Section 7

FINANCIAL SECTOR & INVESTMENT

Table (31): Capital Market Main Indicators [1]

	Jun-07	Jun-08	Jun-09	Jun-10	Jun-11 [1]	Oct-11	Nov-11	Dec-11	Jan-12
EGX-30 Index (Previously CASE-30) [2]	**7,803**	**9,827**	**5,703**	**6,033**	**5,373**	**4,451**	**4,020**	**3,622**	**4,648**
Monthly Return (%)	0.4	-11.1	-3.8	-7.9	-2.7	7.6	-9.7	-9.9	28.3
Market Volatility [3]	1.0	1.0	2.0	1.3	1.2	1.5	2.4	1.4	1.8
Market Capitalization [4] **(LE Billion)**	**602**	**813**	**464**	**410**	**400**	**329**	**310**	**288**	**340**
In % of GDP [5]	80.8	90.8	44.5	34.0	29.1	21.0	19.7	18.4	21.6
Number of Companies	544	375	333	215	211	214	214	213	214
Traded Shares and Securities									
Value (In LE millions)	33,027	47,171	60,285	46,507	20,515	9,875	7,862	10,288	7,046
Monthly Change (%)	9.2	-33.0	69.3	60.9	12.8	-2.2	-20.4	30.9	-31.5
Annual Change (%)	166.4	42.8	27.8	-22.9	-55.9	-59.1	-68.8	-55.5	-70.5
Listed Bonds (LE Million)	**62,130**	**84,547**	**97,586**	**171,665**	**224,837**	**237,704**	**238,626**	**248869**	**--**
Government [6], of which:	57,598	78,771	92,625	159,890	206,891	220,390	221,390	231686	--
Bonds of the primary dealers	53,000	74,500	92,500	159,767	206,767	220,267	221,267	231567	--
Companies	3,843	3,880	3,096	5,423	6,718	6,396	6,404	6409	--
Securitization [7]	689	1,869	1,865	6,352	6,228	5,918	5,832	5774	--
Net Foreigners Purchases									
Value (In US$ millions)	-1,240	199	-106	43	-166	24	-58	-76	34
Volume (In thousand shares)	-297,270	23,255	562	93,610	-59,994	-9,042	-80,586	-51,350	35,983
In % of Overall Trade	31	20	12	22	20	24	24	26	33
Other Indicators									
Price / Earning Ratio [8] [9]	21.9	15.7	11.5	12.6	13.0	11.9	11.5	10.5	11.4
Dividend Yield (%) [9/10]	4.1	6.5	7.2	7.5	7.5	9.1	9.6	10.4	9.1
Turnover Ratio (%)	4.8	4.9	11.2	4.5	3.7	1.7	1.5	1.7	1.7

Source: The Egyptian Stock Exchange, the Capital Market Authority and the Central Bank of Egypt.

-- Data unavailable.

1/ It is worth noting that the Egyptian Exchange was closed from 28/1/2011 to 22/3/2011 due to the uprisings in Egypt.

2/ The biggest 30 companies in terms of liquidity and value. Index = 1000 on 1/1/1998.

3/ Calculated as standard deviation of daily returns during the period.

4/ Calculated by multiplying outstanding number of shares by their prevailing market prices.

5/ According to the Ministry of Economic Development, GDP (at market prices) for 2011/2012 is projected to reach LE 1570 billion compared to a revised figure of LE 1371.8 billion in 2010/2011.

6/ Including Treasury bonds (encompassing primary dealers), housing bonds and development bonds.

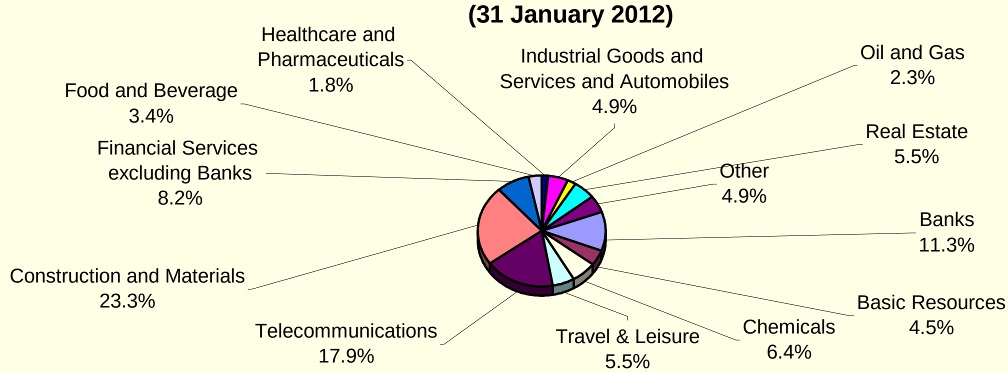
7/ Securitization bonds were listed on the Egyptian Exchange as of September 2006.

8/ Price / earning ratio, also known as the " Multiple" , is calculated by dividing the market price of each stock by its annual earnings.

9/ Calculated for the most active 50 companies.

10/ Annual dividends / current stock price.

Fig (21): Market Capitalization by Sector (31 January 2012)



Source: The Egyptian Stock Exchange Monthly Bulletin.

1/ Includes Electrical Equipment and Engineering, Media, Trade, Information Technology, Agriculture and Fishing, Paper, Packaging and Plastics, Mills and Storage, Miscellaneous Services, Retailers and Consumer Household Goods.

Table (32): Recent Acquisitions in the Egyptian Market
(August 2008 - January 2012)

Date	Acquirer	Security	Value (LE Million)	Percent Acquired (%)
Jan-12	Electrolux Counteracting Akitebolag	Olympic Group Financial Investments	37.7	1.5
Dec-11	Rawasy for Real Estate Investment	Namaa for Development and Real Estate Investment Co.	216.9	32.6
Dec-11	Kafela for Trade and Distribution	B-Tech	21.4	9.2
Dec-11	Orascom for Telecommunication, Media	Mobinil	866.0	20.0
Nov-11	Rawasy for Real Estate Investment	Namaa for Development and Real	445.0	66.9
Nov-11	Kafela for Trade and Distribution	B-Tech	203.8	87.8
Sep-11	Electrolux Counteracting Akitebolag	Olympic Group Financial Investments	2398.4	98.3
Jan-11	Group of Investors	Pyramids Capital Securities Brokerage	2.0	10.0
Jan-11	Group of Investors	Beltone Financial Holding	64.8	89.2
Dec-10	National Development Bank	El Kahera El Watania Investment	33.9	24.8
Aug-10	Egyptian Holding Co. for Natural Gas (EGAS)	Natural Gas & Mining Project (Egypt Gas)	674.2	80.0
Aug-10	Sharm Dreams Holding for Tourism & Hotels	Rowad Misr Tourism Investment	62.9	10.12
Jul-10	Egyptian Company for Tourism &Hotels	Trourism Urbanization	56.6	65.29
Jan-10	Ahli United Bank-Bahrain	Ahli United Bank-Egypt	984.9	44.40
Jan-10	Soliman Group Holding for Financial Investments [1/]	Lord Import & Export	82.5	99.98
Jan-10	Soliman Group Holding for Financial Investments [1/]	Lord Precision Industries	95.7	96.87
Jan-10	Soliman Group Holding for Financial Investments [1/]	Lord International	65.1	99.98
Dec-09	Samcrete For Engineering Investment	Samcrete Misr	4071.0	99.60
Dec-09	Beltone Partners Holding Ltd	Beltone Financial Holding	72.6	99.80
Dec-09	El Gouna Transportation	International Hotels Holdings	1944.4	99.70
Dec-09	Group of Investors	Alkan Holding	12.5	12.70
Nov-09	Lafarge Building Materials Trading Egypt	Lafarge Cement -Egypt	15466.0	53.65
Aug-09	Olympic Group Financial Investments [2/]	Cairo Feeding Industries	66.4	98.80
Jun-09	Orascom for Fertilizers Factories Maintenance [1/]	Egyptian Fertilizers Company	3468.8	99.99
Apr-09	Global Investment And Management Group Limited	Mansoura for Resins and Chemicals Industries Co.	29.1	69.10
Apr-09	National Development Bank	National Glass & Crystal Co.	182.5	88.30
Mar-09	International Finance Corporation (IFC)	Bank of Alexandria	1106.8	9.75
Mar-09	An Indian Investor	Alexandria Medical Services	96.7	86.35
Dec-08	Red Sea Company for Steel	Misr National Steel-Ataqa	14.8	4.00
Dec-08	Red Sea Company for Steel	Misr National Steel-Ataqa	355.8	96.00
Dec-08	Group of Investors	General Engineering & Motor Company	2.6	42.60
Oct-08	Naeem Holding	Naeem Financial Investments	9.5	38.00
Sep-08	Mac Holding for Industries	Egyptian Sponge	19.2	28.80
Sep-08	Beltone Partners Holding Ltd	Beltone Financial Holding	68.6	99.86
Sep-08	Prime Industrial Holding	National Glass & Crystal Co.	192.1	88.32
Aug-08	Abu Dhabi Financial Services Co.	El Salam Brokerage Co.	21.0	70.00
Aug-08	The Egyptian Company for Textiles Manufacturing	Dice Sport & Casual Wear	88.0	60.00
Aug-08	Group of Investors	Chemicals for Modern Building International	19.4	48.50

Source: The Egyptian Stock Exchange Monthly Bulletin.
1/ Value in US Dollars
2/ A swap Deal.

Table (33): Main Privatized and - or Liquidated Companies
(From 1993-1994 until 31 January 2012)

(LE Millions)

Method of Privatization	Number of Companies	Percentage Sold	Sales Proceeds
Total	**282**		**53,644**
Majority through Public Offering, of which:	**38**		**6,064**
Helwan Portland Cement		52%	1,202
Ameriyah Cement		71%	768
Paints & Chemicals Industries Pachin		62%	692
Industrial &Engineering Projects		90%	299
Minority through Public Offering, of which:	**23**		**11,003**
Telecom Egypt		20%	5,122
Sidi Krir Petrochemicals		20%	1,626
Talaat Moustafa Group		4%	932
Eastern Tobacco		34%	549
Liquidation	**34**		**--**
Asset Sale	**44**		**3,437**
Anchor Investor, of which:	**85**		**32,208**
Bank of Alexandria		80%	9,274
Fertilized Egypt		46%	1,971
Suez Cement		33%	1,800
Assiut Cement		100%	1,380
Employee Shareholder Association, of which:	**33**		**932**
Wadi Kom Ombo for Land Reclamation		100%	70
Arab Company for Land Reclamation		100%	61
General Company for Land Reclamation		100%	60
Gharbiyah Rice Mills		90%	51
Leasing	**25**		**--**

Source: Ministry of Investment and Stock Market Exchange Bulletin.

-- Data unavailable.

Table (33- continued): Privatization Proceeds
(1991/1992- 2009/2010*)

(LE Millions)

	Law 203 Sales [1/]		Joint Venture Sales [2/]		Other Public Sector Sales		Total	
	Number	Value	Number	Value	Number	Value	Number	Value
1991 - June 1994	11	418	-	-	-	-	11	418
1994/1995	14	867	-	-	-	-	14	867
1995/1996	12	977	-	-	-	-	12	977
1996/1997	29	4595	-	-	-	-	29	4595
1997/1998	23	2487	-	-	-	-	23	2487
1998/1999	33	1824	-	-	-	-	33	1824
1999/2000	39	4694	1	14	1	14	40	4708
2000/2001	11	252	7	118	-	-	18	370
2001/2002	7	73	3	879	-	-	10	952
2002/2003	6	49	1	64	-	-	7	113
2003/2004	9	428	4	115	-	-	13	543
2004/2005	16	824	12	4819	-	-	28	5643
2005/2006	47	1843	17	7647	1	5122	65	14612
2006/2007	45	2774	7	1559	1	9274	53	13607
2007/2008	20	745	16	3238	-	-	36	3983
2008/2009	15	1130	2	83	-	-	17	1213
2009/2010*	-	-	4	50	-	-	4	50

Source: Ministry of Investment.

* Preliminary. It is noteworthy that the classical privatization program was put on hold most of the fiscal year 2008/2009 due to the preparation of the "Citizen Ownership Program", that has been recently postponed in light of the impact of the global financial crisis on the market.

1/ Includes sale of unused land.

2/ All joint venture figures represent value of public sector stake.

Table (34): Performance of Emerging Markets S&P / IFCI Indexes [1/]

Rank	Emerging Market [2/]	Yield (%) Monthly Change Jan-12	Yield (%) Cumulative Change (YTD) Jan-12
1	**Egypt**	**27.2**	**27.2**
2	Hungary	22.0	22.0
3	India	20.5	20.5
4	Turkey	19.2	19.2
5	Poland	15.8	15.8
6	Brazil	14.9	14.9
7	Russia	14.2	14.2
8	China	11.0	11.0
9	Peru	10.8	10.8
10	Philippines	9.9	9.9
11	Taiwan	9.6	9.6
12	Korea	9.5	9.5
13	Chile	8.2	8.2
14	Thailand	8.1	8.1
15	South Africa	7.8	7.8
16	Mexico	7.5	7.5
17	Malaysia	5.7	5.7
18	Indonesia	3.9	3.9
19	Czech Republic	3.8	3.8
20	Morocco	3.6	3.6

Source: The Egyptian Stock Exchange Monthly Bulletin.

1/ Based on Standard & Poor (S&P) / International Finance Corporation Index (IFCI). The index measures daily performance of the most active stocks on local stock exchanges, even if stocks are unavailable to foreign investors.

2/ Argentina has been removed from the S&P/ IFCI indices for Emerging Markets effective September 21, 2009, and Venezuela was removed from the S&P/ IFCI indices for Emerging Markets on April 11, 2007.

Table (35) : Distribution of Outstanding Treasury Bills by Holder

(LE Millions)

	Jun-07	Jun-08	Jun-09	Jun-10	Jun-11	Sep-11	Oct-11	Nov-11	Dec-11
Outstanding Balance	**118,657**	**146,439**	**239,080**	**266,121**	**356,103**	**349,898**	**362,428**	**359,573**	**356,001**
Foreign Customers	--	--	4,945	38,370	24,542	16,259	15,643	11,449	7,888
Companies dealing in Securities	0	17	988	800	1,034	657	706	909	959
Holding and Investment companies	111	71	5,208	5,926	8,966	11,913	13,653	16,720	16,450
Banks	76,271	100,063	194,929	176,520	250,102	241,762	250,027	248,598	250,345
Public banks	42,747	59,429	110,482	91,276	116,892	89,001	83,333	89,752	100,673
Private banks	31,964	38,783	67,570	66,530	110,319	107,308	113,000	112,940	109,181
Foreign banks- branches	--	--	9,222	10,748	9,304	16,718	22,013	26,088	25,014
National Investment Bank	1,560	1,851	2,715	2,749	820	473	255	315	317
Specialized banks	--	--	4,940	5,217	12,767	28,262	31,426	19,503	15,160
Insurance Companies	80	81	1,568	1,803	6,491	10,574	10,872	12,514	12,131
Public Sector	66	--	1,095	941	5,028	8,577	8,739	10,261	9,663
Private Sector 1/	14	--	473	862	1,463	1,997	2,133	2,253	2,468
Mutual Funds	6,399	12,442	24,731	33,034	44,484	46,910	48,849	46,817	43,164
Insurance Funds	2,511	1,016	1,096	757	441	6,948	6,058	5,287	5,335
Housing & Construction Sector	--	--	168	197	8,641	475	565	579	550
Trade Sector	0.0	0.0	3.0	50.0	76.0	100	100	125	123
Manufacturing Sector	71	60	91	229	268	423	418	634	769
Financial Sector	--	--	42	531	300	162	110	45	103
Transporation, Electricity, Gas, and Health Sector	--	--	1	21	53	69	16	55	71
Household Sector	134	11	495	1,816	3,302	5,364	6,492	6,625	8,180
Oil & Mining Sector	--	--	2,010	1,922	1,898	1,249	1,420	1,451	1,601
Services Sector	299	112	94	850	1,871	987	804	859	1,169
Others 2/	139	406	2,711	3,295	3,634	6,046	6,695	6,906	7,163

Source: Central Bank of Egypt.

-- Data not available.

1/ Includes private and foreign branches companies.

2/ Includes T-Bills worth LE 45 billion issued in favor of the Central Bank. Issuance was according to an agreement between the Central Bank of Egypt and the Ministry of Finance. This LE 45 billion T-bills were retired during first quarter of FY 2006/2007.

Table (36) : Securities Held by Banks [1/]

(LE Millions)

	Jun-07	Jun-08	Jun-09	Jun-10	Jun-11	Sep-11	Oct-11	Nov-11	Dec-11
Total Securities	**176,098**	**201,858**	**332,597**	**405,895**	**474,176**	**477,618**	**484,109**	**491,586**	**503,302**
In Local Currency	143,598	168,182	297,194	338,834	442,648	448,451	455,507	455,439	461,222
In Foreign Currency	32,500	33,676	35,403	67,061	31,528	29,167	28,602	36,147	42,080
Government Sector	**111,288**	**148,665**	**276,095**	**318,876**	**412,196**	**417,849**	**424,769**	**433,369**	**445,821**
In Local Currency (of which):	96,652	135,129	262,044	303,297	407,814	414,894	421,802	422,336	428,950
In Foreign Currency	14,636	13,536	14,051	15,579	4,382	2,955	2,967	11,033	16,871
CBE Notes (In Local Currency)	**17,617**	-	-	-	-	-	-	-	-
Public Business Sector	**761**	**1,414**	**1,338**	**1,052**	**980**	**950**	**956**	**941**	**854**
In Local Currency	761	1,414	1,338	1,052	980	950	956	941	854
In Foreign Currency	-	-	-	-	-	-	-	-	-
Private Business Sector	**32,042**	**36,523**	**39,287**	**39,991**	**39,239**	**38,051**	**37,381**	**36,801**	**36,017**
In Local Currency	28,568	31,609	33,755	34,394	33,764	32,517	32,662	32,075	31,330
In Foreign Currency	3,474	4,914	5,532	5,597	5,475	5,534	4,719	4,726	4,687
Foreign Sector	**14,390**	**15,256**	**15,877**	**45,976**	**21,761**	**20,768**	**21,003**	**20,475**	**20,610**
In Local Currency	0	30	57	91	90	90	87	87	88
In Foreign Currency	14,390	15,226	15,820	45,885	21,671	20,678	20,916	20,388	20,522

Source: Central Bank of Egypt.

-- No Issuance during the period.

1/ Excludes securities held by the Central Bank of Egypt.

Table (37): Net Foreign Direct Investments By Countries

(US $ Million)

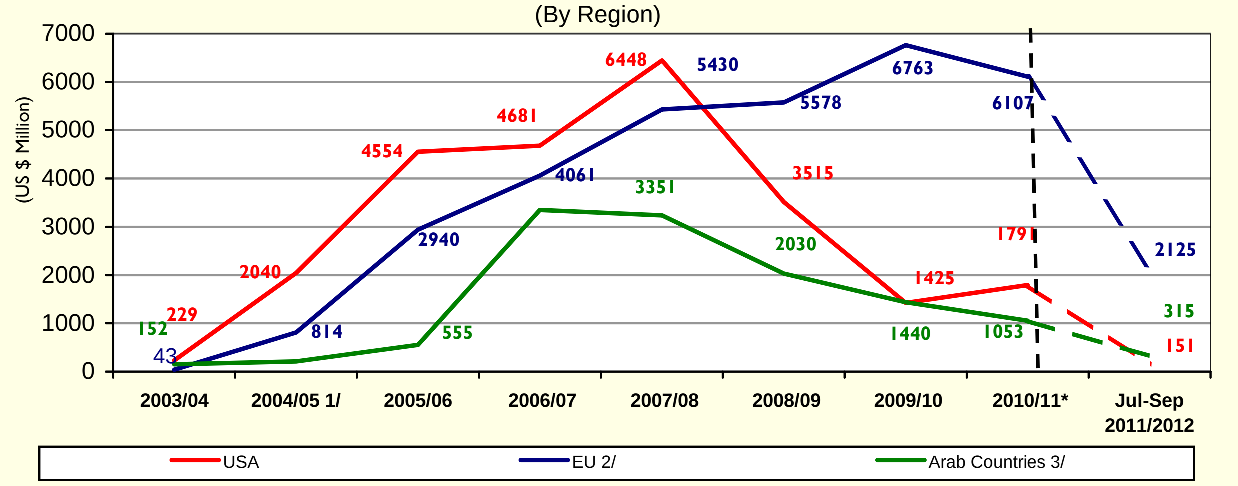
	Annual Profile					Quarterly Profile			
	2006/07	2007/08	2008/09	2009/10	2010/11*	2010/2011* Jul-Sep	2010/2011* Jan- Mar	2010/2011* Apr - Jun	2011/2012* Jul - Sep
Total Net Foreign Direct Investment	**11053**	**13237**	**8113**	**6758**	**2189**	**1597**	**-164**	**99**	**440**
I. Inflows (Of which)	**13084**	**17802**	**12836**	**11008**	**9574**	**3122**	**1815**	**2297**	**2698**
USA	4681.3	6447.8	3515	1424.9	1790.5	427.3	167.4	373.4	150.5
Germany	97.2	250.3	102.6	109.7	274.5	43.4	50.7	86.3	85.5
France	36.7	1302.7	254.3	286.2	227.0	29.1	53.8	66.6	73.0
U.K.	2209.6	3239.3	3231.8	4926.1	4307.1	1887.7	831.9	1141.3	1299.1
Spain	6.7	20.8	27	80.5	46.5	25.3	3.6	14.9	8.3
Netherlands	39.6	55.7	134	128.8	145.6	85.7	17.2	23.0	36.6
Saudi Arabia	204	365.4	514.1	323.4	206.3	112.8	21.1	53.7	20.2
U.A.E	3049.5	726.2	1037.4	303.5	410.8	42.8	142.4	39.9	140.1
Kuwait	24.8	1597.2	118	188.7	58.6	5.0	23.0	16.6	8.9
Bahrain	18.6	39.6	20.5	64.1	66.2	16.6	14.1	12.8	110.1
Oman	1.2	4.9	11.1	9.8	11.9	3.3	3.7	1.6	1.6
Switzerland	49.4	236	154.6	111.4	158.8	24.1	33.8	20.0	32.4
Other Countries	2665.7	3516.3	3715.7	3051.0	1870.6	419.2	451.9	446.7	731.5
II. Outflows	**-2031**	**-4566**	**-4723**	**-4250**	**-7386**	**-1525**	**-1978**	**-2198**	**-2258**

Source: Central Bank of Egypt

* Preliminary.

Fig (22): FDI Inflows to Egypt

(By Region)



Source: Central Bank of Egypt.

* Preliminary.

1/ Includes investments worth US$ 2638 million in the petroleum sector.

2/ Includes Austria, Belgium, Denmark, Cyprus,France, Germany, Greece, Italy, Luxembourg, Portugal, Romania, Spain, Sweden, The Netherlands and U.K.

3/ Includes Bahrain, Jordan, Kuwait, Lebanon, Libya, Oman, Qatar, Saudi Arabia, Tunisia, U.A.E. and others.