

## Qalaa Holdings Reports 1Q15 Results

*Qalaa's Total Revenues climb 42.5%, EBITDA records an eight-fold surge to EGP 275.8 million and its bottom line losses continue to narrow in line with year-end profitability target.*

### Highlights from 1Q15 Consolidated Income Statement<sup>1</sup>

<p style="text-align: center;"><b>Revenues</b> EGP 1,947.5 mn vs. EGP 1,366.9 mn in 1Q14</p>	<p style="text-align: center;"><b>Contribution Margin</b> 39%</p>
<p style="text-align: center;"><b>EBITDA</b> EGP 275.8 mn vs. EGP 29.0 mn in 1Q14</p>	<p style="text-align: center;"><b>Net Profit After Minority</b> EGP (112.2) mn vs. EGP (231.9) mn in 1Q14</p>

### Highlights from 1Q15 Consolidated Balance Sheet

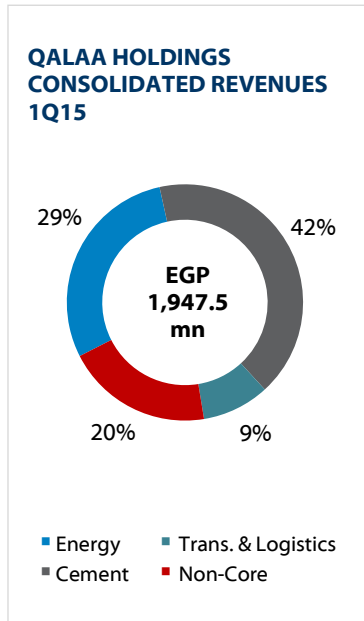
<p style="text-align: center;"><b>Total Assets</b> EGP 34,247.5 mn vs. EGP 32,415.2 mn in FY14</p>	<p style="text-align: center;"><b>Total Equity</b> EGP 11,768.9 mn vs. EGP 12,226.2 mn in FY14</p>
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<sup>1</sup> Unlike previous Business Reviews where Qalaa Holdings compared actual 2014 results against pro forma 2013 figures on the back of statutory FY13 not reflecting the impact of the company's transformation in 2014 into an industrial holding group, starting 1Q2015 and onwards Qalaa Holdings will compare statutory actual 2015 results against statutory actual 2014 results as asset purchases made to facilitate that transformation have been consolidated on Qalaa's financial statements since 1Q2014.

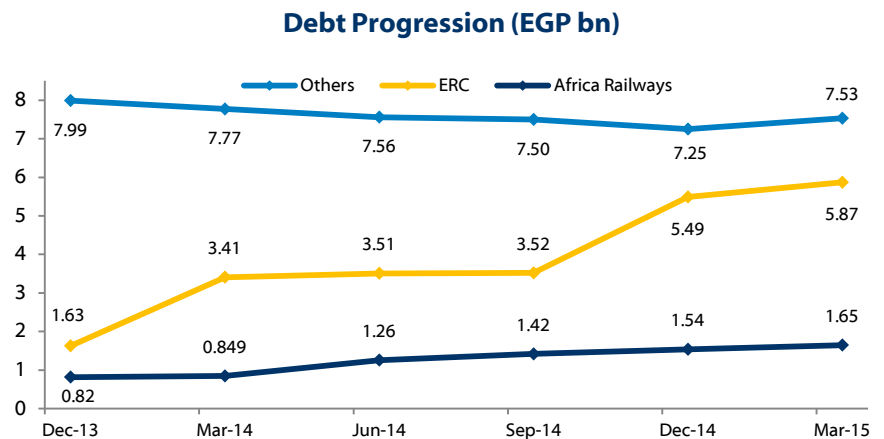
*"The year 2015 is off to a good start for Qalaa with our strategic transformation and operational improvements continuing to be positively reflected in the company's financial performance."*

### 1Q15 Financial & Operational Highlights

- **Total Revenues** rose 42.5% to EGP 1,947.5 million compared with the same period last year.
- **Contributors to Revenues** were weighted toward the cement segment (42%) and energy segment (29%) on the back of strong performances from units of ASEC Cement and TAQA Arabia.
- **Contribution margin** remained steady at c. 39% in 1Q15.
- **EBITDA** closed the quarter at EGP 275.8 million, an eight-fold increase over the 1Q14 figure of EGP 29 million. Meanwhile, EBT stood at a negative EGP 170.9 million in 1Q15, an improvement of more than 50% compared to the same quarter last year.
- **Net Loss After Minority Interest** narrowed 51.6% to EGP 112.2 million in 1Q15 compared with the same period last year. Results were weighed down in part by consolidated FX losses of EGP 53 million.
- Management restates its guidance that it **expects EBITDA to reach EGP 1.2 billion in 2015**, with a return to **bottom-line profitability** by year-end.



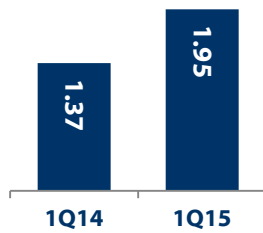
- The company reports **Total Bank Debt** of EGP 15.05 billion — of which EGP 5.87 billion relates to greenfield ERC and a further EGP 1.65 billion arises from Rift Valley Railways (RVR) — vs. **Total Equity** of EGP 11.77 billion. Debt positions witnessed a q-o-q increase in 1Q15 on the back of the EGP's devaluation against the USD where some companies carry dollar denominated debt including ERC and RVR. It is worthy to note that ERC's debt position will continue to rise as the company utilizes its extended facility — c.USD 100 million already withdrawn in May 2015 — while RVR should remain stable until repayment commences in 2016.



Management's comment on 1Q15 results follows, as do overviews of the performance of core business units. Full financials are now available for download at [ir.qalaa Holdings.com](http://ir.qalaa Holdings.com).

## Management Comment:

**REVENUE PROGRESSION**  
1Q2015 (Y-o-Y)  
(EGP bn)

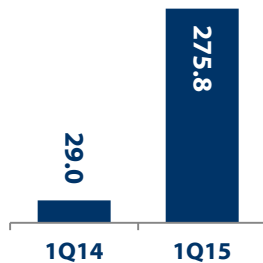


Qalaa Holdings (CCAP on the Egyptian Exchange, formerly Citadel Capital) released today its consolidated financial results for the period ending 31 March 2015, reporting revenues of EGP 1,947.5 million, up 42.5% from the same period last year. Topline growth was driven mainly by operational improvements at ASEC Cement’s Sudan subsidiary Al-Takamol, which recorded revenue growth of 157% or an EGP 131.7 million increase over 1Q14. Furthermore, Qalaa’s core platform company TAQA Arabia also saw revenues increase by 57% to EGP 526.5 million in 1Q15. Together the energy and cement segments contributed 71% to consolidated revenues.

EBITDA meanwhile stood at EGP 275.8 million, an eight-fold increase compared to 1Q14’s figure of EGP 29 million, and well on-target to meet management’s stated goal of closing FY15 with EBITDA in the vicinity of EGP 1.2 billion.

While the contribution margin was effectively steady at c. 39% in 1Q15, management expects the figure to decrease over time as Qalaa expands its retail supermarkets and petroleum distribution businesses (fueling stations). Despite their high returns on equity, these lines of business have relatively low contribution margins. Broadly speaking, contribution margin will remain healthy, however, as improvements in top-line performance will increasingly flow down the income statement to the EBITDA and bottom lines.

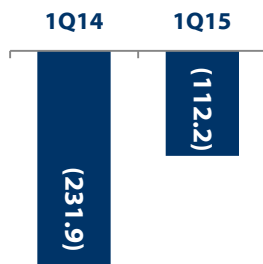
**EBITDA PROGRESSION**  
1Q2015 (Y-o-Y)  
(EGP mn)



“The year 2015 is off to a good start for Qalaa with our strategic transformation and operational improvements continuing to be positively reflected in the company’s financial performance,” said Ahmed Heikal, Chairman and Founder of Qalaa Holdings. “As was the case in FY14, where Qalaa swung to a positive EBITDA north of EGP 650 million, up from a negative a year earlier, we are on-track to meet our previously stated guidance of EBITDA of around EGP 1.2 billion by year’s end.”

“At the same time, our bottom line losses continued to narrow in 1Q15. We are well on-track to return to profitability by the end of 2015 on the back of asset sales, disposal of discontinued operations, and a decline in interest expenses as we push through with our ongoing deleveraging program,” added Heikal. “More importantly, we are making significant progress toward the start of operations at greenfield Egyptian Refining Company and raising financing for greenfield Mashreq. At ERC, I am particularly pleased to announce a construction milestone with the raising of the rerun column for the delayed-coker unit. ERC and Mashreq coming online will result in significant improvements to our top line and sustain our bottom-line profitability.”

**NET PROFIT PROGRESSION**  
1Q2015 (Y-o-Y)  
(EGP mn)



Discontinued operations continued to weigh on the company’s profitability, incurring charges of EGP 58.6 million in 1Q15 related primarily to ESACO (turnkey contracting) as well as Elmisrieen and Enjoy (both in agrifoods). Losses from discontinued operations narrowed 39.7% y-o-y. Interest and depreciation due to discontinued operations are non-cash items; management accordingly estimates that c. 95% of losses from discontinued operations are non-cash.

The company reported a net loss after tax and minority of EGP 112.2 million in the first quarter, a 51.6% improvement from 1Q14’s figure of EGP 231.9 million. The improvement comes despite the impact of the devaluation of the Egyptian pound against the US dollar which saw the USD:EGP rate climb 6.7% to EGP7.63 to the dollar during 1Q15. This contributed to additional foreign exchange charges of EGP 53 million compared to a gain of EGP 13 million in 1Q14, and inflated interest expenses, as the company has some dollar-denominated debt. Cement and Construction unit ASEC Holding recorded EGP 78 million in FX losses in the quarter on the back of its dollar denominated ASEC Holding Convertible.

It is worthy to note that starting 2Q15 Qalaa Holdings will fully consolidate ASCOM's results — Qalaa's mining arm that is currently treated using the equity method — on the back of ASCOM's capital increase to which Qalaa has subscribed to.

## Strategy: Financial & Operational Risk Reduction

As noted in our 4Q14 Business Review, a key factor of Qalaa's strategy going into 2015 is the mitigation of financial risk by significantly deleveraging at the holding and platform company levels, and limiting operational risk through the divestment of non-core and non-essential assets while focusing resources on core business and ensuring they have the funding needed to deliver on growth plans.

Key elements of Qalaa Holdings' strategy in FY15 include:

- The company is in the process of finalizing a capital increase that will see the firm capitalize liabilities arising from asset purchases worth around EGP 1.7 billion of which EGP 1 billion have already been capitalized and reflected on Qalaa's **increased stakes in its core assets**, with the remaining balance of EGP 700 million expected to close by July 2015. This will see paid-in capital rise to EGP 9.7 billion through the issuance of an additional 340 million shares, of which 85 million will be preferred shares and 255 million common shares.
- **Sale of Assets:** Qalaa is in advanced stages of divestments including Misr Glass Manufacturing, while negotiations are progressing for the sale of ASEC Cement's operations in Algeria, with an Algerian Holding Company in the cement industry being the natural buyer for Zahana Cement as it already owns 65% of the company, while greenfield plant Djelfa is being bid for by two Algeria based industrial groups. Likewise, confectioner Rashidi El-Mizan and the farm and fresh milk companies that operate under the Dina Farms brand are also poised for sale by 3Q15 while the Tebbin land held by Nile Logistics is expected to be sold sometime in 2H15. Qalaa remains watchful for other exit opportunities including Tanmeyah. Proceeds from these divestments will be utilized to deleverage, which in addition to the resultant de-consolidation of debt, will have a powerfully positive impact on the consolidated financial statements.
- **Share Buybacks:** Management will create new value through share buybacks, using proceeds from strategic exits and post deleveraging to acquire Qalaa shares for so long as these trade at a significant discount to their fair market value.

"Our strategy for 2015 will allow us to drive growth at current assets and increase our ownership without resorting to additional capital increases beyond the current (ongoing) capital increase to EGP 9.7 billion," said Qalaa Co-Founder and Managing Director Hisham El-Khazindar. "Proceeds from the ongoing exits will be utilized to deleverage by reducing total consolidated debt of some EGP 7.5 billion — excluding debt associated with its greenfield megaproject Egyptian Refining Company and Africa Railways — to below EGP 5 billion by the end of FY15."

"Moreover, our strategy will also help accelerate Qalaa's return to profitability by year's end, a guidance that has been progressing quarter on quarter as our transformation nears completion. Qalaa Holdings will then be ideally positioned to seize the opportunity and capitalize on the macroeconomic turnaround in our home market." El-Khazindar concluded.

*Detailed overviews of the performance of operational companies in each of Qalaa's core industries follow; complete financials are available for download on [ir.qalaa Holdings.com](http://ir.qalaa Holdings.com)*

## Methods of Consolidation

Fully Consolidate Companies	Core	Energy	   	
		Cement		
		Transportation & Logistics	 	
	Non-Core	Agrifoods	 	
		MicroFinance		
		Specialized Real Estate		
		Metallurgy	 	
	Equity Method Consolidated Companies (Share of Associates)	Core	Mining	
			Glass Manufacturing	
		Non-Core	Mid-cap Buyouts	
Media & Retail				

## Summary of Qalaa Holdings Consolidated Income Statement

EGP mn	1Q15	1Q14
Revenues	1,947.5	1,366.9
Cost of Sales	(1,473.1)	(1,128.8)
<b>Gross Profit</b>	<b>474.5</b>	<b>238.1</b>
Advisory fee	3.2	4.4
Share in Associates' Results	34.8	20.1
<b>Total Operating Profit</b>	<b>512.4</b>	<b>262.5</b>
SG&A	(241.2)	(219.0)
Other Income / Expenses (Net)	2.7	15.0
<b>EBITDA (before one-offs)</b>	<b>273.8</b>	<b>58.6</b>
SG&A (Non-recurring)	2.0	(29.6)
<b>EBITDA</b>	<b>275.8</b>	<b>29.0</b>
Depreciation & Amortization	(105.5)	(103.5)
<b>EBIT</b>	<b>170.3</b>	<b>(74.4)</b>
Bank Interest Exp	(165.8)	(171.1)
Bank PIK	(25.0)	(24.0)
One Time Bank Fees (ERC - PIK)	(10.6)	-
3rd Party Shareholder PIK Interest (ASEC Holding Convertible)	(1.9)	(13.6)
Interest Income	21.4	21.2
Lease Payments	(3.4)	-
<b>EBT (before one-offs)</b>	<b>(15.1)</b>	<b>(262.0)</b>
Gain (Loss) on Sale of Investment	(10.5)	-
Impairment / Write-downs	(4.1)	-
Restructuring / Layoffs	(9.4)	-
CSR	(6.4)	-
Provisions	(13.8)	-
Discontinued Operation	(58.6)	(97.2)
FOREX	(53.1)	13.4
<b>EBT</b>	<b>(170.9)</b>	<b>(345.8)</b>
Taxes	(41.2)	(9.2)
<b>Net Profit (Loss) Before Minority Share</b>	<b>(212.0)</b>	<b>(355.0)</b>
Minority Interest	(99.9)	123.1
<b>Net Profit (Loss) for the Period</b>	<b>(112.2)</b>	<b>(231.9)</b>

## Qalaa Holdings Consolidated Income Statement by Sector for the three months ending 31 March 2015 (in EGP mn)

	QH	SPVs	Core						Non Core			Elimination	1Q 2015			
			TAQA Arabia	Tawazon	ERC	Mashreq	ASEC Holding	Transportation & Logistics Nile Logistics & Africa Railways	Mining ASCOM*	Agrifoods	Wafra			Tammyah	Miscellaneous <sup>^</sup>	
Revenue	-	3.6	526.5	38.1	-	-	809.4	179.4	-	318.7	0.8	-	28.2	42.7	-	1,947.5
Cost of Sales	-	(2.7)	(445.1)	(28.8)	-	-	(596.7)	(154.6)	-	(209.4)	0.6	-	-	(36.3)	-	(1,473.1)
<b>Gross Profit</b>	-	<b>0.9</b>	<b>81.4</b>	<b>9.3</b>	-	-	<b>212.7</b>	<b>24.8</b>	-	<b>109.3</b>	<b>1.5</b>	-	<b>28.2</b>	<b>6.4</b>	-	<b>474.5</b>
Advisory Fee	-	2.0	-	-	-	-	27.8	1.0	-	-	-	-	-	-	(20.7)	3.2
Share in Associates' Results	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.5	34.8
<b>Total Operating Profit</b>	<b>21.8</b>	<b>3.0</b>	<b>81.4</b>	<b>9.3</b>	-	-	<b>240.5</b>	<b>25.8</b>	-	<b>109.3</b>	<b>1.5</b>	-	<b>28.2</b>	<b>6.4</b>	-	<b>512.4</b>
SG&A	(37.0)	(10.0)	(26.3)	(3.3)	(8.5)	(3.6)	(63.3)	(22.9)	-	(57.8)	(3.4)	-	(17.7)	(7.1)	-	(241.2)
Other Income/Expenses (Net)	-	(0.3)	1.1	0.1	-	-	4.3	-	-	0.3	0.4	-	1.0	2.7	-	2.7
<b>EBITDA (before one-offs)</b>	<b>(15.1)</b>	<b>(7.3)</b>	<b>56.2</b>	<b>6.1</b>	<b>(8.5)</b>	<b>(3.6)</b>	<b>181.5</b>	<b>2.9</b>	-	<b>51.7</b>	<b>(1.5)</b>	-	<b>11.5</b>	<b>(0.7)</b>	-	<b>273.8</b>
SG&A (Non recurring)	(2.5)	-	-	-	-	-	-	-	-	-	-	-	0.1	(0.7)	-	2.0
<b>EBITDA</b>	<b>(17.6)</b>	<b>(7.3)</b>	<b>56.2</b>	<b>6.1</b>	<b>(8.5)</b>	<b>(3.6)</b>	<b>181.5</b>	<b>2.9</b>	-	<b>51.7</b>	<b>(1.5)</b>	-	<b>11.7</b>	<b>(0.7)</b>	-	<b>275.8</b>
Depreciation & Amortization	(0.5)	-	(9.4)	(2.5)	(0.1)	-	(37.4)	(25.4)	-	(21.8)	(1.7)	-	(1.2)	(3.5)	(1.9)	(105.5)
<b>EBIT</b>	<b>(18.1)</b>	<b>(7.3)</b>	<b>46.8</b>	<b>3.6</b>	<b>(8.6)</b>	<b>(3.6)</b>	<b>144.2</b>	<b>(22.5)</b>	-	<b>29.9</b>	<b>(3.2)</b>	-	<b>10.5</b>	<b>(4.3)</b>	-	<b>170.3</b>
Bank Interest Expense	-	(6.2)	(14.0)	(0.5)	-	-	(65.6)	(24.8)	-	(15.1)	-	-	-	(9.8)	1.2	(165.8)
Bank PIK	-	(5.8)	-	-	-	-	(19.3)	-	-	-	-	-	-	-	-	(25.0)
One Time Bank Fees (ERC-PIK)	-	-	-	-	(10.6)	-	-	-	-	-	-	-	-	-	-	(10.6)
Shareholder PIK Interest (ASEC Holding Convertible)	-	(19.4)	-	-	(1.7)	-	(2.9)	(3.3)	-	(4.4)	-	-	-	(7.3)	37.2	(1.9)
Interest Income	23.8	8.7	15.8	-	0.7	-	1.8	-	-	0.1	-	-	1.4	0.1	(31.0)	21.4
Lease Payments	-	-	-	-	-	-	-	(2.1)	-	(1.3)	-	-	-	-	(3.4)	(3.4)
<b>EBT (before one-offs)</b>	<b>(25.3)</b>	<b>(30.0)</b>	<b>48.5</b>	<b>3.1</b>	<b>(20.3)</b>	<b>(3.6)</b>	<b>58.2</b>	<b>(52.7)</b>	-	<b>9.3</b>	<b>(3.2)</b>	-	<b>11.9</b>	<b>(21.3)</b>	<b>6.9</b>	<b>(15.1)</b>
Gain (Loss) on Sale of Investments	(5.3)	(68.5)	-	-	-	-	-	-	-	-	-	-	-	-	63.3	(10.5)
Impairments/Write-downs	-	(4.2)	(0.7)	(0.3)	-	-	-	(7.7)	-	-	-	-	-	-	1.1	(4.1)
Restructuring/Layoffs	-	-	(1.7)	-	-	-	-	-	-	-	-	-	-	-	(9.4)	(9.4)
CSR	(2.0)	-	(1.6)	-	-	-	(2.5)	-	-	(1.6)	-	-	(0.3)	-	(6.4)	(6.4)
Provisions	-	(2.9)	(2.1)	-	-	-	(7.1)	(0.2)	-	(1.6)	-	-	-	-	(13.8)	(13.8)
Discontinued Operations **	-	-	-	-	-	-	(7.4)	-	-	(5.1)	-	-	-	-	(58.6)	(58.6)
FOREX	40.2	(1.3)	-	(0.3)	(0.3)	-	(78.8)	(33.5)	-	10.4	1.7	-	-	(15.6)	20.8	(53.1)
<b>EBT</b>	<b>(7.6)</b>	<b>(104.3)</b>	<b>42.4</b>	<b>2.5</b>	<b>(20.6)</b>	<b>(2.4)</b>	<b>(37.6)</b>	<b>(94.1)</b>	-	<b>(33.1)</b>	<b>(1.5)</b>	-	<b>11.6</b>	<b>(36.9)</b>	<b>92.0</b>	<b>(170.9)</b>
Taxes	(0.1)	-	(18.5)	0.3	-	-	(18.2)	-	-	(5.0)	-	-	(1.3)	0.4	(1.3)	(41.2)
<b>Net P/L Before Minority Share</b>	<b>(7.5)</b>	<b>(104.3)</b>	<b>23.9</b>	<b>2.8</b>	<b>(20.6)</b>	<b>(2.4)</b>	<b>(55.8)</b>	<b>(94.1)</b>	-	<b>(38.1)</b>	<b>(1.5)</b>	-	<b>10.3</b>	<b>(36.5)</b>	<b>93.3</b>	<b>(212.0)</b>
Minority Interest	-	-	7.9	1.4	(4.4)	(0.8)	31.4	(11.3)	-	-	0.001	-	-	(2.1)	(121.8)	(99.8)
<b>Net Profit (Loss)</b>	<b>(7.5)</b>	<b>(104.3)</b>	<b>16.0</b>	<b>1.4</b>	<b>(16.2)</b>	<b>(1.6)</b>	<b>(87.2)</b>	<b>(82.8)</b>	-	<b>(38.1)</b>	<b>(1.48)</b>	-	<b>10.3</b>	<b>(34.4)</b>	<b>215.2</b>	<b>(112.3)</b>

\* ASCOM, which is Qalaa Holdings' core-platform company for the mining industry, is not fully consolidated but instead is treated as a share of associates as per the equity method of consolidation.

\*\* Discontinued operations include ESACO, Djelfa (ASEC Cement), El-Agutzzy, Elmistreen, Enjoy, Morn's Foods (all Gozour) and Crondall (Misc.)

^ Miscellaneous includes United Foundries, Designopolis & Crondall

Qalaa Holdings Consolidated Balance Sheet as of 31 March 2015 (in EGP mn)

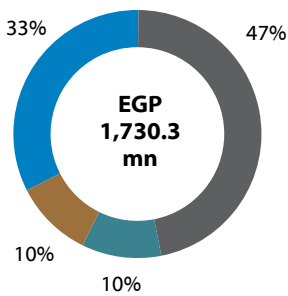
	Core						Non Core			Eliminations/ SPVs	1Q 2015	FY 2014			
	Energy	Cement	T & L	Agrifoods	Tanmeyah	Misc *	Gozour	Wafra							
<b>Current Assets</b>	<b>QH</b>	<b>ERC</b>	<b>TAQA Arabia</b>	<b>Tawazon</b>	<b>Mashreq Holding</b>	<b>Nile Logistics</b>	<b>Africa Railways</b>								
Trade and Other Receivables	5.1	-	398.8	51.4	-	164.7	19.3	182.0	109.4	0.1	22.0	48.6	54.2	1,055.6	3,163.5
Inventory	-	-	95.2	46.4	-	615.3	10.7	116.9	180.5	7.2	-	37.1	-	1,109.4	1,047.2
Assets Held For Sale	-	-	5.0	-	-	1,065.6	-	-	134.2	-	-	-	138.7	1,343.5	1,382.9
Cash and Cash Equivalents	282.3	749.5	495.8	5.3	18.0	112.3	3.1	268.7	26.6	0.7	67.2	4.4	11.4	2,045.4	2,182.1
Others	1,813.5	11.9	575.8	34.4	0.9	582.5	53.1	165.6	205.3	18.0	8.1	167.1	(1,427.1)	2,209.0	207.8
<b>Total Current Assets</b>	<b>2,100.9</b>	<b>761.4</b>	<b>1,570.6</b>	<b>137.5</b>	<b>18.9</b>	<b>2,540.4</b>	<b>86.2</b>	<b>733.1</b>	<b>656.0</b>	<b>26.1</b>	<b>97.3</b>	<b>257.2</b>	<b>(1,222.8)</b>	<b>7,762.9</b>	<b>7,983.5</b>
<b>Non-Current Assets</b>															
PP&E	23.0	12,717.0	493.9	91.7	117.4	2,889.5	605.9	129.7	965.7	233.6	9.6	256.0	586.3	19,119.3	17,866.9
Investments	8,843.5	-	-	-	1.4	950.0	7.2	-	3.4	-	-	342.6	(7,605.9)	2,542.1	2,517.5
Goodwill / Intangible assets	-	-	401.6	32.6	46.7	198.0	-	754.6	276.3	-	-	24.6	1,445.3	3,179.7	2,986.9
Others	622.5	1,093.4	31.6	-	-	46.8	-	-	197.2	-	6.3	127.0	(481.3)	1,643.5	1,060.5
<b>Total Non-Current Assets</b>	<b>9,489.0</b>	<b>13,810.4</b>	<b>927.1</b>	<b>124.3</b>	<b>165.5</b>	<b>4,084.3</b>	<b>613.1</b>	<b>884.3</b>	<b>1,442.5</b>	<b>233.6</b>	<b>15.9</b>	<b>750.2</b>	<b>(6,055.7)</b>	<b>26,484.6</b>	<b>24,431.8</b>
<b>Total Assets</b>	<b>11,589.9</b>	<b>14,571.8</b>	<b>2,497.7</b>	<b>261.7</b>	<b>184.4</b>	<b>6,624.8</b>	<b>699.2</b>	<b>1,617.4</b>	<b>2,098.5</b>	<b>259.6</b>	<b>113.3</b>	<b>1,007.4</b>	<b>(7,278.4)</b>	<b>34,247.5</b>	<b>32,415.2</b>
<b>Shareholders' Equity</b>															
Total Equity Holders of the Company	8,557.1	3,614.5	926.56	94.3	147.2	(866.6)	(56.1)	(218.8)	353.2	(331.2)	39.6	66.0	(8,738.7)	3,587.1	3,421.4
Minority Interest	-	3,379.9	266.0	49.7	25.9	1,913.2	43.0	-	-	(8.6)	-	-	2,512.6	8,181.7	8,804.8
<b>Total Equity</b>	<b>8,557.1</b>	<b>6,994.4</b>	<b>1,192.57</b>	<b>144.0</b>	<b>173.1</b>	<b>1,046.6</b>	<b>(13.1)</b>	<b>(218.8)</b>	<b>353.2</b>	<b>(339.8)</b>	<b>39.6</b>	<b>66.0</b>	<b>(6,226.1)</b>	<b>11,768.9</b>	<b>12,226.2</b>
<b>Current Liabilities</b>															
Borrowings	1,158.2	-	126.6	20.1	-	444.4	286.2	254.9	386.8	27.8	-	99.4	614.5	3,419.1	2,753.3
Trade and Other Payables	782.2	1,207.6	837.7	57.8	7.5	1,164.4	286.4	244.2	771.2	547.9	72.6	410.2	(1,673.4)	4,717.3	3,987.7
Provisions	190.7	-	28.5	31.0	3.8	174.6	7.3	-	21.5	2.0	1.1	8.7	21.8	491.2	489.6
Liabilities Held For Sale	-	-	-	-	-	516.2	-	-	454.2	-	-	-	-	970.4	937.9
<b>Total Current Liabilities</b>	<b>2,131.1</b>	<b>1,207.6</b>	<b>992.97</b>	<b>108.9</b>	<b>11.3</b>	<b>2,300.6</b>	<b>579.9</b>	<b>499.2</b>	<b>1,633.6</b>	<b>577.8</b>	<b>73.7</b>	<b>518.3</b>	<b>(1,037.0)</b>	<b>9,598.0</b>	<b>8,168.5</b>
<b>Non-Current Liabilities</b>															
Borrowings	901.7	5,869.4	128.4	-	-	1,916.0	131.3	1,398.6	86.6	21.6	-	180.6	201.1	10,835.4	10,828.9
Shareholder Loan	-	-	-	-	-	1,290.9	-	-	-	-	-	234.9	(728.9)	796.9	792.8
Long-Term Liabilities	-	500.3	183.8	8.8	-	70.6	1.2	(61.6)	25.1	-	-	7.6	512.5	1,248.4	399.0
<b>Total Non-Current Liabilities</b>	<b>901.7</b>	<b>6,369.8</b>	<b>312.19</b>	<b>8.8</b>	<b>-</b>	<b>3,277.5</b>	<b>132.4</b>	<b>1,337.1</b>	<b>111.7</b>	<b>21.6</b>	<b>-</b>	<b>423.1</b>	<b>(15.2)</b>	<b>12,880.6</b>	<b>12,020.6</b>
<b>Total Liabilities</b>	<b>3,032.8</b>	<b>7,577.4</b>	<b>1,305.16</b>	<b>117.7</b>	<b>11.3</b>	<b>5,578.1</b>	<b>712.3</b>	<b>1,836.2</b>	<b>1,745.3</b>	<b>599.4</b>	<b>73.7</b>	<b>941.4</b>	<b>(1,052.3)</b>	<b>22,478.6</b>	<b>20,189.0</b>
<b>Total Equity and Liabilities</b>	<b>11,589.9</b>	<b>14,571.8</b>	<b>2,497.72</b>	<b>261.7</b>	<b>184.4</b>	<b>6,624.8</b>	<b>699.2</b>	<b>1,617.4</b>	<b>2,098.5</b>	<b>259.6</b>	<b>113.3</b>	<b>1,007.5</b>	<b>(7,278.4)</b>	<b>34,247.5</b>	<b>32,415.2</b>

\* Miscellaneous includes United Foundries, Designopolis & Crondall



# Operational Reviews

**SECTOR CONTRIBUTION TO CORE PLATFORM REVENUES (1Q15)**  
(in EGP mn)



■ Energy	564.6
■ Cement	809.4
■ Trans. & Logistics	179.4
■ Mining	176.9

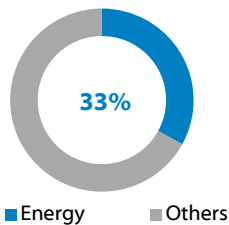




## Sector Review: Energy

Qalaa Holdings' operational core Energy companies include TAQA Arabia (energy generation and distribution) and Tawazon (solid waste management / waste-to-energy). Pre-operational greenfields include Egyptian Refining Company (petroleum refining) and Mashreq (fuels bunkering).

### Energy Percent of Core Platform Revenues (1Q15)

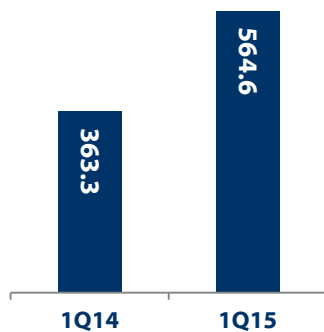


### Operational and Financial Performance

Energy division Revenues climbed 55% y-o-y in 1Q15 to EGP 564.6 million as compared to EGP 363.3 million in 1Q14. EBITDA also recorded a growth of 43% to EGP 62.3 million in 1Q15. Improved results in the year are attributable to better performance across both operational platform companies TAQA Arabia and Tawazon.

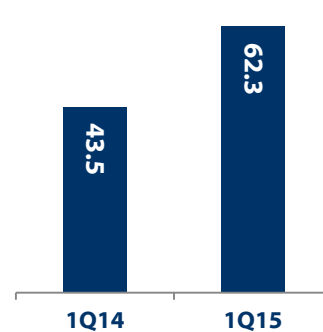
#### Energy Revenues\*

EGP 564.6 mn  
(1Q15)



#### Energy EBITDA\*

EGP 62.3 mn  
(1Q15)



(EGP mn unless otherwise stated)	1Q14	1Q15	% diff
TAQA Arabia Revenues	334.9	526.5	57%
TAQA Arabia EBITDA	38.7	56.2	45%
Tawazon Revenues	28.4	38.1	34%
Tawazon EBITDA	4.8	6.1	27%

\* Energy revenues and EBITDA are aggregate figures, representing the simple summation of TAQA Arabia and Tawazon's figures, as these are the only two operational companies within the Energy sector.

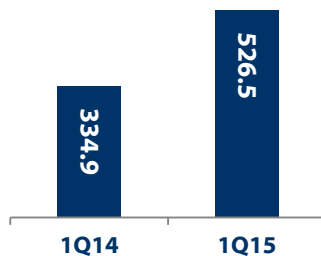


QH OWNERSHIP — 62.5%

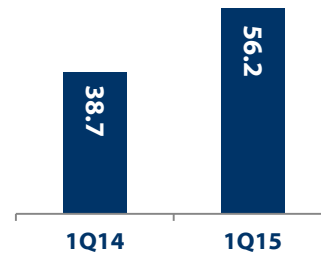
## TAQA Arabia reports 57% y-o-y growth in 1Q15 Revenues

Egypt's leading independent energy company reports strong operational and financial results for 1Q15 driven by strong performance across all of the company's divisions with the power, gas and fuels marketing arms reporting 65%, 18% and 75% y-o-y increases in revenues over 1Q14, respectively.

Consolidated TAQA Arabia  
**Revenues**  
EGP 526.5 mn  
(1Q15)



Consolidated TAQA Arabia  
**EBITDA**  
EGP 56.2 mn  
(1Q15)



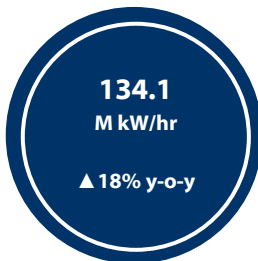
**TAQA Arabia** recorded an impressive 57% increase in revenues in 1Q15 to EGP 526.5 million compared to EGP 334.9 million the previous year. The increase was also reflected on the company's EBITDA which stood at EGP 56.2 million in 1Q15, a 45% increase over 1Q14.

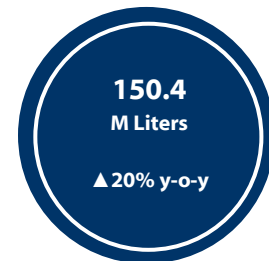
The strongest performance was from TAQA Marketing where revenues climbed 75% y-o-y to EGP 287.8 million in 1Q15 driven by an uptick in prices following the partial lifting of energy subsidies in July 2014. The division also saw sales of refined products increase 20% y-o-y despite witnessing shortages in gasoline and diesel fuels. Furthermore, better utilization of marketing tools saw sales of lubes jump 27% y-o-y in 1Q15 to 650 tons. Overall the opening of four new filling stations also helped buoy the division's performance across the board.

Meanwhile, TAQA's Power arm saw its revenues rise 65% y-o-y in 1Q15 to EGP 102.5 million with EBITDA recording EGP 23.5 million or 78% increase over 1Q14's EGP 13.2 million. Total power generated and distributed increased 18% in 1Q15 to 134.1 M kW/hr driven by higher consumption at El Futtaim's Cairo Festival City as well as El Nakheel project. TAQA Arabia Power is also making progress with its medium-scale power projects with the planned c.200 MW gas fired power plant expected to reach financial close by year end 2015 and construction set to begin in early 2016. The division is also evaluating an investment in a solar power plant following the Egyptian government's introduction of new solar power tariffs.

Despite an overall decline in distributed gas volumes in 1Q15 to 0.7 BCM, mainly on the back of reduced industrial demand, TAQA's Gas arm saw revenues increase to EGP 129.5 million, an 18% y-o-y rise. The division's performance was buoyed by a number of factors, namely increased number of constructed / converted households in 1Q15 with the total number of converted customers standing at 16.5 thousand compared to 12.75 thousand in 1Q14. The company also managed to increase its collection fee per household from EGP 1.75 / bill to EGP 2.5 / bill in addition to booking other customer service revenues. This assisted in an increase of 21% in gas distribution revenues to EGP 83.6 million.

<b>TAQA Arabia Subsidiaries (EGP mn)</b>	<b>1Q14</b>	<b>1Q15</b>	<b>% diff</b>
TAQA Arabia Power Revenues	62.0	102.5	65%
TAQA Arabia Power EBITDA	13.2	23.5	78%
TAQA Arabia Gas Revenues	110.0	129.5	18%
TAQA Arabia Gas EBITDA	27.0	31.9	18%
TAQA Marketing Revenues	164.1	287.8	75%
TAQA Marketing EBITDA	4.1	7.1	73%

**Total Power Generated & Distributed\* (1Q15)**

**Total Gas Distributed (1Q15)**

**Total Liquid Fuels Distributed (1Q15)**

**Gas Construction (FY14)**


\* Of the total, 63.1% is distributed while the remainder is generated.



QH OWNERSHIP — 68.1%

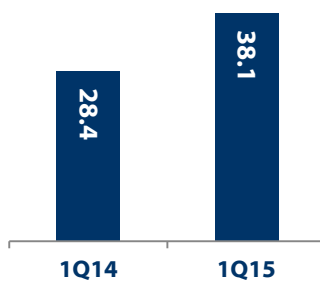
## Tawazon reports 34% growth in Revenues to EGP 38.1 mn in 1Q15

Solid waste management play **Tawazon** reported a 34% y-o-y increase in revenues in 1Q15 to EGP 38.1 million despite weakened performance at its fully-owned subsidiary ECARU which saw its revenues decline by 17% y-o-y. Tawazon also reported improvements at the EBITDA level having recorded a 27% y-o-y growth in 1Q15 to EGP 6.1 million. Qalaa increased its effective ownership in Tawazon to 68.1%, up from 53.4%, following the current capital increase.

Consolidated Tawazon

### Revenues

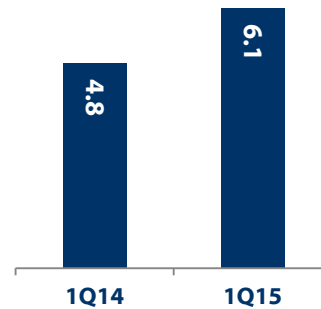
EGP 38.1 mn  
(1Q15)



Consolidated Tawazon

### EBITDA

EGP 6.1 mn  
(1Q15)



Operations at **ECARU** in 1Q15 saw biomass supply decline by 59% to 13 thousand tons compared to 33 thousand tons in 1Q14. The decreased volumes come on the back of cement plants undergoing maintenance and installing coal feeding systems during the quarter. The slowdown in operations was reflected on the company's revenues which contracted by 17% to EGP 23.7 million compared to 1Q14's figure of 28.4 million. EBITDA likewise dropped a similar 17% y-o-y to EGP 5.2 million. It is worthy to note that biomass supply to one of ECARU's clients has already resumed in mid-March with the remaining cement plants expected to follow suit during 2Q15. The company's main focus for the coming period will be to increase capacity of RDF Fluff production to keep up with the increasing demand, mainly as a result of cement plants introducing RDF as an alternative fuel to their energy mix. It is worthy to note that ECARU has supplied RDF Fluff to Lafarge through purchase orders and is expected to sign a long-term supply agreement by year end.

**ENTAG** on the other hand witnessed a more than twenty one-fold increase in its top line y-o-y to EGP 17 million in 1Q15 compared to just EGP 0.8 million in the same quarter last year. The significant jump is mainly due to the Omani (Sumrete) contract for the design and construction of an engineered sanitary landfill signed in January 2014, which generated c. EGP 11.3 million in revenues during 1Q15. ENTAG's EBITDA turned a positive EGP 0.8 million compared to 1Q14's negative EGP 1.2 million.

### Total Biomass Supplied (ECARU) (1Q15)





QH OWNERSHIP — 18.9%

## Construction progress for Egyptian Refining Company exceeds 54%

**Egyptian Refining Company (ERC)** is building a US\$ 3.7 billion greenfield petroleum refinery in the Greater Cairo Area (GCA) to begin operations during 2017 with 2018 to be the refinery’s first full year of operations. GS Engineering & Construction Corp, the general contractors for the project, took full receipt of the project site in early 2014; construction progress was 51.86% at the end of March 2015 and had reached 54.94% at the end of April 2015. Qalaa Holdings expects ERC to generate EBITDA of c. US\$ 700 million in its first full operational year. Qalaa increased its effective ownership in ERC from 15.2% to 18.9% following the current capital increase.

ERC continues to receive heavy equipment — including process reactors, fractionators and drums — at Al-Adabiya Port in Egypt’s Gulf of Suez. The company has also begun deploying the received equipment to the construction site. The photograph on the right shows the raising of the plant’s rerun column for the delayed-coker unit, a key milestone in ERC’s construction progress. ERC withdrew just over USD 100 million at the end of May and is on schedule to begin operations in 2017.



QH OWNERSHIP — 71.3%

## Qalaa is currently raising the debt funding requirements for Phase 1 of the project

As part of the ongoing effort to develop the Suez Canal corridor, in 2013 **Mashreq Petroleum** signed a 30-year concession agreement (in addition to a three-year grace period for construction) with the East Port Said Port Authority for the lease of a 210,000 sqm plot of land located in East Port Said near the Mediterranean terminus of the Suez Canal. On it, the company will build the first independent tank terminal and logistical hub of its kind in the region which will facilitate global trade and help Egypt maximize its use of the Suez Canal. Qalaa increased its effective ownership in Mashreq from 60.2% to 71.3% following the current capital increase.



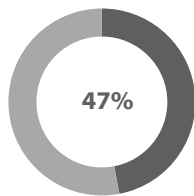
The company has signed a mandate letter with a leading financial institution outlining the responsibilities of both the lender and borrower. The agreement also kick-starts the required due diligence process for the debt funding requirements of Phase I of the project, which is expected to be operational by the end of 2016.



### Sector Review: Cement

Qalaa Holdings’ operational core Cement platform company is ASEC Holding, which includes cement manufacturing (ASEC Cement with production facilities: Al-Takamol Cement in Sudan; ASEC Minya, Misr Qena Cement and ASEC Ready Mix in Egypt; Zahana Cement Co. and Djelfa (under construction) in Algeria); construction (ARESCO, ASEC Automation) and technical management (ASEC Engineering and ASENPRO).

#### Sector Percent of Core Platform Revenues (1Q15)



■ Cement ■ Others

#### Operational and Financial Performance

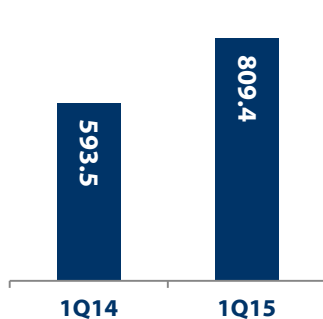
The Cement sector includes three divisions: Cement, Construction and Management. ASEC Holding saw a 36% y-o-y rise in consolidated revenues in 1Q15 with the production, management and construction segments contributing 72%, 17% and 11% of revenues, respectively.



**QH OWNERSHIP — 69.2%**

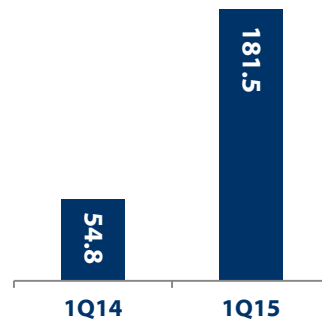
#### ASEC Holding Consolidated Revenues

EGP 809.4 mn  
(1Q15)



#### ASEC Holding Consolidated EBITDA

EGP 181.5 mn  
(1Q15)



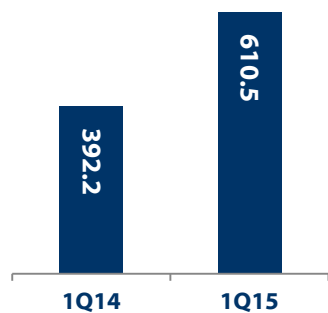


ASEC HOLDING OWNERSHIP — 59.9%

**ASEC Cement reports 56% y-o-y growth in 1Q15 Revenues; more than two-fold rise in EBITDA**

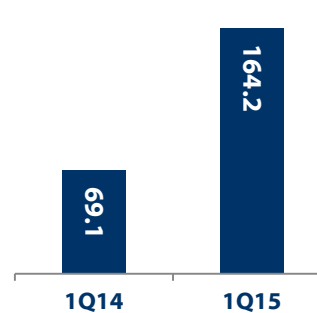
**ASEC Cement Revenues**

EGP 610.5 mn  
(1Q15)



**ASEC Cement EBITDA**

EGP 164.2 mn  
(1Q15)



**ASEC Cement** sales revenues climbed 56% y-o-y in 1Q15 to EGP 610.5 million compared to EGP 392.2 million in the same quarter last year. Meanwhile, EBITDA surged more than two-fold to EGP 164.2 million in 1Q15 with an average EBITDA margin of 27%. The improved performance is owing to higher sales volumes at ASEC Minya, improved pricing by Misr Qena and a significant contribution from Sudan’s Al-Takamol Cement as fuel became more readily available. Notably, Qalaa increased its direct ownership in ASEC Cement from 4.85% to 10.3% post the current capital increase.

During 1Q15 the Egyptian cement market witnessed a slowdown in demand on the back of seasonality, leading to cement production remaining somewhat flat. Meanwhile, improved supply of fuel saw clinker imports significantly reduced while local clinker production was back on the rise with average clinker utilization standing at 74%, up from 64% at year end 2014.

ASEC Minya continued to ramp up production with the greenfield plant now operating at a utilization rate of 104%. The first quarter of the year saw production volumes jump 31% y-o-y to 552 thousand tons pushing revenues to EGP 331.7 million, up 41% over 1Q14’s figure of EGP 235.1 million. ASEC Minya is expected to have its mills converted to operate wholly or in part on coal and / or RDF (Refused-Derived Fuel) by 3Q15, however, the company was already able to substitute just under 10% of its fuel with pet-coke owing to ASEC Engineering’s skilled personnel who devised a method to directly feed-in the kiln with small amounts of coal/pet-coke.

At Misr Qena Cement, capacity utilization remained consistently above 100% during 1Q15, as it operates with heavy fuel oil which was largely available. Revenues from the Qena plant rose a healthy 22% in 1Q15 to EGP 295.5 million supported by an 18% increase in selling prices over 1Q14 in addition to a 6% growth in production volumes. Similar to ASEC Minya, Misr Qena also began using small amounts of pet-coke to fire-up its kiln in February 2015.



Al-Takamol Cement saw significant improvement in production starting November 2014 on the back of the Sudanese government making fuel more readily available as well as stoppages at other Sudanese plants. In 1Q15 Al-Takamol sold 206 K tons compared to a total of 438 K tons in FY14. This was clearly reflected in the plant's financial performance which saw revenues surge 157% y-o-y to EGP 215.8 million and EBITDA increasing 11.5x to EGP 48.8 million, progressing from EGP 12 million in January 2015 to EGP 22 million in March 2015 with expectation that EBITDA will continue to increase till year-end. Al-Takamol continues to hold over 25% share of Sudan's cement market after regaining its second place standing in December 2014.

ASEC Ready Mix saw revenues increase 59% y-o-y in 1Q15 to EGP 45.8 million on the back of higher selling prices which climbed 15% as well as increased production volumes at four active batch plants.

<b>ASEC Cement Subsidiaries (EGP mn)</b>	<b>1Q14</b>	<b>1Q15</b>	<b>% diff</b>
Asec Minya Revenues	235.1	331.7	41%
Asec Minya EBITDA	66.4	82.1	24%
Misr Qena Cement Revenues*	243.0	295.5	22%
Misr Qena Cement EBITDA*	101.2	111.7	10%
Al-Takamol Cement Co. Revenues	84.1	215.8	157%
Al-Takamol Cement Co EBITDA	4.2	48.8	1048%
ASEC Ready Mix Revenues	28.9	45.8	59%
ASEC Ready Mix EBITDA	4.6	6.4	40%
Zahana (Algeria) Revenues	22.1	62.3	182%
Zahana (Algeria) EBITDA	(13.5)	15.8	n/a

\* Misr Qena is consolidated using the equity method (share of associates)

**Total Sales Volume  
(ASEC Minya) (1Q15)**



**Total Sales Volume  
(Al-Takamol) (1Q15)**



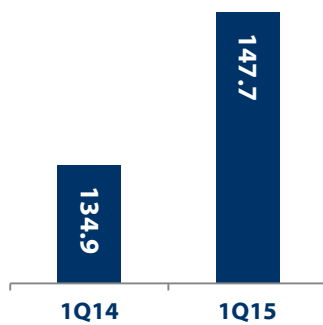
**Total Sales Volume  
(Misr Qena) (1Q15)**



## ASEC Engineering reports 64% y-o-y growth in 1Q15 EBITDA

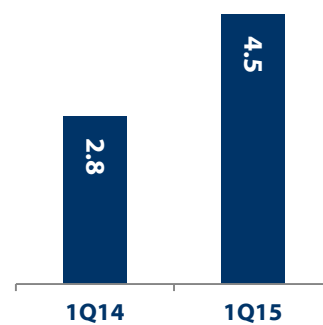
### ASEC Engineering Revenues

EGP 147.7 mn  
(1Q15)



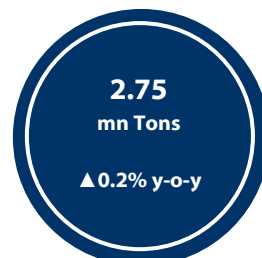
### ASEC Engineering EBITDA

EGP 4.5 mn  
(1Q15)



**ASEC Engineering** manages plants with a combined capacity in Egypt of 13.5 MTPA, 2.75 million tons of which were produced during 1Q15 remaining somewhat flat y-o-y in spite of South Valley Cement's contract termination. The company is projected to manage a total of 11.7 MT in 2015 and close to 13 MT in 2016. Total revenues reached EGP 147.7 million, a 10% y-o-y increase, while the company's EBITDA saw a significant improvement of 64% y-o-y to EGP 4.5 million compared to 1Q14's EGP 2.8 million. The company's enhanced performance is owing to improved operational efficiency and reduced fixed costs, higher fee per ton and significant contributions from overseas projects.

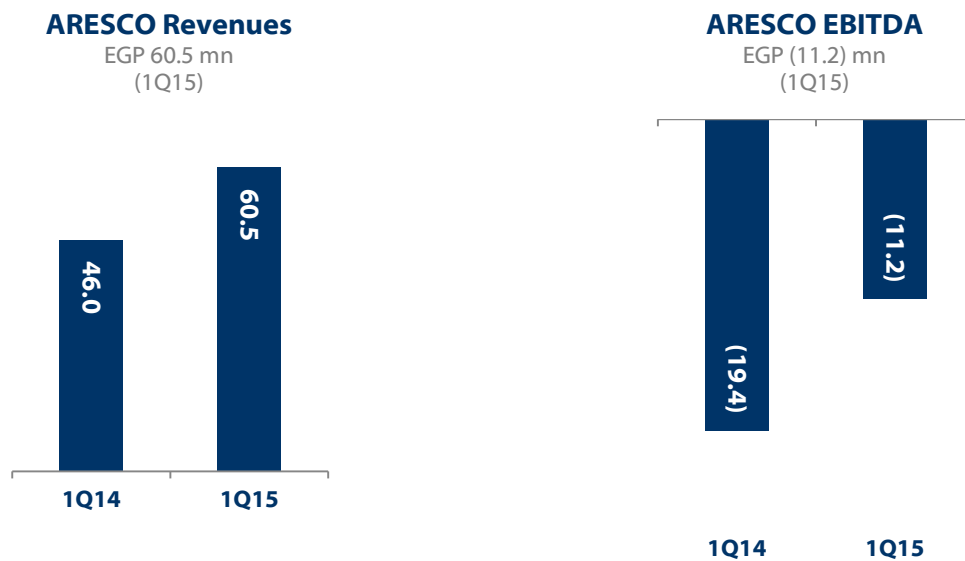
### Managed Clinker Production (1Q15)





ASEC HOLDING OWNERSHIP — 99.9%

ARESCO reports a 32% y-o-y increase in 1Q15 Revenues; closed with new contracts worth EGP 1.3 billion



**ARESCO** 1Q15 revenues reported a 32% increase to EGP 60.5 million compared to the EGP 46 million recorded in the same period last year. The uptick in revenues is supported by a solid backlog of contracts awarded in 4Q14, which also reflected positively on EBITDA having narrowed its losses from EGP 19.4 million in 1Q14 to EGP 11.2 million in 1Q15. ARESCO closed the first quarter of 2015 with a backlog of some EGP 1.315 billion, c.60% of which were recognized as revenues with the remaining balance of over EGP 500 million to be executed and realized over the course of the coming 12-18 months. It is worthy to note that during the previous periods the company had witnessed delays in receiving financing which somewhat hindered its ability to execute projects in a timely manner. Following extensive negotiations, ARESCO is now in the advanced stages of streamlining the process of issuing letters of credit, which will place the company in a better position to sign and execute the EGP 2 billion of projects in its pipeline.

### Total Construction Backlog (ARESCO) (1Q15)

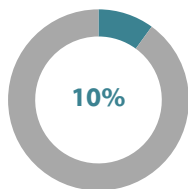




## Sector Review: Transportation & Logistics

Qalaa Holdings' operational core Transportation & Logistics companies include Nile Logistics (sea port services in Egypt as well as river transportation in Egypt, Sudan and South Sudan) and Rift Valley Railways (the national railway of Kenya and Uganda).

### Sector Percent of Core Platform Revenues (1Q15)



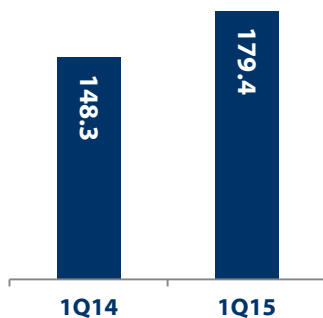
■ Trans. & Logistics ■ Others

### Operational and Financial Performance

The Transportation & Logistics division posted aggregate revenues in 1Q15 of EGP 179.4 million, a 21% increase over the EGP 148.3 million recorded last year. The sector's aggregate EBITDA swung to a positive EGP 2.9 million in 1Q15 as compared to a negative EGP 29.8 million the previous year.

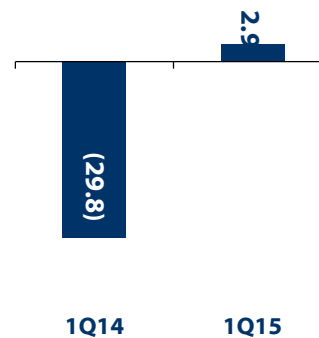
#### Trans. & Logistics Revenues\*

EGP 179.4 mn  
(1Q15)



#### Trans. & Logistics EBITDA\*

EGP 2.9 mn  
(1Q15)



(EGP mn unless otherwise stated)	1Q14	1Q15	% diff
Nile Logistics Revenues	12.4	17.7	43%
Nile Logistics EBITDA	(3.1)	3.2	n/a
Nile Barges South Sudan Revenues (in USD mn)	-	0.6	n/a
Nile Barges South Sudan EBITDA (in USD mn)	(0.2)	0.1	n/a

\* Revenue and EBITDA figures represent the aggregate / simple summation of Nile Logistics and Africa Railways results.



1Q15 EBITDA swings to positive; company ramps up capacity of sea port services



**Nile Logistics** reported revenues of EGP 17.7 million in 1Q15, recording a 43% growth compared to the same quarter last year. EBITDA meanwhile turned a positive EGP 3.2 million in 1Q15 compared to negative EGP 3.1 million in 1Q14 and a negative EGP 10.7 million in 4Q14. The turnaround in performance is owing an increase in total volume of Anchorage Services (stevedoring) which climbed 59% q-o-q and 63% y-o-y in 1Q15 to 282,000 tons. In spite of bad weather conditions during the month of January 2015, which negatively affected stevedoring operations, the company made the balance by handling an all time high of 186,000 tons in February at the port of Nubareya, buoyed by the commissioning of a second floating crane which is now fully operational. Qalaa Holdings’ effective ownership in Nile Logistics increased to 67.6%, up from 62%, following the current capital increase.

In Port Said, bad weather conditions and a lack of a secured berthing service at the Suez Canal Container Terminal in East Port Said, saw the volume of Twenty-foot Equivalent Units “TEUs” handled decrease to an average of 1,400 TEUs during the months of January and February, down from an average of 2,500 TEUs per month in 4Q14. However, with winter season coming to an end and following a new operational strategy aimed at resolving the berthing issue, TEUs handled during March 2015 broke the 3,000 mark with the quarter closing a total of 6,213 TEUs, up 489% over 1Q14. Volumes are expected to stabilize above the 3,000 TEU per month level and eventually start increasing beyond that as two additional 100m barges are mobilized at Port Said to serve contractual agreements with new clients one of which entered operations in 1Q15.

Financial performance is expected to further improve in line with the company’s continued operational expansion in 2015, which in addition to the newly phased-in floating crane and the mobilization of additional barges, will see the launch of operations at Adabeya Port in 2Q15. In South Sudan, Nile Barges resumed operations utilizing one barge and recorded revenues of USD 600 thousand in 1Q15 with EBITDA at USD 80 thousand.

Stevedoring Tons Handled (1Q15)



Container Transshipment (1Q15)





QH OWNERSHIP — 29.7%

## Goods transported by Africa Railways’ key portfolio company Rift Valley reach new high in 1Q15

**Rift Valley Railways** continued to benefit from its three-point turnaround strategy, reporting that the amount of goods transported has reached a new high, trains are moving faster, and rolling stock continues to grow.

Operational levels climbed to new heights in the quarter driven by RVR’s ability to: (1) reduce cycle times through direct investments in infrastructure and improvements to efficient asset utilization; and (2) increase the haulage capacity of RVR through purchasing new (and rehabilitating old) rolling stock. Specifically, operations improved in the following ways:

- Net Ton Kilometers (NTK), a function of the total volume moved (in tons) multiplied by the total distance that volume was moved (in kilometers), rose c. 27% y-o-y to reach 385 million ntk in 1Q15.
- Over the same period, the volume of cargo RVR moved increased by c. 22% to a new two-year high of 439 thousand tons in one quarter.
- RVR successfully achieved the concession target of 1,987 million NTK set forth by both the Kenyan and the Ugandan governments for the 21-month period ending March 2015.

Furthermore, RVR’s trains are moving much faster today as compared to the previous year. Total Transit time (TT), which is the time needed to move a shipment from origin to destination (for offloading) plus the time needed to move the wagons back to the origin (for loading), fell tremendously.

- Along the Mombasa-Nairobi-Mombasa route, average total transit time for the various wagon classes dropped by 25% y-o-y to 2.8 days in March 2015
- On the Mombasa-Kampala-Mombasa route, average total transit time fell by 13% over the same period to become 16 days.

Last but not least of the company’s strategic and operational accomplishments in 1Q15 is that as of the end of March 2015, RVR had taken possession of 13 of the awaited 20 GE locomotives. As noted, this is the first batch of locomotives to arrive in East Africa since 1987, a key upgrade to the continent’s transportation capacity. Upon receipt of the final 7 locomotives — to be delivered in intervals, with expected arrival in June 2015 — management expects the hauling capacity of RVR to double as compared to June 2014.

### Net Ton-Kilometer Rail (1Q15)

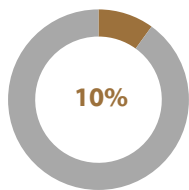




### Sector Review: Mining

Qalaa Holdings’ operational core platform in the Mining sector is ASCOM, which includes operating companies ASCOM (as standalone and leading provider of quarrying services), ASCOM for Chemicals and Carbonates Manufacturing (ACCM), ASCOM Precious Metals (APM), GlassRock, and ASCOM Sudan. ASCOM is not consolidated and is treated as an associate.

#### Sector Percent of Core Platform Revenues (1Q15)



■ Mining    ■ Others

#### Operational and Financial Performance

ASCOM’s consolidated revenues increased 19% y-o-y to reach EGP 176.9 million in 1Q15. EBITDA came in at a negative EGP 0.5 million compared to EGP 12.4 million in the same period last year.

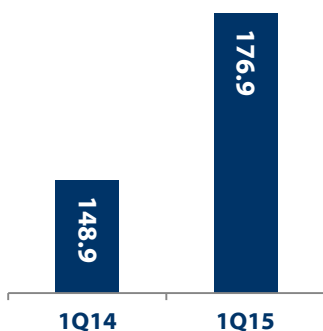


QH OWNERSHIP — 39.2%

#### ASCOM reports 19% y-o-y growth in 1Q15 Revenues

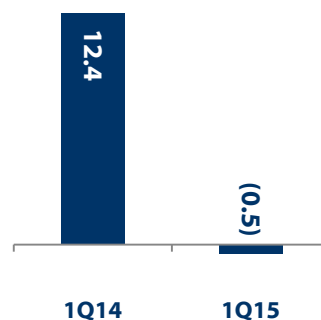
##### ASCOM Consolidated Revenues

EGP 176.9 mn (1Q15)



##### ASCOM Consolidated EBITDA

EGP (0.5) mn (1Q15)



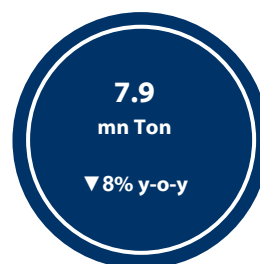
<b>ASCOM Subsidiaries (EGP mn unless otherwise stated)</b>	<b>1Q14</b>	<b>1Q15</b>	<b>% diff</b>
ACCM Revenues (in USD mn)	4.6	4.1	(11%)
ACCM EBITDA (in USD mn)	1.0	0.7	(24%)
GlassRock Revenues (in USD mn)	1.0	1.0	2%
GlassRock EBITDA (in USD mn)	(0.4)	(0.5)	28%
Egypt Quarrying Revenues	96.5	104.7	8%
Egypt Quarrying EBITDA	10.5	8.0	(24%)
Other Quarry Management Revenues - ex Egypt*	12.5	34.5	176%
Other Quarry Management EBITDA - ex Egypt*	(1.9)	(9.4)	402%

**ACCM** witnessed an 11% y-o-y decline in revenues in 1Q15 to USD 4.1 million compared to the USD 4.6 million posted in 1Q14. This was largely due to the company facing some challenges in African markets which affected its exported volumes, as well as an overall decline in calcium carbonate production which stood at 56.8 million tons in 1Q15 versus 57.7 million tons in the same quarter last year. The slowdown in top line figures, in addition to an uptick in operating costs on the back of the partial lifting of subsidies on electricity and petroleum products during 2H14, saw EBITDA recording USD 0.7 million in 1Q15, 24% lower than the USD 1.0 million recorded in 1Q14.

Meanwhile, in the **quarry management and services** business — where ASCOM is a leading supplier of limestone, clay, silica and gypsum, holding a more-than 40% share of the cement market in Egypt — revenues increased 8% y-o-y in 1Q15 to EGP 104.7 million. This was despite a decrease in Egypt’s quarrying volumes to 7.9 million tons in 1Q15, down 8% y-o-y due to a contract termination, but which was offset by an increase in prices during the quarter. Quarrying operations in Algeria and Sudan, classified as “Others”, saw revenues increase close to three-folds to EGP 34.5 million in 1Q15 compared to EGP 12.5 million the same quarter last year. However, said increase did not funnel through to the EBITDA on the back of COGS adjustments in Sudan that should normalize in 2Q15.

In mining, ASCOM has several concessions in Sudan and in Ethiopia that it uses for exploration of gold, silver and copper. At its western Ethiopian concession, ASCOM’s exploration drilling yielded very promising results and the company released its Maiden Mineral Resource Estimate putting gold resources in place at a total of 1.7 million ounces at 1.5 grams per ton. ASCOM is embarking on further exploration drilling work on site as well as on a full bankable feasibility study which should precede a full mining license and ultimately a gold production facility.

**ACCM Volumes Sold (1Q15)**

**Egypt Quarrying Business Volumes Sold (1Q15)**




## Select Non-Core: Agrifoods

Agrifoods companies include Gozour (multicategory agriculture and consumer foods) and Wafra (agriculture in Sudan and South Sudan). Wafra faces difficulties in operations ranging from political and civil conflicts in South Sudan to technical problems in Sudan and hence its figures have been excluded from this review.

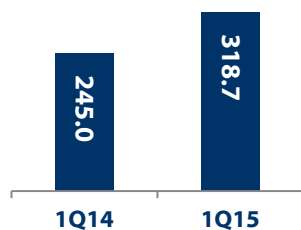


QH OWNERSHIP — 43.1%

### Gozour reports 30% y-o-y growth in 1Q15 Revenues

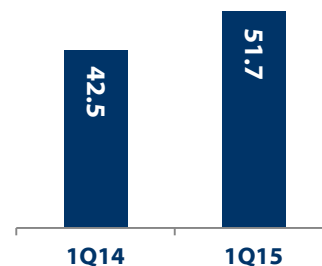
#### Consolidated Gozour Revenues

EGP 318.7 mn  
(1Q15)



#### Consolidated Gozour EBITDA

EGP 51.7 mn  
(1Q15)



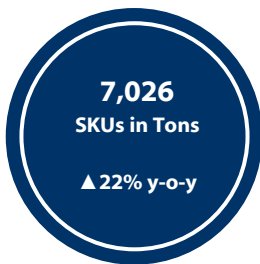
**Gozour** reported revenues of EGP 318.4 million in 1Q15, up 30% y-o-y compared to 1Q14's EGP 245 million. EBITDA reflected the company's top line, increasing 22% y-o-y to EGP 51.7 million in 1Q15. Gozour subsidiaries include confectioner Rashidi El-Mizan, the farm and fresh milk companies that operate under the Dina Farms brand and ACST which owns and operates Dina Farms' retail supermarket chains.

In the wake of management's decision to treat the agrifoods sector as non-core, Qalaa has appointed leading investment bank EFG Hermes as sell-side advisors for the sales of Dina Farms and Rashidi El Mizan. The company is also in the process of divesting Enjoy and Elmisrieen. Qalaa has announced that it will retain the retail supermarkets business owned by Dina Farms.

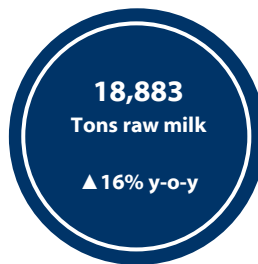
	1Q14	1Q15	% diff
<b>Gozour Subsidiaries (EGP mn)</b>			
Rashidi El-Mizan Revenues	106.4	127.9	20%
Rashidi El-Mizan EBITDA	13.8	16.3	18%
Dina Farms Revenues	94.8	103.6	9%
Dina Farms EBITDA	27.0	31.3	16%
ICDP Revenues (Fresh Dairy producer)	23.7	29.0	22%
ICDP EBITDA	2.4	4.6	92%
ACST Revenues (Retail Supermarkets)	21.3	50.7	138%
ACST EBITDA	(0.4)	2.0	n/a

- In Egypt, leading regional confectioner **Rashidi El-Mizan (REM)** saw revenues increase 20% y-o-y to EGP 127.9 million in 1Q15 on the back of a rebound in the sesame business, which witnessed volume growth of 30% in 1Q15 versus 1Q14. REM also saw increased demand in the jam and tomato paste segments. The improved performance was reflected on EBITDA which came in at EGP 16.3 million in 1Q15, up 18% y-o-y
- **Dina Farms** continued its path of organic growth, recording a 16% y-o-y increase in raw milk sales in 1Q15 and booking revenues of EGP 103.6 million, up 9% y-o-y.
- **ICDP**, which markets Dina Farms’ fresh dairy produce, continued to increase its share of the market which stood at 78% in 1Q15 compared to 76% at year-end 2014. Revenues came in at EGP 29 million in 1Q15, a 22% y-o-y increase.
- **ACST** (Dina Farms Retail) continues to report impressive growth figures, recording a more-than two-fold increase in revenues to EGP 50.7 million in 1Q15 compared to the EGP 21.3 million reported in the same period last year. Meanwhile, the retail chain’s EBITDA swung to the positive with EGP 2 million in 1Q15 versus a negative EGP 0.4 million in 1Q14. ACST more than doubled its outlets from 8 in 1Q14 to 18 by the end of 1Q15. Retail space by square meter increased 197% y-o-y to 6,615 sqm; while average like-to-like sales density rose 14% to EGP 3,640 per sqm per month as compared to EGP 3,190 per sqm per month in 1Q14.

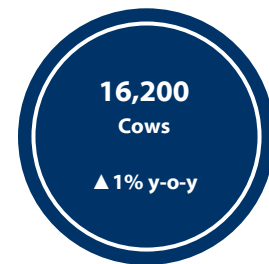
**Rashidi El Mizan Sales (1Q15)**



**Dina Farms Sales (1Q15)**

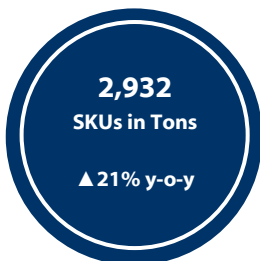


**Dina Farms Total Herd\* (1Q15)**

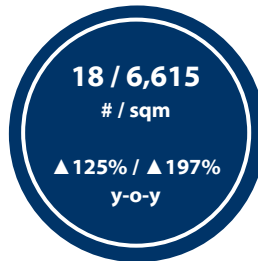


\* Of which 7,108 are milking cows

**ICDP Sales (1Q15)**



**Retail Stores / Retail Space (1Q15)**



**Average Like-to-Like Sales Density\*\* (1Q15)**



\*\* Same store comparison, area of 2,225 sqm as at the end of 1Q14.

## Select Non-Core: Microfinance

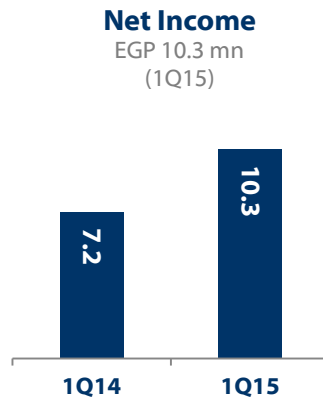
Tanmeyah Micro Enterprise Services was established in March 2009 to extend microfinance loans in the range of EGP 1,000 to EGP 30,000 to micro-businesses in Egypt and offers financial solutions to those segments of the population who previously had no access to such funding services.



QH OWNERSHIP — 70%

### Tanmeyah reports 42% growth in 1Q15 Net Income

Tanmeyah reported total operating revenues, including net interest income, insurance income and fees, in 1Q15 of EGP 28.2 million, up 35% over EGP 20.9 million in 1Q14. Meanwhile 1Q15 net income registered at EGP 10.3 million compared to EGP 7.2 million in 1Q14, a 42% y-o-y increase.



**Tanmeyah** continued its efficiency optimization efforts going into 1Q15 which it had started implementing over the past couple of years. The company managed to decrease the total number of loan officers and administrative staff across its branches while at the same time expanding its loan portfolio. This led to a decrease in cost / income ratio from 81% in 2013 to 64% in 2014 and down to 60% as of 31 March 2015. Costs include overheads, provisions, depreciation, etc; income is considered net of borrowing cost.

Tanmeyah extended total financing of EGP 185.5 million in 1Q15 against EGP 135.4 million in 1Q14, up 34% y-o-y. As at the end of March 2015, Tanmeyah had outstanding loans of EGP 403 million, 34% higher than the EGP 301.4 million as at the end of 1Q14. Total number of active borrowers stood at 92,119 at the end of 1Q15, up 20% over 1Q14.

#### Amount of Loans Outstanding (1Q15)



#### Total Loans Issued in the Period (1Q15)



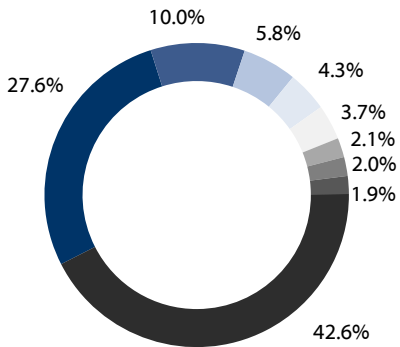
#### Number of Active Borrowers (1Q15)





**SHAREHOLDER STRUCTURE**

(as of 31 March 2015)



- CCP
- EIC
- Abanumay Family
- DH Investors LTD
- Fidelity
- Olayan
- Mansour & Maghraby
- Caravel
- Others

**Forward Looking Statements**

Statements contained in this Business Review that are not historical facts are based on current expectations, estimates, projections, opinions and beliefs of Qalaa Holdings. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon. Certain information contained herein constitutes "targets" or "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "seek," "should," "expect," "anticipate," "project," "estimate," "intend," "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology. Actual events or results or the actual performance of Qalaa Holdings may differ materially from those reflected or contemplated in such targets or forward-looking statements. The performance of Qalaa Holdings is subject to risks and uncertainties.

**CCAP.CA on the Egyptian Stock Exchange**

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