

Semi-Annual Report (January-June 2008)

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I. The Egyptian Market

Severe Slump in the International Markets

The Egyptian market has witnessed a mixed performance during the first half of 2008, experiencing an upsurge during the first four months of the year, with CASE 30 index recording the highest-ever since its inception, approaching the 12000 threshold, with an increase of 11.7% over this period.

The Egyptian market, however, showed a lackluster performance since the month of May, affected by the sharp decline in the emerging as well as international markets. The dramatic increase in oil prices, together with the decrease in the value of US\$, have affected negatively the international markets, whereby developed markets realized a YTD decline ranging between 12% to 22% as per Morgan Stanley indices, while the emerging markets registered declines reaching 27%.

The market started the month of May on a negative note buoyed by the government decisions concerning raising the prices of subsidized energy, together with the abolishment of some tax exemptions on free zones companies, which coincided with the rumors of imposing taxes on the Exchange transactions. Despite the fact that the government firmly denied such rumors, the plunge in international markets has adversely affected the Egyptian market, pushing CASE30 index downward by 6.8% over the first half of 2008, to conclude the period at 9827 points.

Impressive Trading Records

The Egyptian Exchange has recorded impressive trading figures, whereby the value traded jumped to L.E. 397 billion during the first half of year 2008, surpassing the recorded value traded in year 2007, which amounted to L.E. 363 billion. Consequently, the average daily value traded surged to L.E. 2.5 billion (after excluding large deals) as opposed to L.E. 1.5 billion last year. Likewise, the average daily number of transactions soared to 66 thousand compared to 37 thousand transactions during year 2007.

Increasing Demand for Public and Private Offerings

In its continuous efforts to enhance the market depth and development, the Egyptian Exchange has de-listed the inactive companies, ending the first half of 2008 with 375 listed companies compared to 435 companies at the end of 2007. From another perspective, the stock exchange is continuously working on attracting the family-owned and the closed companies to widen their ownership structure. In that respect, the market witnessed three offerings during the first half of the year, with a cumulative amount of L.E. 4.3 billion. These offerings were highly oversubscribed, with a ratio reaching 40 times, which revealed the rising demand to new offerings as well as the increasing liquidity in the market.

Regulatory Development to Enhance the Market Surveillance

On the Legislative front, the Egyptian Parliament approved a series of amendments in the Egyptian Capital Market Law, which help enhancing the capital market through supporting the supervisory competencies of the CMA, in addition to imposing a fine up to LE 20 million in some serious crimes.

NILEX; the Newly Launched Mid & Small Cap Market

The Egyptian Exchange has exerted intensive efforts to promote and highlight the benefits of getting listed on Nilex through holding several workshops in collaboration with a group of business organizations in Egypt.

During the first half of year 2008, nine financial institutions were granted the license to be nominated advisors, raising the number of nominated advisors to reach 10 financial institutions, which reflects the growing interest of financial institutions in supporting the small and medium enterprises.

As an important step towards supporting and developing the medium and small enterprises sector in Egypt, the Egyptian Exchange, agreed with the Industrial Modernization Center (IMC) to provide necessary support to potential mid and small cap companies that helps them getting listed on the stock market, bearing part of the listing fees associated with the listing process on Nilex. This step should not only encourage mid and small cap companies to consider joining the stock market in raising funds for their businesses, but should also give an impetus to Nilex market as a new medium to raise money for those companies and thus increase its contribution to the economic growth and the creation of more employment opportunities.

By the end of the first half of year 2008, three companies were listed on the Nile Stock Exchange, operating in different sectors: the Plastic Industries, Advertising, and Information Technology sectors, with their capital ranging from LE 1.8 million to LE 22 million. Those companies are currently preparing themselves to offer their shares during the coming period in accordance with the requirements of the Nile Stock Exchange. Moreover, the nominated advisors are currently working on preparing a new group of companies to list their shares on Nilex during the second half of year 2008.

New Trading System

The Egyptian Exchange has finalized upgrading its trading platform to OMX high performance “X-stream” solution. The brokers were well trained on using the new system and simulation sessions are currently run to make sure that all member firms can successfully use the new system. The system is expected to be used during the first week of the second half of year 2008.

Enhancing the Market Depth

The Egyptian Stock Exchange has continued its efforts to enhance the market activity and liquidity, by removing the price limits on 182 companies, which account for 90% of the total value traded.

The Egyptian Exchange Strengthens its International Presence

The Egyptian Exchange spares no effort to enhance international relations on the regional as well as the global fronts. In that respect, the Egyptian Exchange organized the Sixth Developing Markets Forum, which is one of WFE's most important events. Additionally, the Egyptian Exchange signed a memorandum of understanding with Cyprus Stock Exchange in order to foster the mutual cooperation between the two Exchanges regarding the capital markets' developments.

Introducing New Financial Instruments

The Egyptian Exchange continued its efforts to increase the product mix available to investors by listing and trading new products in the market. In that respect, EGX took effective steps to implement the Short Selling system and MCDR started to accept requests from investors who wish to lend their shares, to be ready with the Pool of securities to be lent. Also, EGX started the training process of the member firms to deal with this system.

From another perspective, EGX has chosen Beltone Financial to launch its first ETF on CASE 30 Index. Beltone Financial is currently finalizing the implementation of the necessary technical & technological infrastructure needed to launch the ETF.

Additionally, EGX is working on activating the margin trading system and the Market Makers. From another perspective, EGX together with the CMA are currently working on finalizing the legislative framework of the derivatives market to be introduced by the end of the first half of year 2009.

1. Market Indices

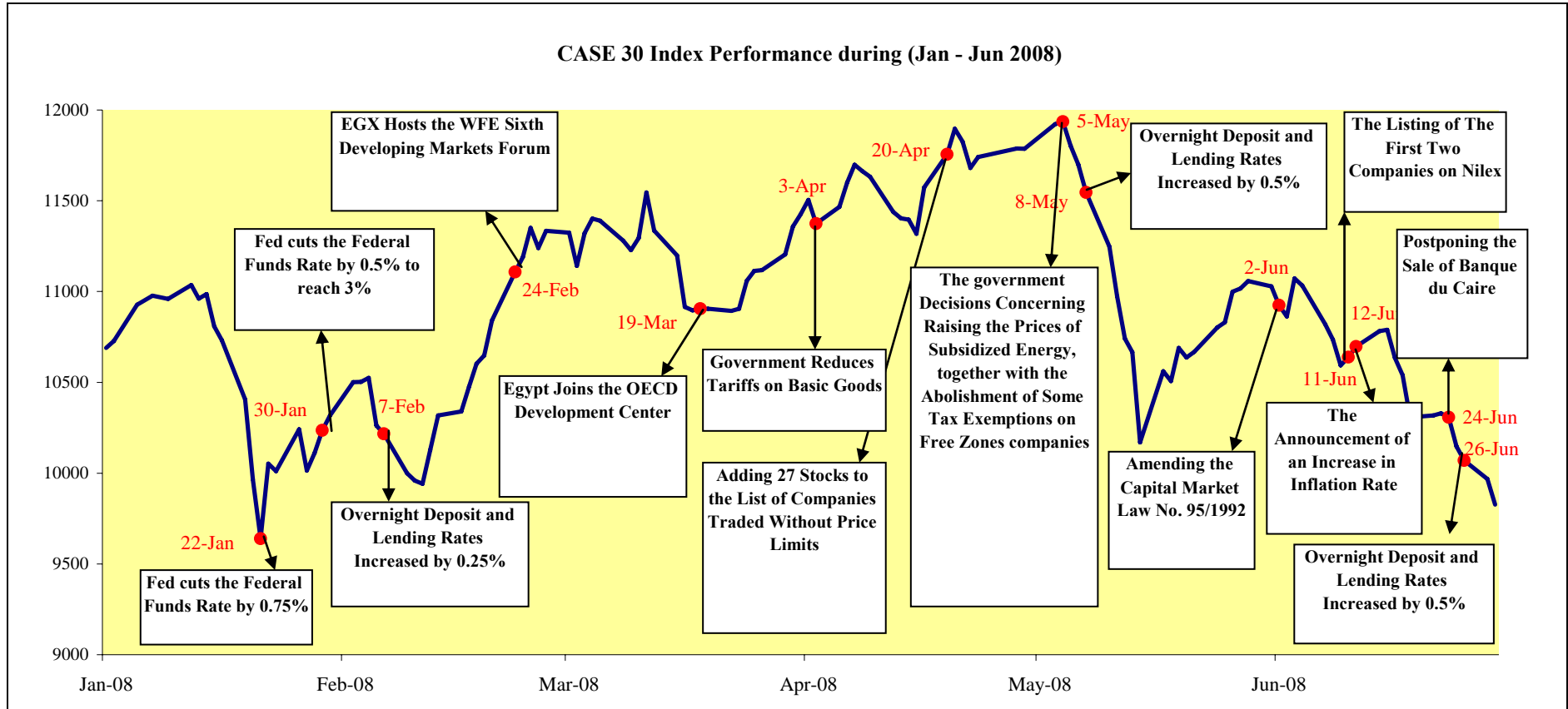
a. CASE 30 Index Performance

Buoyed by the impressive performance in 2007, the market kicked off at the beginning of the year, with CASE 30 index surpassing the 11,000 points for the first time since inception. The market, however, started losing ground, triggered by profit taking activities. Nevertheless, the US Federal Bank consecutive reductions in interest rates helped the market to rebound again, striking new turnover records, with LE 2 billion worth of trades per day. The Egyptian market maintained its upward momentum backed by the release of the companies' solid financial results, with CASE 30 index locking in 7% gains over the first quarter of 2008.

The market continued its upward trend, driven by the government's decision to reduce tariffs on a group of basic goods. Additionally, Egypt has joined the OECD Development Center, being the first Arab and North African country to join this center. This has reflected positively on the market, pushing CASE 30 index to approach the 12000 threshold, realizing 13.4% gains over the period 1 Jan - 1 May 2008.

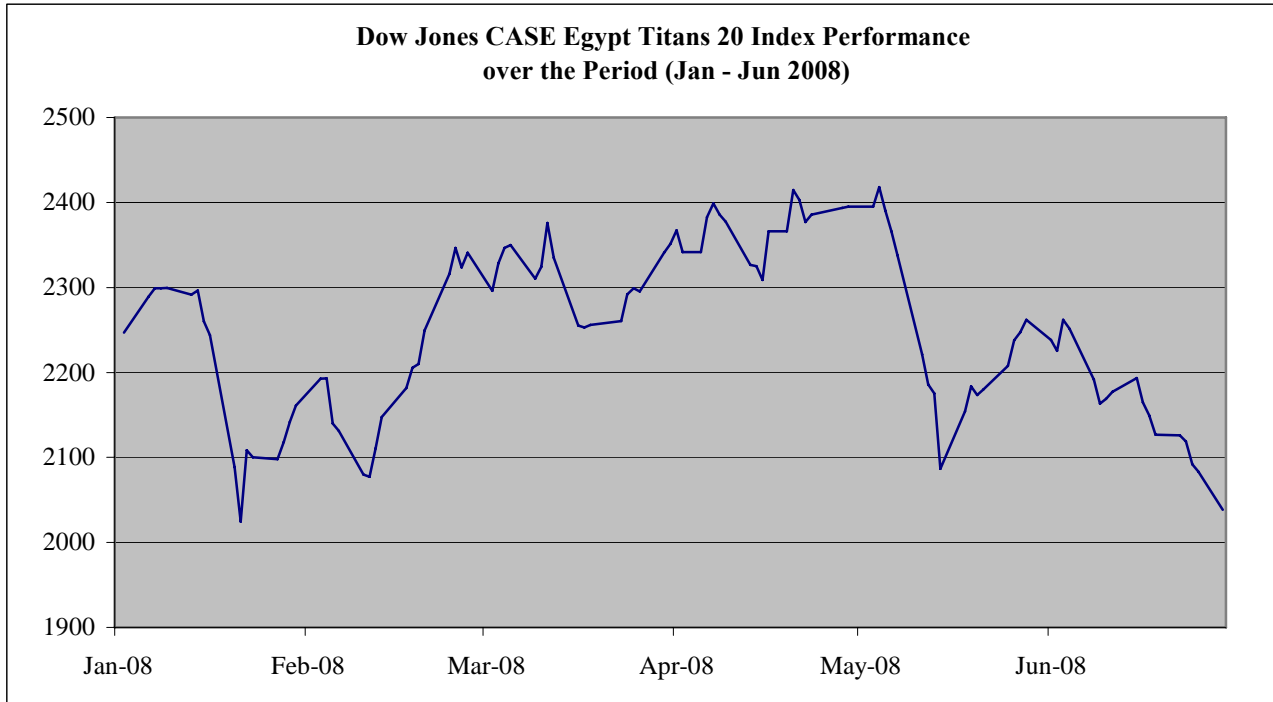
On the other hand, the spread of rumors concerning the government's intention to impose taxes on the Exchange transactions has, however, prompted the market to fall. Nevertheless, the government firmly denied any intention to impose such taxes, which pushed the market up, recouping part of its losses. However, the successive rises in the oil prices drove the international markets down, realizing sharp declines ranging between 8%-12% in June, according to Morgan Stanley indices, which has negatively affected the Egyptian market, pushing it further down. As a result, CASE 30 index concluded the first half of year 2008, incurring a 6.8% loss over this period.

CASE 30 Index Performance during (Jan - Jun 2008)



b. Dow Jones CASE Egypt Titans 20 Index Performance

The Dow Jones CASE Egypt Titans 20 index witnessed a mixed performance during the first half of 2008, to conclude the period at 2038 points, retreating by 7.9%.



c. Sectors Indices Performance

The EGX sectors have witnessed a mixed performance during the first half of 2008, with the Food & Beverage sector recording the highest increase, surging by 90%. This was mainly attributed to the high trading activity on Extracted Oils company, which ranked fourth in terms of volume traded, pushing the sector to stand the fifth place in terms of volume traded.

The second and third places were booked by the Chemicals and Basic Resources sectors, with their indices soaring by 38% and 24%, respectively, followed by the construction and materials sector, recording a 14.4% increase in its index.

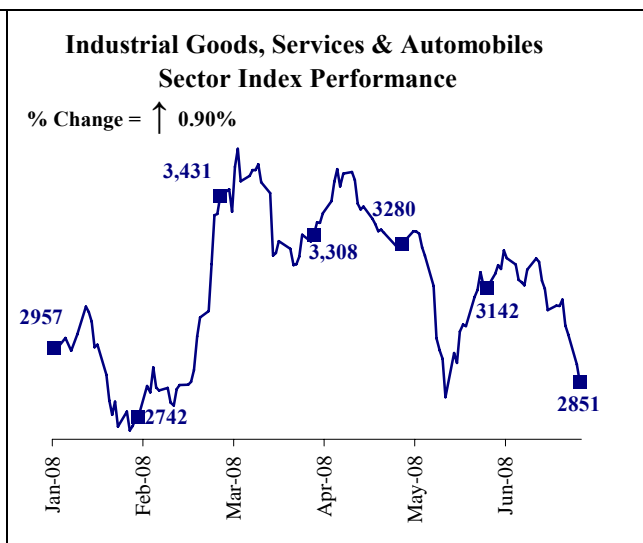
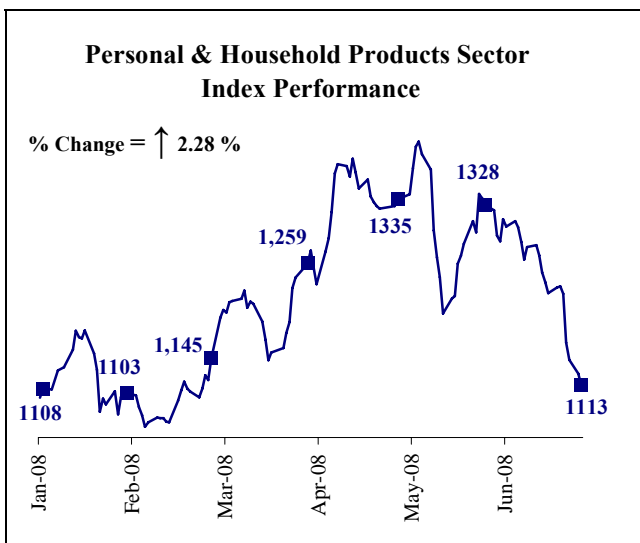
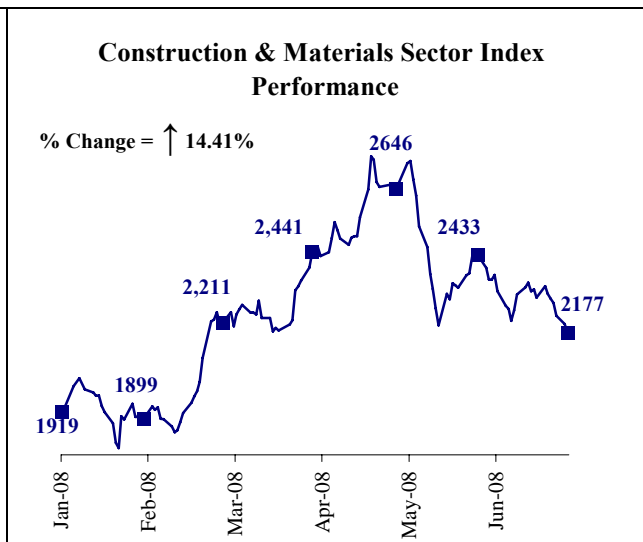
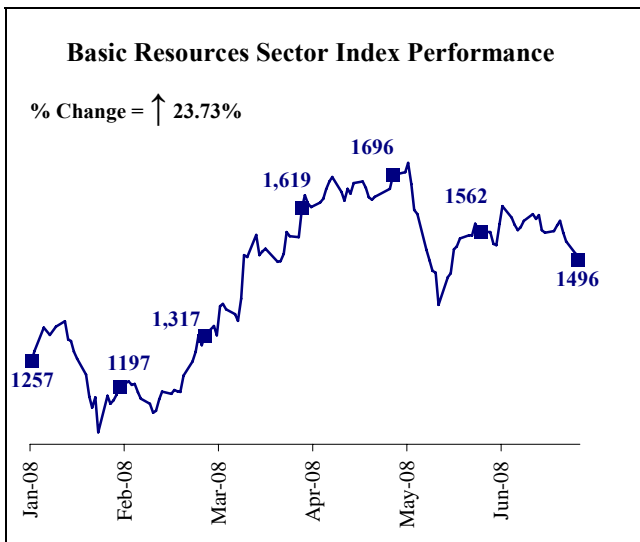
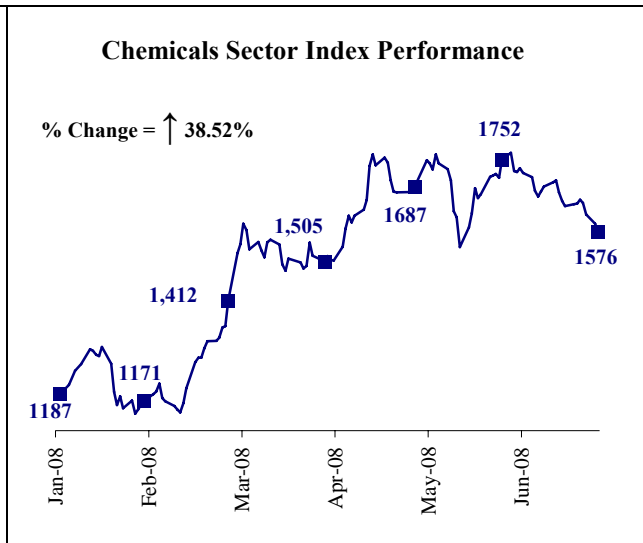
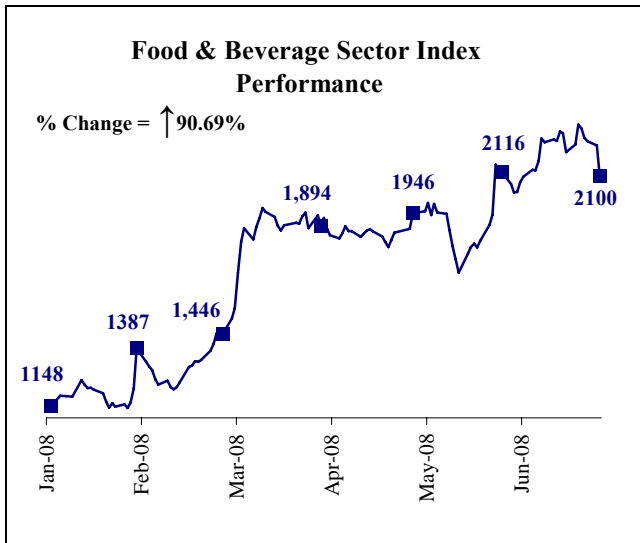
The Personal & Household Products sector ranked fifth. The sector, however, topped the market in terms of volume traded, on the back of the high trading activity on spinning and weaving companies, which booked advanced places among the ten most active companies in terms of volume traded, whereby El Nasr Clothes & Textiles (Kabo) ranked second in terms of volume traded during the first half of 2008, while Arab Cotton Ginning, Arab Polvara Spinning & Weaving and Alexandria Spinning & Weaving (SPINALEX) occupied the fifth, seventh and eighth place, respectively.

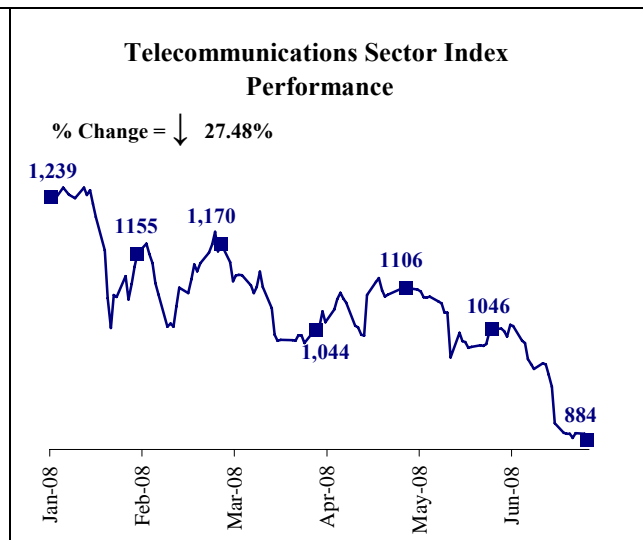
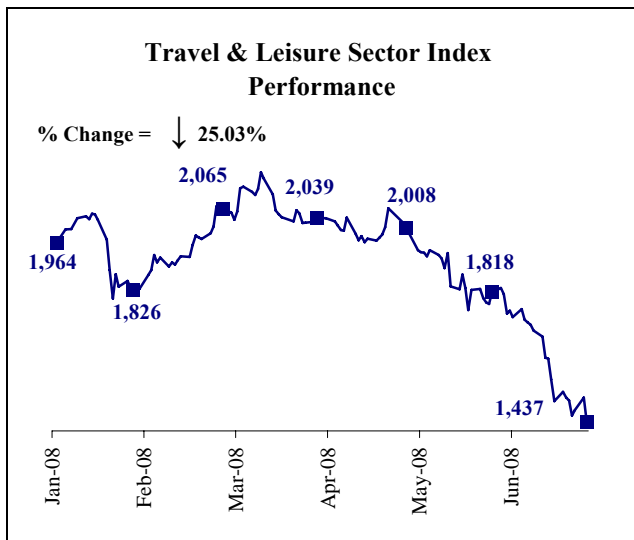
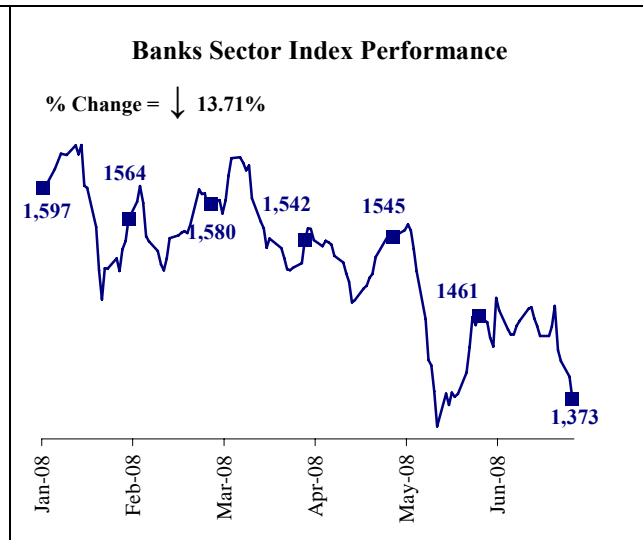
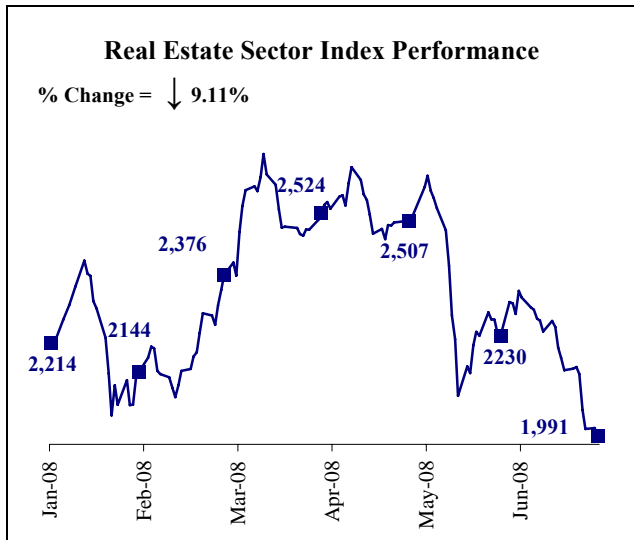
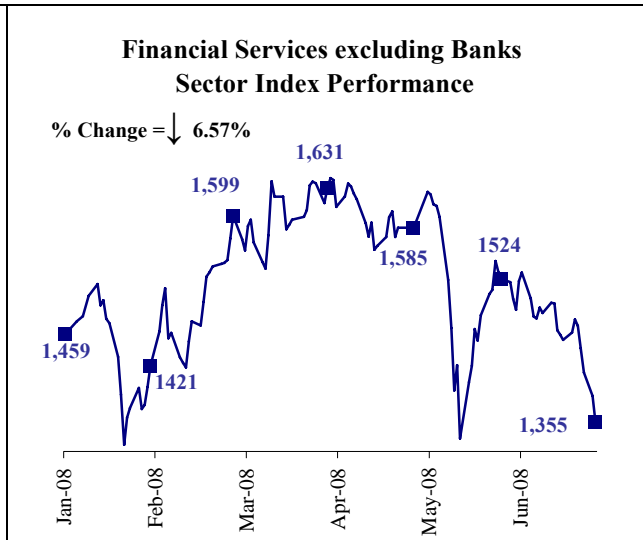
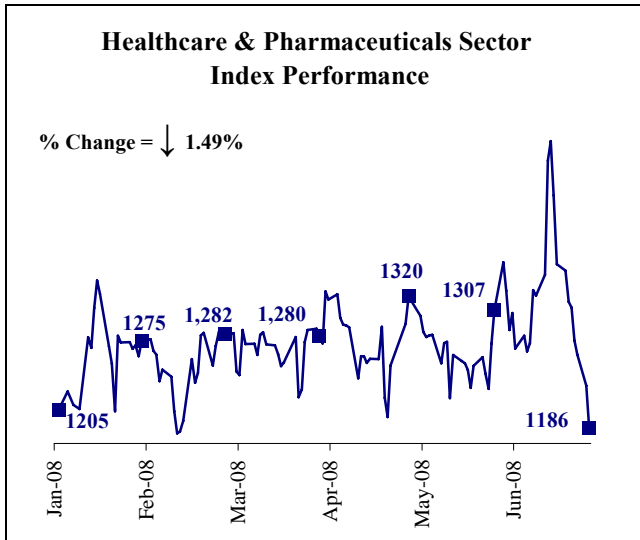
The Industrial Goods, Services & Automobiles sector's index recorded the lowest increase of 0.9% during the first half of 2008. The sector, however, ranked second in terms of volume traded, backed by the high trading activity on Egyptian Electrical Cables, which ranked first in terms of volume traded .

On the other hand, the Healthcare and Pharmaceuticals sector's index recorded the lowest decline of 1.5%, followed by the Financial Services excluding Banks sector, with its index retreating by 6.6%.

The Real Estate sector came third, with its index declining by 9%. The sector, however, occupied the third place in terms of volume traded during the first half of 2008.

Fourth in line came the Banks sector, with a decline of 13% in its index, followed by the Travel & Leisure sector, which recorded a decrease of 25% in its index, albeit occupying the fourth place in terms of volume traded. Finally, the highest decline was recorded by the Telecommunications sector, with its index retreating by 27.5%.





5 Most Active Sectors in Terms of Volume Traded

Sector	Trading Volume (billion shares)	Trading Value (LE billion)	Average P/E Ratio 30/06/2008	Average DY (%) 30/06/2008
Personal and Household Products	29.6	3.2	10.05	12.96
Industrial Goods, Services & Automobiles	24.5	2.6	14.13	17.37
Real Estate	36.9	1.6	19.59	3.07
Travel & Leisure	28.4	1.1	12.79	17.76
Food and Beverage	15.4	1.0	13.94	6.31

2. Trading Aggregates

a. Total Market

The Egyptian exchange continued realizing high trading records during the first half of year 2008. The trading value jumped to LE 397 billion, as opposed to LE 145 billion during the same comparable period of last year; a 173% increase. This was mainly attributed to the conclusion of some prominent deals during the first half of year 2008, pushing the value traded to record LE 109 billion during January 2008 only. Even after excluding Lafarge acquisition deal of OCI cement sector that was worth LE 71 billion, yet, 1 H 08 trading figures would be still beating previous comparable recorded figures.

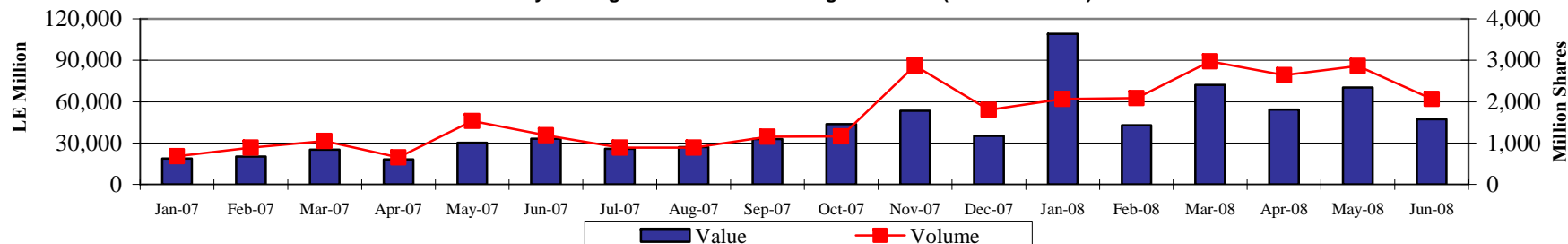
From another perspective, the volume traded soared to 15 billion securities during the first half of 2008, surging by 145% compared to the same period of last year. Likewise, the number of transactions registered 8 million during the first half of the year, up from 4 million during the same comparable period of last year.

The value traded of listed securities amounted to LE 362 billion during the first half of 2008 compared to LE 135 billion during the same period of last year, recording an increase of 167%. Volume traded of listed securities has also jumped to reach 13 billion securities, registering more than 168% compared to the same period of last year, which stood at 5 billion securities.

On the other hand, the value traded of Over the Counter market (OTC) registered LE 35 billion during the first half of 2008, with a 253% increase compared to the same period last year, capturing around 9% of the total market value traded, compared to 7% in the first half of 2007. Meanwhile, the volume traded increased to 1.5 billion securities, which is 44% more than the same period of last year.

The number of listed companies reached 375 companies at the end of the first half of 2008, down from 544 at the end of June 2007 and 435 companies at the end of 2007. The market capitalization has, however, escalated to reach LE 813 billion at the end of the first half of 2008, representing 111% of GDP.

Monthly Trading Value & Volume during the Period (Jan 07-June 08)



- A deal on Eamar Egypt was executed on 29 March 2007 in the OTC market, with a total volume of 23 million shares worth LE 809 million.
- A deal on Banque du Caire was executed on 24 May 2007 in the OTC market, with a total volume of 400 million shares worth LE 1.6 billion.
- A deal was executed on Fertilizers Egypt Co. in 3 June 2007, with a total volume 320 million shares worth LE 8 billion. Additionally, the restructure of 70.5 million shares of Banque du Caire portfolio after being acquired by Banque Misr in a deal worth LE 2.2 billion took place on 28/06/2007.
- A deal on El Arabia for Projects & Construction Development Co., with a total volume of 539 thousand shares worth LE 512 million, was executed on 8/7/2007.
- Three prominent deals were executed in September 2007; namely, a deal on Misr Glass Manufacturing Co., with a total volume of 9.3 million shares worth LE 1 billion, together with a swap deal on Alexandria Real Estate Co., with a total volume of 7.3 million shares worth LE 2.9 billion, in addition to a deal on Dina Farms for Investments, with a total volume of 3.2 million shares worth LE 476.9 million.
- A swap deal on El Arabia for Projects & Construction Development Co., with a total volume of 7.4 million shares worth LE 14.4 billion, was executed on 04/10/2007. Additionally, a deal on San Stefano Real Estate, with a total volume of 4 million shares worth LE 785.4 million, was executed on 8/10/2007.
- A number of large deals were executed in November 2007; namely, a deal on El Watany Bank of Egypt executed on 1 November 2007, with a total volume of 70.3 million shares worth LE 5.4 billion, a deal on Talaat Moustafa Group Holding executed on 7 November 2007 in the OTC market, with a total volume of 858 million shares worth LE 8.6 billion and a deal on Arab Hotels & Tourist Investment was executed on 15 November 2007 in the OTC market, with a total volume 2.6 million shares worth LE 1.4 billion, in addition to a deal on Talaat Mustafa Holding (TMG) executed on 22 November 2007 in the OTC market, with a total volume 93 million shares worth LE 930 million. Additionally, the IPO & private placement of Talaat Moustafa Group Holding were executed on 26 November 2007, with a total volume 180 million shares worth LE 2 billion, together with the execution of a deal on Talaat Moustafa Group on 27 November 2007, with a total volume of 153 million shares worth LE 1.8 billion and a deal on TMG for Real Estate & Touristic Investments was executed in the OTC market, with a total volume of 87 million shares worth LE 867 million.
- A deal on Eastern Mediterranean Sea for Gas was executed on 11 December 2007 in the OTC market, with a total volume of 103 million shares worth LE 3 billion. Additionally, there was a deal on Alexandria Fertilizers (Abou Kir) that was executed in the OTC market on 27 December 2007, with a total volume of 95 million shares worth LE 521 million.
- A deal on Orascom Building Materials Holding was executed on 23 January 2008, with a total volume of 1.3 million shares worth LE 71 billion .
- A deal on Pioneer Co. for Financial Securities was executed in the OTC market on 4 February 2008, with a total volume of 500 thousand shares worth LE 1.1 billion.
- Several big deals were executed in March 2008; namely, a deal on Fertilized Egypt, with a total volume of 320 million shares worth LE 8.7 billion, in addition to two deals executed in the OTC market, which are a deal on Delmar for Tourism Development with a total volume of 499,795 shares worth LE 3.9 billion, together with a deal on Troopy 2 for Tourism Development, with a total volume of 3.5 million shares worth LE 3.6 billion.
- A deal on East Mediterian Sea for Gas was executed in the OTC market on 17 April 2008, with a total volume of 24.7 million shares worth LE 2 billion. Additionally, a deal on Abou Kir Fertilizers was executed on 7 April 2008, with a total volume of 6.7 million shares worth LE 1.9 billion, together with a deal on EL Ezz Aldekhela Steel - Alexandria, which was executed on 23 April 2008, with a total volume of 1.2 million shares worth LE 1.2 billion and a deal on Eitesalat Misr Co. executed on 24 April 2008 in the OTC market , with a total volume of 10 million shares worth LE 1.3 billion.
- Several big deals were excuted inMay 2008; namely, the mixed tender offer executed on Orascom Hotels and Development, with a total volume of 208 million shares worth LE 16.3 billion, together with the execution of the IPO & private placement of Palm Hills, with a total volume of 85.8 million shares worth LE 1.9 billion and the deal executed on Sidi Kerir Petrochemicals, with a total volume of 109 million shares worth LE 2.3 billion. Additionally, a deal on TMG for Real Estate & Tourism Co. was executed in the OTC market, with a total volume of 93 million shares worth LE 887 million and a deal executed on Cairo Medical Tower Laboratory (Alborg Laboratory), with a total volume of 3.5 million shares worth LE 778.3 million.
- A number of large deals were executed in June 2008; namely, a deal on Remco Real Estate which was executed in the OTC market, with a total volume of 230 thousand shares worth LE 2.3 billion, together with a deal on Alexandria Mineral Oils Company, with a total volume of 16 million shares worth LE 1.2 billion, a deal on EL Ezz Aldekhela Steel - Alexandria, with a total volume of 772 thousand shares worth LE 1.2 billion, and a

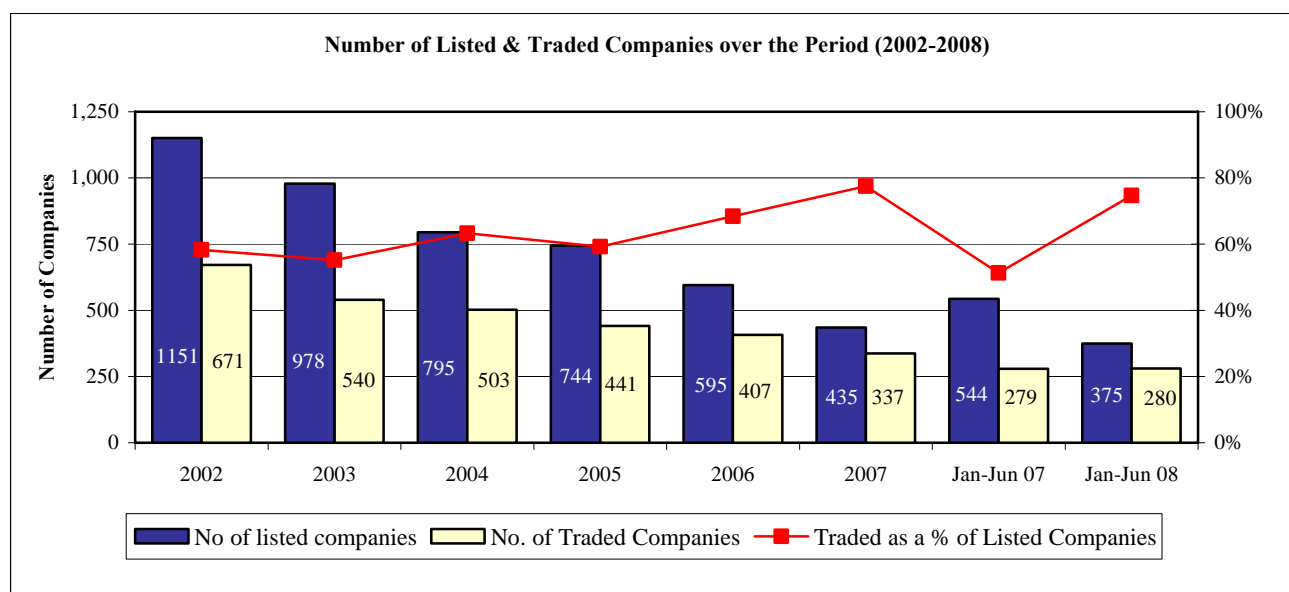
Main Market Indicators for the Period (2002 - 2008)

Indicators	2002	2003	2004	2005	2006	2007	Jan –Jun 2007	Jan –Jun 2008
Total volume traded (million)	904	1,422	2,435	5,310	9,082	15,091	5,988	14,693
Volume of listed securities	707	1,202	1,786	4,199	7,757	11,378	4,894	13,120
Volume of unlisted securities	197	221	648	1,112	1,325	3,714	1,094	1,573
Total value traded (LE million)	34,176	27,764	42,374	160,635	287,047	363,047	145,395	397,324
Value traded (listed securities)	25,799	23,000	36,142	150,924	271,108	321,524	135,446	362,204
Value traded (unlisted securities)	8,377	4,764	6,233	9,711	15,939	41,522	9,949	35,120
Total number of transactions (thousand)	834	1,229	1,744	4,210	6,825	9,016	4,127	8,152
Number of transactions (Listed securities)	740	1,206	1,675	3,992	6,590	8,713	4,023	7,750
Number of transactions (unlisted securities)	94	24	68	218	235	304	104	402
Average daily value traded (LE million)	137	114	170	645	1,176	1,488	1,212	3,230
Average daily value traded (listed securities)	104	94	145	606	1,111	1,318	1,129	2,945
Average daily value traded (unlisted securities)	34	20	25	39	65	170	83	286
Number of listed companies	1151	978	795	744	595	435	544	375
Number of traded companies	671	540	503	441	407	337	279	280
Average monthly traded companies	237	206	200	186	183	199	191	213
Market capitalization end of year (LE billion)	122	172	234	456	534	768	602	813
Market Cap. as a Percentage of GDP	29	35	43	74	80	105	90	111
Turnover Ratio (%)	9.5	11.5	14.2	31.1	48.7	38.7	20.3	42.9

Securities include stocks, bonds and mutual funds

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

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



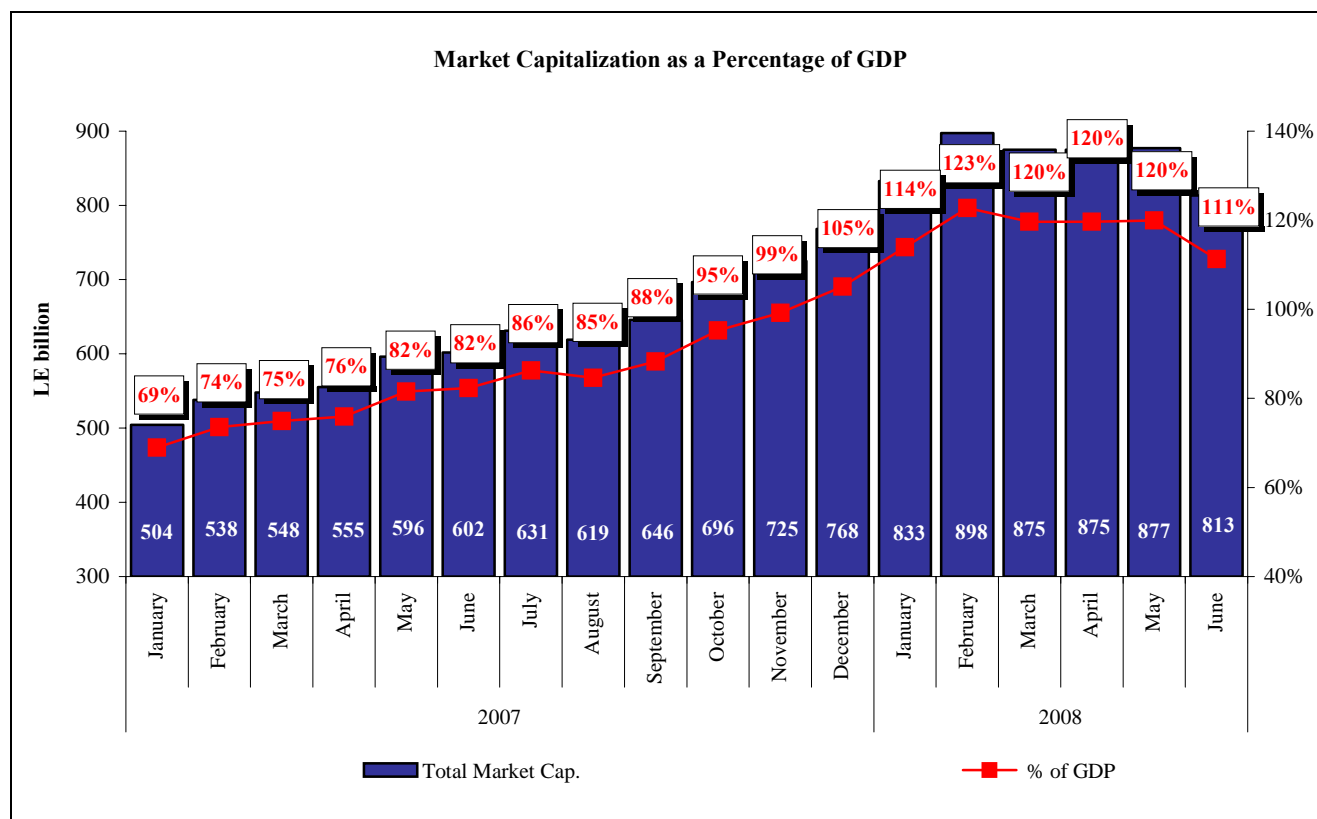
b. Market Capitalization

The total market capitalization surpassed the threshold of LE 800 billion for the first time, culminating at LE 813 billion at the end of June 2008 (one of its highest-ever), recording a 5.9% increase over the first half of 2008. The total Market capitalization represented 111% of GDP at the end of June 2008, as illustrated in the Figure below.

Market Capitalization

In LE Billion	30/06/2008	31/12/2007	Change (%)
Total Market Cap.	813.3	768.3	5.9%
CASE 30 Market Cap.	335.4	439.0	-23.6%
CASE 30 Market Cap. as a % of the Total Market Cap.	41%	57%	
Total Market Cap. as a % of GDP	111%	105%	

GDP used is LE 731.2 billion, according to the Ministry of Finance.



c. Trading Aggregates for Companies Traded with No Price Limits

The number of companies traded with no price limits has reached 182 companies at the end of June 2008. Those companies captured around 69% and 94% of the total value and volume traded (stocks only), respectively. They also accounted for 99.6% of the total number of transactions. Furthermore, the market capitalization of these companies represented 75% of the total market capitalization at the end of June 2008, as illustrated in Table below.

Trading Aggregates for Companies Traded with No Price Limits (182 Co.) during (Jan – Jun 2008)

	Trading Value (LE billion)	Trading Volume (million shares)	Number of Transactions (thousand)	Market Cap (LE billion)
Companies Traded with No Price Limits	240	12,317	7,719	609
Total Market (Stocks Only)	349	13,107	7,749	813
% of Total Market	68.8%	94.0%	99.6%	74.9%

d. Intra-Day Trading System

During the first half of the year 2008, Securities traded through the Intra-day Trading system recorded a trading volume of 1.1 billion shares worth LE 14 billion, executed over 612 thousand transactions.

Egyptian Electrical Cables & El Nasr Clothes & Textiles (Kabo) accounted collectively for 32.6% of the total volume traded generated through the system, whereby Egyptian Electrical Cables ranked first in terms of volume traded, recording a trading volume of 233 million securities, followed by El Nasr Clothes & Textiles (Kabo), which registered a volume traded of 133 million securities, as shown in the Table below, which indicates the trading statistics of the 5 most active companies in terms of volume traded according to this system.

5 most active companies According to the Intra-day Trading System

Company Name	Trading Volume (million shares)	Trading Value (LE million)	No. of Transactions
Egyptian Electrical Cables	233	670	48,611
El Nasr Clothes & Textiles (Kabo)	133	436	34,060
Extracted Oils	119	533	40,726
Arab Cotton Ginning	102	1,157	42,828
Arab Polvara Spinning & Weaving	101	985	62,326
Total Trades Executed through Intra-day Trading System	1,121	14,392	612,114

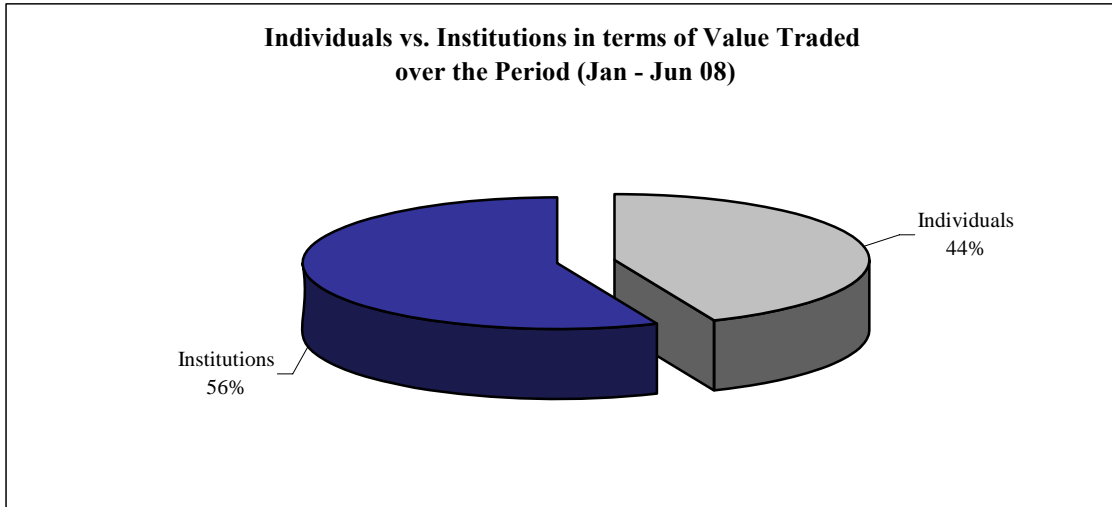
e. Brokerage Firms Eligible for Online Trading

Value Traded (LE million)		Volume Traded (million)		No. of Transactions (thousand)	
Buy	Sell	Buy	Sell	Buy	Sell
15,501	16,751	1,062	1,149	822	815

f. Market Structure

1. Individuals vs. Institutions

Institutional investors witnessed an increasing activity during the first half of 2008, accounting for 56% of the total value traded up from 44% during the same comparable period of last year. Meanwhile, the retail investors captured 44% of the total value traded as opposed to 56% during the first half of 2007.

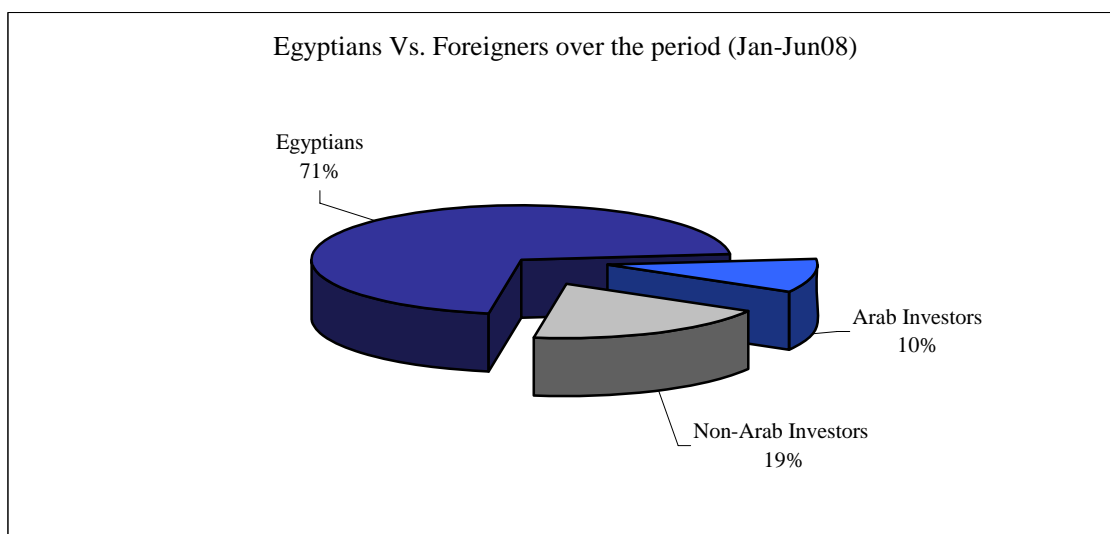


2. Egyptians vs. Foreigners

During the first half of 2008, the foreigners controlled 29% of the total value traded, which is almost the same percentage captured by foreigners during the same comparable period of 2007.

Arab investors acquired 10% of the total market value traded, while the remaining 19% was acquired by Non-Arab investors.

Non-Arab investors concluded the first half of 2008 as net buyers, with net inflows of LE 2.5 billion compared to LE 9 billion net inflows during the same comparable period of last year. Arab investors were also net buyers, generating net inflows of LE 52 million during the first half of 2008, as opposed to a net outflow of LE 4 billion during the same comparable period of last year (after excluding large deals).



g. Ten Most Active Companies in Terms of Volume Traded

Shares	Trading Value (LE billion)	Trading Volume (million shares)	Open Price at the Beginning of Jan 08 (LE)	Close Price at the End of Jun 08 (LE)	% Change
Egyptian Electrical Cables	5.8	2,137.5	1.58	2.20	39.24
El Nasr Clothes & Textiles (Kabo)	3.3	1,008.3	1.97	2.58	30.96
T M G Holding	9.8	861.5	11.87	9.00	-24.18
Extracted Oils	3.5	772.6	2.73	3.02	10.62
Arab Cotton Ginning	7.5	673.3	8.74	8.91	1.95
Egyptian for Tourism Resorts	5.4	669.0	8.07	6.33	-21.56
Arab Polvara Spinning & Weaving Co.	5.9	633.3	5.76	7.01	21.70
Alexandria Spinning & Weaving (SPINALEX)	1.8	475.2	2.53	2.96	17.00
Upper Egypt Contracting	4.5	435.1	7.66	4.22	-44.91
Egyptian Fertilizers Company *	8.7	320.0	4.41	4.97	12.70

* Open & Close Prices are in US\$

h. Bonds

Activity in the bond market has been relatively low as opposed to equity market, despite the steady rise in value of bonds issued over the past few years. The value of bonds traded reached LE 13 billion during the first half of 2008, which is approximately the same recorded figure during the comparable period of last year. The volume of bonds traded reached 13 million bonds down from 13.6 million bonds during the same comparable period of last year; a 4.6% decline.

The Government bonds, in particular the ones traded through the Primary Dealers System, were the main driver, accounting for almost 99% of the total bonds value and volume traded in the first half of 2008.

The corporate bonds witnessed a very low trading activity during the first half of 2008, with their value traded registering LE 1 million, down from LE 111 million during the comparable period of last year. Likewise, the corporate bonds' volume traded reached only 2200 bonds versus 1.2 million bonds in the first half of 2007.

Trading Aggregates for Bonds over the Period (Jan- June 2008)

	Trading Value (LE million)		Trading Volume (thousand)	
	Jan-Jun 08	Jan-Jun 07	Jan-Jun 08	Jan-Jun 07
Government Bonds	13,319	13,075	12,959	12,360
Housing Bonds	0.1	0.1	1	4
Treasury Bonds	92	918	86	876
Treasury Bonds (According to Primary Dealers System)	13,227	12,156	12,872	11,479
Corporate Bonds	1	111	2	1,233
Total	13,320	13,186	12,961	13,593

Primary Dealers

	Trading Value (LE Million)	Number of Transactions	Average Yield to Maturity (%)	Average Current Yield (%)
Government Bonds (Oct 2011)	1,434	56	9.189	10.774
Government Bonds (Nov 2014)	880	27	9.082	10.336
Government Bonds (Dec 2008)	476	19	8.519	10.788
Government Bonds (Jan 2025)	29	5	9.495	9.835
Government Bonds (Jul 2010)	198	13	8.818	9.048
Government Bonds (Aug 2009)	523	16	8.917	9.205
Government Bonds (Aug 2010)	505	35	8.984	9.274
Government Bonds (Sep 2012)	877	24	10.443	9.539
Government Bonds (Oct 2008)	102	6	6.594	8.958
Government Bonds (Oct 2010)	57	8	8.833	9.049
Government Bonds (Nov 2015)	80	5	8.781	9.048
Government Bonds (Jan 2010)	580	22	8.254	8.936
Government Bonds (Jan 2013)	446	23	9.281	8.999
Government Bonds (Feb 2011)	1,774	63	9.215	8.732
Government Bonds (May 2010)	241	17	8.621	8.897
Government Bonds (Sep 2014)	21	1	8.150	8.325
Government Bonds (Nov 2013)	2,300	58	9.156	8.781
Government Bonds (Jan 2016)	323	16	8.742	8.721
Government Bonds (Feb 2018)	612	18	9.137	9.144
Government Bonds (Feb 2014)	1,042	47	9.103	9.162
Government Bonds (May 2015)	402	10	10.570	10.611

Government Bonds (Jun 2016)	326	25	10.933	10.942
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i. GDRs

As shown in the table below, Lecico Egypt GDR realized the highest gain of 35% over the first half of 2008, followed by El Ezz Steel GDR, with its price jumping by 5%.

On the other hand, Orascom Construction Industries GDR price retreated by 35%, followed by Suez Cement, Orascom Telecom, Egyptian Financial Group Hermes Holding, Telecom Egypt and Commercial International Bank, with their GDRs prices declining by 24%, 23%, 22.6%, 19% and 7%, respectively. Meanwhile, Pachin and Lakah group GDRs prices remained unchanged.

% Change in Egyptian GDRs' Prices (Jan-Jun 08)

	# of GDRs to local share	GDR Closing Price on 30/06/2008	GDR Closing Price on 31/12/2007	% Change in GDR prices
Commercial International Bank (CIB)	1.00	15.51	16.70	-7.13%
Pachin	3.00	2.80	2.80	0.00%
Suez Cement	1.00	8.70	11.50	-24.35%
Ezz Steel	0.33	32.50	31.00	4.84%
LAKAH group*	0.33	0.44	0.44	0.00%
Egyptian Financial Group Hermes Holding	0.50	18.00	23.25	-22.58%
Telecom Egypt	0.20	15.75	19.40	-18.81%
Orascom Telecom**	0.20	64.00	83.00	-22.89%
Orascom Construction Industries	0.50	137.00	210.00	-34.76%
Lecico Egypt	1.00	14.00	10.38	34.87%
Naeem Holding **	0.25	-	-	-
Palm Hills Development	0.20	-	-	-

All values in US\$

* Closing price of 03/03/2005.

** the Conversion ratio has changed to be 5 shares:1 GDR, effective 12 April 2007

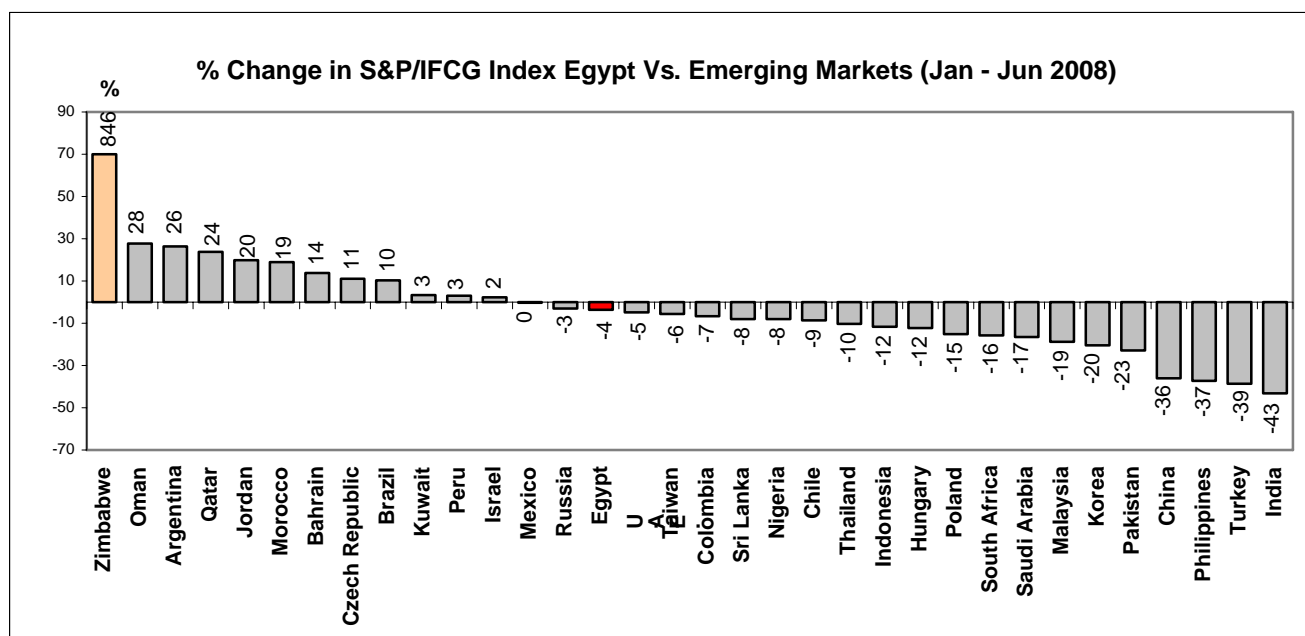
II. Egypt vs. Emerging Markets

Most of Emerging markets have witnessed a lackluster performance during the first half of 2008, while few Emerging stock markets were able to realize gains, with Zimbabwe coming on top, recording around a growth of 846%, according to S&P/IFCG index. Oman came second, soaring by 28%, followed by Argentina, which grew by 26%. The Arab markets captured advanced positions among the top ten performers, with Qatar coming fourth, recording a 24% increase, followed by Jordan, Morocco and Bahrain, which realized 20%, 19% and 14% gains, respectively. On the other hand, India was the least performer during the first half of 2008, retreating by 43%, followed by Turkey, with a 39% decline.

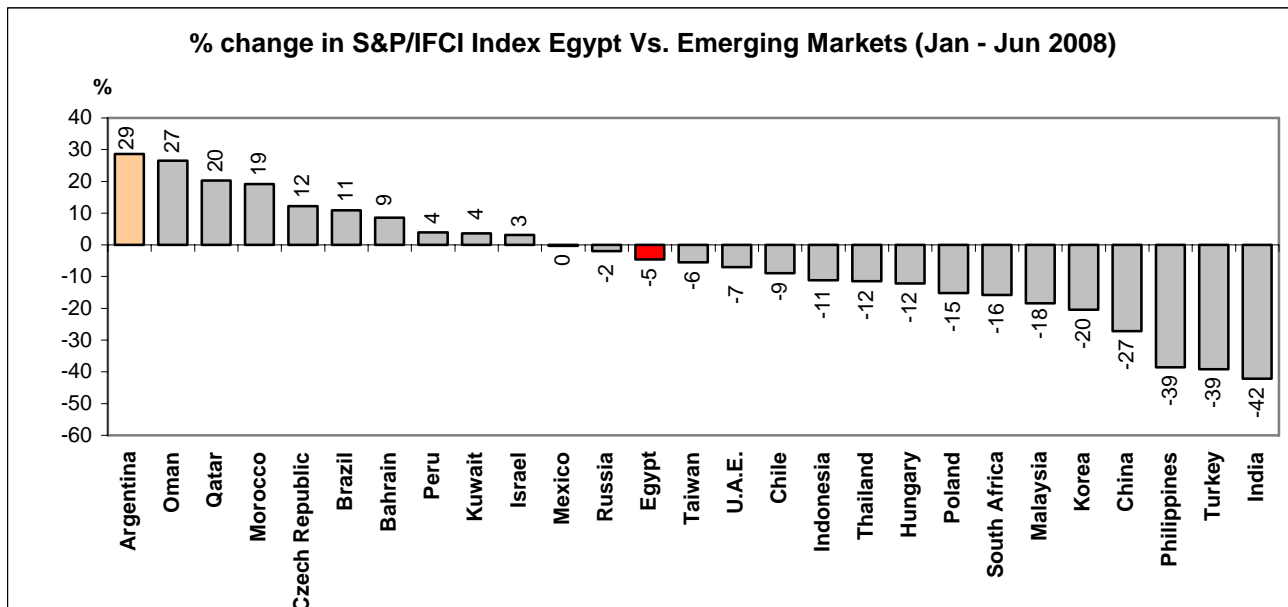
As for S&P/IFCI index, Argentine was the best performer, with a growth of 29% during the first half of 2008, followed by Oman & Qatar, recording an increase of 27% and 20%, respectively. Morocco and Czech Republic ranked fourth and fifth, recording a growth of 19% and 12%, respectively. Meanwhile, the rest of emerging markets have recorded losses, with India registering the highest decline of 42%.

Likewise, the majority of Emerging markets ended the first half of 2008 on a negative note, according to Morgan Stanley Price Index (MSCI). Argentina came first with an increase of 43%, followed by Morocco and Jordan in the second and third places, with a 28% and 13% increase, respectively. On the other hand, India and Turkey recorded the highest declines of 42% and 41%, respectively.

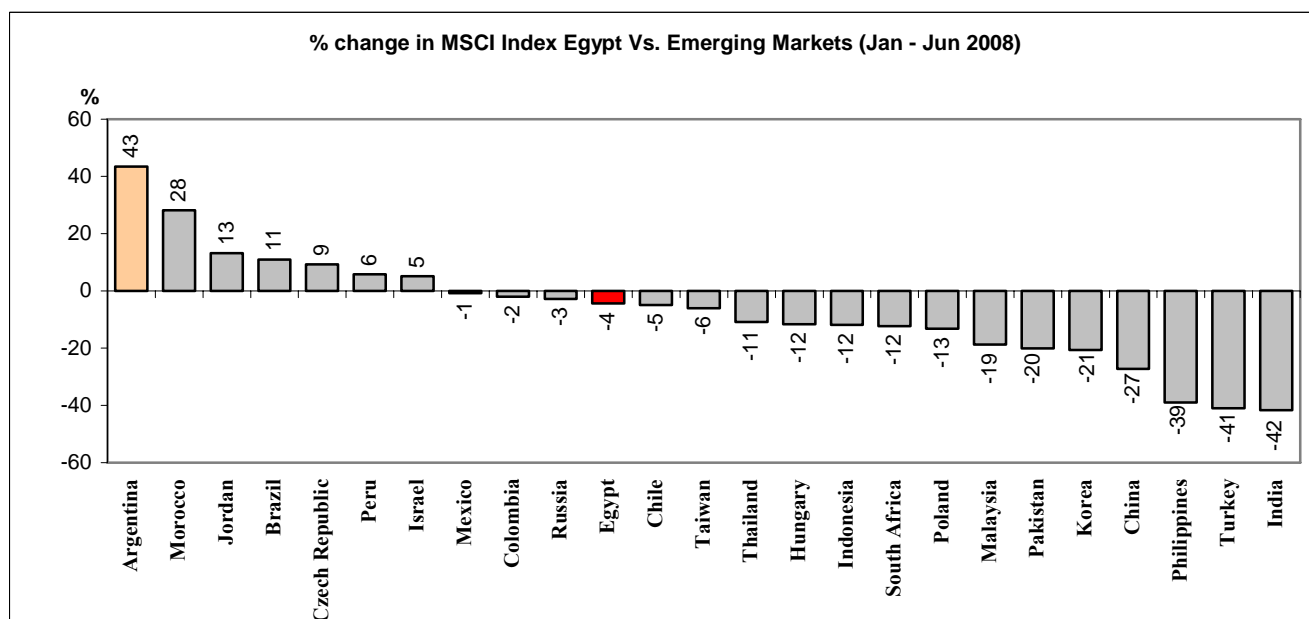
Meanwhile, the Egyptian market concluded the first half of 2008 with a slight decline of 4%, according to S&P/IFCG and MSCI Indexes and 5% according to S&P/IFCI index.



Source: Standard & Poor's website



Source: Standard & Poor's website



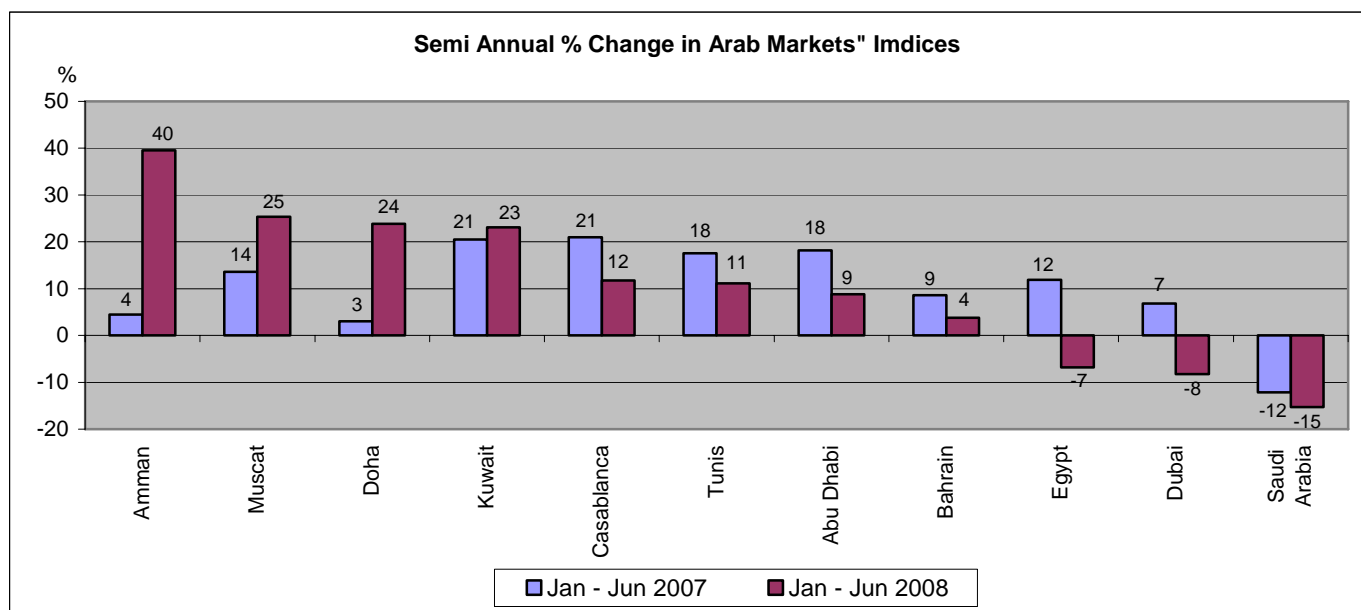
Source: Morgan Stanley website

III. Egypt vs. Arab Markets

Most of Arab Exchanges ended the first half of 2008 in a positive territory, except for Saudi Arabia, Dubai and Egypt, which slumped by 15%, 8% and 7%, respectively.

Oman Stock Market led all Arab markets, with a robust increase of 40%, followed by Muscat and Doha Securities markets, which put on gains of 25% and 24%, respectively.

This strong performance resulted in a surge in the aggregate market capitalization of all Arab markets during the first half of 2008 to culminate at US\$ 1,373 billion at the end of June 2008, up from US\$ 1,330 billion at the end of 2007, hiking by 3.2%.



Source: Arab markets websites & Reuters