

Stock Market Annual Report 2005

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1. The Egyptian Economy

Year 2005 presented a turning point in Egypt's economy. The aggressive economic reform measures together with the series of sweeping political reforms implemented by the government led the Egyptian economy to grow by 5% in FY 2005/2006, with World Bank expectations to reach 8% in the coming 3 years, up from a previously targeted growth of around 6%. This, in turn, has positioned the Egyptian economy on top of the developing countries in terms of the implemented reform programs during 2005.

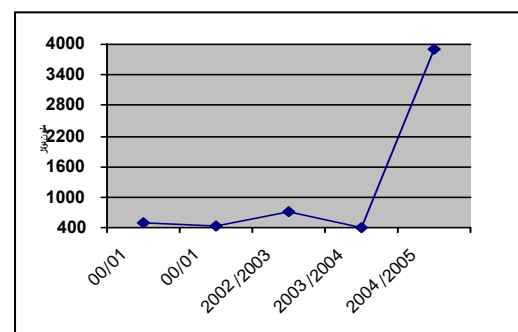
This outstanding performance was not solely driven by the External sector, but also by the Domestic sector, with the former showing high growth levels reflected in the balance of payments surplus that registered its highest record ever at \$ 4.5 billion during 2004/2005.

It's worth mentioning that \$ 3.76 billion of this surplus occurred during the first half of 2005, thanks to the growth in foreign direct investment (FDI) flows and the Egyptian exports rather than the tourism and Suez canal proceeds, which increased by only 15.6% and 11.7%, respectively. The Egyptian exports, on the other hand, grew by 32%, resulted primarily from the hike in non-petroleum exports which recorded a 31% increase over last year, to settle at US\$ 8.5 billion.

Chief contributor to this surplus was the FDI, skyrocketing by a robust 858% over FY 2004/2005, to culminate at US\$ 3.9 billion, the highest ever annual FDI achieved in Egypt. Flows worth US\$ 2.1 billion were realized during the first half of 2005, which is six folds the FDI flows to Egypt during the same comparable period of the previous year, as a result of the fast pace of economic reform adopted by the government since its appointment in July 2004.

This was further reinforced by the Ministry of Investment efforts to support the investing environment and to attract more foreign and local investments. In that respect, the government added a new chapter to the current Investment Guarantees and Incentives Law 8 of 1997 to facilitate investment procedures. This included the establishment of a number of "one Stop Shops" in various governorates, accelerating the establishment of new companies with a maximum of 2-3 days, as well as unifying the dealing system with only one organization; the General Authority For Investment and Free Zones (GAFI).

FDI during 2000/2001 – 2004/2005



Source: Central Bank of Egypt

Likewise, the privatization program kicked off this year with proceeds surpassing the L.E 15.8 billion, which is more than 8 folds the value realized during the past 3 years. For the first time, the privatization program works according to a well defined plan to sell and manage the public assets.

On the financial restructure front, the government has taken serious steps to restructure both the banking and the non banking sectors to improve their efficiencies. Within the banking restructuring program, year 2005 has witnessed the largest acquisitions and mergers deals in the banking sector, which aims to create big conglomerates capable of attracting more domestic savings as well as competing in the global arena.

Last, but not the least, the political reform implemented by the government in 2005, which allowed for a multi candidate elections for the first time in Egypt, helped in raising both domestic and international confidence in the Egyptian market.

At the end of December 2005, the traits of the new Cabinet were announced where the key economic related ministries are expected to remain together with some business men and reform oriented newcomers. Mergers between some ministries are also expected to take place. This Cabinet is expected to continue the reform at a faster pace, a message that was well perceived by all market participants.

2. The Egyptian Stock Market

The Stock Market, being the mirror of the economy, in its turn broke new records in 2005, outperforming both developed and emerging markets, as per Standard & Poor's and Morgan Stanley indices, which pushed the Newsweek magazine to choose Egypt as one of the best 10 stock markets in the world in 2005.

This was not only confined to the outstanding performance of the Egyptian market but also to the institutional development witnessed in 2005, where the government- particularly the Ministry of Investment- gave a special attention to the stock exchange to become the main gateway for domestic and foreign investments.

The privatization program was aggressively back on track in 2005 and the Ministry of Investment showed commitment to activate it through the stock exchange. Nineteen privatization deals worth L.E 14.9 billion, representing 94% of total privatization proceeds were conducted through the stock exchange during this year. Moreover, for the first time since 5 years, year 2005 witnessed 3 major IPO's of public companies; SIDPEC, AMOC, Telecom Egypt, worth more than L.E 7.6 billion. Telecom Egypt privatization alone generated proceeds of more than L.E 5.1 billion.

These IPOs have revealed the rising demand to new offerings as well as the increasing liquidity in the market, which was reflected in the 34 times and 60 times over-subscription in AMOC and Telecom Egypt, respectively. As a result, the Ministry of Investment decided to introduce new IPOs during 2006.

Throughout the year, the stock exchange has proved to be more liquid and more efficient, as manifested in the resilience and the mild market reaction to internal (Al Azhar, El Tahrir and Sharm El Sheikh attacks) and external shocks (terrorist attacks in Europe).

The second half of 2005 witnessed a significant increase in investments injected into the market, pushing the average daily traded value for the first time to break the threshold of L.E 1 billion in the last couple of weeks of the year, versus an average of L.E 500 billion during the first half of the year, with the number of transactions hovering around 35,000 transactions per day.

This, in turn has pushed investors to direct their investments in the Egyptian stock market, specially the foreign investors whose participation has leapt in 2005 to account for more than one third of the market's turnover, with a net equity inflow of L.E 6 billion, compared to a net inflow of L.E 266 million recorded in 2004.

As a result to this swelling trust in the Egyptian market, which rose the international organizations' interest in CASE, the World Federation of Exchanges (WFE) chose Egypt to be the first Arab country to enjoy a full membership in the federation. Moreover, the outstanding performance of the Egyptian market has led many global financial institutions to develop structured products on Egyptian underlyings. This was initiated by ABN-Amro Bank, which issued open end certificates related to CASE 30 index, the main benchmark of the Egyptian market, to make CASE the first Arab stock exchange whereby derivatives products were issued on its in-house made index.

CASE, on the other hand, has spared no efforts in developing and introducing new financial tools to deepen the market and increase its liquidity. At the end of October 2005, the Intra-day trading system, which allows investors to buy and sell the active stocks during the same day, was implemented. The market participants have gradually grasped the Intra-day trading strategies, with L.E 387 million worth of trade recorded after 2 months of its implementation.

Furthermore, new financial mechanisms, currently in the pipeline, which would further enhance the market liquidity and increase its efficiency, are expected to be implemented in the first quarter of 2006. These include margin trading, short selling and online trading.

2.1. CASE30 Index Performance during 2005

In consistence with the upward trend of CASE 30 index that has started since 2003, the index showed an extra-ordinary performance during 2005, recording the highest ever annual growth rate of 146% versus an increase of 135% and 122% during 2003 and 2004, respectively. The index concluded the year at 6325 points; its all time high since its inception, with a cumulative growth of 1183% over the three years.

The year 2005 can be divided into two main phases:

First Phase:

The year started with a boom, fueled by the good performance of the Egyptian stock market in 2004 and driven by the investors' optimism about the Egyptian economy performance, which has started with the appreciation of the Egyptian pound and the elimination of the parallel market after the launch of the foreign exchange Inter-bank market. This was further reinforced by the passage of the Anti Trust and Competition Protection Law, on 17 January 2005; the law that many business men have been waiting for,

together with the approval of the Taxation Law, which re-affirmed the government's commitment to reform. Several international institutions have praised Egypt during that time and Standard and Poors has reviewed the outlook on Egypt from negative to stable.

This phase has also witnessed the implementation of the automated linking system between the trading system in CASE and the clearing system in Misr Clearing Settlement and Depository company, in an attempt to have a "Straight Through Processing" environment. This, not only impacted well on the market liquidity but has also ensured timely and proper settlement, eliminated wrong/ illegal short selling and greatly reduced the number of cancelled transactions.

This was further complemented with the major political reform; the constitutional change that allows multi-candidate presidential elections for the first time in Egypt's history, which triggered a rally in the market, to grow by 6% in one day. This upward trend continued for a couple of weeks, from the day of the announcement at the end of February till mid March, posting more than 14% gains.

These reforms reflected positively on investors' confidence in Egypt's future political and economic stability, which was interpreted in more investment flows in the market, pushing CASE 30 index upward to settle at 4829 points at the end of the first six months of 2005 with a robust increase of 88%.

Second Phase:

The second half of 2005 witnessed several important events, with the presidential elections coming on top, leaving its noticeable effect on the market and pushing CASE 30 index upward by more than 10% at the end of the month. Moreover, choosing Egypt to be a member of WFE, together with the issuance of CASE 30 open-end certificates by ABN-Amro, drove the market up by 7% during the first week of November.

From another perspective, the Central Bank of Egypt (CBE) decision to reduce the interest rate on deposit, for the second time during this year, helped pushing the market up with more inflows being directed to the stock exchange.

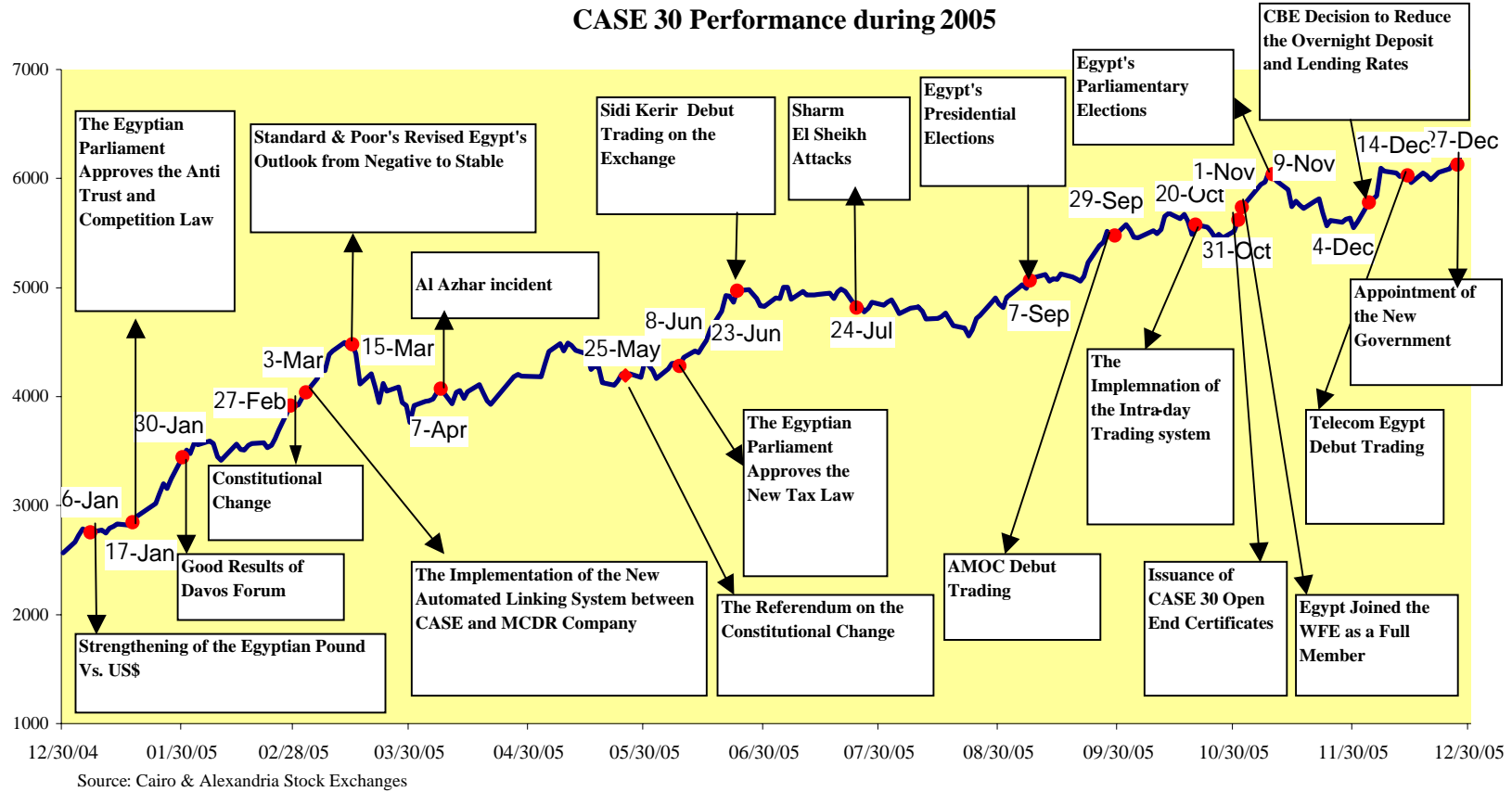
Another equally important factor, which kept the market momentum was the largest equity offering in the MENA region of Telecom Egypt, worth L.E 5.1 billion, in December 2005, which played an important role in attracting foreign and local investments to the market. The IPO was 10 times oversubscribed and the private placement coverage exceeded 60 times, reflecting both domestic and foreign trust and interest in the Egyptian market.

The year ended with the announcement of the new Cabinet which sent positive signals to the market for a continuing reform at a faster pace. The market surged 3.2% in the last two trading days of 2005.

CASE 30 index concluded the year at an all time high of 6325 points, putting on 31% gains during the second half of the year, to come in with an annual growth of 146% in 2005.



CASE 30 Performance during 2005





2.2. Egypt vs. Emerging Markets

International Indices for Emerging Markets during 2005						
	S&P/IFCG		S&P/IFCI		MSCI	
	Emerging Markets	% Change Jan-Dec 05	Emerging Markets	% Change Jan-Dec 05	Emerging Markets	% Change Jan-Dec 05
1	Egypt	155.91	Egypt	158.79	Egypt	155.23
2	Jordan	117.80	Russia	64.90	Colombia	102.31
3	Saudi Arabia	111.00	Korea	58.80	Jordan	71.72
4	Colombia	108.10	Turkey	49.50	Russia	69.50
5	Russia	82.00	Brazil	47.60	Argentina	59.68
6	Pakistan	58.50	Argentina	45.40	Pakistan	56.50
7	Korea	56.80	Mexico	43.90	Korea	54.28
8	Turkey	50.90	Czech Republic	43.50	Turkey	51.60
9	Brazil	50.00	India	33.60	Brazil	49.96
10	Argentina	44.10	Peru	29.80	Mexico	45.22
11	Mexico	43.70	South Africa	24.80	Czech Republic	43.46
12	Czech Republic	43.50	Israel	24.10	India	35.38
13	Oman	38.00	Philippines	21.30	SriLanka	30.70
14	Zimbabwe	36.60	Poland	20.80	Peru	28.51
15	India	33.30	Hungary	16.10	Israel	25.03
16	SriLanka	29.30	Chile	14.70	South Africa	24.03
17	Philippines	25.50	China	13.30	Poland	20.99
18	South Africa	24.70	Indonesia	9.10	Philippines	19.94
19	Peru	24.10	Morocco	8.40	Chile	18.39
20	Israel	23.90	Taiwan	4.90	China	15.93
21	Bahrain	20.80	Thailand	3.80	Hungary	15.60
22	Poland	20.70	Malaysia	-2.90	Indonesia	12.56
23	Nigeria	20.70			Morocco	8.69
24	Hungary	15.70			Thailand	4.85
25	Chile	14.40			Taiwan	3.28
26	Indonesia	9.80			Malaysia	-1.52
27	Morocco	8.60			Venezuela	-28.91
28	China	4.90				
29	Taiwan	4.60				
30	Thailand	1.60				
31	Malaysia	-3.00				
32	Venezuela	-22.00				

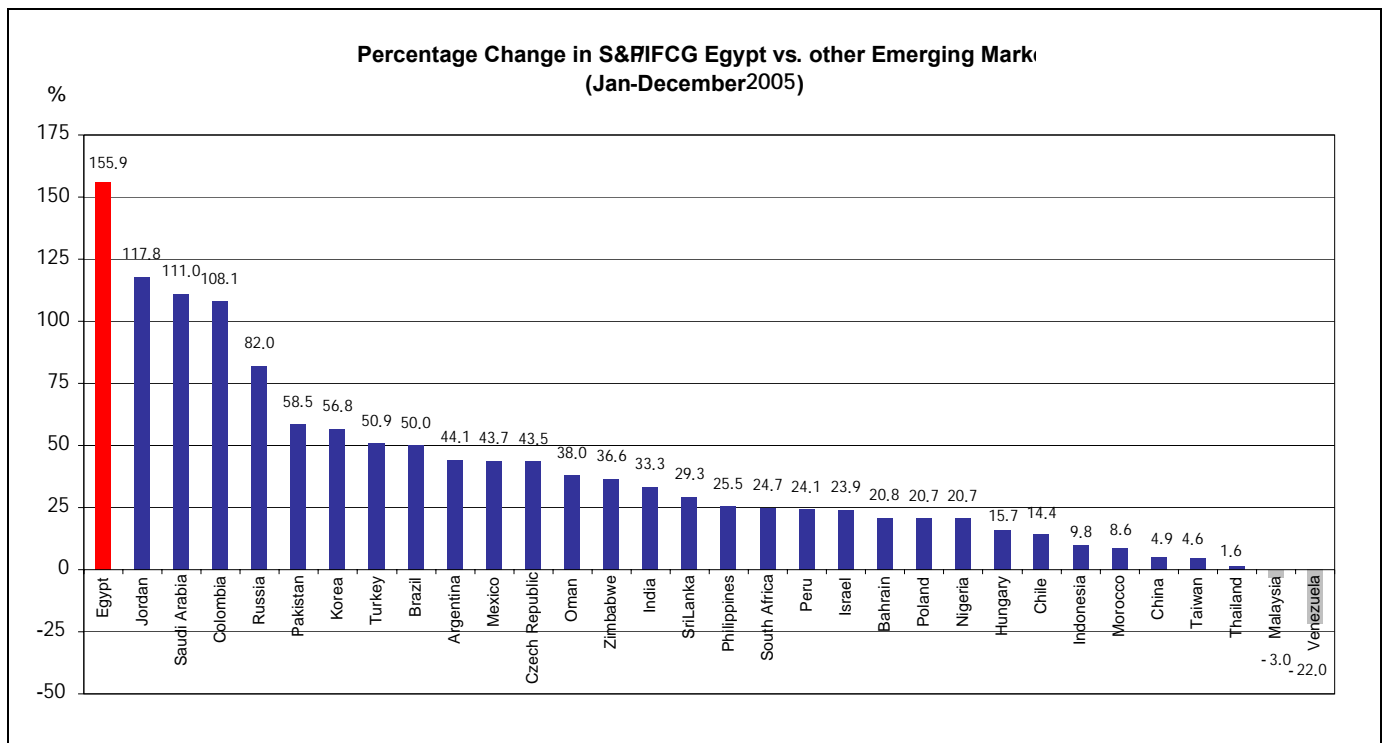
Source: Standard & Poor's and MSCI websites

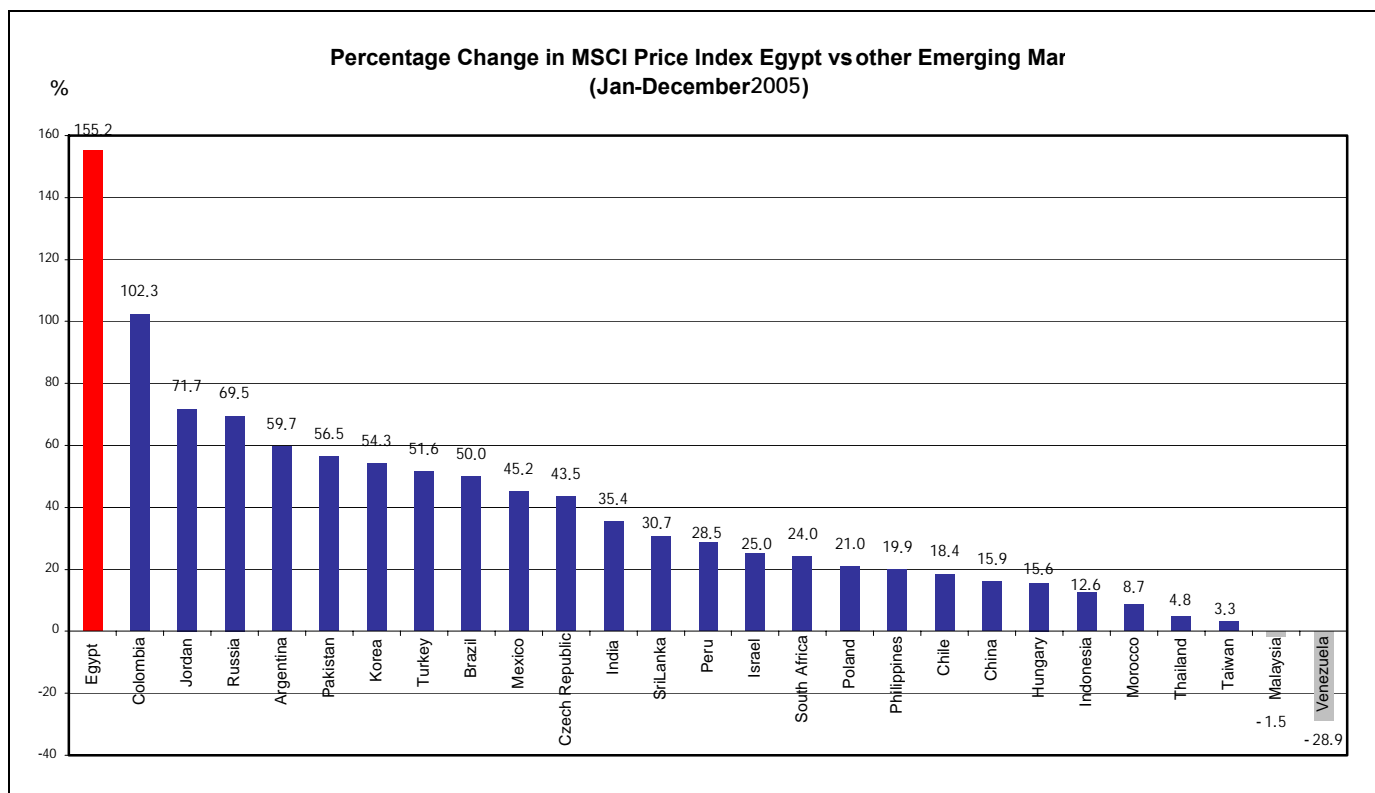
The outstanding performance of the Egyptian stock market placed Egypt on top of both developed and emerging markets during 2005, showing impressive gains of more than 150%, as illustrated in the Standard & Poor's and Morgan Stanley indices.

In the S&P Global Index (S&P/IFCG) universe, Egypt was the top performer with a significant increase of 155.9% in 2005, outperforming Jordan, Saudi Arabia and Morocco in the Arab region, which grew by 117.8%, 111% and 8.6%, respectively, and Russia (82%), Turkey (50.9%) and Czech (43.5%) in Europe, Zimbabwe (36.6%) and South Africa (24.7%) in Africa, Colombia (108.1%) and Brazil (50%) in Latin America and finally Pakistan (58.8%) and Korea (56.8%) in Asia.

As for S&P/IFCI Price Index, Egypt came first with an increase of 158.8%, followed by Russia (64.9%) and Korea (58.8%).

Likewise, Egypt came in first, according to Morgan Stanley Price Index (MSCI), with an increase of 155.2%, followed by Colombia, which hiked by 102.3%, as depicted in the graph below.





2.3. Egypt vs. Arab Markets

Another spectacular year for the Arab markets, with AMF Index– issued by the Arab Monetary Fund–hiking 72% compared to a recorded increase of 52% during 2004.

Egypt easily stepped out of the crowd to hold the first place among all other Arab stock exchanges during 2005, with a robust increase of 120%. This was mainly attributed to the increasing pace of economic and political reform, together with the latest decrease of interest rate and the appreciation of the Egyptian pound, which led to the rising both foreign and domestic interest in the market.

Beirut came in the second place, followed by Amman with an increase of 109% and 97%, respectively.

It's worth mentioning that Egypt is one of the most diversified markets in the region with a strong core of telecommunications, commercial, petroleum, industrial and banking sectors. This in addition to the increasing depth and liquidity of the Egyptian market, with the average daily value trading lately surpassing the L.E 1 billion and the number of transactions hovering around 35 thousand transactions per day.

Annual Percentage Change in AMF Indices during 2005

	2004	2005	% Change
Cairo & Alexandria Stock Exchanges	267.94	589.95	120.18
Beirut Stock Exchange	171.94	359.05	108.82
Amman Stock Exchange	253.01	498.58	97.06
Saudi Stock Exchange	246.3	476.47	93.45
Doha Securities Market	115.01	188.4	63.81
Dubai Financial Market	170.57	272.84	59.96
Kuwait Stock Exchange	179.14	265.79	48.37
Abu Dhabi Securities Market	164.76	220.87	34.06
Muscat Securities Market	186.63	244.58	31.05
Bahrain Stock Exchange	206.04	235.86	14.47
Casablanca Stock Exchange	172.56	181.07	4.93
Tunis Stock Exchange	109.61	111.38	1.61
Palestine Securities Exchange	0	309.58	0.00
Composite Index	229.32	394.09	71.85

Source: Arab Monetary Fund

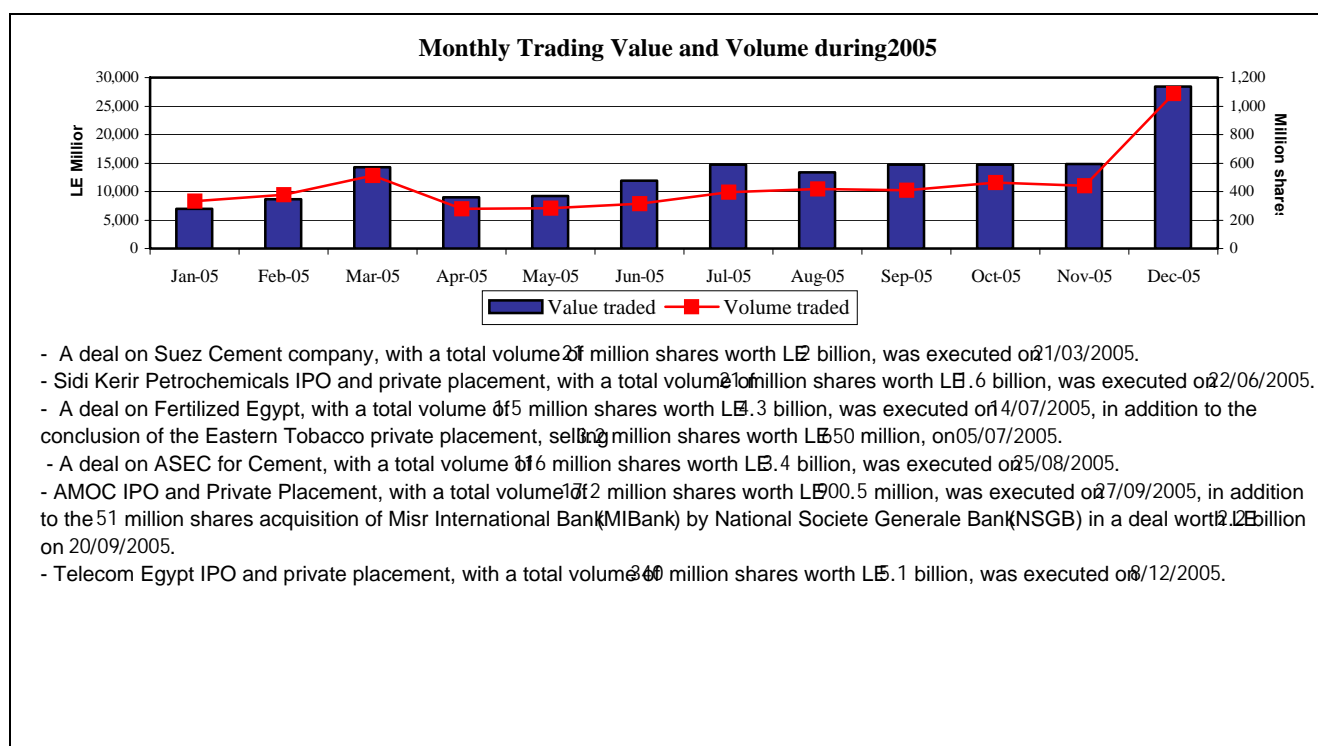
2.4. Trading Aggregates

The Egyptian stock market has witnessed heavy trading activity in 2005. The total market value traded soared to LE 161 billion, which is 279% higher compared to the previous year. This in turn has led to a jump in the average daily value traded, reaching LE 645 million which is four times the average daily value traded registered in 2004 amounting to LE 170 million. Volume traded picked up to 5.3 billion securities in 2005, representing more than a 118% increase compared to last year. Moreover, the number of transactions leapt by 142% over 2005, recording 4.2 million transactions compared to 1.7 million in 2004, as illustrated in the table below.

The value traded of listed securities amounted to LE 151 billion in 2005 up from LE 36 billion in 2004, recording an increase of 318%. Volume traded of listed securities reached 4.2 billion securities, representing more than a 135% increase over last year, which stood at 1.8 billion securities.

Meanwhile, OTC acquired only 6% of the total market value traded in 2005 compared to 15% in 2004. This was mainly attributed to the significant increase of listed securities value traded which accounted for 94% of total value traded up from 85% last year. The following figure illustrates the monthly traded value and volume in 2005.

The number of listed companies went down from 795 companies in 2004 to 744 companies in 2005, however, the significant upsurge in the shares' prices in 2005 led to a remarkable increase in the market capitalization to reach LE 456 billion in 2005, with an increase of 95% compared to the previous year.





Main Market Indicators for the Period 2000 - 2005

Indicators	2000	2001	2002	2003	2004	2005
Total Volume (Million)	1,108	1,260	904	1,422	2,435	5,310
Volume of Listed Securities	1,029	1,184	707	1,202	1,786	4,199
Volume of Unlisted Securities	79	76	197	221	648	1,112
Total Value Traded (LE Million)	53,476	31,796	34,176	27,764	42,374	160,635
Value Traded (Listed Securities)	45,789	24,660	25,799	23,000	36,142	150,924
Value Traded (Unlisted Securities)	8,210	7,136	8,377	4,764	6,233	9,711
Total Number of Transactions (Thousand)	1,286	1,148	834	1,229	1,744	4,210
Number of Transactions (Listed Securities)	1,276	1,142	740	1,206	1,675	3,992
Number of Transactions (Unlisted Securities)	10	6	94	24	68	218
Average Daily Value Traded (LE Million)	218	129	137	114	170	645
Average Daily Value Traded (Listed Securities)	185	100	104	94	145	606
Average Daily Value Traded (Unlisted Securities)	33	29	34	20	25	39
Number of Trading Days	248	246	249	244	249	249
Number of Listed Companies	1076	1110	1151	978	795	744
Number of Traded Companies	659	643	671	540	503	441
Market Capitalization End of Year (LE Billion)	121	112	122	172	234	456
Market Capitalization as % of GDP	36	31	32	41	53	87
Turnover Ratio (%)	35.3	14.1	9.5	11.5	14.2	31.1
Foreign Participation as % of Total Value Traded	21	16	19	20	27	30
% Change in S&P/IFCI Price index	-46	-46	-6	79	126	159
% Change in S&P/IFCG Price index	-44	-43	-2	48	106	156
% Change in MSCI Price index	-46	-44	-5	81	118	155

Securities include stocks, bonds and mutual funds

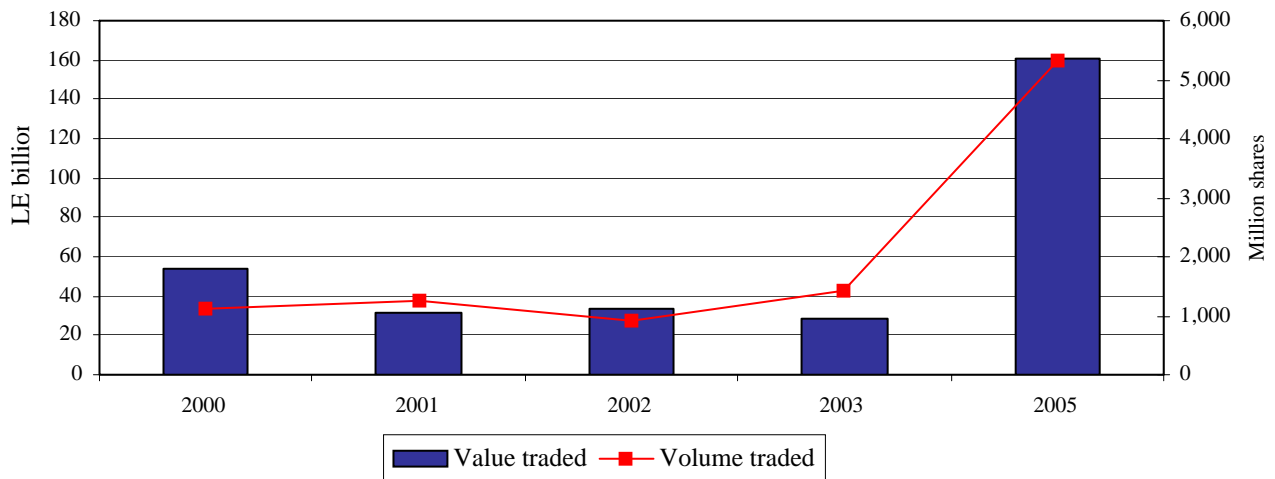
Market Capitalization = no. of listed shares x market price end of year

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

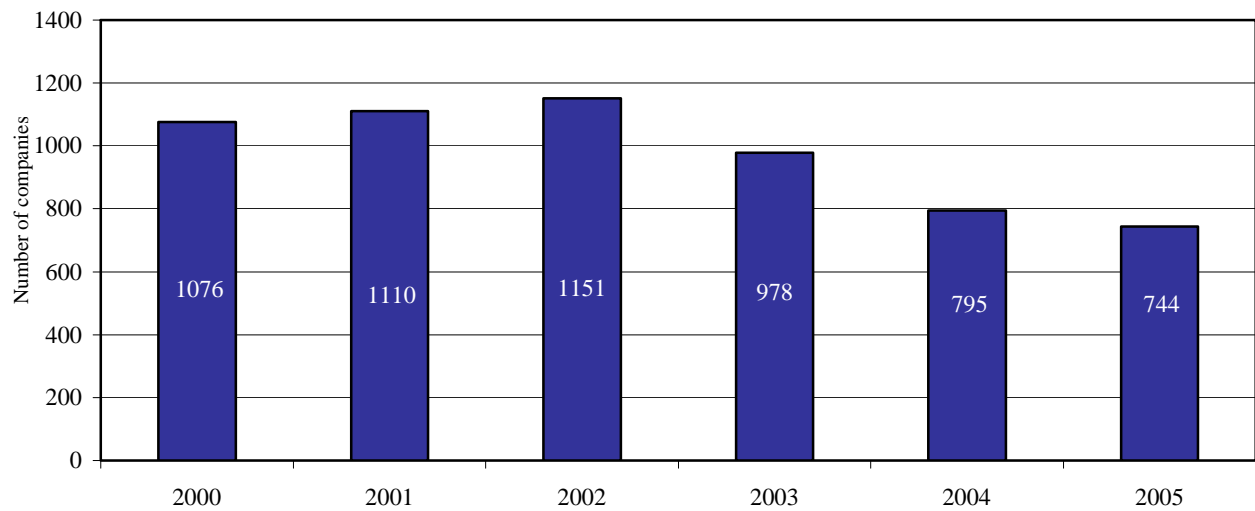
Source: Cairo & Alexandria Stock Exchanges



Trading Value and Volume (2000-2005)



Number of Listed Companies (2000 - 2005)



2.5. Intra-Day Trading System

The Intra-day Trading system, which was implemented on Thursday 20 October 2005, has recorded a trading volume of 9.8 million shares worth LE 409 million, executed over 8,140 transactions, up till end of 2005, accounting for almost 1% of the total market trading value and volume.

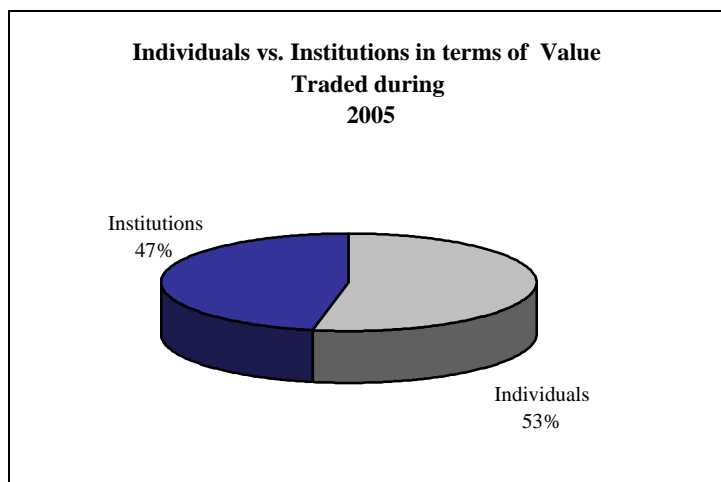
Arab Cotton Ginning ranked first in terms of volume traded, with 5.8 million shares traded, which accounts for 60% of the total traded volume generated through the Intra-day Trading system, followed by Egyptian Financial Group-Hermes locking in a volume traded of 1.5 million shares, as shown in the table below, which indicates the trading statistics of the 5 Most active companies in terms of volume traded according to this system.

Company Name	Trading Volume (thousand shares)	Trading Value (LE million)	No of Transactions
Arab Cotton Ginning	5,782	125	3,305
Egyptian Financial Group-Hermes	1,475	153	1,847
Egyptian Media Production City	749	10	597
Arab Polvara Spinning & Weaving Co.	600	8	531
El Ezz Porcelain (Gemma)	341	6	362
Total Trades Executed through Intra-day Trading System	9,766	409	8,140

2.6. Market Structure

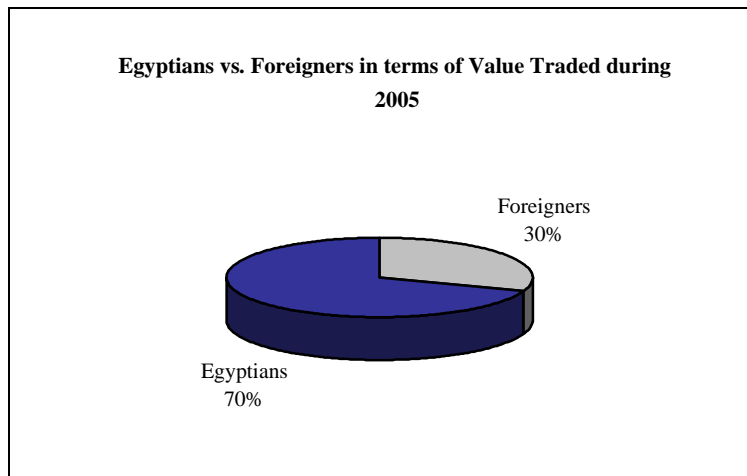
a. Individuals vs. Institutions

During 2005, the individuals accounted for 53% of the value traded, while the remaining 47% were for the institutions, as shown in the figure below. This is in comparison to 54% for the individuals and 46% for the institutions in 2004.



b. Egyptians vs. Foreigners

The Egyptians controlled 70% of the value traded in 2005 compared to 73% last year, while the remaining 30% were for the foreigners, who were net buyers with a net equity inflow of LE 6.5 billion in 2005 compared to LE 266 million the previous year. This reflects the rising foreign confidence and interest in the Egyptian market as a result of the bunch of economic and political reform measures undertaken by the government, together with the capital market development witnessed in 2005.

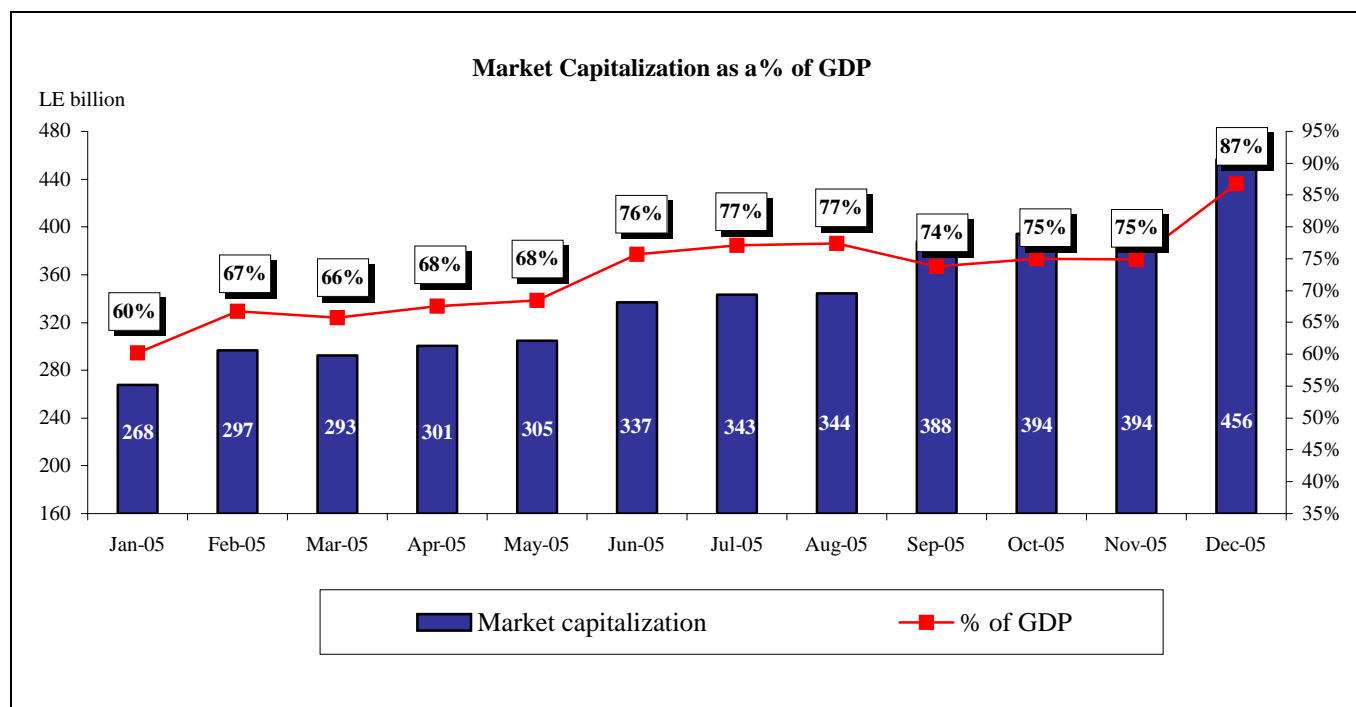


2.7. Market Capitalization

The total market capitalization culminated at LE 456 billion at the end of December 2005, with a 95% increase compared to 2004, as depicted in the table below. The total market capitalization at the end of December 2005 represented 87% of GDP, as illustrated in the figure below.

In LE Billion	29/12/2005	30/12/2004	Change (%)
Total Market Cap.	456	234	95.1%
CASE 30 Market Cap.	246	104	136.1%
CASE 30 Market Cap. as a % of the Total Market Cap.	54%	45%	
Total Market Cap. as a % of GDP	87%	53%	

GDP figure used in December 2005 is LE 526 billion (according to CBE Preliminary figures of FY 2004/2005) and LE 445 billion in December 2004.



GDP used is LE 445 billion for the period (January-August 2005) and LE 526 billion for the period (September-December 2005)

2.8. Sectors

The outstanding performance of the Egyptian market, together with the economic reform undertaken by the government, was not only reflected on the enormous activity of the different sectors on the bourse, but also on their ranking. This was clearly manifested in the Textiles & Clothing sector which occupied the first place in terms of volume traded, after the signature of the QIZ Protocol, which permits the Egyptian exports to USA to be customs free, leading Egypt's readymade garments exports to surpass US\$ 1 billion during 2005, and thus reflected well on the sector's companies profits.

In October 2005, Egypt and USA agreed to expand QIZ protocol to include other zones, which further reinforced the competitiveness of the Textile & Clothing sector and captured the attention of the Egyptian and foreigner investors.

The sector recorded the highest ever volume traded in CASE history, with over 1 billion shares worth L.E 13 billion exchanging hands, which represents almost one quarter of the listed securities total volume traded in 2005.

The three key companies of the sector have managed to come among the top ten companies in terms of volume traded with significant jumps in their prices; Arab Cotton & Ginning, Arab Polvara Spinning & Weaving and Nile Cotton & Ginning came in the first, fourth and fifth places in terms of volume traded, jumping by 660%, 159% and 81% in their prices, respectively.

The Building Material & Construction sector retreated to the second place in terms of volume traded, giving up its first ranking in 2004, which was mainly attributed to investors diverting to more promising sectors such as the Textiles & Clothing, Financial Services and Holding Companies sectors. The sector recorded 660 million shares during 2005, with a value of LE 30 billion.

Following the debut trading of Telecom Egypt in the Exchange, the Communication sector returned back to the light again, after being away of the five most active sectors in 2004. The sector occupied the third rank in terms of volume traded, recording a volume of 620 million shares worth almost LE 30 billion. The sector is expected to move forward during the upcoming period, on the back of the outstanding activity of Telecom Egypt, which managed to come in the third place in terms of volume traded, recording 210 million shares, though trading on its shares only started in mid December 2005.

The aggressive banking restructure program undertaken by the government succeeded in pushing the Financial services sector to the fourth place in terms of volume traded, recording 448 million shares. The restructure program aimed at reducing the number of operating banks in Egypt to 35 banks, where a series of mergers and acquisitions of small banks took place to create big, more competitive conglomerates.

The Financial services sector is expected to witness a heavy activity during 2006, on the back of the prospective sale of Alexandria Bank –one of the four major public banks- as well as the public stakes in all joint venture banks.

The Holding Companies sector came in the fifth place in terms of volume traded, primarily due to extraordinary performance of the Egyptian Financial Group- Hermes Holding Company, which accounted for almost 90% of the sector volume traded, with its share price hiking by 780% during 2005, after leading several –privatization- offering deals. The most prominent were Telecom Egypt and Sidi Krir offerings where the company is expected to realize outstanding results.

5 Most active sectors in terms of volume traded

Sector	Trading Volume (million)	Annual %Change	Traded Value (LE billion)	Annual %Change
Textiles & Clothing	1000	442	13.2	1220
Building Materials & Construction	662	35	30.5	263
Telecommunication	624	427	29	226
Financial Services	448	111	14	175
Holding Companies	351	63	14.9	610

2.9. Bonds

The bond market was characterized by a relatively high trading activity in 2005, recording a trading value of LE 8.9 billion up from LE 2.8 billion in 2004, which is triple the recorded value traded in 2004. Likewise, volume trade surged to 9 million bonds in 2005 compared to only 3 million bonds last year.

This upturn in the bonds came as a result of the heavy trading activity of the Treasury bonds, specially the ones traded through the Primary Dealers System, which account for the bulk of the government bond trading (96%) and 86% of the total bonds value traded in 2005. This in turn asserts the important role that the Primary Dealers System plays in activating the bond market and enhancing the market liquidity. Meanwhile, corporate bonds recorded a relatively low trading representing only 2% of the total bonds value traded, as depicted in the table below.

	Trading Value (LE million)	Trading Volume (in thousand)
Governmental Bonds	8,695	8,000
Housing Bonds	0.29	4
Treasury Bonds	169	162
Treasury Bonds (According to Primary Dealers System)	8,525	7,834
Corporate Bonds	161	1,150
Total	8,856	9,150

Source: Cairo & Alexandria Stock Exchanges

Primary Dealers

	Trading Value (LE Million)	Number of Transactions	Average Yield to Maturity (%)	Average Current Yield
Government Bonds (Oct 2011)	3,292.6	185	9.961	10.749
Government Bonds (Nov 2014)	2,442.1	133	10.174	10.709
Government Bonds (Dec 2008)	1,491.5	96	10.044	10.670
Government Bonds (Jan 2025)	619.3	41	10.437	10.571
Government Bonds (Jul 2010)	240.9	13	9.024	9.075
Government Bonds (Aug 2009)	195.1	17	9.053	9.195
Government Bonds (Aug 2010)	135.7	10	9.160	9.284
Government Bonds (Sep 2012)	10.2	2	9.080	9.094
Government Bonds (Oct 2008)	68.9	4	9.021	9.055
Government Bonds (Nov 2015)	29.1	6	9.300	9.300

2.10. GDRs

GDRs prices have all witnessed a robust increase in 2005. The best performer was the Egyptian Financial Group Hermes Holding with an increase of 1000%, followed by Orascom Construction Industries and Oracom Telecom Holding which came in the second and third place with an increase of 209% and 153%, respectively.

Other increases include: El Ezz Steel Rebars surging by 89%, Misr International Bank growing by 72%, followed by Commercial International Bank (CIB) with 55% increase, Paint & Chemical Industries (Pachin) with 34% and Lakah Group soaring by 26%. Suez Cement remained unchanged.

The 14th of December 2005 witnessed Telecom Egypt GDRs debut trading in London Stock Exchange. The GDRs ended the year with a decrease of 8%.

	# of GDRs to local share	GDR Closing Price on 31/12/2004	GDR Closing Price on 30/12/2005	Annual change in GDR prices (%)
Commercial International Bank (CIB)	1.00	6.35	9.87	55%
Pachin	3.00	1.75	2.35	34%
Suez Cement	1.00	13.05	13.00	0%
Ezz Steel	0.33	8.00	15.10	89%
LAKAH group*	0.33	0.35	0.44	26%
Egyptian Financial Group Hermes Holding	0.50	4.00	44.00	1000%
Orascom Telecom (OT)	2.00	21.12	53.50	153%
Orascom Construction Industries (OCI)	0.50	24.25	75.00	209%
Misr International Bank (MIBank)	2.00	2.74	4.70	72%
Telecom Egypt**	0.20	17.70	16.21	-8%

All values in US\$, Exchange rate is LE 5.75/US\$

* LAKAH group GDR price represents the last trading price on 03/03/2005.

** Debut trading was on 14/12/2005

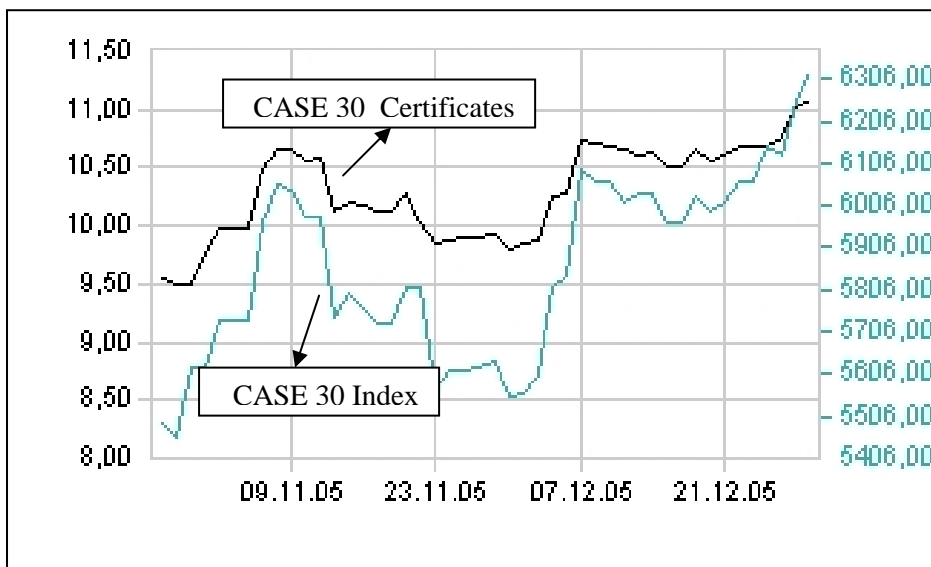
2.11. Performance of CASE 30 Certificates

Cairo & Alexandria Stock Exchanges, together with ABN-Amro bank, agreed to issue open-ended certificates related to CASE 30 index, to be traded in a number of European stock exchanges, initially in the Swiss Exchange and subsequently in Amsterdam Stock Exchange, Frankfurt Stock Exchange and Borsa Italiana, respectively.

The certificates were issued on the 27th of October 2005, at an issue price of \$9.52 per certificate, with a ratio of 100: 1 (100 certificates control 1 index). By the end of December 2005, the certificates gained 17.2%, as illustrated in the graph below.

It's worth mentioning that by offering this tool, CASE would be the first Arab stock exchange whereby derivatives products were issued on its in-house made index.

Performance of CASE30 Certificates



Source: ABN-AMRO website