To facilitate the comparison of y-o-y financial results, income statement figures for 2015 have been adjusted to reflect the divestment of ASEC Minya, ASEC Ready-Mix, Misr Cement Qena, Rashidi El-Mizan, RIS, Tanmeyah, and Mashreq by eliminating their figures from the consolidated results in addition to figures of investments held for sale starting 1Q16, including Africa Railways. Additionally, ASCOM's 2016 results were added to Qalaa's 2015 figures owing to ASCOM's income statement consolidation starting 3Q15.

Qalaa Holdings Reports 3Q2016 Results

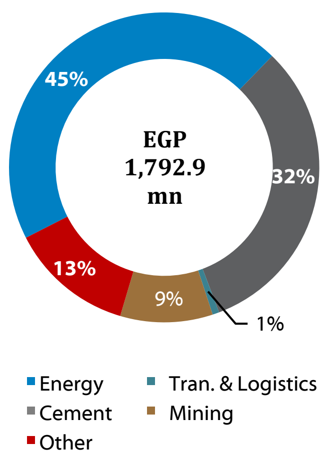
Qalaa reports revenues of EGP 1,792.9 million in 3Q16, up 21% year-on-year compared to adjusted 3Q15 figures; EBITDA came in at EGP 85.7 million and bottom-line losses recorded EGP 207.6 million

Highlights Consolidated Income Statement	
3Q 2016	
Revenues EGP 1,792.9 mn vs. EGP 1,481.3 mn in 3Q15 (adjusted)	Contribution Margin 39%
EBITDA EGP 85.7 mn vs. EGP 125.9 mn in 3Q15 (adjusted)	Net Profit After Minority EGP (207.6) mn vs. EGP (135.7) mn in 3Q15
9M 2016	
Revenues EGP 5,323.7 mn vs. EGP 4,542.8 mn in 9M15	Contribution Margin 39%
EBITDA EGP 321.8 mn vs. EGP 426.3 mn in 9M15	Net Profit After Minority EGP (737.4) mn vs. EGP (258.8) mn in 9M15
Highlights from Consolidated Balance Sheet as at 30 September, 2016	
Total Assets EGP 42,375.0 mn vs. EGP 36,978.2 mn in FY15	Total Equity EGP 10,926.3 mn vs. EGP 10,950.4 mn in FY15

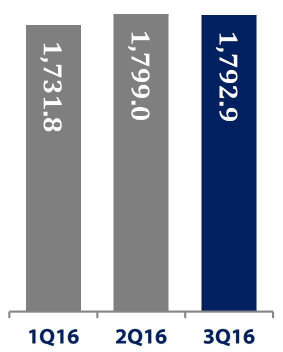
Qalaa Holdings, an African leader in energy and infrastructure (CCAP.CA on the Egyptian Exchange, formerly Citadel Capital), released today its consolidated financial results for the third quarter of 2016, reporting a net loss after minority interest of EGP 207.6 million (9M16: EGP 737.4 million) on revenues of EGP 1,792.9 million (9M16: EGP 5,323.7 million). Financial and operational highlights follow, as do management's comments and overviews of the performance of different business units. Full financials are now available for download at ir.qalaaholdings.com.

Financial & Operational Highlights

QALAA HOLDINGS CONSOLIDATED REVENUES 3Q16



REVENUE PROGRESSION (EGP mn)



- **Total revenues saw a 21% increase y-o-y in 3Q16 to EGP 1,792.9 million compared to EGP 1,481.3 million (adjusted) during the same period last year.**

  Comparative 2015 figures are adjusted to reflect the divestment of ASEC Minya, ASEC Ready Mix, MisrQena Cement, Rashidi El-Mizan, RIS, Tanmeyah, and Mashreq, eliminating the figures of divested companies in addition to figures for investments held for sale starting 1Q16, including Africa Railways. Additionally, ASCOM's 2016 results were added to Qalaa's 2015 figures owing to ASCOM's income statement consolidation starting 3Q15 for a more accurate comparison of y-o-y results.

  In 3Q16, the largest contributor to revenues was the energy sector, with 45% of revenues, followed by the cement sector at 32%. Meanwhile, transportation and logistics contributed only 1% of revenues, down from 8% in 3Q15, on the back of management's decision to classify Rift Valley Railways as a discontinued operation on Qalaa's income statement and a liability held for sale on its balance sheet. Qalaa will nevertheless continue to provide operational and managerial support to Rift Valley Railways, all while pushing ahead with the railway's three-point turnaround strategy.

  Revenue growth during the third quarter of 2016 was largely attributable to a 25% increase in TAQA Arabia revenues and a 27% improvement in ASEC Holding revenues on a y-o-y basis.

- **Gross profit posted EGP 273.8 million in 3Q16, remaining flat y-o-y with a gross profit margin of 15.3% compared to 18.5% in 3Q15.**

  The decline in gross profitability owes largely to increased costs across the board, with the devaluation of the EGP and the prevailing inflationary environment driving raw materials and feedstock prices up for Qalaa's subsidiaries.

- **SG&A increased 11% y-o-y to EGP 203.9 million in 3Q16 while SG&A as a percentage of sales inched down to 11.4% compared to 12.5% in 3Q15.**

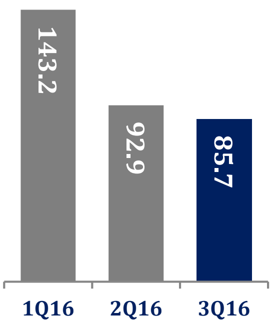
- **The decline in gross profitability filtered down to the EBITDA level which posted EGP 85.7 million in 3Q16, down 32% y-o-y.**

- **Below the EBITDA line, third-party shareholder interest in 3Q16 came in 14% higher y-o-y at EGP 23.0 million — up from EGP 20.1 million in 3Q15. The expense is related to ASEC Holding's convertible bond.**

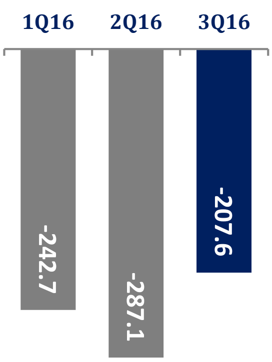
- **Qalaa recorded a total loss on sale of investments equal to EGP 15.9 million in 3Q16 compared to a gain of EGP 33.1 million in the same period last year.**

  The loss is related to Gozour's Al-Aguizy International as the transfer of shares following the company's divestment took place in 3Q16.

EBITDA PROGRESSION
(EGP mn)



NET PROFIT PROGRESSION
(EGP mn)



- **Impairments stood at EGP 19.6 million in 3Q16, down significantly from the EGP 256.0 million recorded in the previous quarter. On a y-o-y basis, impairments were up over five-fold compared to 3Q15 figure of EGP 3.1 million.**

  EGP 18.2 million of the impairments booked during the quarter are related to ASEC Holding, where the company had written off receivables tied to one of its discontinued projects in the Middle East.

- **The company recorded provisions of EGP 35.0 million during the quarter versus EGP 30.7 million in 3Q15.**

  Just under 50% of the 3Q16 figure is related to TAQA Arabia, having contributed some EGP 15.6 million, mostly related to the E-Styrenics project's doubtful receivables. The power sector's project faced operational problems once more after resuming work in the second quarter of this year.

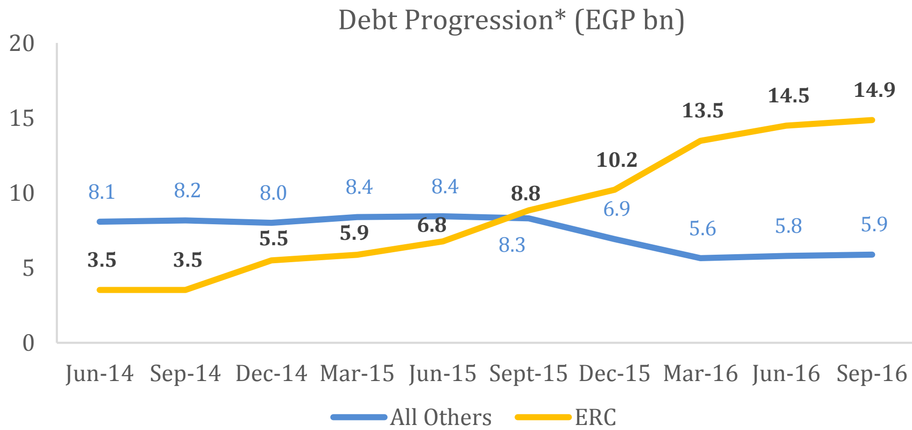
- **FX gains came in at EGP 19.9 million in 3Q16, a reversal of last year's loss of EGP 5.1 million.**

- **Losses from discontinued operations narrowed with EGP 101.3 million in 3Q16 (82% of which is related to Africa Railways), down from losses of EGP 131.4 million in 2Q16 (84% of which was related to Africa Railways).**

- **Net Loss after Minority Interest stood at EGP 207.6 million in 3Q16 (9M16: EGP 737.4 million), compared to the 3Q15 loss of EGP 135.7 million (9M15: EGP 258.8 million).**

- **Qalaa's total consolidated debt excluding the Egyptian Refining Company (ERC) reached EGP 5.88 billion as at 30 September 2016.**

  ERC's debt stood at EGP 14.85 billion at 30 September 2016, up EGP 0.4 billion as the company utilized its extended facilities, with project completion reaching c. 91% as at September 2016.



*The Debt Progression chart excludes Africa Railways' debt balance owing to its reclassification as liabilities held for sale starting 1Q16.

Management Comment:

"With the long-awaited float of the pound now behind us and as the government continued to make headway in cutting back energy subsidies, we are increasingly optimistic about the direction the economy is headed today"

"Qalaa's performance during the third quarter continues to reflect the resilience of its subsidiaries in the face of an increasingly challenging operating environment," said Qalaa Holdings Chairman and Founder Ahmed Heikal. "Our top-line posted a healthy 21% y-o-y increase in 3Q16, driven primarily by our energy and cement assets and underscoring the prudence of our strategy to shed non-profitable investments while focusing on our proven winners."

"Like all businesses operating in Egypt, Qalaa and its portfolio companies will be affected by the recent economic policies rolled out by the Egyptian government. With the long-awaited float of the pound now behind us and as the government continues to make headway in cutting back energy subsidies, we are increasingly optimistic about the direction the economy is headed today," Heikal added. "We see these critical steps unlocking significant opportunities across the industries in which we operate."

The float of the pound is set to directly benefit Qalaa's ***energy*** subsidiaries, primarily at ERC, where dollar-denominated revenues – once operational – will lead to a top-line surge on Qalaa's consolidated financials denominated in EGP. Meanwhile, TAQA will capitalize on fuel subsidy cuts with higher prices at the pumps pushing margins for the company's marketing arm. Qalaa also sees further opportunities in its gas distribution business, where increased liberalization of the energy sector could see TAQA leverage its solid client base to directly import and sell natural gas.

Despite holding USD-denominated debt, margins at Qalaa's ***mining*** companies, ACCM and Glassrock, will benefit from the float as both companies export the bulk of their production. Additionally, Glassrock will be able to capture a larger share of the local market at improved margins by way of providing a substitute for imports. ASCOM's quarry management, however, will initially face inflationary pressures from rising fuel costs, which are likely to be passed on to its customers over the medium-term.

Increased fuel costs, particularly diesel fuel, will present opportunities in ***transportation and logistics*** as Nile Logistics becomes a more economical alternative for road transport of goods with trucking rates expected to increase significantly.

On the other hand, higher diesel prices will raise the cost of operating farm machinery at Qalaa's ***agrifoods*** subsidiary, Dina Farms. Nonetheless, higher prices of imported skimmed milk powder (SMP) will drive higher demand for fresh milk, a segment where Dina Farms maintains a competitive edge. Likewise, fresh dairy producer ICDP is expanding its hard cheese manufacturing capacity (Edam and others) as it capitalizes on its import-substitute role where cheese importers face significantly higher prices of imported products.

As for ***cement***, the recent announcement by the Egyptian government concerning the issuance of new manufacturing licenses bodes well for ASEC

Holding's construction arms ARESCO and ESACO. Meanwhile, ASEC Engineering could also benefit from increased demand for technical and management consultancy. As of year-end 2015, Qalaa had divested all its stakes in local cement production companies.

"Our primary focus over the coming period will be to manage our foreign currency risk particularly with regard to our USD-denominated debt at the Qalaa Holdings level," said Qalaa Holdings Co-Founder and Managing Director Hisham El-Khazindar. "In that regard, Qalaa will continue to push forward with its divestment strategy, with a focus on exiting assets that would generate USD-denominated proceeds to be channeled towards debt repayment at both the holding and platform levels. These assets could include Sudan's Al-Takamol Cement and Algeria's Djelfa Cement," El-Khazindar added.

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

Fully Consolidate Companies		
	Energy	TAQA Arabia, tawazon, ERC
	Transportation & Logistics	NILE Logistics
	Mining	ASCOM Geology & Mining
	Cement	asec holding
	Agrifoods	Gozour, WAFRA
	Specialized Real Estate	BONYAN Development and Trade
	Metallurgy	U.C.F. United Company For Foundries

Equity Method Consolidated Companies (Share of Associates)		
	Mid-cap Buyouts	GRANDVIEW Investment Holdings Corp
	Media & Retail	Tanweer

Qalaa Holdings Consolidated Income Statement (in EGP mn)

	Actual				Restated (1) (2)				As Previously Reported			
	1Q 2016	2Q 2016	3Q 2016	9M 2016	1Q 2015	2Q 2015	3Q 2015	9M 2015	1Q 2015	2Q 2015	3Q 2015	9M 2015
Revenue	1,731.8	1,799.0	1,792.9	5,323.7	1,441.0	1,620.5	1,481.3	4,542.8	1,947.5	2,086.8	2,051.2	6,085.5
COS	(1,388.5)	(1,492.2)	(1,519.1)	(4,399.8)	(1,126.5)	(1,284.8)	(1,207.4)	(3,618.7)	(1,473.1)	(1,591.0)	(1,607.1)	(4,671.2)
Gross Profit	**343.3**	**306.8**	**273.8**	**923.9**	**314.5**	**335.8**	**273.9**	**924.1**	**474.5**	**495.7**	**444.1**	**1,414.3**
Advisory fee	2.4	2.6	2.6	7.6	3.2	3.2	3.6	10.0	3.2	3.2	3.6	10.0
Share in associates' results	14.1	3.8	8.9	26.7	7.1	21.6	18.6	47.3	34.8	44.8	18.5	98.0
Total Operating Profit	**359.8**	**313.2**	**285.3**	**958.3**	**324.7**	**360.6**	**296.0**	**981.3**	**512.4**	**543.7**	**466.2**	**1,522.3**
SG&A	(210.8)	(220.6)	(203.9)	(635.4)	(188.2)	(202.5)	(184.4)	(575.2)	(241.2)	(249.4)	(266.3)	(756.9)
Other inc/exp-Net	3.4	12.2	6.0	21.6	10.8	(4.4)	24.2	30.5	2.7	(2.7)	24.7	24.6
EBITDA before one-off charges	**152.4**	**104.8**	**87.3**	**344.5**	**147.3**	**153.6**	**135.8**	**436.7**	**273.8**	**291.6**	**224.5**	**789.9**
SG&A (Non recurring)	(9.2)	(11.9)	(1.6)	(22.7)	(2.5)	2.0	(9.9)	(10.3)	2.0	(2.3)	(10.0)	(10.3)
EBITDA	**143.2**	**92.9**	**85.7**	**321.8**	**144.8**	**155.6**	**125.9**	**426.3**	**275.8**	**289.3**	**214.5**	**779.6**
Dep./Amort.	(83.6)	(100.2)	(97.2)	(280.9)	(87.5)	(90.6)	(97.7)	(275.7)	(105.5)	(90.6)	(120.8)	(316.9)
EBIT	**59.6**	**(7.3)**	**(11.5)**	**40.8**	**57.3**	**65.0**	**28.3**	**150.6**	**170.3**	**198.7**	**93.7**	**462.7**
Bank interest exp.	(130.0)	(138.8)	(147.5)	(416.3)	(116.9)	(140.7)	(150.9)	(408.6)	(165.8)	(185.9)	(214.4)	(566.2)
Bank PIK - Bank Fees (ERC - PIK)	(18.1)	(4.0)	(16.7)	(38.8)	(16.4)	(15.5)	(16.6)	(48.4)	(35.7)	(35.8)	(33.9)	(105.3)
3rd party Shareholder	(0.5)	(44.9)	(23.0)	(68.4)	(1.7)	(37.9)	(20.1)	(59.6)	(1.9)	(1.8)	(1.0)	(4.6)
Interest income	21.0	22.5	33.0	76.5	18.7	13.7	27.4	59.8	21.4	16.4	31.2	69.0
Lease payments	(1.7)	(1.7)	(1.7)	(5.2)	(2.8)	(2.8)	(2.8)	(8.3)	(3.4)	(3.8)	(3.7)	(10.8)
EBT (before one-offs)	**(69.7)**	**(174.4)**	**(167.4)**	**(411.5)**	**(61.7)**	**(118.1)**	**(134.6)**	**(314.4)**	**(15.1)**	**(12.1)**	**(128.0)**	**(155.2)**
Gain (Loss) on sale of investments	19.5	(0.0)	(15.9)	3.6	(10.5)	67.5	33.1	90.2	(10.5)	67.5	33.1	90.2
Impairments/write downs	(5.0)	(256.0)	(19.6)	(280.6)	(5.4)	0.0	(3.1)	(8.4)	(4.1)	(2.0)	(2.3)	(8.5)
Restructring consulting fees	(17.5)	(6.7)	(1.1)	(25.3)	-	-	-	-	-	-	-	-
Layoffs/Severances	(12.3)	(2.5)	(2.4)	(17.3)	(1.7)	-	-	(1.7)	(9.4)	(0.5)	(2.1)	(12.0)
Negative Goodwill	-	-	-	-	-	115.8	-	115.8	-	-		-
CSR	(1.3)	(2.8)	(3.2)	(7.4)	(3.6)	(3.3)	(3.4)	(10.3)	(6.4)	(6.2)	(4.2)	(16.8)
Provisions	(25.9)	(20.6)	(35.0)	(81.5)	(14.2)	(22.4)	(30.7)	(67.3)	(13.8)	(22.9)	(37.7)	(74.4)
Discontinued operations *	(93.9)	(131.4)	(101.3)	(326.6)	(73.4)	(23.6)	(84.5)	(181.5)	(58.6)	(43.9)	(18.0)	(120.5)
Forex	(45.0)	(39.1)	19.9	(64.1)	(25.9)	(18.2)	(5.1)	(49.2)	(53.1)	(10.1)	(29.5)	(92.7)
EBT	**(251.1)**	**(633.6)**	**(326.0)**	**(1,210.7)**	**(196.4)**	**(2.2)**	**(228.2)**	**(426.8)**	**(170.9)**	**(30.2)**	**(188.8)**	**(389.9)**
Taxes	(41.8)	(22.5)	(16.3)	(80.5)	(24.6)	(30.2)	(1.8)	(56.6)	(41.2)	(59.1)	(17.4)	(117.7)
NP/L Including Minority Share	**(292.9)**	**(656.0)**	**(342.3)**	**(1,291.2)**	**(220.9)**	**(32.4)**	**(230.0)**	**(483.4)**	**(212.0)**	**(89.3)**	**(206.2)**	**(507.5)**
Minority Interest	(50.2)	(369.0)	(134.6)	(553.8)	(101.9)	(28.4)	(94.3)	(224.6)	(99.9)	(4.6)	(80.6)	(185.1)
NP/L for the Period	**(242.7)**	**(287.0)**	**(207.6)**	**(737.4)**	**(119.1)**	**(4.0)**	**(135.7)**	**(258.8)**	**(112.2)**	**(84.7)**	**(125.5)**	**(322.4)**

1) Comparative figures restated to conform with the current period presentation. Restatements are for sold companies - ASEC Minya, ASEC Ready-Mix (ASEC Cement), Rashidi Al-Mizan & Rashidi for Integrated Foods (Gozour), Tanmeyah Microfinance, and Mashreq (Ledmore) - in addition to investments held for sale: Africa Railways (RVR) & Mena Home (Designopolis)

2) Qalaa Holdings increased its stake in ASCOM as of June 2015. Accordingly, we include ASCOM 1Q2016 & 2Q2016 results to the comparative periods for reasonable comparison.

* Discontinued operations include:
(1) Assets included in 2015 & 2016: ESACO, Djelfa (ASEC Holding), & Designopolis (Mena Home)
(2) Assets sold in 2016 and with zero results in 2016: El-Aguizy, Enjoy, Mom's Food (Gozour)
(3) Assets Reclassified and sold in 2016: Mashreq & Tanmeyah
(4) Assets that are held for sale in 2016: Africa Railways (RVR)

Qalaa Holdings Consolidated Income Statement by Sector for the period ending 30 September 2016 (in EGP mn)

			Energy			Cement	T&L^	Mining	Agrifoods		Others		
	QH	SPVs	ERC	TAQA	Tawazon	ASEC Holding	Nile Logistics	ASCOM	Gozour	Wafra	Misc.^^	Elimination	9M 2016
Revenue				2,040.4	128.5	1,830.4	65.3	536.3	606.5	0.9	115.6		5,323.7
Cost of Sales				(1,779.7)	(107.9)	(1,501.2)	(50.9)	(423.4)	(458.7)	(0.3)	(77.7)		(4,399.8)
Gross Profit	**-**	**-**	**-**	**260.7**	**20.6**	**329.2**	**14.3**	**112.9**	**147.7**	**0.6**	**37.9**	**-**	**923.9**
Advisory fee	53.1	12.7										(58.2)	7.6
Share in Associates' Results		-				29.1	2.8					(5.2)	26.7
Total Operating Profit	**53.1**	**12.7**	**-**	**260.7**	**20.6**	**358.3**	**17.2**	**112.9**	**147.7**	**0.6**	**37.9**	**(63.4)**	**958.3**
SG&A	(130.2)	(32.9)	(19.9)	(81.1)	(8.7)	(168.9)	(22.8)	(86.4)	(121.6)	(0.9)	(14.4)	52.6	(635.4)
Other Income/Expenses (Net)	1.7	(2.0)	-	1.9	0.2	23.4	0.0	12.9	(14.3)	(2.3)	0.0		21.6
EBITDA (before one-offs)	**(75.3)**	**(22.1)**	**(19.9)**	**181.4**	**12.1**	**212.7**	**(5.7)**	**39.5**	**11.9**	**(2.6)**	**23.6**	**(10.9)**	**344.5**
SG&A (Non recurring)	(15.2)	(2.5)				(5.0)							(22.7)
EBITDA	**(90.6)**	**(24.6)**	**(19.9)**	**181.4**	**12.1**	**207.7**	**(5.7)**	**39.5**	**11.9**	**(2.6)**	**23.6**	**(10.9)**	**321.8**
Depreciation & Amortization	(1.5)	-	(0.3)	(35.6)	(8.6)	(64.0)	(24.2)	(64.7)	(41.2)	(10.0)	(8.8)	(22.1)	(280.9)
EBIT	**(92.1)**	**(24.6)**	**(20.2)**	**145.8**	**3.4**	**143.7**	**(29.9)**	**(25.2)**	**(29.3)**	**(12.6)**	**14.8**	**(32.9)**	**40.8**
Bank Interest Expense	(113.1)	(50.5)		(37.7)	(1.9)	(102.1)	(50.1)	(29.2)	(19.2)	(2.7)	(9.9)		(416.3)
Bank PIK - Bank Fees (ERC-PIK)		(24.8)	(14.0)										(38.8)
3rd Party Shareholder		(94.3)				(144.7)	(12.8)	(3.3)	-		(12.8)	199.5	(68.4)
Interest Income	93.4	84.7	2.2	82.8	0.0	7.4	0.1		0.5		14.6	(209.3)	76.5
Lease Payments							(3.3)		(1.9)				(5.2)
EBT (before one-offs)	**(111.9)**	**(109.5)**	**(32.0)**	**190.9**	**1.6**	**(95.7)**	**(95.9)**	**(57.7)**	**(49.9)**	**(15.3)**	**6.7**	**(42.7)**	**(411.5)**
Gain (Loss) on Sale of Investments	-	171.4							17.8			(185.6)	3.6
Impairments/Write-downs	5.0	(15.4)		(4.7)	-	(267.3)		(2.2)	-		-	3.9	(280.6)
Restructuring Consulting Fees	(25.3)												(25.3)
Layoffs/Severances	(8.1)					(9.2)							(17.3)
CSR	(3.6)			(3.8)									(7.4)
Provisions		(19.9)		(29.8)	-	(27.7)	(0.5)	(2.1)	(0.3)		(1.2)		(81.5)
Discontinued Operations **						(1.4)			-		(340.7)	15.4	(326.6)
FOREX	61.7	(34.1)	(1.2)	(13.1)	3.2	(143.9)	2.1	21.5	3.5	27.8	(15.8)	24.2	(64.1)
EBT	**(82.2)**	**(7.5)**	**(33.1)**	**139.6**	**4.7**	**(545.2)**	**(94.3)**	**(40.5)**	**(28.8)**	**12.4**	**(351.0)**	**(184.8)**	**(1,210.7)**
Taxes	0.2	(8.0)		(52.2)	(1.1)	(17.2)	(0.5)	(2.9)	(4.6)		1.2	4.6	(80.5)
Net P/L Before Minority Share	**(82.0)**	**(15.5)**	**(33.1)**	**87.4**	**3.7**	**(562.4)**	**(94.8)**	**(43.4)**	**(33.5)**	**12.4**	**(349.9)**	**(180.2)**	**(1,291.2)**
Minority Interest			(9.7)	25.8	1.8	(155.1)	(37.3)	(5.6)	(0.0)	(0.6)	(2.4)	(370.8)	(553.8)
Net Profit (Loss)	**(82.0)**	**(15.5)**	**(23.5)**	**61.6**	**1.9**	**(407.3)**	**(57.5)**	**(37.7)**	**(33.5)**	**13.0**	**(347.5)**	**190.6**	**(737.4)**

** Discontinued operations include:
(1) Assets included in 2015 & 2016: ESACO, Djelfa (ASEC Holding), & Designopolis (Mena Home)
(2) Assets sold in 2016 and with zero results in 2016: El-Aguizy, Enjoy, Mom's Food (Gozour)
(3) Assets Reclassified and sold in 2016: Mashreq & Tanmeyah
(4) Assets that are held for sale in 2016: Africa Railways (RVR)

^ T&L represents Transportation & Logistics

^^ Miscellaneous includes United Foundries, Designopolis (Mena Home), Crondall, Sphinx Egypt, Mashreq, Africa Railways & Tanmeyah

Qalaa Holdings Consolidated Balance Sheet as at 30 September 2016 (in EGP mn)

		Energy			Cement	T&L^	Mining	Agrifoods						
	QH	ERC	TAQA Arabia	Tawazon	ASEC Holding	Nile Logisics	ASCOM	Gozour	Wafra	Misc.^^	Q3 2016 Aggregation	Eliminations/ SPVs	9M 2016	FY 2015
Current Assets														
Trade and Other Receivables	1,135.6	87.1	1,136.0	125.8	1,341.0	59.7	261.3	124.2	12.9	292.7	4,576.4	(1,409.3)	3,167.0	3,131.6
Inventory			181.4	45.0	604.9	14.8	53.6	67.7	7.1	41.3	1,016.0	0.0	1,016.0	1,016.8
Assets Held For Sale					836.4			86.6		2,387.2	3,310.2	652.4	3,962.6	2,473.5
Cash and Cash Equivalents	185.24	482.1	811.2	4.3	74.9	8.2	10.4	12.2	0.1	1.4	1,589.9	7.4	1,597.3	3,353.0
Others	-		-		30.0			7.3	1.2	-	38.5	1.0	39.5	76.6
Total Current Assets	**1,320.8**	**569.3**	**2,128.6**	**175.1**	**2,887.3**	**82.8**	**325.3**	**298.0**	**21.3**	**2,722.6**	**10,531.0**	**(748.6)**	**9,782.4**	**10,051.5**
Non-Current Assets										-	-	-		
PP&E	26.5	23,348.6	542.9	94.4	1,192.7	585.6	629.6	782.5	265.7	50.8	27,519.3	747.3	28,266.6	22,053.2
Investments	9,002.3		0.7		426.8	16.3	0.0			3.3	9,449.4	(8,518)	931.7	1,035.3
Goodwill / Intangible assets			405.5	32.6	2.1		291.0	-		-	731.3	951.7	1,683.0	2,514.9
Others	947.3	1,269.2	35.7		25.7			259.4		121.2	2,658.4	(947.3)	1,711.2	1,323.2
Total Non-Current Assets	**9,976.0**	**24,617.8**	**984.9**	**127.0**	**1,647.3**	**601.9**	**920.6**	**1,041.9**	**265.7**	**175.3**	**40,358.5**	**(7,765.9)**	**32,592.5**	**26,926.7**
Total Assets	**11,296.8**	**25,187.1**	**3,113.4**	**302.1**	**4,534.6**	**684.7**	**1,245.9**	**1,339.9**	**287.0**	**2,897.9**	**50,889.5**	**(8,514.5)**	**42,375.0**	**36,978.2**
Shareholders' Equity										-	-	-		
Total Equity Holders of the Company	**8,350.4**	**4,546.5**	**1,066.8**	**103.8**	**(1,273.7)**	**(207.6)**	**305.9**	**440.0**	**(385.8)**	**(733.1)**	**12,213.2**	**(9,903.6)**	**2,309.6**	**2,797.9**
Minority Interest	-	4,655.7	308.1	57.4	1,020.4	(24.9)	(41.0)	0.0	(11.3)	8.6	5,973.0	2,643.6	8,616.6	8,152.5
Total Equity	**8,350.4**	**9,202.2**	**1,374.9**	**161.2**	**(253.3)**	**(232.4)**	**265.0**	**440.0**	**(397.1)**	**(724.5)**	**18,186.2**	**(7,260.0)**	**10,926.3**	**10,950.4**
Current Liabilities										-	-	-		
Borrowings	1,525.6		286.6	23.2	263.0	506.2	187.4	47.5	25.5	59.1	2,924.1	410.2	3,334.2	3,441.8
Trade and Other Payables	576.6	642.4	954.9	68.9	2,208.3	315.5	359.7	458.8	653.9	341.1	6,580.1	(781.8)	5,798.4	6,396.1
Provisions	228.3		104.6	34.5	259.8	8.4	20.1	8.9	2.3	11.1	677.9	34.4	712.3	620.5
Liabilities Held For Sale			-		354.6			238.9		2,941.7	3,535.2	(512.1)	3,023.1	1,013.4
Total Current Liabilities	**2,330.5**	**642.4**	**1,346.1**	**126.6**	**3,085.6**	**830.2**	**567.2**	**754.1**	**681.7**	**3,352.9**	**13,717.3**	**(849.3)**	**12,868.0**	**11,471.8**
Non-Current Liabilities														
Borrowings	616.0	14,854.9	191.7		676.9	-	332.4	112.6	2.4	3.6	16,790.4	608.4	17,398.8	13,671.8
Shareholder Loan					982.9	86.9	75.2	-		260.5	1,405.5	(1,382.3)	23.1	24.5
Long-Term Liabilities		487.6	200.7	14.3	42.6	-	6.2	33.2		5.5	790.0	368.7	1,158.8	859.7
Total Non-Current Liabilities	**616.0**	**15,342.4**	**392.4**	**14.3**	**1,702.3**	**86.9**	**413.8**	**145.8**	**2.4**	**269.5**	**18,985.9**	**(405.2)**	**18,580.7**	**14,556.0**
Total Liabilities	**2,946.5**	**15,984.9**	**1,738.5**	**140.9**	**4,787.9**	**917.1**	**981.0**	**899.9**	**684.1**	**3,622.5**	**32,703.2**	**(1,254.5)**	**31,448.7**	**26,027.8**
Total Equity and Liabilities	**11,296.8**	**25,187.1**	**3,113.4**	**302.1**	**4,534.6**	**684.7**	**1,245.9**	**1,339.9**	**287.0**	**2,897.9**	**50,889.5**	**(8,514.5)**	**42,375.0**	**36,978.2**

^ T&L represents Transportation & Logistics
^^ Miscellaneous includes Mashreq, Africa Railways, United Foundries, Designopolis (Mena Home), Crondall, & Sphinx Egypt.

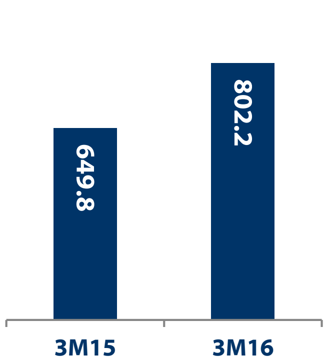
Sector Review: Energy

Qalaa Holdings' operational 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).

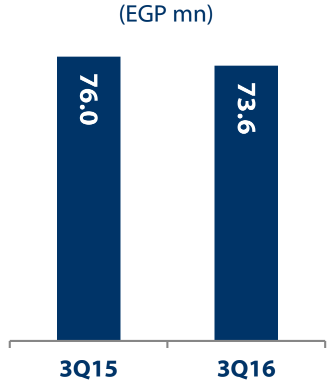
Operational and Financial Performance

The energy division posted revenues of EGP 802.2 million in 3Q16, climbing 23% y-o-y compared to EGP 649.8 million in the same period last year, owing to 33% higher revenues at the TAQA Arabia's marketing arm and 10% higher revenues at its power arm. Despite expansion in the division's top-line, EBITDA recorded a 2% decline to EGP 73.6 million for the quarter, mainly on the back of a lack of turnkey projects and declining biomass prices (Tawazon) as well as lower power distribution volumes due to the recession in the tourism sector (TAQA Arabia).

Energy Revenues[1]
(EGP mn)



Energy EBITDA[1]
(EGP mn)



(EGP mn unless otherwise stated)	**3Q15**	**3Q16**	***% chg***	**9M15**	**9M16**	***% chg***
TAQA Arabia Revenues	597.9	749.8	*25%*	1,713.2	2,040.4	*19%*
TAQA Arabia EBITDA	72.7	69.4	*(5%)*	189.4	181.4	*(4%)*
Tawazon Revenues	51.8	52.4	*1%*	143.7	128.5	*(11%)*
Tawazon EBITDA	2.5	4.2	*68%*	15.9	12.2	*(24%)*

[1] 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.

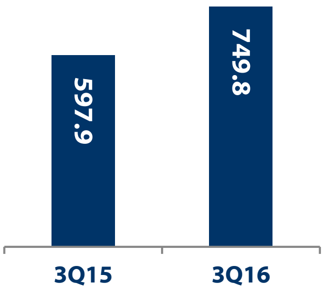
TAQA

QH OWNERSHIP — 62.5%

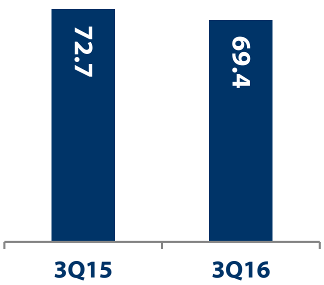
TAQA Arabia reports a 25% year-on-year increase in revenues in 3Q16 to EGP 749.8 million

TAQA Arabia, Egypt's leading independent energy company, posted a 25% y-o-y growth in revenues to EGP 749.8 million in the third quarter of 2016, driven primarily by a 33% increase in the company's marketing arm's revenues and a 10% increase in its power arm's revenues. The firm's EBITDA, however, came in 5% lower with EGP 69.4 million, down from EGP 72.7 million in the same period last year.

Consolidated TAQA Arabia
Revenues
(EGP mn)



Consolidated TAQA Arabia
EBITDA
(EGP mn)



TAQA's Marketing arm posted EGP 424.1 million in revenues in 3Q16, up 33% y-o-y and constituting 57% of total revenues – the largest contribution to TAQA Arabia's top line. The impressive revenue growth is primarily due to higher distribution of gasoline and diesel fuel, increasing 33% y-o-y to 215.1 million liters from 161.7 million liters in the same period last year. Lube distribution also showed a 31% y-o-y growth in 3Q16 to 1,117 tons compared to 851 tons in the same period last year. As of the quarter just ended, the firm was operating 45 filling stations (7 CNG and 38 fuel), an increase of five stations over 3Q15 – three of which were added during the first half of 2016.

Despite a 10% increase in TAQA Power's revenues in 3Q16, reaching EGP 170.8 million compared to 3Q15's EGP 155.2 million, the firm's EBITDA came in 13% lower y-o-y at EGP 31.0 million. The decline in EBITDA is primarily owing to lower power distribution in the higher margin / touristic areas, which recorded a total of 118.4 M kW/hr in 3Q16, down 25% y-o-y – a result of the current recession in Egypt's tourism sector, specifically in the Nabq (Sharm El-Sheikh) touristic zone. However, a quarter-on-quarter comparison shows an uptick in power distribution over 2Q16, mainly as a result of improved operations and performance in projects such as Al-Futtaim, El-Nakheel, and the newly-signed Emaar.

TAQA Gas showed slight revenue and EBITDA enhancement y-o-y with 1% higher revenues (EGP 117.3 million) and 3% higher EBITDA (EGP 24.8 million) in 3Q16. On a nine-month basis, revenues came in 12% higher y-o-y with EGP 428.7 million. The flat performance in the third quarter is largely due to a 13% y-o-y drop in gas construction revenues offsetting a general improvement in customer services fees. During 3Q16, delays in receiving municipality permits caused the total number of converted customers to decline 17% y-o-y to 13,556 customers compared to 16,278 in the same period last year. Meanwhile, on the gas distribution front, total distributed gas volumes stood at 1.0 BCM in 3Q16, up 31% y-o-y.

TAQA Arabia Subsidiaries (EGP mn)	3Q15	3Q16	*% chg*	9M15	9M16	*% chg*
TAQA Arabia Power Revenues	155.2	170.8	*10%*	378.5	389.7	*3%*
TAQA Arabia Power EBITDA	35.7	31.0	*(13%)*	88.9	71.3	*(20%)*
TAQA Arabia Gas Revenues	116.0	117.3	*1%*	382.6	428.7	*12%*
TAQA Arabia Gas EBITDA	24.1	24.8	*3%*	79.2	79.7	*1%*
TAQA Marketing Revenues	318.5	424.1	*33%*	921.1	1,173.7	*27%*
TAQA Marketing EBITDA	12.5	17.5	*40%*	29.6	41.7	*41%*

Total Power Generated & Distributed* (3Q16)

209.8
M kW/hr
▼10% y-o-y

Total Gas Distributed (3Q16)

1.0
BCM
▲31% y-o-y

Total Liquid Fuels Distributed (3Q16)

215.1
M Liters
▲33% y-o-y

Gas Construction (3Q16)

13,556
Converted Customers
▼17% y-o-y

Filling Stations (3Q16)

45
Stations
vs. 40 as at 3Q15

*Of the total, 56.4% is distributed while the remainder is generated.

tawazon

QH OWNERSHIP — 68.1%

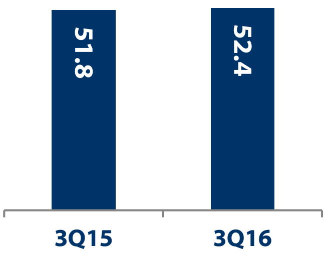
Tawazon reports flat revenues year-on-year at EGP 52.4 million in 3Q16

Tawazon, Qalaa Holdings' solid waste management subsidiary, showed a flat performance in 3Q16 with revenues of EGP 52.4 million compared to EGP 51.8 million in the same period last year. The muted revenues come on the back of a 31% top-line decrease at **ENTAG** to EGP 5.9 million in the third quarter, down from EGP 8.5 million the previous year, owing to the lack of turnkey projects.

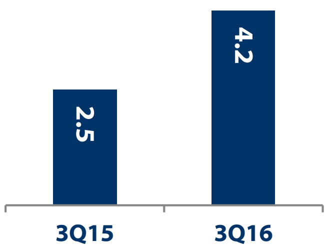
Meanwhile, at **ECARU**, revenues were up only 4% y-o-y to EGP 46.9 million were a c. 6% y-o-y drop in average biomass prices offset an increase of 1% in total biomass supplied. It is worth noting that the company has continued to increase its RDF production and raise prices, leading to a 59% increase y-o-y in 3Q16 RDF revenues to EGP 8.7 million compared to EGP 5.5 million in the previous year.

On an EBITDA level, Tawazon saw a 68% increase owing to an improvement of ENTAG's EBITDA this quarter relative to 3Q15 — up 49% to a loss of EGP 1.8 million compared to a loss of EGP 3.6 million last year. In 3Q15 the company's EBITDA was burdened by cost overruns related to its USD 6.9 million contract for the design and construction of a sanitary landfill in the Omani city of Salalah.

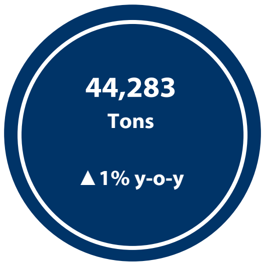
Consolidated Tawazon
Revenues
(EGP mn)



Consolidated Tawazon
EBITDA
(EGP mn)



Total Biomass Supplied (ECARU) (3Q16)



QH OWNERSHIP — 18.9%

ERC reaches overall construction progress of 91% as of September 2016


ERC's construction site

Egyptian Refining Company (ERC) is building a US$ 3.7 billion Greenfield petroleum refinery in the Greater Cairo Area (GCA); the consortium of GS Engineering & Construction Corp and Mitsui & Co Ltd, acting as the contractor for the project, took full receipt of the project site in early 2014 with overall completion progress standing at nearly 91% as of September 2016.


ERC's construction site


All of ERC's equipment has been installed on site

All of ERC's heavy/major equipment has been installed at the construction site. Total debt withdrawn until September 2016 totaled c. USD 1.8 billion from its extended facility totaling USD 2.5 billion.

Sector Review: Transportation & Logistics

Qalaa Holdings' operational Transportation & Logistics companies include Nile Logistics (seaport 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), which as of 1Q16 has been classified as a discontinued operation.

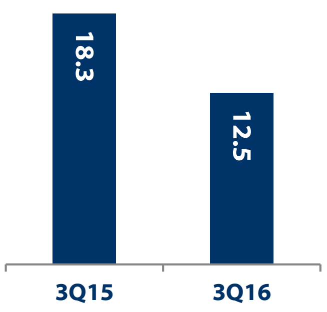
Operational and Financial Performance

Nile Logistics recorded consolidated revenues of EGP 65.3 million in 9M16, up 18% y-o-y. At the EBITDA level, the company reported losses of EGP 5.7 million in 9M16, a marked improvement compared to a loss of EGP 10.0 million in the same period last year. Nonetheless, profitability continues to be weighed down by foreign currency shortage and reduced import levels.

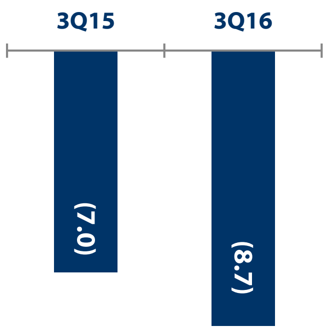
QH OWNERSHIP — 67.6%

Nile Logistics reports 18% year-on-year growth in revenues to EGP 65.3 million in 9M16

Revenues (EGP mn)



EBITDA (EGP mn)



Nile Logistics' stevedoring operations witnessed a 26% y-o-y drop in tons handled during 3Q16 to 178 KTons. The decline comes as a result of the continued foreign currency shortage and its effect on imports, particularly coal, which constitutes over 60% of the company's anchorage portfolio. In addition, operations in Nubareya land were almost ceased for a number of months in order to finalize preparation for the Inland Container Depot, which was launched end of August 2016 and is currently ramping up operations. However, tons handled during the period between January to October 2016 stood at 742 KTons, only 7% lower than the 795 KTons handled in FY2015, partly owing to the commencement of operations at Adabeya port in June 2015.

Meanwhile, the company's feeder services at Port Said saw a significant decline in the number of containers handled to 1,575 TEUs in 3Q16, a 74% y-o-y decline. The drop is mainly attributable to decreased imports that have been on a declining trend since the beginning of the year and adversely affected transshipment volumes. During 2016, the highest volumes recorded reached 4,335 TEUs in January – a monthly record - while the lowest volume of TEUs handled was in July at a mere 342.

Moving goods on the Nile in Egypt, on the other hand, is set to benefit from the recent partial subsidy removal on petroleum products, including diesel fuel, with trucking rates expected to increase significantly.

Stevedoring Tons Handled (3Q16)

178
K Ton
▼26% y-o-y

Container Transshipment (3Q16)

1,575
TEU
▼74% y-o-y

Sector Review: Mining

Qalaa Holdings' operational 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 took effect starting 3Q15.

Operational and Financial Performance

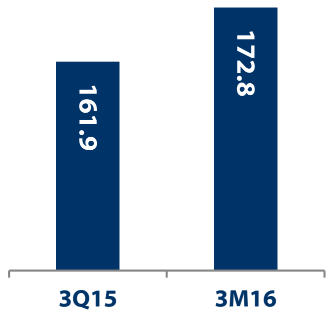
ASCOM's consolidated revenues in 3Q16 came in at EGP 172.8 million, up 7% y-o-y from EGP 161.9 million in the same period last year, with EBITDA showing significant improvement to EGP 12.3 million compared to a loss of EGP 1.8 million in 3Q15. ACCM sales volumes increased 14% to 68.9 KTons in 3Q16 compared to 60.4 KTons in the same period last year, while the Egypt quarrying business recorded sales volumes of 7.5 MTons, up 10% y-o-y from 6.8 MTons.

ASCOM GEOLOGY & MINING

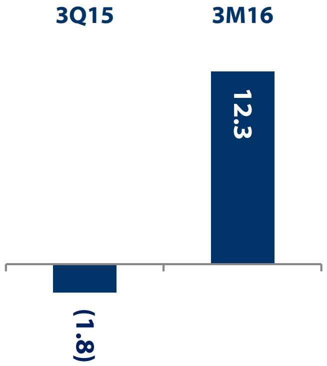
QH OWNERSHIP — 54.7%

ASCOM revenues grow 7% year-on-year in 3Q16 to EGP 172.8 million

ASCOM Consolidated Revenues
(EGP mn)



ASCOM Consolidated EBITDA
(EGP mn)



ASCOM Subsidiaries (EGP mn unless otherwise stated)	3Q15	3Q16	% chg	9M15	9M16	%chg
ACCM Revenues (in USD mn)	4.3	5.1	*18%*	12.7	15.2	*20%*
ACCM EBITDA (in USD mn)	0.1	0.9	*High*	1.5	3.1	*113%*
GlassRock Revenues (in USD mn)	0.8	0.9	*20%*	3.1	4.2	*35%*
GlassRock EBITDA (in USD mn)	(0.4)	(0.3)	*(27%)*	(1.0)	(0.9)	*(8%)*
Egypt Quarrying Revenues	84.9	92.0	*8%*	298.9	270.9	*(9%)*
Egypt Quarrying EBITDA	2.8	6.1	*121%*	21.9	11.6	*(47%)*
Other Quarry Management Revenues - ex Egypt*	24.6	27.5	*12%*	97.5	98.4	*1%*
Other Quarry Management EBITDA - ex Egypt*	(14.7)	8.4	*n/a*	(30.5)	14.5	*n/a*

ACCM revenues rose 18% y-o-y in 3Q16 to USD 5.1 million compared to USD 4.3 million in 3Q15, with total volumes up 14% to 68.9 KTons. Top-line growth is owing to ACCM successfully capturing the strengthening demand in the export market, particularly in the GCC region and South Africa. In 9M16, ACCM revenues came in at USD 15.2 million, up 20% from USD 12.7 million in 9M15, with volumes 19% higher at 216.7 Ktons. The increase in revenues significantly boosted profitability in both the quarter and nine-month period, with EBITDA up to USD 0.9 million in 3Q16 and a margin of 18% compared to USD 0.1 million and a margin of 2% in the same period last year. Meanwhile, 9M16 saw ACCM's EBITDA more than double to USD 3.1 million.

ASCOM's **Egypt Quarrying** revenues came in at EGP 92.0 million in 3Q16, up 8% y-o-y, with EBITDA of EGP 6.1 million, more than double last year's EGP 2.8 million. In terms of volumes, the business sold 7.5 million tons, up 10% from 6.8 million in 3Q15. Meanwhile, a 12% y-o-y growth in **Other Quarry Management** revenues to EGP 27.5 million translated in to an EBITDA of EGP 8.4 million in 3Q16 compared to a loss of EGP 14.7 million in 3Q15.

ACCM Volumes Sold (3Q16)

68.9
K Ton
▲14% y-o-y

Egypt Quarrying Business Volumes Sold (3Q16)

7.5
MN Ton
▲10% y-o-y

Cement Sector Review

Sector Review: Cement

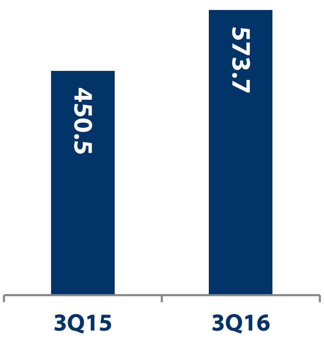
Qalaa Holdings' operational Cement platform company is ASEC Holding, which includes cement manufacturing (ASEC Cement with production facilities: Al-Takamol Cement in Sudan; Zahana Cement Co. and Djelfa (under construction) in Algeria; construction (ARESCO, ASEC Automation) and technical management (ASEC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

Operational and Financial Performance

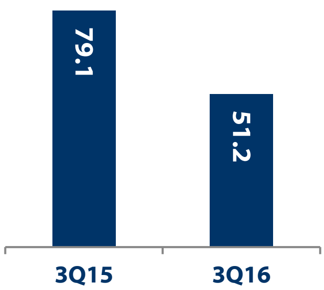
The Cement sector includes three divisions: Cement, Construction and Management. Despite a 27% y-o-y increase in ASEC Holding's 3Q16 consolidated revenues to EGP 573.7 million, compared to EGP 450.5 million in 3Q15, the segment's EBITDA came in 35% lower at EGP 51.2 million, down from EGP 79.1 million during the same period last year. Difficulty sourcing spare parts causing stoppages at the firm's Takamol plant in Sudan and high maintenance costs at Algeria's Zahana plant weighed down on profitability and offset top-line growth. It is worth noting that during 2015, Qalaa reduced its exposure to the cement industry, with ASEC Cement concluding the sale of its stake in business unit Misr Cement Qena in a deal valued at c. EGP 700 million, as well as exiting ASEC Minya and ASEC Ready-Mix in a c. EGP 1 billion deal. Additionally, 3Q16 saw the reconsolidation of ESACO, under ASEC Holding's construction arm, on ASEC Holding's financials.

QH OWNERSHIP — 69.2%

ASEC Holding Consolidated Revenues
(EGP mn)

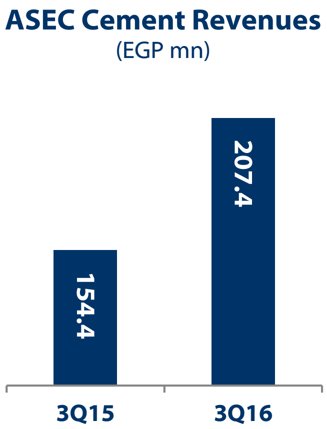


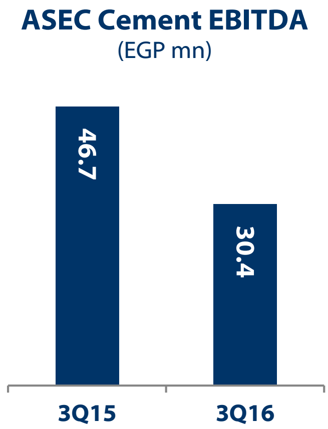
ASEC Holding Consolidated EBITDA
(EGP mn)



ASEC HOLDING OWNERSHIP — 59.9%

ASEC Cement reports 34% year-on-year growth in 3Q16 revenues on the back of higher Takamol and Zahana volumes





For the sake of a more accurate gauge of **ASEC Cement's** financial and operational performance**,** 9M15 figures are adjusted to reflect Qalaa's reduced exposure to the cement industry following its exits from ASEC Minya, ASEC Ready Mix and Misr Cement Qena during the second half of 2015. ASEC Cement's financials are thus comprised only of Al-Takamol Cement in Sudan and Zahana in Algeria, with the latter being reflected in the Share of Associates' results. ASEC Cement saw revenues increase 34% y-o-y to EGP 207.4 million in 3Q16 (9M16: 795.0 million, up 32% y-o-y) on the back of higher volumes sold at both Al-Takamol Cement and Zahana Cement. Meanwhile, increased maintenance and overhead costs at both cement plants saw ASEC Cement's EBITDA post a 35% y-o-y decline in 3Q16 and an overall 17% y-o-y drop in the first nine months of 2016.

Al-Takamol Cement (ATCC; indirectly owned by Qalaa's stake of 21.1%) posted an 18% growth in revenues y-o-y in 3Q16 to EGP 200.7 million, with 0.15 million tons sold during the quarter – up 11% from the same period last year. Over the nine months, ATCC brought in EGP 795.1 million in revenues, a 19% improvement y-o-y, on sales volumes of 0.64 million tons, 16% higher y-o-y. An increase in fuel costs and frequent stoppages in production – a consequence of having to repair and/or replace spare parts abroad and ship them back to Sudan due to the difficulty in sourcing parts locally – caused a 43% y-o-y decline in EBITDA to EGP 27.2 million in 3Q16 and a 17% decline to EGP 135.4 million in 9M16. Moreover, the frequent stoppages in the second and third quarter of the year led to a difficulty in increasing the feed-in of coal, leading to a reduced portion of coal usage in the firm's fuel mix and consequently, higher production costs. However, the fourth quarter has so far seen no stoppages, and with a kiln malfunction at Sudan's largest cement plant, Atbara, ATCC is gaining more market share, ramping up production, and raising selling prices (due to lower market supply) to compensate for the drop in the previous quarters.

At the **Zahana** plant, production has been ramped up to offset the effects of a major overhaul last April, leading to a 10% y-o-y increase in volumes sold and a similarly 10% y-o-y increase in revenues to EGP 107.1 million in 3Q16. However, higher maintenance costs led to a flat EBITDA y-o-y with EGP 46.1 million. Over 9M16, revenues came in 11% higher y-o-y with EGP 306.1 million and EBITDA 17% higher with EGP 102.3 million on sales volumes of 0.67 million tons, a 14% improvement y-o-y.

ASEC Cement Subsidiaries (EGP mn)	3Q15	3Q16	% chg	9M15	9M16	% chg
Al-Takamol Cement Co. Revenues	170.2	200.7	*18%*	668.9	795.1	*19%*
Al-Takamol Cement Co EBITDA	48.0	27.2	*(43%)*	162.4	135.4	*(17%)*
Zahana (Algeria) Revenues*	97.0	107.1	*10%*	276.4	306.1	*11%*
Zahana (Algeria) EBITDA*	45.9	46.1	*0%*	123.3	102.3	*17%*

** Zahana is consolidated using the equity method (share of associates)*

Total Sales Volume (Zahana) (3Q16)

0.24
M Tons
▲10% y-o-y

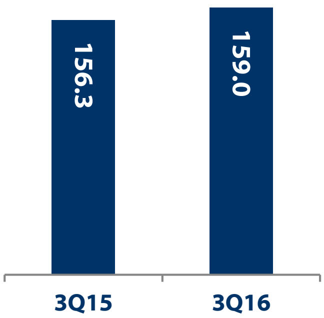
Total Sales Volume (Al-Takamol) (3Q16)

0.15
M Tons
▲11% y-o-y

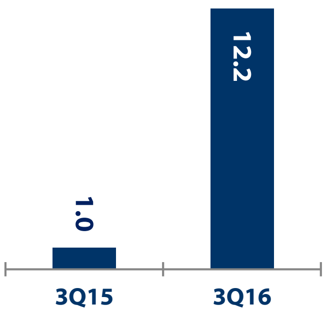
ASEC HOLDING OWNERSHIP — 99.9%

ASEC Engineering posts impressive EBITDA growth in 3Q16 to EGP 12.2 million

ASEC Engineering Revenues
(EGP mn)

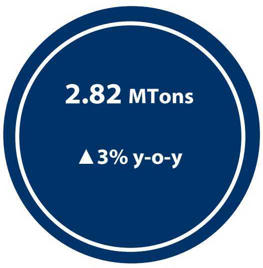


ASEC Engineering EBITDA
(EGP mn)



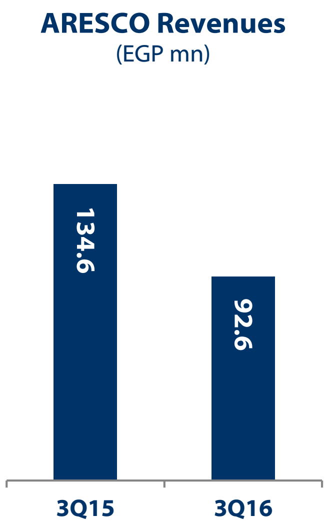
ASEC Engineering revenues came in 2% higher y-o-y with EGP 159.0 million, filtering into an EBITDA of EGP 12.2 million – more than twelve times 3Q15's figure of EGP 1.0 million. The significant increase in EBITDA was due to a reduction in spare parts costs totaling EGP 13 million incurred during 3Q15, mainly in two projects: the first, a major overhaul in one of the plants executed in August 2015, where the cost of spare parts reached EGP 10.5 million versus EGP 3.0 million in 3Q16; the second, the impact of removing the cost of spare parts from the Sinai White contract, taking effect by the beginning of 3Q16. In 9M16, the firm increased revenues by 6% y-o-y and EBITDA by 67% y-o-y, despite relatively flat managed clinker production volumes. It is worth noting that the firm is currently in the process of a complete organizational restructuring expected to save c. EGP 17 million annually, and that production has resumed and is moving well at one of the firm's biggest clients BMIC's production line after a six-month stoppage for repairs completed. Additionally, ASEC Engineering has managed to reduce its bank debt to EGP 154 million compared to EGP 204 million in September of last year. Meanwhile, overseas projects now contribute 21% of the firm's total gross profit, up from 18% in September 2015 – a testament to the success of the firm's strategy of growing its global client base.

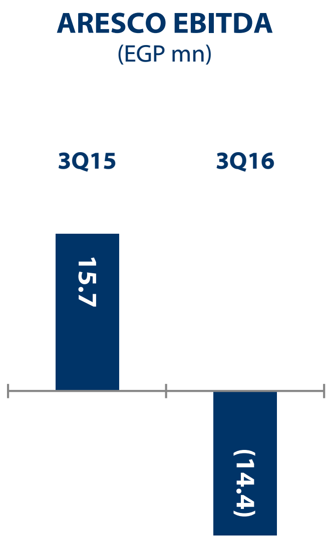
Managed Clinker Production
(3Q16)



ASEC HOLDING OWNERSHIP — 99.9%

ARESCO reports a 31% year-on-year decrease in revenues to EGP 92.6 million





ARESCO's 3Q16 revenues came in at EGP 92.6 million, a 31% decline y-o-y, with the firm's lower revenues partially attributable to the lack of new contracts and the nature of the work required of existing contracts; these projects require lighter and more intricate steel parts and therefore consume more production time while generating less revenues on a per ton basis. The absence of new contracts to-date is evident in the company's decreasing contact backlog recording EGP 272.7 million as at the end of September 2016 compared to EGP 427.7 million the previous year. Nevertheless, management is making progress in finalizing new projects from an existing pipeline with a value of around EGP 1 billion to start 1Q17 with between EGP 400 and 500 million in backlog.

Total Construction Backlog (as at September 2016)

Sectors Under Divestment: Agrifoods

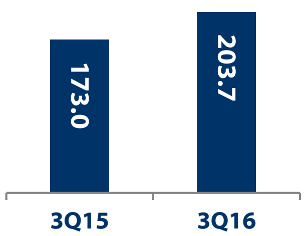
Agrifoods companies include Gozour (multicategory agriculture and consumer foods) and Wafra (agriculture in Sudan and South Sudan). Wafra faces difficulties in operations ranging from political and civil conflicts in South Sudan to technical problems in Sudan and hence the company is mothballed and its figures have been excluded from this review.

In the wake of management's decision to divest its agrifoods assets, Qalaa has concluded several exits from platform companies operating under Gozour during 2015, including the sale of Sudan's Rashidi for Integrated Solutions, Egyptian confectioner Rashidi El-Mizan (REM) and the divestment of its full 100% holding in Misr October for Food Industries (El-Misrieen). Additionally, Gozour has also divested its 100% holding in milk and juice producer, Enjoy as well as packing and exporting company, El-Aguizy International.

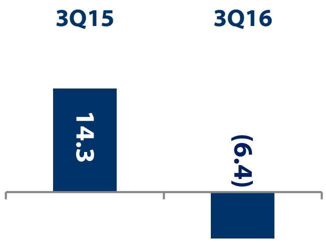
QH OWNERSHIP — 54.9%

Gozour records revenues of EGP 203.7 million in 3Q16, up 18% year-on-year

Consolidated Gozour Revenues
(EGP mn)



Consolidated Gozour EBITDA
(EGP mn)



Gozour recorded revenues of EGP 203.7 million in 3Q16, up 18% year-on-year compared to EGP 173.0 million in 3Q15, with a loss of EGP 6.4 million in EBITDA compared to a positive EGP 14.3 million in the same period last year. The decline in profitability comes on the back of significant increases in raw material prices as a result of the devaluation of the EGP against the USD. In order to combat the effects of the inflation in feedstock costs, a number of initiatives such as pushing increased operational efficiencies and passing on price increases are currently being implemented across the company's subsidiaries.

Gozour Subsidiaries (EGP mn)	3Q15	3Q16	% chg	9M15	9M16	% chg
Dina Farms Revenues	77.8	85.7	10%	303.9	322.1	6%
Dina Farms EBITDA	21.2	9.3	(56%)	85.7	56.0	(35%)
ICDP Revenues (Fresh Dairy producer)	35.2	36.8	5%	101.0	113.8	13%
ICDP EBITDA	5.6	4.4	(22%)	17.0	17.4	3%
ACST Revenues (Retail Supermarkets)	76.5	67.7	(12%)	201.0	177.7	(12%)
ACST EBITDA	0.6	(6.6)	n/a	5.0	(16.7)	n/a

- Despite a 10% y-o-y increase in **Dina Farms** revenues to EGP 85.7 million in 3Q16, up from EGP 77.8 million in 3Q15, EBITDA dropped 56% y-o-y to EGP 9.3 million on the back of increased feedstock prices caused by the significant devaluation of the EGP. The company reiterates that it is currently implementing a crucial cost optimization process to increase its profitability and manage the current inflationary pressures, which include: increasing feedstock self-sufficiency, upgrading milking stations to accommodate more cows and consequently lower the cost of each milking station, and exploring the possibility of exporting the agriculture sector's produce, among others.

- **ICDP**, which markets Dina Farms' fresh dairy produce, posted a 5% y-o-y growth in revenues to EGP 36.8 million in 3Q16. However, inflated raw milk prices – up around 13% compared to the same period last year and representing around 70% of the company's total cost of raw materials – negatively affected the company's margins, leading to an EBITDA of EGP 4.4 million, down 22% y-o-y from EGP 5.6 million in 3Q15. The increase in raw milk prices has not been fully reflected on selling prices, which increased twice during 3Q16 – a 3% increase in June and 7% increase in mid-September. Moreover, these increases were not applied across all the SKUs. In view of this, the company is targeting several price hikes in 2017 to rebalance the margins and offset the effects of cost hikes.

- **ACST** (Dina Farms Retail) saw revenues decrease by 12% y-o-y in 3Q16 to EGP 67.7 million. EBITDA came in at a loss of EGP 6.6 million in 3Q16 compared to positive EGP 0.6 million in the same period last year. The company is currently operating 19 stores and has kept all expansion projects on hold. The current management strategy revolves around detailed operational initiatives designed to enhance the supermarket brand and accordingly, reflect positively on profitability.

ICDP Sales (3Q16)

Dina Farms fresh dairy producer

3,518
SKUs in Tons
flat y-o-y

Dina Farms Sales (3Q16)

13,518
Tons raw milk
▼13% y-o-y

Dina Farms Total Herd* (3Q16)

14,796
Cows
▼9% y-o-y

* Of which 6,850 are milking cows

ENERGY

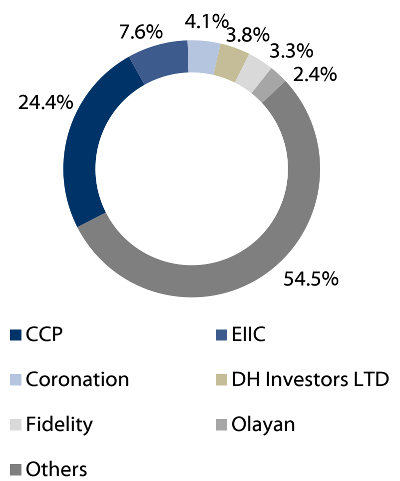
TRANSPORTATION & LOGISTICS

MINING

CEMENT

AGRIFOODS

SHAREHOLDER STRUCTURE
(as at 30 September, 2016)



CCAP.CA on the EGX

Number of Shares	1,820,000,000
Of which Preferred	401,738,649
Of which Common	1,418,261,351
Paid-in Capital	EGP 9.1 billion

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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