Annual Report
(2009)

Research & Markets Development Dept.

1. Egyptian Stock Market

The year 2009 was a challenging year for the all emerging and developed economies. It represented a real test of the economies' ability to weather the repercussions of the global financial crisis, which is described as the worst since the Great Depression in 1929.

1. The Egyptian Economy in 2009

The Egyptian economy is doing better than expected

The Egyptian economy has succeeded in realizing a good performance in 2009, which was classified as "better than expected" as per a number of international institutions. Despite the expectations that the financial crisis will make the Egyptian growth rate slower, curbing it between 3-4%, the Egyptian economy has performed better than expectations and grew by 4.7% during FY 2008/2009; one of the highest growth rates compared to its peer countries. This in turn led Merrill Lynch to describe the Egyptian economy as "a safe haven for investment in the middle of the crisis".

Strong external sector to weather the crisis

The Egyptian economy witnessed a relatively rapid recovery. Despite the decline in foreign direct investments during the fiscal year 2008/2009 by 39%, to reach U.S. $ 8.1 billion, yet better than expected before by 27%, as economic performace has begun to pick up in the last quarter of FY 2008/2009, whereby foreign direct investment hiked by 45% compared to the same period of the year before. Likewise, foreign reserves has surged remarkably since the month of May to reach US$ 34.1 billion in November 2009, after experiencing a retreat of almost 9% during the first four months of 2000, reaching US$ 31.2 billion.

A significant reduction in the inflation rate

The inflation rate was on top of the economic indicators which have shown a notable improvement in 2009. The inflation rate retreated remarkably to reach 9% during the month of August, despie the increase witnessed once again to exceed 10%. This notable improvement has enabled the Central Bank of Egypt to reduce the overnight deposit and lending rates for six consecutive times during 2009, to reach 8.25% and 9.75%, respectively.

2. The Egyptian Exchange in 2009

Strong rally despite the crisis

Buoyed by the strong economic performance, the Egyptian market was able to recover quickly and overcome the crisis. The market took off by 83% from its lowest point in February 2009 and by 35% over the whole year despite the interruption of Dubai Debt crisis at the end of the year, which affected various stock markets in the world.

High trading records despite the crisis

Despite the global financial crisis, EGX has maintained its relatively high trading records in 2009, with the total volume traded rising up by 43% compared to the previous year, recording 37 billion securities. Meanwhile, the total value traded declined by 15% in 2009 compared to 2008, to record LE 448 billion, as a result of the declining stock prices following the global financial crisis.

The Establishment of an Integrated Supervisory Authority

The crisis did not hinder the capital market development plans, as the year 2009 has witnessed a number of important events; on top of them was the establishment of the Egyptian Financial Supervisory Authority (EFSA), which merges the Capital Market Authority, the Insurance Authority as well as the Mortgage Finance Authority, together with the financial leasing, factoring and securitization activities under one entity.

Regulatory Development

Additionally, EGX listing rules have been amended at the end of 2009 to enhance market liquidity in the Egyptian market. Worth mentioning that the grace period fro listed companies to comply to listing rules eill end by the beginning of 2010 and accordingly non-compliants companies will eb subject to de-listing. Worth mentioning that the percentage of those companies represents less than 8% of EGX trading aggregates, thus having them delisted will not affect the trading activity.

Continous development to enhance Information Dissemination

To better serve local as well as foreign investors and to enhance the information dissemination in the Egyptian market, EGX has launched a set of new indices during 2009; namely EGX EGX 70 index and EGX 100 index. Moreover, EGX started computing EGX 30 Index in US dollar terms; a common currency unit that helps in comparing stock exchange performances or alternative investment instruments.

Additionally, EGX launched a new version of its website that includes a wealth of information about EGX indices, issuer information, market data, education corner, international relations and information services, with a better navigation, more user-friendly interface and easier access to information.

Morever, EGX is currently developing a Data Warehouse for the first time, which compiles a detailed data and information about the Egyptian market and is expected to facilitate reporting and analysis.

NILEX Moves Forward

Despite the slowdown in NILEX on the back of the global financial crisis, Nilex market was activated in the last months of 2009, whereby 4 companies were listed in the months of October and December, pushing the number of listed companies on NILEX to 7. The new companies operate in different sectors; medical, agriculture development, investment and trade and real estae and tourism investment, with their capital ranging between LE 3-16 million.

Additionally, a number of companies have already finalized their listing procedures and are expected to be listed in 2010. Trial trading sessions have also been conducted during 2009 in order to pave the way for official trading in 2010.

38 thousand new investors and 1.7 million investors in 2009

The Egyptian market continued to attract new investors in 2009, whereby the number of newly coded investors (individuals & institutions) reached 38 thousand investors, with the total number of investors reaching 1.7 million.

From another perspective, the number of newly coded non-Arab foreign institutions has reached 1050 institutions in 2009, rising up by 12%, with the total number of non-Arab foreign institutions reaching 10 thousand, which asserts the continued attractiveness of the Egyptian market.

Egyptian Depository Receipts (EDRs)

The year 2009 has witnessed the listing of the first Egyptian Depository Receipts (EDRs) in the Egyptian market, whereby Orascom Development Holding (AG), which is listed and traded in Swiss Exchange, has issued Egyptian Depository Receipts (EDRs).

Technological Development

EGX has finalized the procedures concerning the selection of the company that will deploy the new Surveillance System, which will increase the Exchange’s ability in monitoring the trading activities.

Additionally, EGX has signed an agreement with London Stock exchange (LSE) to connect the 2 markets via FIX connectivity system. This will give EGX access to larger pools of liquidity and would set EGX as the hub in the Middle East and Africa region.

Extensive Promotional Campaigns

In its endeavor to attract more investment inflows to the market, EGX has continued its extensive promotional campaigns, conducting several road shows in New York, London and Singapore, to highlight the Egyptian market key competitive advantages to both domestic and foreign investors, in particular during the period of the crisis.

Investor Education & Public Awareness

Within the framework of its investor education and public awareness campaign, the Egyptian Exchange (EGX) held its educational forum Borsa Step X Step in six governorates during 2009, targeting university students in Cairo, Alexandria, Mansoura, Benha & Monoufeya. The forum was attended by more than 1000 students, whereby a series of lectures were delivered covering basics of investment and trading in the stock market, technical and fundamental analysis as well as the new products introduced to the Egyptian market.

2. Market Performance

a. Market Indices Performance

Despite the global financial crisis repercussions, the Egyptian market has shown a good performance during the year 2009, with its indices realizing from 33%-36% gains over the year. EGX 30 index concluded the year at 6209 points, surging by 35% over the year and by 83% from its lowest point in the year 2009. Likewise, EGX 70 index concluded the year at 643 points, soaring by 33%. Additionally, EGX 100 index concluded the year at 1059 points, rising up by 36% over the year.

Pulled down by the negative performance of stocks since mid September 2009, following the global financial crisis, the Egyptian market started the year 2009 on a negative note and continued its downward trend till February 2009, with EGX 30 Index touching one of its lowest levels over the past four years.

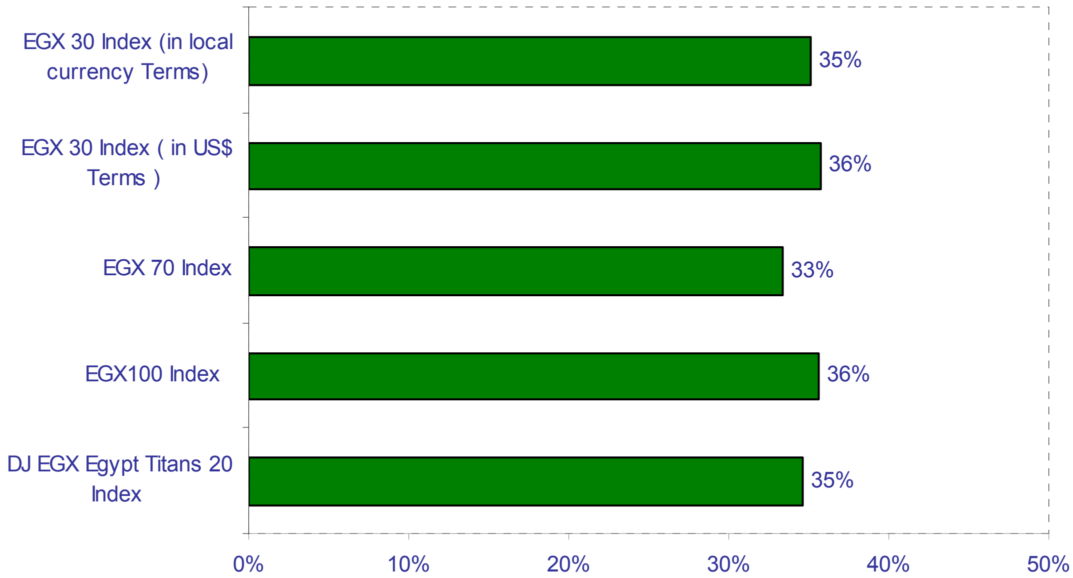
The market has, however, rebounded again since the third week of February till the month of June, recouping part of its losses.

Meanwhile, the market has witnessed some profit taking activities till the month of July, and then rebound again, with EGX 30 index surpassing the 7000 points threshold at the end of September, recording its highest level over 12 months.

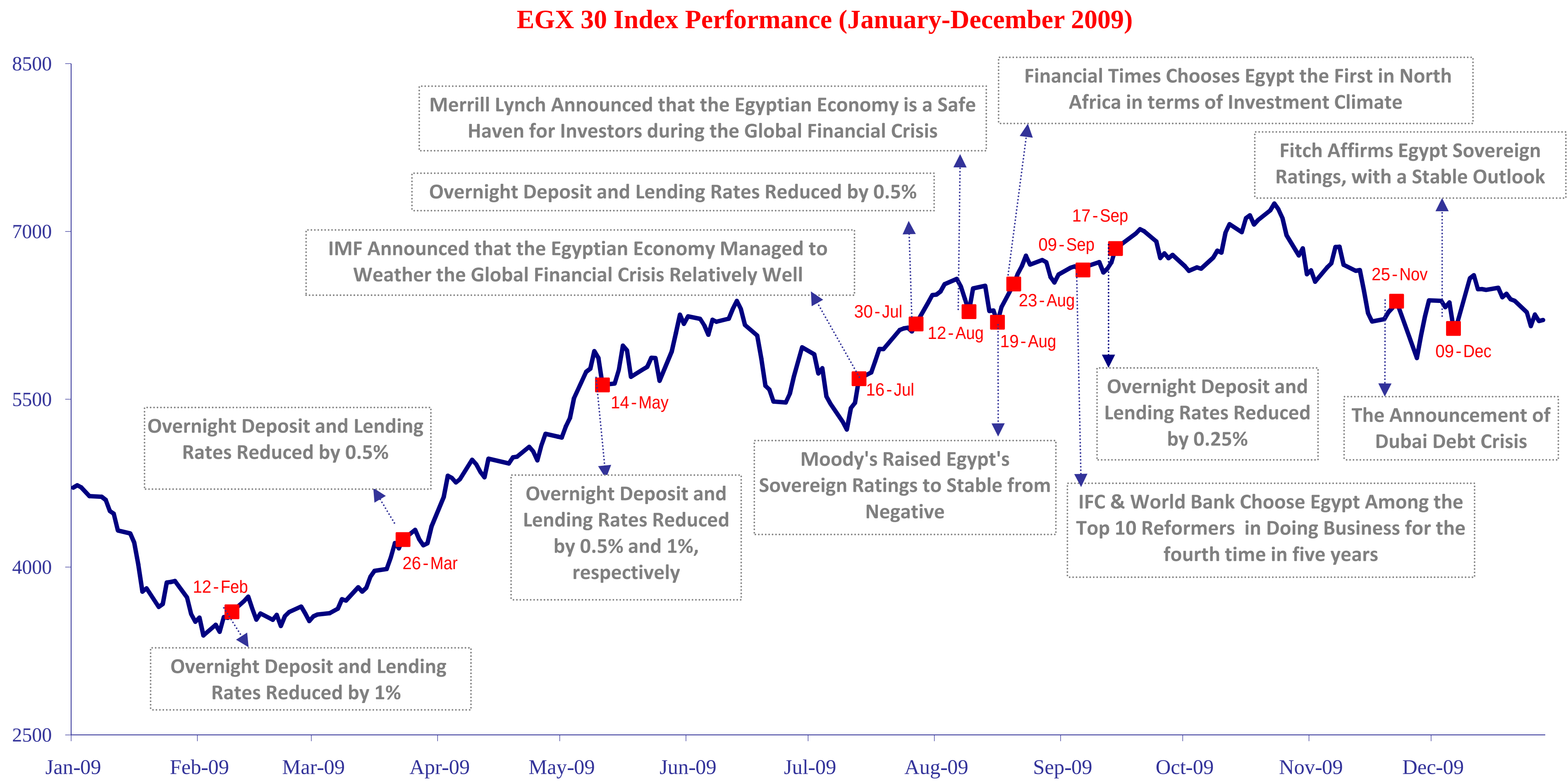
The market showed a lackluster performance during the month of November, on the back of some market corrections, which coincided with the Dubai debt crisis, pushing the index down by 9% during the first trading session after El-Adha vacation.

The Egyptian market, however, was able to surmount this shock rapidly, concluding the month of December in a positive territory, with 7% gains over the month, which asserts the Egyptian market ability to endure challenges and its resilient ability as a shock-absorber.

Market Indices Performance Over the Year



	Open	High	Low	Close
EGX 30 Index (in Local Currency Terms)	4596	7250	3389	6209
EGX 30 Index (in US$ Terms)	2829	4503	2072	3842
EGX 70 Index	482	941	421	643
EGX 100 Index	781	1422	652	1059
DJ EGX Egypt Titans 20 Index	976	1504	710	1314


EGX 30 Index Performance (January-December 2009)
8500
7000
5500
4000
2500
Jan-09
Feb-09
Mar-09
Apr-09
May-09
Jun-09
Jul-09
Aug-09
Sep-09
Oct-09
Nov-09
Dec-09
12-Feb
26-Mar
14-May
16-Jul
30-Jul
12-Aug
19-Aug
23-Aug
09-Sep
17-Sep
25-Nov
09-Dec
Overnight Deposit and Lending Rates Reduced by 1%
Overnight Deposit and Lending Rates Reduced by 0.5%
Overnight Deposit and Lending Rates Reduced by 0.5% and 1%, respectively
IMF Announced that the Egyptian Economy Managed to Weather the Global Financial Crisis Relatively Well
Overnight Deposit and Lending Rates Reduced by 0.5%
Merrill Lynch Announced that the Egyptian Economy is a Safe Haven for Investors during the Global Financial Crisis
Moody's Raised Egypt's Sovereign Ratings to Stable from Negative
Financial Times Chooses Egypt the First in North Africa in terms of Investment Climate
IFC & World Bank Choose Egypt Among the Top 10 Reformers in Doing Business for the fourth time in five years
Overnight Deposit and Lending Rates Reduced by 0.25%
Fitch Affirms Egypt Sovereign Ratings, with a Stable Outlook
The Announcement of Dubai Debt Crisis

b. Sector Indices Performance

All sectors have witnessed a good performance in 2009, except for the Chemicals sector, which recorded the only decline of 3% over the year.

The Construction and Materials sector topped the market, surging by 71% over the year. Moreover, the sector ranked third in terms of volume traded, registering 3.5 billion shares worth LE 51 billion.

The Real Estate sector ranked second, soaring by 67%. Additionally, the sector booked the first place in terms of volume traded, recording 5.7 billion shares worth LE 45 billion on the back of the high trading activity of T M G Holding, which ranked first in terms of trading volume, recording 3.3 billion shares worth LE 16 billion, capturing around 60% of the sector's trading volume.

Third in line came the Banks sector, surging by 48%, followed by the Basic Resources sector, which stood as number four, soaring by 39 percent over the year.

The Financial Services excluding Banks sector and the Healthcare & Pharmaceuticals sector came on the fifth and the sixth places, with an increase of 37 percent and 31 percent, respectively. Moreover, the Financial Services excluding Banks sector ranked fourth in terms of volume traded, locking in 3.4 billion shares worth LE 35 billion. This good performance was backed by the high trading activity of Pioneers Holding, which ranked fifth in terms of volume traded, capturing more than 45% of the sector's trading volume.

The seventh and the eight places were booked by the Personal & Household Products sector and the Food and Beverage sector, with their indices surging by 8% and 6%, respectively. Additionally, the Personal & Household Products sector ranked second in terms of volume traded, recording a trading volume of 5 billion shares worth LE 24 billion. This was mainly attributed to the high trading activity of the leading companies in this sector, which booked 4 advanced places among the ten most active companies in terms of volume traded. El Nasr Clothes & Textiles (Kabo), Arab Cotton Ginning, Alexandria Spinning & Weaving (SPINALEX) and Arab Polvara Spinning & Weaving Co. ranked sixth , seventh, eighth and tenth in terms of volume traded, respectively, capturing around 90% of the sector's trading volume.

The Industrial Goods, Services and Automobiles sector stood as number nine, recording a 6% increase. The sector, however, ranked fifth in terms of trading volume, locking in 3.2 billion shares worth LE 20 billion on the back of the high activity of Egyptian Electrical Cables, which ranked third in terms of trading volume, recording 2.3 billion shares worth LE 3.4 billion, accounting for 73% of the sector's trading volume.

Finally, the Telecommunications sector and the Travel and Leisure sector soared by 5% and 3%, respectively, over the year.

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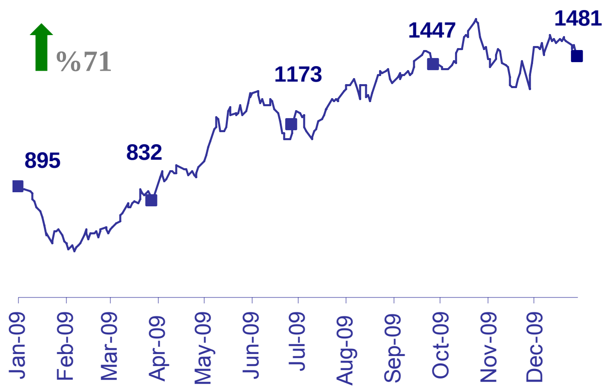
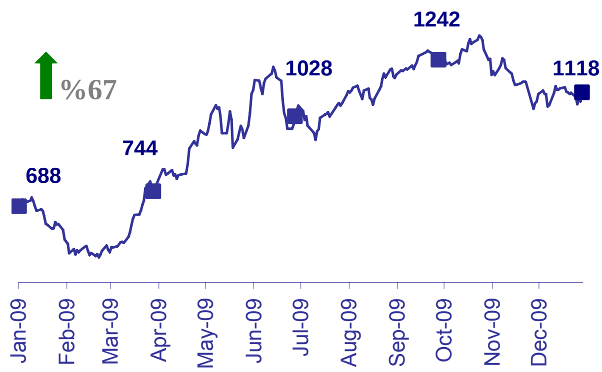
The Egyptian Exchange

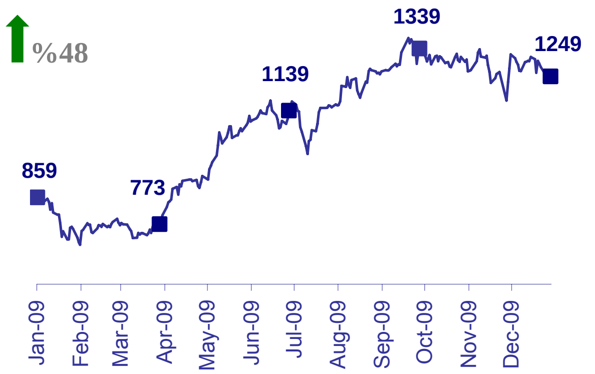
Construction and Materials Sector Index Performance



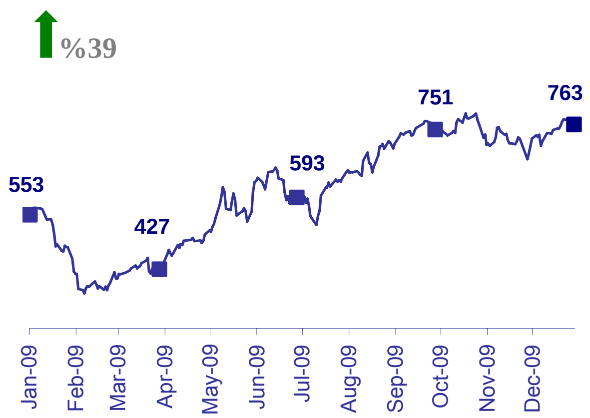
Real Estate Sector Index Performance



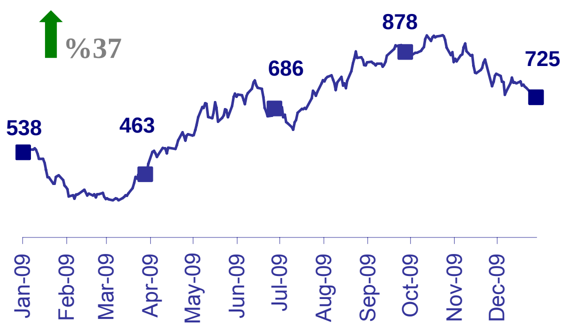
Banks Sector Index Performance



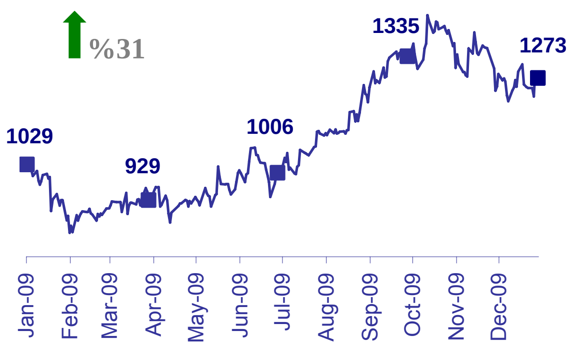
Basic Resources Sector Index Performance



Financial Services Excluding Banks Sector Index Performance



Healthcare and Pharmceuticals Sector Index Performance



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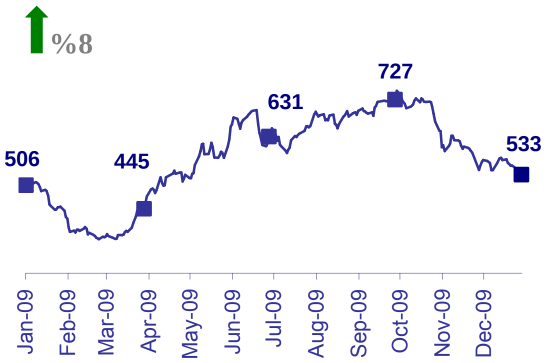
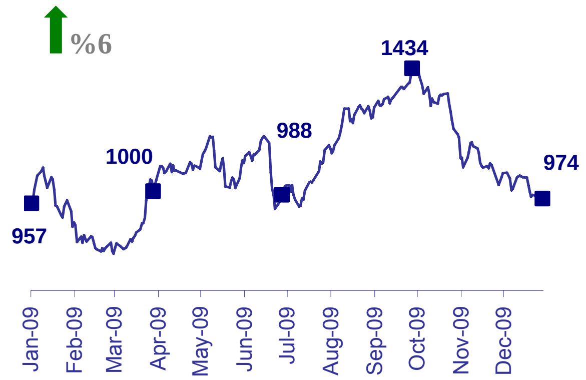
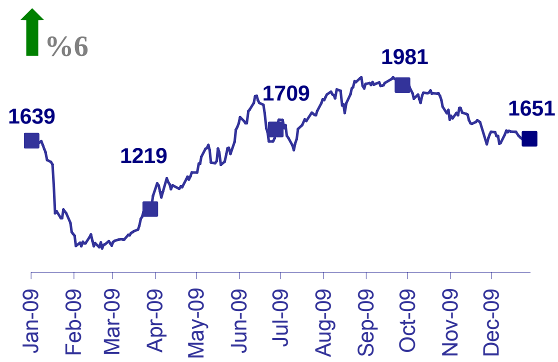
Personal and Household Sector Index Performance



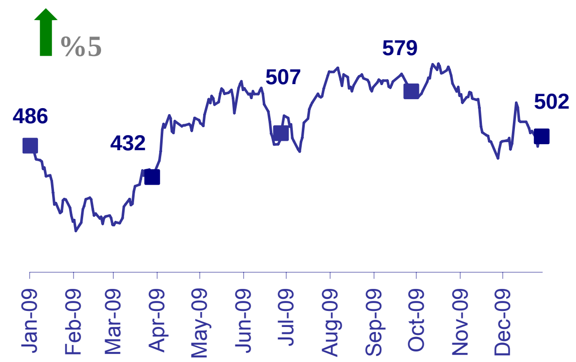
Food and Beverage Sector Index Performance



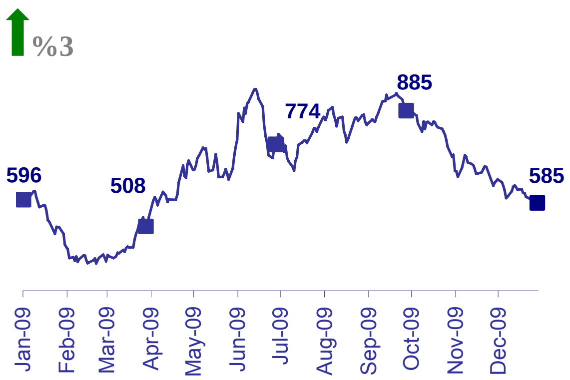
Industrial Goods, Services and Automobiles Sector Index Performance



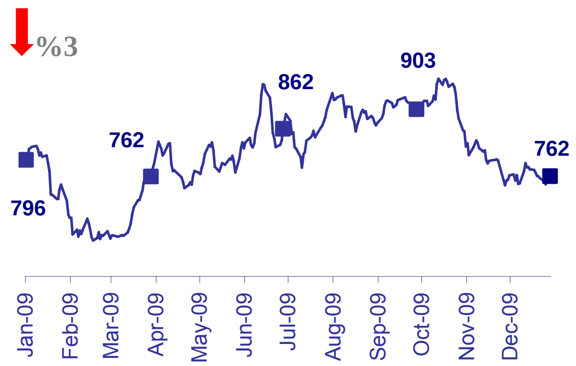
Telecommunications Sector Index Performance



Travel and Leisure Sector Index Performance



Chemicals Sector Index Performance



5 Most Active Sectors in terms of Volume Traded

Sector	Trading Volume (billion shares)	Trading Value (LE billion)	Average P/E Ratio 31/12/2009	Average DY (%) 31/12/2009
Real Estate	5.7	44.6	15.34	7.82
Personal and Household Products	5.0	23.6	11.92	27.14
Construction and Materials	3.5	51.1	9.67	11.73
Financial Services excluding Banks	3.4	34.6	8.77	11.98
Industrial Goods, Services and Automobiles	3.2	19.7	13.27	25.69

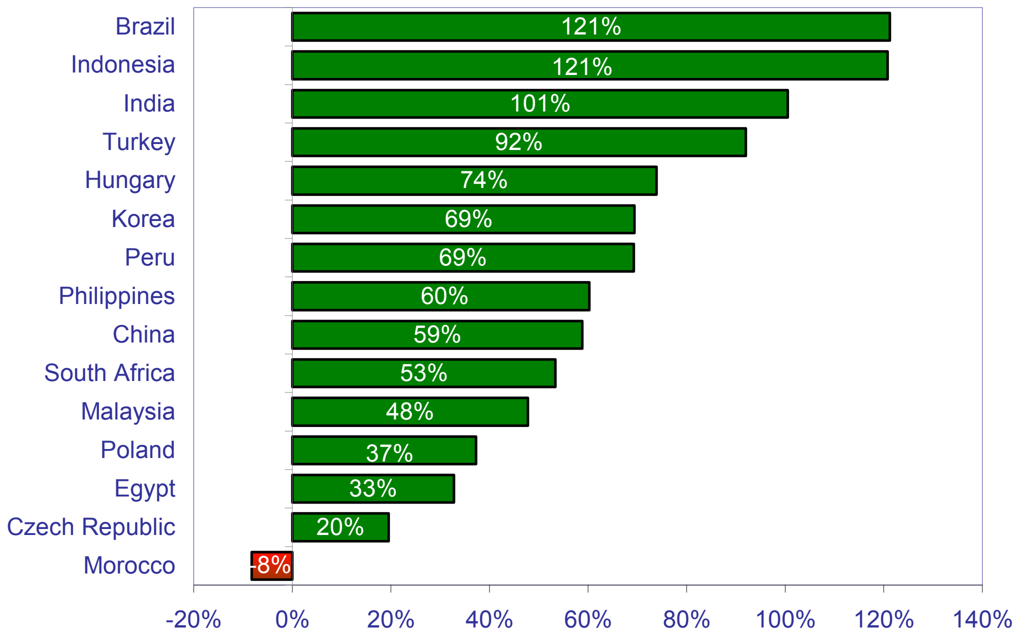
3. Egypt vs. Emerging Markets

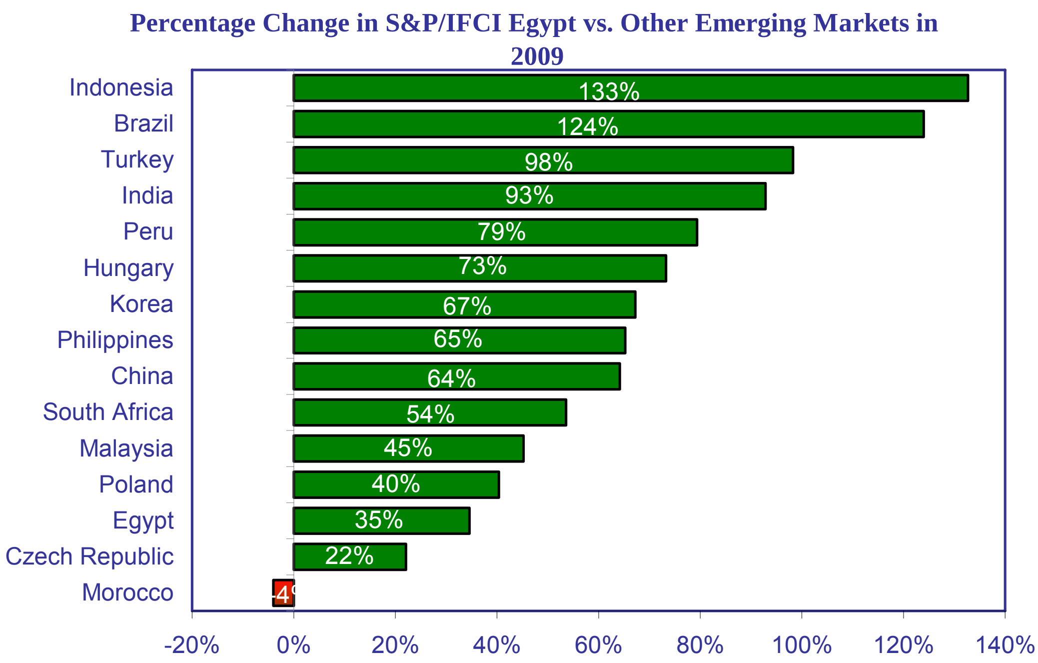
The majority of the emerging markets delivered a good performance during 2009, except for Morocco, which recorded the only decline of this year by 8%. This in turn assures the rapid recovery of Emerging markets after the global financial crisis, which hit the world in September 2008. Brazil and Indonesia came as the best performing markets, surging by 121% each, according to Morgan Stanley Price Index (MSCI Price Index).

As for the S&P/IFCI index, all Emerging markets concluded the year in a positive territory, with the exception of Morocco, which posted 4% losses over the year. Indonesia and Brazil realized the highest gains of this year, soaring by 133% and 124%, respectively.

Meanwhile, the Egyptian market surged by 33% in 2009, according to MSCI index and 35% according to S&P/IFCI.

Percentage Change in MSCI Egypt vs. Other Emerging Markets in 2009





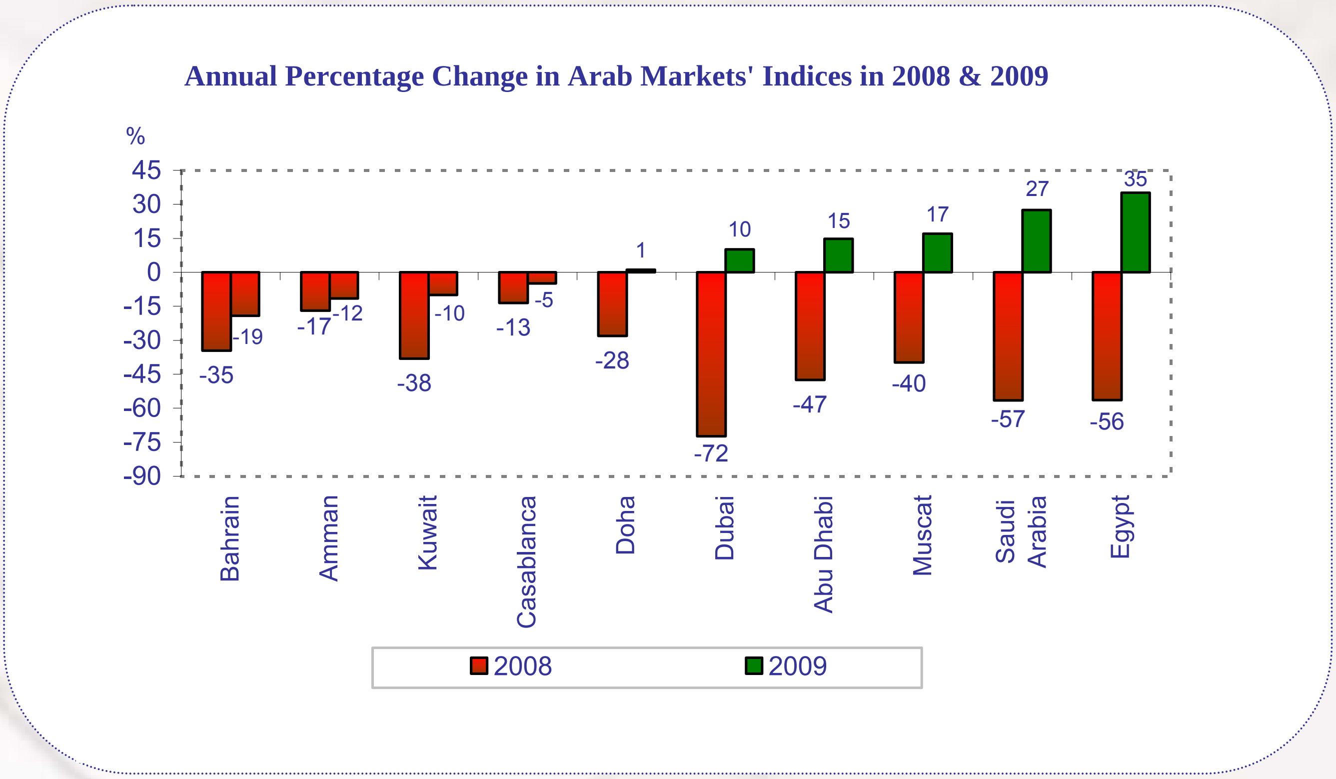
4. Egypt vs. Arab Markets

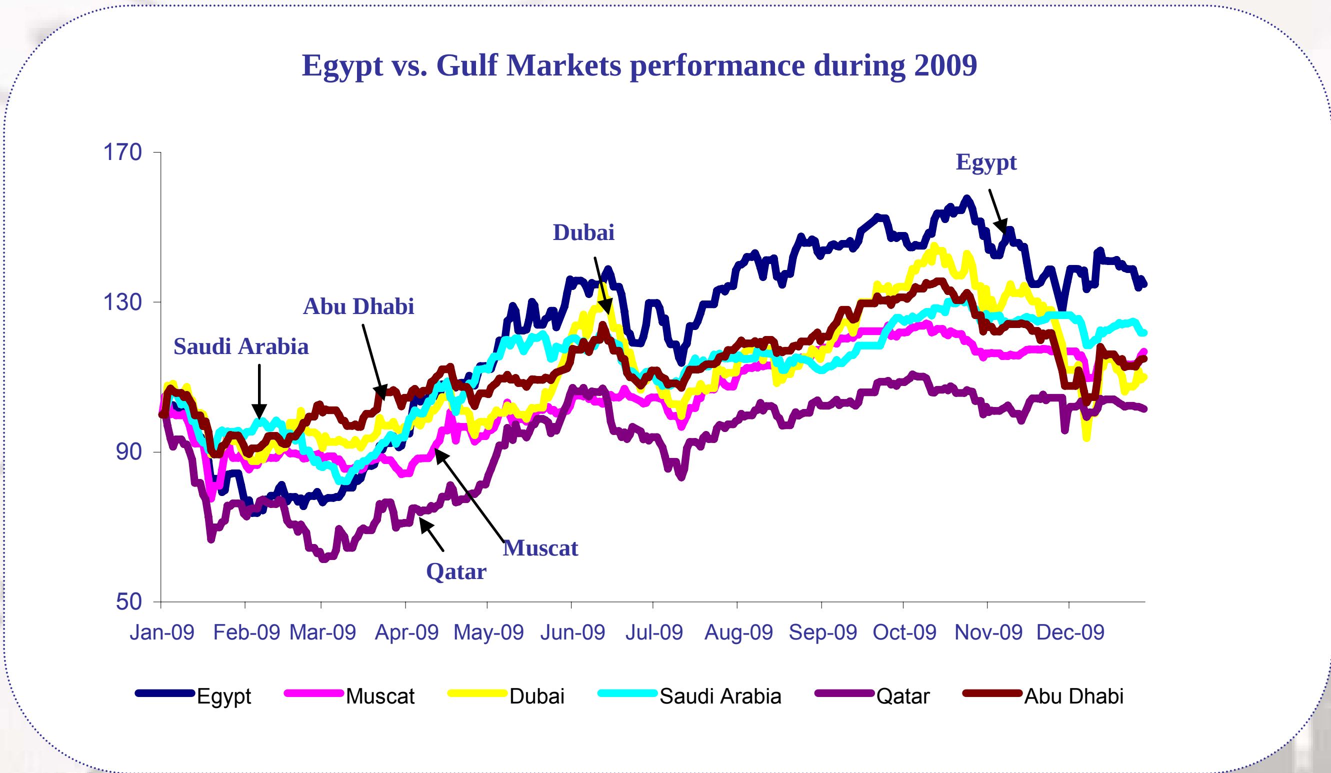
The year 2009 is considered a tough year for all Arab markets, starting with weathering the global financial crisis repercussions and ending the year with the Dubai Debt crisis. The majority of Arab markets, however, have been able to absorb such shocks and recouped part of their losses.

The Egyptian Exchange was the best performer, concluding the year with an increase of 35%, followed by Saudi Arabia, surging by 27%. Muscat booked the third place, recording 17% gains over the year. Abu Dhabi and Dubai stood as number four and five, soaring by 15% and 10%, respectively.

On the other hand, Bahrain and Amman recorded the highest decline of this year, retreating by 19% and 12%, respectively.

This good performance was reflected on the market capitalization of the Arab Exchanges, with total market capitalization of Arab Exchanges reached US$ 887 billion at the end of this year, compared to about US$ 806 billion at the end of 2008, rising up by 10%.


Annual Percentage Change in Arab Markets' Indices in 2008 & 2009
%
45
30
15
0
-15
-30
-45
-60
-75
-90
-35
-19
-17
-12
-38
-10
-13
-5
-28
1
-72
10
-47
15
-40
17
-57
27
-56
35
Bahrain
Amman
Kuwait
Casablanca
Doha
Dubai
Abu Dhabi
Muscat
Saudi Arabia
Egypt
2008
2009


Egypt vs. Gulf Markets performance during 2009
170
130
90
50
Saudi Arabia
Abu Dhabi
Dubai
Egypt
Muscat
Qatar
Jan-09
Feb-09
Mar-09
Apr-09
May-09
Jun-09
Jul-09
Aug-09
Sep-09
Oct-09
Nov-09
Dec-09
Egypt
Muscat
Dubai
Saudi Arabia
Qatar
Abu Dhabi

2.Trading Aggregates

a. Total Market

Despite the negative impact of the global financial crisis that hit the Egyptian market like all emerging and developed markets, the Egyptian Exchange maintained high trading records during 2009. The total value traded of the market amounted to LE 448 billion, as opposed to LE 530 billion in 2008.

From another perspective, the volume traded soared to 37 billion securities in 2009, as opposed to 26 billion securities, surging by 43% compared to 2008. Likewise, the number of transactions soared to record 15 million transactions in 2009 versus 13.5 million in 2008.

The value traded of listed securities amounted to LE 334 billion in 2009 compared to LE 476 billion in 2008. Meanwhile, volume traded of listed securities has jumped to reach 29 billion securities in 2009 as opposed to 22 billion securities last year.

On the other hand, Over the Counter market (OTC) has witnessed a remarkable trading activity in 2009, registering a trading value of LE 115 billion during the year, almost double the recorded figure of last year, which amounted to LE 54 billion, capturing around 26% of the total market value traded as opposed to 10% in 2008. This was mainly attributed to the execution of the LE 71 billion Lafarage Building Materials Holding deal. Likewise, the volume traded increased to 8 billion securities versus 3.6 billion securities in 2008, a 122% increase.

The number of listed companies continued to decrease, reaching 306 companies at the end of 2009, down from 373 at the end of 2008, owing to EGX effective policy in enforcing listing, disclosure and corporate governance rules on issuers. The percentage of the total number of traded companies to listed companies reached 94% in 2009, up from 86% in the previous year.

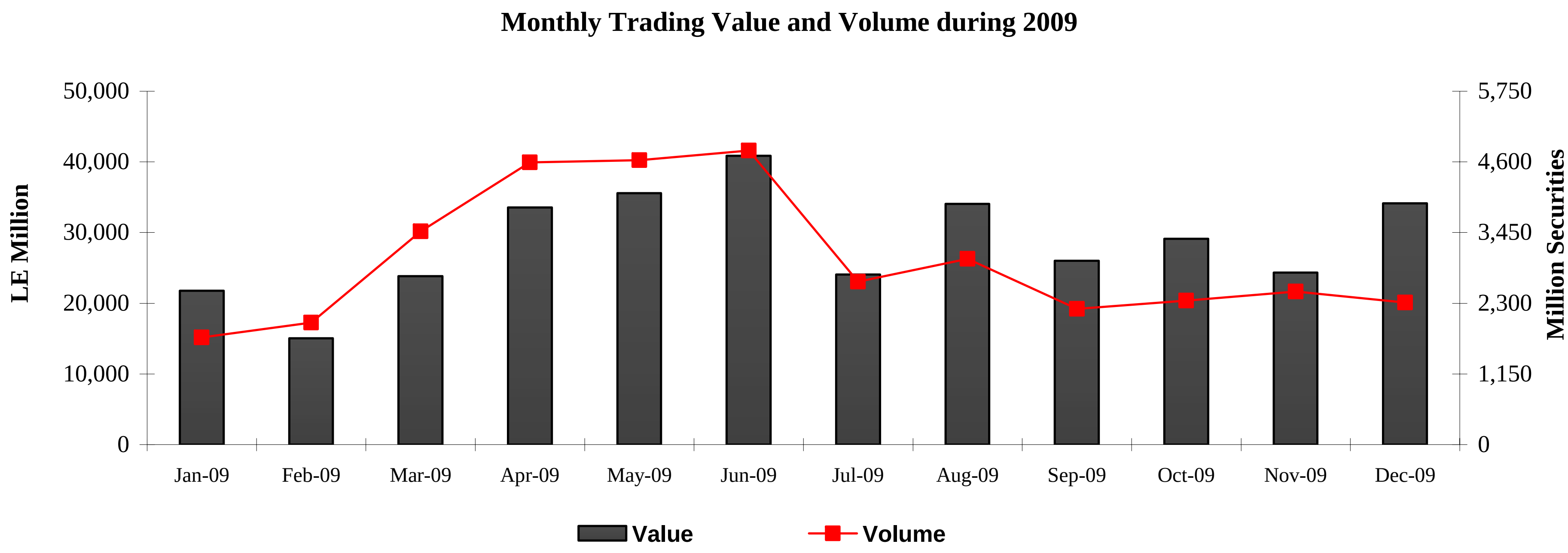
Despite the decrease in the number of listed companies, the market capitalization soared to LE 500 billion at the end of 2009, recording a 5% increase over the year and representing 48% of GDP.

البورصة المصرية
The Egyptian Exchange

Main Market Indicators over the Period (2004 - 2009)

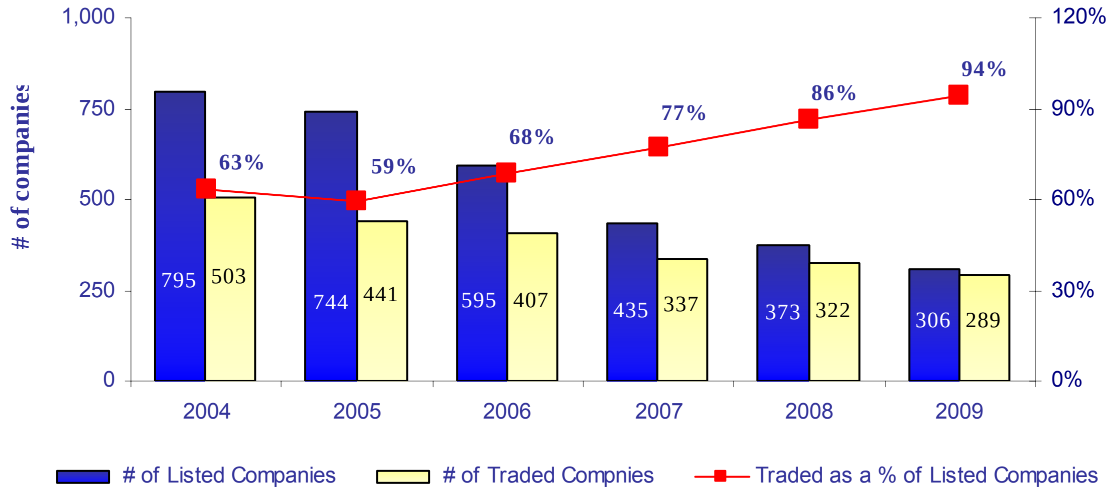
Indicators	2004	2005	2006	2007	2008	2009
1. Trading Aggregates						
Total Volume (billion)	**2.4**	**5.3**	**9.1**	**15.1**	**25.5**	**36.6**
Volume of Listed Securities	1.8	4.2	7.8	11.4	21.9	28.6
Volume of Unlisted Securities	0.6	1.1	1.3	3.7	3.6	8.0
Total Value Traded (LE billion)	**42.3**	**160.6**	**287.0**	**363.0**	**529.6**	**448.2**
Value Traded (listed securities)	36.1	150.9	271.1	321.5	475.9	333.5
Value Traded (unlisted securities)	6.2	9.7	15.9	41.5	53.7	114.7
Total Number of Transactions (million)	**1.8**	**4.2**	**6.8**	**9.0**	**13.5**	**14.6**
Number of Transactions (Listed Securities)	1.7	4.0	6.6	8.7	12.8	13.5
Number of Transactions (Unlisted Securities)	0.1	0.2	0.2	0.3	0.7	1.1
Average Daily Value Traded (LE million)	**170**	**645**	**1,176**	**1,488**	**1,656**	**1,822**
Average Daily Value Traded (Listed Securities)	145	606	1,111	1,318	*1,436	1,356
Average Daily Value Traded (Unlisted Securities)	25	39	65	170	220	466
Turnover Ratio (%)**	**14.2**	**31.1**	**48.7**	**38.7**	***70.3**	***49.9**
Non-Arab Participation as % of Total Value Traded	**20.5**	**16.4**	**16.6**	**19.2**	***20.0**	***12.7**
Arab Participation as % of Total Value Traded	**7.0**	**13.9**	**13.6**	**12.5**	***10.0**	***6.3**
Number of Trading Days	**249**	**249**	**244**	**244**	**244**	**249**
2. Listed Companies						
Number of Listed Companies	**795**	**744**	**595**	**435**	**373**	**306**
Average Company Size (LE million)***	**294**	**613**	**897**	**1,766**	**1,259**	**1633**
Number of Traded Companies	**503**	**441**	**407**	**337**	**322**	**289**
Number of Traded Companies as a % of Number of Listed Companies	**63**	**59**	**68**	**77**	**86**	**94**
Market Capitalization End of Year (LE billion)****	**234**	**456**	**534**	**768**	**474**	**500**
Market Capitalization as a % of GDP	**43**	**74**	**72**	**86**	**46**	**48**
3. Market Indices						
% Change in EGX 30 Index (in local currency terms)	**122**	**146**	**10**	**51**	**-56**	**35**
% Change in EGX 30 Index (in US$ terms)	**128**	**157**	**11**	**57**	**-56**	**36**
% Change in EGX 70 Index	**-**	**-**	**-**	**-**	**-52**	**33**
% Change in EGX 100 Index	**-**	**-**	**-**	**52**	**-49**	**36**
% Change in DJ EGX Egypt Titans 20 Index	**118**	**143**	**11**	**44**	**-56**	**35**
% Change in S&P/IFCI Price Index	**126**	**159**	**10**	**52**	**-56**	**35**
% Change in MSCI Price Index	**118**	**155**	**15**	**55**	**-54**	**33**

Securities include stocks, bonds and mutual funds
*** After excluding deals**
**** Turnover Ratio (%) = value traded of listed shares / market capitalization**
***** Average Company Size = market capitalization end of year / no. of listed companies**
****** Market Capitalization = no. of listed shares x market price end of year**

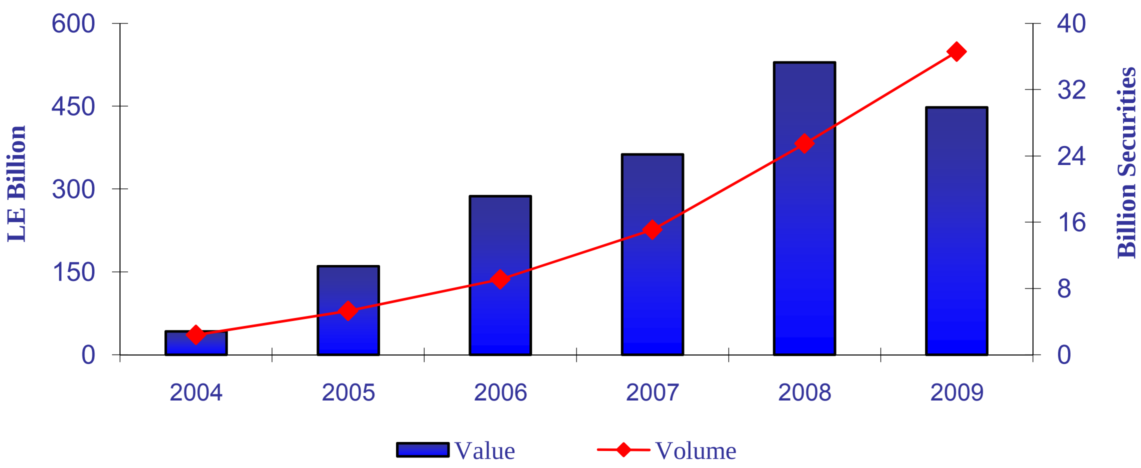


- A deal on Egyptian Agruim for Nitrogen Products was executed in the OTC market on 11 January 2009, with a total volume of 5.4 million shares worth LE 7 billion.
- A deal on Citadel Financial Advisory was executed in the OTC market on 19 February 2009, with a total volume of 70 million shares worth LE 999 million.
- A deal on Bank of Alexandria was executed on the 22 March 2009, with a total volume of 39 million shares worth LE 1.1 billion.
- A deal executed on Egyptian Fertilizers Co. on 29 June 2009, with a total volume of 320 million shares worth LE 19.4 billion, was excluded from the trading figures of this month.
-A deal executed on Lafarge Cement - Egypt on 25 November 2009, with a total volume of 44 million shares worth LE 15.5 billion, was excluded from the trading figures of this month. Moreover, a deal executed on Lafarge Building Materials Holding - Egypt in the OTC Market on 30 November 2009, with a total volume of 1.3 million shares worth LE 71 billion, was excluded from the trading figures of this month.
- A deal on Samcrete Egypt - Engineers and Contractors (Preferred shares) was executed on 31 December 2009, with a total volume of 3 million shares worth LE 4 billion.

Listed vs. Traded Companies (2004-2009)

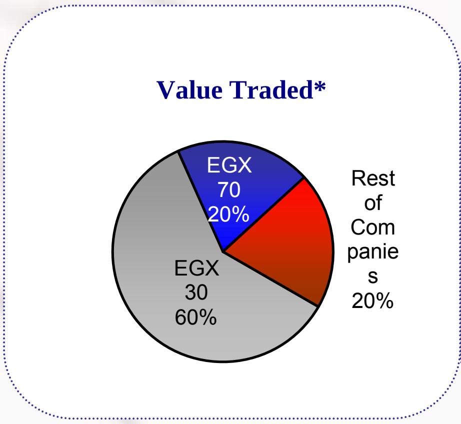


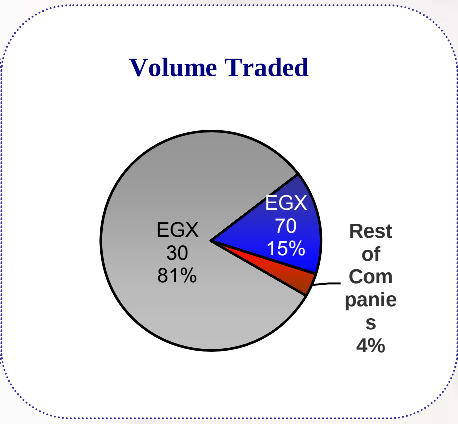
Trading Value and Volume (2004-2009)

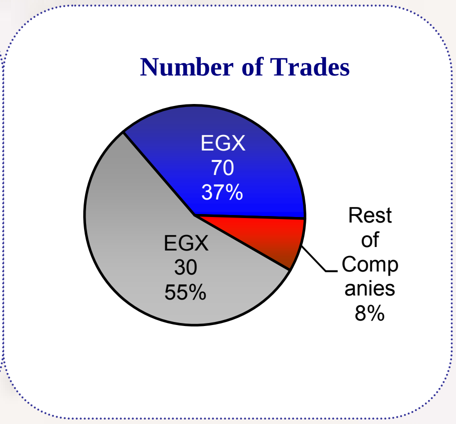


b. EGX Indices' Constituents

	Trading Value (LE billion)	Trading Volume (billion shares)	# of Trades (million)
EGX 30	178	23	7
EGX 70	57	4	5
EGX 100	235	28	12







* Worth mentioning that EGX 30 index and EGX 70 index constituents accounted for 71% and 23% of the listed stocks value traded in 2009, after excluding deals.

c. Companies Traded within 20% Price Limits

The companies traded within 20% price limits captured 85% and 98% of the total value and volume traded (stocks only), respectively. They also accounted for 97% of the total number of transactions during the year 2009.

Worth mentioning that these companies registered almost 99% of the total value traded (stocks only), after excluding deals.

Trading Aggregates for the Companies Traded within 20% Price Limits (189 Company) during 2009

	Trading Value (LE billion)	Trading Volume (billion shares)	# of Trades (million)
Companies Traded within 20% Price Limits	246	28	13
% of Total Listed Stocks	84%	98%	97%

d. Intra-day Trading System

Intra-day Trading witnessed a high trading activity in 2009, recording a trading volume of 5 billion shares, representing 16% of the total volume traded of listed stocks. Moreover, their value traded amounted to LE 35 billion, making up around 12% of the total value of the listed stocks. Likewise, the number of transactions executed through intra-day trading registered 1.7 million transactions, which accounted for 13% of the total number of transactions of the listed stocks.

Trading Aggregates for Intra-day Trading System during 2009

	Trading Volume (million shares)	Trading Value (LE million)	# of Trades (thousand)
Total Trades Executed through Intra-day Trading System	4,647	34,700	1,708
% of Total Listed Stocks	16%	12%	13%

e. Brokerage Firms Eligible for Online Trading

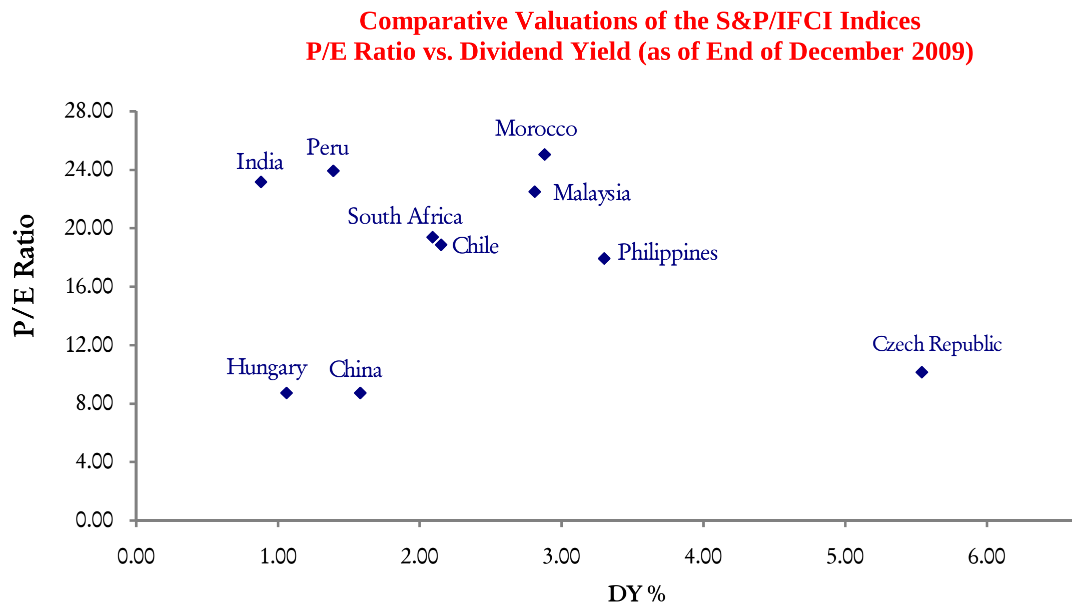
The Egyptian Exchange

g. 10 Most Active Companies in Terms of Volume Traded

Shares	Trading Volume (Million shares)	Trading Value (million LE)	Close Price at the End of 2008 (LE)	Close Price at the End of 2009 (LE)	% Change
T M G Holding	3,296	16,431	3.06	6.89	125.16
Upper Egypt Contracting	2,618	5,452	2.37	1.93	-18.57
Egyptian Electrical Cables	2,327	3,423	1.23	1.15	-6.50
Egyptian for Tourism Resorts	1,688	3,760	1.79	1.66	-7.26
Pioneers Holding	1,584	11,096	6.52	6.35	-2.61
El Nasr Clothes & Textiles (Kabo)	1,360	2,647	1.33	1.48	11.28
Arab Cotton Ginning	1,229	6,229	3.72	4.10	10.22
Alexandria Spinning & Weaving (SPINALEX)	1,196	2,766	1.77	1.50	-15.25
Extracted Oils	819	1,730	1.61	1.49	-7.45
Arab Polvara Spinning & Weaving Co.	752	4,347	2.77	3.93	41.88

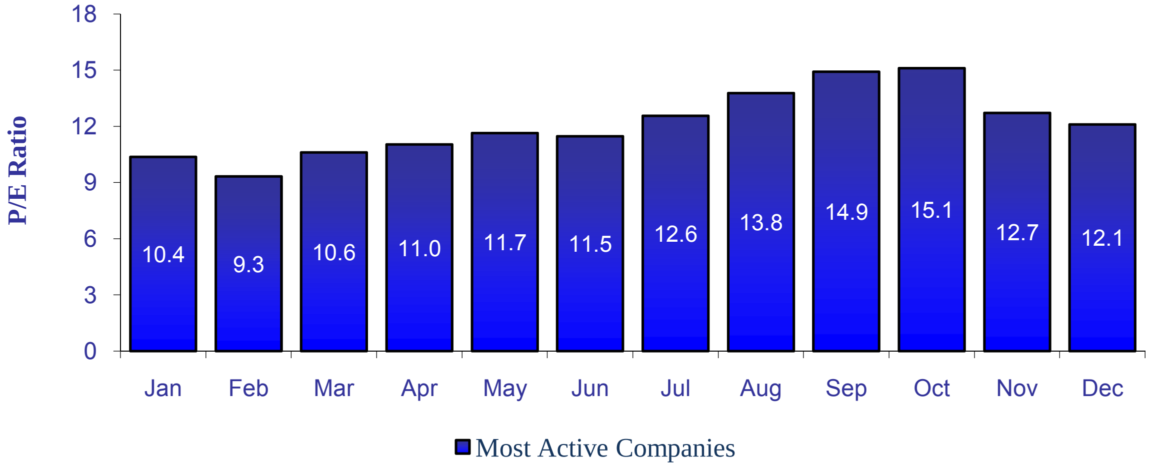
7. PE Ratio and Dividend Yield

The Egyptian Exchange has realized relatively good levels of Price Earnings (P/E) ratio and Dividend Yield (DY) during the year 2009, leaving the Egyptian market with favorable valuations compared to other emerging markets as depicted in the figure below.

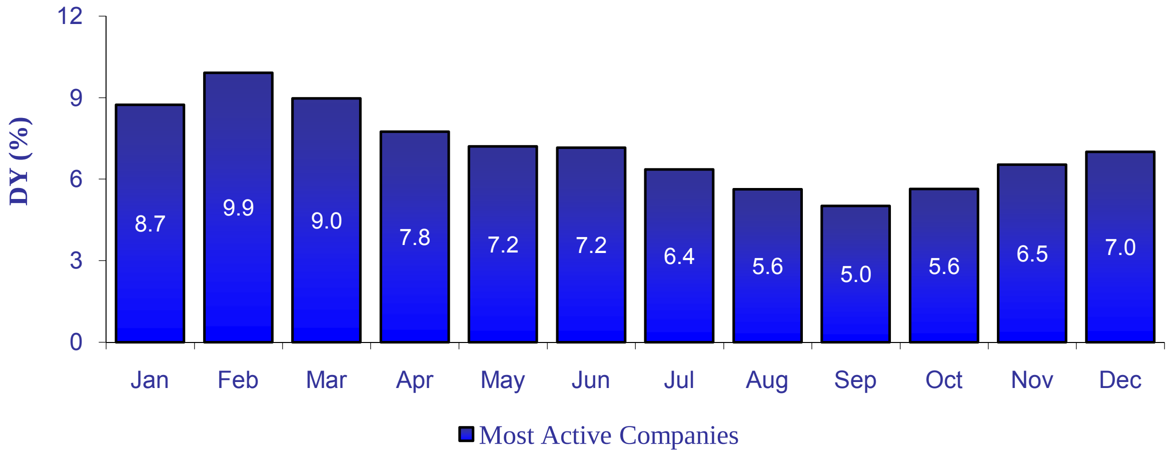


The Price Earnings (P/E) ratio for the most active stocks in the Egyptian market registered 12 times at the end of 2009 compared to 10 times at the beginning of the year, which was mainly attributed to the surge in prices during this year after reaching very low levels in 2008 on the back of the global financial crisis. Meanwhile, the dividend yield recorded 7% at the end of December 2009 as opposed to 8.7% at the beginning of the year. The following figures portray the monthly PE ratio and DY over the year 2009.

Price Earnings (PE) Ratio in 2009



Dividend Yield (DY) in 2009



7. Investor's Activity

a. Development of Number of Investors in 2009

Despite the global financial crisis, the Egyptian market maintained its attractiveness during 2009, whereby the number of investors reached more than 1.7 million investors, with an increase of 38 thousand investors compared to last year.

38 thousand newly coded investors in the Egyptian market in 2009, thus the number of investors reached more than 1.7 million

The number of institutions has surged to 30,000 institutions, with an increase of about 1,700 institutions, compared to the previous year, rising up by 5.8 % over the year as opposed to a 2.2% increase for individuals.

The increase in the number of institutions in the Egyptian market by 6%, to reach 30 thousand

Moreover, the number of newly coded non Arab foreign institutions surged by 12% in 2009, compared to the previous year, to reach 9700 institutions, which asserts the continued non Arab foreign instituations confidence in the Egyptian market.

On the other hand, the Arab institutions increased by 5.4% compared to 2008, to reach 1800 institution at the end of year 2009. Together, the number of both foreign and Arab institutions reached 11500 institutions at the end of the year.

The foreign institutional investors recorded the highest increase in the newly coded institutions of 12% during 2009, to reach approximately 10,000 instituations

From another perspective, the individual investors increased to reach 1.69 million in 2009, with an increase of 37,000 investors; representing a 2.2% increase compared to year 2008.

The Non-Arab foreign individual investors surged by 6.2% in 2009, to reach more than 5,800 investors at the end of 2009, with an increase of 340 foreign investors, while Arab individual investors increased by 5% in 2009, with 913 new coded investors. Meanwhile, the Egyptian investors recorded an increase of around 2.1% compared to the previous year, with 35,000 newly coded Egyptian investors during 2009.

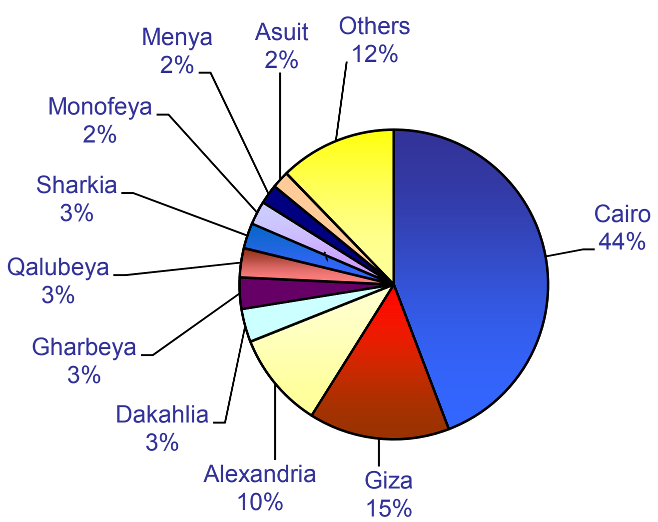
The foreign individual investors recorded the highest increase in the newly coded individuals of 5.5% during 2009, to reach 5800 foreign individual investor

Number of Coded Investors in EGX
(2009 vs 2008)

	Number of New Coded Investors in 2009 vs. 2008				Number of Coded Investors till 2009		
	Retailers		Institutions		Retailers	Institutions	Total
	2009	2008	2009	2008			
Egyptians	35,421	61,264	511	455	1,663,890	18,557	1,682,447
Arab	913	1074	93	138	19025	1,826	20,851
Foreigners	342	420	1,050	861	5,874	9,724	15,598
Total	36,676	62,758	1654	1,454	1,688,789	30,107	1,718,896

On the governorates level, the coded investors in Cairo captured around 44% of the total numer of coded investors in Egypt at the end of 2009, followed by Giza, accounting for 15%. Alexandria came third, making up 10%, followed by Dakahlia, Gharbia, Qalubeya and Sharkia, capturing around 3% each of the total number of coded investors in Egypt.

Newly Coded Investors at the End of 2009 by Governorate



The Egyptian Exchange

Investors' Trading Activity in the Egyptian Market

The number of investors, who invested their money in the Egyptian market in 2009, exceeded more than 174 thousand investors, out of which 171 thousand investors were individual investors.

More than 174 thousand investors injected their money in the Egyptian market in 2009

From another perspective, the number of individual investors retreated by 20%, in particular the individual investors with investment size up to LE 100 thousand, who realized a decline of 25% on average, as highlighted in the table below.

Meanwhile, the number of institutions, who injected their investments in the Egyptian market in 2009, has retreated by 9% on average. Neverthless, the number of institutional investors, with investment size ranging between LE 50 thousand and LE 10 million, rose by 7% compared to a decline in the number of institutional investors with their investment size less than LE 50 thousand by 16%, which indicates that a large number of institutions who injected small amounts in the Egyptian market in 2008 have tended to increase their investment size in the Egyptian market this year.

The number of Institutional Investors, with an investment size ranging between LE 50 thousand and LE 10 million surged by 7%

The number of institutional investors, with an investment size ranging between LE 1 million and LE 5 million, recorded the highest increase of 10% in 2009.

Number of Coded Investors in EGX (2009 vs 2008)

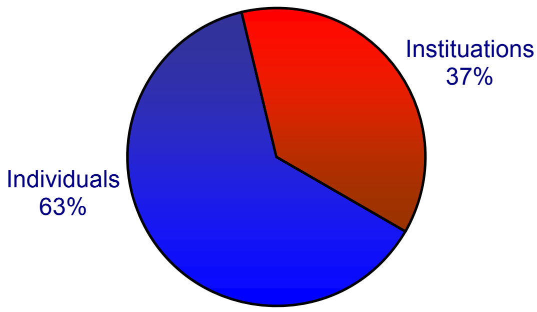
LE	Retailers		Institutions	
	2009	% Change over the Year	2009	% Change over the Year
1-10,000	37,731	-23.42	49	-16.95
10,000-50,000	32,277	-28.66	79	-17.71
50,000-100,000	15,065	-24.01	56	7.69
100,000-500,000	36,775	-17.60	185	4.52
500,000-1,000,000	14,740	-9.54	147	2.08
1,000,000-5,000,000	23,722	-7.75	507	9.98
5,000,000-10,000,000	5,420	-6.55	284	4.41
10,000,000-50,000,000	5,139	-10.17	605	-13.69
More than 50,000,000	1,044	-22.55	480	-29.10

b. Individuals vs. Institutions

The Egyptian market was dominated by retail investors, accounting for 63% of the value traded during 2009, as opposed to 66% during 2008. Meanwhile, the instituations captured around 37% of the value traded compared to 34% in the previous year.

Despite the dominance of the retail investors, institutions ended year 2009 as net buyers, with almost LE 2.2 billion, after excluding deals.

Individuals vs. Instituations In terms of Value Traded in 2009*



*after excluding deals

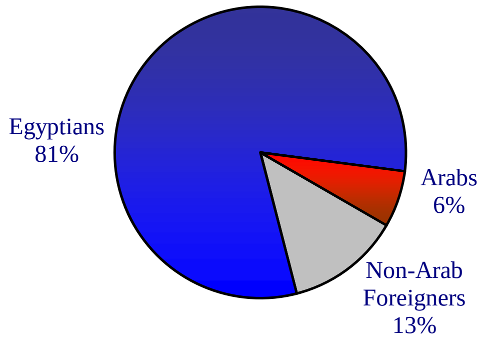
c. Egyptians vs. Foreigners

Foreigners accounted for 19% of the total value traded in 2009, of which 6% was captured by Arab investors, while the remaining 13% was captured by non-Arab foreign investors, after excluding deals.

Despite the global financial crisis and its impact on the foreign investments, the year 2009 witnessed a rising penetration of foreign investors into the Egyptian market with a large influx of investments, whereby the non-Arab foreign investors ended the year as net buyers, recording net inflows of LE 5 billion as opposed to LE 778 million net outflows in 2008. Meanwhile, Arab investors have generated net outflows of LE 4 billion as opposed to LE 1.3 billion net outflows in 2008, after excluding deals.

Worth mentioning that foreigners (Arab and Non-Arab) concluded the year with net inflows of LE 996 million over 2009, compared to net outflows of LE 2 billion last year, after excluding deals

Egyptians vs. Foreigners in Terms of Value Traded in 2009*

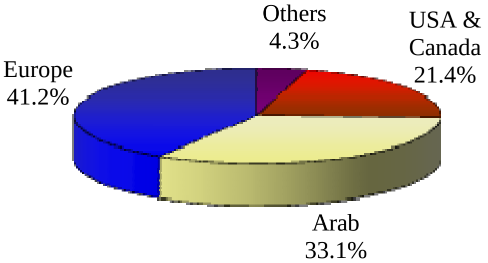


*after excluding deals

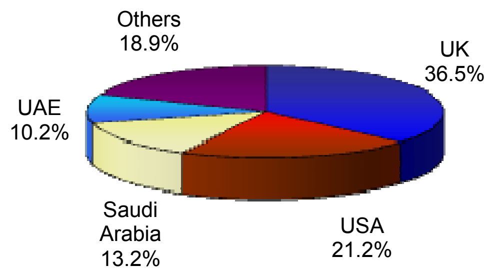
European investments dominated foreign investments on EGX in 2009, capturing around 41% of the total foreign investments, after excluding deals. Arab investments accounted for 33% of the foreign investments, while 21% were owed to USA & Canada.

At the country level, the United Kingdom came first and has captured around 37% of the total foreign investments on EGX in 2009, followed by USA and Saudi Arabia, constituting 21% and 13% of the total foreign investments, respectively. UAE made up 10% of the total foreign investments, after excluding deals.

Foreign Participation by Region in 2009 *



Foreign Participation by Country in 2009 *



*after excluding deals

8. Capital Increase & IPOs

Year 2009 witnessed the listing of 6 companies, with a total value of LE 3.3 billion, compared to 24 new listed companies in 2008, with a total value of LE 6.4 billion. On the other hand, 65 companies were de-listed during 2009, with a total value of LE 7.5 billion, as opposed to 83 de-listed companies during 2008, with a value of LE 6 billion.

Listing during 2008 and 2009

		2008		2009	
		No. of Companies	Total Value (LE billion)	No. of Companies	Total Value (LE billion)
New Listing		24	6.4	6	3.3
Capital Increase	SPO*	39	7.9	20	2.1
	Others**	59	7.3	41	3.0
De-Listing		83	6.0	65	7.5

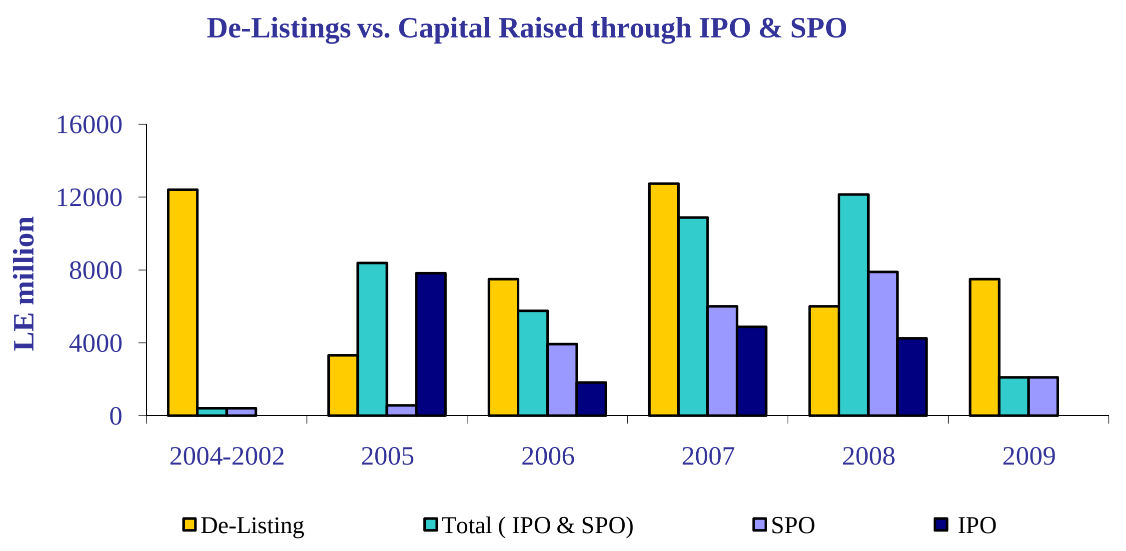
* Secondary Public Offering

** refers to capital increase done through cash, bonus shares, par value amendment, mergers and acquisitions

Capital Increase

During 2009, 20 companies raised capital through a secondary public offering (SPO), with a total value of LE 2.1 billion, as opposed to 39 companies the previous year, with a total value of LE 7.9 billion.

Moreover, 41 companies had their capital increased through cash, bonus shares, par value amendment, mergers or acquisitions, with total capital raised of LE 3 billion during 2009, compared to 59 companies in 2008, with a total value of LE 7.3 billion.



9. Acquisition Deals during 2009

The number of acquisition deals amounted to 11 deals worth LE 42 billion in 2009, as opposed to 28 deals worth LE 105 billion in 2008.

The most prominent deals included the sale of 100% of Egyptian Fertilizers Company by Orascom for Fertilizers Factories Maintenance in a deal worth LE 19 billion, the 54% acquisition of Lafarge Cement - Egypt by Lafarge Building Materials Trading Egypt in a deal worth LE 15 billion.

Other large deals concluded during the year included the 99.6% acquisition of Samcrete Misr by Samcrete for Engineering Investment in a deal worth LE 4 billion as well as the 100% acquisition of International Hotels Holdings by El Gouna Transportation, with a value of LE 2 billion. Additionally, the 10% acquisition of Bank of Alexandria by International Finance Corporation (IFC) in a deal worth LE 1.1 billion.

Acquisition Deals during 2009

No.	Acquirer	Security	Date	%	Value (LE Million)
1	Samcrete for Engineering Investment	Samcrete Misr	Dec-09	99.6	4,071
2	Beltone Partners Holding Ltd.	Beltone Financial Holding	Dec-09	99.8	72.6
3	El Gouna Transportation	International Hotels Holdings	Dec-09	99.7	1,944.4
4	Group of Investors	Alkan Holding	Dec-09	12.7	12.5
5	Lafarge Building Materials Trading Egypt	Lafarge Cement - Egypt	Nov-09	53.65	15,466
6	Olympic Group Financial Investments*	Cairo Feeding Industries	Aug-09	98.8	66.4
7	Orascom for Fertilizers Factories Maintenance #	Egyptian Fertilizers Company	Jun-09	99.99	3,468.8
8	Global Investment and Management Group Limited	Mansoura for Resins and Chemical Industries Co.	Apr-09	69.1	29.1
9	National Development Bank	National Glass & Crystal Co.	Apr-09	88.3	182.5
10	International Finance Corporation (IFC)	Bank of Alexandria	Mar-09	9.75	1106.82
11	An Indian Investor	Alexandria Medical Services	Mar-09	86.35	96.7

 # Value is in US Dollars
****A Swap Deal***

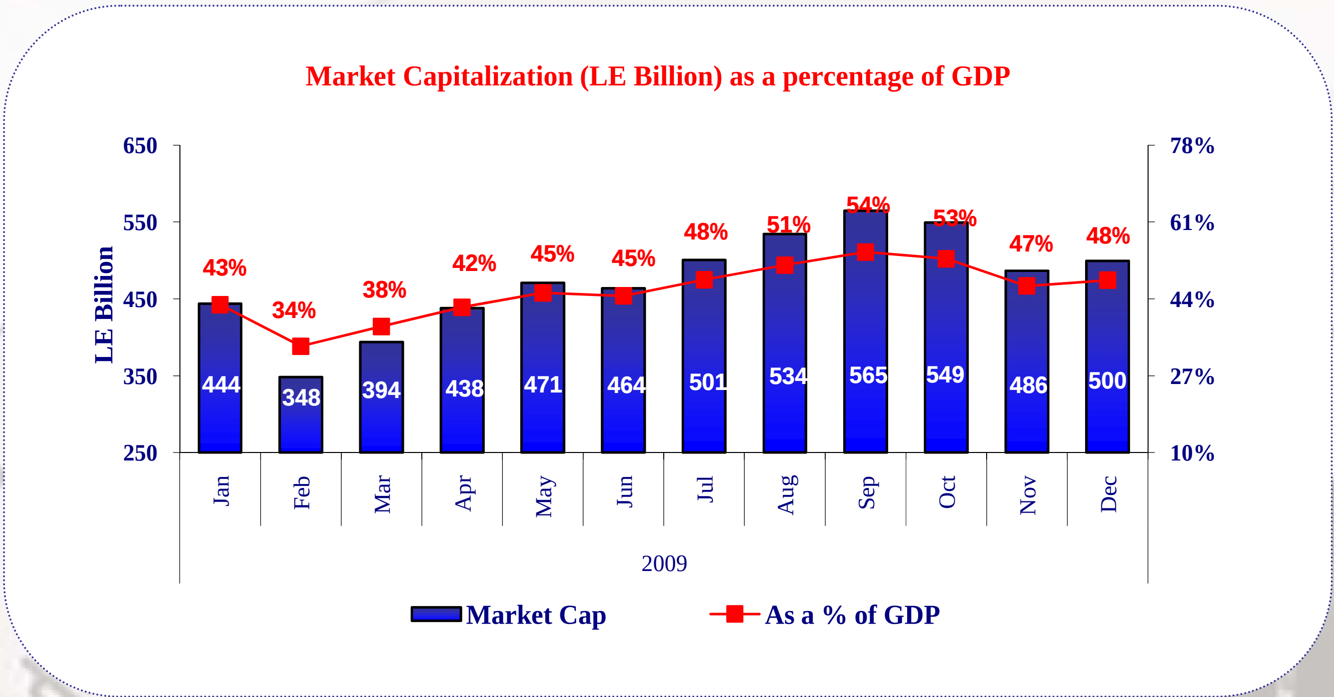
10. Market Capitalization

The market capitalization culminated at LE 500 billion at the end of 2009, recording a 5% increase over the year and representing 48% of GDP, as illustrated in the Table and Figure below.

Market Capitalization Performance during 2009

In LE Billion	31/12/2009	31/12/2008	Change (%)
Total Market Cap.	500	474	5%
EGX 30 Market Cap.	229	170	35%
EGX 70 Market Cap.	69	61	12%
EGX 100 Market Cap.	297	231	29%
Total Market Cap. as a % of GDP	48%	46%	

GDP used is LE 1038.6 billion according to the Ministry of Finance



11. Bonds

The bond market has witnessed a remarkable trading activity during the year 2009 as opposed to previous years although it is still at low levels compared to the equity market performance.

The value of bonds traded reached LE 41 billion during 2009, which is more than double the recorded figure of last year, amounting to LE 20 billion. Likewise, the volume of bonds traded jumped to reach 40 million bonds, versus 22 million bonds in 2008, an increase of 82%.

Treasury Bonds issued through the Primary Dealers System still account for the lion's share of the total bond activity, making up 99% of the total bonds value and volume traded in 2009.

On the other hand, the corporate bonds has witnessed a decline in their trading activity in 2009, with their value traded registering LE 52 million, down from LE 165 million last year, and their volume traded reached 792 thousand bonds versus 2 million bonds in 2008.

Bonds Trading Aggregates in 2009

	Value Traded (LE Million)	Volume Traded (Thousand)
Government Bonds	**40,548**	**39,372**
Housing Bonds	0.01	0.15
Treasury Bonds	0	0
Government Bonds (According to Primary Dealers System)	40,548	39,372
Corporate Bonds	**52**	**792**
Total	**40,600**	**40,164**

12. Member Firms in 2009

The Egyptian Exchange maintained its strict market surveillance to ensure investors' protection from the risks ensued from brokerage firms. Several measures have been taken in that regard, ranging from official warnings to a complete suspension in case of member firm violation of membership and/or capital adequacy rules.

From another perspective, three new firms were admitted as EGX member firms in 2009, to conclude the year with 149 members. The number of traders has also surged to 2227, with an increase of 686 traders compared to 2008.

Member Firms & Traders in EGX during 2009

	End of 2009	End of 2008	Change Over the Year (# of Companies)
Total Number of Member Firms	149	146	3
Total Number of Traders	2227	1541	686

Brokerage Firms' Trading Activity in 2009

The brokerage firms recorded a trading value exceeding LE 815 billion (for both buy and sell sides). The brokerage firms, in the listed securities market, have recorded a total value traded of LE 586 billion, representing 72% of the total trading of the brokerage firms, with the balance owed to the brokerage firms' trading in the OTC market.

The top 10 brokerage firms in terms of value traded captured around 60% of the total value traded, with Beltone Securities Brokerage coming on top, recording a trading value of LE 163 billion. Hermes Securities Brokerage ranked second, with a total value traded of LE 132 billion, followed by the Financial Brokerage Group, registering a value traded of LE 40 billion.

As for the brokerage firms' trading in the Listed Secrities Market, the top 10 companies accounted for 51% of total value traded of the Listed Secrities Market. Beltone Securities Brokerage ranked first in terms value traded, recording LE 83 billion. Second in line came Hermes Securities Brokerage, with a total value traded of LE 59 billion. Pioneers for Securities came third, recording a total value traded of LE 33 billion.

Meanwhile, the top 10 brokerage firms in the Listed Secrities Market after excluding deals accounted for 42% of total value traded. Hermes Securities Brokerage stood as number one in terms value traded, registering LE 39 billion, followed by Pioneers for Securities, with a total value traded of LE 33 billion. The Financial Brokerage Group booked the third place, registering a value traded of LE 31 billion.

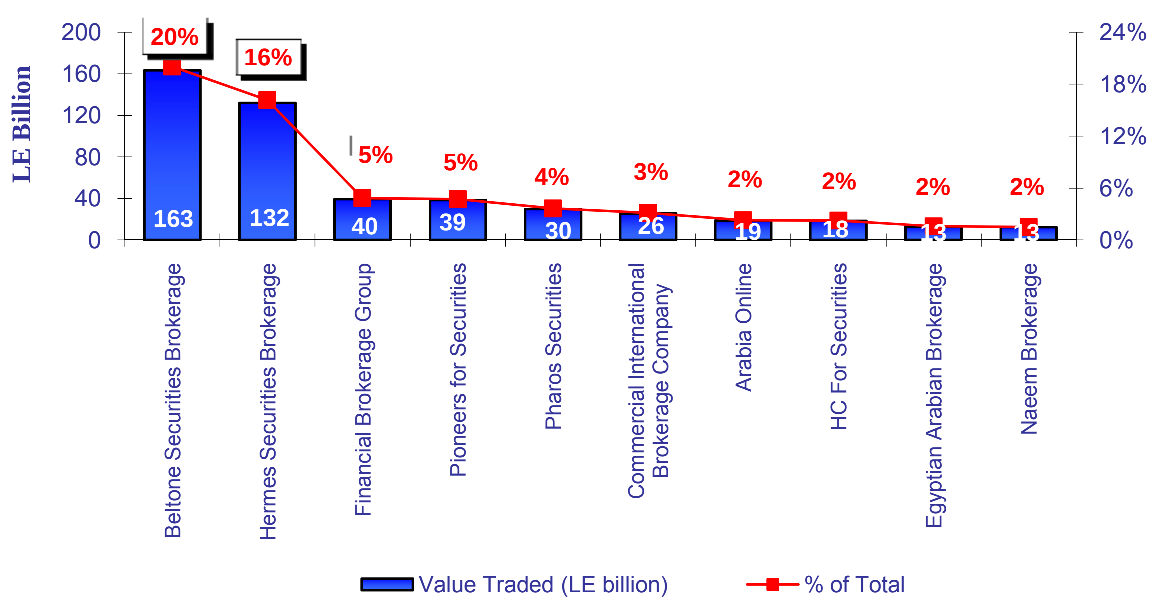
On the other hand, the brokerage firms have recorded a trading value of more than LE 229 billion in the OTC market, with the top 10 companies making up 85% of the OTC total value traded. Beltone Securities Brokerage ranked first, recording a trading value of LE 80 billion, followed by Hermes Securities Brokerage, with a total value traded of LE 73 billion. Pharos Securities stood as number three, registering a value traded of LE 16 billion.

As for the brokerage firms trading in the OTC market (Orders Market), they recorded a trading value of LE 30 billion, accounting for 13% of the total value traded made by the brokerage firms in the Orders market and 4% of the total value traded for the whole market. The top 10 brokerage firms acquired 39% of the total value traded in the Order market. Pioneers for Securities came first, registering a total value traded of LE 3 billion, followed by Arabia Online, with a value traded of LE 2 billion. Third in line came Hermes Brokerage, with a total value traded of LE 1 billion.

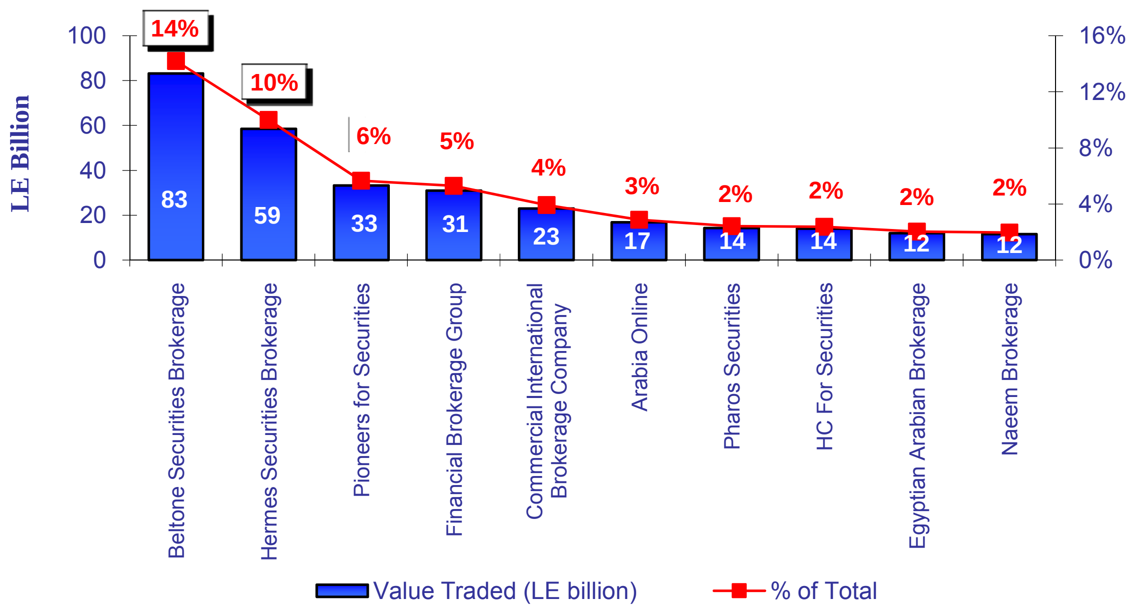
Additionally, the brokerage firms in the OTC market (deals market) recorded a value traded of LE 199 billion. This market includes a limited number of companies, whereby the top 10 brokerage firms acquired 95% of the total value traded in the deals market. Beltone Securities Brokerage came first, registering a total value traded of LE 80 billion, followed by Hermes Brokerage, with a value traded of LE 72 billion. Pharos Securities came in the third place, with a total value traded of LE 16 billion.

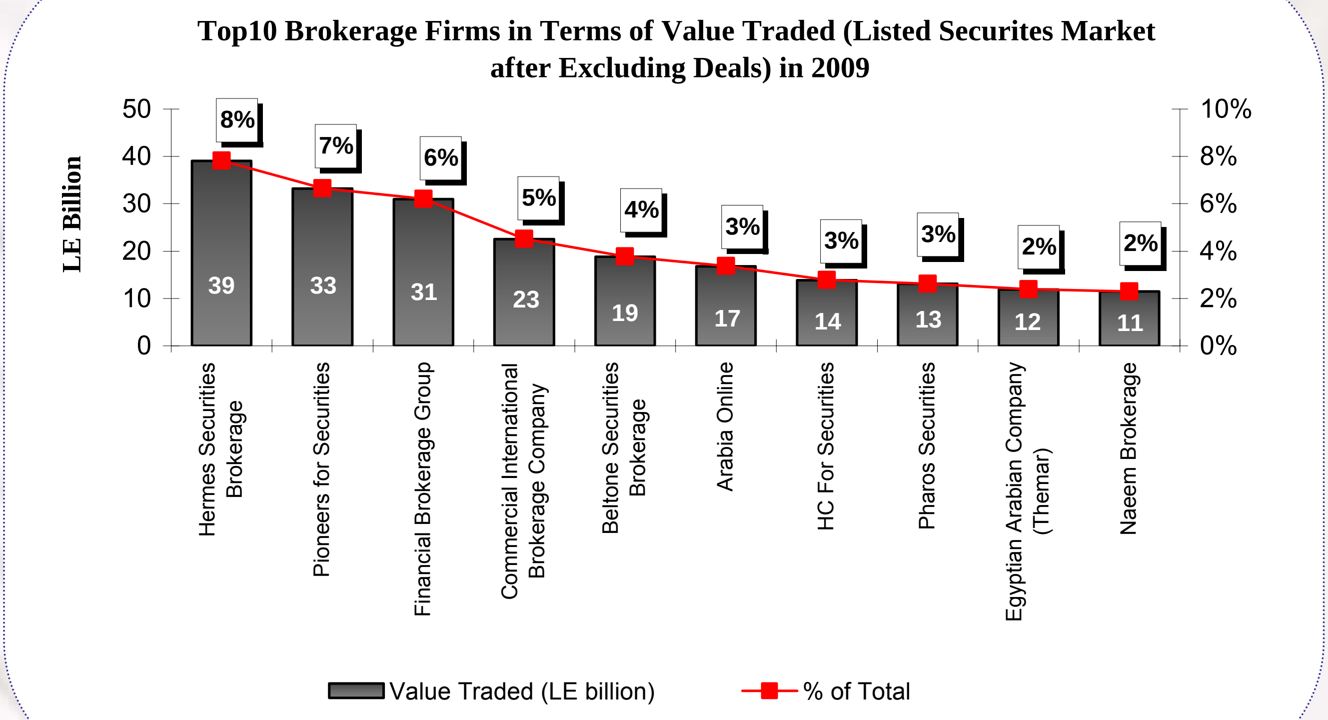
As for the brokerage firms eligible for online trading, they registered a value traded amounted to LE 79 billion over the year. The top 10 brokerage firms captured around 78% of total value executed through the Internet. Hermes Securities Brokerage topped the market in terms of value traded, recording LE 18 billion. Arabia Online ranked second, with a total value traded of LE 17 billion, followed by Sigma Securities Brokerage, with a total value traded of LE 8 billion.

Top 10 Brokerage Firms in Terms of Value Traded in 2009



Top10 Brokerage Firms in Terms of Value Traded (Listed Securities Market) in 2009





Top Ten Brokerage Firms in terms of Value Traded (OTC Market) in 2009

Company Name	Value Traded (LE Billion)	% of Total
Beltone Securities Brokerage	80	35%
Hermes Securities Brokerage	73	32%
Pharos Securities	16	7%
Financial Brokerage Group	9	4%
Pioneers for Securities	5	2%
HC For Securities	5	2%
Commercial International Brokerage Company	3	1%
Arabia Online	2	1%
El Ahly Securities Brokerage	1	1%
Metro Company for Bookkeeping & Stock Dealing	1	1%
Total of the 10 Companies	**195**	**85%**
Total Trading of Brokerage Firms	**229**	**100%**

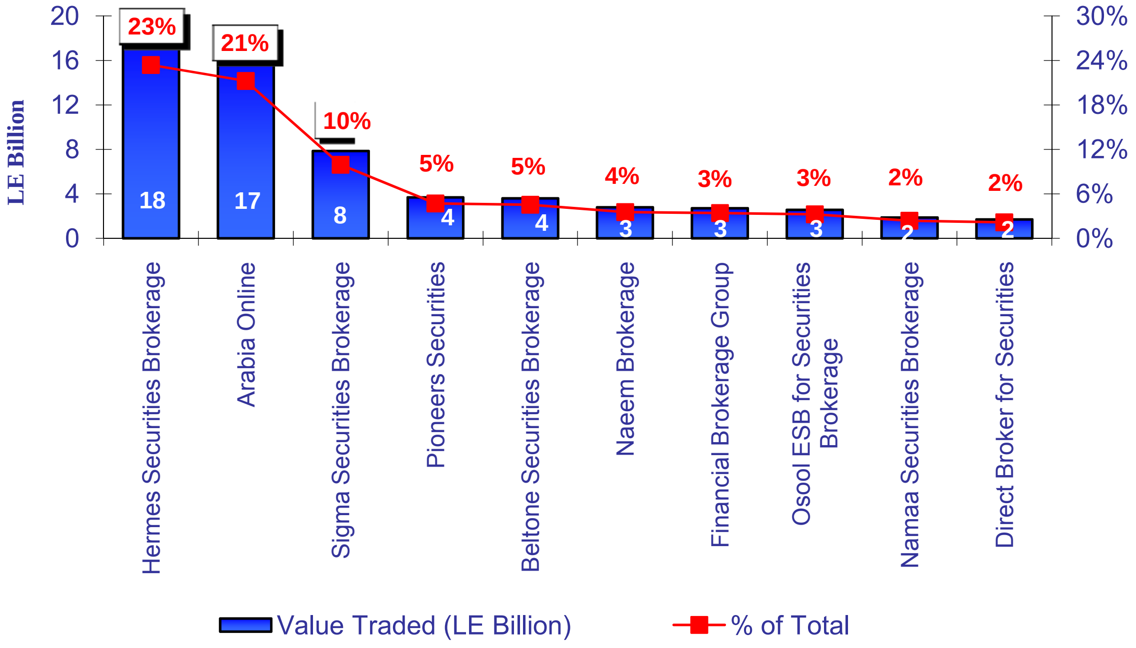
Top 10 Brokerage Firms in terms of Value Traded (OTC Market-Orders Market) in 2009

Company Name	Value Traded (LE Billion)	% of Total
Pioneers for Securities	3	10%
Arabia Online	2	7%
Hermes Securities Brokerage	1	4%
Egyptian Arabian Brokerage	1	3%
Horizon Security Brokerage Company	1	3%
City Trade Brokerage	1	3%
Tycoon Brokerage Securitie Stock Exchange & Bookkeeping	1	3%
United Economic Group for Stocks & Bookkeeping	1	2%
Dynamic Securities Trading	1	2%
Naeem Brokerage	1	2%
Total of the 10 Companies	**12**	**39%**
Total Trading of Brokerage Firms	**30**	**100%**

Top 10 Brokerage Firms in terms of Value Traded (OTC Market-Deals Market) in 2009

Company Name	Value Traded (LE Billion)	% of Total
Beltone Securities Brokerage	80	40%
Hermes Securities Brokerage	72	36%
Pharos Securities	16	8%
Financial Brokerage Group	9	4%
HC For Securities	4	2%
Pioneers for Securities	2	1%
Commercial International Brokerage Company	2	1%
El Ahly Securities Brokerage	1	1%
Metro Company for Bookkeeping & Stock Dealing	1	1%
Arab African International Brokerage	1	0.4%
Total of the 10 Companies	**189**	**95%**
Total Trading of Brokerage Firms	**199**	**100%**

Top 10 Brokerage Firms (Licensed for Online Trading) in Terms of Value traded in 2009



13. GDRs

The Egyptian GDRs witnessed a mixed performance during 2009, whereby some GDRs realized gains, while others incurred losses. Palm Hills GDRs prices posted the highest gains of 81%, followed by Egyptian Financial Group Hermes Holding, Commercial International Bank and Suez Cement GDRs, surging by 53%, 46% and 43%, respectively. Additionally, Naeem Holding and Telecom Egypt GDRs concluded the year 2009 with an increase of 10% and 3%, respectively.

On the other hand, Orascom Construction Industries (OCI) and Orascom Telecom GDRs prices retreated by 10% and 16%, respectively, over the year. Meanwhile, Lecico GDR posted the largest losses of 39%, while Pachin, El Ezz Steel and Lakah Group GDRs prices remained unchanged.

Worth mentioning that GB Auto GDR, that was issued in May 2009 and traded on London and New York Stock Exchanges, has registered an increase of 21% from its debut trading till end of 2009.

Company Name	Conversion Ratio*	GDR Closing Price (US$) on 31/12/2008	GDR Closing Price (US$) on 31/12/2009	Change in GDR Prices (%)
Palm Hills Development	0.20	3.60	6.50	80.6%
Egyptian Financial Group Hermes Holding	0.50	6.00	9.20	53.3%
Commercial International Bank (CIB)	1.00	6.85	10.00	46.0%
Suez Cement	1.00	5.30	7.55	42.5%
GB Auto	0.20	18.60^	22.47	20.8%
Naeem Holding	0.25	1.64	1.80	9.8%
Telecom Egypt	0.20	15.50	16.00	3.2%
Pachin	3.00	2.80	2.80	0.0%
El Ezz Steel	0.33	32.50	32.50	0.0%
LAKAH Group**	0.33	0.44	0.44	0.0%
Orascom Construction Industries (OCI) ***	1.00	50.00	45.26	-9.5%
Orascom Telecom (OT)	0.20	27.29	22.99	-15.8%
Lecico	1.00	6.50	4.00	-38.5%

* Represents # of GDRs per local share
** LAKAH group GDR price represents last trading price on 03/03/2005
*** The Conversion ratio has changed to be 1 share: 1 GDR, effective 7 May 2009
^ Trading has been commenced on 28 May 2009

14. Performance of EGX 30 Structured Products

A. Performance of EGX 30 Certificates

All EGX30 index certificates; including the open-ended certificates issued by the international financial institutions, ABN-AMRO, Deutsche Bank and Goldman Sachs, together with the closed-ended certificates issued by ABN- AMRO, have witnessed a good performance in 2009

1- EGX 30 Certificates Issued by ABN-Amro

A. Open End Certificates Performance:

- The figure below shows the performance of the first issuance by ABN-AMRO of 500,000 open end certificates on EGX 30 Index, that was listed and traded on SWX, since 27 October 2005 and has realized 41.19% gains during 2009, compared to 58% losses last year.

Source: ABN-Amro Website

- The second issuance of the 50 thousand EGX 30 open end certificates, which were listed and traded on Frankfurt Stock Exchange on 31 October 2005, surged by 36.94% during 2009, as illustrated in the Figure below, compared to a decline of 56% in 2008.

Euro

Source: ABN-AMRO website

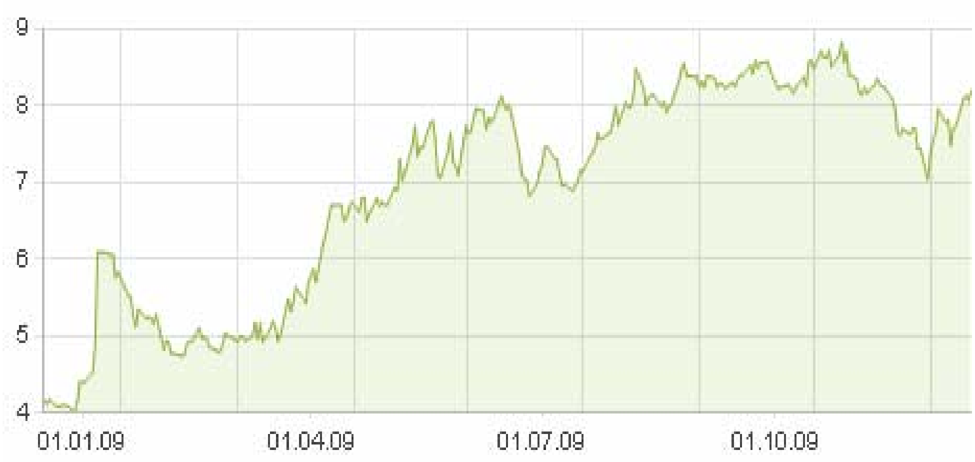
- The third issuance of 500,000 EGX 30 open end certificates by ABN- AMRO, that were listed and traded on Euronext Amsterdam on 9 March 2006, recorded an increase of 37.04% in 2009, versus a decline of 55% in the pervious year.

Euro

Source: ABN-AMRO website

- The fourth issuance of 450,000 EGX 30 open end certificates by ABN-AMRO, that were listed and traded on Euronext Paris on 25 July 2008, soared by 77.16% in 2009 compared to a 67.8% decline in 2008.

Euro

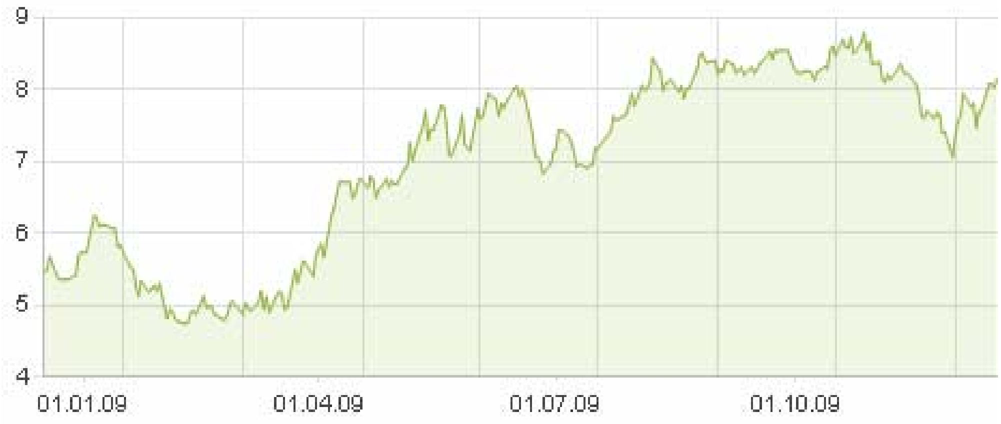


Source: ABN-AMRO website

B. Close End Certificates Performance:

- The figure below shows the performance of the 500,000 EGX 30 Index close end certificates, issued by ABN-AMRO on 15 June 2006, with a price of 7.14 Euro per certificate and were listed and traded on Borsa Italiana to be matured on 18 June 2010. The close end certificates hiked by 36.13% in 2009 compared to a decline of 56% in the previous year.

Euro



Source: ABN-AMRO 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 42.85% in 2009, as opposed to a 55% decline in the previous year.

Euro

Source: Deutche 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, starting the 5th of May 2006, concluded the year 2009 with a 48.2% increase compared to a 38% decline last year.

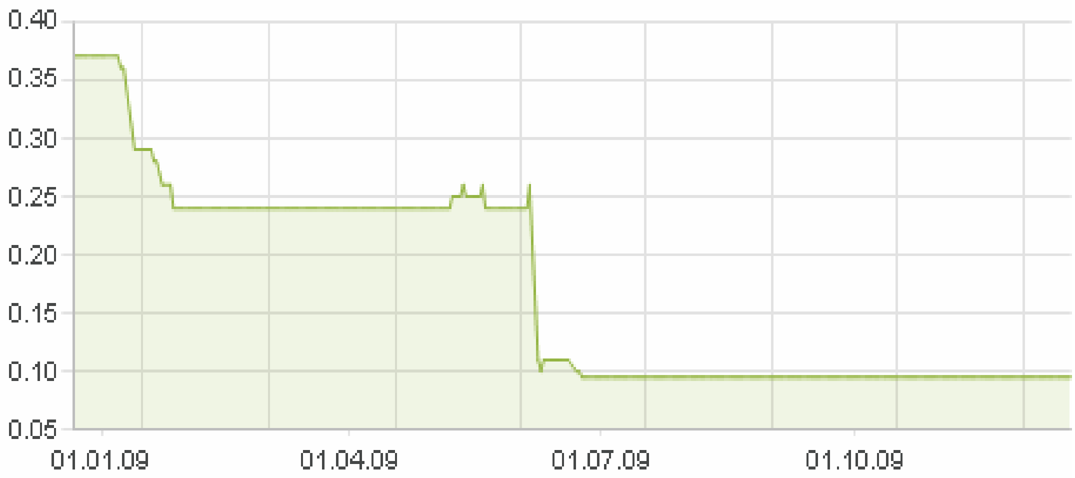
Euro

Source: Goldman Sachs Website

B. Performance EGX 30 Call Warrant

- The figure below shows the performance of the call warrant, issued by ABN-AMRO on 12 March 2008, which were listed and traded on Luxembourg Stock Exchange to be matured on 12 March 2011. The certificates slumped by 74.32% in 2009.

US$



Source: ABN-AMRO website

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

Open End Certificates

The figure below shows the performance of the first issuance of Dow Jones EGX Egypt Titans 20 Index open end certificates, by ABN-AMRO on 26 March 2007, which were listed and traded on Luxembourg Stock Exchange. The certificates recorded an increase of 38.89% over the year.

Euro

Source: ABN-AMRO Website