



Annual Report (2010)

1. Egyptian Stock Market Rebuilding Trust

Global Economy Picking up

The global economy has showed a recovery during the year 2010, recording an estimated growth rate of 3.9%, as opposed to 1.5% and (-2.2%) realized in 2008 and 2009, respectively. (The World Bank- Global Economic Prospects January 2011)

The economic recovery, however, is still not seen enough to achieve the required boom and completely eliminate the negative effect of the global financial crisis.

The Egyptian economy starting the decade with a steady growth

The Egyptian economy continued to grow in FY 2009/2010, with a growth rate of 5.2% compared with 4.7% in the previous year, with a noticeable increase in the growth rate in the 3rd quarter of 2010 (July-Sep) reaching 5.5%.

Egypt's economy maintains a positive momentum

The government aims at maintaining this positive momentum in the coming years thanks to the increasing domestic demand and the plans to stimulate Egyptian exports. This in addition to the accelerating growth in the Energy and Gas sectors in Egypt and the expansion of infrastructure projects through the Public- Private Partnership (PPP).

“The Economist” located Egypt as one of the best six emerging markets during the coming decade

This in turn has pushed "The Economist" to locate Egypt as one of the best six emerging markets with extensive potential growth throughout the next decade among countries named "CIVETS" which include Colombia, Indonesia, Vietnam, Turkey and South Africa (source: **The Economist**)

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Strong External Sector and FDI close to US\$ 7 billion

On the other hand, the Egyptian external sector maintained its strong position with the balance of payments, realizing a surplus of US\$ 3.4 billion during the FY 2009/10 vs. a deficit of US\$ 3.4 billion during the previous year. Meanwhile, the foreign direct investments (FDI) recorded around US\$ 6.8 billion in FY 2009/10 -despite the crisis'effect-compared to US\$ 8.1 Billion in FY 2008/09, thanks to the wide-ranging structural reforms aiming at promoting investment and facilitating doing business.

Balance of Payments deficit turns into a surplus of US\$ 3.4 billion.

Foreign Reserves records its all time high

The Foreign reserves continued rising to register its highest-ever, recording US\$ 36 billion in December 2010 vs. US\$ 34.2 billion in December 2009.

The highest-ever foreign reserves in the history of the Egyptian Economy

Inflation rate declines

Annual inflation rate declined from 13.2% in Dec 2009 to reach 10.3% in December 2010. On the other hand, the core inflation has reached 9.7% in December compared to 6.9% at the end of 2009.

The Egyptian Market Performance

Reviewing The Market Rules

The Egyptian Exchange, concluding the year with 15% gains, has marked the year 2010 as the year for rebuilding investor's trust and has witnessed several regulatory reforms targeting market's efficiency and integrity.

In 2010, an array of rules and regulations of the capital market were reviewed. In that respect, the year 2010 has witnessed amendments in the listing and disclosure rules. The Egyptian Financial Supervisory Authority (EFSA) also reviewed the intraday trading rules and re-organized the trading in the OTC (Orders market), to take place only on two days for half an hour, with a T+3 settlement period. Rules regulating the branches of the brokerage firms have also been issued.

Year 2010 saw a number of regulatory reforms

EFSA has also approved the regulations set for the work of the independent financial advisor to tighten supervision on markets and has almost finalized the amendments in the mutual funds rules in order to enhance the market's depth.

EGX contributes in Launching of the first Association for developing investors Relations

In line with EGX belief in the importance of proper disclosure, it launched The Egyptian Association for Investors Relation (EIRA) in collaboration with J.P. Morgan Chase. The EIRA is an independent professional association which aims at enhancing the awareness of investor relations best practices & techniques.

Launching Corporate Social Responsibility Index

In line with the increasing investors' interest in applying environmental, social and corporate governance responsibility, the Egyptian Exchange (EGX), in collaboration with The Egyptian

Institute of Directors and Standard & Poor's have launched the S&P/EGX ESG Index in March 2010; the first of its kind in the Middle East and the second in the Emerging markets that issue such an index.

The index has outperformed the market, realizing 21% gains compared to a 15% increase in EGX 30 index.

Launching EGX Data Warehouse

A Data warehouse was launched in 2010 with the aim of improving the information services to the market and investors.

Positive performance despite the pressure surrounding the Market

Having been pressured by the effects and the aftermath of the global financial crisis, the Egyptian market has also encountered several challenges as a result of the litigations that affected the real estate sector, together with some uncertainties surrounded the negotiations for acquisition of some blue chips.

The market ended the year in a positive territory, with 15% recorded gains.

Egyptian market performs well compared to the Arab & Emerging Markets

The Egyptian market ranked third among Arab markets, after Qatar and Casablanca, which recorded 25% and 15% growth, respectively.

Within the Emerging markets universe, the Egyptian market exceeded the average return recorded by emerging markets, whereby it performed better than China, Brazil, Czech Republic and Hungary as well as other markets that retreated during the year.

The Egyptian market recorded a growth rate of 9% according to Morgan Stanley Index (in USD Terms) and a 15% according to the Morgan Stanley Index (in Local Currency Terms), compared to an average of 16% (in USD Terms) and 12% (in Local Currency Terms) for Emerging markets.

Highest-ever foreign influx in EGX

Nevertheless, the Egyptian Exchange realized the highest-ever foreign influx in 2010 (after excluding deals), with the Non-Arab foreign investors generating net inflows of EGP 8.4 billion (after excluding deals).

Highest-ever foreign
influx in EGX (LE 8.4
billion)

LE 1.07 billion average daily trading in the main market

During 2010, EGX was able to maintain relatively high trading records, registering a trading value of around EGP 264 billion (after excluding deals), which is 9% lower than the recorded figure of the same comparable period of last year.

Additionally, the market recorded a trading volume of around 27 billion shares (after excluding deals), which approaches the recorded figure recorded in 2009. The average daily trading value in the main market reached LE 1.07 billion after excluding deals.

On the other hand, with the re-organization of the trading in the OTC market (Orders market), the OTC market has witnessed a remarkable decline in the trading activity, with a value traded amounting to LE 48 billion, which is 58% lower than the recorded figure in the previous year.

Increasing Activity in the Bond Market

The bond market has also recorded a remarkable increase in trading value, locking in more than EGP 63 Billion, accounting for almost 20% of the trading value on EGX for the first time, as a result of the continuous efforts to activate the debt market in Egypt.

The Bond market is expected to record accelerating trading figures, especially with the listing of the first public juristic entity bond for the New Urban Communities Authority with a value of EGP 10 Billion, following the issuance of the Ministerial Decree Number 1 of 2010, allowing and introducing the necessary procedures for non-corporations to issue bonds in the Egyptian market.

3 New IPOs with a Value of LE 2 billion

And due to the improvement in the current economic environment, the IPO market was reactivated in 2010. The market witnessed 3 IPOs for companies operating in the field of Food Industries, Pharmaceuticals and Real Estate sectors, with a total value exceeding EGP 2 billion, and with an oversubscription ratios ranging between 3 to 6 times.

Re-Listing of Compliant Companies

On the other hand, in line with the exchange efforts to "Rebuild trust" in the Egyptian market and facilitate the relisting of companies that have managed to comply with EGX listing rules and regulations; the market have witnessed the relisting of two companies that operate in the Construction and Food Industries sectors after they managed to comply with EGX listing rules and regulations.

Global Van Eck- launched the first ETF to track the Egyptian market in New York

Reflecting the confidence of foreign investors in the Egyptian market, Global Van Eck – one of the giant financial institutions in the world - launched the first ETF to track the Egyptian market movement and is traded in NYSE under the name: Market Vectors Egypt Index ETF (EGPT). This fund is the first of its kind in the world focusing only on Egypt.

NILEX Starts Trading

The year 2010 has witnessed the commencement of trading on Nilex on 3 June 2010. The second half of the year witnessed great efforts in attracting companies to list on NILEX. Six new companies were listed during the last six month, raising the number of listed companies to 16. Additionally, the year 2010 has also witnessed the EFSA approval to raise the maximum capital of the companies listed on NILEX to LE 50 million instead of LE 25 million.

Nilex market has recorded a trading value of LE 199 million in 2010 and ended the year with a market capitalization of more than EGP 1 Billion.

EGX Future Outlook

The exchange will continue its efforts during the next year to strengthen investors confidence in the Egyptian market by pursuing a strategy aimed at placing the Egyptian stock exchange in the place it deserves as a leading market in the MENA region; as a source of non-banking financing. Trading in the exchange is not limited to stocks only, but also bonds, ETFs, sukuk and derivatives in which trading takes place according to the latest trading mechanisms in developed markets.

The exchange during the coming period aims at to supporting and organizing the market and raising investors awareness besides spreading financial literacy and continuous communication between the exchange and all stakeholders, in aw way that provides support to the market performance. Moreover, EGX seeks increasing its marketing efforts to attract more strong companies to list on the exchange.

A bundle of new investment products to be launched

On the other hand, EGX strives to build on its success by accelerating the introduction of a bundle of new investment products and mechanisms into the Egyptian market such as ETFs and the Market Maker system, which are expected to be launched in the first quarter of 2011.

Moreover, the exchange is working on activating the bond market in collaboration with the EFSA and relevant government institutions. This in addition to finalizing the rules and executive regulations for listing and trading sukuks in the exchange. In addition, the exchange will continue working on establishing a derivatives market which is expected to be launched in the second half of 2012.

New Indices to be Launched

The exchange is preparing to launch a bunch of new indices to offer more depth and a new vision to the market and in response to the demands of the different categories of investors, funds & portfolio managers.

New Surveillance System soon

Furthermore, EGX is in the final phase for testing and launching its state-of the- art MilleniumIT Surveillance system to fulfill the Exchange's vision of providing an equitable, transparent and high quality market place.

2. Market Performance

a. Market Indices Performance

The Egyptian Market showed a good performance during 2010, outperforming many Middle East stock indices, with EGX 30 index surging by 15% over the year. Likewise, EGX 70 index soared by 12% and EGX 100 recorded a 10% increase over the year.

Some of the gains have been driven by the country's positive economic outlook, as the country's GDP was set to increase by 5.1% this year, making it one of the healthiest economies in the region. The market, on the other hand, has

encountered several challenges as a result of the litigations that affected the real estate sector, together with the pressure experienced by some blue chips in overseas markets amid the uncertainties surrounded the negotiations for acquisition.

The market started the year on a positive note and continued its good performance during February, with EGX 30 index breaking the 7,000 points, before starting to ease up towards the end of February. The bull returned late March and the market rallied to record a year-high of 7603 points on the 27th of April.

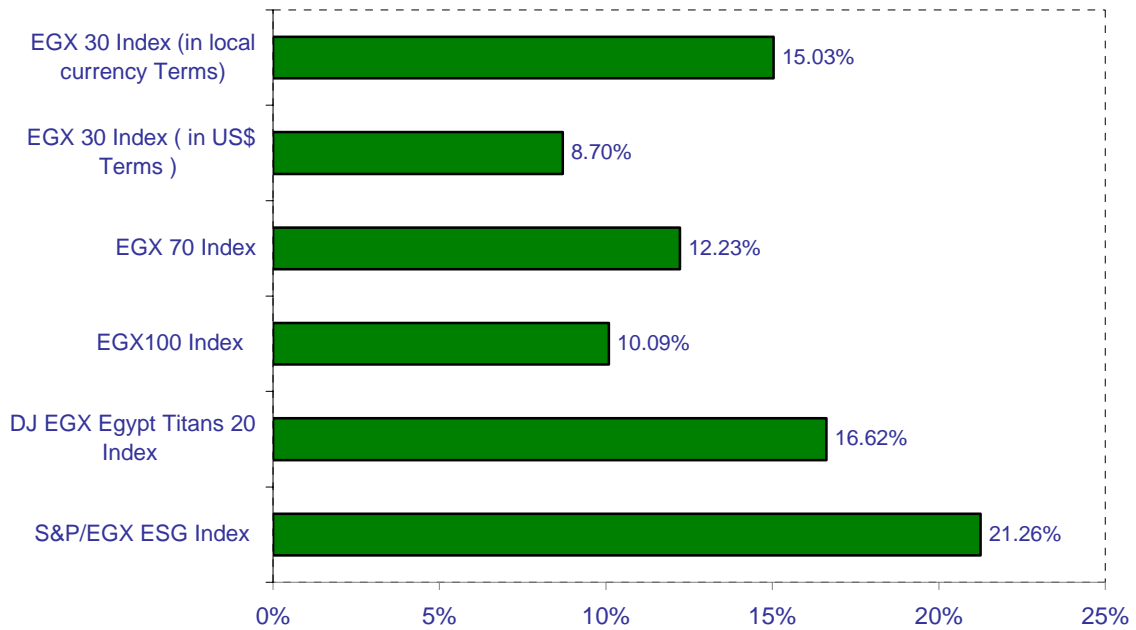
Towards the end of April and beginning of May, the Egyptian stock market, in line with international markets, slumped on the back of the Greece debt crisis, with EGX 30 index touching its lowest point (5850 points) in July.

The market has, however, managed to buck the downward trend and began to stage a moderate recovery, amid mixed sentiments towards the Parliamentary elections, to break the 7,000 points once again at the end of the year and surging by 22 percent from its lowest point within nearly 6 months. EGX 30 index concluded the year at 7142 points, EGX 70 index closed at 722 points and EGX 100 closed at 1166 points.

Worth mentioning that this year has witnessed the launch of the S&P/EGX ESG Index in March 2010 by EGX in collaboration with the Egyptian Institute of Directors and Standard & Poor's. The Index is considered the first in the Middle East and the second to be launched among the emerging markets after India. The index recorded a 21% increase over the year.



Market Indices Performance in 2010



| | Open | High | Low | Close |
|----------------------------------------|------|------|------|-------|
| EGX 30 Index (in Local Currency Terms) | 6209 | 7603 | 5850 | 7142 |
| EGX 30 Index (in US\$ Terms) | 3842 | 4672 | 3488 | 4176 |
| EGX 70 Index | 643 | 809 | 513 | 722 |
| EGX 100 Index | 1059 | 1258 | 884 | 1166 |
| DJ EGX Egypt Titans 20 Index | 1314 | 1614 | 1264 | 1533 |
| S&P/EGX ESG Index | 918 | 1160 | 907 | 1113 |

EGX 30 Index Performance during (January - December 2010)



Economy News

1. **28 February** Morgan Stanley Recommends "Overweight" to Egypt
3. **28 March** Standard and Poor's Affirms Egypt's Sovereign Credit Rating, with a Stable Outlook
4. **26 April**Greece Debt Crisis
6. **5 August** Overnight Deposit and Lending Rates maintained at 8.25% and 9.75%, respectively.
7. **14 September** Madinaty Contract Proved Null
- September till year end** Lack of a clear vision about djezzy owned by Orascom Telecom and the negotiations with Fimblcom

EGX News

2. **23 March** The Launch of S&P/EGX ESG Index
5. **14 June** The Royal Bank of Scotland Issues Certificates on EGX30 Index to Be Listed and Traded on Milan Stock Exchange

Political News

8. **28 November** Parliamentary Elections

b. Sector Indices Performance

All sectors have witnessed a good performance in 2010, except for the Telecommunications sector and the Travel and Leisure sector, which recorded a decline of 16% and 2%, respectively, over the year. Worth mentioning that the Telecommunications secured the highest volume traded of 5.4 billion shares, on the back of the heavy trading activity of Orascom Telecom Holding, which stood as number one in terms of volume traded, recording a volume traded of 5 billion shares worth LE 30 billion. Meanwhile, the Travel & Leisure sector ranked third in terms of volume traded, with 3.5 billion shares changing hands worth LE 11 billion, supported by the heavy activity of Egyptian for Tourism Resorts, which booked the second place in terms of volume traded this year, accounting for almost 86% of the sector's volume traded.

The Banks sector topped the market, surging by 76%, followed by the Real Estate sector with a big difference, recording a 21% increase. The Real Estate sector ranked fourth in terms of volume traded, recording 3.1 billion shares worth LE 29 billion, due to the heavy activity of TMG Holding, which came as the fourth most actively traded in terms of volume during 2010, registering a volume traded of 1.3 billion shares worth LE 10 billion.

The third and fourth places were booked by the Chemicals sector and the Healthcare & Pharmaceuticals sector, hiking up by 19% and 17%, respectively.

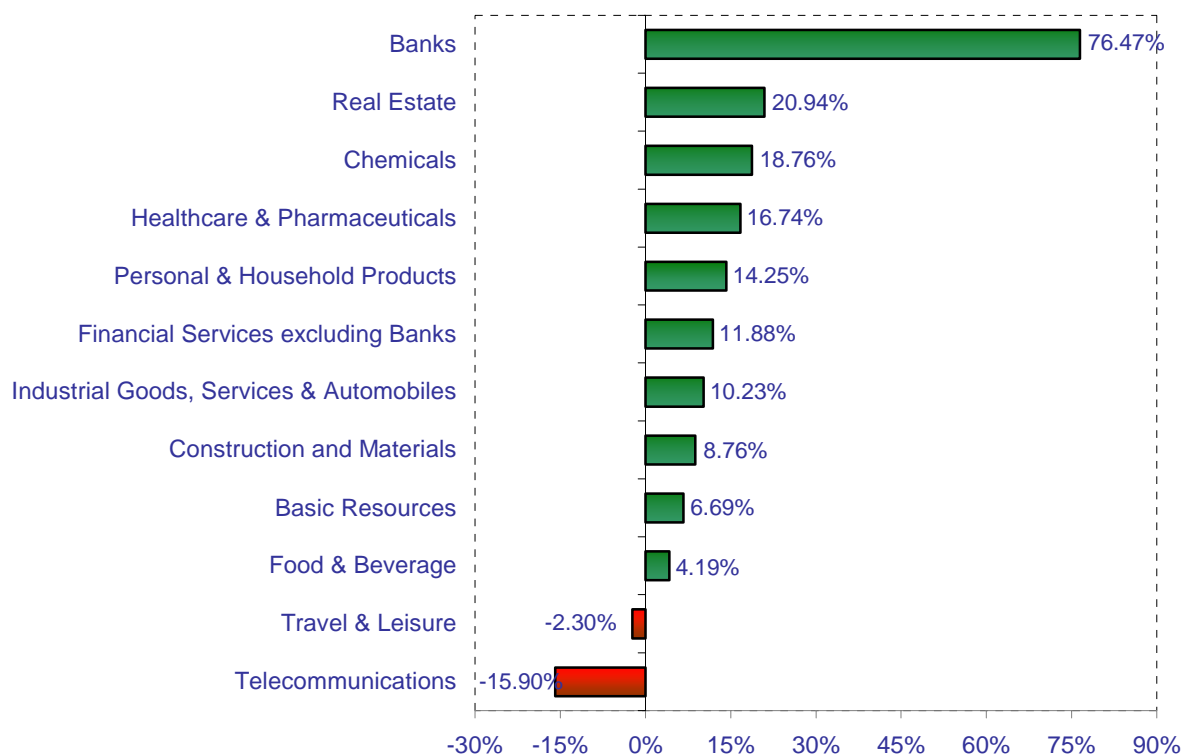
Fifth in line came the Personal & Household Products sector soaring by 14%. Likewise, the sector ranked fifth in terms of volume traded, recording 3 billion shares worth LE 11.6 billion.

The Financial Services excluding Banks sector was the sixth highest growing sector in 2010, surging by 12%. Additionally, the sector ranked second in terms of trading volume, locking in a total volume traded of 4.5 billion shares worth LE 31 billion.

The Industrial Goods, Services and Automobiles sector and the Construction and materials sector stood as number seven and eight, concluding the year with an increase of 10% and 9%, respectively.

The Basic Resources sector came on the ninth place, surging by 7%. Finally, the Food & Beverage sector soared by 4% over the year.

Sector Indices Performance in 2010



5 Most Active Sectors in terms of Volume Traded

| Sector | Trading Volume (million shares) | Trading Value (LE million) | Average P/E Ratio 31/12/2010 | Average DY (%) 31/12/2010 |
|------------------------------------|---------------------------------|----------------------------|------------------------------|---------------------------|
| Telecommunications | 5,446 | 38,576 | 9.49 | 3.80 |
| Financial Services excluding Banks | 4,469 | 31,366 | 20.49 | 7.75 |
| Travel & Leisure | 3,539 | 10,631 | 16.99 | 17.91 |
| Real Estate | 3,109 | 28,787 | 19.11 | 10.54 |
| Personal & Household Products | 2,599 | 11,550 | 14.63 | 7.18 |

3. Egypt vs. Emerging Markets

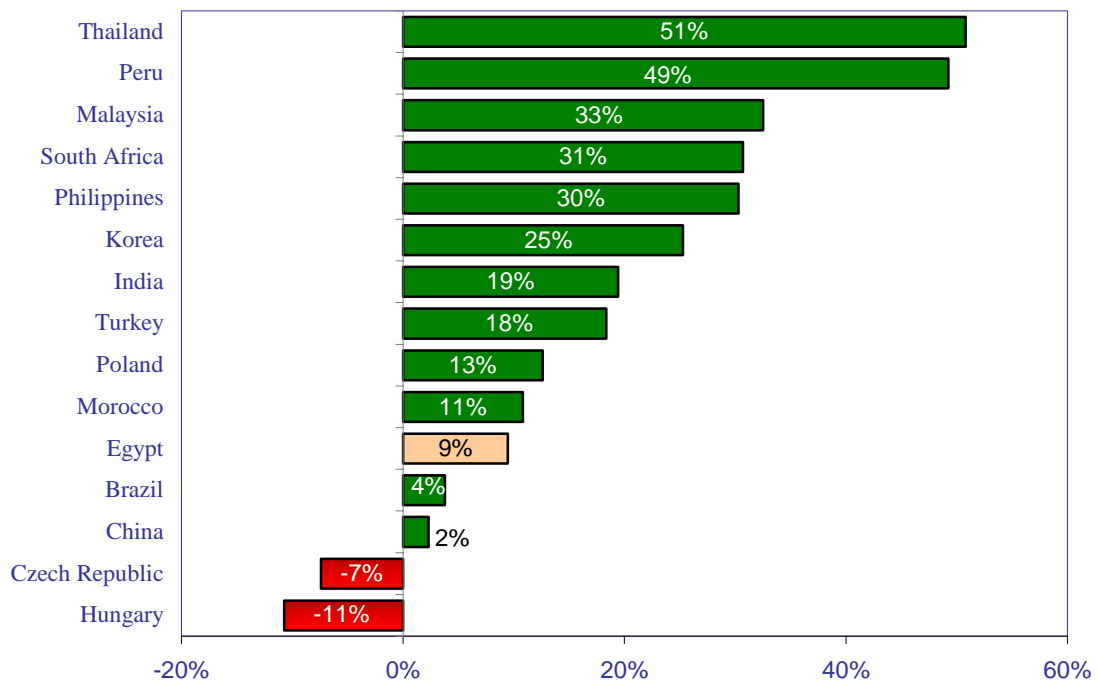
The majority of the emerging markets delivered a good performance during 2010, except for Hungary and Czech Republic, recording the only decline of this year of 11 percent and 7 percent, respectively, according to Morgan Stanley Price Index (MSCI Price Index in US\$ terms). Thailand and Peru came as the best performing markets, surging by 51 percent and 49 percent, respectively.

As for the S&P/IFCI index (in US\$ terms), all Emerging markets concluded the year in a positive territory, with the exception of Hungary, which incurred 11 percent losses over the year.

Meanwhile, the Egyptian market surged by 9 percent in 2010, according to MSCI index (in US\$ terms) and 13 percent according to S&P/IFCI (in US\$ terms).

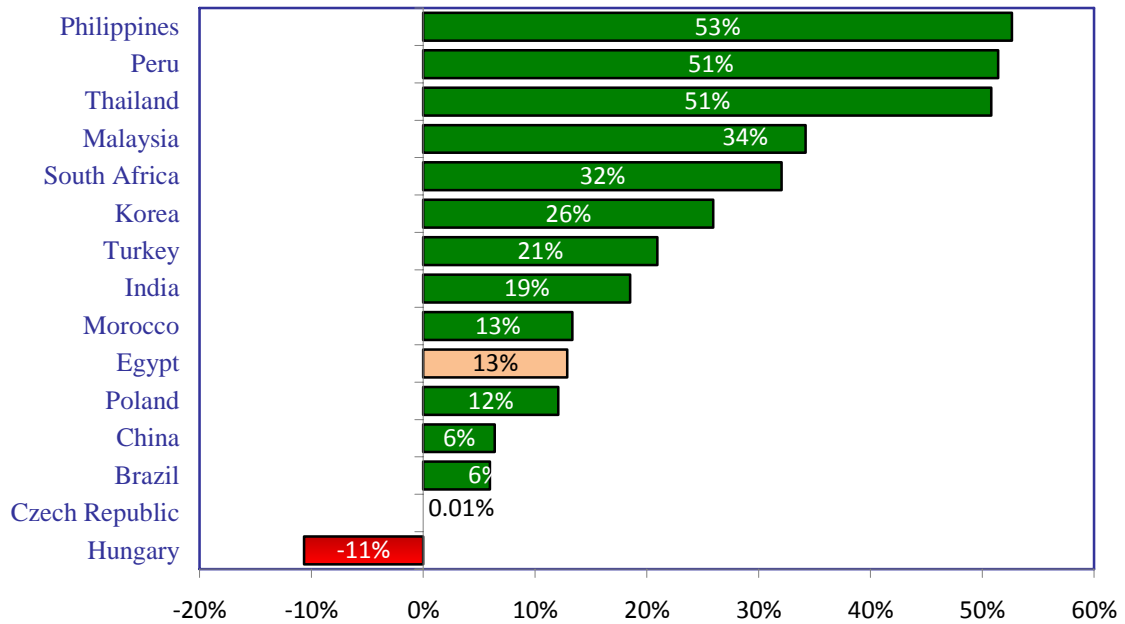
Worth mentioning that the Egyptian Exchange recorded an increase of 15.4 percent according to MSCI Price Index (in local currency terms) and 19 percent according to S&P/IFCI index (in local currency terms) for emerging markets. The difference between the indices denominated in local currency and in US\$ terms is due to the decline in the exchange rate of LE/US\$.

Percentage Change in MSCI Price Indices (in US\$ Terms) in 2010



Source: Morgan Stanley Website

Percentage Change in S&P/IFCI (in USD Terms) for Egypt vs. Other Emerging Markets in 2010



Source: Standard and Poor's Website

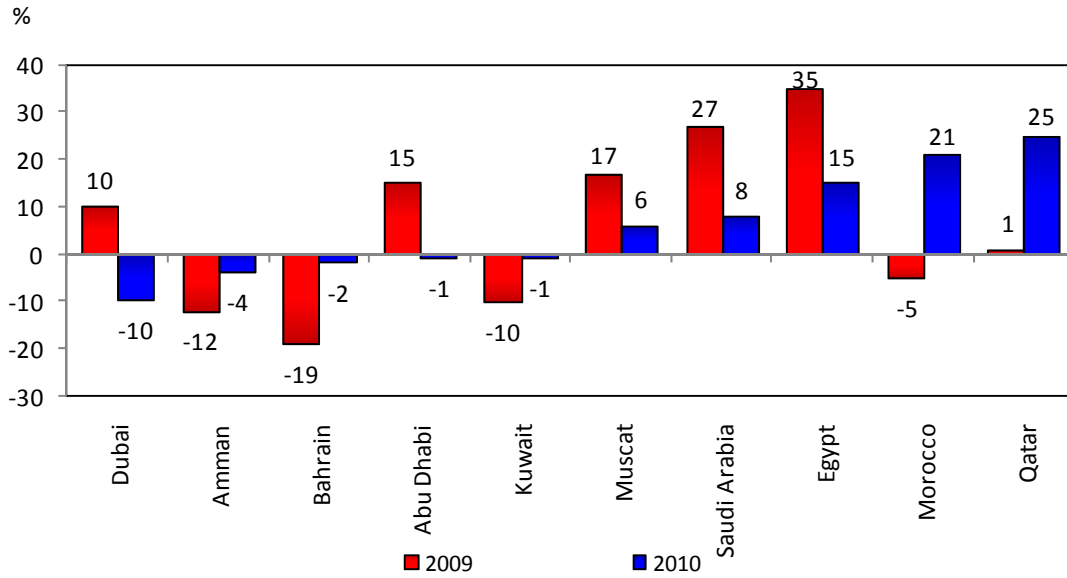
4. Egypt vs. Arab Markets

The Arab markets witnessed a mixed performance in 2010. Starting to recover during the first quarter of the year from the global financial crisis, the Arab markets suffered from severe losses affected by the declines in the global markets due to the Greece debt crisis, in addition to the fluctuation in oil prices.

Qatar and Casablanca were the best performers, concluding the year with an increase of 25 percent and 21 percent, respectively. Dubai, on the other hand, lagged its peers and has retreated by 10 percent in 2010, adding to its losses since the interruption of the Dubai Financial crisis in November 2009.

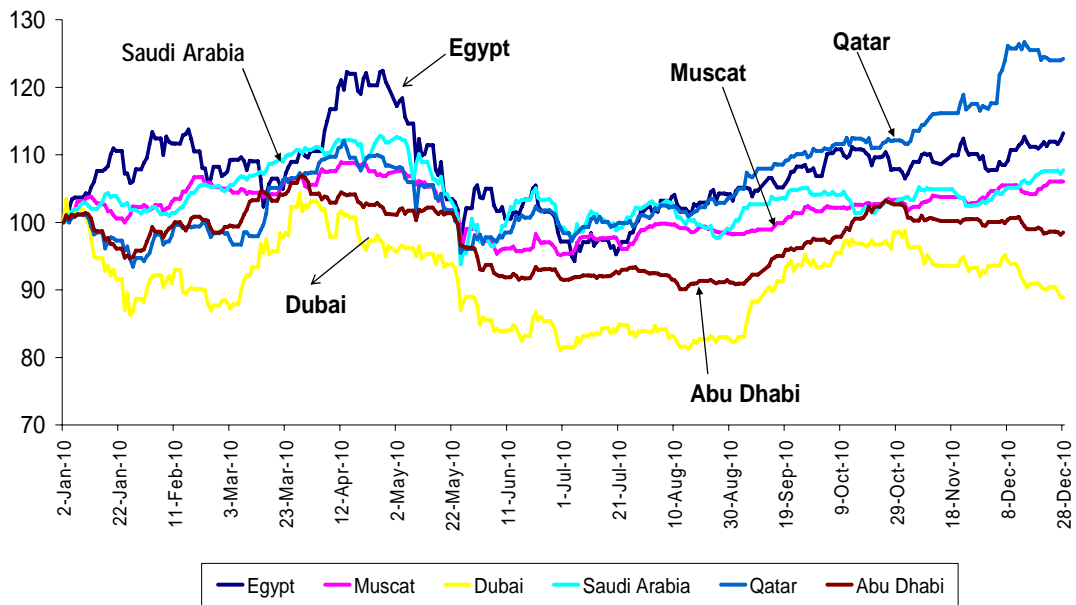
The Egyptian market performed well compared to other Arab markets, booking the third place and recording 15 percent gains over the year.

Annual Percentage Change in Arab Markets' Indices in 2009 & 2010



Source: Reuters

Egypt vs. Gulf Markets Performance during 2010



Source: Reuters

5.Trading Aggregates

a. Total Market

The Exchange recorded a total value traded of LE 321 billion during 2010, as opposed to LE 448 billion in 2009. Moreover, the volume traded recorded 33 billion securities in 2010 compared to 37 billion securities in 2009. Likewise, the number of transactions recorded 10 million transactions versus 15 million in 2009.

The value traded of the main market amounted to LE 273 billion in 2010 compared to LE 334 billion in 2009. Meanwhile, volume traded of the main market reached 28 billion securities in 2010 as opposed to 29 billion securities last year.

Worth mentioning that the main market, in 2010, has recorded almost the same trading figures realized in 2009 after excluding deals. The value traded of the main market recorded LE 264 billion in 2010 compared to LE 290 billion in 2009. Additionally, volume traded of the main market reached 27 billion securities in 2010 as opposed to 28 billion securities last year, after excluding deals.

On the other hand, Over the Counter market (OTC) has witnessed a remarkable decline in the trading activity in 2010, registering a trading value of LE 48 billion as opposed to LE 115 billion in 2009. This was mainly attributed to the re-organization of the OTC (Orders market). Starting the second half of 2010, trading on the OTC (Orders market) took place only on two days per week for half an hour, with a T+3 settlement period. This in turn has resulted in a remarkable decline in the trading activity of this market, recording a trading value of LE 5 billion down from LE 15 billion in 2009. Additionally, the Deals market has registered a trading value amounted to LE 43 billion in 2010 as opposed to LE 100 billion last year, which included the LE 71 billion Lafarage Building Materials Holding deal.

The OTC market captured around 15 percent of the total market value traded as opposed to 26 percent in 2009. Likewise, the OTC trading volume retreated to 5 billion securities in 2010, down from 8 billion securities last year.

The market capitalization concluded the year at LE 488 billion as opposed to LE 500 billion at the end of 2009, representing 40 percent of GDP.

Main Market Indicators over the Period (2005 - 2010)

| Indicators | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|----------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 1. Trading Aggregates | | | | | | |
| Total Volume (Billion Shares) | 5.3 | 9.1 | 15.1 | 25.5 | 36.6 | 33 |
| Listed Securities | 4.2 | 7.8 | 11.4 | 21.9 | 28.6 | 28 |
| NILEX [^] | - | - | - | - | - | 0.02 |
| Unlisted Securities | 1.1 | 1.3 | 3.7 | 3.6 | 8.0 | 5 |
| Total Value Traded (LE Billion) | 160.6 | 287.0 | 363.0 | 529.6 | 448.2 | 321 |
| Listed Securities | 150.9 | 271.1 | 321.5 | 475.9 | 333.5 | 273 |
| NILEX [^] | - | - | - | - | - | 0.20 |
| Unlisted Securities | 9.7 | 15.9 | 41.5 | 53.7 | 114.7 | 48 |
| Number of Transactions (million) | 4.2 | 6.8 | 9.0 | 13.5 | 14.6 | 10 |
| Listed Securities | 4.0 | 6.6 | 8.7 | 12.8 | 13.5 | 10 |
| NILEX [^] | - | - | - | - | - | 0.005 |
| Unlisted Securities | 0.2 | 0.2 | 0.3 | 0.7 | 1.1 | 0.4 |
| Average Daily Value Traded (LE million) | 645 | 1,176 | 1,488 | 1,656 | 1,822 | 1,300 |
| Listed Securities | 606 | 1,111 | 1,318 | 1,436* | 1,356 | 1,105 |
| NILEX [^] | - | - | - | - | - | 1.4 |
| Unlisted Securities | 39 | 65 | 170 | 220 | 466 | 194 |
| Turnover Ratio (%)** | 31.1 | 48.7 | 38.7 | *70.3 | *49.9 | 42.9 |
| Number of Trading Days | 249 | 244 | 244 | 244 | 249 | 247 |
| 2. Listed Companies (Main Market) | | | | | | |
| Number of Listed Shares | 744 | 595 | 435 | 373 | 306 | 212 |
| Average Company Size (LE million)*** | 613 | 897 | 1,766 | 1,259 | 1,633 | 2,302 |
| Number of Traded Companies | 441 | 407 | 337 | 322 | 289 | 211 |
| Number of Traded Companies as a % of Number of Listed Companies | 59 | 68 | 77 | 86 | 94 | 99.5 |
| Market Capitalization End of Year (LE Billion)**** | 456 | 534 | 768 | 474 | 500 | 488 |
| Market Capitalization as a % of GDP | 74 | 72 | 86 | 45 | 41 | 40 |
| Value Traded by Non-Arab Foreigners as a % of the Total Value Traded | 16.4 | 16.6 | 19.2 | 20.0* | 12.7* | 16.5* |
| Value Traded by Arabs as a % of the Total Value Traded | 13.9 | 13.6 | 12.5 | 10.0* | 6.3* | 6.1* |
| 3. Listed Companies (NILEX) | | | | | | |
| Number of Listed Companies | - | - | - | 2 | 6 | 16 |
| Number of Traded Companies | - | - | - | - | - | 13 |
| Market Capitalization End of Year (LE Billion)**** | - | - | - | - | - | 1 |

* After excluding deals

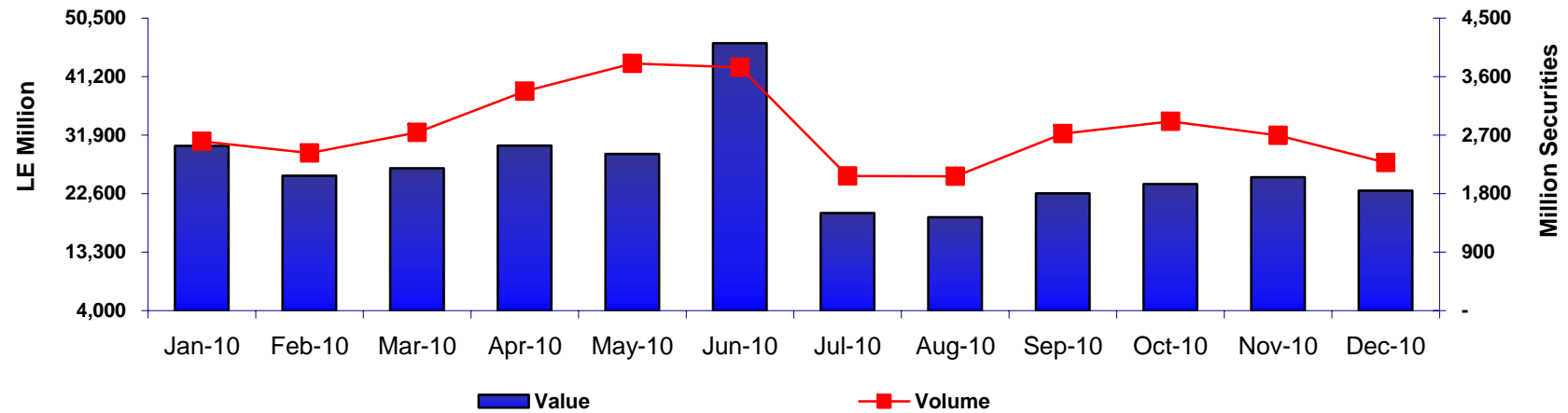
** Turnover Ratio (%) = value traded of listed shares / market capitalization

*** Average Company Size = Market Capitalization / no. of firms

**** Market Capitalization = no. of listed shares x market price end of year

[^] Trading on Nilex has been commenced effective 03/06/2010

Monthly Trading Value and Volume During 2010



- A number of large deals has been executed in January 2010; namely, a deal executed in the OTC market on Ouya for Real Estate Investment Co., with a total volume of 14.6 million shares worth LE 1.5 billion. Additionally, 3 equity swap deals executed in January 2010, which are a deal on Lord for Precision Industries, with a total volume of 1.7 million shares worth LE 513 million, a deal on Lord for Import and Export- Sutraku, with a total volume of 877 thousand shares worth LE 436 million and a deal on Lord International, with a total volume of 1.1 million shares worth LE 329 million. Finally, a deal executed on El Ahly United Bank, with a total volume of 18.6 million shares worth LE 689 million.

- A deal was executed on Gulf Egypt Hotels & Tourism in the OTC market on 18 February 2010, with a total volume of 1.8 million shares worth LE653 million.

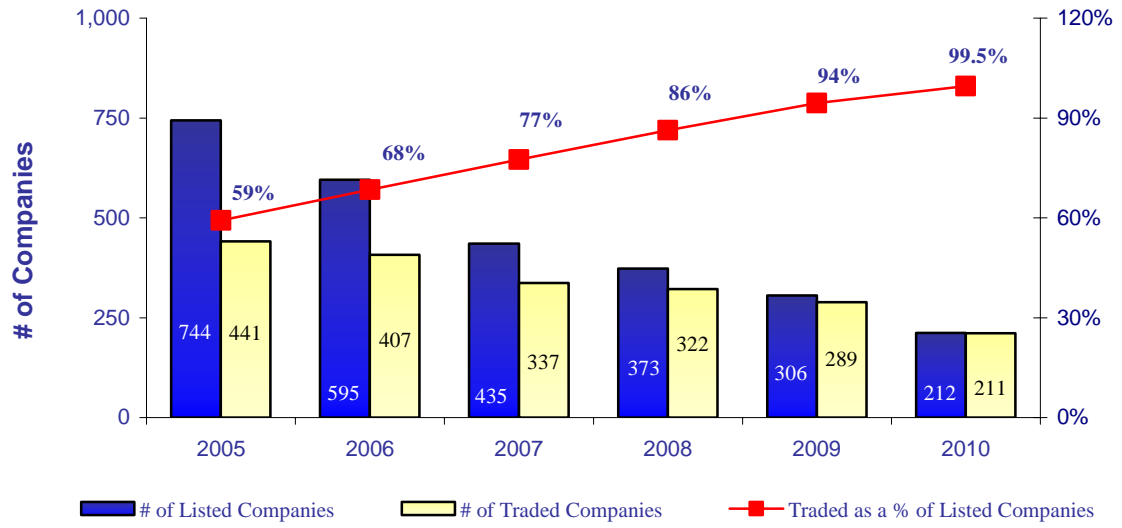
- A deal was executed on Amer Holding Group in the OTC market on 20 May 2010, with a total volume of 713 million securities worth LE 3.6 billion. Additionally, two deals were executed on 31 May 2010 in the OTC market; namely, a deal executed on Smart Village for Real Estate Invesmtnets, with a total volume of 22.6 million shares worth LE 304 million, in addition to a deal executed on Naeem Holding for Investment, with a total volume of 13.5 million shares worth LE 238.8 million.

- Juhayna Food Industries IPO and Private Placement were executed on 13 June 2010, with a total volume of 206 million securities and a total value of LE 999 million.

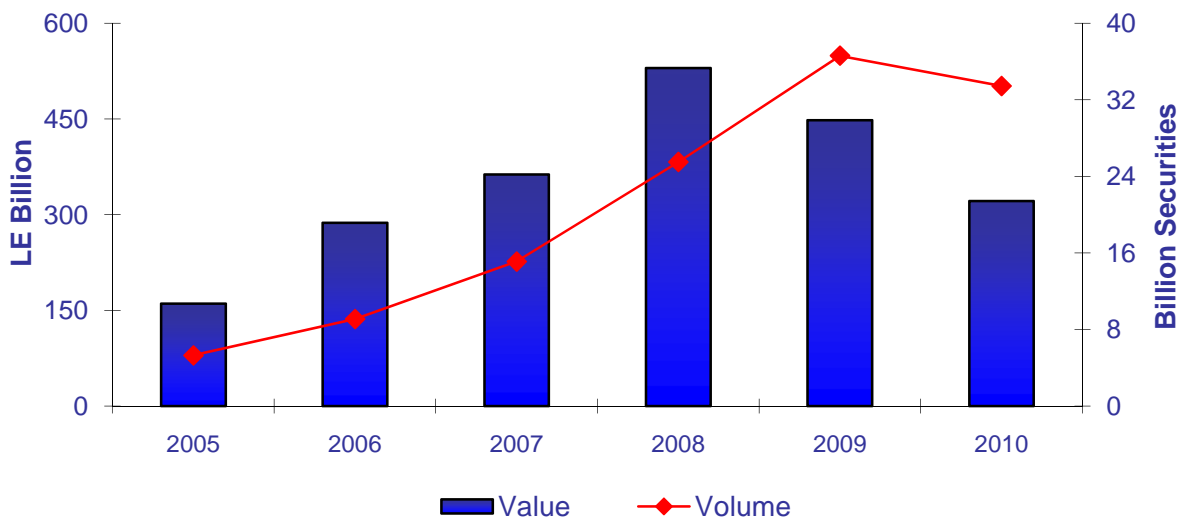
Moreover, a deal on Beni Suf Cement was executed in the OTC market on 20 June 2010, with a total volume of 49.4 million shares worth LE 3.1 billion. Additionally, a deal on Future for Construction Development was executed in the OTC market on 24 June 2010, with a total volume of 11.2 million shares worth LE 3.2 billion. Furthermore, a deal was executed on Golden Pyramids Plaza on 27 June 2010, with a total volume of 53.9 million shares worth LE 925 million, in addition to a deal executed in the OTC market on Banque du Caire on 29 June 2010, with a total volume of 400 million shares worth LE 7 billion. Finally, 2 deals were executed in the OTC market on 30 June 2010; namely, a deal executed on Al Masreya for Natural Gas (GASCO), with a total volume of 924 thousand shares worth LE 4.5 billion. Moreover, a deal executed on First Arbia Hotels and Tourism, with a total volume of 600 thousand shares worth LE 951 million.

- Amer Holding Group (Amer Group) IPO and private placement were executed on 29 November 2010 , with a total volume of 411 million shares worth LE1.2 billion.

Listed vs. Traded Companies in the Main Market (2005-2010)



Trading Value and Volume (2005-2010)



b. Companies Traded within 20% Price Limits

The companies traded within 20 percent price limit captured 94 percent and 96 percent of the total value and volume traded (stocks only), respectively. They also accounted for 97 percent of the total number of transactions during year 2010.

Worth mentioning that the companies registered almost 98 percent of the total value traded (stocks only), after excluding deals.

Trading Aggregates for the Companies Traded within 20% Price Limits (179 Co.) in 2010

| | Trading Value (LE billion) | Trading Volume (billion shares) | # of Trades (million) |
|---------------------------------------------|-------------------------------|------------------------------------|--------------------------|
| Companies Traded within 20% Price Limits | 197 | 27 | 9 |
| % of Total Listed Stocks | 94% | 96% | 97% |

c. Intra-day Trading System

Intra-day Trading maintained a high trading activity in 2010, recording a trading volume of 5 billion shares, representing 17 percent of the total volume traded of listed stocks. Moreover, their value traded amounted to LE 26 billion, making up around 12 percent of the total value of the listed stocks. Likewise, the number of transactions executed through intra-day trading registered 1.2 million transactions, which accounted for 12 percent of the total number of transactions of the listed stocks.



Trading Aggregates for Intra-day Trading System during 2010

| | Trading Volume (million) | Trading Value (LE million) | # of Trades (thousand) |
|---------------------------------------------------------------|--------------------------|----------------------------|------------------------|
| Total Trades Executed Through Intra day Trading System | 4,658 | 25,544 | 1,199 |
| % of Total Listed Stocks | 17% | 12% | 12% |

d. Brokerage Firms Eligible for Online Trading



e. 10 Most Active Companies in Terms of Volume Traded (Main Market)

| Shares | Trading Volume (Million shares) | Trading Value (LE Million) | Close Price at the end of 2009 (LE) | Close Price at the end of 2010 (LE) | % Change |
|---------------------------------------------------------------|---------------------------------|----------------------------|-------------------------------------|-------------------------------------|----------|
| Orascom Telecom Holding (OT) | 5,140 | 30,314 | 5.02 | 4.32 | -13.9% |
| Egyptian for Tourism Resorts | 3,042 | 6,828 | 1.66 | 2.00 | 20.5% |
| Upper Egypt Contracting | 1,659 | 2,298 | 1.54 | 1.21 | -21.6% |
| T M G Holding | 1,344 | 10,160 | 6.89 | 8.63 | 25.3% |
| Arabia Investments, Development, Fin. Inv. Holding Comp.-Cash | 1,198 | 1,270 | 1.25 | 0.87 | -30.4% |
| Egyptian Electrical Cables | 1,173 | 1,305 | 1.15 | 0.98 | -14.8% |
| Pioneers Holding | 1,002 | 4,364 | 6.35 | 3.20 | -49.6% |
| El Nasr Clothes & Textiles (Kabo) | 717 | 968 | 1.48 | 1.14 | -23.0% |
| Arab Cotton Ginning | 679 | 3,258 | 3.73 | 4.41 | 18.3% |
| Extracted Oils | 544 | 821 | 1.49 | 1.33 | -10.7% |

Close Prices are adjusted with corporate actions source: Reuters

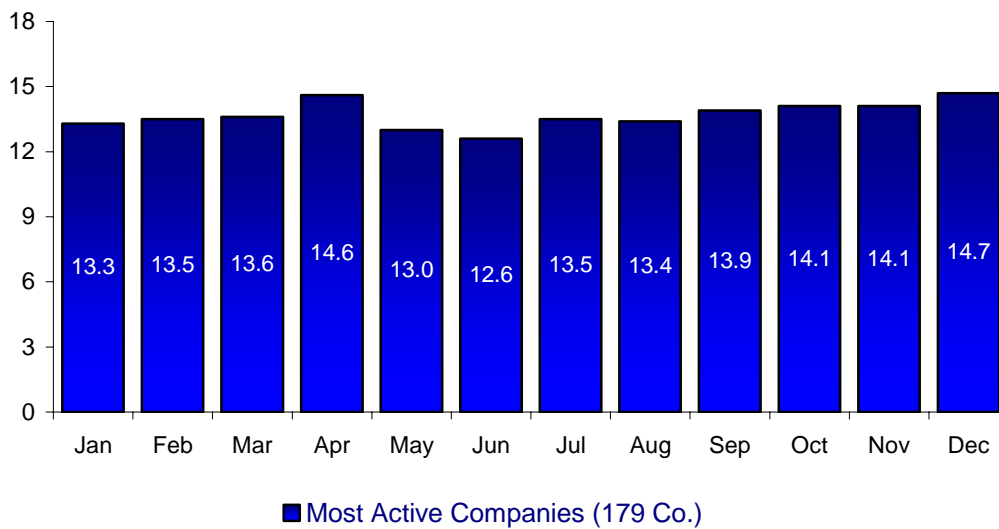
f. NILEX Companies Performance

| Shares | Trading Volume (Million shares) | Trading Value (LE Million) | Market Cap. (LE Million) | Close Price at the End of 2010 (LE) |
|----------------------------------------------------------|---------------------------------|----------------------------|--------------------------|-------------------------------------|
| AL Moasher for Programming and Information Dissemination | 5.76 | 31.08 | 26.8 | 3.79 |
| El-Barbary Investment Group | 2.14 | 13.49 | 35.1 | 3.51 |
| El Bader Plastic | 1.83 | 19.37 | 21.8 | 12.80 |
| Kato Agriculture Development Co | 1.38 | 62.1 | 108.0 | 45.00 |
| International Company for Fertilizers and Chemicals | 1.17 | 5.88 | 72.0 | 7.20 |
| Misr Kuwait Investment & Trading Co | 0.83 | 3.22 | 59.8 | 2.99 |
| Masria Card | 0.53 | 17.82 | 116.6 | 54.00 |
| Ameco Medical Industries | 0.51 | 8.15 | 59.7 | 18.10 |
| T N Holding Investments | 0.48 | 2.40 | 20.0 | 5.0 |
| Pharaoh Tech for Control and Communication Systems | 0.47 | 18.25 | 76.0 | 76.01 |
| Misr Intercontinental for Granite & Marble (Egy-Ston) | 0.21 | 5.93 | 259.4 | 29.99 |
| Al Oroba trading mining and supplying | 0.15 | 6.56 | 65.6 | 43.71 |
| Utopia | 0.13 | 5.09 | 40.0 | 40.00 |

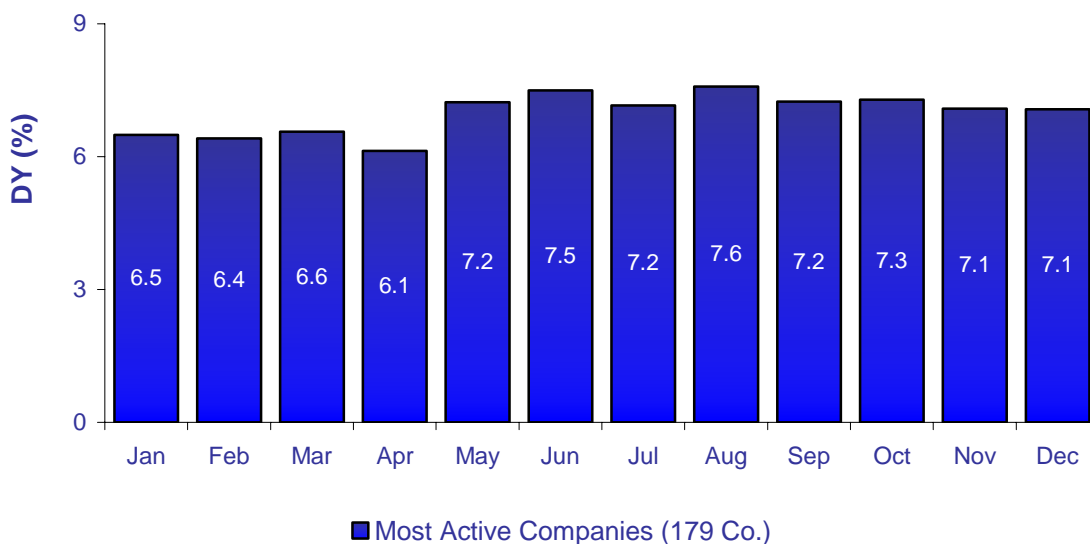
6. PE Ratio and Dividend Yield

The Egyptian Exchange has realized relatively good levels of Price Earnings (P/E) ratio and Dividend Yield (DY) during the year 2010, leaving the Egyptian market with favorable valuations. The Price Earnings (P/E) ratio for the most active stocks in the Egyptian market registered 14.7 times at the end of 2010 compared to 13 times at the beginning of the year. Meanwhile, the dividend yield recorded 7.1 percent at the end of December 2010 as opposed to 6.5 percent at the beginning of the year. The figures below portray the monthly PE ratio and DY over the year 2010.

Price Earnings (PE) Ratio in 2010



Dividend Yield (DY) in 2010



Egypt has attractive valuations compared to other emerging markets. Egypt recorded a high DY of 7 percent compared to an average of 1.8 percent for emerging markets at the end of December 2010 as per S&P/IFC composite index for Emerging markets. Additionally, Egypt recorded a PE ratio of 14.7 times, close to the average PE ratio for emerging markets, as depicted in the table below.

| | Average PE Ratio at the end of 2010 | Average DY (%) at the end of 2010 |
|----------------------------|-------------------------------------|-----------------------------------|
| EGX * | 14.7 | 7.1 |
| Emerging Markets ** | 13.5 | 1.8 |

* PE ratio & DY based on the most active stocks only (179 Co.)

** As per S&P/IFCI composite index for Emerging Markets

7. Development of Number of Investors in 2010

The Egyptian market maintained its attractiveness during 2010, in particular the institutions. The number of newly coded institutions has surged to 3910 institutions compared to 1654 institutions in the previous year, rising up by 136 percent over the year as opposed to a 16 percent decline for individuals. From another perspective, the number of newly coded individual investors recorded 31 thousand in 2010 as opposed to 37 thousand individual investors in 2009.

The Arab institutions increased by 71 percent. Meanwhile, The Egyptian institutions soared by 129 percent, reaching 1168 newly coded Egyptian institutions in 2010.

On the individual investors' front, the Non-Arab foreign individual investors surged by 288 percent in 2010, recording 1300 newly coded investors as opposed to 342 investors in 2009.

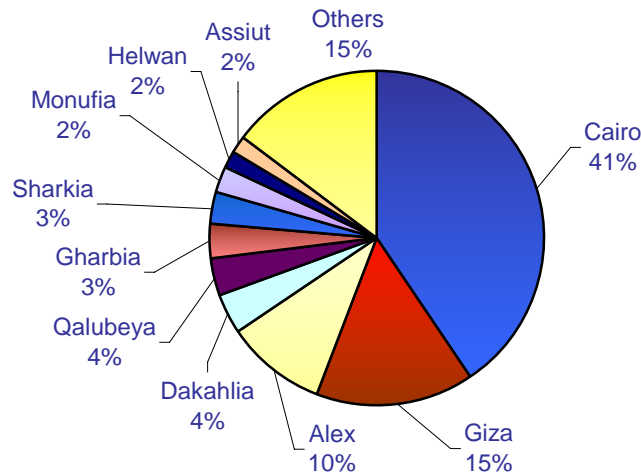
The Arab individual investors surged by 65 percent in 2010. Meanwhile, the newly coded Egyptian individual investors declined by 21 percent over the year, registering 28 thousand newly coded investors in 2010, as depicted in the table below.

Newly Coded Investors in 2010 vs. 2009

| | Number of New Coded Investors in 2010 vs. 2009 | | | |
|-------------------|---------------------------------------------------|--------|--------------|-------|
| | Retailers | | Institutions | |
| | 2009 | 2010 | 2009 | 2010 |
| Egyptians | 35,421 | 28,019 | 511 | 1,168 |
| Arabs | 913 | 1,508 | 93 | 159 |
| Foreigners | 342 | 1,328 | 1,050 | 2,581 |
| Total | 36,676 | 30,855 | 1,654 | 3,910 |

On the governorates level, the coded investors in Cairo captured around 41 percent of the total number of newly coded investors in Egypt in 2010, followed by Giza, accounting for 15 percent. Alexandria came third, making up 10 percent, followed by Dakahlia and Qalubeya, capturing around 4 percent each of the total number of newly coded investors in Egypt.

Newly Coded Investors in 2010 by Governorate

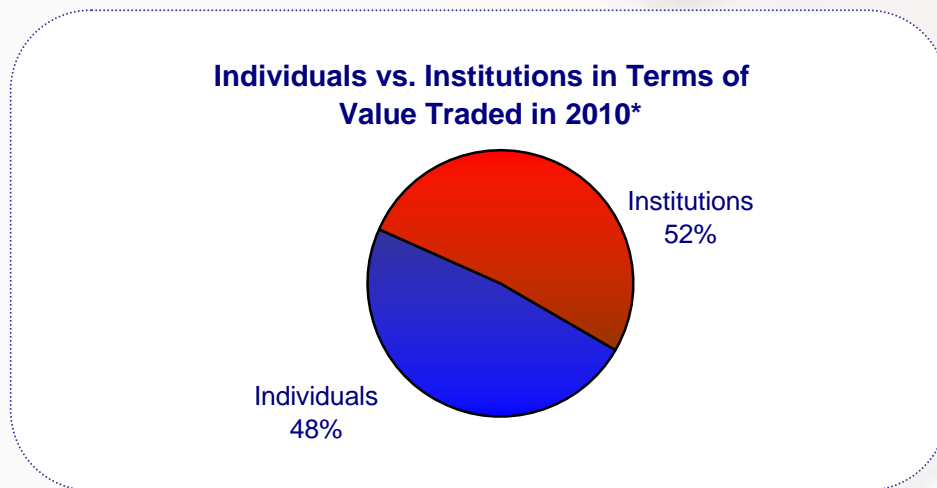


8- Investors' Trading Activity in the Egyptian Market

a- Individuals vs. Institutions

The Egyptian market was dominated by Institutions, accounting for 52 percent of the value traded during 2010, as opposed to 37 percent during 2009. In addition, individuals accounted for 48 percent of the value traded during 2010, as opposed to 63 percent during the previous year.

Meanwhile, institutions ended the year 2010 as net buyers, with almost LE 3.9 billion versus LE 2.2 billion during 2009, after excluding deals



*After Excluding Deals

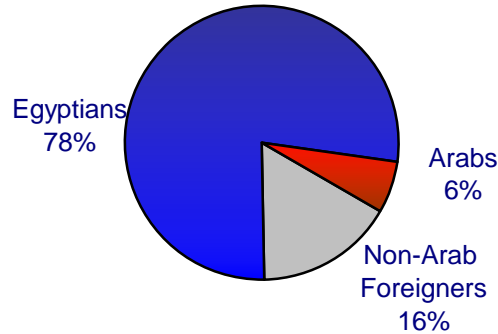
B- Egyptians vs. Foreigners

Foreigners accounted for 22 percent of the total value traded in 2010, of which 6 percent was captured by Arab investors, while the remaining 16 percent was captured by non-Arab foreign investors, after excluding deals.

Despite the difficulties of 2010 and its effect on investment flows in the world as a whole, the Egyptian market was able to realize net inflows of LE 8.4 billion by non-Arab investors as opposed to LE 5 billion net inflows in 2009. Meanwhile, Arab investors have generated net outflows of LE 997 million in 2010 as opposed to LE 4 billion net outflows in 2009, after excluding deals.

Foreigners (Arabs & Non Arabs) were net buyers, generating net inflows of LE 7.4 billion during 2010 compared to LE 996 million net inflows during 2009, after excluding deals.

Egyptians vs. Foreigners in Terms of Value Traded in 2010*

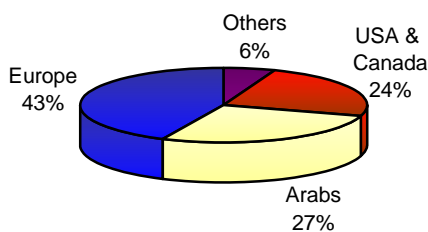


*After Excluding Deals

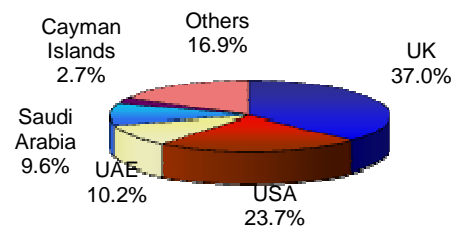
Moreover, European investments dominated foreign investments on EGX in 2010, capturing around 43 percent of the total foreign investments, after excluding deals. Arab investments accounted for 27 percent of the foreign investments, while 24 percent were owed to USA & Canada.

At the country level, the United Kingdom came first and has captured around 37 percent of the total foreign investments on EGX in 2010, followed by USA and UAE, constituting 24 percent and 10 percent of the total foreign investments, respectively. Saudi Arabia made up 9.6 percent of the total foreign investments, after excluding deals.

Foreign Participation by Region in 2010*



Foreign Participation by Country in 2010*



* After Excluding Deals

9. Capital Increase & IPOs

Year 2010 witnessed the listing of 16 companies, with a total value of LE 1.9 billion vs. 6 companies, with a total value of LE 3.3 billion in 2009.

Listing during 2009 and 2010

| | 2009 | 2010 |
|------------------|------|------|
| New Listing | 3.3 | 1.9 |
| Capital Increase | 5.1 | 17.3 |

Value in billion LE

a. Initial Public Offerings (IPO)

Year 2010 witnessed 3 offerings, with a cumulative amount of LE 2.2 billion. The first one was initiated by Juhayna Food Industries, raising a total of LE 999 million, which is considered the first to undertake a public offering since the interruption of the global financial crisis. The offering was oversubscribed by 7 times in the public offering and 2 times in the private placement. Additionally, Advanced Pharmaceutical Packaging Company has offered 1 million shares in a private placement worth LE 21 million and was covered by 1.5 times. Finally, Amer Group Holding (Amer Group) raised a total value of LE 1.2 billion through a public offering and a private placement in November 2010. The offering was oversubscribed by 6 times in the public offering and 3 times in the private placement.

| Company Name | Offering Date | Offering Method | Issue Size (Million Shares) | Issue Size (LE Million) | Oversubscription (No of Times) |
|---------------------------------------------|---------------|-------------------|-----------------------------|--------------------------|--------------------------------|
| Juhayna Food Industries | Jun-10 | IPO | 41.2 | 192 | 6.8 |
| | | Private placement | 164.8 | 807 | 1.75 |
| Advanced Pharmaceutical Packaging Co. (APP) | Jun-10 | Private placement | 1.0 | 21 | 1.5 |
| Amer Group Holding (Amer Group) | Nov-10 | IPO | 82.1 | 230 | 5.83 |
| | | Private placement | 328.6 | 920 | 3.05 |
| Total | | | 617.7 | 2,171 | |

b. Capital Increase

The total value of raised capital reached LE 17.3 billion during 2010, as opposed to a total value of LE 5.1 billion during the previous year.

10. Acquisition Deals during 2010

Eight acquisition deals worth LE 3.1 billion were concluded in 2010, as opposed to 11 deals worth LE 42 billion in 2009.

The most prominent deals included the sale of 44 percent of Ahli United Bank - Egypt by Ahli United Bank - Bahrain in a deal worth LE 985 million, the 80 percent acquisition of Natural Gas & Mining Project (Egypt Gas) by Egyptian Holding Co. for Natural Gas (EGAS) in a deal worth LE 674 million.

Other large deals concluded during the year included the acquisition of Lord precision Industries, Lord Import & Export and Lord International by Soliman Group Holding for Financial Investment in 3 deals worth LE 513 million, LE 436 million and LE 329 million, respectively.

Acquisition Deals during 2010

| No. | Acquirer | Security | Date | % | Value (LE Million) |
|-----|---------------------------------------------------|------------------------------------------|--------|-------|-----------------------|
| 1 | National Development Bank | El Kahera El Watania Investment | Dec-10 | 24.8 | 33.9 |
| 2 | Egyptian Holding Co. for Natural Gas (EGAS) | Natural Gas & Mining Project (Egypt Gas) | Aug-10 | 80 | 674.21 |
| 3 | Sharm Dreams Holding for Tourism & Hotels | Rowad Misr Tourism Investment | Aug-10 | 10.12 | 62.87 |
| 4 | Egyptian Company for Tourism & Hotels | Tourism Urbanization | Jul-10 | 65.29 | 56.55 |
| 5 | Ahli United Bank - Bahrain | Ahli United Bank - Egypt | Jan-10 | 44.4 | 984.9 |
| 6 | Soliman Group Holding for Financial Investments # | Lord Import & Export | Jan-10 | 99.98 | 82.5 |
| 7 | Soliman Group Holding for Financial Investments # | Lord Precision Industries | Jan-10 | 96.87 | 95.7 |
| 8 | Soliman Group Holding for Financial Investments # | Lord International | Jan-10 | 99.98 | 65.1 |

Value is in US Dollars

11. Market Capitalization

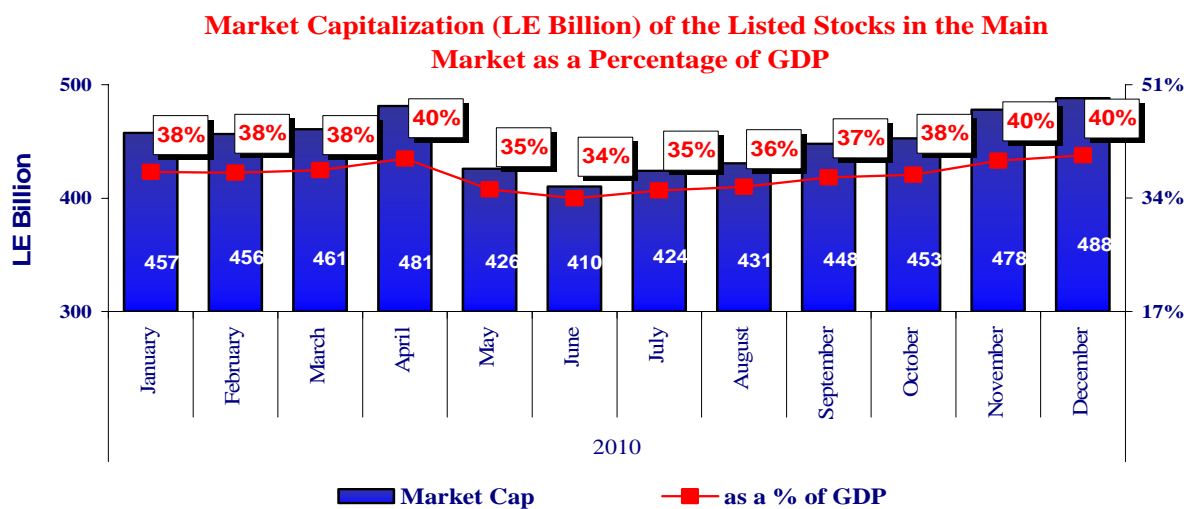
The market capitalization of the listed stocks in the main market concluded the year 2010 at LE 488 billion as opposed to LE 500 billion at the end of 2009, representing 40 percent of GDP, as illustrated in Figure below.

Market Capitalization

| In LE Billion | 31/12/2010 | 31/12/2009 | Change (%) |
|---------------------------------|------------|------------|------------|
| Total Market Cap. Main Market | 488 | 500 | -2% |
| Total Market Cap. Nilex | 1.018 | *0.262 | - |
| Total Market Cap. as a % of GDP | 40% | 41% | |

GDP used is LE 1206.7 billion for year 2009/2010 (preliminary value) according to the Ministry of Finance

* It represents market capitalization on 3 June 2010 (the date at which trading on Nilex has been commenced).



12. Bonds

The bond market has witnessed a remarkable trading activity during the year 2010 as opposed to the previous years, though still low compared to the equity market performance.

The value of bonds traded reached LE 63 billion, compared to LE 41 billion the previous year. Likewise, the volume of bonds traded jumped to reach 66 million bonds, versus 40 million bonds in 2009, an increase of 65 percent.

Treasury Bonds issued through the Primary Dealers System still account for the lion's share of the total bond activity, making up 99 percent of the total bonds value and volume traded during the year.

Likewise, the corporate bonds has witnessed a tremendous jump in their trading activity in 2010, with their value traded registering LE 562 million, up from LE 52 million last year, and their volume traded reached 5.5 million bonds versus 792 thousand bonds in 2009.

Trading Aggregates for Bonds in 2010

| | Traded Value (LE Million) | Traded Volume (Thousand) |
|--------------------------------------------------------|---------------------------|--------------------------|
| Government Bonds | 62,935.97 | 60,924.94 |
| Treasury Bonds | 0 | 0 |
| Government Bonds (According to Primary Dealers System) | 62,935.97 | 60,924.94 |
| Corporate Bonds | 562.25 | 5,475.76 |
| Total | 63,498.22 | 66,400.70 |

13. GDRs

The most active Egyptian GDRs witnessed a mixed performance during 2010, whereby some GDRs realized gains, while others incurred losses. Commercial International Bank GDRs prices posted the highest gains of 67 percent, followed by Egyptian Financial Group Hermes Holding, Palm Hills Development and Orascom Construction Industries GDRs, surging by 30.5 percent, 9.1 percent and 8.2 percent, respectively.

On the other hand, Telecom Egypt and Orascom Telecom GDRs prices retreated by 0.1 percent and 20.5 percent, respectively, over the year,

| | Conversion Ratio* | GDR Closing Price (US\$) on 31/12/2009 | GDR Closing Price (US\$) on 31/12/2010 | % Change | Local Share Closing Price (LE) 31/12/2009 | Local Share Closing Price (LE) 31/12/2010 |
|------------------------------------------|-------------------|----------------------------------------|----------------------------------------|----------|-------------------------------------------|-------------------------------------------|
| Commercial International Bank (CIB) | 1 | 5.00 | 8.35 | 67.0% | 27.34 | 47.4 |
| Egyptian Financial Group Hermes Holding | 0.5 | 9.20 | 12.01 | 30.5% | 25.14 | 33.92 |
| Palm Hills Development | 0.2 | 4.86 | 5.30 | 9.1% | 5.6 | 6.34 |
| Orascom Construction Industries (OCI) ** | 1 | 45.26 | 48.99 | 8.2% | 249.68 | 287.11 |
| Telecom Egypt | 0.2 | 16.00 | 15.99 | -0.1% | 18.1 | 18.08 |
| Orascom Telecom (OT) | 0.2 | 4.59 | 3.65 | -20.5% | 5.02 | ^4.32 |

* Represents # of GDRs per local share

** The Conversion ratio has changed to be 1 share:1 GDR, effective 7 May 2009

GDRs and local shares closing prices are adjusted with corporate actions.

Source: Reuters

14. Performance of EGX 30 Certificates

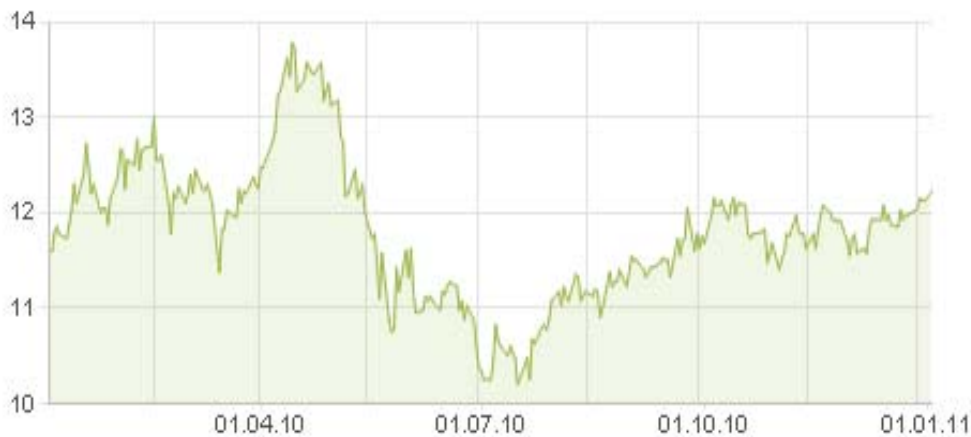
A. Performance of EGX 30 Certificates

EGX 30 index certificates; including the open-ended certificates issued by the international financial institutions, Royal Bank of Scotland (Previously known as ABN-AMRO), Deutsche Bank and Goldman Sachs, have witnessed a good performance in 2010.

1- EGX 30 Certificates Issued by Royal Bank of Scotland (Previously known as ABN-AMRO)

- The figure below shows the performance of the first issuance by Royal Bank of Scotland of 500,000 open end certificates on EGX 30 Index, that was listed and traded on SWX, since 27 October 2005 and has realized 8.02 percent gains during 2010, compared to a 41.19 percent increase last year.

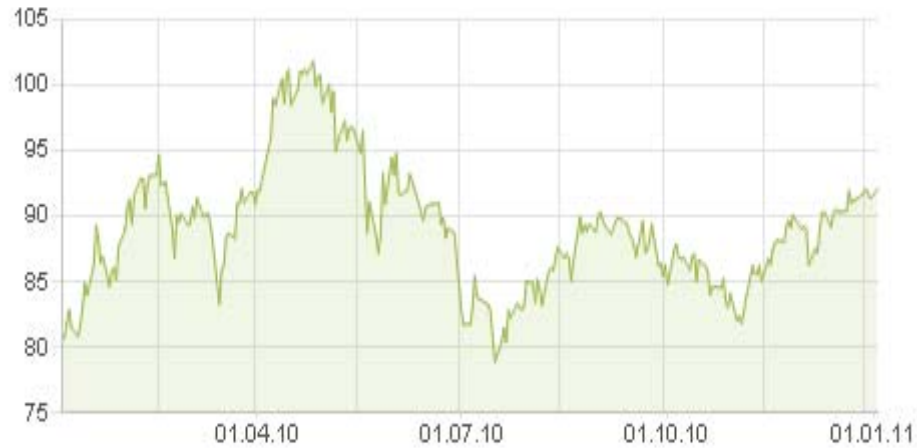
USD



Source: Royal Bank of Scotland Website

- The second issuance of the 50 thousand EGX 30 open end certificates, which was listed and traded on Frankfurt Stock Exchange on 31 October 2005, surged by 16.74 percent during 2010, as illustrated in the Figure below, compared to an increase of 36.94 percent in 2010

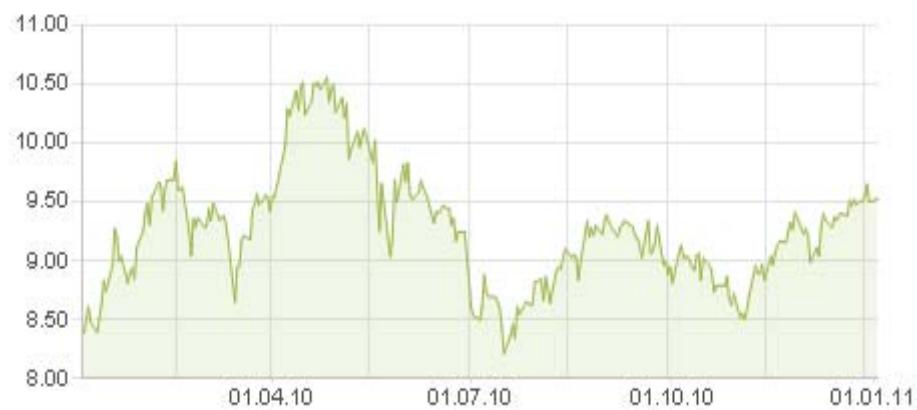
Euro



Source: Royal Bank of Scotland website

- The third issuance of 500,000 EGX 30 open end certificates by Royal Bank of Scotland, that were listed and traded on Euronext Amsterdam on 9 March 2006, recorded an increase of 16.65 percent in 2010, versus an increase of 37.04 percent in the previous year.

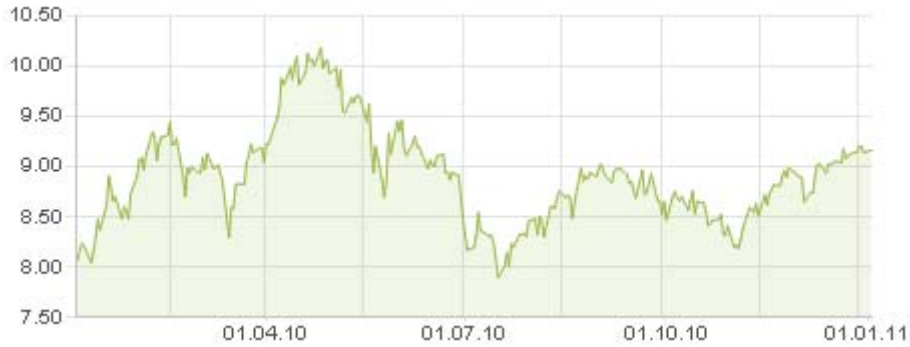
Euro



Source: Royal Bank of Scotland website

- The fourth issuance of 450,000 EGX 30 open end certificates by Royal Bank of Scotland, that were listed and traded on Euronext Paris on 25 July 2008, soared by 17.25 percent in 2010 compared to a 77.16 percent decline in 2009.

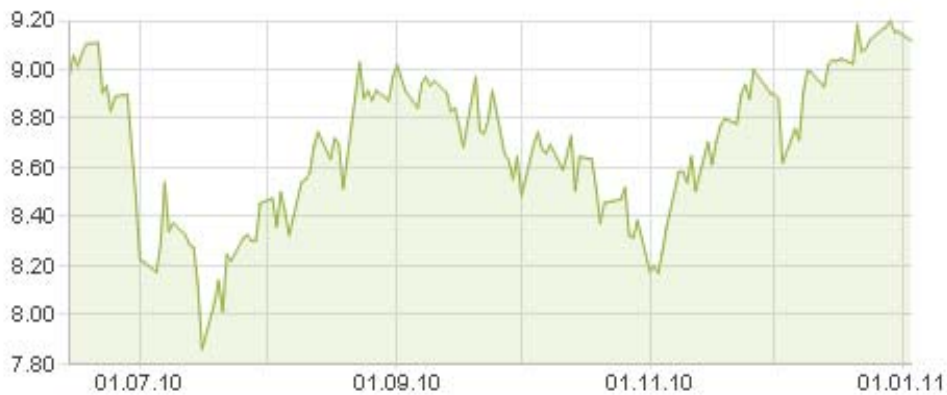
Euro



Source: Royal Bank of Scotland website

- The fifth issuance of 250,000 EGX 30 open end certificates by Royal Bank of Scotland, that were listed and traded on Borsa Italiana on 14 June 2010, soared by 2.01 percent since the commencement of trading till the end of the year

Euro



Source: Royal Bank of Scotland website

2. EGX30 Certificates issued by Deutsche Bank:

The figure below illustrates the performance of the 1 million EGX 30 Index open end certificates issued by Deutsche Bank AG, namely “EUR X-Pert Certificates”, that were listed and traded on Frankfurt and Stuttgart Stock Exchanges starting 13 March 2006. The price of these certificates surged by 16.95 percent in 2010, as opposed to a 42.85 percent decline in the previous year.

Euro

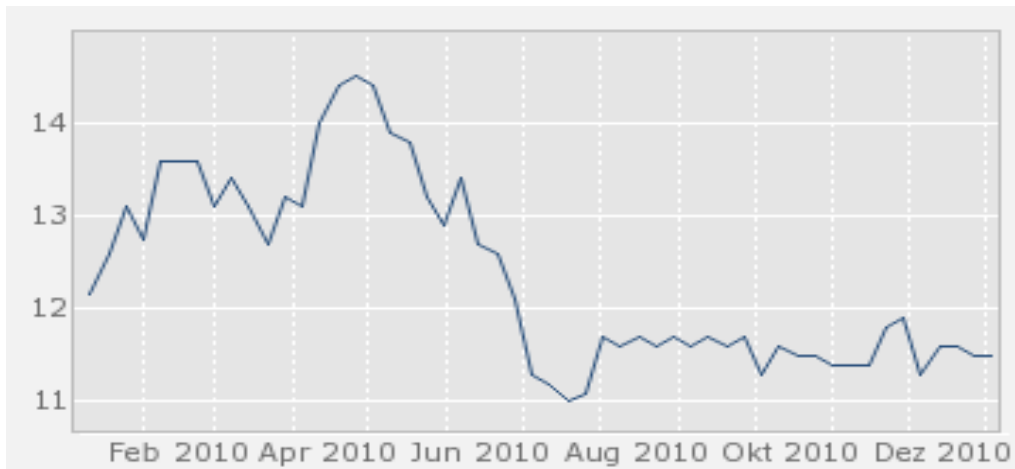


Source: Deutsche Bank Website

3. EGX 30 Certificates Issued by Goldman Sachs:

The EGX 30 open end certificates issued by Goldman Sachs International and were listed and traded on both Frankfurt and Stuttgart Stock Exchanges on 5 May 2006, concluded the year 2010 retreating by 5 percent compared to a 48.2 percent increase last year.

CHF

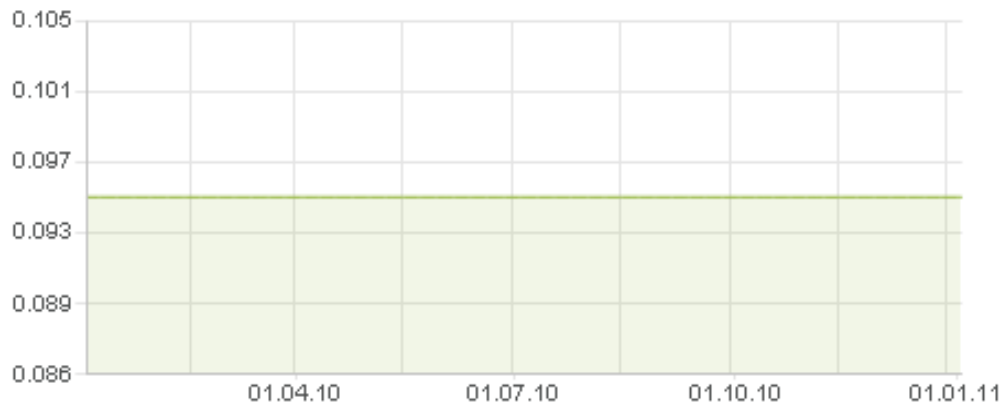


Source: Goldman Sachs website

B. Performance of EGX 30 Call Warrant

- The figure below shows the performance of the call warrant, issued by Royal Bank of Scotland on 12 March 2008, which were listed and traded on Luxembourg Stock Exchange to be matured on 12 March 2011. The certificates prices remained unchanged in 2010 compared to 74.32 percent decline in 2009.

USD

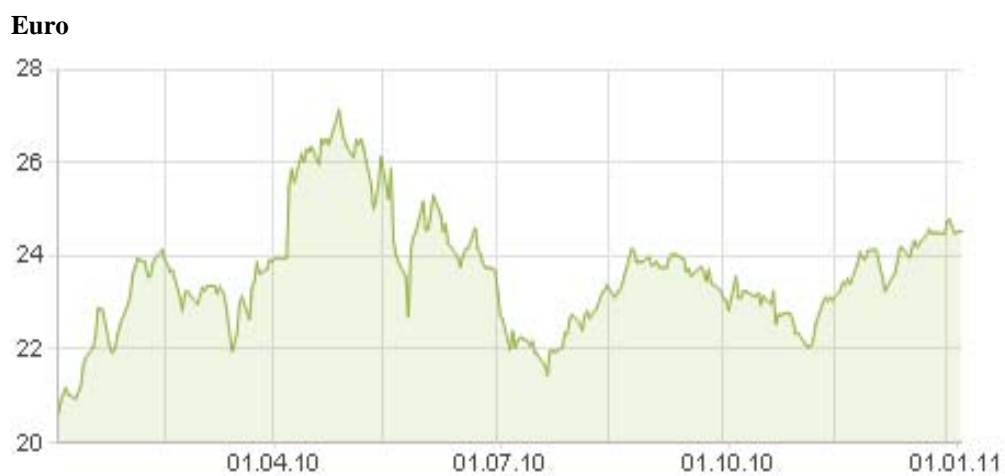


Source: Royal Bank of Scotland website

15. Performance of DJ EGX Egypt Titans 20 Index Structured Products

Open End Certificates Issued by Royal Bank of Scotland

The figure below shows the performance of the first issuance of Dow Jones EGX Egypt Titans 20 Index open end certificates, by Royal Bank of Scotland on 26 March 2007, which were listed and traded on Luxembourg Stock Exchange. The certificates recorded an increase of 20.89 percent over the year compared to a 38.89 percent decline in 2009.



Source: Royal Bank of Scotland website