Qalaa Holdings Reports 3Q14 Results

Company reports continued improvement in both operational performance and consolidated financials

Consolidated 3Q14 Income Statement Highlights

Revenues EGP 1,726.6 mn ▲ 11% q-o-q	**EBIT** EGP 120.6 mn ▲ 95% q-o-q
EBITDA EGP 212.3 mn ▲ 17% q-o-q	**Net Loss After Minority** EGP 59.6 mn ▼ 67% q-o-q

Consolidated 3Q14 Balance Sheet Highlights

Total Assets EGP 32,836 mn ▲ 9% FY13	**Total Equity** EGP 13,135 mn ▲ 3% FY13

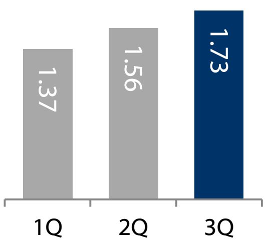
"Our financials reflect a clear improvement in operational performance … owing to both strong management of the businesses across our core industries as well as an improving macro climate, particularly in Egypt."

3Q14 Financial & Operational Highlights

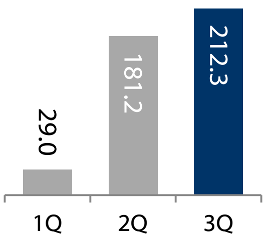
- **Total Revenues** rose 11% quarter-on-quarter to EGP 1,726.6 million.
- **EBITDA (before one-off charges)** increased 39% q-o-q to EGP 257.9 million. Total **EBITDA** in 3Q14 came in at EGP 212.3 million, representing a 17% improvement q-o-q. Meanwhile, EBIT stood at EGP 120.6 million in 3Q14, a two-fold increase over the previous quarter.
- **Net Loss After Minority Interest** narrowed significantly, falling 67% to EGP 59.6 million in 3Q14 compared to a loss of EGP 178.7 million in 2Q14 and EGP 231.9 million in 1Q14.
- **Top contributors to Revenues** include the cement segment (40%) and energy segment (29%) on the back of standout performances from units of ASEC Cement and TAQA Arabia.
- **Turnaround** of a number of operating companies completed.
- The company reports **Total Bank Debt** of EGP 11.7 billion (of which EGP 3.5 billion relates to greenfield ERC) vs. **Total Equity** of EGP 13.1 billion.

Management Comment:

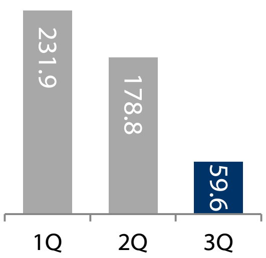
REVENUE PROGRESSION 2014 (Q-o-Q)
(in EGP bn)



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



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



Qalaa Holdings (CCAP on the Egyptian Exchange, formerly Citadel Capital) released today its consolidated financial results for the three months ending 30 September 2014, reporting Revenues of EGP 1,726.6 million, up 11% compared with EGP 1,560.7 million in 2Q14. The company reported a Net Loss After Minority Interest of EGP 59.6 million in 3Q14.

EBITDA (before one-off charges) came in at EGP 257.9 million in 3Q14, a 39% improvement q-o-q. Meanwhile, EBIT rose two-fold to EGP 120.6 million on the back of top-line improvements as well as decreased Depreciation and Amortization expenses.

“Our financials reflect a clear improvement in operational performance quarter on quarter and year on year owing to both strong management of the businesses across our core industries as well as an improving macro climate, particularly in Egypt,” said Qalaa Holdings Chairman and Founder Ahmed Heikal.

Non-recurring SG&A expenses rose to EGP 45.7 million in 3Q14 from EGP 4.3 million the previous quarter. Expenses in the third quarter include EGP 17.6 million in non-recurring advisory fees; a further EGP 24 million represents the group’s consolidated contribution to corporate social responsibility initiatives.

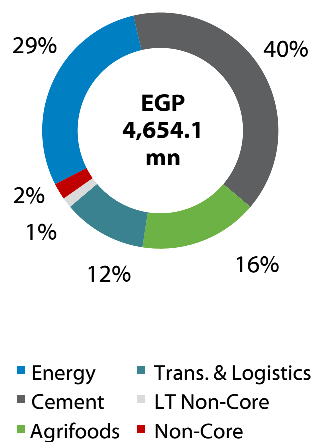
Earnings Before Taxes (EBT) improved to a negative EGP 73.5 million in 3Q14 compared to a negative EGP 213.6 million the previous quarter, owing in part to an EGP 85 million Gain on Sale of Investment in 3Q14 resulting from the sale of Sphinx Glass, a subsidiary of Glassworks (a non-core platform company of Qalaa Holdings). This was, in turn, offset by an increase in total FX losses to EGP 68.8 million in 3Q14, compared to the previous quarter's EGP 35.8 million. The increase in FX losses was primarily attributable to USD-denominated accounts related to Sudan's Al-Takamol Cement Co that resulted in a loss of EGP 38.2 million on the back of the Sudanese pound’s devaluation against the US dollar.

Discontinued Operations continued to make a negative contribution to Qalaa’s bottom line even as they showed significant improvement q-o-q, recording a loss of EGP 9.3 million in 3Q14 compared to a loss of EGP 37.3 million in the previous quarter. Strong results from ASEC Holding's Zahana Cement Co. in 3Q14 profits reflected positively on the company's Discontinued Operations line item.

“Our efforts to dispose of non-core companies — both discontinued and operational — are ongoing. To that end, Qalaa is engaged in negotiations on multiple fronts. Our expectation is thus that the Discontinued Operations line item will no longer be a component of our income statement by the end of 1Q15,” said Qalaa Holdings Managing Director and Co-Founder Hisham El-Khazindar.

The top-line improvement alongside the impact of the sale of Sphinx Glass saw Net Loss After Minority Interest for the third quarter narrow 33% to EGP 59.6 million compared to EGP 178.8 million in 2Q14.

QALAA HOLDINGS CONSOLIDATED REVENUES 9M14



In 9M14, Qalaa Holdings reported Revenues of EGP 4,654.1 million, a 34% y-o-y rise compared to the 9M13 pro forma figure of EGP 3,465.2 million.

Total recurring SG&A spending across the Group increased 2.5% in 9M14 to EGP 652.3 million compared to 9M13 figure of EGP 636.2. It is worthy to mention that non-recurring SG&A expenses are primarily related to the transformation process, which totaled EGP 79.6 million during the nine-month 2014 period.

"We continue to target a declining ratio of SG&A to sales even as we recognize that as economic conditions improve and market conditions change, we will have to be somewhat more aggressive in spending — in absolute terms — to capture new opportunities after several years of austerity," El-Khazindar added.

For the nine months ending September 2014, Qalaa Holdings reported a consolidated EBITDA of EGP 422.5 million and Net Loss After Minority Interest of EGP 470.1 million compared to a 9M13 pro forma consolidated EBITDA of EGP 1 million and loss of EGP 506.6 million respectively.

Qalaa is now implementing an enterprise resource planning (ERP) system at the group level. The information provided by MIS system has brought to ligh a number of potential cost-cutting initiatives that management is presently studying.

"As we continue to emphasize operational performance and bring greenfields into production, our target is simple: To return to profitability in 2016 as we seize the opportunity to grow and make a lasting contribution to the economic development of our home market of Egypt," concluded Heikal. "We expect to report FY14 EBITDA of some EGP 600-650 million and will look to see that figure grow significantly in the next fiscal year. In conjunction with our efforts to return to profitability, we are diligently working to reduce debt at every level of the organization."

By year-end it is expected that total Debt at the Qalaa Holdings level will decrease to US$ c. 260 million from US$ 300 million in FY13. Qalaa Holdings will continue to push forward with reducing debt carried on the operational company levels.

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

Qalaa Holdings' Method of Consolidation

Fully Consolidated Companies

	Company	Platform / Sector
Core	TAQA	Energy
	Tawazon	
	ERC	
	Mashreq	
	ASEC Holding	Cement
	Nile Logistics	Transportation & Logistics
	Africa Railways	
	Gozour	Agrifoods
	Wafra	
LT Non-Core	Tanmeyah	Finance Unlimited / Financial Services
Non-Core	Bonyan	Specialized Real Estate
	United Foundries	Metallurgy

Equity Method Consolidated Companies (Share of Associates)

	Company	Platform / Sector
Core	ASCOM	Mining
Non-Core	GlassWorks	Glass Manufacturing
	Grandview	Mid-cap Buyouts
	Pharos	Finance Unlimited / Financial Services
	Tanweer	Media & Retail

Summary of Qalaa Holdings Income Statement

(EGP mn unless otherwise stated)	2014				2013			
Item	**1Q**	**2Q**	**3Q**	**9M**	**1Q**	**2Q**	**3Q**	**9M**
Revenues	1,366.9	1,560.7	1,726.6	4,654.1	1,203.6	989.8	1,271.8	3,465.2
Cost of Sales	(1,128.8)	(1,134.3)	(1,312.9)	(3,576.0)	(1,040.9)	(808.9)	(1,028.4)	(2,878.2)
Gross Profit	**238.1**	**426.4**	**413.8**	**1,078.2**	**162.7**	**180.9**	**243.4**	**587.0**
Advisory fee	4.4	3.6	6.0	13.9	3.8	4.4	2.8	11.0
Share in Associates' Results	20.1	38.2	11.5	69.8	19.7	26.2	30.0	76.0
Total Operating Profit	**262.5**	**468.2**	**431.2**	**1,161.9**	**186.2**	**211.5**	**276.3**	**674.0**
SG&A	(219.0)	(210.0)	(223.3)	(652.3)	(239.1)	(221.9)	(175.2)	(636.2)
Other Inc / Exp Net	15.0	(72.7)	50.1	(7.6)	(73.1)	(5.2)	41.4	(36.8)
EBITDA (before one-offs)	**58.6**	**185.5**	**257.9**	**502.0**	**(125.9)**	**(15.6)**	**142.5**	**1.0**
SG&A (Non-recurring)	(29.6)	(4.3)	(45.7)	(79.6)	-	-	-	-
EBITDA	**29.0**	**181.2**	**212.3**	**422.5**	**(125.9)**	**(15.6)**	**142.5**	**1.0**
Dep / Amort.	(103.5)	(119.4)	(91.7)	(314.5)	(77.5)	(85.3)	(143.0)	(305.8)
EBIT	**(74.4)**	**61.8**	**120.6**	**107.9**	**(203.5)**	**(100.9)**	**(0.5)**	**(304.8)**
Bank Interest Exp	(195.1)	(202.4)	(188.3)	(585.8)	(155.1)	(156.5)	(138.4)	(449.9)
Shareholder Interest Exp	(13.6)	(19.6)	(18.1)	(51.3)	(13.8)	(14.4)	(17.7)	(45.9)
Interest Income	21.2	19.7	17.9	58.8	15.5	33.2	5.3	53.9
EBT (before one-offs)	**(262.0)**	**(140.5)**	**(67.9)**	**(470.4)**	**(356.9)**	**(238.6)**	**(151.3)**	**(746.7)**
Gain (Loss) on Sale of Investment	-	-	85.0	85.0	-	-	-	-
Impairment / Write-downs	-	-	(1.7)	(1.7)	-	-	(30.2)	(30.2)
Provisions	-	-	(10.7)	(10.7)	-	-	(25.9)	(25.9)
Discontinued Operation	(97.2)	(37.3)	(9.3)	(143.9)	(50.0)	(34.1)	(63.9)	(148.1)
FX Gain (Loss)	13.4	(35.8)	(68.8)	(91.2)	63.9	10.4	(32.1)	42.2
EBT	**(345.8)**	**(213.6)**	**(73.5)**	**(632.8)**	**(343.0)**	**(262.3)**	**(303.4)**	**(908.6)**
Taxes	(9.2)	(19.3)	(25.7)	(54.1)	(8.9)	(27.4)	(12.3)	(48.6)
Net Profit (Loss) including minority	**(355.0)**	**(232.9)**	**(99.2)**	**(686.9)**	**(351.9)**	**(289.7)**	**(315.7)**	**(957.3)**
Minority Interest	123.1	54.1	39.6	216.8	135.7	136.8	178.2	450.7
Net Profit (Loss) for the Period	**(231.9)**	**(178.8)**	**(59.6)**	**(470.1)**	**(216.2)**	**(152.9)**	**(137.5)**	**(506.6)**

Qalaa Holdings Consolidated Income Statement for the nine months ending 30 September 2014 (in EGP mn)

			Core										Long-Term Non-Core	Non-Core		Actual
			Energy				Cement	Agrifoods		Transportation & Logistics		Mining				
	CC	SPVs	TAQA	Tawazon*	ERC	Mashreq	ASEC Holding	Gozour	Wafra	Nile Logistics	Africa Railways	ASCOM^^	Tanmeyah	Misc**	Elimination	9M14
Revenue	-	-	1,259.1	83.2	-	-	1,854.4	753.2	2.6	45.8	485.6	-	65.7	104.6	-	4,654.1
Cost of Sales	-	-	(1,039.7)	(65.7)	-	-	(1,353.2)	(523.2)	(7.0)	(49.1)	(457.4)	-	-	(80.5)	-	(3,576.0)
Gross Profit	**-**	**-**	**219.3**	**17.5**	**-**	**-**	**501.2**	**229.9**	**(4.5)**	**(3.2)**	**28.2**	**-**	**65.7**	**24.1**	**-**	**1,078.2**
Advisory fee	62.8	9.3	-	-	-	-	-	-	-	-	-	-	-	-	(58.2)	13.9
Share of Associates' Results	-	-	-	-	-	-	56.6	-	-	1.7	-	(1.3)	-	-	12.9	69.8
Total Operating Profit	**62.8**	**9.3**	**219.3**	**17.5**	**-**	**-**	**557.8**	**229.9**	**(4.5)**	**(1.5)**	**28.2**	**(1.3)**	**65.7**	**24.1**	**(45.3)**	**1,161.9**
SG&A	(89.3)	(40.6)	(82.3)	(7.5)	(20.6)	(13.8)	(164.3)	(137.4)	(6.7)	(17.4)	(54.0)	-	(41.1)	(31.5)	54.2	(652.3)
Other Income / Expenses (Net)	4.3	(3.6)	(7.4)	-	-	0.1	(5.1)	10.7	(1.0)	0.6	-	-	0.5	(14.1)	7.4	(7.6)
EBITDA (before one-offs)	**(22.1)**	**(35.0)**	**129.7**	**10.0**	**(20.6)**	**(13.7)**	**388.4**	**103.2**	**(12.1)**	**(18.3)**	**(25.8)**	**(1.3)**	**25.1**	**(21.5)**	**16.3**	**502.0**
SG&A (Non-Recurring/One-Off Charges	(13.8)	(41.1)	(8.4)	-	-	-	(9.0)	(3.3)	-	(0.5)	(2.0)	-	(1.0)	(0.5)	-	(79.6)
EBITDA	**(35.9)**	**(76.2)**	**121.3**	**10.0**	**(20.6)**	**(13.7)**	**379.4**	**100.0**	**(12.1)**	**(18.8)**	**(27.8)**	**(1.3)**	**24.1**	**(22.0)**	**16.3**	**422.5**
Depreciation & Amortization	(1.4)	-	(25.2)	(4.6)	-	(0.1)	(128.1)	(58.9)	(5.0)	(25.6)	(42.3)	-	(3.8)	(19.6)	-	(314.5)
EBIT	**(37.3)**	**(76.2)**	**96.2**	**5.4**	**(20.6)**	**(13.8)**	**251.3**	**41.1**	**(17.2)**	**(44.4)**	**(70.1)**	**(1.3)**	**20.3**	**(41.6)**	**16.3**	**107.9**
Interest Expense	(93.7)	(37.6)	(21.2)	(0.7)	-	-	(255.0)	(44.5)	-	(29.7)	(78.7)	-	(0.1)	(24.7)	-	(585.8)
Shareholder Interest Exp	-	(14.3)	-	-	(8.5)	-	(92.0)	(12.2)	-	(6.8)	-		-	(17.9)	100.3	(51.3)
Interest Income	90.4	15.5	47.3	-	0.6	0.1	5.4	0.3	-	0.1	-	-	1.3	0.2	(102.4)	58.8
EBT (before one-offs)	**(40.6)**	**(112.6)**	**122.3**	**4.7**	**(28.4)**	**(13.8)**	**(90.4)**	**(15.4)**	**(17.2)**	**(80.7)**	**(148.8)**	**(1.3)**	**21.6**	**(84.0)**	**14.2**	**(470.4)**
Gain (Loss) on Sale of Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	85.0	85.0
Impairments / Write-downs	-	(7.1)	-	(0.2)	-	-	0.6	-	-	-	-	-	-	-	5.0	(1.7)
Provisions	-	(14.5)	-	1.3	-	-	(10.2)	(1.0)	-	-	-	-	-	13.7	-	(10.7)
Discontinued Operations^	-	-	-	-	-	-	42.2	(74.8)	-	-	-	-	-	(47.8)	(63.4)	(143.9)
Forex	15.9	(20.6)	-	(0.5)	(0.1)	1.9	(49.3)	13.1	(13.1)	0.1	(6.9)	-	-	(31.7)	-	(91.2)
EBT	**(24.7)**	**(154.9)**	**122.3**	**5.4**	**(28.5)**	**(11.8)**	**(107.2)**	**(78.1)**	**(30.3)**	**(80.6)**	**(155.7)**	**(1.3)**	**21.6**	**(149.8)**	**40.8**	**(632.8)**
Taxes	-	-	(39.0)	-	-	-	(5.4)	(11.0)	-	-	-	-	-	1.3	-	(54.1)
Net Profit (Loss) Inc. Minority Interest	**(24.7)**	**(154.9)**	**83.3**	**5.4**	**(28.5)**	**(11.8)**	**(112.6)**	**(89.1)**	**(30.3)**	**(80.6)**	**(155.7)**	**(1.3)**	**21.6**	**(148.5)**	**40.8**	**(686.9)**
Minority Interest	-	-	(20.3)	(2.5)	9.9	3.0	(121.8)	-	0.5	(22.5)	-	-	-	1.5	323.9	216.8
Net Profit (Loss) for the period	**(24.7)**	**(154.9)**	**63.1**	**3.0**	**(18.6)**	**(8.8)**	**(234.4)**	**(89.1)**	**(29.7)**	**(58.1)**	**(155.7)**	**(1.3)**	**21.6**	**(147.0)**	**364.7**	**(470.1)**

* Consolidation of Tawazon figures started 1st of April, 2014.

** Miscellaneous includes United Foundries (UCF) and Bonyan & Corndall.

^ Discontinued operations include ESACO (ASEC Holding) / Zahana & Djelfa (Algerian Units of ASEC Holding) / El-Aguizy, Elmisrieen, Enjoy & Mom's Foods (Gozour) / AMC & AAC (United Foundries).

^^ ASCOM, which is Qalaa Holdings' core-platform company for the mining inudstry, is not full consolidated but instead is treated as a share of associates as per the equity method of consolidation.

Qalaa Holdings Consolidated Balance Sheet* as of 30 September 2014 (in EGP mn)

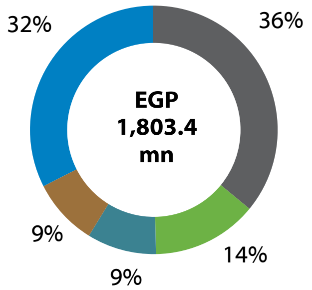
		Core									Long-Term Non-Core	Non-Core		
		Energy				Cement	Agrifoods		Transportation & Logistics					
	CC /SPVs	TAQA	Tawazon	ERC	Mashreq	ASEC Holding	Gozour	Wafra	Nile Logistics	Africa Railways	Tanmeyah	Misc **	9M14	FY13
Current Assets														
Trade and Other Receivables	1,003.3	461.8	65.0	86.7	0.4	700.2	170.6	17.0	65.0	471.6	26.4	68.4	3,136.4	2,267.5
Inventory	-	103.3	37.2	-	-	548.6	161.1	5.9	10.0	115.9	-	45.6	1,027.6	1,020.3
Assets Held For Sale	-	20.1	-	-	-	2,562.4	205.0	-	-	-	-	280.7	3,068.1	613.0
Cash and Cash Equivalents	367.2	515.2	19.1	207.2	17.2	139.8	39.8	0.9	13.1	413.4	40.7	7.7	1,781.2	2,149.9
Others	1.7	154.3	-	-	4.0	11.2	19.5	1.5	-	129.0	3.0	-	324.2	274.2
Total Current Assets	**1,372.2**	**1,254.8**	**121.2**	**293.9**	**21.6**	**3,962.1**	**595.8**	**25.3**	**88.1**	**1,129.9**	**70.1**	**402.4**	**9,337.5**	**6,325.0**
Non-Current Assets														
PP&E	65.8	477.3	92.2	10,324.4	110.0	2,883.3	898.4	226.3	606.3	32.1	9.8	610.4	16,336.3	16,112.4
Investments	1,394.1	2.3	-	-	-	568.3	-	-	5.0	-	-	-	1,969.7	2,424.6
Goodwill / Intangible assets	-	427.9	32.6	24.7	58.8	646.8	861.4	-	179.7	1,126.9	-	241.0	3,599.8	3,861.5
Others	208.1	33.7	-	1,011.8	-	7.5	197.6	-	-	134.2	-	-	1,592.9	1,316.1
Total Non-Current Assets	**1,668.0**	**941.2**	**124.8**	**11,360.9**	**168.7**	**4,105.9**	**1,957.4**	**226.3**	**791.1**	**1,293.2**	**9.8**	**851.4**	**23,498.6**	**23,714.7**
Total Assets	**3,040.3**	**2,195.9**	**246.0**	**11,654.8**	**190.3**	**8,068.0**	**2,553.2**	**251.6**	**879.2**	**2,423.0**	**79.9**	**1,253.9**	**32,836.1**	**30,039.7**
Shareholders' Equity														
Total Equity	**6,479.1**	**487.5**	**101.4**	**5,399.0**	**23.4**	**972.9**	**207.2**	**(309.7)**	**(151.4)**	**343.2**	**(16.7)**	**(400.5)**	**13,135.4**	**12,723.7**
Current Liabilities														
Borrowings	1,066.6	236.3	14.7	-	-	594.8	368.4	15.0	251.4	88.9	-	82.5	2,718.6	3,132.0
Trade and Other Payables	486.6	705.6	50.0	1,513.1	0.3	1,151.8	332.5	16.1	61.7	331.4	67.4	81.6	4,798.2	5,497.6
Provisions	207.0	19.5	29.8	-	-	170.4	20.3	2.0	7.0	-	1.1	5.7	462.7	477.2
Liabilities Held For Sale	-	-	-	-	-	1,070.0	410.1	-	-	-	-	224.1	1,704.2	623.2
Total Current Liabilities	**1,760.2**	**961.5**	**94.5**	**1,513.1**	**0.3**	**2,987.0**	**1,131.3**	**33.1**	**320.0**	**420.3**	**68.4**	**393.9**	**9,683.6**	**9,729.9**
Non-Current Liabilities														
Borrowings	1,828.8	75.4	-	3,523.8	-	1,713.7	119.6	37.9	131.9	1,332.4	-	193.5	8,957.0	6,783.0
Shareholder loan	-	-	-	-	-	729.4	-	-	-	-	-	43.8	773.2	524.7
Long term Liabilities	10.0	157.3	8.3	97.3	6.2	8.8	31.0	-	2.1	(35.8)	(6.9)	8.6	286.9	278.3
Total Non-Current Liabilities	**1,838.9**	**232.7**	**8.3**	**3,621.1**	**6.2**	**2,451.9**	**150.6**	**37.9**	**134.0**	**1,296.6**	**(6.9)**	**245.9**	**10,017.1**	**7,586.0**
Total Liabilities	**3,599.1**	**1,194.2**	**102.8**	**5,134.3**	**6.5**	**5,438.9**	**1,281.9**	**71.1**	**454.0**	**1,716.8**	**61.5**	**639.8**	**19,700.7**	**17,315.9**
Total Equity and Liabilities	**10,078.2**	**1,681.6**	**204.2**	**10,533.3**	**29.9**	**6,411.8**	**1,489.1**	**(238.7)**	**302.6**	**2,060.1**	**44.8**	**239.3**	**32,836.1**	**30,039.7**

* All figures are net of eliminations.

** Miscellaneous includes United Foundries (UCF), Mena Home & Crondall.

Operational Reviews

SECTOR CONTRIBUTION TO CORE PLATFORM REVENUES (3Q14)
(in EGP mn)

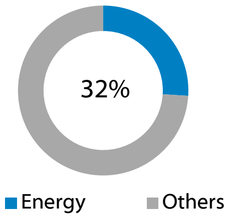


Energy	584.2
Cement	650.3
Agrifoods	248.7
Trans. & Logistics	162.9
Mining	157.3

Sector Review: Energy

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

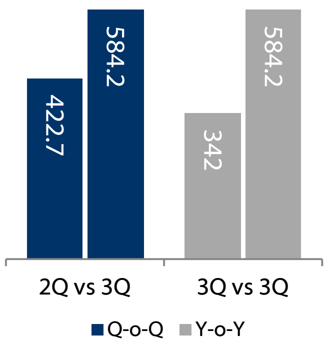
Energy Percent of Core Platform Revenues (3Q14)



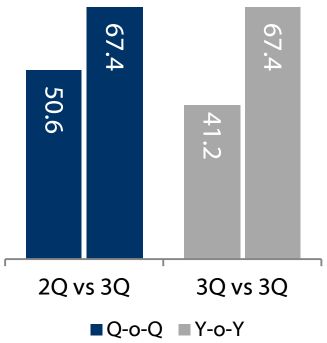
Operational and Financial Performance

Energy division revenues increased by 71% y-o-y to EGP 584.2 million in 3Q14 and EBITDA increased by 64% to EGP 67.4 million. Improved results in the quarter are attributable to better performance across both operational platform companies TAQA Arabia and Tawazon.

Energy Revenues*
EGP 584.2 mn
(3Q14)



Energy EBITDA*
EGP 67.4 mn
(3Q14)



(EGP mn unless otherwise stated)	3Q13	3Q14	% diff	9M13	9M14	% diff
TAQA Arabia Revenues	321.6	534.4	*66%*	905.7	1,259.8	*39%*
TAQA Arabia EBITDA	46.6	59.6	*28%*	123.2	137.5	*12%*
Tawazon Revenues	20.4	49.8	*143%*	60.0	111.6	*86%*
Tawazon EBITDA	(5.5)	7.7	*NA*	(14.9)	16.1	*NA*

* Energy revenues and EBITDA are aggregate figures, representing the simple summation of TAQA Arabia and Tawazon's figures.

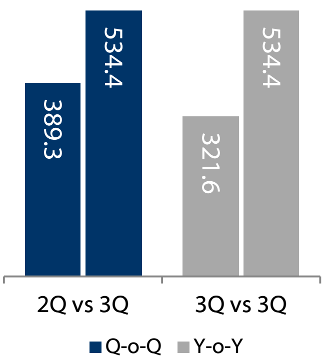
TAQA

QH OWNERSHIP — 62.5%

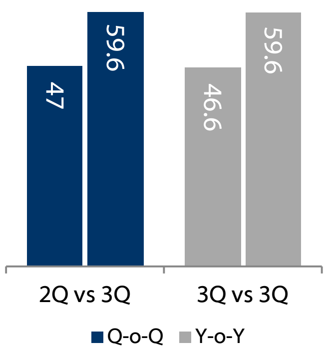
TAQA Arabia reports 66% y-o-y growth in 3Q14 Revenues

Egypt's leading independent energy company reports strong operational and financial results for the third quarter on the back of a strong performance at its Power division, additional filling stations, and a sharp rise in fuel distribution.

Consolidated TAQA Arabia
Revenues
EGP 534.4 mn
(3Q14)



Consolidated TAQA Arabia
EBITDA
EGP 59.6 mn
(3Q14)



TAQA Arabia recorded sales revenue in 3Q14 of EGP 534.4 million, an increase of 37% compared to the previous quarter and a 66% increase when compared to the same quarter of last year. EBITDA for the third quarter came in at EGP 59.6 million, an increase of 27% over 2Q14. TAQA Arabia net earnings for the third quarter came in at EGP 40.8 million, a 21% rise over 3Q13 and the strongest quarterly performance to date in 2014.

The strong performance in the third quarter comes despite an ongoing national shortage in natural gas supply and was driven by the performance of the company's Power division and a sharp increase in fuel distribution, buoyed by an additional five operational filling stations and the operation of the TAQA Arabia storage facility in Suez at full capacity. Although EBITDA increased in absolute figures, EBITDA margin declined reflecting the strong performance of fuel marketing, which typically has lower margins, combined with a decline in gas distribution quantity, which typically has higher margins.

Total Power Generated & Distributed* (3Q14)

181.5
M kW/hr
▲27% y-o-y

Total Gas Distributed (3Q14)

0.8
BCM
▼35% y-o-y

Total Liquid Fuels Distributed (3Q14)

151,300
K Liters
▲65% y-o-y

* Of the total, 82% is distributed while the remainder is generated.

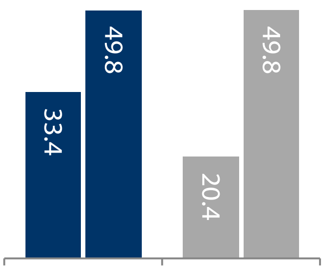
tawazon

QH OWNERSHIP — 47.9%

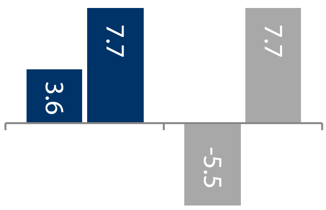
Tawazon reports 143% y-o-y growth in 3Q14 Revenues

Solid waste management play **Tawazon** reported a 143% y-o-y increase in revenues comes on the back of improved operational performance at both fully-owned subsidiaries ECARU and ENTAG.

Consolidated Tawazon
Revenues
EGP 49.8 mn
(3Q14)



Consolidated Tawazon
EBITDA
EGP 7.7 mn
(3Q14)

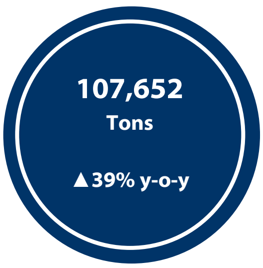


In 3Q14, **ECARU's** tipping fees from the Dakahleyya and 15th of May municipal solid waste (MSW) contract for treatment and disposal of waste came in at EGP 7.3 million. The company's agricultural waste operations, meanwhile, saw total tonnage collected improve a significant 123% y-o-y to 49,309 tons.

Tawazon supplied 16,887 tons of biomass to Italcimenti generating EGP 9.6 million in revenue in 3Q14 compared to EGP 1.5 million on 3,102 tons supplied in 3Q13. Notably, however, the 3Q13 sales were not part of the newly signed contract with Italcimenti with annual quantities that went into effect starting 2014; they were part of a 7,500-ton purchase order requested in 2013. Meanwhile, biomass supplied to Cemex stood at 21,580 tons generating revenues of EGP 10.6 million in 3Q14 compared with 18,044 tons supplied in 3Q13 with revenues of EGP 6.8 million. It is worth noting that the revision of fuel oil price effective July 2014 had a positive impact on the company's pricing and thus improving its margins.

ENTAG's increase in revenues in 3Q14 is primarily attributable to the company's Oman contract for the design and manufacture of a 2-million-ton capacity landfill in Salala which contributed EGP 11.4 million in revenues. In addition, a contract from the GIZ (German sustainable development agency) to design and build a Materials Recovery Facility (MRF) in the governorate of Qalubeyya generated revenues of EGP 3.7 million in the period.

Total Biomass Supplied (ECARU) (9M14)



ERC

QH OWNERSHIP — 15.2%

Engineering, construction and procurement work for Egyptian Refining Company remains solidly on track

Egyptian Refining Company (ERC), which is building a US$ 3.7 billion greenfield petroleum refinery in the Greater Cairo Area, remains solidly on track to begin operations by 1Q17 with 2018 to be the refinery's first full year of operations. GS Engineering & Construction Corp, the general contractors for the project, took full receipt of the project site earlier in the year, and construction progress had reached 43.8% at the beginning of December 2014.

Notably, ERC has started receiving heavy equipment in November 2014 — including process reactors, fractionators and drums — at Al-Adabiya Port in Egypt's Gulf of Suez. Moreover, in November 2014 ERC drew down a further US$ 180 million from its US$ 2.35 billion international loan facility. Qalaa Holdings expects ERC to generate EBITDA of c. US$ 750 million in its first full operational year.

Mashreq

QH OWNERSHIP — 54.9%

Mashreq completes infrastructure preparations necessary for the launch of the project; full scale contraction to commence once financing structure in place

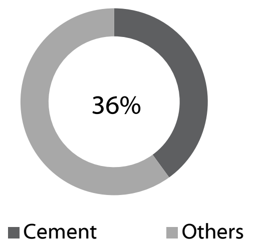
As part of the ongoing effort to develop Suez Canal corridor, last year **Mashreq Petroleum** signed a 30-year concession agreement (in addition to a three-year grace period for construction) with the East Port Said Port Authority for the lease of a 210,000 sqm plot of land located in East Port Said 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.

Mashreq will provide liquid bulk petroleum products storage / bunkering and blending services for the Middle East market as well as the broader Mediterranean region. The company will also provide fuel bunkering services for ships transiting the Suez Canal and will serve as an integrated logistical facility. The concession is on a build-operate-transfer (BOT) system for 25 years, extendable by one year for every five years during which the project achieves at least 90% of its throughput targets.

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; Misr Qena Cement, ASEC Ready Mix and ASEC Minya in Egypt; Zahana Cement Co. and Djelfa (under construction) in Algeria, construction (ARESCO, ASEC Automation) and technical management (ASEC Engineering and ASENPRO).

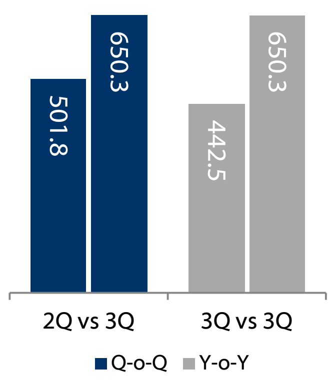
Sector Percent of Core Platform Revenues (3Q14)



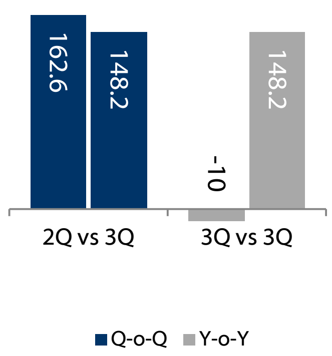
Operational and Financial Performance

The Cement sector includes a Cement division and a Construction and Management division. The Cement sector saw a 47% y-o-y rise in consolidated revenues, driven by a more than three-fold surge in revenues at ASEC Cement.

ASEC Holding Consolidated Revenues
EGP 650.3 mn
(3Q14)



ASEC Holding Consolidated EBITDA
EGP 148.2 mn
(3Q14)



(EGP mn unless otherwise stated)	3Q13	3Q14	% diff	9M13	9M14	% diff
Cement Division Revenues	124.5	448.2	*260%*	422.8	1,258.8	*198%*
Cement Division EBITDA	108.8	114.7	*5%*	77.8	375.8	*383%*
Const. & Management Revenues	249.4	237.9	*(5%)*	883.5	707.2	*(20%)*
Const. & Management EBITDA	(10.4)	33.3	*NA*	19.3	(9.7)	*(150%)*

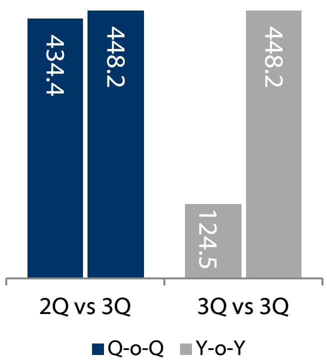
QH OWNERSHIP — 69.2%

ASEC Holding reports 47% y-o-y growth in 3Q14 Revenues

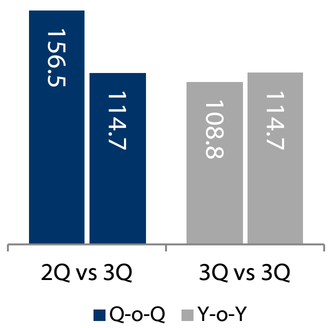
ASEC Cement saw revenues come in at EGP 448.2 million in 3Q14, a 3% increase quarter-on-quarter despite a seasonal slowdown in the construction industry during the Ramadan and Eid period as well as shortages in the fuel supply in Sudan, which saw sales volumes ease 7%; that drop was partially offset by price increases. Year-on-year, the company reported a 260% improvement to revenues, largely driven by an EGP 288 million contribution on 437,000 tons sold at ASEC Minya (AMCC), which launched operations in 3Q13 and has a capacity of 2.0 MTPA.

ASEC Cement likewise boosted EBITDA, which rose 5% y-o-y to EGP 114.7 million in 3Q14, on a contribution of EGP 96.7 million from ASEC Minya. Lower sales volumes at AMCC and Al-Takamol combined with increased fuel costs in July 2014 in Egypt resulted in a 27% decrease in EBITDA q-o-q.

ASEC Cement Revenues
EGP 448.2 mn
(3Q14)



ASEC Cement EBITDA
EGP 114.7 mn
(3Q14)



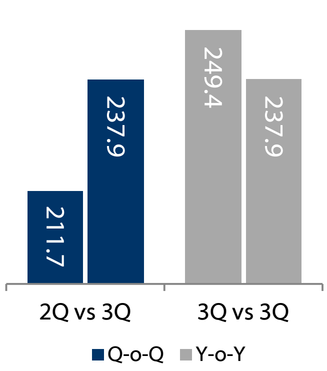
ASEC Holding Subsidiaries (EGP mn)	3Q13	3Q14	% diff	9M13	9M14	% diff
Asec Minya Revenues	-	288.3	*n/a*	-	829.8	*n/a*
Asec Minya EBITDA	(7.2)	96.7	*n/a*	(25.1)	287.8	*n/a*
Misr Qena Cement Revenues	231.5	275.3	*19%*	677.3	834.3	*23%*
Misr Qena Cement EBITDA	79.5	111.4	*40%*	271.8	370.0	*36%*
Al-Takamol Cement Co. Revenues	110.6	128.5	*16%*	333.7	331.9	*-1%*
Al-Takamol Cement Co EBITDA	14.8	28.6	*93%*	29.1	48.2	*66%*
ASEC Ready Mix Revenues	12.2	34.6	*184%*	45.0	96.7	*115%*
ASEC Ready Mix EBITDA	0.7	3.6	*415%*	4.1	12.0	*193%*

ASEC Holding Cont'd

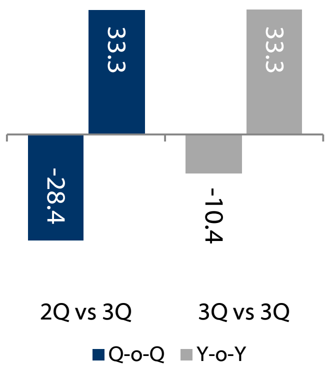
Construction & Technical Management:

The division reported an increase in Revenues of 12.4% q-o-q to EGP 237.9 million in 3Q14, however, on a y-o-y basis Revenues dipped a slight 5%. Revenues from ASEC Engineering showed an increase on the back of increased stability in fuel supplies following a period of acute shortages in 2Q14. Net Profit for the division also showed a significant improvement to EGP 25.5 million in 3Q14 compared to a Net Loss in 2Q14 as well as 3Q13. The improvement comes on the back of better capacity utilization rates at the operated and managed cement plants.

Revenues*
EGP 237.9 mn
(3Q14)



EBITDA*
EGP 33.3 mn
(3Q14)



Meanwhile, EBITDA from Construction & Technical Management turned to a positive EGP 33.3 million compared to a negative EGP 28.4 million in 2Q14 and negative EGP 10.4 million in 3Q13. While ARECSO continued to post a negative EBITDA in 3Q14, the trend is expected to be reversed as the company has increased its backlog from EGP 250 million in 3Q13 to EGP 825 million in 3Q14 on the back of landing a record number of new contracts all awarded during the third quarter. Notably, 30% of the backlog is non-cement related, which solidifies the company's strategy of diversifying into other industries.

Total Cement Production† (9M14)

1.63
mn Tons
▲194% y-o-y

Managed Clinker Production (ASEC Eng.) (3Q14)

2.8
mn Tons
▲35% y-o-y

Total Construction Backlog (ARESCO) (3Q14)

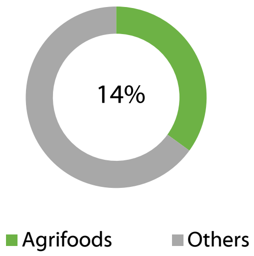
825
EGP mn
▲230% y-o-y

* Aggregate / simple summation of the following companies: ARESCO, ASEC Engineering, ASENPRO and ASEC Automation
† Includes Minya (Egypt) and Al-Takamol (Sudan).

Sector Review: Agrifoods

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

Sector Percent of Core Platform Revenues (3Q14)



Operational and Financial Performance

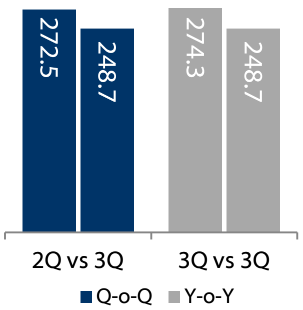
The sector saw a 9% y-o-y decrease in 3Q14 revenues to EGP 248.7 million, however, EBITDA significantly improved y-o-y recording a 109% increase to EGP 31.2 million compared to EGP 14.4 million in 3Q13. Sector revenues & EBITDA only include integrated multi-category agriculture and consumer foods platform Gozour.

Gozour

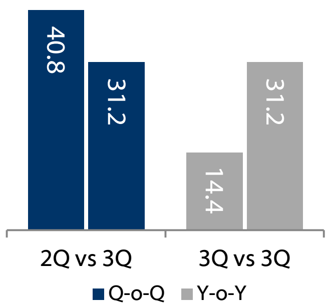
QH OWNERSHIP — 43.1%

Gozour reports 109% y-o-y growth in 3Q14 EBITDA

Consolidated Gozour
Revenues
EGP 248.7 mn
(3Q14)



Consolidated Gozour
EBITDA
EGP 31.2 mn
(3Q14)



Gozour revenues declined on both a year-on-year and quarter-on-quarter basis due primarily to higher sesame prices (YoY) which in turn led to lower volumes, in addition to reduced crop yields (QoQ). Meanwhile, EBITDA figures only saw a quarter-on-quarter drop.

Gozour Subsidiaries (EGP mn)	3Q13	3Q14	% diff	9M13	9M14	% diff
Rashidi El-Mizan Revenues	113.6	116.6	3%	362.3	342.7	-5%
Rashidi El-Mizan EBITDA	12.0	13.0	8%	43.7	35.1	-20%
Dina Farms Revenues	77.6	74.9	-4%	275.6	292.0	6%
Dina Farms EBITDA	19.6	22.0	12%	76.4	81.4	6%
ICDP Revenues	21.8	28.0	28%	63.2	81.9	30%
ICDP EBITDA	(0.7)	2.0	n/a	2.4	6.5	169%
ACST Revenues	28.3	37.3	32%	76.4	86.5	13%
ACST EBITDA	1.8	3.2	80%	4.2	6.5	56%

- In Egypt, leading regional confectioner **Rashidi El-Mizan (REM)** reported a slight increase of 3% in 3Q14 sales revenue compared to the same period last year, driven by an increase selling prices. Similarly, 3Q14 EBITDA increased by 8% vs. 3Q13 because of reduced Administrative, Selling and Distribution costs. 9M14 revenue and EBITDA decreased y-o-y because of a more-than 40% increase in sesame prices.
- **Dina Farms** recorded a slight dip in 3Q14 sales compared to the same period of last year because of low raw milk selling prices. EBITDA for 3Q14 increased 12% over 3Q13 driven by savings in the cost of feed.
- **ICDP**, which markets Dina Farms' fresh dairy produce, saw a 28% y-o-y increase in 3Q14 sales revenue, fueled mainly by an increase in market share, which reached an all-time high of 71% volume share of the fresh milk segment in July 2014.
- **ACST** (Dina Farms Retail) revenues rose 32% y-o-y in 3Q14, with same-store sales rising 20% over the same period to EGP 33.9 million. Dina Farms Retail accordingly reported an average monthly sales density of EGP 5,086 per square meter in 3Q14. Notably, the third quarter's positive net profit marks Dina Farms Retail's first quarter in the black. At the end of 3Q14, the company had a retail footprint of 10 outlets and total retail space of 3,245 sqm, a 62% rise in retail space year-on-year, while to-date the company has 12 stores and is targeting one additional store by year's end.

Rashidi El Mizan Sales (3Q14)

6.01
SKUs in k Tons
▼7% y-o-y

Dina Farms Sales (3Q14)

14.3
K Tons raw milk
▲2% y-o-y

Dina Farms Total Herd* (3Q14)

15,456
Cows
▲1% y-o-y

* Of which 6,161 are milking cows

ICDP Sales (3Q14)

2.96
SKUs in k Tons
▲9% y-o-y

Retail Stores / Retail Space (3Q14)

10 / 3,245
/ sqm
▲43% / ▲46% y-o-y

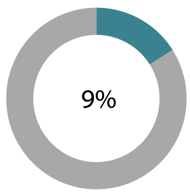
Average Sales Density (3Q14)

5,086
EGP / sqm / month
▲23% y-o-y

Sector Review: Transportation & Logistics

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

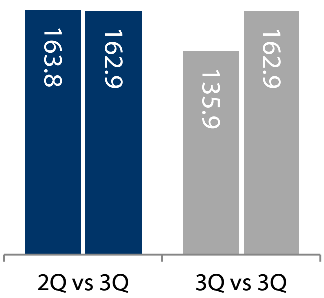
Sector Percent of Core Platform Revenues (3Q14)



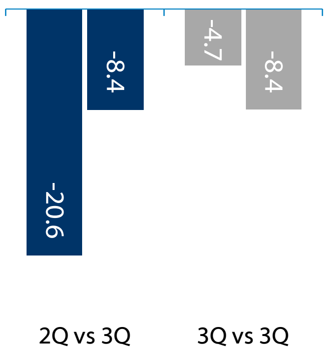
Operational and Financial Performance

The Transportation & Logistics division posted aggregate revenues in 3Q14 of EGP 162.9 million, a 16% increase over the EGP 135.9 million recorded in same period last year. The sector's aggregate EBITDA came in at negative EGP 8.4 million as compared to a negative EGP 4.7 million in the same quarter last year.

Trans. & Logistics Revenues*
EGP 162.9 mn
(3Q14)



Trans. & Logistics EBITDA*
EGP (8.4) mn
(3Q14)



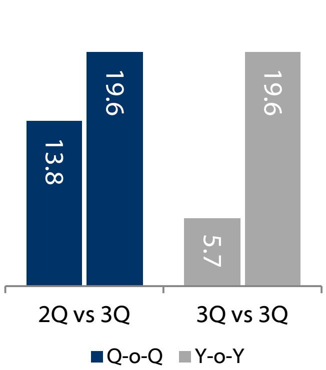
(EGP mn unless otherwise stated)	3Q13	3Q14	% diff	9M13	9M14	% diff
Nile Logistics Revenues	5.7	19.6	*244%*	20.2	45.8	*127%*
Nile Logistics EBITDA	(9.0)	1.4	*n/a*	(25.4)	(7.2)	*n/a*
Africa Railways Revenues (in USD mn)	19.1	20.3	*7%*	25.8	68.9	*167%*
Africa Railways EBITDA (in USD mn)	0.6	(1.4)	*-326%*	7.4	12.6	*70%*

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

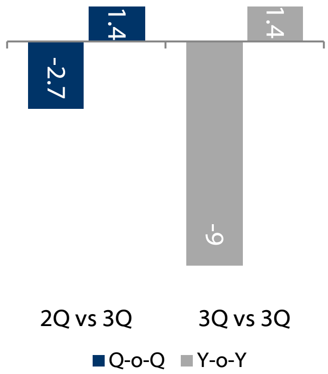
QH OWNERSHIP — 62.0%

Nile Logistics reports positive EBITDA in 3Q14, first time since inception

Revenues
EGP 19.5 mn
(3Q14)



EBITDA
EGP (1.4) mn
(3Q14)



Nile Logistics recorded a positive operating EBITDA in each month of 3Q14, the first time it has done so since the start of operations in 2008. This positive performance was driven by the operational pick up in Alexandria Floating Crane Anchorage Services (stevedoring) & Port Said Feeder Services (container transshipment). Financial performance is expected to further improve in line with the company's operational expansion to a double-digit operating EBITDA in the coming quarters on the back of (a) the launch of operations at Adabeya Port in the first half of December 2014, (b) phasing-in of the second floating crane at Alexandria Port to widen the company's client and product base and (c) mobilizing two additional 100m barges to Port Said to serve contractual agreements with new clients.

Stevedoring business picked up in 3Q14, showing an increase of 27% q-o-q in tons handled. The main driving force of operational activity at Alexandria is demand by clinker and coal importers, which accounted for a total of 70% of the tonnage handled by the floating crane during the third quarter.

Container handling (between Suez Canal Container Terminal "SCCT" in East Port Said to West Port Said Container Terminal "PSD" and vice versa) almost doubled in 3Q14 vs. 2Q14 with more than 7,300 TEUs handled in 3Q14, surpassing the target mentioned in our 2Q14 Business Review of 5,000 TEUs.

Tons-Kilometer Water Egypt (3Q14)

6.6
mn Tons
▼31% y-o-y

Stevedoring Tons Handled (3Q14)

339
k Ton
▲27% q-o-q

No. of Twenty-foot Equivalent Units (3Q14)

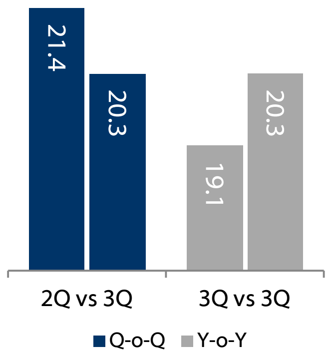
7,377
TEU
▲90% q-o-q

AFRICA RAILWAYS **QH OWNERSHIP — 30.8%**

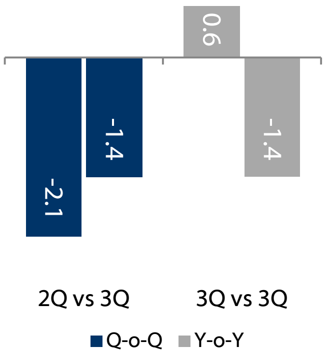
Africa Railways takes receipt of first batch of refurbished locomotives from US

Rift Valley Railways continued building on Revenue growth, reporting a 14% increase y-o-y in 9M14, while EBITDA improved 58% to negative US$ 2.6 million as compared to the same nine-month period of 2013. In parallel, Q314 net ton km saw a 9% increase y-o-y and a 3% increase over 2Q14.

Revenues
USD 20.3 mn
(3Q14)



EBITDA
USD (1.4) mn
(3Q14)



In September 2014, RVR received three of the 20 refurbished GE locomotives ordered from the United States, the first batch of locomotives to arrive in East Africa since 1987. The remaining 17 locomotives will arrive over regular intervals, with the last expected by June 2015. By that time, the hauling capacity of RVR should have doubled, enhancing the company's revenue going forward.

In June 2014, RVR concluded a contract to transport diesel for Vivo Energy Kenya (VEK) – the company that distributes and markets Shell branded fuels and lubricants – from Mombasa to Nairobi and Kampala. This was preceded by a massive rehabilitation program of 255 disused fuel-ferrying tanks, which were brought back into service.

Net Ton-Kilometer Rail (3Q14)

343
mn Ton
▲10% y-o-y

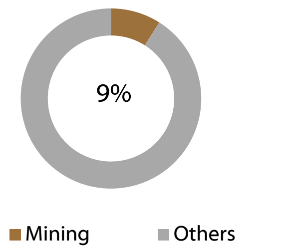
Revenues / Net Ton-Kilometer (3Q14)

5.7
cents/NTK
▲9% 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.

Sector Percent of Core Platform Revenues (3Q14)



Operational and Financial Performance

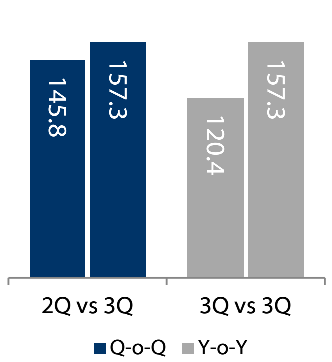
In 3Q14, ASCOM's consolidated revenues improved by 31% y-o-y to reach EGP 157.3 million, while EBITDA came in at a positive EGP 8.1 million compared to a negative EGP 8.5 million in the same period last year. The improvement in EBITDA comes largely on the back of GlassRock's performance, which narrowed its negative EBITDA by 73% y-o-y in 3Q14. Notably, EBITDA in 3Q13 was negatively affected by weak performance of Other Quarry Management operations in that period.

ASCOM GEOLOGY & MINING

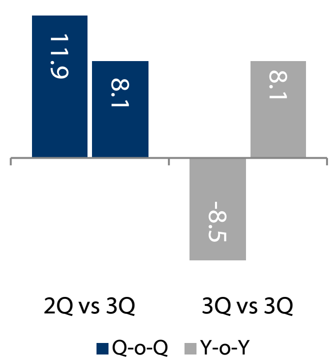
QH OWNERSHIP — 39.2%

ASCOM reports 31% y-o-y growth in 3Q14 Revenues; surge in EBITDA

ASCOM Consolidated
Revenues
EGP 157.3 mn
(3Q14)



ASCOM Consolidated
EBITDA
EGP 8.1 mn
(3Q14)



ASCOM Cont'd

ASCOM Subsidiaries (EGP mn unless otherwise stated)	3Q13	3Q14	% diff	9M13	9M14	% diff
ACCM Revenues (in USD mn)	4.1	5.2	*28%*	11.9	14.9	*25%*
ACCM EBITDA (in USD mn)	0.9	0.9	*3%*	2.8	3.0	*6%*
GlassRock Revenues (in USD mn)	1.0	0.9	*-17%*	2.7	3.0	*11%*
GlassRock EBITDA (in USD mn)	(0.8)	(0.2)	*73%*	(2.4)	(0.8)	*n/a*
Egypt Quarrying Revenues	53.4	85.0	*59%*	210.6	258.2	*23%*
Egypt Quarrying EBITDA	2.5	4.6	*87%*	13.5	22.1	*63%*
Other Quarry Management Revenues - ex Egypt*	8.9	29.3	*228%*	42.1	66.1	*57%*
Other Quarry Management EBITDA - ex Egypt*	(0.8)	(1.4)	*n/a*	4.4	(3.3)	*n/a*

In **quarry management and services**, ASCOM is a leading supplier of limestone, clay, silica and gypsum, holding a more-than 40% share of the cement market in Egypt. In **manufacturing**, ASCOM is well-positioned to capitalize on the high quality calcium carbonate found in Egypt through its greenfield factory in Upper Egypt, which has a milling capacity of 240,000 tons. The company also has a production site in northern Egypt for glass wool and rock wool with a total capacity of 50,000 tons (GlassRock).

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

ASCOM was also approved and commissioned by the Armed Forces to be one of the contractors doing dry excavation work in the new Suez Canal project.

ACCM Volumes Sold (3Q14)

66.9
k Ton
▲29% y-o-y

GlassRock Volumes Sold (3Q14)

1.1
k Ton
▲10% y-o-y

Egypt Quarrying Business Volumes Sold (3Q14)

7.4
mn Ton
▲11% y-o-y

Long Term Non-Core

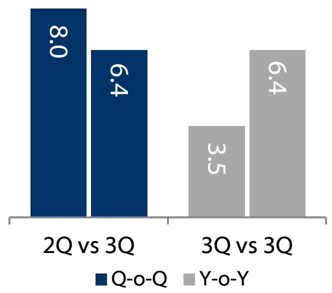
Tanmeyah Micro Enterprise Services was established in March 2009 to extend microfinance loans in the range of EGP 1,000 to EGP 30,000 to micro-businesses in Egypt and offers financial solutions to those segments of the population who previously had no access to these services.

QH OWNERSHIP — 70%

Tanmeyah reports 39% y-o-y growth in 3Q14 Revenues

Tanmeyah reported net earnings of EGP 6.4 million in 3Q14, an 81% increase over the same period of last year, although a 20% decrease quarter-on-quarter. EBITDA, meanwhile, stood at EGP 8.3 million in 3Q14, down 8.4% from 2Q14 on the back of a 15% q-o-q increase in SG&A expenses.

Net Income
EGP 6.4 mn
(3Q14)

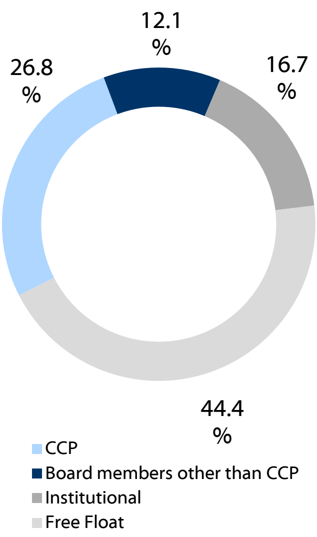


Total Operating Revenues, including Net Interest Income, Insurance Income & Fees, in 3Q14 were EGP 22.3 million, rising 40% over EGP 16 million in 3Q13, although somewhat flat compared to the EGP 22.5 million in 2Q14. Tanmeyah extended total financing of EGP 154.3 million in the quarter ending 31 September against EGP 113.8 million in 3Q13, bringing its total portfolio of outstanding loans to EGP 348.1 million. Lower Net Income during 3Q14 compared to the previous quarter came on the back of reduced lending activity during the Ramadan and Eid period, in addition to the company incurring a higher cost of funds owing to higher CBE lending rates. Net Income for 4Q14 is expected to recover back to 2Q14 levels.

Tanmeyah currently has 99 branches in operation and has extended total credit of EGP 1.6 billion to over 330,000 projects since 2011.

Amount of Loans Outstanding (3Q14)	Total Loans Issued in the Period (3Q14)	Active Borrowers (3Q14)
348.1 EGP mn ▲28% y-o-y	**154.3** EGP mn ▲36% y-o-y	**81,859** clients ▲8% y-o-y

SHAREHOLDER STRUCTURE
(as of 30 Sept 2014)



Forward Looking Statements

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

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