraging program"

Financial & Operational Highlights

- **Total Revenues** climbed 33.7% y-o-y in 2Q15 to EGP 2,086.8 million, while for the six months period revenues came in at EGP 4,034.3 million, up 37.8% compared to 1H14.

- **Contributors to Revenues** in 1H15 were weighted toward the cement segment (40%) and energy segment (30%), buoyed by strong performances from business units ASEC Cement and TAQA Arabia.

- **Contribution margin** inched down to c. 38% in 2Q15. This is in line with expectations owing to the increasing weight of the company's retail supermarkets and petroleum distribution businesses (fueling stations) which despite their high returns on equity, these lines of business have relatively low contribution margins.

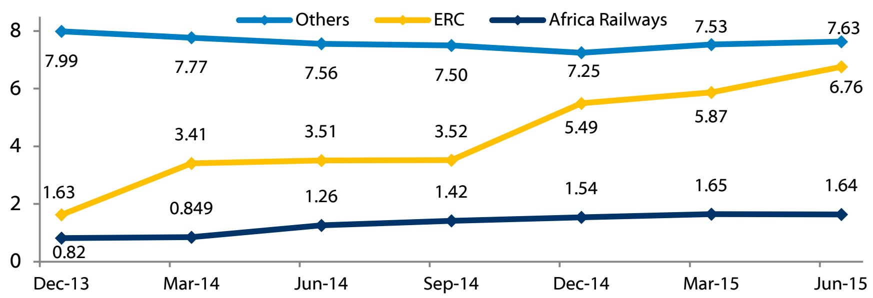
- **EBITDA** for the quarter came in at EGP 289.3 million, up 60% compared to 2Q14. Meanwhile, EBITDA for the six months period recorded an almost three-fold increase to EGP 565.1 million compared to the 1H2014 figure of EGP 210.2 million.

- **Net Loss after Minority Interest** narrowed 55% in 2Q15 to EGP 84.7 million compared with the same period last year. The bottom-line was mainly weighed down by high interest expenses which the company expects to significantly decrease by year end following the execution of its deleveraging plan.

- **Management restates its guidance** that it **expects EBITDA to reach around EGP 1.2 billion in 2015**, and prior to factoring in the effect of Qalaa's planned exits. Meanwhile, return to **bottom-line profitability** is expected by year-end on the back of improved operational performance of its portfolio companies and owing to the expected capital gains from planned exits.

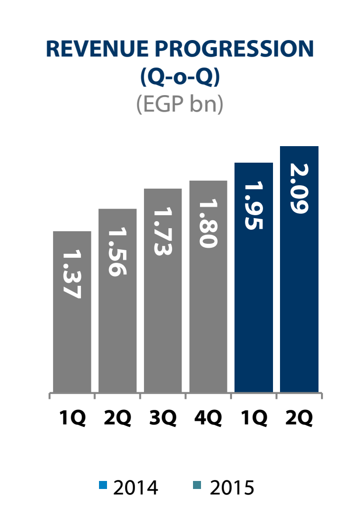
- The company reports **Total Bank Debt** of EGP 16.04 billion, of which EGP 6.76 billion relates to greenfield ERC and a further EGP 1.64 billion to Rift Valley Railways (RVR). **Total Equity** stood at EGP 11.82 billion. It is worth noting that ERC's debt position will continue to rise as the company draws down on its extended facility — c.USD 105 million was drawn in February 2015 and c.USD 205 million withdrawn from June through August 2015, as construction is well underway with on-spec production expected by 2H2017. RVR's debt level should remain stable until repayment commences in 2016. Meanwhile, Qalaa's consolidated debt position excluding ERC and RVR witnessed a slight increase in 1H15 on the back of the EGP's devaluation against the USD as a portion of the consolidated debt is dollar denominated.

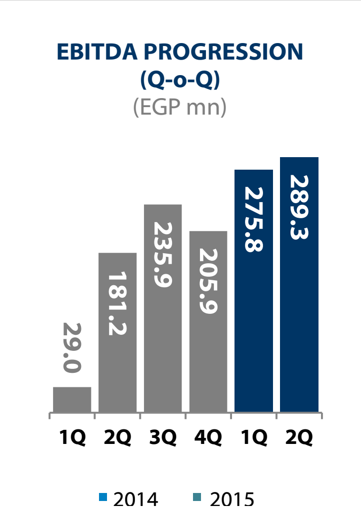
Debt Progression (EGP bn)

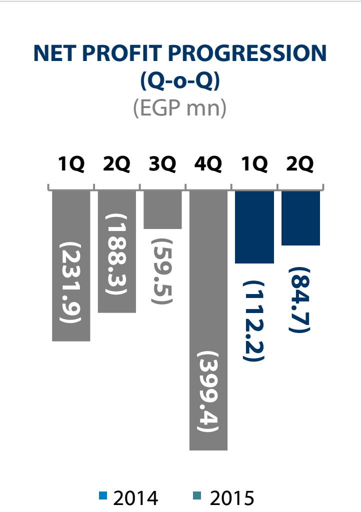


Management's comment on 2Q15 results follows, as do overviews of the performance of different business units. Full financials are now available for download at ir.qalaaholdings.com.

Management Comment:







Qalaa Holdings (CCAP on the Egyptian Exchange, formerly Citadel Capital) released today its consolidated financial results for the quarter ending 30 June 2015, reporting revenues of EGP 2,086.8 million, up 33.7% compared to the same quarter last year. On a six months basis, revenues climbed 37.8% y-o-y in 1H15 to EGP 4,034.3 million.

Revenue growth was driven by strong performance at TAQA Arabia's fuel marketing arm, having recorded top-line y-o-y growth of 72% and 73% in 2Q15 and 1H15, respectively. In the cement division, ASEC Cement's Sudan subsidiary Al-Takamol also made a strong contribution to Qalaa's top-line growth, with the cement unit's revenue recording 96% and 121% y-o-y growth in 2Q15 and 1H15, respectively. Together the energy and cement divisions contributed some 70% of total revenues in 2Q15.

EBITDA meanwhile stood at EGP 565.1 million in the first half of 2015, a 169% increase over 1H14. Above the EBITDA line, Qalaa Holdings consolidated a share in associates' results of EGP 79.5 million in 1H15, largely resulting from the contributions of Misr Qena Cement (EGP 50 million) and Algeria's Zahana Cement (EGP 16 million).

Notable going forward: In 2Q/3Q15, ASEC Holding sold its 27.5% stake in Misr Qena Cement, resulting in a gain from sale of investment equivalent to EGP 67 million booked in 2Q15. The proceeds from the sale were utilized to fully deleverage at the ASEC Cement level, with the balance being distributed to shareholders. A partial debt reduction of EGP 237.9 million was booked on ASEC Holding's balance sheet as of 2Q15, with the balance to take effect in the following quarter.

"Our exit from Misr Qena is one of several developments taking place during 2015 that play into our risk reduction strategy and our ongoing deleveraging program," said Ahmed Heikal, Chairman and Founder of Qalaa Holdings. "We have also announced the inking of a set of agreements with Financial Holdings International (FHI), one of Qalaa's major co-investors, through which Qalaa will acquire from FHI additional stakes in subsidiaries that are core to its future as a holding company, while simultaneously selling to FHI its holdings in multiple non-core business units."

Qalaa's agreement with FHI will entail it selling to FHI its stakes in MENA Homes, Grandview and Dina Farms Land Companies; the latter are to be spun-off from existing investments. In parallel, Qalaa will acquire FHI's stakes in ASEC Cement, TAQA Arabia and Mashreq (energy), Nile Logistics (transportation), Dina Farms Supermarkets (food retail chain), and United Foundries (metallurgy).

"Qalaa's ongoing restructuring efforts meanwhile continue to reflect positively on its financial performance, with significant improvements at the EBITDA level and a continued narrowing of its bottom-line losses, which recorded a 53% y-o-y improvement in the first half of 2015," Heikal added. "The transaction with FHI will further support our return to bottom-line profitability as we shed losses carried at our discontinued operations in addition to the one-off gains from the sale of non-core business units to FHI."

The company reported a net loss after tax and minority interest of EGP 84.7 million in the second quarter of 2015, a narrowing of 55% from 2Q14 figure of EGP 188.3 million. On a six months basis bottom-line posted a loss of EGP 196.9 million, a 53% improvement compared to 1H14 figure of EGP 420.2 million. This improvement comes despite charges of EGP 102.5 million in 1H15 related to discontinued operations. Of the EGP 102.5 million, c.EGP 44 million were booked in 2Q15 of which EGP 33 million came from MENA Homes' Designopolis, one of several assets earmarked for sale as part of the FHI transaction. It is also worthy to note that 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.

2Q15 also marked the full consolidation of ASCOM's figures on Qalaa's balance sheet on the back of former's capital increase to which Qalaa had subscribed and that was concluded by June 2015. ASCOM's income statement, however, will be fully consolidated starting 3Q15.

Meanwhile, total debt levels climbed to EGP 16.04 billion in 1H15, an increase of EGP 1.66 billion over 1H14. This came as the Egyptian Refining Company (ERC) drew down a total of c.USD 105 million in February 2015 and c.USD 205 million from June through August 2015. Construction is well underway with 63.2% progress as of July 2015 and with on-spec production to commence by 2H2017.

"Qalaa has repeatedly stressed that deleveraging is one of the company's key strategic goals for 2015 and onward," said Qalaa Co-Founder and Managing Director Hisham El-Khazindar. "We remain on track with our divestment program, proceeds from which will be utilized to reducing total consolidated debt from the current EGP 7.6 billion — excluding debt associated with Africa Railways and greenfield megaproject ERC — to around EGP 5 billion by the end of FY15."

"We have cut bank debt by c.EGP 365 million, as proceeds from our exit from Misr Qena were directed toward deleveraging at ASEC Cement; this will be reflected in our 3Q15 financials. Moreover, our agreement with FHI, which we expect to close by December 2015, will result in a further c.EGP 800 million reduction in Qalaa's consolidated debt and further delivers on our strategy of reducing both financial and operational risk." (Execution of the FHI transaction is subject to certain conditions precedent and customary termination rights.)

Strategy: Financial & Operational Risk Reduction

The reduction of operational risk and mitigation of financial risk by significantly deleveraging at the holding and platform company levels remain the key pillars of Qalaa's strategy in 2015. The company's recently signed sale & purchase agreement with FHI falls directly in line with this strategy whereby Qalaa will be divesting from non-core and non-essential assets while increasing its stakes on core business and ensuring they have the funding needed to deliver on growth plans.

Qalaa's effective ownership of the assets changing hands through the transaction is outlined in the table below.

Assets stakes acquired by Qalaa	QH Ownership Prior to FHI Deal	QH Ownership Post FHI Deal
ASEC Holding	69.3%	99.0%
NDT Convertible	38.1%	84.1%
TAQA Arabia	62.6%	80.4%
Mashreq	71.3%	84.3%
Nile Logistics	67.5%	92.6%
Dina Farms Retail Supermarkets	55.0%	88.6%
United Foundries	67.5%	100%
Assets stakes sold by Qalaa	**QH Ownership Prior to FHI Deal**	**QH Ownership Post FHI Deal**
MENA Homes (Designopolis Mall)	60.2%	0.0%
Grandview	48.0%	0.0%
Dina Farms Co.	55.0%	0.0%

Further to that, as of 10 September, 2015, the company closed the second round of its EGP 1.1 billion **capital increase**, of which c.EGP 840 million were through the capitalization of liabilities and acquiring additional stakes from our LPs in some core business units, with the balance executed through a debt-equity swap. This will see paid-in capital rise to EGP 9.1 billion over a total of 1.82 billion shares.

Key elements of Qalaa Holdings' strategy in FY15 include:

- **Deleveraging** at the holding and platform company levels
- **Acquisition** of additional stakes in key platform companies
- **Selective investments** within existing platform companies, including:
    - Mashreq
    - Rift Valley Railways (RVR)
    - TAQA's expansion into solar and gas fired power generation, which is to be financed through TAQA's own resources.
- **Share Buybacks:** Management is mindful of the opportunity to create value through share buybacks, and intends to use the proceeds from exits post deleveraging to acquire Qalaa shares for so long as these trade at a significant discount to their fair market value.

The aforementioned elements are to be financed through:

- **Sale of Assets:** Qalaa is in advanced stages of divestments including Misr Glass Manufacturing (signature of SPA expected by next month), Dina Farms Op Co. — which will eventually be spun-off with the farm and fresh milk operations — and confectioner Rashidi El-Mizan which is expected to receive binding offers during September 2015 with deal finalization by year-end. Likewise, our microfinance platform Tanmeyah is garnering interest from several parties with receipt of bids expected in the coming months. Meanwhile negotiations are progressing for the sale of ASEC Cement's operations in Algeria, with a state owned Algerian company in the cement industry being the natural buyer for Zahana Cement as it already owns 65% of the company, and greenfield plant Djelfa is being pursued by two Algeria-based industrial groups. Finally, the Tebbin land held by Nile Logistics is expected to be monetized in the coming months. The company reiterates its stance that further divestments will be executed if the need to do larger share buybacks arises.

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

Method	Classification	Sector	Companies
Fully Consolidate Companies	Core	Energy	TAQA Arabia, tawazon, ERC, Mashreq Petroleum
		Cement	ASEC Holding
		Transportation & Logistics	Nile Logistics, Africa Railways
		Mining	ASCOM Geology & Mining
	Non-Core	Agrifoods	Gozour, WAFRA
		MicroFinance	Tanmeyah
		Specialized Real Estate	Bonyan Development and Trade
		Metallurgy	U.C.F. United Company For Foundries
Equity Method Consolidated Companies (Share of Associates)	Non-Core	Glass Manufacturing	GlassWorks
		Mid-cap Buyouts	Grandview Investment Holdings Corp
		Media & Retail	Tanweer

Qalaa Holdings Consolidated Income Statement for the six months ending 30 June 2015 (in EGP mn)

	2015			2014		
	1Q	2Q	1H	1Q	2Q	1H
Revenue	1,947.5	2,086.8	4,034.3	1,366.9	1,560.6	2,927.5
Cost of Sales	(1,473.1)	(1,591.0)	(3,064.1)	(1,128.8)	(1,134.3)	(2,263.1)
Gross Profit	**474.5**	**495.7**	**970.2**	**238.1**	**426.3**	**664.4**
Advisory fee	3.2	3.2	6.4	4.4	3.6	8.0
Share in Associates' Results	34.8	44.8	79.5	20.1	38.2	58.3
Total Operating Profit	**512.4**	**543.7**	**1,056.1**	**262.6**	**468.1**	**730.7**
SG&A	(241.2)	(249.4)	(490.6)	(219.0)	(210.0)	(429.0)
Other Income/Expenses (Net)	2.7	(2.7)	-	15.0	(72.6)	(57.6)
EBITDA (before one-offs)	**273.8**	**291.6**	**565.4**	**58.6**	**185.5**	**244.1**
SG&A (Non recurring)	2.0	(2.3)	(0.3)	(29.6)	(4.3)	(33.9)
EBITDA	**275.8**	**289.3**	**565.1**	**29.0**	**181.2**	**210.2**
Depreciation & Amortization	(105.5)	(90.6)	(196.1)	(103.5)	(119.3)	(222.8)
EBIT	**170.3**	**198.7**	**369.0**	**(74.5)**	**61.9**	**(12.6)**
Bank Interest Expense	(165.8)	(185.9)	(351.7)	(171.1)	(178.3)	(349.4)
Bank PIK	(25.0)	(26.2)	(51.3)	(24.0)	(24.0)	(48.0)
3rd Party Shareholder Bank Fees	(10.6)	(9.6)	(20.2)	-	-	-
3rd Party Shareholder Interest	(1.9)	(1.8)	(3.6)	(13.6)	(19.6)	(33.2)
Interest Income	21.4	16.4	37.8	21.2	19.7	40.9
Lease Payments	(3.4)	(3.8)	(7.1)	-	-	-
EBT (before one-offs)	**(15.1)**	**(12.1)**	**(27.2)**	**(262.0)**	**(140.5)**	**(402.5)**
Gain (Loss) on Sale of Investments	(10.5)	67.5	57.1	-	-	-
Impairments/Write-downs	(4.1)	(2.0)	(6.2)	-	-	-
Restructuring/Layoffs	(9.4)	(0.5)	(9.9)	-	(9.6)	(9.6)
CSR	(6.4)	(6.2)	(12.6)	-	-	-
Provisions	(13.8)	(22.9)	(36.7)	-	-	-
Discontinued Operations *	(58.6)	(43.9)	(102.5)	(97.2)	(37.3)	(134.5)
FOREX	(53.1)	(10.1)	(63.2)	13.4	(35.8)	(22.4)
EBT	**(170.9)**	**(30.2)**	**(201.1)**	**(345.8)**	**(223.2)**	**(569.0)**
Taxes	(41.2)	(59.1)	(100.3)	(9.2)	(19.3)	(28.5)
Net P/L Before Minority Share	**(212.0)**	**(89.3)**	**(301.4)**	**(355.0)**	**(242.4)**	**(597.4)**
Minority Interest	(99.9)	(4.6)	(104.5)	(123.1)	(54.1)	(177.2)
Net Profit (Loss)	**(112.2)**	**(84.7)**	**(196.9)**	**(231.9)**	**(188.3)**	**(420.2)**

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

Qalaa Holdings Consolidated Income Statement by Sector for the six months ending 30 June 2015 (in EGP mn)

			Core							Non Core						
			Energy				Cement	Transportation & Logistics	Mining	Agrifoods		Microfinance	Others			
	QH	SPVs	TAQA Arabia	Tawazon	ERC	Mashreq	ASEC Holding	Nile Logistics & Africa Railways	ASCOM*	Gozour	Wafra	Tanmeyah	Misc^	Elimination	1H 2015	1H 2014
Revenue	-	-	1,115.3	91.8	-	-	1,631.6	360.8	-	689.2	0.9	61.0	83.7	-	4,034.3	2,927.5
Cost of Sales	-	-	(946.8)	(72.8)	-	-	(1,195.0)	(306.6)	-	(477.1)	(1.1)	-	(64.8)	-	(3,064.1)	(2,263.1)
Gross Profit	**-**	**-**	**168.5**	**19.1**	**-**	**-**	**436.7**	**54.2**	**-**	**212.1**	**(0.2)**	**61.0**	**18.9**	**-**	**970.2**	**664.4**
Advisory fee	43.7	7.1	-	-	-	-	-	-	-	-	-	-	-	(44.4)	6.4	8.0
Share in Associates' Results	-	-	-	-	-	-	67.0	1.7	(0.3)	-	-	-	-	11.1	79.5	58.3
Total Operating Profit	**43.7**	**7.1**	**168.5**	**19.1**	**-**	**-**	**503.6**	**56.0**	**(0.3)**	**212.1**	**(0.2)**	**61.0**	**18.9**	**(33.2)**	**1,056.1**	**730.7**
SG&A	(78.0)	(33.6)	(50.7)	(5.5)	(12.3)	(7.0)	(129.1)	(44.6)	-	(116.3)	(3.4)	(40.2)	(8.7)	38.9	(490.6)	(429.0)
Other Income/Expenses (Net)	-	-	(1.0)	0.2	-	0.1	0.5	0.1	-	(3.1)	1.4	1.8	0.1	-	-	(57.6)
EBITDA (before one-offs)	**(34.3)**	**(26.5)**	**116.7**	**13.8**	**(12.3)**	**(7.0)**	**375.0**	**11.4**	**(0.3)**	**92.7**	**(2.3)**	**22.6**	**10.3**	**5.7**	**565.4**	**244.1**
SG&A (Non recurring)	(5.1)	-	-	-	-	-	4.6	-	-	-	-	0.1	-	-	(0.3)	(33.9)
EBITDA	**(39.5)**	**(26.5)**	**116.7**	**13.8**	**(12.3)**	**(7.0)**	**379.6**	**11.4**	**(0.3)**	**92.7**	**(2.3)**	**22.7**	**10.3**	**5.7**	**565.1**	**210.2**
Depreciation & Amortization	(1.0)	-	(19.7)	(4.7)	(0.3)	-	(74.9)	(51.0)	-	(28.9)	(3.4)	(2.2)	(6.2)	(3.9)	(196.1)	(222.8)
EBIT	**(40.5)**	**(26.5)**	**97.0**	**9.1**	**(12.6)**	**(7.0)**	**304.7**	**(39.5)**	**(0.3)**	**63.8**	**(5.6)**	**20.5**	**4.1**	**1.8**	**369.0**	**(12.6)**
Bank Interest Expense	(65.6)	(14.0)	(13.3)	(1.1)	-	-	(127.1)	(95.9)	-	(30.5)	-	(0.1)	(4.3)	-	(351.7)	(349.4)
Bank PIK	-	(11.7)	-	-	-	-	(39.6)	-	-	-	-	-	-	-	(51.3)	(48.0)
3rd Party Shareholder Bank Fees	-	-	-	-	(20.2)	-	-	-	-	-	-	-	-	-	(20.2)	-
3rd Party Shareholder Interest	-	(91.0)	-	-	(3.5)	-	(7.0)	(6.7)	-	(8.9)	-	-	(9.1)	122.6	(3.6)	(33.2)
Interest Income	47.5	70.2	24.0	-	0.9	-	3.9	0.1	-	4.0	-	2.2	0.1	(115.1)	37.8	40.9
Lease Payments	-	-	-	-	-	-	-	(4.2)	-	(2.9)	-	-	-	-	(7.1)	-
EBT (before one-offs)	**(58.6)**	**(73.0)**	**107.7**	**8.0**	**(35.3)**	**(7.0)**	**134.9**	**(146.3)**	**(0.3)**	**25.5**	**(5.6)**	**22.7**	**(9.2)**	**9.3**	**(27.2)**	**(402.5)**
Gain (Loss) on Sale of Investments	(5.3)	(68.5)	-	-	-	-	67.6	-	-	-	-	-	-	63.3	57.1	-
Impairments/Write-downs	-	(4.7)	-	(0.3)	-	-	(2.2)	-	-	-	-	-	-	1.1	(6.2)	-
Restructuring/Layoffs	-	-	(1.7)	-	-	-	-	(8.2)	-	-	-	-	-	-	(9.9)	(9.6)
CSR	(4.0)	-	(2.9)	-	-	-	(5.0)	-	-	-	-	(0.7)	-	-	(12.6)	-
Provisions	-	(5.8)	(6.1)	-	-	-	(22.0)	(0.3)	-	(2.4)	-	-	-	-	(36.7)	-
Discontinued Operations **	-	-	-	-	-	-	(20.4)	-	-	(63.5)	-	-	(33.0)	14.5	(102.5)	(134.5)
FOREX	33.8	1.3	(1.7)	(0.1)	(0.3)	1.3	(100.9)	(2.4)	-	5.1	0.8	-	(20.8)	20.9	(63.2)	(22.4)
EBT	**(34.1)**	**(150.7)**	**95.4**	**7.6**	**(35.6)**	**(5.7)**	**51.9**	**(157.2)**	**(0.3)**	**(35.3)**	**(4.8)**	**22.1**	**(63.0)**	**109.0**	**(201.1)**	**(569.0)**
Taxes	(0.2)	10.7	(39.9)	0.8	-	-	(47.5)	-	-	(17.0)	-	(6.8)	0.9	(1.3)	(100.3)	(28.5)
Net P/L Before Minority Share	**(34.2)**	**(140.0)**	**55.4**	**8.4**	**(35.6)**	**(5.7)**	**4.3**	**(157.2)**	**(0.3)**	**(52.3)**	**(4.8)**	**15.2**	**(62.2)**	**107.7**	**(301.4)**	**(597.4)**
Minority Interest		-	16.1	3.6	(6.3)	(1.5)	82.1	(20.5)	-	-	(0.2)	-	(0.3)	(177.5)	(104.5)	(177.2)
Net Profit (Loss)	**(34.2)**	**(140.0)**	**39.3**	**4.8**	**(29.4)**	**(4.2)**	**(77.8)**	**(136.7)**	**(0.3)**	**(52.3)**	**(4.6)**	**15.2**	**(61.9)**	**285.3**	**(196.9)**	**(420.2)**

* Qalaa Holdings increased its stake in ASCOM as of June 2015, the effect of which is not reflected on Qalaa's consolidated Income Statement

** Discontinued operations include ESACO, Djelfa (ASEC Holding), El-Aguizy, Elmisrieen, Enjoy, Mom's Foods (Falcon), and Crondall (Misc.).

^ Miscellaneous includes United Foundries, Designopolis (MENA Home), Crondall & Sphinx Egypt

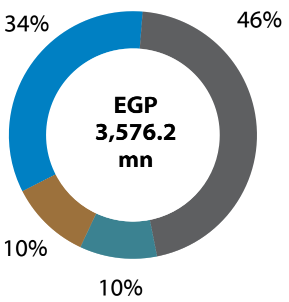
Qalaa Holdings Consolidated Balance Sheet as of 30 June 2015 (in EGP mn)

		Core								Non Core						
		Energy				Cement	T & L		Mining	Agrifoods						
	QH	ERC	TAQA Arabia	Tawazon	Mashreq	ASEC Holding	Nile Logisics	Africa Railways	ASCOM	Gozour	Wafra	Tanmeyah	Misc *	Eliminations/ SPVs	1H 2015	FY 2014
Current Assets																
Trade and Other Receivables	1,639.2	28.9	801.8	78.7	6.9	800.3	61.1	382.8	213.4	316.8	17.3	56.8	244.2	(1,498.2)	3,149.8	3,163.5
Inventory	-	-	103.9	47.3	-	648.5	11.7	29.9	48.4	139.9	6.1	-	28.2	-	1,063.9	1,047.2
Assets Held For Sale	-	-	-	-	-	1,208.6	-	-	-	131.7	-	-	576.0	609.6	2,525.8	1,382.9
Cash and Cash Equivalents	216.0	212.9	703.0	5.4	17.6	440.5	6.3	166.7	33.0	35.2	0.3	53.1	1.3	8.4	1,899.8	2,182.1
Others	-	-	118.3	-	1.3	16.8	-	-	-	19.9	1.1	-	-	1.7	159.1	207.8
Total Current Assets	**1,855.2**	**241.8**	**1,727.0**	**131.4**	**25.8**	**3,114.6**	**79.0**	**579.5**	**294.8**	**643.5**	**24.8**	**109.9**	**849.8**	**(878.6)**	**8,798.4**	**7,983.5**
Non-Current Assets																
PP&E	23.7	13,480.4	506.2	91.2	118.3	2,866.8	602.3	172.9	663.3	979.7	230.5	11.8	61.9	608.3	20,417.5	17,866.9
Investments	8,971.39	-	3.8	-	-	384.9	7.9	-	0.4	-	-	-	-	(8,230.6)	1,137.9	2,517.5
Goodwill / Intangible assets	-	-	401.4	32.6	46.7	196.3	-	854.5	230.1	276.2	-	-	-	1,370.9	3,408.7	2,986.9
Others	693.7	1,056.6	27.8	-	-	35.0	-	233.5	-	198.8	-	-	123.6	(683.0)	1,685.9	1,060.5
Total Non-Current Assets	**9,688.8**	**14,537.0**	**939.3**	**123.8**	**164.9**	**3,483.0**	**610.2**	**1,260.9**	**893.8**	**1,454.7**	**230.5**	**11.8**	**185.5**	**(6,934.4)**	**26,649.4**	**24,431.8**
Total Assets	**11,544.0**	**14,778.8**	**2,666.2**	**255.3**	**190.8**	**6,597.6**	**689.2**	**1,840.3**	**1,188.6**	**2,098.2**	**255.3**	**121.6**	**1,035.3**	**(7,813.2)**	**35,448.3**	**32,415.2**
Shareholders' Equity																
Total Equity Holders of the Company	**8,515.3**	**3,697.6**	**949.2**	**97.7**	**144.6**	**(932.5)**	**(79.5)**	**(284.2)**	**393.4**	**340.7**	**(334.9)**	**44.5**	**72.0**	**(8,406.5)**	**3,717.7**	**3,421.4**
Minority Interest	-	3,481.3	274.0	52.0	25.1	2,017.2	33.8	-	(30.9)	-	(8.7)	-	-	2,256.8	8,100.7	8,804.8
Total Equity	**8,515.3**	**7,178.8**	**1,223.2**	**149.7**	**169.7**	**1,084.7**	**(45.6)**	**(284.2)**	**362.5**	**340.7**	**(343.6)**	**44.5**	**72.0**	**(6,649.5)**	**11,818.4**	**12,226.2**
Current Liabilities																
Borrowings	1,125.8	-	232.9	13.1	-	564.9	298.9	231.5	423.6	381.1	31.2	-	60.9	338.0	3,701.9	2,753.3
Trade and Other Payables	810.9	607.6	864.6	53.2	17.2	1,348.0	296.5	313.8	256.7	757.1	547.9	76.0	368.5	(1,727.4)	4,590.6	3,987.7
Provisions	190.7	-	32.6	31.0	3.8	181.0	7.5	-	16.4	22.7	2.0	1.1	5.4	23.5	517.7	489.6
Liabilities Held For Sale	-	-	-	-	-	518.1	-	-	-	490.1	-	-	283.1	-	1,291.3	937.9
Total Current Liabilities	**2,127.4**	**607.6**	**1,130.13**	**97.3**	**21.0**	**2,612.0**	**602.9**	**545.3**	**696.7**	**1,651.1**	**581.07**	**77.0**	**717.9**	**(1,365.8)**	**10,101.6**	**8,168.5**
Non-Current Liabilities																
Borrowings	901.7	6,757.9	130.5	-	-	1,534.0	131.3	1,407.3	47.5	72.6	17.8	-	-	488.6	11,489.3	10,828.9
Shareholder Loan	-	-	-	-	-	1,293.0	-	-	66.0	-	-	-	238.2	(752.0)	845.1	792.8
Long-Term Liabilities	(0.4)	234.4	182.4	8.3	-	74.0	0.7	171.9	15.9	33.9	-	0.1	7.2	465.8	1,194.0	399.0
Total Non-Current Liabilities	**901.3**	**6,992.4**	**312.88**	**8.3**	**-**	**2,901.0**	**132.0**	**1,579.2**	**129.4**	**106.5**	**17.79**	**0.1**	**245.4**	**202.4**	**13,528.4**	**12,020.6**
Total Liabilities	**3,028.6**	**7,600.0**	**1,443.01**	**105.5**	**21.0**	**5,513.0**	**734.9**	**2,124.6**	**826.1**	**1,757.6**	**598.86**	**77.1**	**963.2**	**(1,163.5)**	**23,629.9**	**20,189.0**
Total Equity and Liabilities	**11,544.0**	**14,778.8**	**2,666.24**	**255.3**	**190.8**	**6,597.6**	**689.2**	**1,840.3**	**1,188.6**	**2,098.2**	**255.30**	**121.6**	**1,035.3**	**(7,813.0)**	**35,448.3**	**32,415.2**

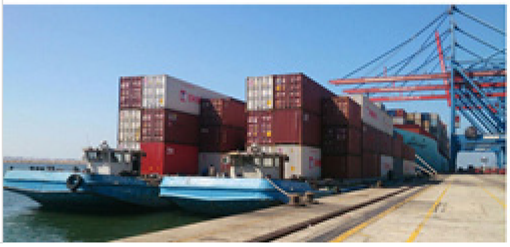
* Miscellaneous includes United Foundries, Mena Home, Crondall & Sphinx Egypt

Operational Reviews

SECTOR CONTRIBUTION TO CORE PLATFORM REVENUES (1H15)
(in EGP mn)



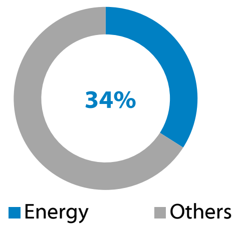
Energy	1,207.1
Cement	1,631.6
Trans. & Logistics	360.8
Mining	376.7



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 (fuel bunkering).

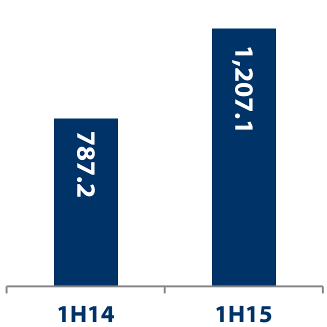
Energy Percent of Core Platform Revenues (1H15)



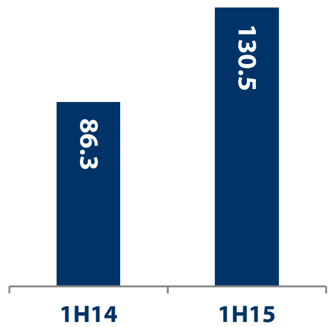
Operational and Financial Performance

Energy division Revenues climbed 53% y-o-y in 1H15 to EGP 1,207.1 million as compared to EGP 787.2 million in 1H14. EBITDA also recorded a growth of 51% to EGP 130.5 million in 1H15. Improved results in the year are attributable to better performance across both operational platform companies TAQA Arabia and Tawazon.

Energy Revenues*
EGP 1,207.1 mn
(1H15)



Energy EBITDA*
EGP 130.5 mn
(1H15)



(EGP mn unless otherwise stated)	2Q14	2Q15	% diff	1H14	1H15	%diff
TAQA Arabia Revenues	390.6	572.3	*47%*	726.7	1,115.3	53%
TAQA Arabia EBITDA	54.1	57.0	*5%*	89.5	116.7	*30%*
Tawazon Revenues	33.4	53.7	*61%*	61.8	91.8	*49%*
Tawazon EBITDA	3.4	7.5	*119%*	8.2	13.8	*68%*

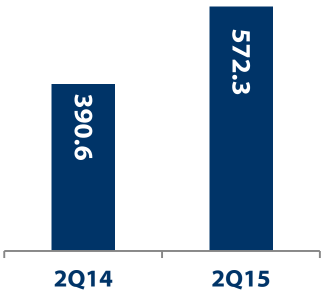
* Energy revenues and EBITDA are aggregate figures, representing the simple summation of TAQA Arabia and Tawazon's figures, as these are the only two operational companies within the Energy sector.

QH OWNERSHIP — 62.5%

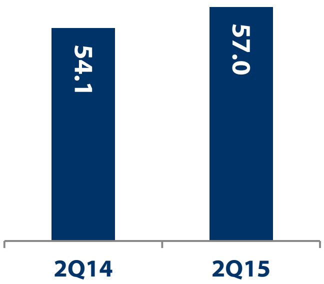
TAQA Arabia Revenues jump 47% y-o-y in 2Q15

Egypt's leading independent energy company reported strong operational results for 2Q15, driven by a solid performance in the company's power and fuel marketing arms, which recorded revenue growth of 55% and 72% y-o-y, respectively, and less so by the company's gas distribution arm, which grew its revenues by 6% during the quarter.

Consolidated TAQA Arabia
Revenues
EGP 572.3 mn
(2Q15)



Consolidated TAQA Arabia
EBITDA
EGP 57.0 mn
(2Q15)



TAQA Arabia's revenues showed a significant 47% y-o-y increase in 2Q15 to EGP 572.3 million vs. EGP 390.6 million in the comparable period last year. The company's EBTIDA for the quarter stood at EGP 57.0 million, up by 5% over 2Q14. For the entire period of 1H15, EBTIDA showed a 30% y-o-y increase, standing at EGP 116.7 million.

Marketing was TAQA's highest yielding division in 2Q15, booking EGP 314.8 million in revenues, a 72% increase over 2Q14 thanks to new filling station additions driving higher sales. This growth trickled down to the division's EBITDA, which also increased by a significant 76% y-o-y during 2Q15, on the back of improved margins, to stand at EGP 9.9 million. The division saw sales of refined fuel products for the quarter grow by 14% y-o-y to 161.9 million liters. Lube sales also jumped 49% to 867 tons from 580 tons in 2Q14, thanks largely to intensified marketing efforts.

TAQA's Power division also saw a significant revenue increase in 2Q15 of 55% y-o-y to EGP 120.8 million, with EBITDA up by 51% y-o-y to EGP 29.6 million during the same period. Higher revenues came on the back of growth in electricity margins as well as increased consumption at projects like ASEC and Masabek. TAQA Arabia Power is still making headway with medium-scale power projects, such as the c.200 MW gas-fired power plant, on which construction is expected to begin by early 2016. The division is also considering investing a solar power plant, now that the Egyptian government has introduced new solar power tariffs.

Meanwhile, gas volumes saw an overall decline in 2Q15 to 0.8 BCM from 1.1 in 2Q14, mainly on the back of reduced industrial demand in light of a nation-wide gas shortage. However, revenues for the quarter climbed 6% y-o-y to EGP 137.1 million, buoyed by increased customer service revenues as well as a higher collection fee per household, both of which offset the decline in industrial activity. TAQA Gas is also seeking new opportunities and has entered into an agreement with EGAS for the construction of pipelines to connect new household customers and four small-sized industrial customers, whom are more likely to receive natural gas from the government versus heavy industrials.

TAQA Arabia Subsidiaries (EGP mn)	2Q14	2Q15	% diff	1H14	1H15	% diff
TAQA Arabia Power Revenues	77.7	120.8	*55%*	139.7	223.3	60%
TAQA Arabia Power EBITDA	19.6	29.6	*51%*	31.8	52.9	66%
TAQA Arabia Gas Revenues	129.5	137.1	*6%*	239.5	266.6	11%
TAQA Arabia Gas EBITDA	27.9	23.2	*(17%)*	58.7	54.1	(8%)
TAQA Marketing Revenues	183.4	314.8	*72%*	347.4	602.6	73%
TAQA Marketing EBITDA	5.6	9.9	*76%*	9.7	16.8	73%

Total Power Generated & Distributed* (2Q15)

173.8
M kW/hr
▲21% y-o-y

Total Gas Distributed (2Q15)

0.8
BCM
▼24% y-o-y

Total Liquid Fuels Distributed (2Q15)

161.9
M Liters
▲14% y-o-y

Gas Construction (1H15)

12,889
Converted Customers
▼37% y-o-y

* Of the total, 65.6% is distributed while the remainder is generated.

tawazon

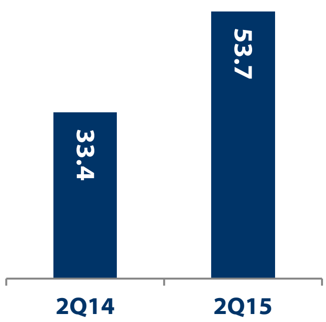
QH OWNERSHIP — 68.1%

Tawazon Revenues rise 61% y-o-y to EGP 53.7 mn in 2Q15

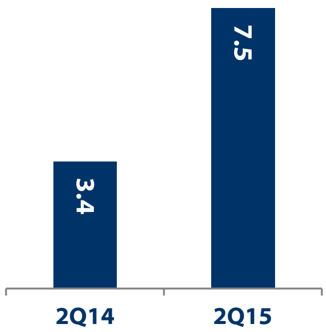
Tawazon, our solid waste management subsidiary, reported a significant 61% y-o-y leap in revenues to EGP 53.7 million in 2Q15, from EGP 33.4 million in 2Q14, driven by solid performance across the board at Tawazon's subsidiaries **ECARU** and **ENTAG**. Tawazon's EBTIDA came in higher by 119% to stand at EGP 7.5 million in 2Q15.

Operations picked-up at Tawazon's wholly-owned subsidiary **ECARU**, as demand for biomass supply began to gradually return in 2Q15, following an industry-wide maintenance shutdown at cement plants to install coal-feeding systems during the previous quarter. Total biomass supplied increased to 36,564 tons this quarter compared to 13,391 tons in 1Q15, which also reflected on revenues, showing a significant growth of 67% q-o-q to EGP 39.7 million. On a y-o-y basis, ECARU recorded a 30% increase in revenues, compared the same quarter in 2014, primarily on the back of tipping fees received for municipal waste operations in addition to an upward revision of contractual biomass selling price per ton. Looking ahead, the company will continue to focus on increasing its production capacity for RDF Fluff to keep up with the rising demand, mainly as a result of cement plants introducing RDF as an alternative fuel to their energy mix. ECARU has already supplied Lafarge with RDF Fluff through purchase orders and is expected to sign a long-term supply agreement by year end.

Consolidated Tawazon
Revenues
EGP 53.7 mn
(2Q15)

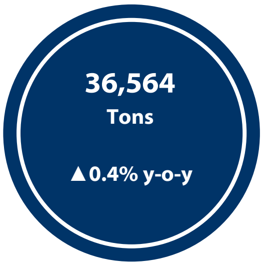


Consolidated Tawazon
EBITDA
EGP 7.5 mn
(2Q15)



ENTAG likewise reported strong operational figures this quarter, with revenues up almost four-fold to EGP 15.4 million, compared to EGP 3.9 million in 2Q14. The significant increase in the company's top line is mainly due to the USD 6.9 million Omani contract for the design and construction of a sanitary landfill in the city of Salalah. EBTIDA turned positive for the first half of 2015 compared to the same period in 2014, standing at EGP 1.0 million.

Total Biomass Supplied (ECARU) (2Q15)



ERC

QH OWNERSHIP — 18.9%

Construction progress for Egyptian Refining Company as of July 2015 stands at 63.2%

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 in early 2014; construction progress was 63.2% at the end of July 2015. Qalaa Holdings expects ERC to generate EBITDA of c. US$ 700 million in its first full operational year. Qalaa increased its effective ownership in ERC from 15.2% to 18.9% following the current capital increase.

ERC continues to receive heavy equipment — including process reactors, fractionators and drums — at Al-Adabiya Port in Egypt's Gulf of Suez. The company has also begun deploying the received equipment to the construction site. The photograph on the right shows the raising of the plant's rerun column for the delayed-coker unit, a key milestone in ERC's construction progress. ERC meanwhile withdrew USD 205 million in financing during the months of June, July and August 2015, and is on schedule to begin operations by 2017.

Mashreq

QH OWNERSHIP — 71.3%

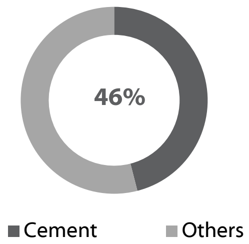
Mashreq is currently undergoing a due diligence process for the debt funding requirements for Phase 1 of the project

As part of the ongoing effort to develop the 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. Phase one of the project is expected to be operational by the end of 2016, with due diligence process by a leading financial institution currently underway for the debt funding requirements. Qalaa increased its effective ownership in Mashreq from 60.2% to 71.3% following the current capital increase.

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 (1H15)

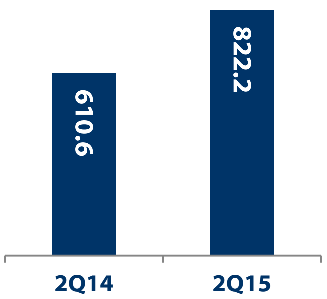


Operational and Financial Performance

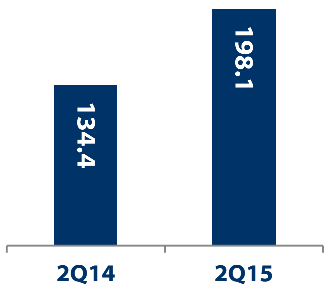
The Cement sector includes three divisions: Cement, Construction and Management. ASEC Holding saw a 35% y-o-y rise in consolidated revenues in 2Q15 to EGP 822.2 million with the production, management and construction segments contributing 66.2%, 18.5% and 15.3% of revenues, respectively.

QH OWNERSHIP — 69.2%

ASEC Holding Consolidated Revenues
EGP 822.2 mn
(2Q15)



ASEC Holding Consolidated EBITDA
EGP 198.1 mn
(2Q15)

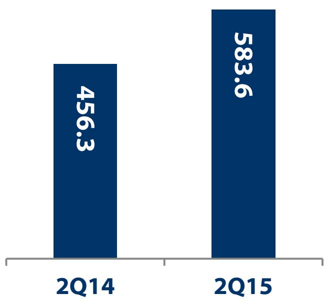


ASEC CEMENT

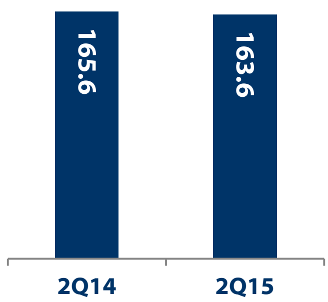
ASEC HOLDING OWNERSHIP — 59.9%

ASEC Cement reports 28% y-o-y growth in 2Q15 Revenues as market demand begins to recover

ASEC Cement Revenues
EGP 583.6 mn
(2Q15)



ASEC Cement EBITDA
EGP 163.6 mn
(2Q15)



ASEC Cement's sales revenues climbed 28% y-o-y to reach EGP 583.6 million in 2Q15, driven largely by increased sales volumes, and despite a general downtrend in cement prices in the first half of 2015 compared to the same period last year. The decreased prices are owing to key players converting their operations into solid fuels as well as their attempts to regain market shares and thereby pressuring price levels. Retail prices currently stand at an average of EGP 580-600 per ton in Cairo, Delta and the northern half of Upper Egypt. Around the rest of Upper Egypt prices climb higher to range between EGP 620-690 per ton. EBTIDA for the quarter came in 1% lower y-o-y, but still at a healthy EGP 163.6 million. For the first half of 2015, however, EBTIDA showed a 40% y-o-y improvement, standing at EGP 327.8 million at the close of the six-month period, largely on the back of increase production volumes.

2Q15 Sales volumes at **ASEC Minya** came in at 470 thousand tons, in line with 2Q14 levels, but with revenues 11% lower y-o-y, on the back of lower selling prices compared to the same period last year. Nonetheless, revenues from ASEC Minya came in 12% higher for the first half of 2015 compared to the same period last year, standing at EGP 605.2 million and propelled by increased volumes during 1Q15 which were up 31% y-o-y. Total volumes sold during 1H15 stood at 1.02 million tons, up 14% y-o-y. ASEC Minya is also moving forward with its plans to convert its production system to rely on coal, pet coke and RDF, with construction of the steel structures around 50% complete and the equipment already arriving on site. These upgrades are expected to drive production and efficiency levels in the second half of 2015 and beyond.

Meanwhile, at **Misr Qena** revenues for 2Q15 dropped by 13% y-o-y to EGP 273.5 million, reflecting a 3% y-o-y drop in production volume as well as a decline in selling prices. For 1H15, revenues showed a slight increase of 2% y-o-y compared to 1H14, with production volume up 1.2% y-o-y. At the start of 3Q15, ASEC Cement divested its 27.5% stake in Misr Qena for a total value of EGP 600 million, which were used to pay-off all of ASEC Cement's debts and intercompany loans with the balance distributed to the shareholders.

Al-Takamol Cement saw production levels significantly improve by 73% y-o-y to 210 thousand tons in 2Q15, in-line with the company's projections and thanks largely to the Sudanese government's efforts to make fuel supplies more readily available, and on the back of stoppages at other Sudanese plants. This was clearly reflected in the plant's financial performance, which saw revenues jump 96% over 2Q14 levels to reach EGP 233.6 million in 2Q15, with EBITDA also up more than 3x to EGP 54.3 million at the close of the second quarter for 2015. The significant improvement in results was also aided by a 15% increase in selling prices during the first half of the year. Al-Takamol continues to hold over 25% share of Sudan's cement market after regaining its second place standing in December 2014.

ASEC Ready Mix saw revenues increase 50% y-o-y in 2Q15 to EGP 49.9 million, on the back of higher selling prices as well as increased production volumes at four active batch plants. ETBIDA also climbed 51% y-o-y to EGP 5.7 million, driven by a 41% y-o-y increase in concrete production during 2Q15.

ASEC Cement Subsidiaries (EGP mn)	2Q14	2Q15	% diff	1H14	1H15	%diff
Asec Minya Revenues	306.4	273.5	*(11%)*	541.5	605.2	*12%*
Asec Minya EBITDA	115.0	65.4	*(43%)*	181.4	147.5	*(19%)*
Misr Qena Cement Revenues*	316.1	273.5	*(13%)*	559.0	569.0	*2%*
Misr Qena Cement EBITDA*	158.0	107.8	*(32%)*	259.2	219.6	*(15%)*
Al-Takamol Cement Co. Revenues	119.2	233.6	*96%*	203.4	449.4	*121%*
Al-Takamol Cement Co EBITDA	15.6	54.3	*248%*	19.8	103.1	*420%*
ASEC Ready Mix Revenues	33.3	49.9	*50%*	62.1	95.7	*54%*
ASEC Ready Mix EBITDA	3.8	5.7	*51%*	8.4	12.1	*45%*
Zahana (Algeria) Revenues*	127.7	116.8	*(8%)*	152.2	179.1	*18%*
Zahana (Algeria) EBITDA*	62.4	61.8	*(1%)*	47.4	77.6	*64%*

** Misr Qena and Zahana are consolidated using the equity method (share of associates)*

Total Sales Volume (ASEC Minya) (2Q15)

0.47
MTPA
▼1% y-o-y

Total Sales Volume (Al-Takamol) (2Q15)

0.21
MTPA
▲73% y-o-y

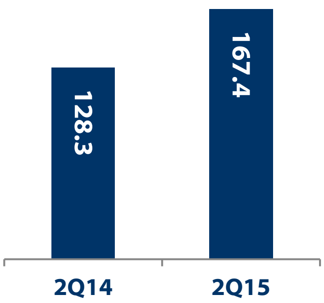
Total Sales Volume (Misr Qena) (2Q15)

0.49
MTPA
▼3% y-o-y

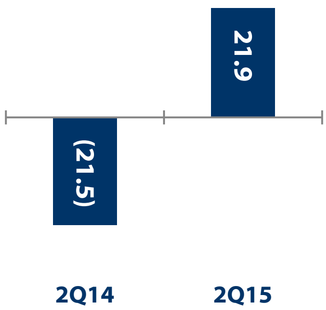
ASEC HOLDING OWNERSHIP — 99.9%

ASEC Engineering Revenues climb 31% y-o-y; EBITDA turns to a positive EGP 21.9mn in 2Q15

ASEC Engineering Revenues
EGP 167.4 mn
(2Q15)

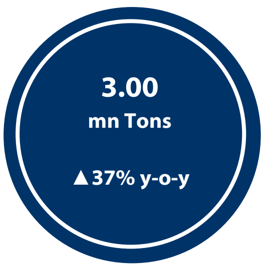


ASEC Engineering EBITDA
EGP 21.9 mn
(2Q15)



ASEC Engineering manages plants in Egypt with a combined capacity of 13.5 MTPA, with 1H15 production standing at 5.75 million tons of which 3 million tons were produced during 2Q15; showing a 37% increase over 2Q14 levels, mainly on the back of the pick-up in the Egyptian cement market. Operational improvements at ASEC Engineering were reflected in the company's financial results for the quarter, with revenues up 31% y-o-y to EGP 167.4 million and EBTIDA up to a positive EGP 21.9 million from a negative EGP 21.5 million in 2Q14. The company's enhanced performance is owing to improved operational efficiency and reduced fixed costs, higher fee per ton and significant contributions from overseas projects.

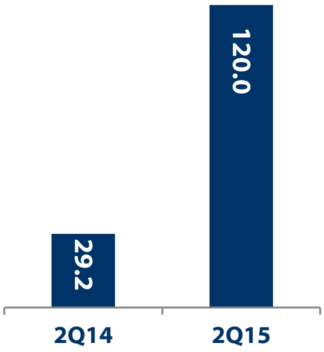
Managed Clinker Production (2Q15)



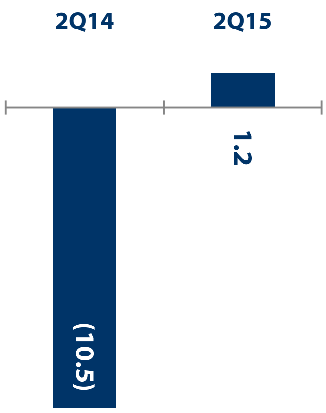
ASEC HOLDING OWNERSHIP — 99.9%

ARESCO reports four-fold increase in Revenues to EGP 120.0 million in 2Q15

ARESCO Revenues
EGP 120.0 mn
(2Q15)

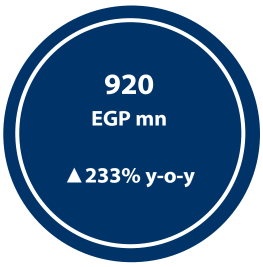


ARESCO EBITDA
EGP 1.2 mn
(2Q15)



ARESCO reported revenues of EGP 120.0 million in 2Q15, a 4x increase over EGP 29.2 million in 2Q14. The uptick in revenues is supported by a solid backlog of contracts – awarded in 4Q14 – which also reflected positively on EBTIDA that climbed up to a positive EGP 1.2 million during 2Q15, compared to a negative EGP 10.5 million in the same period last year. ARESCO closed the first half of 2015 with a backlog of c. EGP 920 million compared to EGP 280 million in 1H14. It is important to highlight that during the previous periods, the company had witnessed delays in receiving financing which somewhat hindered its ability to execute projects in a timely manner. Following extensive negotiations, ARESCO is now streamlined and in a better position to sign and execute the EGP 3 billion's worth of projects in its pipeline.

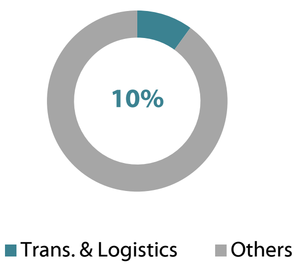
Total Construction Backlog (ARESCO) (1H15)



Sector Review: Transportation & Logistics

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

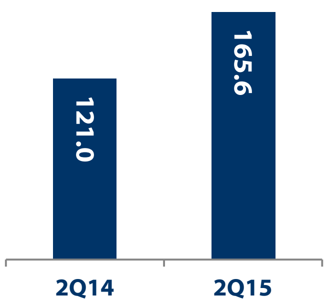
Sector Percent of Core Platform Revenues (1H15)



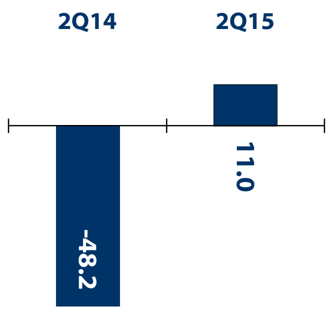
Operational and Financial Performance

The Transportation & Logistics division posted aggregate revenues of EGP 165.6 million in 2Q15, a 37% increase over the EGP 121.0 million recorded last year. The sector's aggregate EBITDA swung to a positive EGP 11.0 million in 2Q15 as compared to a negative EGP 48.2 million the previous year.

Trans. & Logistics Revenues*
EGP 165.6 mn
(2Q15)



Trans. & Logistics EBITDA*
EGP 11.0 mn
(2Q15)



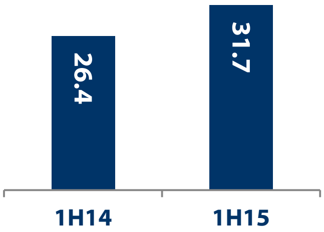
(EGP mn unless otherwise stated)	2Q14	2Q15	% diff	1H14	1H15	%diff
Nile Logistics Revenues	14.0	14.0	-	26.4	31.7	20%
Nile Logistics EBITDA	-	(1.0)	*n/a*	(3.1)	2.2	*n/a*
Nile Barges South Sudan Revenues (in USD mn)	-	-	-	-	0.6	*n/a*
Nile Barges South Sudan EBITDA (in USD mn)	(0.2)	(0.2)	*n/a*	(0.3)	0.1	*n/a*

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

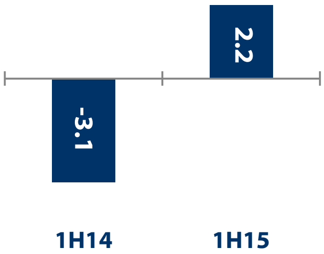
QH OWNERSHIP — 67.6%

1H15 EBITDA swings to positive as company ramps-up capacity of sea port services

Revenues
EGP 31.7 mn
(1H15)



EBITDA
EGP 2.2 mn
(1H15)



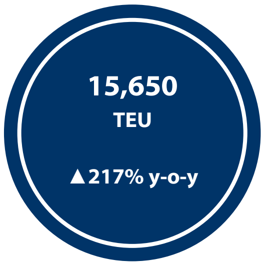
Nile Logistics reported top-line growth of 20% for the first half of 2015 to EGP 31.7 million, as compared to last year's EGP 26.4 million. EBTIDA for the period also turned a positive EGP 2.2 million for 1H15 from a negative EGP 3.1 million in 1H14. The company also recorded EGP 14.0 million in revenues for the quarter, showing flat growth y-o-y compared to 2Q14. Nile Logistics had been negatively impacted by the Central Bank of Egypt's tightened regulations on foreign currency supply, which have been harming import levels since last March. Unable to source US Dollars, a number of cement companies which had contracted the company's Anchorage Services (stevedoring) in Alexandria canceled their clinker / coal shipments, in turn negatively impacting Nile Logistics. Operations, however, are on the recovery in 3Q15 with 143 thousand tons handled during the month of July compared to 83 thousand tons during the three months of 2Q15.

In Port Said, the volume of Twenty-foot Equivalent Units (TEUs) showed dramatic improvement to 15,650 TEUs in 1H15, tripling y-o-y compared to last year's 4,973 TEU. The progress this quarter is largely thanks to increased capacity with the addition of a third barge in April 2015, but was also driven by the company's strategy to diversify its client portfolio and introduce new shipping lines to its matrix, which minimizes risk and ensures the sustainability of operational volumes regardless of turbulence faced in any one industry.

As expected, volumes are beginning to stabilize above the 3,000 TEU per month level and could climb even further in the second half of the year. Financial performance is also expected to further improve in line with the company's continued operational expansion in 2015, where in addition to the mobilization of additional barges and the introduction of the floating crane, 2Q15 also saw the commencement of operations at the Adabeya Port.

Stevedoring Tons Handled (1H15)

Container Transshipment (1H15)



QH OWNERSHIP — 29.7%

Rift Valley Railways sees volumes increasing as Transit Time declines

Rift Valley Railways continued to benefit from its three-point turnaround strategy, reporting higher levels of goods transported at higher average speeds, as the rolling stock continues to grow.

Operational levels continued to climb during the quarter, driven by RVR's ability to: (1) reduce cycle times through direct investments in infrastructure and improvements to efficient asset utilization; and (2) increase the haulage capacity of RVR through purchasing new (and rehabilitating old) rolling stock. Specifically, operations improved in the following ways:

- Net Ton Kilometers (NTK), a function of the total volume moved (in tons) multiplied by the total distance that volume was moved (in kilometers), rose 10% y-o-y to reach 369 million NTK in 2Q15.
- Over the same period, the volume of cargo RVR moved increased by 2% to 413 thousand tons.
- During the first half of 2015, RVR successfully achieved the concession target of 1,987 million NTK set forth by both the Kenyan and the Ugandan governments for the 21-month period ending March 2015.

Furthermore, RVR's trains are moving much faster today as compared to the previous year. Total Transit time (TT), which is the time needed to move a shipment from origin to destination (for offloading) plus the time needed to move the wagons back to the origin (for loading), fell tremendously.

- Along the Mombasa-Nairobi-Mombasa route, average total transit time for the various wagon classes dropped by 11% y-o-y to 2.3 days in 2Q15.
- On the Mombasa-Kampala-Mombasa route, average total transit time fell by 4% over the same period to become 9.2 days.

Last but not least, the company's strategic and operational accomplishments during the first half of 2015 saw RVR take possession of 17 of 20 awaited GE locomotives, the first batch to arrive in East Africa since 1987 and a key upgrade to the continent's transportation capacity. As of August 2015, all of the 20 locomotives have arrived to Mombasa and joined the mainland fleet. Management expects the hauling capacity of RVR to double as compared to the previous year.

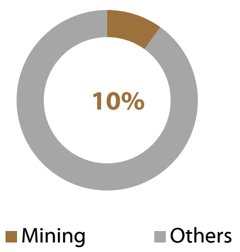
Net Ton-Kilometer Rail (2Q15)

369
mn
▲10% y-o-y

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. Starting 2Q15 ASCOM's balance sheet was fully consolidated with Qalaa Holdings, while the consolidation of its income statement is to take effect starting 3Q15.

Sector Percent of Core Platform Revenues (1H15)

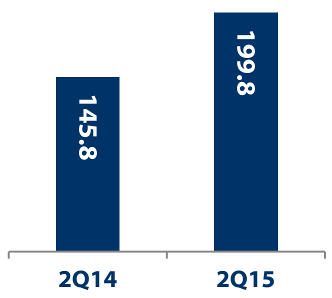


Operational and Financial Performance

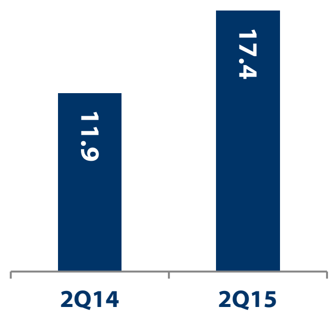
ASCOM's consolidated revenues increased 37% y-o-y to reach EGP 199.8 million in 2Q15. EBITDA came in at a healthy EGP 17.4 million compared to EGP 11.9 million in the same period last year, reflecting a substantial improvement of 19% y-o-y.

ASCOM revenues record growth of 37% y-o-y in 2Q15

ASCOM Consolidated Revenues
EGP 199.8 mn
(2Q15)



ASCOM Consolidated EBITDA
EGP 17.4 mn
(2Q15)



ASCOM Subsidiaries (EGP mn unless otherwise stated)	2Q14	2Q15	% diff	1H14	1H15	%diff
ACCM Revenues (in USD mn)	5.1	5.4	5%	9.7	9.5	(2%)
ACCM EBITDA (in USD mn)	1.0	1.4	38%	2.0	2.2	8%
GlassRock Revenues (in USD mn)	1.2	1.4	14%	2.2	2.4	9%
GlassRock EBITDA (in USD mn)	(0.2)	(0.1)	(46%)	(0.6)	(0.6)	-
Egypt Quarrying Revenues	76.8	109.4	43%	173.2	214.1	24%
Egypt Quarrying EBITDA	7.0	11.2	60%	17.5	19.2	10%
Other Quarry Management Revenues - ex Egypt*	24.3	38.5	58%	36.8	72.9	98%
Other Quarry Management EBITDA - ex Egypt*	-	(6.3)	n/a	(1.9)	(15.7)	n/a

ACCM witnessed a 5% y-o-y increase in revenues in 2Q15 to USD 5.4 million compared to USD 5.1 million a year earlier, with EBITDA also up by 38% y-o-y to USD 1.4 million. These figures come despite severe challenges faced in the African market, largely due to currency issues – from a weakened South African Rand to a USD shortage in Ghana and Nigeria – which led to a decline in ACCM's export volumes. On a six-month basis, ACCM's revenues declined by 2%, impacted mainly by a slowdown in performance during the first quarter of the year. EBTIDA, however, improved by a healthy 8% y-o-y to reach USD 2.2 million in 1H15, driven by effective management of product-mix pricing and costs management.

Meanwhile, in the **quarry management and services** business — where ASCOM is a leading supplier of limestone, clay, silica and gypsum, holding a more-than 40% share of the cement market in Egypt — revenues increased by 43% y-o-y to EGP 109.4 million, driven by increases in sale price margins so far in 2015 as well as the commencement of a new project in Ethiopia. Quarrying operations in Algeria and Sudan, classified as "Others", saw revenues increase by 58% to EGP 38.5 million in 2Q15 compared to EGP 24.3 million in the same quarter last year.

In mining, ASCOM has several concessions in Sudan and 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 (2Q15)

64.2
K Ton
▼1% y-o-y

Egypt Quarrying Business Volumes Sold (2Q15)

8.3
mn Ton
▲5% y-o-y

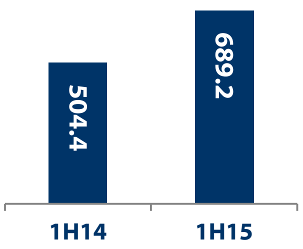
Select Non-Core: Agrifoods

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.

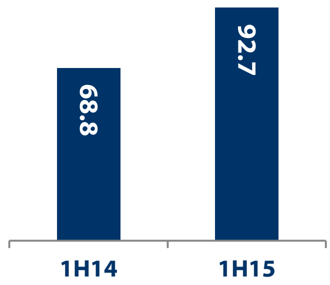
QH OWNERSHIP — 43.1%

Gozour reports 37% y-o-y growth in 1H15 Revenues

Consolidated Gozour Revenues
EGP 689.2 mn
(1H15)



Consolidated Gozour EBITDA
EGP 92.7 mn
(1H15)



Gozour reported revenues of EGP 689.2 million in 1H15, up 37% y-o-y compared to 1H14's EGP 504.4 million. Top-line growth was carried down to the EBITDA level which came in at EGP 92.7 million in 1H15, up 35% compared to the same period last year. Gozour subsidiaries include confectioner Rashidi El-Mizan, the farm and fresh milk companies that operate under the Dina Farms brand and ACST which owns and operates Dina Farms' retail supermarket chains.

In the wake of management's decision to treat the agrifoods sector as non-core, Qalaa 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.

Gozour Subsidiaries (EGP mn)	2Q14	2Q15	% diff	1H14	1H15	%diff
Rashidi El-Mizan Revenues	119.7	139.7	17%	226.1	267.6	18%
Rashidi El-Mizan EBITDA	13.5	18.8	40%	27.3	35.1	29%
Dina Farms Revenues	122.4	122.5	-	217.1	226.1	4%
Dina Farms EBITDA	31.7	32.4	2%	58.6	63.6	8%
ICDP Revenues (Fresh Dairy producer)	30.3	36.9	22%	54.0	65.8	22%
ICDP EBITDA	2.8	6.9	146%	5.2	11.5	121%
ACST Revenues (Retail Supermarkets)	28.0	73.8	164%	49.3	124.5	153%
ACST EBITDA	1.6	2.5	52%	1.3	4.5	257%

- In Egypt, leading regional confectioner **Rashidi El-Mizan (REM)** saw revenues increase 17% y-o-y to EGP 139.7 million in 2Q15 on the back of a rebound in the sesame business, which witnessed volume growth of 29% in 2Q15 versus 2Q14. On a first half basis, REM's revenues came in up 18% y-o-y at EGP 267.6 million. The company also saw its tomato paste business continue to gain market share with total tonnage sold growing 144% y-o-y in 2Q15. The improved performance was reflected on EBITDA which came in at EGP 18.8 million in 2Q15 and EGP 35.1 million in 1H15, up 40% y-o-y and 29% y-o-y, respectively.
- **Dina Farms** saw revenues and EBITDA remain relatively stable y-o-y with EGP 122.5 million and EGP 32.4 million, respectively in 2Q15. The somewhat flat results are owing to hot weather during the quarter which affected herd productivity. Meanwhile, the company reported revenues of EGP 226.1 million in 1H15, up 4% y-o-y while EBITDA for the same period came in at EGP 63.6 million, 8% higher than the same period last year.
- **ICDP**, which markets Dina Farms' fresh dairy produce, recorded a 22% y-o-y increase in revenues for 2Q15 and 1H15 which came in at EGP 36.9 million and EGP 65.8 million, respectively. EBITDA meanwhile posted an impressive 146% y-o-y growth in 2Q15 at EGP 6.9 million.
- **ACST** (Dina Farms Retail) saw revenues increase 164% y-o-y in 2Q15 to EGP 73.8 million, continuing its impressive growth trajectory. Top-line improvement was also reflected on the retail chain's EBITDA which came in at EGP 2.5 million in 2Q15, up 52% y-o-y. On a half year basis, ACST posted revenues of EGP 124.5 million and EBITDA of EGP 4.5 million in 1H15, up 153% and 257% y-o-y, respectively. Total number of outlets currently stands at 21 stores, with two additional stores scheduled to open during the course of September 2015.

Rashidi El Mizan Sales (2Q15)

7,181
SKUs in Tons
▲18% y-o-y

Dina Farms Sales (2Q15)

18,516
Tons raw milk
▲8% y-o-y

Dina Farms Total Herd* (2Q15)

15,735
Cows
▲5% y-o-y

* Of which 7,136 are milking cows

ICDP Sales (2Q15)

3,584
SKUs in Tons
▲24% y-o-y

Retail Stores / Retail Space (2Q15)

21 / 8,285
/ sqm
▲133% / ▲221% y-o-y

Average Like-to-Like Sales Density (2Q15)**

4,577
EGP / sqm / month
▲12% y-o-y

** Same store comparison, area of 4,091 sqm as at the end of 2Q14.

Select Non-Core: Microfinance

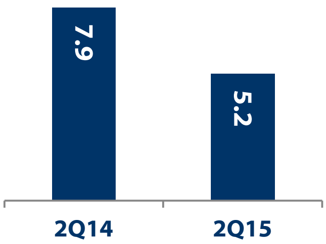
Tanmeyah Micro Enterprise Services was founded in March 2009 to extend microfinance loans in the range of EGP 1,000 to EGP 30,000 to small-scale businesses in Egypt and offer financial solutions to segments of the population who previously had no access to such services.

QH OWNERSHIP — 70%

Tanmeyah reports 43% y-o-y increase in Revenues in 2Q15

The second quarter of 2015 saw Tanmeyah report overall positive results, with revenues up 43% y-o-y and 14% q-o-q to EGP 32.1 million, driven largely by notable increases in the lender's loan portfolio and the size of tickets issued. 2Q15 also saw Tanmeyah launch its new Very Small Enterprises (VSE) product, which targets clients seeking loans ranging between EGP 31-100 thousand, opening a window for an even-wider client base.

Net Income
EGP 5.2 mn
(2Q15)



Higher SG&A expenses led to a decline in net profit by 49% q-o-q to EGP 5.2 million from EGP 10.3 million in the first quarter of 2015. The increased SG&A comes on the back of new branch additions and hires, bringing the lender's administrative cost / income ratio to 73.7%, up from 64% in the previous quarter and 65.6% in the comparable period last year. In addition, a management bonus was booked in 2Q15 which further added to the quarter's operating expenses. This increase in operational expenses coupled with a higher effective tax rate this quarter of 30% — which led to the full utilization of the company's deferred tax asset — saw Net Income decrease 35% y-o-y to EGP 5.2 million.

Meanwhile, the value of total loans extended by Tanmeyah increased 52% over 2Q14 to reach EGP 232.1 million, on the back of the company's expanded branch network and increased number of active borrowers to c.99 thousand individuals from 80 thousand in the comparable period last year. And while the company increased its loan portfolio, it also managed to improve its non-performing loans ratio which stood at 5.2% in 2Q15 compared to 8.9% in 2Q14.

Amount of Loans Outstanding (2Q15)	Total Loans Issued in the Period (2Q15)	Number of Active Borrowers (2Q15)
455.3 EGP mn ▲39% y-o-y	232.1 EGP mn ▲52% y-o-y	98,574 Clients ▲23% y-o-y

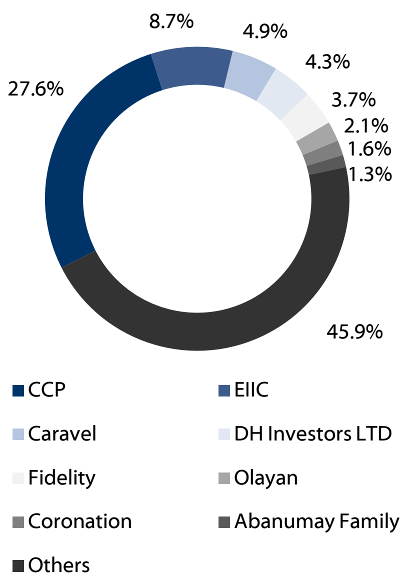
ENERGY

CEMENT

TRANSPORTATION & LOGISTICS

MINING

SHAREHOLDER STRUCTURE
(as of 30 June 2015)



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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