



AFRICAN LEADER IN
ENERGY & INFRASTRUCTURE

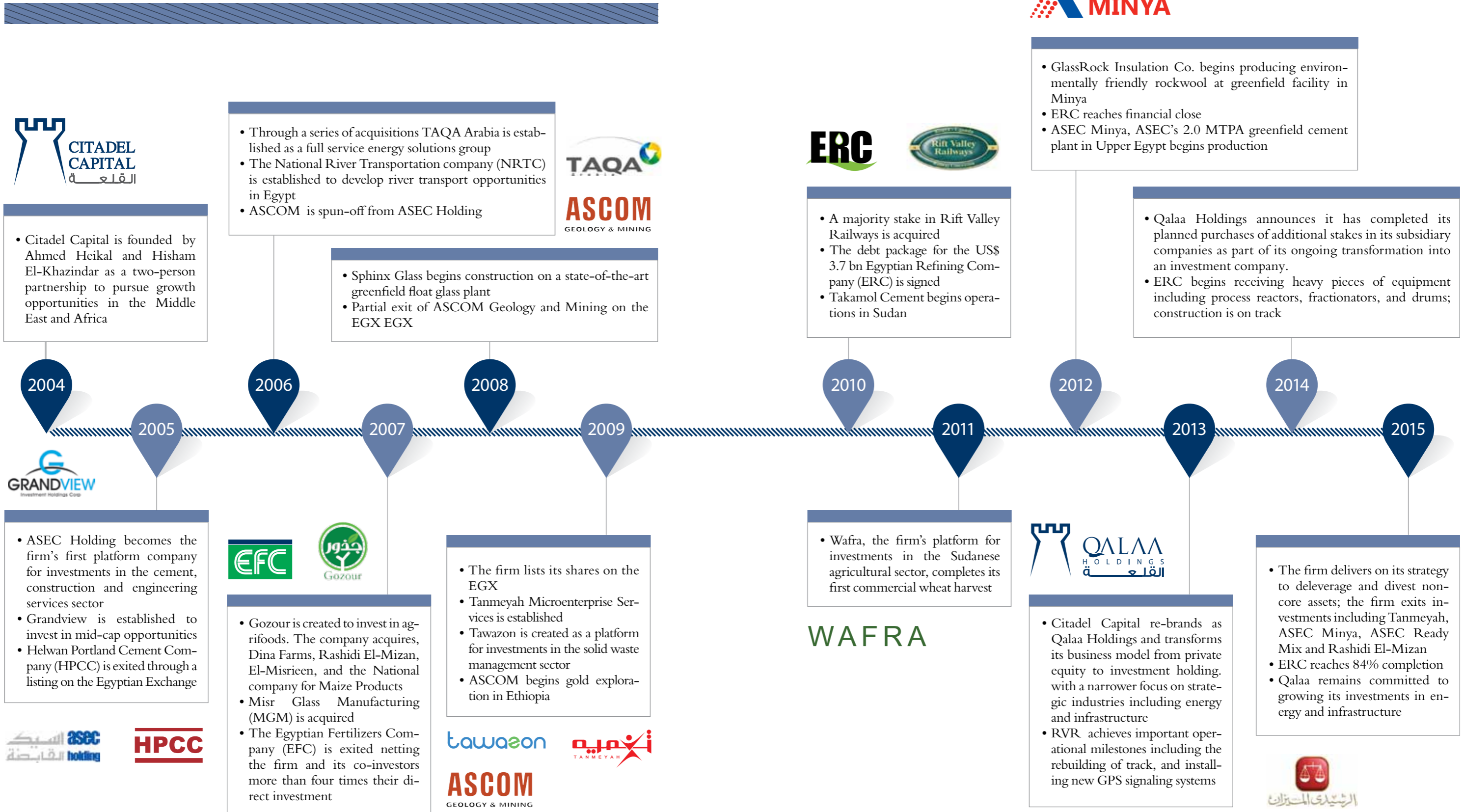


YEARS

OF BUILDING BUSINESSES

2015
ANNUAL
REPORT

10 Years of Building Businesses





ENERGY



TRANSPORTATION
& LOGISTICS



CEMENT



MINING



AGRIFOODS

The majority of the images in this report are photographs taken onsite at our projects and are available to the media on our website in the gallery section of our subsidiary pages qalaaholdings.com

CONTENTS

The Egyptian Refining Company (ERC)
construction site, Mostorod, North Cairo



04	Chairman's Note
08	About Qalaa Holdings
10	A Snapshot of the Past 10 Years
16	Management Discussion & Analysis
20	2015 Financial Highlights
22	Divestment Program Update
24	2015 Milestones
28	Sustainable Investments
36	Corporate Governance
42	Management Committee
44	Subsidiary Management Teams
46	Our Investments
74	Non-Core Subsidiaries
76	Financial Statements

A Note From Our Chairman & Founder

Celebrating 10 years of building businesses

Qalaa Holdings was founded in 2004 to capitalize on the positive fundamentals and growth potential of the region. Despite the highly challenging global and regional environment that ensued, the company has managed to build 27 businesses from scratch in a decade.

Total Assets

EGP **37,177** mn

vs. EGP 32,415 mn in FY14

Proceeds From Exits

EGP **2.4** bn

A total of eight exits in FY15 generated proceeds of c. EGP 2.4 billion, more than 2.5x the previous year

When we founded Qalaa Holdings (then Citadel Capital) as a two-person partnership in 2004, we made a bet that the positive fundamentals and accelerating pace of business in the region would create new opportunities for those with the local insight to find them, the regional footprint to transform local companies into region champions, and the world-class expertise needed to create growth opportunities of a type and scale attractive to global investors.

Now, more than a decade later, we still believe this to be true. In many respects our achievements over the past years have been a validation of this fundamental thesis. Despite some of toughest circumstances that this region has ever witnessed, namely a global financial crisis (or two), the Arab Spring, and two revolutions, we have notched a few victories and have much to be proud of.

We have seen:

- the EGP 2 million in capital that we began with grow to reach EGP 8 billion
- the two-man partnership grow to include the employees of our subsidiary companies
- the establishment of 27 greenfield projects in Egypt and Africa in addition to build-outs and turnarounds
- the successful transformation from Africa's largest private equity firm with investments of US\$ 9.5 billion spanning 15 countries and 15 industries into an

investment holding company with a narrower focus on select industries

- the successful exit of 13 companies in Egypt and Sudan

It has been a journey filled with high and low points, achievements and setbacks. In every single one of the businesses we have founded or acquired, we have always made sure to keep one eye on the details and the other on the bigger picture.

My approach to life is simple: dream big, have the audacity to execute, get the best people, incentivize them properly, and lead by example, which is exactly what I have done.

Through it all, it has been the people who have walked beside me that have made the journey truly worthwhile. In my chairman's note for Citadel Capital's first annual report in 2007, I wrote that Citadel Capital is what it is today because of the talents of our strong team of professionals. This couldn't be more true today. Our outstanding team, many of whom have been with us for the entire 10-year journey, are the backbone of this organization. It is their dedication, hard work, and ethics that make all this possible, and I would like to take this opportunity to thank each and every one of them.

As we turn our attention to the present, I had previously communicated that 2015 would be a watershed year for



Ahmed Heikal *Chairman & Founder*

Qalaa — one in which we would deliver against a four-point strategy that would allow us to distinguish ourselves as the owner and steward of large, transformative assets across our footprint while streamlining our holdings to allow us to focus directly on our highest-potential subsidiaries in energy and infrastructure.

Twelve months later, I am pleased to report that we have made good on that pledge. Moreover, this comes as the devaluation of the Egyptian pound and the lifting of energy subsidies that we have long predicted — and on which many of our investments are predicated — is now coming to pass.

Our strategy for 2015 was to complete our transformation into a holding company through a four-pillar strategy including:

- **Deleveraging at the holding and platform company levels**, driven in large part through the divestment of non-core business units;
- **Investment in our future growth** through the acquisition of additional stakes in key subsidiaries and the shepherding of Egyptian Refining Company (our US\$ 3.7 billion greenfield petroleum refining project) toward the start of production in 2017.
- **Selective investments** within existing platform companies;
- **Laying the ground for share buybacks** for so long as our stock trades at a significant discount to its fair market value.

Deleveraging and Divestment

As a holding company focused on energy and infrastructure, the divestment of non-core business units was our key priority at the Qalaa Holdings level in 2015 as we divested or signed agreements executed in early 2016 to exit a total of 8 companies. This resulted in cash proceeds of EGP 2,400 million in 2015 - more than 2.5x the value generated through three exits the previous year. Among the non-core assets divested were:

- **Cement manufacturing:** ASEC Minya Cement and ASEC Ready-Mix
- **Financial services:** Pharos Holding, Tanmeyah Micro-enterprise Services
- **Agrifoods:** Rashidi El-Mizan, El-Misrieen, Enjoy, and El-Aguizy in Egypt and Rashidi for Integrated Solutions in Sudan.
- **Manufacturing:** Misr Glass Manufacturing and United Glass Company as well as foundries AAC and AMC.

Our subsidiary Mashreq signed an agreement with the General Authority of the Suez Canal Economic Zone for the transfer of a concession contract, and we expect to announce this year the sale of other select holdings of ASEC Cement.

ERC Completion

>84 %

The Egyptian Refining Company (ERC) is now more than 84% complete and on track to begin selling its first on-spec product in 2017

TAQA Clients

723,000

The total number of TAQA Arabia's converted household clients increased by 15% to stand at 723,000 clients in 2015

Investment in Future Growth

Our investment in future growth has taken two tracks this year: laying the groundwork for the acquisition of new stakes in key business units and, in parallel, maintaining an unwavering focus on bringing Egyptian Refining Company (ERC) into production.

Today, ERC is more than 84% complete. We expect to reach mechanical completion at the beginning of 2017 and to sell our first on-spec product in Q3 2017 as planned. As I write these words, we have more than 8,100 workers and 96 cranes on site. We have installed more than 600 pieces of equipment, erected over 14,300 tons of steel, poured in excess of 80,000 cubic meters of concrete, and completed over 7,100 piles. More than 19.5 million man hours have been invested in ERC so far. In context, that's the equivalent of about 2,222 years of human labor.

ERC will be transformative for our financials — and even more so for the Egyptian economy and environment as it is set to reduce the nation's present-day sulfur emissions by nearly one-third while cutting diesel imports by more than 60%.

As we focused on construction at ERC, we also concluded EGP 1.1 billion in synthetic swaps last fall that gave us an additional 3.7% stake in ERC, bringing our total holding in the company to 18.9%. Also last year, we entered into an agreement with a key coinvestor in our legacy private equity opportunity-specific funds that should see us acquire in 2016 a significant additional stake in TAQA Arabia, our energy distribution business and the largest independent player in its field. The same transaction will also complete our exit from at least three legacy assets. This remains in the pipeline for execution in 2016; when finalized it will result in further deconsolidation of significant debt related to Qalaa's non-core holdings.

Selective Investments

TAQA Arabia, our energy distribution business, continued to deliver solid operational progress in the year with the total number of converted household clients increasing by 15% to stand at 723,000 clients. TAQA's generation business is now gearing up for the next phase of its growth with plans to build a 180 MW gas-fired power plant. In parallel, the company is investing in renewable energy, including two solar power facilities, each 50 MW, for which we are now in the financing phase. One solar farm will be fully owned by TAQA Arabia, with the other being 50% held by TAQA Arabia and 50% by an international investor.

Meanwhile, our multi-year investment program in Rift Valley Railways, the national rail operator of Kenya and Uganda, came to a close in 2015. Since the start of the US\$ 287 million capital investment and turnaround program that began in January 2012, RVR has invested in modern rail operating technology, rebuilding infrastructure, expanding haulage capacity, and developing modern rail operating skills in the company's 2,000-person strong workforce. We have also invested in the recruitment of a new chief executive for RVR, which is now being led by the former East African general manager of a unit of General Electric.

Our solid waste management subsidiary, Tawazon, reported an impressive 109% y-o-y growth in 2015 with revenues posting a 66% y-o-y increase driven primarily by Tawazon subsidiary, The Egyptian Company for Solid Waste Recycling (ECARU), a company that provides biomass, a waste to energy solution for heavy industries such as cement manufacturing.

Share Buybacks

We continue to believe that Qalaa's shares are fundamentally undervalued. To that end, we will engage in share buybacks as market conditions and liquidity permit.

“

Our dedication to supporting education was reinforced this year with the awarding of our one hundred and fifty-first scholarship through the Qalaa Holdings Scholarship Foundation, which celebrated its 10th anniversary

”

2015 Financial Highlights

The divestment of non-core business units in 2015, including the Egyptian assets of ASEC Cement, has fundamentally reshaped Qalaa's financials, giving more weight on both the income statement and balance sheet to ongoing operations at our core energy and mining units. This sets the stage for the transformative impact of the Egyptian Refining Company, which is on track to begin operations in 2017.

Excluding Egyptian Refining Company and Rift Valley Railways, total debt as at 31 December 2015 fell to EGP 5.24 billion – an improvement of EGP 1.22 billion from the 31 December 2014 figure, on the back of repayments and debt deconsolidated from exits including the sale of ASEC Minya and Rashidi El-Mizan.

Risk Mitigation

As it has been for the past two years, the mitigation of both financial and operational risk is a key element of our strategy. We will continue to institutionalize Qalaa, giving our board better oversight of the company and its business units. This process will be enhanced as we continue with the second phase of a three-year technology implementation cycle for a common information-sharing platform across Qalaa and all of our subsidiaries.

Sustainability and Community Engagement

I would also like to take a moment to note that 2016 marks the tenth anniversary of the Qalaa Holdings Scholarship Foundation. This foundation, which is funded through an endowment, has now granted 151 full scholarships to talented young Egyptian men and women to study at the graduate level in any field at international universities on the sole condition that they return to Egypt to work in their chosen fields post-graduation. To further underscore our belief in the transformative effect of education, my wife May and I have also launched an additional scholarship that

will be awarded annually to one Egyptian student to study the field of their choice at New York University (NYU).

2015 is also the year that we issued our first annual Sustainability Report as part of our membership in the UN Global Compact. I'm happy to report that we went above and beyond the required level of disclosure and were thus the first Egyptian company to receive an “A” grade rating on a sustainability report from the Global Reporting Initiative (GRI).

Outlook

We remain true to the goal that we set for ourselves more than a decade ago when we began. Qalaa Holdings aims to create shareholder value in 2016 by capitalizing on two clear macro trends: (1) the exceptional demand for infrastructure presented by Egypt's unique demographics and (2) the ongoing lifting of the pre-2014 system of energy subsidies. Heading into 2016, our strategy remains unchanged: We will focus 100% of our bandwidth on proven winners while simultaneously enhancing cash flows to allow us to drive growth at current assets. We will increase our ownership of core business units with a view to driving sustainable growth, and we will engage in share buybacks on an as-needed basis.

Ahmed Heikal

Chairman & Founder

About Qalaa Holdings:

10 Years of Building Businesses

Qalaa Holdings (CCAPCA on the EGX) is an African leader in energy and infrastructure. We build businesses in industries that will define our region's future. Our subsidiaries work each day to deliver energy to consumers and businesses alike, to grow safe, healthy food, to provide reliable, fuel efficient transportation solutions, to add value to natural resources, and to help build critical national infrastructure. We prize innovation, value creation, and sustainability in all of our investments.

Drawing on our roots as Africa's largest private equity firm, we have worked since 2004 to build world-class businesses that cater to the needs of the more than 1.3 billion consumers across our footprint in Egypt, East Africa, and North Africa. We bring to the table the passion of entrepreneurs, the proven systems of top-tier finance professionals, and deep operational expertise in each of our industries: energy, cement, agrifoods, transportation & logistics, and mining.

ERC construction site, Mostorod, North Cairo

1,280 TONS

A Terex 8800, the largest crane to ever be used on a construction site in Egypt, hoists the 1,280 ton Korean-made HCU into place at the Egyptian Refining Company's (ERC) construction site in Mostorod.



A Snapshot of the Past 10 Years

2004

Qalaa Holdings is founded to pursue growth opportunities in select Middle Eastern and North African markets.

Qalaa's first acquisition is 59% of **ASEC Holding**, a distressed cement producer.



2005

The firm buys the remaining 49% of ASEC and carries out a capital increase for ASEC's **Helwan Portland Cement Company (HPCC)** through a listing on the Egyptian Exchange.

The firm establishes **Grandview** to invest in mid-cap opportunities, companies with an enterprise value of less than US\$ 60 million.



2006

ASCOM Geology and Mining is spun off from ASEC Holding and turned into a platform company for mining with interests in industrial minerals and precious metals.

Qalaa Holdings establishes **TAQA Arabia**, which becomes the platform company for its full-service Middle East energy solutions group.

Qalaa Holdings establishes the **National River Transportation Company (NRTC)** to capitalize on Egypt's underdeveloped river transport sector and develop strategically located river ports.

“

By the end of 2007, Qalaa Holdings held 14 platforms and managed 88 portfolio companies with an aggregate headcount of 24,000 employees

”

2007

- Qalaa's investments focused on eight sectors:
- Upstream and downstream Oil & Gas
 - Petroleum Refining
 - Cement Production
 - Agriculture
 - Glass Manufacturing
 - Food Processing
 - Energy Distribution
 - Marine Fueling and Bunkering



Qalaa Holdings sold 100% of the **Egyptian Fertilizers Company (EFC)**, netting the firm and its coinvestors more than four times their direct investment.



Gozour was created to pursue investments in integrated regional agricultural and multi-category consumer foods. Gozour acquired 100% of leading private agricultural producer **Dina Farms**.



Gozour acquired 31.5% of the **National Company for Maize Products**, a leading player in intermediate industries such as wet-corn milling and sugar processing.

Gozour acquired 100% of confectioner **Rashidi El-Mizan** (a leading producer of tahina and halawa).

2007

Gozour acquired 100% of Misr-October Food Products (**El-Misrieen**), a cheese producer.

GlassWorks acquired 35% of **Misr Glass Manufacturing (MGM)**.



2008

Partial exit of **ASCOM** on the Egyptian Exchange.

Sphinx Glass breaks ground on an EGP 1.1 billion (US\$ 200 million) state-of-the-art greenfield float glass plant in Sadat City, some 70 kilometers north of Cairo.



2009

Qalaa's shares begin trading on the Egyptian Exchange.

Rashidi El-Mizan begins production at a jam and tomato paste factory.

Nile Logistics acquires 51% of Sudanese river transport company **Keer Marine**.



“

From mid-2009 through the first half of 2010, Qalaa made a series of aggressive plays in the North and East African transportation sector as part of a comprehensive strategy to lay the foundations for an efficient, fully-integrated, river and rail transport network spanning from Egypt's Mediterranean coast to Kenya and Uganda

”

2009

Tanmeyah Microenterprise Services opens for business with a 15-branch network.

ECARU and **ENTAG** are acquired to form the solid waste management platform company that subsequently became known as **Tawazon**.

ASCOM Precious Metals Mining (APM) acquires a strategic stake in **GMA Resources**, a UK-listed gold exploration and production company.

TAQA Arabia launches its first petrol stations in Beheira, Assiut, Sharkeya, Kafr El-Sheikh and Ismailia.

Gozour makes its first cross-boarder acquisition in Sudan with the purchase of a 75% stake in **Al-Musharaf**, Sudan's leading producer of halawa, biscuits, and flour.

The National River Ports Management Company (NRPMC) completes construction of Tanash Port (North Cairo).

Berber for Electrical Power, a 42 MW power plant is created to secure vital energy for **Takamol Cement**, ASEC Cement's greenfield cement plant in Sudan.



2010

Sphinx Glass begins operation at its EGP 1.1 billion state-of-the-art float glass production facility, the most technologically advanced factory of its kind in Egypt.

ASEC Ready Mix launches operations at three locations in Upper Egypt.





With US\$ 8.3 billion in investments under control spanning 15 industries and 14 countries, Qalaa Holdings (then Citadel Capital) was the largest private equity player in Africa as independently ranked by Private Equity International in 2010



2010

Qalaa assumes majority interest of **Rift Valley Railways (RVR)** and spearheads a US\$ 287 million turnaround program that sees efficiency improve, accident rates fall and better synchronization of freight and passenger schedules.



A US\$ 2.6 billion debt financing package for the **Egyptian Refining Company (ERC)** is signed.

Nile Cargo takes delivery of the first two custom-designed, environmentally friendly river barge units, constructed by Alexandria Shipyard.



Dina Farms launches new chain of retail stores.

Takamol, a greenfield cement plant located 320 kilometers north of the Sudanese capital of Khartoum, begins operation with a capacity to produce 1.6 million tons of cement per annum (MTPA).

2011

The Board of Directors of the United States Overseas Private Investment Corporation (OPIC) approves a new ten-year, US\$ 150 million financing facility to support Qalaa's investments.

Wafra portfolio company **Sabina** concludes its first commercial wheat harvest in Sudan's White Nile State.

2012

GlassRock Insulation Co., a portfolio company of ASCOM, begins producing the environmentally-friendly insulation material, rockwool, at its US\$ 70 million greenfield facility.



The Egyptian Refining Company achieves financial close on a US\$ 3.7 billion package to construct a greenfield petroleum refining upgrade project in the Greater Cairo Area to address a critical national requirement for infrastructure.

TAQA Arabia announces the start of commercial operations for the first private sector independent power plant (IPP) to be tendered by the Egyptian petrochemicals sector.

Nile Cargo announces the completion of its first anchorage operation with EGP 47 million in purpose-built floating cranes in the Port of Alexandria.

ASEC Minya, a 2.0 MTPA cement plant in Minya, Upper Egypt, begins production.

Dina Farms takes receipt of the second and final herd of 1,000 high-quality pregnant heifers from the United States, bringing the total herd size to 15,000 animals, including 9,000 milking cows.

2013

Qalaa Holdings completes its transformation from a private equity firm to an investment holding company with a focus on investments in infrastructure and industry. The firm also begins the rollout of its new name, moving from Citadel Capital to Qalaa Holdings.

Qalaa Holdings places new emphasis on a more focused strategy that seeks investments in 5 core industries: energy, cement, agri-foods, transportation & logistics, and mining.

RVR announces that it has completed building 73 kilometers of new railway track between Mombasa and Nairobi.

RVR completes the first phase of the rehabilitation of 500 kilometers of track that links Kenya to Tororo in Eastern Uganda and Gulu in the north, ending two decades of disuse and inefficiency.

2014

The National Company for Multimodal Transport (NMT) begins to transport containers via river barges between the Port Said Container Terminal and the Suez Canal Container Terminal.

Dina Farms achieves record raw milk production, north of 200 tons per day.

Management Discussion & Analysis

Qalaa's 2015 results reflect the conclusion of its transformation into a holding company and the prudent clean-up of its financial statements.

Revenues

EGP **8,214.6** mn

vs. EGP 6,452.7 mn in FY14

EBITDA

EGP **847.1** mn

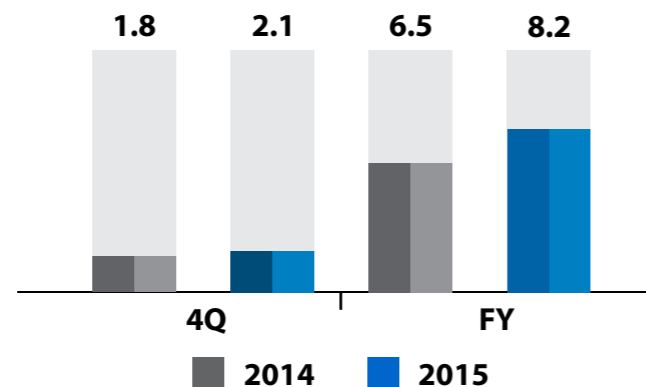
vs. EGP 651.9 mn in FY14

Qalaa reported total adjusted revenues of EGP 8,214.6 million in FY15, up 27% y-o-y compared to the FY14 figure of EGP 6,452.7 million. The company's top-line had been adjusted to include contributions from ASEC Minya, ASEC Ready-Mix (cement) and confectioner Rashidi El-Mizan (agrifoods) — all exited in November 2015 — up until October 2015 for the cement exits and until November 2015 for Rashidi. Qalaa's statutory FY15 revenues booked on the company's consolidated income statement — excluding contributions from sold assets during 2015 — came in at EGP 6,638.9 million.

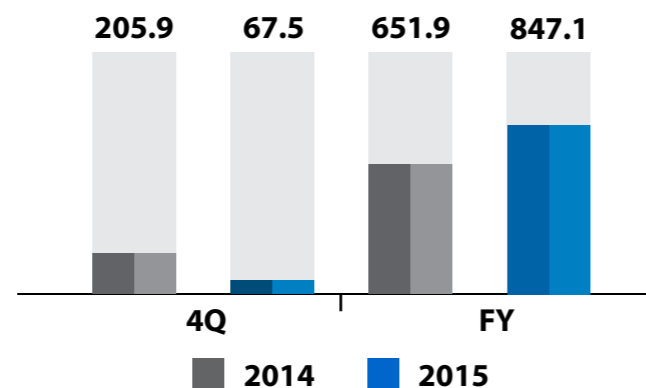
Contributors to adjusted revenues were weighted toward the cement (38% of total revenues) and energy segments (31%). Meanwhile, revenue growth in FY15 was driven primarily by both cement manufacturing arm ASEC Cement and energy distribution business TAQA Arabia, posting a 20% and 28% y-o-y growth, respectively. Qalaa also began the full consolidation of ASCOM in 3Q15, with the latter contributing EGP 325.5 million to Qalaa's top-line for the full year.

Management notes that revenue contribution will shift decisively toward the energy sector going forward following the cement divestment in November 2015 and as ERC, the company's US\$ 3.7 billion greenfield petroleum refining company, begins commercial operations in the second half of 2017. This shift falls in line with the company's stated strategy, of which its key elements include deleveraging at the holding and platform company levels, driven in large part through the divestment of select business units and investment in future growth

Revenue Progression (EGP bn)



EBITDA Progression (EGP mn)



ERC construction site, Mostorod, North Cairo

through the acquisition of additional stakes in key subsidiaries and the shepherding of ERC toward the start of production in 2017.

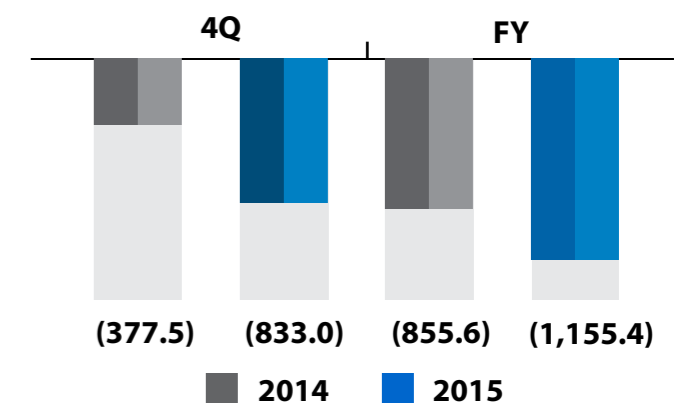
In that regard, Qalaa concluded eight exits in FY15 that generated total proceeds of c. EGP 2,400 million, more than 2.5x the value generated through three exits the previous year. Net gains from these exited investments amounted to EGP 618.3 million of which EGP 528.1 million were generated from the sale of its investments in ASEC Minya, ASEC Ready Mix and Rashidi El-Mizan.

Qalaa's adjusted EBITDA for the year closed at EGP 847.1 million in FY15, against EGP 651.9 million the previous year, and despite missing contributions from divested companies ASEC Minya and ASEC Ready-mix for the months of November and December 2015, and from Rashidi El-Mizan for the month of December 2015. Unadjusted EBITDA, meanwhile, stood at EGP 447.2 million in the same period (excluding contributions from sold assets during 2015).

Below the EBITDA line, results were weighed down by EGP 687 million in non-cash charges from impairments & write-downs booked in 4Q15 as part of the ongoing program to focus on the company's selected subsidiaries in energy and infrastructure. These charges contributed significantly to a net loss of EGP 833.0 million in 4Q15 against revenues in the quarter of EGP 2,129.1 million. Additionally, provisions booked in FY15 stood at EGP 171.4 million, while losses from discontinued operations

Revenue contribution will shift towards the energy sector going forward as the Egyptian Refining Company (ERC) nears completion

Net Profit Progression (EGP mn)



Management Discussion & Analysis (con't)

“

We managed to deliver on our strategy with 2015 having been fundamentally about investment in our future growth through the execution of our divestment program and the investment of substantial management bandwidth in selected holdings

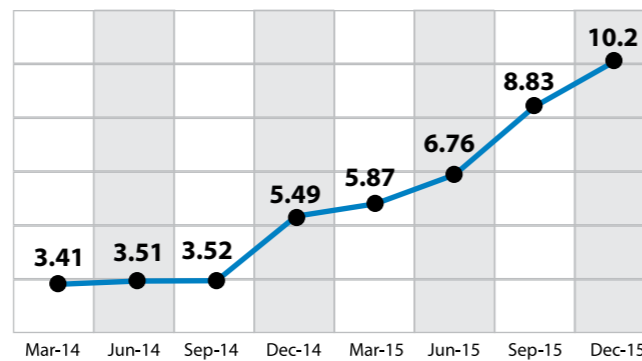
”

came in at EGP 220 million. The aforementioned charges saw Qalaa report a net loss after minority interest of EGP 1,155.4 million for the full year 2015 compared to a net loss of EGP 855.6 million in FY14.

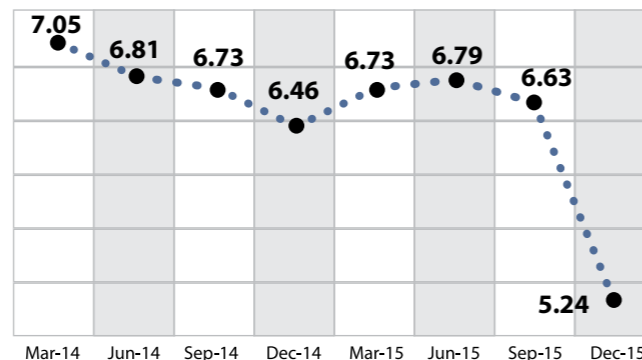
Management views total provisions and write-downs booked during the final quarter of the year as a prudent clean-up that will help restructuring its financial statements and conclude its transformation into a holding company with ongoing operations in energy, transportation & logistics, and mining sectors. A summary of impairments/write-offs booked during the last quarter of the year is as follows:

1. Upstream oil & gas impairments totaling EGP 273 million primarily related to Nile Valley Petroleum Company — an upstream oil & gas asset which holds concessions in both Sudan and South Sudan. The impairment owes to the recent decline in global oil prices and the prolonged tensions in relations between Sudan and South Sudan. Qalaa had previously fully written down its two other upstream investments, namely NOPC and NPC.
2. Impairments booked at the subsidiary level, including ASCOM, ASEC Holding, and United Foundries among others, amounted to c. EGP 51 million and reflect the normal level of impairments at these subsidiaries.
3. Impairment of goodwill and trade name amounting to EGP 263 million primarily relates to ASEC Holding (EGP 107 million) and United Foundries (EGP 128 million). Management opted to take charges on both companies given the recent downturn in the cement sector owing to increased capacity utilization (as energy supply improved market-wide) that put pressure on selling prices

Debt Progression (EGP bn)
ERC



Debt Progression (EGP bn)
Others



and margins. It is worth noting that United Foundries' main business is correlated to the cement sector.
4. EGP 100 million in impairments related to Qalaa's investments in Tanweer, a business unit operating in the media sector, were booked as part of the clean-up process.

Total consolidated debt as at 31 December 2015 (excluding ERC and Rift Valley Railways) fell EGP 1.22 billion from the figure reported at the end of December 2014, owing in large part to the reduction of EGP 968.2 million in debt from ASEC Holding in 4Q15. In total, Qalaa deconsolidated and repaid debt of c. EGP 2.16 billion in FY15, part of which was consolidated on Qalaa's balance sheet and another under discontinued operations (classified as liabilities held for sale on Qalaa's balance sheet), both of which play into the reduction of financial and operational risk.

Deleveraging through the deconsolidation of debt via exits and payments on existing facilities was a key priority of Qalaa Holdings in FY15 and will continue to be a hallmark of the firm's strategy going forward, with a further EGP 260 million already deconsolidated in the first quarter of 2016.

Including RVR and ERC, total bank debt at year's end stood at EGP 17.11 billion compared to the EGP 13.5 billion booked as at December 31, 2014. The increase comes on the back of draw-downs of previously arranged debt for both companies.

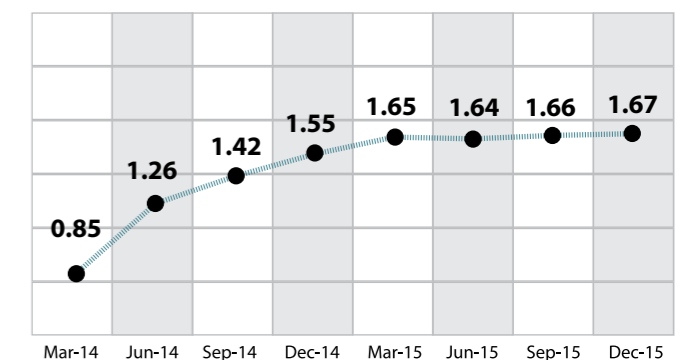
A financial performance snapshot for Qalaa's key subsidiaries follows, with detailed overviews available on pages 46 to 75 of this annual report. Complete financials are available for download on ir.qalaa Holdings.com.

Total Assets

EGP **37,177** mn

vs. EGP 32,415 mn in FY14

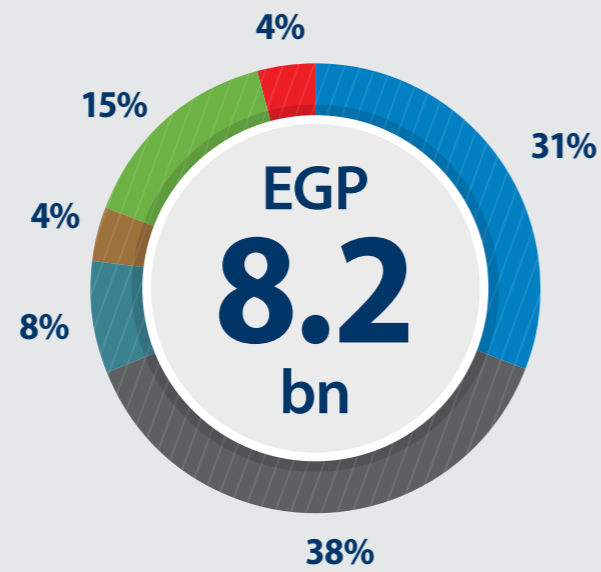
Debt Progression (EGP bn)
Africa Railways



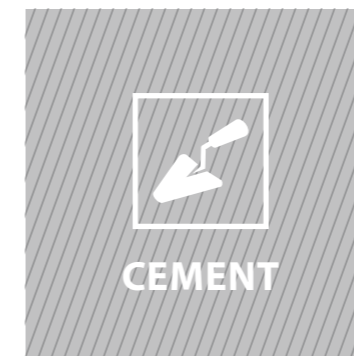
* Detailed overviews of the performance of operational companies in each of Qalaa's key industries follow; complete financials are available for download on ir.qalaa Holdings.com.

2015 Financial Highlights

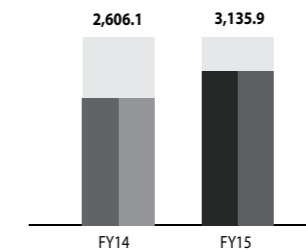
QALAA HOLDINGS CONSOLIDATED REVENUES FY15



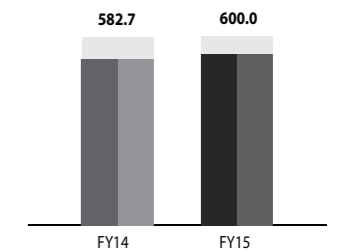
- Energy
- Cement
- Transportation & Logistics
- Mining
- Agrifoods
- Others



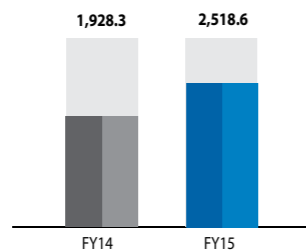
Consolidated Cement Revenues
EGP 3,135.9 mn (FY15)



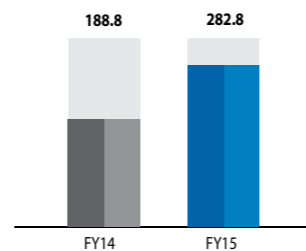
Consolidated Cement EBITDA
EGP 600.0 mn (FY15)



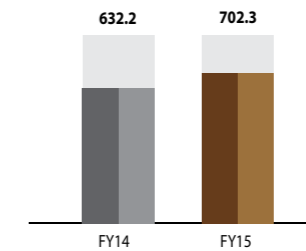
Consolidated Energy Revenues
EGP 2,518.6 mn (FY15)



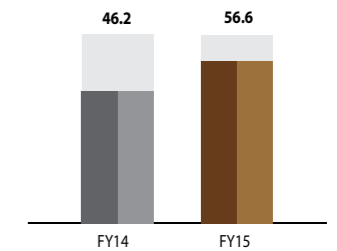
Consolidated Energy EBITDA
EGP 282.8 mn (FY15)



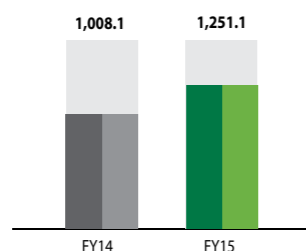
Consolidated Mining Revenues
EGP 702.3 mn (FY15)



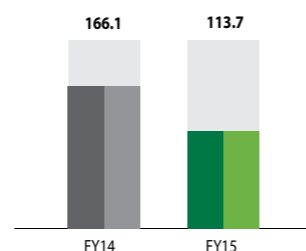
Consolidated Mining EBITDA
EGP 56.6 mn (FY15)



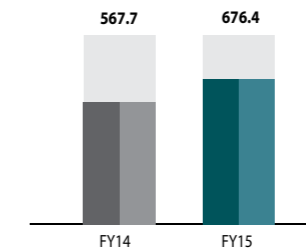
Consolidated Agrifoods Revenues
EGP 1,251.1 mn (FY15)



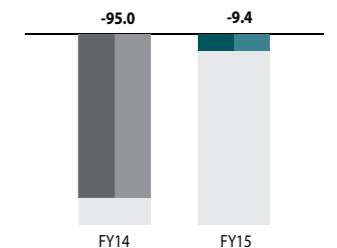
Consolidated Agrifoods EBITDA
EGP 113.7 mn (FY15)



Consolidated Trans. & Logistics Revenues
EGP 676.4 mn (FY15)



Consolidated Trans. & Logistics EBITDA
EGP -9.4 mn (FY15)



* Qalaa Holdings began fully consolidating ASCOM in 3Q15, contributing a total of EGP 325.5 mn in revenues and EGP 51.8 mn to EBITDA for FY15.

Divestment Program Update

In 2015 Qalaa Holdings successfully executed a total of eight exits that generated a total of c. EGP 2.4 billion, more than 2.5x the value generated through three exits the previous year.

Tanmeyah

EGP 450 mn

Tanmeyah, a business that Qalaa built from scratch, was sold to EFG Hermes in a deal that valued 100% of the company at EGP 450 mn

Qalaa Holdings finalized the sale of its entire holding in subsidiary Tanmeyah Microenterprise Services to EFG Hermes in March 2016. The transaction valued 100% of Tanmeyah at EGP 450 mn while Qalaa Holdings held an effective ownership of 70% in the company. Established in 2009, Tanmeyah is Egypt's leading private-sector provider of microfinance solutions, offering financial services to Egypt's large underserved micro- and very-small-enterprise tiers. Tanmeyah had EGP 509 million in loans outstanding to 108,000 active borrowers at the end of 2015 with more than 1,500 employees at 114 branches across Egypt and has served more than 365,000 clients since inception.



EGP 518 mn

Qalaa and Rashidi El-Mizan management innovated the creation of new SKU's and expansions into new markets

El-Misrieen

In December 2015, Qalaa Holdings' agrifoods unit, Gozour, divested its cheese manufacturer, Misr October for Food Industries (El-Misrieen), to a domestic industrial investor at an enterprise value of EGP 50 million. The acquirer assumed all debt, liabilities and obligations of El-Misrieen, including bank debt of c. EGP 16.5 million. Qalaa had previously fully written down the value of its investment in El-Misrieen, which ceased operations in 2012.

Rashidi El-Mizan

In December 2015, Qalaa Holdings' agrifoods unit, Gozour, concluded the sale of its 100% stake in its subsidiary, Rashidi El-Mizan (REM), to Saudi Arabia's Olayan Financing Company and its subsidiaries for a total consideration (equity value) of EGP 518 million. Established in 1889, Rashidi El-Mizan is a front-runner in the halawa and tahina markets in Egypt. While under Qalaa Holding's management, REM innovated the creation of new SKUs, diversified into the jam and tomato paste sector, and expanded its footprint to new export territories.

Misr Glass Manufacturing (MGM) and United Glass Company

In December 2015, Qalaa Holdings reached financial close on the sale of the entirety of its stake in Misr Glass Manufacturing Company (MGM), a leading regional producer and exporter of glass containers, and the entirety of its stake in United Glass Company (UGC) to Middle East Glass Manufacturing Company, at a combined equity value for 100% of both MGM and UGC of c. EGP 828 million. Qalaa Holdings had maintained an effective ownership of 15.2% in MGM and UGC.



Mashreq

In November 2015, Qalaa Holdings' business unit, Mashreq, signed an agreement with the General Authority of the Suez Canal Economic Zone for the transfer of its concession contract. The agreement covers a 210,000 square meter plot of land in East Port Said that had been awarded to Mashreq for the construction on a build-operate-transfer basis of a liquid bulk terminal at East Port Said, the first tank terminal and logistics hub of its kind in the region. During the time Mashreq held the concession, the project was planned out and developed to a point where it can now be built out rapidly. The parties have agreed that the concession's transfer will see the Authority repay all costs incurred by Mashreq related to the development, with the latter handing over the concession's land and all associated designs.

ASEC Minya ASEC Ready Mix

In November 2015, Qalaa Holdings' business unit, ASEC Cement, concluded the c. EGP 1 billion sale of its stakes in subsidiaries ASEC Minya Cement and ASEC Ready Mix to Misr Cement Qena. ASEC Minya Cement is an Egyptian cement producer located in Upper Egypt. It began commercial operations in August 2013 with a capacity of 2.0 million tons per annum. ASEC Ready Mix is a producer and distributor of ready-mix concrete, operating six batch plants in Upper Egypt. Both ASEC Minya and ASEC Ready Mix have established themselves as critical players in the vital Upper Egyptian market. At the time of sale, ASEC Cement held 46.5% of ASEC Minya Cement and 55% of ASEC Ready Mix.



Misr Qena

In the second quarter of 2015, Qalaa concluded the sale of its 27.5% stake in Misr Cement Qena, a publicly traded cement company in Egypt, which resulted in a gain from sale of investment equivalent to EGP 101 million. The transaction also saw proceeds being utilized to deleverage at the ASEC Cement level, with debt reduced by EGP 365 million.

Pharos

In February 2015, Qalaa exited its full 80% stake in leading national investment bank Pharos Holding in a deal valuing 100% of the company at c. EGP 40 million. The sale was made to a group of investors led by Pharos' chairman and founder, Dr. Mohamed Taymour. Pharos grew to a top-five broker and a leading advisory, asset management, research, private equity and bookkeeping firm during the period of Qalaa's investment. The Sale and Purchase Agreement (SPA), which was executed through Qalaa Holdings subsidiary Finance Unlimited, covers the sale of 100% of shares owned directly and indirectly by Qalaa Holdings in the share capital of Pharos (representing 80% of Pharos' issued capital).

2015 Milestones

January 2015

Qalaa Holdings sponsors the **Egyptian-Kenyan Business Forum**. Held in conjunction with the sixth round of the Kenyan-Egyptian Joint Committee Conference, the sponsorship is in keeping with Qalaa's commitment to nurturing stronger ties between Egypt and its continental partners.



Ahmed Heikal, Chairman and Founder of Qalaa Holdings, and Hisham El-Khazindar, Co-Founder and Managing Director, were part of the Egyptian private sector delegation at the **2015 WEF's annual meeting in Davos**. Heikal spoke at a dinner session headlined "Shaping Egypt's Economic Transformation," at which Egyptian President Abdel Fattah El-Sisi gave a keynote speech outlining Egypt's economic roadmap and his 2020 vision for the Egyptian economy.

February 2015

Qalaa Holdings divests its full 80% ownership in **Pharos Holding**, in a deal valuing 100% of Pharos at c. EGP 40 million. During the period of QH's investment, Pharos grew to top-five broker and a leading advisory, asset management, research, and private equity firm.

Qalaa Holdings board of directors approves **EGP 1.7 billion capital increase**, raising the current paid-in-capital to EGP 9.7 billion from EGP 8 billion. Under the proposed increase Qalaa anticipates issuing up to an additional 340 million shares.



March 2015



ASEC Engineering and Management, the leading cement plant O&M service provider in Egypt and the MENA region, signs a contract with Ethiopia's National Cement Share Company to provide full technical assistance for the operation and maintenance of a cement plant with a production capacity of one million tons of clinker per annum. The one-year contract is renewable for a five-year term.



The **Egyptian Economic Development Conference (EEDC)** showcased Qalaa Holdings' **Egyptian Refining Company (ERC)**, a fully funded US\$ 3.7 billion project and Egypt's largest in-progress private-sector megaproject, in Sharm El-Sheikh. The project was lauded as a model for what a 'win-win' industrial public-private partnership should look like. Qalaa Chairman and Founder, Ahmed Heikal also joined industry leaders as well as Egypt's ministers of petroleum and of energy and electricity to discuss Egypt's energy future.

Qalaa Holding's celebrates the graduation of the inaugural class of a Professional Diploma for the Cement Industry. The program is a collaborative effort between **ASEC Engineering** and the American University in Cairo's Engineering and Sciences Services Department offering a comprehensive academic and practical education in the field of cement engineering and management, and is comprised of three specializations: Specialized Maintenance for Cement plants, Operation & Production Engineering, and Testing & Quality Control.

As part of the company's commitment to Africa and the betterment of the communities in which it operates, Qalaa Holdings reinforces African cultural connections across the continent as the proud sponsor of the **4th Annual Luxor African Film Festival**.



2015 Milestones (cont'd)

June 2015

The **Qalaa Holdings Scholarship Foundation (QHSF)** announces its ninth annual class of scholarship recipients in a ceremony attended by the Minister of Social Solidarity bringing the total number of scholarships awarded to 138.



Qalaa signs a set of agreements with **Financial Holdings International (FHI)**, one of its major coinvestors, through which Qalaa will acquire additional stakes in subsidiaries that are core to Qalaa's future as a holding company: ASEC Holding (cement), TAQA Arabia and Mashreq (energy), Nile Logistics (transportation), Dina Farms Supermarkets (food retail chain), and United Foundries (metallurgy), from FHI. Qalaa agrees to simultaneously sell its holdings in multiple non-core business units to FHI, including MENA Homes, Grandview, and Dina Farms Land Companies.

September 2015

Qalaa Holdings successfully convenes an event to discuss the future of trade between East Africa and Egypt, introducing **Rift Valley Railways (RVR)** to members of the Egyptian business community at the Federation of Egyptian Industries. The event sets the groundwork to stimulate significant improvement in bilateral trade between Egypt and the countries of East Africa.

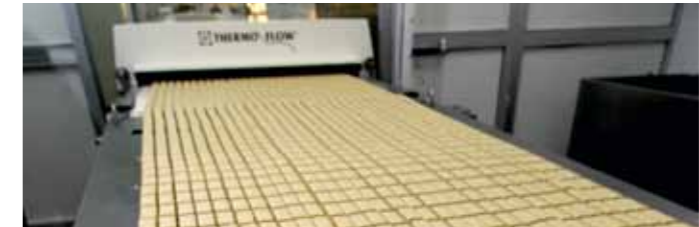


October 2015

An active member of the UNGC, Qalaa Holdings' sustainability program receives global awards and recognition. **World Finance Magazine** names Qalaa's governance framework as the best in Egypt in its 2015 corporate governance awards program and **Corporate Live Wire** recognizes Qalaa's innovation by awarding it the Most Outstanding Investment Firm at the Egypt Innovation & Excellence Awards for 2015.



November 2015



Qalaa Holdings sells its stakes in cement subsidiaries **ASEC Minya Cement** and **ASEC Ready Mix** to Misr Cement Qena for c. EGP 1 billion, implying a value of c. EGP 2.1 billion for a 100% stake in both companies.



Qalaa Holdings' business unit, Gozour, sells 100% of confectioner, **Rashidi El-Mizan** to Saudi Arabia's Olayan Financing Company for a total consideration (equity value) of EGP 518 million. A further EGP 237 million in debt was deconsolidated from Qalaa's consolidated financial statement as a result of the transaction.

December 2015

Gozour signs SPA's to divest **Rashidi El-Mizan** assets in Sudan and El-Misrieen in Egypt for enterprise values of US\$ 4.3 million and EGP 50 million respectively; transactions expected to reconsolidate of a total EGP 20 million in debt from Gozour's balance sheet as Qalaa continues to divest non-core units and focus on growth of proven winners instead.

Qalaa Holdings exits **Misr Glass Manufacturing (MGM)** and **United Glass Company** at an equity value of c. EGP 828 million. The exit helps accelerate progress on Qalaa's strategy to deleverage at the holding and platform company levels.



Leading By Example to Invest Responsibly & Create Inclusive Growth

For the past 10 years Qalaa has been leading by example to invest responsibly and drive sustainable economic growth in Egypt and the region.

US\$ **+60** mn

contributed to community development programs since 2004

Qalaa Holdings' sustainable investments in a diverse array of sectors have had a significant impact on the economies of the region over the years. Our operations in critical sectors like energy and infrastructure not only support national economies, but also have a demonstrable impact on local communities by supporting job creation and meeting the demand for critical goods and services. While we continue to evolve and refine our investment focus even further, we recognize that the successful and responsible operation of our businesses contributes not only to our own growth and sustainability, but to that of the countries, economies, and communities in which we engage.

Moving Beyond Basic Compliance

Qalaa Holdings became a member of the UNGC, the world's largest voluntary corporate social responsibility initiative with over 12,000 businesses and non-business participants from 145 countries, in October 2014. As an active member of the UNGC, Qalaa has worked to align its sustainability program and corporate governance framework with a responsible investment philosophy that reflects the UNGC's Ten Principles in the areas of human rights, labor, environment, and anti-corruption.

All members of the UNGC are required to deliver an annual sustainability report that outlines the impact of business practices on critical sustainability issues. In 2015, Qalaa achieved a significant milestone with the issuance of its first comprehensive Sustainability Report and was the first Egyptian company to receive an A-grade rating from the Global Reporting Initiative (GRI)

US\$ **100,000**

contributed by Africa Railways to management training program

on its first report. The prestigious recognition was a testament to the company's commitment to transparency within all aspects of its operations.

In a further recognition of our commitment to sustainability and responsible investing, Qalaa Holdings was also named a founding member of the UN Global Compact Network Egypt, an independent foundation that functions as the local operations center for the UN Global Compact Network (UNGC) and a hub to create awareness and capacity-building to help stakeholders build sustainable business and comply with international best practices in Egypt.

Since we started a decade ago all the way through to where we stand today, we have made the principles of sustainability, inclusivity, stewardship, and innovation central to our growth as an institution

“

At Qalaa we believe that the private sector's ability to grow and generate profits is directly linked to the existence of a stable and prosperous society and thus there is tremendous overlap between the interests of the public and private sectors

”



US\$ **30,000**

annually donated to cover operating costs for the QHFSC

+151

scholarships awarded since 2007

Our Key Sustainability Initiatives

Our sustainability initiatives are firmly rooted within six distinct but interrelated pillars: education, vocational training, human capital development, community engagement, community development, and environmental sustainability. These pillars embody our company's core values and the vision that our executive management has for the company and the countries of the region in which we operate.



A Focus on Education

Qalaa Holdings Scholarship Foundation

Every year since 2007 the Qalaa Holdings Scholarship Foundation (QHSF) has been giving 15-20 of Egypt's brightest students the chance to pursue graduate studies abroad at leading global universities in the U.S. and Europe. By providing youth from cities throughout Egypt with opportunities we are enabling them to make a positive impact on the economic and social well-being of the country.

QHSF was founded by Qalaa Holdings (formerly Citadel Capital) in 2007 as a part of the company's commitment to education and human capital development in Egypt and across the region. To ensure the program's continuity, we established an endowment to fund the activities of the foundation. Today, QHSF has grown to become the largest private sector funded scholarship program in Egypt.

Total Scholarships

151

since 2007 & counting

Thus far the foundation has granted 138 academic scholarships to talented students who are interested in pursuing Master's degrees and PhD's at international universities worldwide, and if we include our newest 2016 class of scholarship recipients that will be announced at our 10th anniversary celebration in June, we will have proudly awarded more than c. 150 scholarships.

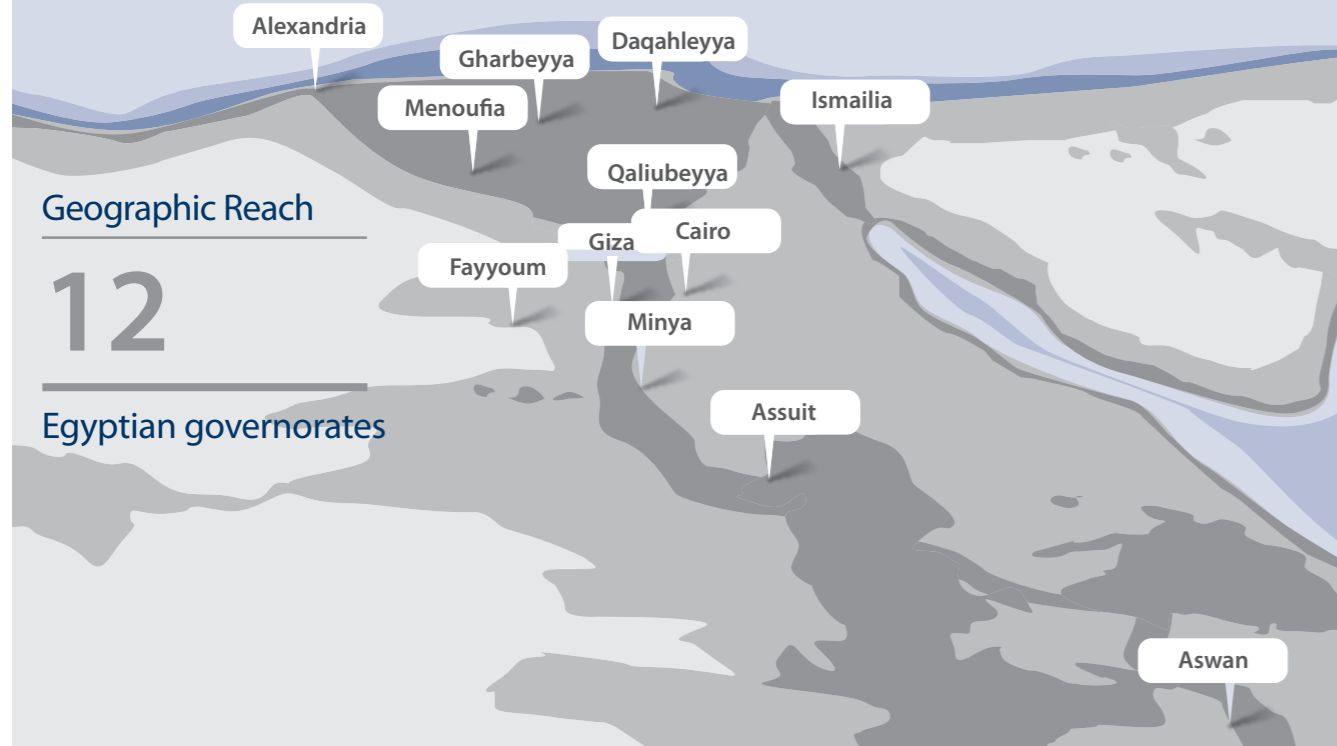


QHSF is an extension of our belief that the private sector must help lead positive change; by investing in the graduate education of Egypt's brightest young scholars over the past 10 years, we are investing in the future development of the country

Ahmed Heikal
Chairman and Founder,
Qalaa Holdings

Hisham El-Khazindar
Co-Founder and Managing Director,
Qalaa Holdings

Our scholars represent a diverse cross-section of Egyptian society



The Qalaa Holdings Financial Service Center (QHSC) at AUC

In November 2006, Qalaa Holdings Donated US\$ 250,000 to establish the Qalaa Holdings Financial Service Center (QHSC) at the American university in Cairo (AUC) — the first institution in the Middle East dedicated to providing

financial and analytical education to prepare students for careers in securities trading, risk management, and asset allocation. In the years since, Qalaa Holdings has donated a further US\$ 30,000 annually to cover operating costs.

Vocational Training

The Egyptian Refining Company (ERC), our US\$ 3.7 billion refinery in Egypt, has been providing vocational training opportunities for the members of the local community through purpose-built community centers since 2008. Thus far, 950 members of the community, 215 of which are women, have been trained as welders, pipe fitters, electricians, mechanics, cell phone maintenance providers, computer technicians, and seamstresses.

ERC has been carrying out a community needs assessment and stakeholder mapping to be able to design strategic and culturally appropriate interventions. ERC views the building of strong relationships with neighboring communities as a long-term effort which will be ongoing throughout the construction phase which now stands at more than 80% completion and into the operational phase of the project.

Human Capital Development

In essence, all of our responsible investing initiatives fall under the umbrella of human capital development. We strive to develop human capital across our footprint, from our scholarship foundation in Egypt which supports Egypt’s new generation of leaders, to our management training project carried out through Rift Valley Railways in Kenya and Uganda. The management of Qalaa Holdings firmly believes that bridging the knowledge gaps that currently exist in our region will require multiple initiatives. Whether it’s the awarding of post-graduate scholarships, vocational training or mentorship programs championed by our own executives and employees, our ultimate goal is to grow the talent pool and unlock the hidden potential within the economies of our region.

Qalaa has recently entered into a new initiative in partnership with USAID, five public universities in Egypt, and other private sector players to provide disadvantaged youth



Sudanese girl in refurbished Wafra school

from 27 governorates across Egypt with new opportunities in higher education. The program, which will target 387 students in its first year, will grant undergraduate merit-based scholarships and mentorship services (c. 900 hours of training per student) to students from underprivileged and underserved communities.

The program also offers over 250 recipients the opportunity to study in the United States for a semester abroad experience. Qalaa Holdings’ participation in the program involves the delivery of in-house and on-campus guest lectures, opportunities for one-on-one interaction with Qalaa employees, and opening its doors for students to visit the sites and offices of Qalaa and its subsidiaries.

Community Engagement

In addition to the 1,000+ employees in our African transportation unit, Rift Valley Railways (RVR), the national railway of Kenya and

Uganda, the company has helped create jobs for SMEs along the railway line through its linkages program, providing income for an additional 2000 families in Kenya and Uganda.

With the skills gained from the partnership between RVR and its technical strategic partner, ALL, local RVR staff are now transferring the same skills to others and helping to build more local capacity to run a state-of-the-art railway. Through RVR’s highly-successful Management Trainee Development Program, young Kenyans and Ugandans are developing the hands-on skills needed to lead the railway to the highest international standards; 39 students have graduated from the program thus far. Additionally, 30 RVR drivers have graduated from a specially designed 18-month training course, which involves practice on a US\$ 891,000 train-driving simulator.

Improving employee safety continues to be a top priority for RVR. The company won the IOSH Railway Group’s International Award for reducing the number of on the



job injuries to workers on duty in RVR's Nairobi office by 90%. The prestigious recognition was the culmination of a two-year program designed to effect simple but important changes in working procedures based on the '5S' methodology: sorting, setting in order, shining, standardizing, and sustaining.



Community Development

Since 2008, a dedicated team of trained specialists, the Egyptian Refining Company's (ERC) Community Relations Team, has worked hand in hand with stakeholders including local NGOs, community development associations, youth centers, cultural centers, public figures and community leaders to assess and fulfill community needs. The team has also partnered with domestic and international development agencies to capitalize on available competencies and maximize the results of their efforts. The outcome has been a series of sustainable, high-impact initiatives in the areas of education, employment, vocational training, health, recycling, sustainability, women's empowerment and poverty eradication strategies. ERC's team conducts job-matching activities, refurbishes area employment centers, and conducts workshops for local youth focused on soft and technical skills. They have also developed a program that awards grants to help youth start their own small enterprises and trains women in management and leadership skills.

School Refurbishment

ERC began addressing the problem of poorly maintained public schools in 2012 with projects to refurbish dilapidated, unsafe buildings and schoolyards. The company has thus far invested in upgrading facilities in three neighboring schools. Upgrades include the installation of safer staircases and functional classrooms with new light fixtures,

desks, chairs and fans. More than 8,500 students now enjoy a more conducive learning environment as a result of the refurbishments.

Women's Empowerment

In cooperation with Save the Children and two local NGOs, ERC has been involved in training women in the community on how to start and run small businesses to help support themselves and their families. Twenty-two projects started by females have thus far been awarded start-up grants.

Youth Initiatives

In cooperation with the Ain Shams Youth Center, ERC completed refurbishments at a local youth center with the capacity to accommodate 6000-7000 people. Capacity-building sessions were offered to 25 youth leaders who will create and conduct cultural activities and sporting events such as football tournaments in the centers.

Environmental Sustainability



Promoting Green Investment

Efficient design and cleaner production are part of the operational added-value that we introduce to our investments. Qalaa Holdings is one of the leading promoters of environmental sustainability through its investments in core industries, from energy and waste management to transportation and the production of environmentally friendly building materials.

The Egyptian Refining Company (ERC)

Our US\$ 3.7 billion second stage oil refinery in the greater Cairo area, will be filling the supply gap for high value Euro-V Diesel (the cleanest fuel of its type in the world). ERC's feedstock is fuel oil, which is currently consumed as fuel. The



Qalaa has put environmental principles at the heart of its investments, including the Egyptian Refining Company, which will cut the nation's sulfur emissions by nearly a third, Tawazon, a waste management company that recycles and turns waste into energy, and Nile Logistics, which is relieving pressure on Egypt's roads by using more fuel-efficient byways on the Nile River



refining process to produce lighter products such as diesel removes sulfur from the fuel oil. ERC will thus prevent the release of 93,000 tons of sulfur that are currently being emitted into the air, representing a reduction of 186,000 tons in annual SO₂ emissions. This equates to a 29.1% reduction in the total amount of SO₂ currently emitted in Egypt from the burning of sulfur-containing fuels such as fuel oil and diesel.

GlassRock

Insulation, a portfolio company of ASCOM, our subsidiary company for investment in the mining sector, is now producing thermal, acoustic and fireproof insulation materials from its US\$ 70 million greenfield facility in Egypt, and TAQA Power, a division of our energy subsidiary, TAQA Arabia, is investing in renewable energy with solar and wind projects.

Tawazon

Our subsidiary for investment in the solid waste management industry, has been providing biomass and RDF as alternative fuels to heavy energy consumers such as cement factories for the past five years. In 2015, Tawazon signed a five-year contract to supply an Ethiopian cement company with a waste to thermal energy solution. As stipulated by the agreement between the two companies, Tawazon's subsidiary, ECARU, will be the technology and service provider responsible for collecting, transporting and processing local biomass that will be converted to environmentally-friendly alternative solid fuel. ECARU has also signed an MOU with East Africa Mining (EAM) of Ethiopia to establish a joint venture company dedicated to biomass management and alternative solid fuels. The new company will supply alternative solid fuel as source of energy for power generation to replace fossil fuels (coal) for cement companies in Ethiopia and its neighboring countries.



Governance and Accountability

Qalaa Holdings' governance structure has evolved significantly over the past 10 years as the company transitioned from a two-person partnership to Africa's leading private equity firm with 19 platform companies and finally to its current structure as an investment holding company with a narrower focus and a smaller number of subsidiaries.

Managing Change

Throughout Qalaa's 10-year journey, maintaining good governance has been critical in seeing us through the volatility of our markets and helping us build sustainable businesses in multiple countries throughout the region.

We pride ourselves on a long standing tradition of having a board of directors dominated by a majority of non-executives. In 2015, the company continued along its path to strengthen the governance function to support sustainable growth, enhance risk management, and maximize efficiency at Qalaa Holdings and across all subsidiary companies. This determined approach to governance has progressively regulated a wide range of practices at Qalaa Holdings and its subsidiary companies, ranging from risk assessment framework, anti-fraud and financial reporting policies to the manner in which management interacts with shareholders and the creation of shareholder value across our subsidiaries.

Institutionalizing the corporate governance processes is an ongoing, long-term objective across all our platform companies. Equally important are the principles of fairness, openness, and transparency which we have worked diligently to instill as part of our corporate culture.

An interdisciplinary approach to governance incorporates Qalaa Holdings' management, industry platform teams, and the senior management of subsidiary companies by way of formal quarterly meetings through the management boards. These management boards also convene on an as-needed basis.

This quarterly cycle of meetings and reviews, culminating in the meeting of Qalaa Holdings' audit committee and board, ensures a rigorous process of participation by a wide cross section of executives from Qalaa Holdings and its subsidiary companies.

Qalaa Holdings engages the services of only the most reputable audit firms for both ongoing statutory audits and due diligence for all subsidiaries. Strict internal controls and reporting standards are a cornerstone of the governance principles at Qalaa and its subsidiaries. Financial and operational reports are transparent to all parties with a vested interest — from management and board members to shareholders.

Qalaa believes that high-quality governance is a fundamental enabler of superior corporate performance. The components of effective governance reduce risk, identify internal and external threats, and assist in capturing profitable business opportunities. Qalaa Holdings' governance principles align the interests of management, shareholders, the board of directors, and subsidiaries, facilitating well-informed decisions.

Qalaa Holdings has completed a process of institutionalization that began in 2013 at both the Qalaa and subsidiary levels. The comprehensive program included the refinement and improvement of all systems, policies, and procedures that management needs to support and grow the business.

New policy documents were developed in parallel with the refinement of existing charters such as the audit committee and compensation committee. Developed



Ahmed Heikal

Chairman of the Board Representing
Citadel Capital Partners LTD

Our approach to governance ensures sustainable growth, enhanced risk management, and maximized efficiency across all our subsidiaries

policies that are now being implemented include the risk assessment framework, in addition to the anti-fraud and insider trading policies. In addition, audit committees modeled on the Qalaa Holdings' audit committee charter have been established for all major subsidiary companies, where the members of the audit committees are independent of the company's management.

Qalaa Holdings' **Internal Audit** represents a key element in its corporate governance framework, with a mission to add value and improve Qalaa Holdings' overall operations by providing relevant, timely, independent, and objective assurance and advisory activities.

The Internal Audit team assists the organization in accomplishing its objectives by using a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance process which provides Qalaa Holdings' stakeholders with reasonable assurance over the groups' operations and strengthens the firm's ability to maximize stakeholder value.

Qalaa Holdings' Internal Audit function is an independent function with functional reporting lines to the audit committee and administrative reporting lines to the chairman and chief executive officer.

With a zero-tolerance approach to fraud, the Internal Audit function has implemented an **Anti-Fraud Policy** to promote consistent corporate integrity, honesty, and ethical behavior within Qalaa and its subsidiaries. This approach helps the firm to protect the organization's as-

sets, reputation, and employees. The Anti-Fraud Policy was reinforced by availing an anonymous **whistle-blowing channel** to receive information from inside and outside the company on the Qalaa Holdings website

Qalaa Holdings believes in continuously promoting and empowering the control environment within the company. Accordingly, the Internal Audit function has developed a **Risk Assessment Framework** to be followed throughout the organization. Risk Assessment contributes to the effective and efficient demonstrable achievement of objectives and the improvement of performance on multiple fronts. Qalaa's Internal Audit strives to ensure the presence of the Internal Audit function across all platforms, in its capacity to oversee, monitor and guide, advise, and administer its platform.

The principles of fairness, openness, and transparency are important components of our corporate culture at both the holding and subsidiary company levels

Executive Board Members



Ahmed Heikal
Chairman Representing Citadel Capital Partners LTD



Hisham El-Khazindar
Co-Founder and Managing Director Representing Citadel Capital Partners LTD



Karim Sadek
Managing Director, Head of Transportation & Logistics



Yaser M. Gamali
Managing Director, Head of Governance



Amr El-Garhy*
Board Member Representing Citadel Capital Partners LTD



Moataz Farouk
Board Member Representing Citadel Capital Partners LTD



Non-Executive Board Members

Magdy El-Desouky
Board Member, Representing Citadel Capital Partners LTD

Philip Blair Dundas, Jr.
Board Member

Robert Wages*
Board Member

Ragheed Najeeb Shanti
Board Member

Osama Hafez
Board Member, Representing Olayan

Qalaa Holdings' Board of Directors provides management with oversight and a solid regional perspective and now includes six non-executive board members nominated by the shareholders

* Stepped down as of 2016



Qalaa Holdings' governance principles align the interests of management, shareholders, the board of directors, and subsidiaries, facilitating well-informed decisions

Hisham El-Khazindar
Co-Founder and Managing Director Representing Citadel Capital Partners LTD

Finance & Investment Committee

The Finance & Investment Committee convenes on a quarterly basis, or more frequently if needed, and is responsible for reviewing and recommending capital raisings (debt and equity) and allocation across subsidiary companies. All acquisitions are approved by the Finance & Investment Committee.

Ahmed Heikal
Chairman & Founder

Hisham El-Khazindar
Co-Founder & Managing Director

Karim Sadek
Board Member, Representing Citadel Capital Partners LTD

Amr El-Garhy*
Managing Director, Head of Agrifoods and Corporate Finance & Investment Review Function

Tarek Salah
Managing Director, Head of Cement

Alaa El-Affi
Managing Director, Head of Mining

Moataz Farouk
Chief Financial Officer

Yaser M. Gamali
Managing Director, Head of Governance

Mohamed Abdellah
Managing Director

Abdalla El-Ebiary
Managing Director

Karim Badr
Managing Director

Amr M. El-Kadi
Head of IR & Risk Management

* Stepped down as of 2016



Moutaz Farouk
Chief Financial Officer

“
Strict internal controls and reporting standards are a cornerstone of our governance principles at Qalaa Holdings and our subsidiaries
”

Management Board

The management board convenes on a quarterly basis, or more frequently if needed, and is responsible for reviewing, amending, and endorsing the subsidiary companies' financial performance and overall strategy. Attendance by the Finance & Investment Committee is welcomed.

Ahmed Heikal
Chairman & Founder

Hisham El-Khazindar
Co-Founder & Managing Director

Karim Sadek
Managing Director, Head of Transportation & Logistics

Amr El-Garhy*
Managing Director, Head of Agrifoods and Corporate Finance & Investment Review Function

Tarek Salah
Managing Director, Head of Cement

Alaa El-Affi
Managing Director, Head of Mining

Moutaz Farouk
Chief Financial Officer

Yaser M. Gamali
Managing Director, Head of Governance

Abdalla El-Ebiary
Managing Director

Karim Badr
Managing Director

Audit Committee

Philip Dundas
Chairman of the Committee

Osama Hafez
Committee Member

Magdy El-Desouky
Committee Member

* Stepped down as of 2016



Yaser M. Gamali
Managing Director, Head of Governance

“
Good governance is not just about obeying the letter of the law, but also about institutionalizing processes coupled with principles of fairness and transparency
”

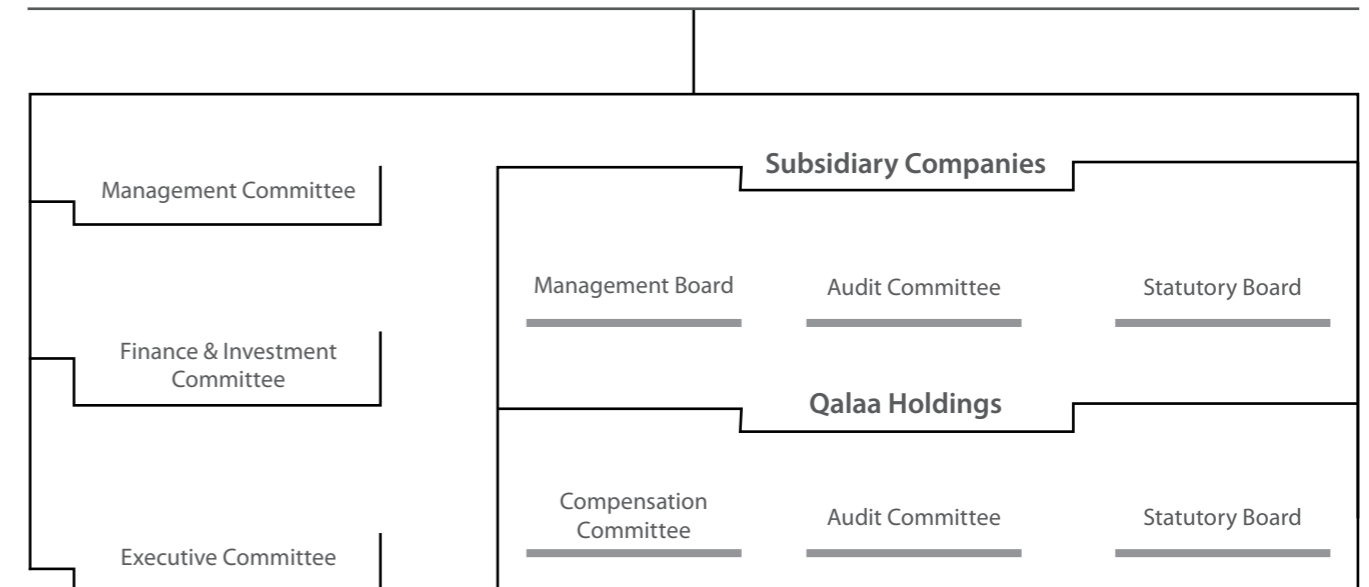
Compensation Committee

Philip Dundas
Chairman of the Committee

Osama Hafez
Committee Member

Magdy El-Desouky
Committee Member

Qalaa Holdings Management



Management Committee

Our Management Committee is a monthly forum that engages a wider management team of Qalaa Holdings to review market developments and progress on corporate initiatives at Qalaa Holdings and its subsidiaries.



Ahmed Heikal
Chairman & Founder



Hisham El-Khazindar
Co-Founder & Managing Director



Karim Sadek
Managing Director, Head of Transportation & Logistics



Amr El-Garhy*
Managing Director, Corporate Finance & Investment Review Function



Tarek Salah
Managing Director, Head of Cement



Alaa El-Affi
Managing Director, Head of Mining



Moataz Farouk
Chief Financial Officer



Yaser M. Gamali
Managing Director, Head of Governance



Mohamed Abdellah
Managing Director



Khaled Badawi
Managing Director



Karim Badr
Managing Director



Abdalla El-Ebiary
Managing Director



Alaa El-Fas
Managing Director



Ahmed El-Sharkawy
Managing Director



Mostafa Sowelem
Managing Director



Raouf Tawfik
Managing Director



Ahmed Abdel-Sattar
Group Chief Information Officer



Rami Barsoum
Head of Information Technology



Hazem Dakroury
Head of Government Relations



Ghada Hammouda
CMO & Head of Marketing Communications



Tarek Hassan
Head of Legal Department



Amr M. El-Kadi
Head of IR & Risk Management



Yasmin Al-Gharbawie
General Counsel



Shady Raphael
Head of Internal Audit



Ihab Rizk
Head of Human Resources



Mohsen Mansour
Principal

* Stepped down as of 2016

Subsidiary Management Teams



ENERGY



Khaled Abubakr
Taqa Arabia - Executive Chairman



Pakinam Kafafi
Taqa Arabia - CEO



Mohamed Saad
ERC - Managing Director



Hisham Sherif
Tawazon - CEO



TRANSPORTATION & LOGISTICS



Maged Farag
Nile Logistics - Chairman of the National Co for Multimodal Transport



Titus Naikuni
Rift Valley Railways - Chairman



Tarek El-Gammal
ASEC Cement - CEO



Ashraf Abousen
ASEC Cement - CFO



CEMENT



AGRIFOODS



Tamer Hassan
Dina Farms - Managing Director, Agricultural Sector



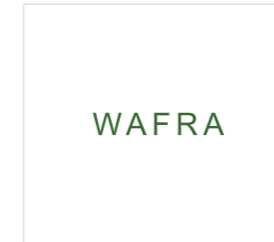
George Fouad
Dina Farms - General Manager, Retail Company



Dr. Mohamed Waer
Dina Farms - Managing Director, Livestock



Hassan Mokhtar
Managing Director



Sherif Ibrahim
Sabina - CFO



MINING



Fayez Gress
ASCOM - CEO & Executive Chairman



MICROFINANCE



Amro Abouesh
Tanmeyah - Chairman & CEO

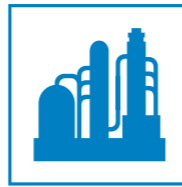


Amr Abou El-Azm
Tanmeyah - Deputy Chairman & CEO

Qalaa Holdings Investments



TAQA Arabia



ENERGY



TAQA Arabia workers on-site






Overview of Taqa Arabia

TAQA Arabia is Qalaa Holdings' primary operational investment in Egypt's vital energy sector. Qalaa initially invested in TAQA in June 2006 in the belief that rapid industrial growth in Egypt and the region would provide an opportunity for private sector players to satisfy unmet industrial demand for energy. We also had the foresight to predict that governments would inevitably have to de-regulate their energy sectors giving ample opportunities for an aggressive, experienced, and well-financed group like TAQA to become a market leader.

Ten years later we have been proven right. TAQA Arabia today stands as Egypt's largest private sector energy distribution company, with more than 18 years of experience investing and operating energy infrastructure including gas transmission and distribution, power generation and distribution, and the marketing of petroleum products. And this is just the beginning. The company has recently taken solid steps to invest in alternative energy including wind and solar power projects to help meet Egypt's growing energy needs after the government announced the introduction of new feed-in tariffs for renewable energy.

Our investment in TAQA Arabia underscores our commitment to developing large, nationally important infrastructure and energy projects that are cornerstones of Egypt's energy security and economic growth

 <p>Key Management: Khaled Abubakr <i>Executive Chairman</i> Pakinam Kafafi <i>Chief Executive Officer</i> Peter Mofeed <i>Chief Financial Officer</i></p>	 <p>QH Ownership: 62.5%</p>	 <p>Footprint: Egypt, Libya, Jordan, Qatar, UAE</p>
--	--	---

TAQA Arabia provides services through four arms:

Gas Distribution (residential, commercial, and industrial)

- TAQA Arabia is the largest natural gas distributor in Egypt, with long-term concessions covering 11 Egyptian governorates. TAQA Arabia has a large downstream natural gas engineering and construction division, handling work for the group's distribution arms as well as private and public sector third parties in Egypt and the MENA region.

Power Generation and Distribution

- TAQA Arabia is the leading integrated private sector power player in the Egyptian market with engineering, development, generation, and distribution operations along the power value chain. TAQA's power arm finances, designs, constructs, operates and maintains low, medium and high-voltage power plants and distribution networks for the oil and gas, industrial, residential, commercial, and tourism sectors in Egypt. TAQA Power is also the first private sector company in Egypt licensed to distribute power in an industrial zone.

Fuels Marketing and Distribution

- TAQA Arabia is the first local private sector player that sells refined petroleum products and fuel oil to retail, industrial, and wholesale customers with a focus on under-penetrated areas with a favorable competitive landscape. Additionally, TAQA Marketing also operates a network of stations to convert and fuel vehicles with compressed natural gas.

Engineering, Procurement and Construction

- This business unit incorporates the company's engineering, procurement and construction services to ensure that TAQA Arabia is able to serve new markets and clients through its subsidiaries and others. The E.P.C arm acts as a feeder industry to the remaining arms and is responsible for designing and building pipeline connections as well as connecting customers and clients to the national grid.



1 million households, industrial, and commercial clients will be connected to the natural gas network by TAQA Arabia by the end of 2016, making it the largest private sector gas distributor in Egypt



11

TAQA has presence in 11 Egyptian governorates

US\$ 150 mn

investments in developing solar energy

42

TAQA filling stations in Egypt

723,000

clients connected to the gas grid

2015 Operational Update

- Obtained EGAS approval to construct a new gas network in the city of Beni Sueif.
- In final stages of negotiations with several touristic developments to construct their main feed-in gas line.
- Awarded a 3-year distribution O&M contract for Emaar Misr's Uptown Cairo development – one of the largest residential real estate development projects in Egypt.
- Plans underway to build two solar farms with a generation capacity of 50 MW each and a combined investment cost of c. US\$ 150 million.
- Signed a Joint Development Agreement with Italian energy company Edison to build a 180 MW power plant in Egypt at an investment cost of c. EUR 100 million.
- Successfully inaugurated four additional fuel marketing stations with a total investment of EGP 4.1 million, bringing the total number of operating stations to 40, spanning 14 governorates.
- Studying potential expansion of the company's natural gas distribution business to serve industrial and household clients located far from the present natural gas grid.
- Completion of a project to connect 320,000 residential clients to the natural gas grid in 14 villages across Upper Egypt.
- Expanding electricity distribution to large industrial clients in 6th of October and 10th of Ramadan industrial zones.

2015 Figures

3.1 BCM

total gas distributed

28 %

y-o-y increase in revenues

731 MN KW/HR

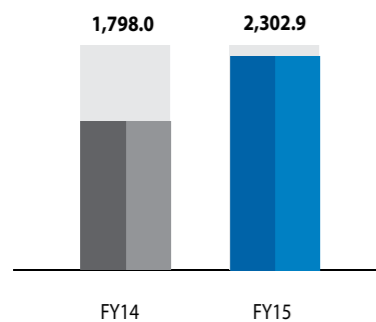
total power generated & distributed

44 %

y-o-y increase in EBITDA

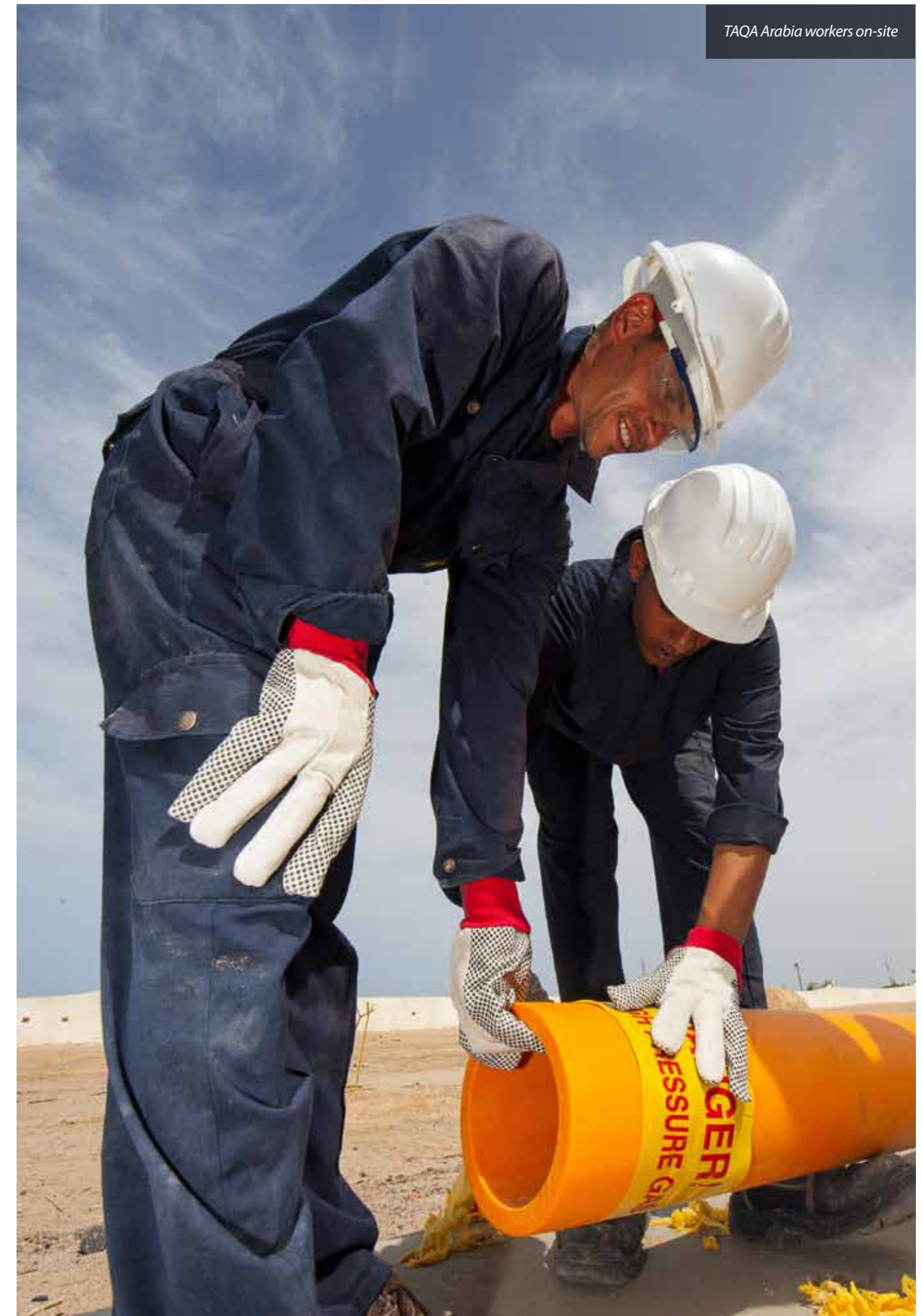
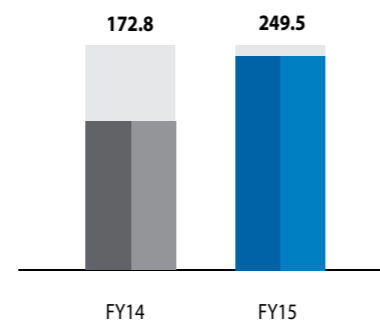
Consolidated TAQA Arabia Revenues

EGP 2,302.9 mn (FY15)



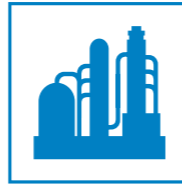
Consolidated TAQA Arabia EBITDA

EGP 249.5 mn (FY15)



TAQA Arabia workers on-site

The Egyptian Refining Company (ERC)



ENERGY



ERC construction site, Mostorod, North Cairo



Key Management:

Mohamed Saad
Managing Director
Mostafa El-Ramly
CFO



QH Ownership:

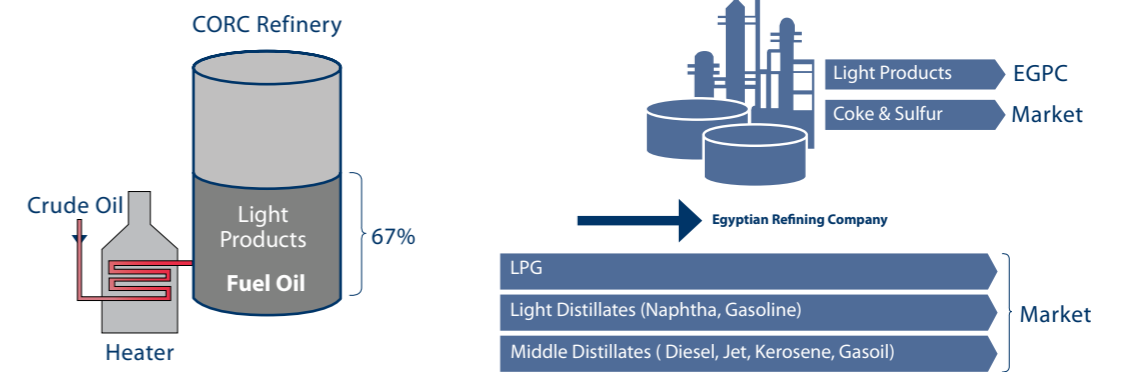
19%



Footprint:

Egypt

ERC Process



Overview of ERC

Developed by Qalaa Holdings, ERC is a state-of-the-art US\$ 3.7 billion refinery and Egypt's largest private sector, in-progress megaproject. The refinery, which is being built on 330,000 square meters of land on the outskirts of Cairo, will convert lowest value fuel oil into middle and light distillates that Egypt is in dire need of for its domestic consumption. ERC will eliminate 93,000 tons of Egypt's sulfur emissions and improve the quality of the national petrol supply.

In June 2012, ERC reached financial close on the equity and debt components of the project financing, with Gulf and international investors, global export credit agencies, and development finance institutions investing alongside Qalaa Holdings.

EGPC's Cairo Oil Refinery Company (CORC), the nation's largest refinery with 20% of Egypt's current refining capacity, will provide ERC with fuel oil as feedstock. ERC's production of liquid products will be sold to the EGPC at international prices under a 25-year offtake agreement.

As an import substitution project delivering diesel and other high-value products to the EGPC at the heart of the consumption market in Greater Cairo, ERC is viewed as strategically important to Egypt's energy security.

ERC will have the capacity to produce 4.2 million tons of refined products per year, including 2.3 million tons of Euro-V diesel, representing more than 50% of Egypt's current imports

Project Update as of March 2016

>84 %
complete

19.5 mn
site man-hours

7,140
piles completed

8,122
workers at site

80,102 m³
concrete poured

14,326
tons of steel erected

600
pieces of equipment installed

2015 Operational Update

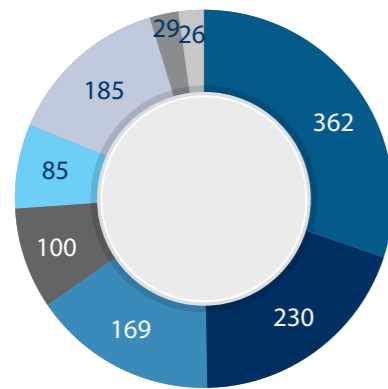
ERC has surpassed the 84% completion mark and is fully on-track to begin production in 2017.

- Construction began in February 2014.
- Detailed engineering has been completed in 2015.
- Piping and equipment installation commenced in 2015 and was 42% complete at year's end.
- More than 1,140 major pieces of equipment including the Korean-made, 1,280-ton HCU, the largest piece of equipment that has ever entered an Egyptian port, and the 553-ton Vacuum Distillation Unit have all been installed.
- 85% of the underground piping has been installed and the domestically-fabricated above-ground piping installation has begun.
- Mechanical outfitting has reached 47% with completion forecast for November 2016.

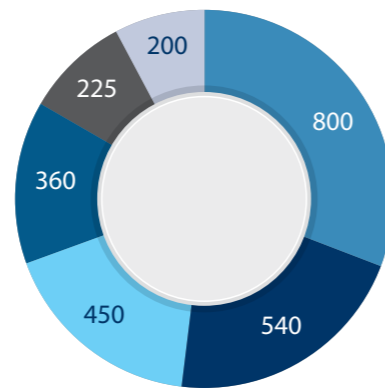
ERC's Financial Backers

Partnerships with key development finance institutions and sophisticated international investors allowed Qalaa Holdings to raise c. US\$ 1.2 billion in equity and US\$ 2.6 billion in debt for the Egyptian Refining Company. These backers include:

c. US\$ 1.2 billion equity package with participation of:



c. US\$ 2.6 billion debt package with participation of:



US\$ mn

- Qatar Petroleum International (QPI)
- Qalaa Holdings
- Egyptian General Petroleum Corporation (EGPC)
- InfraMed Fund
- International Finance Corporation (IFC)
- Others, including MENA and Africa Joint Investment Funds
- Netherlands Development Finance Company (FMO)
- German Investment Corporation (DEG)

US\$ mn

- Export-Import Bank of Korea (KEXIM)
- Japan Bank for International Cooperation (JBIC)
- European Investment Bank (EIB)
- Nippon Export and Investment Insurance (NEXI)
- African Development Bank (AfDB)
- Mitsui & Co.

“

ERC will result in more than US\$ 300 million in annual benefits to the government through avoided transportation and insurance costs, the elimination of product shipment losses, and revenues generated from storage and processing fees paid by ERC to EGPC companies

”

Key Facts About ERC

Headquartered in	Cairo, Egypt
Total Production of Refined Products and High-Quality Oil Derivatives (Annually)	4.2 million tons
Production of Euro-V Standard Diesel (Annually)	2.3 million tons
Jobs Created	8-9 thousand at peak of construction, 700 permanent positions
Expected Date of Operations	2017
Total Reduction in Egypt's SO ₂ Emissions*	29.1%
Total Reduction in Egypt's Diesel Imports*	50-60%
Value of Debt Package for ERC	US\$ 2.6 billion
Total Equity Invested in ERC	c. US\$ 1.2 billion
Qalaa Holdings' Effective Ownership	18.9%

* Percent reduction from present-day levels



ERC construction site, Mostorod, North Cairo

Tawazon



ENERGY



ECARU, agricultural waste collection



Overview of Tawazon

Tawazon is Qalaa Holdings' subsidiary for investment in the regional solid waste management industry. Tawazon currently controls two companies – the Egyptian Company for Solid Waste Recycling (ECARU), a solid waste management service operator, and the Engineering Tasks Group (ENTAG), a solid waste management engineering and contracting company.

Qalaa invested in Tawazon in November 2009 as part of its energy portfolio. Since that time, Qalaa has worked closely with management to help boost human and financial resources to be better able to capitalize on existing opportunities as well as develop and explore others, both on a local and regional scale. Our short- to medium-term focus is on providing biomass and RDF as alternative fuels to heavy energy consumers such as cement factories as well as the export of agri-pellets to be used for residential and industrial heating purposes through densification projects.

Tawazon is active in the following areas:




- Agricultural waste collection
- Biomass treatment and disposal
- Municipal solid waste treating and disposal
- Solid waste facilities engineering and contracting

132,671 tons

total biomass supplied (ECARU) in 2015

109 %

y-o-y growth in consolidated Tawazon EBITDA

 <p>Key Management: Hisham Sherif <i>Chief Executive Officer</i></p>	 <p>QH Ownership: 68.1%</p>	 <p>Footprint: Egypt, Libya, Jordan, Qatar, UAE</p>
--	---	---

ECARU

The Egyptian Company for Solid Waste Recycling (ECARU) collects, transports and processes agricultural waste. It is a regional leader in the production of biomass that can be converted to environmentally-friendly alternative solid fuel. Biomass is a renewable, carbon neutral energy source that comes from agricultural residues that would otherwise be openly burned. This waste to energy solution for heavy industries such as cement manufacturing is beneficial on multiple fronts. It helps nations solve their biomass challenges, it reduces emissions that come from burning fossil fuels such as fuel oil, natural gas and coal, and it is a more cost-efficient and sustainable source of energy. ECARU

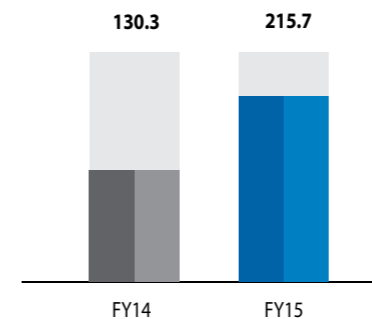
has been supplying the alternative solid fuel, biomass, as a source of energy to Egypt's leading cement companies for the past five years.

ENTAG

The Engineering Tasks Group (ENTAG) has built more than 75 sorting and composting facilities in Egypt thus far and also runs projects in Saudi Arabia, Malaysia, Libya, Sudan, Oman, and Syria. The company acts as a "door opener" for ECARU.

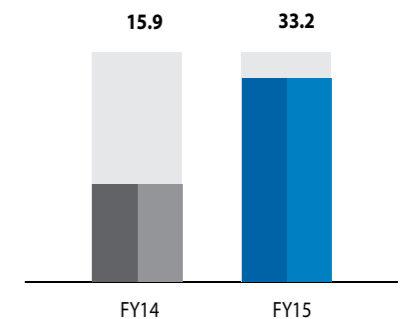
Consolidated Tawazon Revenues

EGP 215.7 mn (FY15)



Consolidated Tawazon EBITDA

EGP 33.2 mn (FY15)



2015 Operational Update

- Given heightened energy consumption in Egypt, the cement industry has turned to burning coal and using RDF (an environmentally-friendly solid fuel) as a source of energy for the first time.
- ECARU increased its RDF fluff production capacity so as to keep up with the new demand.
- By 3Q15, revenues were up 17% year-on-year despite some industry-wide stoppages.
- ENTAG saw a more than twenty-one-fold increase in revenues in the first quarter relative to the same period in 2014, mainly due to the design and construction contract for an engineered sanitary landfill in Oman.
- ECARU signed a five-year contract in early 2016 to supply Ethiopia's Messebo Cement Company with an environmentally-friendly and cost-efficient alternative solid fuel that will gradually replace coal.
- ECARU signed an MOU with East Africa Mining (EAM) of Ethiopia to establish a joint venture company dedicated to biomass management and alternative solid fuels as a source of thermal energy for heavy energy consumers such as the cement industry.

Nile Logistics



Overview of Nile Logistics

Nile Logistics is Qalaa Holdings' investment vehicle in logistics, river transportation, and port operations management. In Egypt, Nile Logistics' subsidiaries offer stevedoring services in the Mediterranean and Red Sea seaports, a container feeder service across the Suez Canal, and river transportation services moving bulk cargo between north and south Egypt. In South Sudan, a Nile Logistics subsidiary operates two convoys of river barges that transport a variety of cargo between the north and the south.

Qalaa Holdings initiated investments in river transportation in Egypt in September 2006, based on the premise that river transportation is one of the most fuel efficient, and thus cost efficient, means of moving large volumes of cargo over long distances. The capacity of one river barge is equivalent to 20-40 truck loads, yet consumes a fraction of the fuel required for the equivalent number of trucks. Needless to say, river transportation reduces the amount of gas emissions, as a result of the reduction in energy consumption.

Nile Logistics is today home to four companies: Nile Cargo, National River Ports Management Company (NRPMC), Nile Barges, and Ostool Trucking Company, in which Qalaa Holdings holds a significant minority stake. With its well-developed portfolio of services, Nile Logistics provides a door-to-door service for industrial and agricultural clients in Egypt and South Sudan.

As the price of diesel in Egypt starts to approach international levels, the cost of moving cargo overland will gradually become more expensive, making river transportation even more competitive vis-à-vis trucks

Key Management:

Gen. Maged Farag
Chairman of the operating companies Nile Cargo & NRPMC in Egypt & Nile Barges in South Sudan

QH Ownership:

67.6%

Footprint:

Egypt, South Sudan

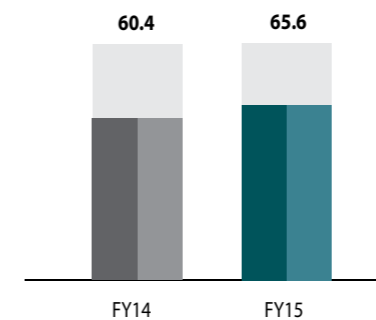
4 Companies—1 Seamless Door-to-Door Service

- **Nile Cargo (NC):** Owns and operates a fleet of barges that transports bulk cargo along the Nile. The company also operates a barge feeder service in Port Said, linking the east and west container terminals.
- **National River Ports Management Company (NRPMC):** Owns and operates a network of ports and port equipment. Services offered are primarily stevedoring and warehousing in Alexandria, Suez, and Damietta.
- **Nile Barges for River Transport:** Located in South Sudan, operates a fleet of barges that transport good between the north and south of the country.
- **Ostool Trucking Company:** Owns a sizeable fleet of multipurpose trucks in Egypt that service a sizeable number of industrial clients



Consolidated Nile Logistics Revenues

EGP 65.6 mn (FY15)



800,000 tons

of cargo handled at seaports in 2015

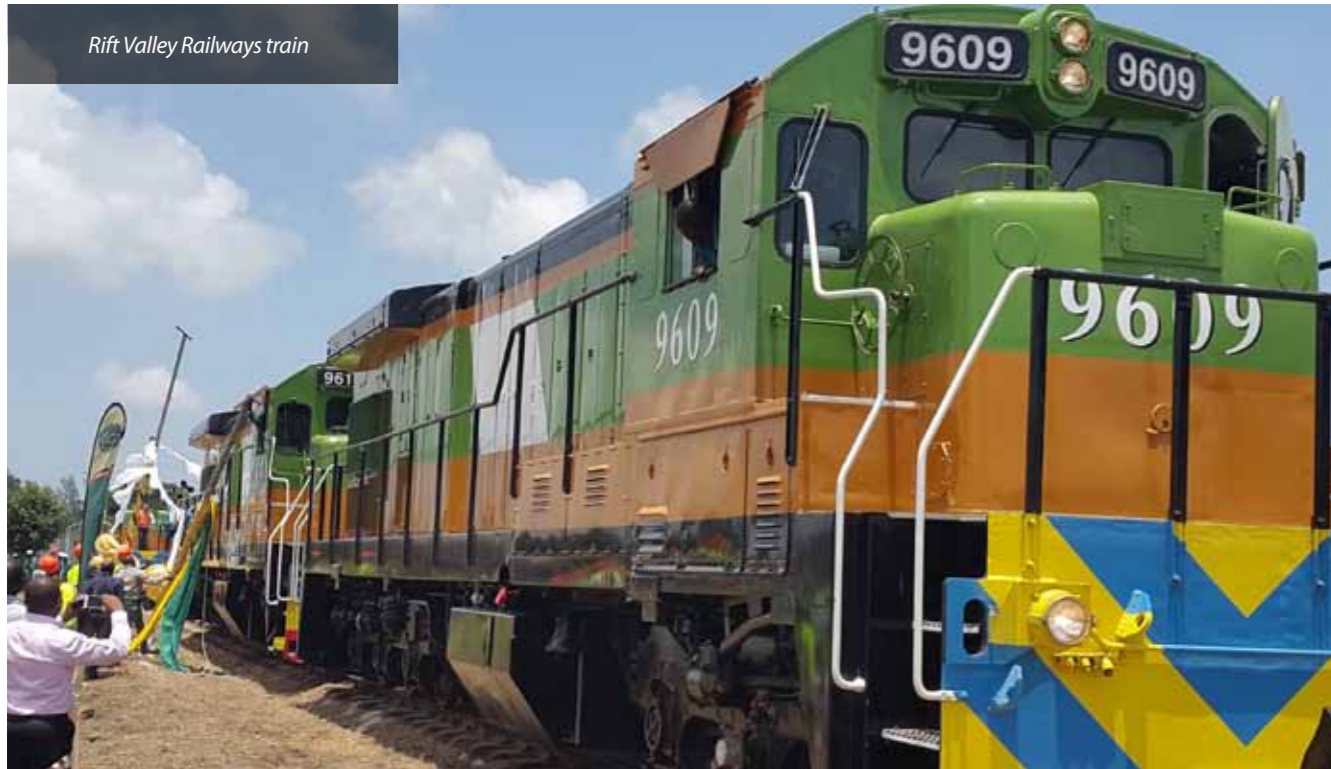
30,000 TEU'S

moved between SCCT and Port Said West in 2015

2015 Operational Update

- Stevedoring activities showed a promising initial increase in 2014 and the first half of 2015, yet revenues declined year-on-year due to a contraction in the volume of imports on the back of Egypt's foreign exchange crunch and government-imposed import restrictions in the second half of the year. In 2015, the company handled almost 800,000 tons of cargo at seaports.
- The company plans to transform its Nubareya Port into a grain storage facility and a container terminal, as a way to diversify revenue.
- Container feeder services in Port Said expanded with the number of TEUs increasing in 2015 as a result of increased efficiency in loading and unloading. During the course of the year, the company managed to move close to 30,000 TEUs between SCCT and Port Said West.

Africa Railways



Rift Valley Railways train



Overview of Africa Railways

Africa Railways is Qalaa Holdings' subsidiary for investments in Africa's railway sector. Africa Railways' primary investment at present is a controlling stake in Rift Valley Railways (RVR), which holds a 25-year concession to operate the Kenya-Uganda railway, linking the Indian Ocean port of Mombasa to the interiors of Kenya and Uganda.

In February 2010, Qalaa acquired a stake in RVR and today it controls 85% of the rail operator. The decision to invest was underpinned by the strong freight volumes moving through the Port of Mombasa, the drive to expand intraregional trade, and the simple fact that a properly functioning railway should be the most efficient provider of long-haul bulk transport in Africa.

We then succeeded in creating an investment opportunity that was attractive to sophisticated global investors by reducing political, operational, and financial risk.

“ Today RVR is the most efficient, cost-effective, and environmentally-friendly mode of transporting goods in East Africa ”

Key Management:

Isaiah Okoth
RVR Group CEO (as of March 1st, 2016)

Titus Naikuni
RVR Chairman

QH Ownership:

29.7%

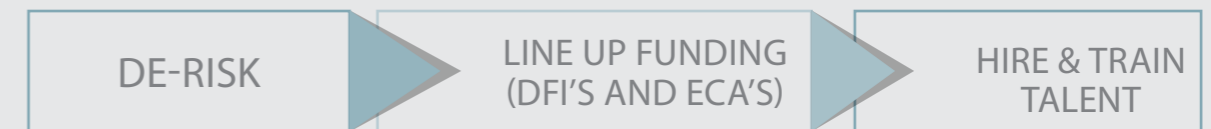
Footprint:

Kenya, Uganda

Since the start of the US\$ 299 million capital investment and turnaround program that began in January 2012, RVR has invested in modern rail operating technology, rebuilding infrastructure, expanding haulage capacity and developing modern rail operating skills in the company's 2,000 strong workforce.

The time that it takes to move a container by rail from Mombasa to Kampala has been reduced by nearly 30% and trains are running on schedule for the first time in decades. RVR has also overhauled more than half of its fleet of locomotives and purchased 20 additional locomotives in addition to hundreds of wagons.

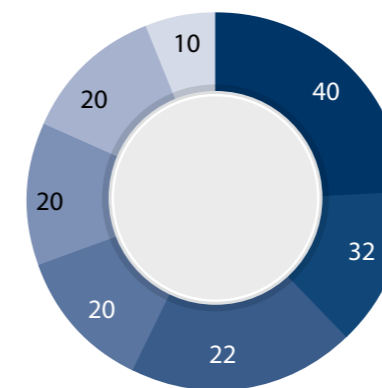
"The Methodology"



RVR's Financial Backers

Partnerships with key development finance institutions and sophisticated international investors have allowed Qalaa Holdings to raise US\$ 299 million in equity, senior debt and additional financing for Rift Valley Railway and Africa Railways, including:

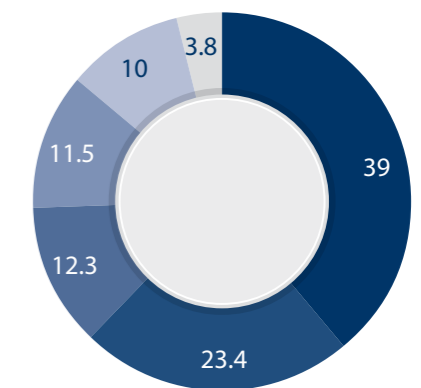
US\$ 164 million senior debt package with participation of



US\$ mn

- African Development Bank
- KfW Entwicklungsbank (German)
- International Finance Corp (IFC)
- FMO (Dutch)
- Equity Bank (Kenya)
- ICF Debt Pool
- BIO (Belgium)

US\$ 104 million in equity for Africa Railways with participation of



% ownership

- Africa Railways Holding
- IFC African Latin American and Caribbean Fund
- FMO (Dutch)
- DEG (German)
- International Finance Corp.
- FISEA (of France's PROPARCO)

“

RVR's three-point turnaround strategy continues to bear fruit with higher levels of goods being transported at higher speeds, as the rolling stock continues to improve

”

Key Facts About Rift Valley Railways

Headquartered in	Nairobi, Kenya
Annual Passengers Served	Over 6 million
Employees	2,050
Total Track	2,352 kilometers
Countries Served	Kenya and Uganda
Qalaa Holdings Investment	February 2010
Percentage Controlled by Qalaa Holdings (RVR)	85%

2015 Figures

20

locomotives received

240

wagons added to fleet

1.35

 mn tons

of cargo hauled

10 %

y-o-y increase in hauling capacity

1,278

 mn

net-ton-kilometers

12 %

y-o-y increase in net-ton-kilometers

RVR, transporting cargo

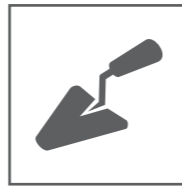


2015 Operational Update

RVR's three-point turnaround strategy is nearing its end. In 2015 it continued to bear fruit with higher levels of goods being transported at higher speeds, as the rolling stock continues to improve. During the year, RVR was able to:

- Receive 20 reconditioned locomotives – the first batch to arrive in East Africa since 1987 and a key upgrade to the continent's transportation capacity.
- Add 240 wagons to its fleet, half in the last quarter of 2015 and the other half in the first quarter of 2016.
- Reduce cycle times through direct investments in infrastructure and improvements to efficient asset utilization.
- Increase hauling capacity through purchasing new and rehabilitating old rolling stock.
- Raise net ton kilometers (NTK), by 12% year-on-year to reach 1.278 million NTK in 2015.
- Increase the volume of cargo by 10% to 1.354 million tons.
- Reduce transit time significantly. Along the Mombasa-Nairobi-Mombasa route, average transit time for the various wagon classes dropped by 4% year-on-year to 2.3 days in 2015.

ASEC Holding



CEMENT



ASEC Minya cement plant



During the first 9 months of 2015, Qalaa reduced its exposure to the cement industry with ASEC Cement concluding the sale of its stake in business unit Misr Cement Qena as well exiting ASEC Minya and ASEC Ready-Mix



Overview of ASEC Holding

The cement sector includes three divisions: cement manufacturing, management & services, and construction.

ASEC Holding is a regional vertically integrated cement player, focusing on plant engineering and consultancy, construction, automation, and operational technical management, with operations spanning Africa and the Middle East. Since its inception in 1975, ASEC Holding has made important contributions to the modernization of the cement industry in the Middle East, especially in Egypt, as an engineering and consultancy firm. In the ensuing decades, ASEC Holding has grown significantly to form a fully fledged group composed of three distinct divisions serving the industry and end-consumers alike.

ASEC Holding was Qalaa's first investment. In December 2004 Qalaa acquired 59% of ASEC Holding, a distressed cement producer at the time. In May 2005, the firm bought the remaining 49% of ASEC and carried out a capital increase for ASEC's Helwan Portland Cement Company (HPCC) through a listing on the EGX. In August 2005, Qalaa sold its stake in HPCC to global producer Italcementi in a transaction that valued HPCC at US\$ 795 million.



Key Management:

Tarek Salah
CEO



QH Ownership:

69.2%



Footprint:

Egypt, Sudan,
Algeria

Qalaa Holdings has made significant post-acquisition investments in ASEC Holding, extending its cement manufacturing footprint beyond Egypt to Sudan and Algeria. ASEC Holding is now well-positioned not just as a leading independent manufacturer, but also as a regional provider of end-to-end solutions for world-class cement plants.

The group's decision to enter the cement production arena was an important strategic move. In 2006, the group established ASEC Cement as its production arm, investing in both greenfield ventures and existing cement plants.

ASEC Holding's portfolio includes:

- Cement manufacturing through ASEC Cement and its subsidiaries
- Cement project management, consultancy, operation, and maintenance solutions through subsidiaries ASEC Engineering and ASENPRO
- Construction and contracting through subsidiaries ARESCO and ASEC Automation

2015 Operational Update

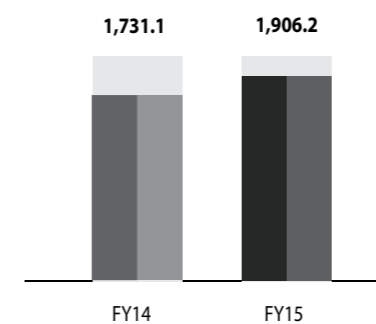
ASEC Cement Divestments

In the second quarter of 2015, ASEC Cement concluded the sale of its 27.5% stake in Misr Cement Qena, a publicly traded cement company in Egypt, for c. EGP 700 million.

In October 2015 ASEC Cement sold its subsidiaries ASEC Minya and ASEC Ready Mix to Misr Cement Qena for total consideration of EGP 1 billion. ASEC Minya and ASEC Ready Mix, both greenfield investments, had established themselves as critical players in the vital Upper Egyptian cement market. ASEC Minya began commercial operations in August 2013 with a name plate capacity of 2.0 million tons per annum. ASEC Ready Mix is a producer and distributor of ready-mix concrete that operates six batch plants in Upper Egypt.

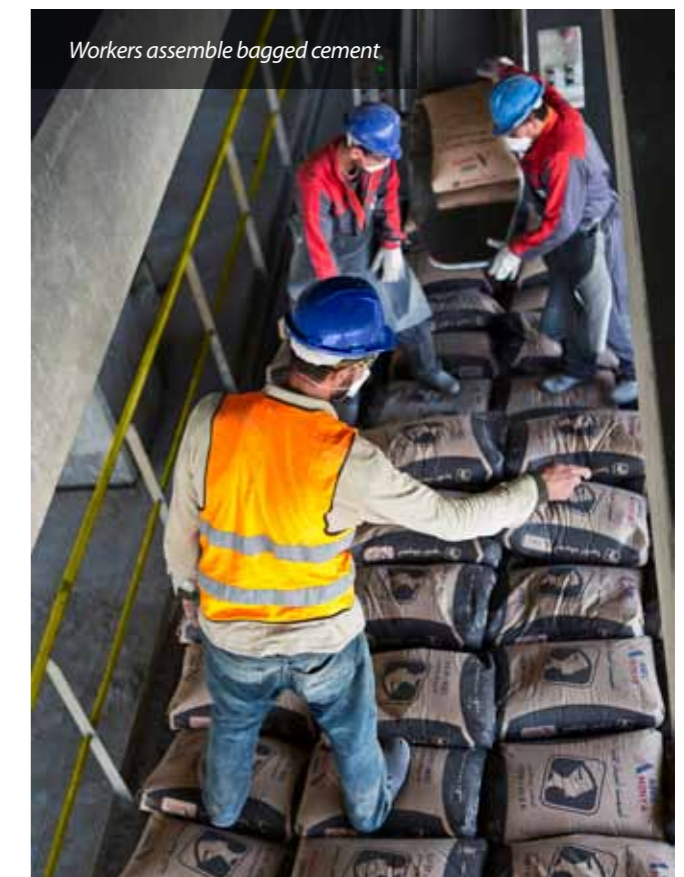
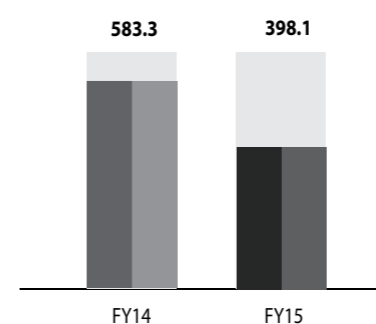
Consolidated ASEC Holding Revenues

EGP 1,906.2 mn (FY15)



Consolidated ASEC Holding EBITDA

EGP 398.1 mn (FY15)



Workers assemble bagged cement



ASEC Minya cement plant

Cement

ASEC Cement

The reclassified sales revenues of ASEC Cement, reflecting the sale of Misr Cement Qena, ASEC Minya and ASEC Ready Mix, increased by 87% year-on-year to reach EGP 821.9 million in 2015. On the other hand, the adjusted sales revenues, reflecting contribution from ASEC Cement assets up until the end of June 2015 (Misr Cement Qena) and October 2015 (ASEC Minya & ASEC Ready Mix), climbed 10% year-on-year to reach EGP 1,906.2 million in 2015. The growth in top-line was primarily driven by operations at Sudan's Al-Takamol Cement having posted an impressive 82% year-on-year increase in revenues to EGP 821.9 million compared to the previous year's figure of EGP 450.5 million.

Al-Takamol Cement's almost two-fold growth in revenues was translated into a more than four-fold increase in EBITDA standing at EGP 196.1 million, thanks to tight operational management and state-of-the-art Danish technology.

Al-Takamol produced a total of 760 thousand tons in 2015, up 73% year-on-year and despite a slowdown during the third quarter of the year on the back of fuel shortages. Increased production as well as technical difficulties

82%

y-o-y increase in revenue at Al-Takamol

EGP 821.9 mn

2015 revenue at Al-Takamol

73%

y-o-y increase in production volume at Al-Takamol

faced at competing plants allowed the company to increase its market share to 33% in 2015 compared to 24% the previous year. Technical difficulties across Sudanese plants have continued into 2016, leading to choked supply and a consequent surge in prices. Al-Takamol Cement is thus ideally positioned to capture an even larger market share and to maintain its stellar performance.

At the EBITDA level, reclassified to reflect the sale of Misr Cement Qena, ASEC Minya and ASEC Ready Mix, the cement segment reported EGP 163.7 million in 2015, up almost three-fold compared to 2014.

Management & Services

ASEC Engineering

- ASEC Engineering manages plants in Egypt with a combined capacity of 13.5 MTPA
- 2015 production stood at 11.9 million tons, up 16% year-on-year on the back of improvements at all managed projects as fuel supply became more consistent
- Operational improvements were reflected on revenues which came in at EGP 660.7 million in 2015, up 21% year-on-year compared to EGP 547.2 million in 2014
- The company turned a positive EBITDA of 51.7 million in 2015, reversing last year's negative figure of EGP 2.8 million
- The improvement in financial metrics is owed to enhanced operational efficiency, reduced fixed costs, higher fee per ton and significant contributions from overseas projects

Construction

ASENPRO

- ASENPRO is a pioneer in the field of environmental protection in the MENA region, specialized in controlling pollution and dust emissions resulting from cement production
- ASENPRO supplies cement plants with a broad continuum of services and environmental control equipment on a turnkey basis, in addition to conducting dust emission measurements and environmental assessment studies

EGP 660.7 mn

2015 revenue at ASEC Engineering

EGP 456.2 mn

2015 revenue at ARESKO

“

The cement sector includes three divisions: cement manufacturing, management & services, and construction

”

- to ensure compliance with allowable pollution limits
- Supported with profound expertise in environmental control within the cement industry, ASENPRO possesses high potential to diversify into other industries

ARESCO

- ARESCO's revenues in 2015 came in at EGP 456.2 million, up 132% compared year-on-year
- Top-line improvement was reflected at the EBITDA level, which stood at EGP 33.3 million in 2015, a reversal of 2014's negative figure of EGP 35.1 million
- ARESCO's solid financial performance is supported by the company's healthy backlog of contracts totaling EGP 473.1 million, up 15% over 2014

ASEC Automation

- ASEC Automation is an electrical and automation contracting company with extensive operations in Africa, the Middle East, and Europe
- The company provides automation and electrification solutions ranging from design and engineering to equipment procurement and erection
- For more than 15 years, the company has been the supplier of choice for international cement producers including Lafarge, Italcementi, Titan, Cemex, and Cimpor
- ASEC Automation has also diversified into various industries such as water treatment, oil and gas, and power stations

21%

y-o-y increase in revenue at ASEC Engineering

132%

y-o-y increase in revenues at ARESKO

ASCOM



MINING



Limestone quarry

ASCOM GEOLOGY & MINING

Overview of ASCOM

ASCOM is Qalaa Holdings' operational platform in the mining sector specializing in mining services, the management of quarry services for the cement industry as well as exploration and production of industrial minerals and precious metals including gold.

ASCOM was originally the geological and mining arm of ASEC Holding, a company that was acquired by Qalaa and its coinvestors in 2004. Soon after the acquisition, Qalaa spun off ASCOM as a separate company, allowing ASCOM's scope and vision to expand significantly. After the acquisition, ASCOM grew to include nine subsidiaries in seven different markets in the Africa Middle East region.




Today, the company continues to diversify its revenue stream as new operations come online. Within the building materials sector, ASCOM has gone from being a service provider to holding concessions for gypsum, mining aggregates, silica sand, gravel, and other basic raw materials. The aim has been to expand beyond the domain of the cement industry. Today, the company operates a number of small quarries in Egypt and has a fully specialized company operating in the aggregate market in Algeria.

30.3 mn tons

Egypt quarrying business volumes sold

247.5 k tons

ACCM volumes sold

 <p>Key Management: Fayez Gress <i>CEO & Executive Chair</i> Sameh Naguib <i>CFO</i></p>	 <p>QH Ownership: 54.7%</p>	 <p>Footprint: Egypt, Algeria, Sudan, Ethiopia, Saudi Arabia, UAE, Oman, Senegal</p>
--	---	--

Precious Metals

ASCOM Precious Metals Mining (APM) was established as a logical progression to consolidate all exploration operations of precious metal mining under one entity. The company has two concessions in Ethiopia (Asosa and Awero Godere) and one concession in Sudan, acting as a continuation of the Asosa concession. Within the Asosa concession, the company identified a significant gold discovery of 1.7 million ounces. ASCOM is embarking on further exploration drilling work on site as well as on a complete bankable feasibility study which should precede a full mining license and ultimately a gold production facility.

Industrial Minerals Manufacturing

ASCOM Carbonate and Chemical Manufacturing (ACCM) is ASCOM's first manufacturing plant specializing in the production of calcium carbonate, a material with vast applications in the fields of plastics, paper, paint, and chemicals. Total milled product capacity reached 220,000 metric tons per annum after a US\$ 7.3 million investment in additional mills in

2013 and 2014. ACCM exports its products to Asia, the Gulf, Africa, and South America.

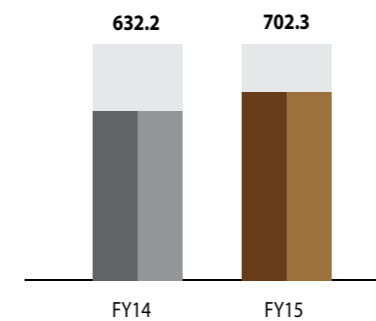
GlassRock Insulation Company began production of rockwool at its US\$ 70 million greenfield facility in May 2012 targeting both domestic sales and exports to key markets in Europe, North Africa, the Gulf Cooperation Council (GCC) countries, and Turkey. It subsequently began production of glasswool the following November, with total production capacity split at 30,000 metric tons of rockwool and 20,000 metric tons of glasswool per annum.

Quarry Management

ASCOM has grown to become the largest specialized company in the quarry management sector in the Middle East and North Africa. Over the past decade, the company has developed unique expertise in the field, particularly within the cement industry, and manages the bulk of the large cement quarries in Egypt, mining over 40 million tons per annum.

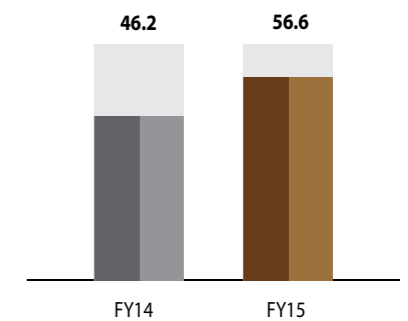
Consolidated ASCOM Revenues

EGP 702.3 mn (FY15)



Consolidated ASCOM EBITDA

EGP 56.6 mn (FY15)



2015 Operational Update

- Total ASCOM revenues in 2015 came in at EGP 702.3 million, an 11% increase over 2014, filtering into a recurring EBITDA of EGP 51.6 million compared to EGP 46.3 million in recurring EBITDA in 2014 – an impressive 23% year-on-year improvement.
- ACCM revenues declined by 5% y-o-y in 2015 as export volumes decreased a result of devaluation in the South African Rand and a USD shortage in Ghana and Nigeria.
- ACCM operations in India are starting to gain momentum following a slow start.
- Egypt quarry management revenues increased 16% y-o-y due to price increases and the launch of a new project in Ethiopia.

Gozour



AGRIFOODS



Overview of Agrifoods

Qalaa Holdings' subsidiaries in the Agrifoods sector include Gozour (multicategory agriculture and consumer foods) and Wafra (agriculture in Sudan and South Sudan). Qalaa began investing in the heavily fragmented agrifoods sector in 2007 in order to introduce new levels of specialization and consolidation into the market. At the time, Qalaa's two major investments in agrifoods were Dina Farms, the largest private sector farm in Egypt, and confectioner Rashidi El-Mizan, a market leader in halawa and tahina.

Since that time, Qalaa Holdings has developed Dina Farms into the country's leading producer of raw milk, with milk production reaching 74,724 tons in 2015 and more than 17,217 head of cattle, of which 7,500 are milking cows. Qalaa has also established the Investment Co. for Dairy Products (ICDP), the company that markets Dina Farms' fresh dairy products. ICDP became the market leader in its category in less than a year after its 2010 launch. Dina Farms' retail business, which Qalaa helped build from scratch, has also expanded rapidly, closing the year with 24 Dina Farms-branded supermarkets with a turnover of EGP 263.7 million in FY15.

Qalaa Holdings has developed Dina Farms into the country's leading producer of raw milk, with milk production reaching 74,724 tons in 2015 and more than 17,217 head of cattle, of which 7,500 are milking cows



Key Management:

Dr. Mohamed Waeer
Managing Director, Dina Farms

Dairy

Tamer Hassan
Managing Director, Dina Farms

Agriculture

George Fouad
General Manager, ACST

Aman Allah Saad
Managing Director, ICDP



Footprint:

Egypt



QH Ownership:

54.95%

In the wake of management's decision to treat the agrifoods sector as non-core, Qalaa has concluded several exits from platform companies operating under Gozour during the fourth quarter of 2015. In December 2015, Gozour's business unit in Sudan, Rashidi for Integrated Solutions, concluded the sale of its two halawa and biscuit plants in Sudan to a Sudanese investor at an enterprise value of US\$ 4.25 million. Additionally, Gozour concluded its divest-

ment of its full 100% holding in Misr October for Food Industries (El-Misrieen), an Egyptian manufacturer of cheese products, at an enterprise value of EGP 50 million. Gozour has also reached financial close in December on the sale of a 100% stake in confectioner Rashidi El-Mizan (REM) to Saudi Arabia's Olayan Financing Company and its subsidiaries, for a total consideration (equity value) of EGP 518 million.

69,657 tons

raw milk sold in FY15 (up 9% y-o-y)

17,217

cows (up 6% y-o-y)

24

Dina Farms supermarkets

107%

y-o-y increase in Dina Farms retail revenues

2015 Operational Update

- Gozour* reported revenues of EGP 1,251.1 million in FY15, up 24% y-o-y compared to FY14 figure of EGP 1,008.1 million; revenue growth came despite FY15 figures reflecting contributions from REM up until November 2015.
- Dina Farms reported a 5% y-o-y increase in revenues in FY15 to EGP 383.6 million, with EBITDA also inching up 3% y-o-y to EGP 112.7 million.
- ICDP posted a 23% y-o-y growth in revenues to EGP 135.8 million in FY15.
- ACST (Dina Farms Retail) saw revenues increase 107% y-o-y in FY15 to EGP 263.7 million, buoyed by a 53% y-o-y growth in the number of retail stores currently standing at 24 supermarkets.

* To facilitate the comparison of year-on-year financial results, income statement figures from revenues through EBITDA have been adjusted for Qalaa Holdings' divestment of confectioner Rashidi El-Mizan to include their results up until November 2015.

Tanmeyah



Providing financial services to a Tanmeya client



Overview of Tanmeyah

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.

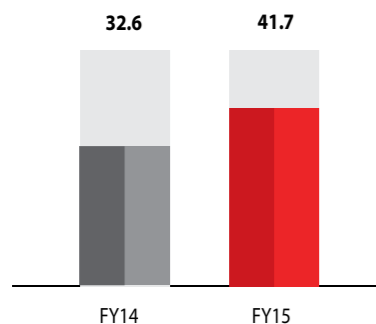
With excellent growth potential within the current business environment in Egypt, Tanmeyah has been playing an important role in the development of the country by providing growth, working capital, and other financial solutions to companies and individuals that have no access to the financial system.

Tanmeyah has grown to become a leading Egyptian provider of financial services to Egypt's large underserved micro- and very-small-enterprise tiers. Since its inception in 2009, Tanmeyah has issued more than EGP 2 billion in short-term loans that do not exceed 12 months in duration and has served more than 365,000 clients. The company had EGP 493.9 million in loans outstanding to 110,339 active borrowers at the end of 2015.

With more than 1,500 employees, Tanmeyah is growing in potential, profitability, and outreach, and plans to add additional branches nationwide— on top of its

Tanmeyah Net Income

EGP 41.7 mn (FY15)



Key Management:

Amro Abouesh
Chairman & CEO
Amr Abou El-Azm
Deputy Chairman & CEO



QH Ownership:

70%



Footprint:

Egypt

current 114 branches — to serve a wider segment of the population. The company continues to leverage its existing infrastructure and systems to offer a wide variety of financial services to its clients.

In March 2016, Qalaa Holdings' business unit, Finance Unlimited, finalized the sale of its entire 70% holding in Tanmeyah in a transaction that valued 100% of Tanmeyah at EGP 450 million.



We took an interest in Tanmeyah early on, backed its management team, and played an active role in helping the team build the company into the private-sector leader in its industry



EGP **493.9** mn

amount of loans outstanding

EGP **868.2** mn

total loans issued in 2015

44%

y-o-y increase in revenues in 2015

110,339

number of active borrowers

2015 Operational Update

- Tanmeyah reported a solid 44% y-o-y increase in revenues to EGP 132.5 million in FY15; top-line improvement comes on the back of growth in the lender's loan portfolio and ticket size.
- Revenue growth filtered down the company's income statement with net operating income posting a 62% y-o-y rise to EGP 53.2 million in FY15.
- Tanmeyah's net income came in 28% higher y-o-y in FY15, standing at EGP 41.7 million compared to the FY14 figure of EGP 32.6 million.
- Total loans extended by Tanmeyah increased 39% y-o-y in FY15 to reach EGP 868.2 million compared to FY14's EGP 623.3 million; the increase in loan book was supported by the company's expanded branch network, which currently stands at 114 branches nationwide, as well as the increased number of active borrowers to c. 110 thousand individuals from c. 87 thousand in FY14.
- Total outstanding loans stood at EGP 493.9 million in FY15, up 30% y-o-y, and with a non-performing loan ratio of 4.5%, down from 6.9% at year-end 2014.

Non-Core Subsidiaries



Grandview

Grandview Investment Holdings Corp. (Grandview) is an investment company established by Qalaa Holdings' and coinvestors to invest in mid-cap companies in the Middle East and North Africa region, with a focus on Egypt. It has invested in key industries including printing and packaging, healthcare, textiles, restaurants, oil and gas services, and building materials. Grandview targets companies with an enterprise value of less than US\$ 60 million. Grandview is managed by Sphinx Capital, a private equity manage-

ment company. Grandview has an initial paid-in capital of US\$ 95 million and has invested approximately 108% of its committed capital in highly successful transactions in key industries. Grandview targets mid-sized companies that are primarily focused on serving the Egyptian market. Qalaa Holdings' internal valuation of Grandview's portfolio already shows a substantial appreciation in value against acquisition cost.

All of Grandview's portfolio companies have shown strong resilience during both the 2009-10 economic crisis and the political upheaval in Egypt since early 2011. With several

primary and secondary M&A transactions in the pipeline, Grandview aims to create shareholder liquidity while remaining firmly committed to capital growth within the subsidiary company.

Grandview's diversified portfolio of investments will mitigate the negative short-term impact of an economic slowdown. Portfolio stakes have been revalued accordingly to reflect bearish market conditions, both on the marketability of the assets held and the performance of each company.



UCF

United Company for Foundries (UCF) is Qalaa Holdings' subsidiary company in the metallurgy and foundry sectors. UCF Group manufactures grinding media and all types of castings, in addition to automotive parts. UCF predominantly caters to the cement plant consumables business, namely grinding balls and grinding media.

UCF Group has a combined production capacity of 45,000 tons of molted metal per year. Originally a part of ASEC Holding, United Foundries was spun off as its own entity in late 2008.



Bonyan

Bonyan for Development and Trade is a specialty real estate developer operating in Egypt. The company built its sole commercial real estate project, Designopolis, which stands as the first award-winning design and lifestyle center for all design-related products and services in Egypt and the wider MENA region.

Designopolis is located on a strategic plot of land with a gross area of 116,824 square meters and a façade of 800 meters directly on the prominent Cairo-Alexandria highway in west Cairo. The land is 3 km from the toll station.

The project is near world-class developments such as Smart Village, SODIC/Solidere Westtown, Allegria Compound, and the British International School.



Tanweer

Tanweer is Qalaa Holdings' investment vehicle in the media and retail sector. It has three subsidiaries, all of which are leading regional companies, namely Dar El-Shorouk, book retailer Diwan Bookstores, and Al-Kateb.

Tanweer aims to build a multi-content, vertically integrated, regional

media production and distribution group works with books, newspapers, TV programs and documentaries, movie production, and distribution.

Dar El-Shorouk co-founded a post-production house — Time Code — in partnership with talented post-production producers. Time Code works on TV commercials, programs, TV series, and feature films.

Diwan has emerged as Egypt's premiere chain of boutique bookstores since it opened in 2002. Today, the company has 13 branches, mostly in Cairo and Alexandria, and has plans for both national and regional expansion as it forges partnerships with writers, publishers, and cultural centers. Diwan also has distribution rights to five international music labels and distributes music CDs to local retailers.

NPC



National Petroleum Company Egypt Ltd (NPC Egypt) and National Petroleum Company SAE (NPC SAE), two wholly owned subsidiaries of Golden Crescent Investments Ltd, are upstream oil and gas exploration and production subsidiary companies with a MENA footprint.

NPC Egypt holds 100% rights to the productive Shukheir Offshore Concession (which consists of the Gamma

and Shukheir Bay fields located in the Gulf of Suez) and 100% rights to the South Abu Zenima (SAZ) Concession, which comprises a development lease. In addition, NPC Egypt holds 100% rights to the exploration concession of North El-Maghara (NEM).

NPC SAE, through its wholly owned subsidiary Petzed Investment & Project Management Limited (Petzed), currently holds a 12.75% participating interest in the South Ramadan Concession located in the southern part of

the Gulf of Suez. In 2006, NPC SAE, through Petzed, was awarded rights to the East Kheir Offshore Concession, which is currently under ratification by Egypt's People's Assembly.

Moreover, NPC SAE also holds shares in Nile Valley Petroleum Limited, which owns participating interests in two exploration blocks in Sudan and one in South Sudan, as well as in NOPC/Rally Energy, which has a heavy oil asset in Egypt and a gas field in Pakistan.

NVPL



Nile Valley Petroleum Limited (NVPL) is Qalaa Holdings' oil and gas exploration and production subsidiary company operating in Sudan and South Sudan.

In June 2008, NVPL started acquiring participating interests in three highly promising blocks: Blocks 9 and 11 located in Sudan's central region, and Block A located in South Sudan.

The three blocks currently cover a total area of 226,768 square km and comprise several rift basins that have

high potential for oil accumulation which are not yet fully explored. In addition, the blocks are ideally located close to the existing oil infrastructure.

The three blocks are operated by Sudapak Operating Company Limited (Sudapak), which was established by the contractors' group of Blocks 9, 11, and A to conduct and manage petroleum operations relating to the three blocks on behalf of the shareholders.

NOPC / Rally



The National Oil Production Company (NOPC) is a Cairo-based upstream oil and gas exploration and production company. In September 2007, NOPC acquired 100% of Calgary-based Rally Energy for US\$ 868 million. Rally Energy has a 100% operating interest in the onshore Issaran heavy oil field, a significant development opportunity in Egypt's Gulf of Suez.

Rally also holds a 30% stake in the Safed Koh block in Pakistan's Punjab Province, where it is participating in the development of a natural gas discovery.

Financial Statements

Summary Consolidated Income Statement (in EGP)

(All amounts in EGP)	For the year ended	
	31/12/2015	31/12/2014
		(*)
Continuing operation		
Operating income	6 638 944 107	4 670 269 562
Operating costs	(5 478 999 361)	(4 059 284 428)
Gross profit	1 159 944 746	610 985 134
Advisory fee	13 550 201	10 537 825
Share of profit / loss of investment in associate	126 422 325	177 171 497
Total operating profit	1 299 917 272	798 694 456
Gains (losses) on sale of investment in associate	99 698 245	(25 381 815)
Administrative expenses	(1 175 176 909)	(1 010 881 627)
Other (expenses) / income	(888 601 620)	(92 683 035)
Net operating loss	(664 163 012)	(330 252 021)
Finance costs - net	(832 257 198)	(889 363 182)
Net loss before tax	(1 496 420 210)	(1 219 615 203)
Income tax	(123 214 939)	(109 020 317)
Net loss from continuing operation	(1 619 635 149)	(1 328 635 520)
Discontinued operations		
Operating income	1 605 411 362	1 845 011 927
Operating costs	(1 252 854 488)	(1 499 437 090)
Administrative expenses	(197 016 339)	(233 022 472)
Other (expenses) / income	(90 271 409)	(3 582 918)
Finance costs - net	(188 543 333)	(199 421 359)
Results from operating activities	(123 274 207)	(90 451 912)
Income tax	(33 798 835)	(8 526 403)
Results from operating activities, net of tax	(157 073 042)	(98 978 315)
Gains on sale of discontinued operations	551 081 169	57 641 866
Profit / (loss) from discontinued operations, net of tax	394 008 127	(41 336 449)
Net loss for the year	(1 225 627 022)	(1 369 971 969)
Attributable to:		
Equity holders of the company	(1 155 345 236)	(879 593 450)
Non - controlling interests	(70 281 786)	(490 378 519)
	(1 225 627 022)	(1 369 971 969)
Earnings per share	(0.70)	(0.84)

* Restated

The notes to the financial statements are available through our website or the code below and are an integral part of these consolidated financial statements.

Scan the QR code to download our audited consolidated financials in PDF from our investor relations microsite ir.qalaa.com



Consolidated statement of financial position (in EGP)

(All amounts in EGP)	31/12/2015	31/12/2014
		(*)
Assets		
Fixed assets (net)	4 866 770 745	5 836 564 267
Projects under construction (net)	17 162 443 847	11 841 308 885
Intangible assets (net)	1 862 436 797	1 892 728 739
Goodwill (net)	652 512 569	1 438 786 190
Biological assets (net)	196 044 381	189 042 811
Trade and other receivables (net)	710 407 485	588 802 009
Investment property (net)	24 000 000	373 068 956
Investments in associates (net)	899 994 224	1 953 010 353
Available-for-sale investments (net)	54 311 317	51 904 260
Payments for investments (net)	80 997 503	101 213 486
Loans to related parties	-	134 176 156
Other investments	269 800 533	441 352 959
Deferred tax assets	345 235 009	332 158 336
Total non-current assets	27 124 954 410	25 174 117 407
Inventories (net)	1 016 751 852	969 854 289
Biological assets	25 063 763	21 379 458
Work in process	17 768 790	47 816 848
Investments at fair value through profit or loss	33 789 381	80 849 353
Due from related parties (net)	606 398 440	983 982 939
Trade and other receivables (net)	1 167 538 152	949 139 548
Debtors and other debit balances (net)	1 357 698 069	1 029 169 941
Cash and cash equivalents	3 353 000 479	2 182 089 378
Assets classified as held-for-sale	2 473 539 263	1 402 289 227
Total current assets	10 051 548 189	7 666 570 981
Total assets	37 176 502 599	32 840 688 388
Equity		
Share capital	9 100 000 000	8 000 000 000
Reserves	123 808 425	202 382 594
Retained loss	(5 271 987 040)	(4 336 949 028)
Net loss for the year	(1 155 345 236)	(879 593 450)
Total equity	2 796 476 149	2 985 840 116
Shareholders' credit balances	1 464 311	836 842 865
Total equity attributable to equity holders of the Company	2 797 940 460	3 822 682 981
Non - controlling interests	8 152 325 712	8 183 513 791
Total equity	10 950 266 172	12 006 196 772
Liabilities		
Long term loans	13 671 782 372	10 726 526 464
Long term liabilities and derivatives	436 369 089	402 110 017
Loans from related parties	24 484 249	792 754 848
Deferred tax liabilities	621 800 554	744 276 298
Total non-current liabilities	14 754 436 264	12 665 667 627
Banks overdraft	508 626 802	688 968 212
Short term loans	2 933 157 562	2 158 940 557
Loans from related parties	646 819 327	-
Due to related parties	730 606 339	477 202 021
Trade and other payables	2 855 366 230	1 830 582 902
Creditors and other credit balances	1 469 403 194	1 079 718 029
Provisions	620 451 082	489 587 562
Financial guarantees contracts	5 077 970	23 401 707
Liabilities classified as held-for-sale	1 013 436 568	938 117 930
Due to Tax Authority	688 855 089	482 305 069
Total current liabilities	11 471 800 163	8 168 823 989
Total liabilities	26 226 236 427	20 834 491 616
Total equity and liabilities	37 176 502 599	32 840 688 388

* Restated

The notes to the financial statements are available through our website or the code below and are an integral part of these consolidated financial statements.

Chairman
Ahmed Heikal

Managing Director
Hisham Hussein El-Khazindar

Chief Financial Officer
Moataz Farouk

East Africa Contact

Karim Sadek
Managing Director

Algeria Contact

Nazim Meziane
Associate

Regional Investor Contact

Mohammed Abdellah
Managing Director

International Institutional Investor Contact

Stephen Murphy
Special Advisor

Shareholder Contact

Amr M. El-Kadi
Head of Investor Relations

Marketing Communications Contact

Ghada Hammouda
CMO & Head of Marketing Communications

Government Relations Contact

Hazem Dakrouy
Head of Government Relations

Human Resources Contact

Ihab Rizk
Head of Human Resources

Legal Affairs Contact

Yasmin Al-Gharbawie
General Counsel

Tarek Hassan
Head of Legal Department

This page has been intentionally left blank.



ENERGY



TRANSPORTATION
& LOGISTICS



CEMENT



MINING



AGRIFOODS

qalaaholdings.com

Qalaa Holdings (S.A.E.)
1089 Corniche El-Nil
Four Seasons Nile Plaza Office Building
Garden City • Cairo • Egypt • 11519

Tel: +20 (2) 2791-4440
Fax: +20 (2) 2791-4448

Qalaa Holdings Algérie
Cité Urba 2000 Bâtiment
09 Rez-de-Chaussée Appt 01
El-Biar, Algiers 1600
Algeria

Tel: +213 (23) 27 10 21
Fax: +213 (21) 92 96 74

Qalaa Holdings East Africa
Railway Complex, Station Road
Off Haile Selassie Avenue
(P.O. Box 62502 00200)
Nairobi, Kenya

Tel: +254 (0) 20 20 444 76-9