Qalaa Holdings Reports 3Q 2017 Results

Qalaa delivers double-digit top-line growth and an almost threefold increase in EBITDA in 3Q17 thanks to increased operational efficiency across its portfolio

3Q 2017 Consolidated Income Statement Highlights	
Revenues EGP 2,469.7 mn vs. EGP 1,792.9 mn in 3Q16	
EBITDA EGP 253.6 mn vs. EGP 89.9 mn in 3Q16	Net Profit After Minority EGP (311.7) mn vs. EGP (214.5) mn in 3Q16
9M 2017 Consolidated Income Statement Highlights	
Revenues EGP 6,866.4 mn vs. EGP 5,351.8 mn in 9M16	
EBITDA EGP 586.8 mn vs. EGP 328.5 mn in 9M16	Net Profit After Minority EGP (3,451.4) mn vs. EGP (773.6) mn in 9M16
Highlights from Consolidated Balance Sheet as at 30 September, 2017	
Total Assets EGP 72,821.0 mn vs. EGP 73,182.0 mn in FY16*	Total Equity EGP 11,034.0 mn vs. EGP 16,470.5 mn in FY16*

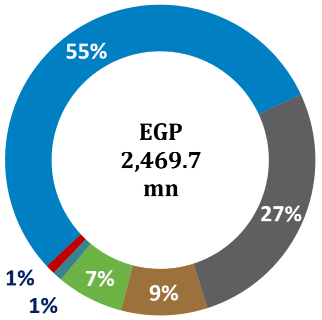
Financial & Operational Highlights

Qalaa Holdings, a leader in energy and infrastructure (CCAP.CA on the Egyptian Exchange, formerly Citadel Capital), released today its consolidated financial results for the quarter ended 30 September 2017, reporting revenues of EGP 2,469.7 million, up 38% y-o-y on the back of strong growth from energy subsidiaries TAQA Arabia and Tawazon, as well as solid performances at ASEC Holding and ASCOM. Qalaa reported a net loss after minority interest of EGP 311.7 million in 3Q17, weighed down by higher interest expense, a loss on sale of investment and FX losses during the quarter. On a nine-month basis, Qalaa's top-line recorded EGP 6,866.4 million in 9M17, up 28.3% y-o-y, while bottom-line losses posted EGP 3,451.4 million on the back of the EGP 3,150.8 million impairment booked in 2Q17 related to Africa Railways assets in Kenya (for more information please refer to Qalaa Holdings' 2Q17 Business Review).

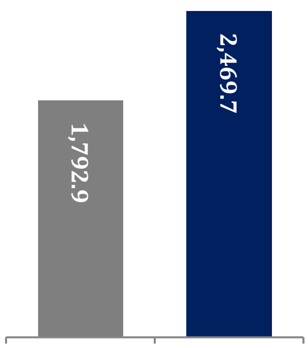
Financial and operational highlights follow, as do management's comments and overviews of the performance of different business units. Full financials are now available for download at ir.qalaaholdings.com.

** FY 2016 figures as previously stated on Qalaa Holdings' consolidated balance sheet.*

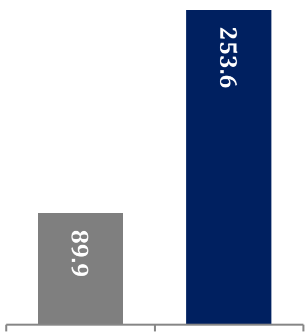
QALAA HOLDINGS CONSOLIDATED REVENUES 3Q17



REVENUE PROGRESSION
(EGP mn)



EBITDA PROGRESSION
(EGP mn)



- **Total revenues of EGP 2,469.7 million in 3Q17, up 38% y-o-y compared to the EGP 1,792.9 million recorded in 3Q16.**

  The energy sector was the largest contributor to revenues in 3Q17 at 55% followed by the cement sector at 27%.

  Revenue growth during the quarter was primarily driven by strong results from Qalaa's energy platform, including TAQA Arabia which contributed c.66% to 3Q17 revenue growth in absolute terms as it continued to benefit from gradual phase-out of energy subsidies and increase in pricing. Meanwhile, solid waste management company Tawazon contributed c.15% to consolidated growth in absolute terms, thanks to higher demand for alternative fuels in addition to strong results from the company's newly established Oman-based subsidiary, ENTAG Oman.

  Qalaa's top-line was also supported by improved performance at ASEC Holding, where a ramp-up in production at Sudan's Al-Takamol Cement along with higher management fees at ASEC Engineering helped drive the cement sector's growth in 3Q17. Additionally, mining platform ASCOM continues to reap the rewards of its export competitiveness and the translation of foreign currency proceeds. Together, ASEC Holding and ASCOM contributed c.19% to Qalaa's 3Q17 revenue growth in absolute terms.

- **Qalaa's share in associates' results recorded a 78% y-o-y increase in 3Q17 to EGP 15.8 million, driven by an improvement at ASEC Holding's Algeria-based cement subsidiary Zahana Cement.**

- **At the EBITDA level, Qalaa recorded an impressive 182% y-o-y increase to EGP 253.6 million in 3Q17, with growth being largely driven by subsidiaries Tawazon and its Omani operation, ASEC Cement and ASCOM.**

- **Bank interest expense climbed 91% y-o-y to EGP 281.6 million in 3Q17, with the float of the Egyptian pound in November 2016 affecting USD-denominated debt booked primarily at the Qalaa Holdings level.**

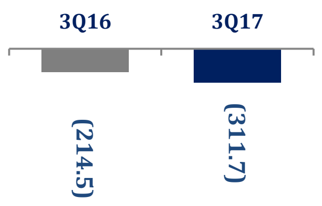
  Interest expense was partially offset by a 184% y-o-y increase in interest income to EGP 93.8 million in 3Q17, generated primarily at subsidiary TAQA Arabia.

- **Qalaa recorded a loss from sale of investment of EGP 103.1 million in 3Q17, following ASCOM's divestment of its 64.46% stake in Ethiopian mining arm APM Ethiopia to Allied Gold Corp. in July 2017.**

  Following the sale, APM Ethiopia is no longer accounted for as a fully-consolidated subsidiary on ASCOM's financial statements but instead is booked under share of associates' results, and has generated a net loss of EGP 101.7 million in 3Q17 owing to an accounting treatment on the books.

- **Losses from discontinued operations narrowed significantly to EGP 6.9 million in 3Q17, down from EGP 119.0 million in the same period last year.**

NET PROFIT PROGRESSION
(EGP mn)



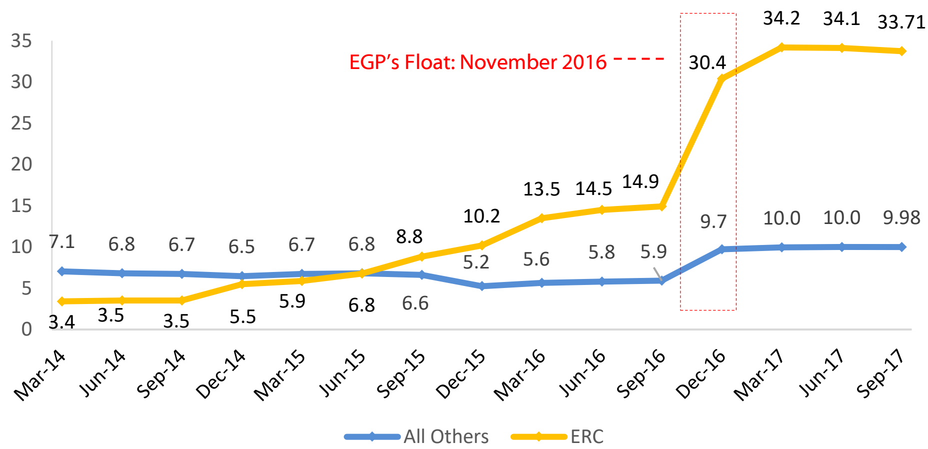
- **Qalaa booked an FX loss of EGP 101.4 million in 3Q17 on the back of Al-Takamol Cement's USD-denominated debt as well as the translation of ASEC Algeria (Djelfa) sale proceeds from DZD to USD.**

  Al-Takamol and Djelfa's FX losses were, however, partially offset by an FX gain at ASEC Holding generated from its USD-denominated shareholders' loan. Meanwhile, the weakening of the USD against the EUR saw ASCOM's subsidiary GlassRock book an FX loss as it translated a EUR-denominated debt on its USD financial statements.

- **Qalaa recorded a net loss after minority interest of EGP 311.7 million in 3Q17 versus a net loss of EGP 214.5 million in the same period last year.**

- **Qalaa's consolidated debt excluding Egyptian Refining Company (ERC) reached EGP 9.98 billion as at 30 September 2017 versus EGP 9.71 billion at 31 December 2016. ERC's total debt as at 30 September 2017 recorded EGP 33.71 billion, down from EGP 34.31 billion at 30 June 2017 owing to the EGP's appreciation against the USD during 3Q17.**

Debt Progression* (EGP bn)



**The Debt Progression chart excludes Africa Railways' debt.*

Management Comment:

"Our push for growth and increased operational efficiency is already bearing fruit and works hand-in-hand with efforts to optimize our portfolio and streamline our investments"

"Across our investment portfolio, platform companies are continuously gaining a stronger footing in today's macroeconomic environment, with year-to-date top-line growth delivered at all of Qalaa's subsidiaries," said Qalaa Holdings Chairman and Founder Ahmed Heikal. "Our consolidated revenues rose nearly 40% in the third quarter of 2017 and we are working diligently to extract increased operational efficiencies, improve profitability and translate our on-the-ground success into real value for shareholders."

"Our efforts thus far have seen us push forward a growth strategy across our subsidiaries, positioning them for further capitalization on current market dynamics and unlocking their full potential. At TAQA Arabia, we are furthering our reach across the country with three new filling stations added year-to-date and a further six to come online in the near term, allowing the company to increasingly capture the upside from the phase-out of energy subsidies. Meanwhile, Tawazon's recent venture into Oman is proving successful quarter-on-quarter, with ENTAG Oman making a fast-growing contribution to both revenues and bottom-line."

"At Qalaa's logistics and transportation play, Nile Logistics is building a more comprehensive suite of service offerings having recently ventured into dry ports with its Inland Container Depot at Nubareya, as well as ongoing efforts to further diversify into grain storage. Said efforts are strengthening the company's ability to sign and retain new business and fully leverage its competitive advantage.

"Qalaa's push for growth and increased operational efficiency is already bearing fruit and works hand-in-hand with efforts to optimize our portfolio and streamline our investments," said Qalaa Holdings Co-Founder and Managing Director Hisham El-Khazindar. "Profitability down the income statement is gradually improving, with Qalaa delivering gross margin expansion and a nearly threefold year-on-year improvement at the EBITDA level in the third quarter of 2017. We have also significantly narrowed losses from discontinued operations."

"And while our bottom-line continues to witness pullback from high interest expenses mostly related to USD-denominated debt booked at the holding level, the effect is short-term, and we anticipate a return to profitability once the Egyptian Refining Company comes online, now 95.7% complete. In the run-up to the start of ERC's operation and as per our auditor's recommendation, we are also commissioning a review to demonstrate Qalaa's exercised control over ERC and hence its full consolidation. Having said that, 9 out of ERC's 13 board members are appointed by ARC* and act in accordance with the instructions of ARC's board of directors. Qalaa exercises control over these 9 members given its control over ARC," 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.qalaaholdings.com

*Arab Refining Company (ARC) owns 72.3% in the Egyptian Refining Company (ERC)

Methods of Consolidation

Fully Consolidate Companies	Energy	TAQA Arabia, tawazon, ERC
	Transportation & Logistics	NILE LOGISTICS
	Mining	ASCOM GEOLOGY & MINING
	Cement	asec holding اسيك القابضة
	Agrifoods	Gozour جذور, WAFRA
	Specialized Real Estate	BONYAN DEVELOPMENT AND TRADE
	Metallurgy	U.C.F. United Company For Foundries, UNITED
Equity Method Consolidated Companies (Share of Associates)	Mid-cap Buyouts	GRANDVIEW Investment Holdings Corp
	Media & Retail	تنوير Tanweer

Qalaa Holdings Consolidated Income Statement (in EGP mn)

					Restated (1)				As Previously Reported			
	1Q 2017	2Q 2017	3Q 2017	9M 2017	1Q 2016	2Q 2016	3Q 2016	9M 2016	1Q 2016	2Q 2016	3Q 2016	9M 2016
Revenue	2,114.6	2,282.0	2,469.7	6,866.4	1,731.8	1,827.1	1,792.9	5,351.8	1,731.8	1,799.0	1,792.9	5,323.7
COS	(1,707.9)	(1,893.2)	(2,071.7)	(5,672.8)	(1,388.5)	(1,517.7)	(1,518.1)	(4,424.4)	(1,388.5)	(1,492.2)	(1,519.1)	(4,399.8)
Gross Profit	**406.7**	**388.9**	**398.0**	**1,193.6**	**343.3**	**309.3**	**274.7**	**927.4**	**343.3**	**306.8**	**273.8**	**923.9**
Advisory fee	**4.7**	2.9	(0.0)	7.5	2.4	2.6	2.6	7.6	2.4	2.6	2.6	7.6
Share in associates' results	(13.4)	15.4	15.8	17.8	14.1	3.8	8.9	26.7	14.1	3.8	8.9	26.7
Total Operating Profit	**398.0**	**407.1**	**413.8**	**1,218.9**	**359.8**	**315.8**	**286.2**	**961.8**	**359.8**	**313.2**	**285.3**	**958.3**
SG&A	(257.1)	(249.5)	(225.6)	(732.2)	(210.8)	(220.6)	(200.7)	(632.1)	(210.8)	(220.6)	(203.9)	(635.4)
Other inc/exp-Net	29.6	11.6	28.7	70.0	3.4	12.2	6.0	21.6	3.4	12.2	6.0	21.6
EBITDA before one-off charges	**170.4**	**169.3**	**217.0**	**556.7**	**152.4**	**107.3**	**91.5**	**351.2**	**152.4**	**104.8**	**87.3**	**344.5**
SG&A (Non recurring)	(4.7)	(1.8)	36.7	30.2	(9.2)	(11.9)	(1.6)	(22.7)	(9.2)	(11.9)	(1.6)	(22.7)
EBITDA	**165.7**	**167.4**	**253.6**	**586.8**	**143.2**	**95.4**	**89.9**	**328.5**	**143.2**	**92.9**	**85.7**	**321.8**
Dep./Amort.	(122.0)	(125.5)	(118.9)	(366.4)	(103.8)	(114.1)	(111.1)	(329.0)	(83.6)	(100.2)	(97.2)	(280.9)
EBIT	**43.8**	**42.0**	**134.7**	**220.4**	**39.4**	**(18.7)**	**(21.2)**	**(0.5)**	**59.6**	**(7.3)**	**(11.5)**	**40.8**
Bank interest exp.	(207.1)	(228.3)	(281.6)	(717.0)	(130.0)	(138.8)	(147.5)	(416.3)	(130.0)	(138.8)	(147.5)	(416.3)
Bank PIK - Bank Fees (ERC - PIK)	(71.5)	(49.7)	(47.4)	(168.6)	(18.1)	(4.0)	(16.7)	(38.8)	(18.1)	(4.0)	(16.7)	(38.8)
3rd party Shareholder	(55.1)	(54.3)	(51.4)	(160.8)	(23.0)	(22.5)	(23.0)	(68.4)	(0.5)	(44.9)	(23.0)	(68.4)
Interest income	25.3	34.9	93.8	154.0	21.0	22.5	33.0	76.5	21.0	22.5	33.0	76.5
Lease payments	(1.1)	(1.1)	(1.1)	(3.3)	(1.7)	(1.7)	(1.7)	(5.2)	(1.7)	(1.7)	(1.7)	(5.2)
EBT (before one-offs)	**(265.8)**	**(256.5)**	**(153.0)**	**(675.4)**	**(112.5)**	**(163.3)**	**(177.1)**	**(452.8)**	**(69.7)**	**(174.4)**	**(167.4)**	**(411.5)**
Gain (Loss) on sale of investments	-	404.4	(103.1)	301.3	19.5	(0.0)	(15.9)	3.6	19.5	(0.0)	(15.9)	3.6
Impairments/write downs	(17.2)	(3,153.5)	(9.0)	(3,179.6)	(5.0)	(256.0)	(19.6)	(280.6)	(5.0)	(256.0)	(19.6)	(280.6)
Restructuring consulting fees	-	-	-	-	(17.5)	(6.7)	(1.1)	(25.3)	(17.5)	(6.7)	(1.1)	(25.3)
Layoffs/Severances	(8.5)	(14.7)	(6.6)	(29.8)	(12.3)	(2.5)	(2.4)	(17.3)	(12.3)	(2.5)	(2.4)	(17.3)
CSR	(2.4)	(3.0)	(3.7)	(9.1)	(1.3)	(2.8)	(3.2)	(7.4)	(1.3)	(2.8)	(3.2)	(7.4)
Provisions	(39.5)	(17.5)	(46.2)	(103.2)	(25.9)	(20.6)	(35.0)	(81.5)	(25.9)	(20.6)	(35.0)	(81.5)
Discontinued operations *	(225.6)	(11.7)	(6.9)	(244.2)	(95.5)	(149.0)	(119.0)	(363.4)	(93.9)	(131.4)	(101.3)	(326.6)
Forex	61.1	(22.0)	(101.4)	(62.3)	(64.5)	(23.4)	33.4	(54.4)	(45.0)	(39.1)	19.9	(64.2)
EBT	**(498.0)**	**(3,074.5)**	**(429.8)**	**(4,002.3)**	**(314.9)**	**(624.3)**	**(339.9)**	**(1,279.1)**	**(251.1)**	**(633.6)**	**(326.0)**	**(1,210.7)**
Taxes	(48.6)	(3.4)	(34.8)	(86.9)	(37.2)	(19.3)	(15.5)	(72.0)	(41.8)	(22.5)	(16.3)	(80.5)
NP/L Including Minority Share	**(546.6)**	**(3,078.0)**	**(464.7)**	**(4,089.2)**	**(352.2)**	**(643.6)**	**(355.4)**	**(1,351.2)**	**(292.9)**	**(656.1)**	**(342.3)**	**(1,291.2)**
Minority Interest	(163.0)	(321.9)	(152.9)	(637.8)	(70.5)	(366.1)	(140.9)	(577.6)	(50.2)	(369.0)	(134.6)	(553.8)
NP/L for the Period	**(383.5)**	**(2,756.1)**	**(311.7)**	**(3,451.4)**	**(281.7)**	**(277.5)**	**(214.5)**	**(773.6)**	**(242.7)**	**(287.1)**	**(207.6)**	**(737.4)**

1) Comparative figures restated to retroactively account for ASEC Holding's shareholder loan interest for 1Q 2016, as well as the reclassification of ESACO from discontinued to continued operations. In addition, figures were restated to recognize higher Dep. & Amort. for ASCOM and TAQA Tangible & Intangibles resultant from assets revaluation following the purchase price allocation.

* Discontinued operations include:
(1) Assets included in 2016 & 2017: Africa Railways, Djelfa (ASEC Holding) and Designopolis (Mena Home)
(2) Assets with zero results in 2017: Enjoy and Mom's Food (Gozour)
(3) Comparative figures include assets reclassified and sold in 2016: Mashreq & Tanmeyah
(4) New assets classified in 2017: TAQA Solar reserve

Qalaa Holdings Consolidated Income Statement by Sector for the three-month period ending 30 September 2017 (in EGP mn)

			Energy			Cement	T&L^	Mining	Agrifoods		Others		
	QH	SPVs	ERC	TAQA	Tawazon	ASEC Holding	Nile Logistics	ASCOM	Gozour	Wafra	Misc.^^	Elimination	3Q 2017
Revenue	-	-	-	1,198.7	156.8	663.2	24.4	217.8	184.0	0.1	24.7	-	2,469.7
Cost of Sales	-	-	-	(1,099.5)	(110.5)	(514.5)	(17.2)	(153.0)	(154.5)	(0.2)	(22.2)	-	(2,071.7)
Gross Profit	**-**	**-**	**-**	**99.3**	**46.3**	**148.7**	**7.1**	**64.8**	**29.4**	**(0.1)**	**2.4**	**0.0**	**398.0**
Advisory fee	30.1	4.8	-	-	-	-	-	-	-	-	-	(34.9)	-
Share in Associates' Results	-	-	-	-	-	18.4	-	-	-	-	-	(2.5)	15.8
Total Operating Profit	**30.1**	**4.8**	**-**	**99.3**	**46.3**	**167.1**	**7.1**	**64.8**	**29.4**	**(0.1)**	**2.4**	**(37.4)**	**413.8**
SG&A	(40.3)	(6.7)	(8.4)	(37.0)	(5.6)	(48.5)	(10.8)	(42.9)	(42.7)	2.8	(6.9)	21.4	(225.6)
Other Income/Expenses (Net)	-	1.4	-	5.6	1.6	4.0	0.1	9.7	(6.6)	11.8	1.2	-	28.7
EBITDA (before one-offs)	**(10.3)**	**(0.5)**	**(8.4)**	**67.9**	**42.3**	**122.6**	**(3.5)**	**31.6**	**(19.9)**	**14.5**	**(3.3)**	**(16.1)**	**217.0**
SG&A (Non recurring)	(1.1)	37.8	-	-	-	-	-	-	-	-	-	-	36.7
EBITDA	**(11.4)**	**37.3**	**(8.4)**	**67.9**	**42.3**	**122.6**	**(3.5)**	**31.6**	**(19.9)**	**14.5**	**(3.3)**	**(16.1)**	**253.6**
Depreciation & Amortization	(0.6)	-	(0.6)	(11.9)	(3.3)	(16.0)	(9.9)	(39.6)	(13.0)	-	(2.9)	(21.2)	(118.9)
EBIT	**(11.9)**	**37.3**	**(9.0)**	**56.0**	**39.0**	**106.6**	**(13.4)**	**(8.0)**	**(32.9)**	**14.5**	**(6.2)**	**(37.3)**	**134.7**
Bank Interest Expense	(91.4)	(71.2)	-	(19.5)	(1.9)	(49.2)	(18.4)	(16.3)	(8.0)	-	(5.6)	-	(281.6)
Bank PIK - Bank Fees (ERC-PIK)	-	(19.1)	(28.4)	-	-	-	-	-	-	-	-	-	(47.4)
3rd Party Shareholder	-	(59.7)	-	-	-	(109.4)	(8.2)	(2.3)	-	-	(9.1)	137.4	(51.4)
Interest Income	68.0	60.5	3.2	70.1	-	0.3	-	-	-	-	36.0	(144.4)	93.8
Lease Payments	-	-	-	-	-	-	(1.1)	-	-	-	-	-	(1.1)
EBT (before one-offs)	**(35.4)**	**(52.3)**	**(34.1)**	**106.6**	**37.1**	**(51.7)**	**(41.0)**	**(26.6)**	**(40.9)**	**14.5**	**15.1**	**(44.3)**	**(153.0)**
Gain (Loss) on Sale of Investments	-	0.0	-	-	-	(1.4)	-	(101.7)	-	-	-	0.0	(103.1)
Impairments/Write-downs	-	(66.7)	-	-	-	(1.1)	-	(0.9)	0.9	-	-	58.8	(9.0)
Layoffs/Severances	(2.4)	-	-	(2.0)	-	(2.1)	-	-	-	-	-	-	(6.6)
CSR	(1.4)	-	-	(2.3)	-	-	-	-	-	-	-	-	(3.7)
Provisions	-	(8.6)	-	(26.1)	-	(9.2)	(0.2)	(1.5)	(0.1)	-	(0.5)	-	(46.2)
Discontinued Operations **	-	-	-	4.7	-	(16.0)	-	-	-	-	(6.8)	11.3	(6.9)
FOREX	(76.2)	53.2	(0.8)	(8.1)	-	(52.3)	0.3	(26.5)	0.1	(2.6)	22.5	(11.5)	(101.4)
EBT	**(115.4)**	**(74.4)**	**(34.9)**	**72.8**	**37.4**	**(133.9)**	**(40.8)**	**(157.2)**	**(39.9)**	**11.8**	**30.3**	**14.1**	**(429.8)**
Taxes	(0.7)	-	-	(23.9)	(6.8)	(6.5)	(0.1)	(0.9)	(1.2)	0.0	0.4	4.7	(34.8)
Net P/L Before Minority Share	**(116.0)**	**(74.4)**	**(34.9)**	**48.9**	**30.6**	**(140.3)**	**(40.9)**	**(158.0)**	**(41.1)**	**11.8**	**30.7**	**18.8**	**(464.7)**
Minority Interest	-	-	(3.3)	13.1	17.4	(38.9)	(7.5)	(5.3)	-	1.0	-	(129.5)	(152.9)
Net Profit (Loss)	**(116.0)**	**(74.4)**	**(31.5)**	**35.8**	**13.2**	**(101.4)**	**(33.5)**	**(152.8)**	**(41.1)**	**10.8**	**30.7**	**148.3**	**(311.7)**

** Discontinued operations include:
(1) Assets included in 2016 & 2017: Africa Railways, Djelfa (ASEC Holding) and Designopolis (Mena Home)
(2) Assets with zero results in 2017: Enjoy and Mom's Food (Gozour)
(3) New assets classified in 2017: TAQA Solar reserve

^ T&L represents Transportation & Logistics

^^ Miscellaneous includes United Foundries, Designopolis (Mena Home), Crondall, Sphinx Egypt, Mashreq, Africa Railways

Qalaa Holdings Consolidated Income Statement by Sector for the nine-month period ending 30 September 2017 (in EGP mn)

			Energy			Cement	T&L^	Mining	Agrifoods		Others		
	QH	SPVs	ERC	TAQA	Tawazon	ASEC Holding	Nile Logistics	ASCOM	Gozour	Wafra	Misc.^^	Elimination	9M 2017
Revenue	-	-	-	2,909.2	346.4	2,039.8	82.3	721.0	646.6	6.0	115.0	-	6,866.4
Cost of Sales	-	-	-	(2,619.8)	(256.5)	(1,664.9)	(65.6)	(508.3)	(480.5)	(3.1)	(74.1)	-	(5,672.8)
Gross Profit	**-**	**-**	**-**	**289.4**	**89.9**	**374.9**	**16.7**	**212.7**	**166.1**	**3.0**	**40.9**	**-**	**1,193.6**
Advisory fee	87.2	14.7	-	-	-	-	-	-	-	-	-	(94.4)	7.5
Share in Associates' Results	-	-	-	-	-	21.5	-	-	-	-	-	(3.7)	17.8
Total Operating Profit	**87.2**	**14.7**	**-**	**289.4**	**89.9**	**396.4**	**16.7**	**212.7**	**166.1**	**3.0**	**40.9**	**(98.1)**	**1,218.9**
SG&A	(134.6)	(28.5)	(28.6)	(107.8)	(17.9)	(169.3)	(33.0)	(131.7)	(139.1)	(10.7)	(18.0)	86.9	(732.2)
Other Income/Expenses (Net)	-	1.6	0.3	8.3	2.5	15.4	5.7	25.7	(2.5)	11.8	1.1	-	70.0
EBITDA (before one-offs)	**(47.3)**	**(12.2)**	**(28.3)**	**190.0**	**74.5**	**242.5**	**(10.5)**	**106.7**	**24.5**	**4.1**	**24.0**	**(11.3)**	**556.7**
Dividend Income	-	16.8	-	-	-	-	-	-	-	-	-	(16.8)	-
SG&A (Non recurring)	(7.6)	37.8	-	-	-	-	-	-	-	-	-	-	30.2
EBITDA	**(54.9)**	**42.4**	**(28.3)**	**190.0**	**74.5**	**242.5**	**(10.5)**	**106.7**	**24.5**	**4.1**	**24.0**	**(28.1)**	**586.8**
Depreciation & Amortization	(1.6)	(0.1)	(1.8)	(35.8)	(9.6)	(56.8)	(29.1)	(120.2)	(39.1)	-	(8.7)	(63.8)	(366.4)
EBIT	**(56.5)**	**42.3**	**(30.1)**	**154.2**	**64.9**	**185.7**	**(39.6)**	**(13.5)**	**(14.5)**	**4.1**	**15.3**	**(91.8)**	**220.4**
Bank Interest Expense	(236.0)	(145.2)	-	(49.0)	(4.7)	(141.5)	(55.5)	(47.4)	(22.7)	0.0	(15.1)	-	(717.0)
Bank PIK - Bank Fees (ERC-PIK)	-	(58.2)	(110.4)	-	-	-	-	-	-	-	-	-	(168.6)
3rd Party Shareholder	-	(172.0)	-	-	-	(326.0)	(23.8)	(6.7)	-	-	(27.3)	395.0	(160.8)
Interest Income	195.3	175.8	11.5	150.0	-	0.8	0.1	-	0.1	-	36.1	(415.8)	154.0
Lease Payments	-	-	-	-	-	-	(3.3)	-	-	-	-	-	(3.3)
EBT (before one-offs)	**(97.2)**	**(157.3)**	**(129.0)**	**255.2**	**60.2**	**(280.9)**	**(122.1)**	**(67.6)**	**(37.1)**	**4.1**	**9.0**	**(112.6)**	**(675.4)**
Gain (Loss) on Sale of Investments	-	(12.0)	-	-	-	403.0	-	(101.7)	-	-	(1.1)	13.0	301.3
Impairments/Write-downs	-	(94.1)	-	-	-	(6.2)	-	(1.3)	(23.1)	-	(3,150.8)	95.9	(3,179.6)
Layoffs/Severances	(8.4)	-	-	(3.5)	-	(18.0)	-	-	-	-	-	-	(29.8)
CSR	(4.2)	-	-	(5.0)	-	-	-	-	-	-	-	-	(9.1)
Provisions	-	(18.6)	-	(54.6)	-	(26.0)	(0.5)	(2.7)	(0.1)	-	(0.7)	-	(103.2)
Discontinued Operations **	-	-	-	4.7	-	(10.2)	-	-	-	-	(270.8)	32.1	(244.2)
FOREX	(108.2)	126.6	(8.2)	(2.2)	(0.6)	(50.0)	23.0	(73.6)	0.1	(2.6)	45.8	(12.4)	(62.3)
EBT	**(217.9)**	**(155.4)**	**(137.2)**	**194.7**	**59.5**	**11.7**	**(99.6)**	**(246.9)**	**(60.2)**	**1.5**	**(3,368.5)**	**16.0**	**(4,002.3)**
Taxes	(0.6)	-	-	(70.9)	(11.1)	(27.1)	-	(2.2)	(12.5)	-	1.3	36.2	(86.9)
Net P/L Before Minority Share	**(218.5)**	**(155.4)**	**(137.2)**	**123.8**	**48.4**	**(15.4)**	**(99.6)**	**(249.0)**	**(72.7)**	**1.5**	**(3,367.3)**	**52.2**	**(4,089.2)**
Minority Interest	-	-	(13.6)	35.7	26.2	96.3	(20.2)	(14.8)	-	(0.5)	-	(746.9)	(637.8)
Net Profit (Loss)	**(218.5)**	**(155.4)**	**(123.6)**	**88.1**	**22.2**	**(111.6)**	**(79.4)**	**(234.2)**	**(72.7)**	**1.9**	**(3,367.3)**	**799.1**	**(3,451.4)**

** Discontinued operations include:
(1) Assets included in 2016 & 2017: Africa Railways, Djelfa (ASEC Holding) and Designopolis (Mena Home)
(2) Assets with zero results in 2017: Enjoy and Mom's Food (Gozour)
(3) New assets classified in 2017: TAQA Solar reserve

^ T&L represents Transportation & Logistics

^^ Miscellaneous includes United Foundries, Designopolis (Mena Home), Crondall, Sphinx Egypt, Mashreq, Africa Railways

Qalaa Holdings Consolidated Balance Sheet as at 30 September 2017 (in EGP mn)

		Energy			Cement	T&L^	Mining	Agrifoods						
	QH	ERC	TAQA Arabia	Tawazon	ASEC Holding	Nile Logistics	ASCOM	Gozour	Wafra	Misc.^^	9M 2017 Aggregation	Eliminations/ SPVs	9M 2017	FY 2016
Current Assets														
Trade and Other Receivables	1,859.3	1,089.4	1,462.1	223.9	2,510.0	78.5	407.3	192.4	4.4	541.2	8,368.7	(3,233.8)	5,134.8	3,131.2
Inventory	-	-	291.1	34.1	735.0	21.6	102.1	108.3	-	79.4	1,371.6	0.4	1,372.0	1,174.2
Assets Held For Sale	-	-	19.7	-	5.8	-	-	86.6	-	643.8	755.8	588.1	1,344.0	6,631.4
Cash and Cash Equivalents	2.0	418.7	1,034.3	22.6	836.2	2.9	16.8	7.0	0.2	5.5	2,346.1	4.5	2,350.6	2,837.0
Others	-	-	-	-	80.8	-	-	4.9	-	-	85.7	3.6	89.3	77.3
Total Current Assets	**1,861.3**	**1,508.2**	**2,807.2**	**280.7**	**4,167.8**	**102.9**	**526.2**	**399.2**	**4.6**	**1,269.9**	**12,927.9**	**(2,637.2)**	**10,290.7**	**13,851.2**
Non-Current Assets														
PP&E	36.4	53,000.7	586.2	89.3	915.4	687.7	1,068.1	746.8	-	39.3	57,169.9	683.1	57,853.0	53,878.8
Investments	8,747.2	-	0.7	-	443.0	-	143.9	-	-	-	9,334.7	(8,184.0)	1,150.8	1,301.2
Goodwill / Intangible assets	-	-	408.1	32.6	4.3	-	33.0	-	-	-	477.9	563.3	1,041.2	1,657.8
Others	1,696.4	1,931.9	32.4	-	27.5	-	-	286.7	-	206.3	4,181.2	(1,695.8)	2,485.3	2,493.0
Total Non-Current Assets	**10,479.9**	**54,932.6**	**1,027.4**	**121.9**	**1,390.1**	**687.7**	**1,245.0**	**1,033.5**	**-**	**245.6**	**71,163.7**	**(8,633.4)**	**62,530.3**	**59,330.8**
Total Assets	**12,341.2**	**56,440.7**	**3,834.5**	**402.6**	**5,557.9**	**790.7**	**1,771.2**	**1,432.7**	**4.6**	**1,515.5**	**84,091.6**	**(11,270.6)**	**72,821.0**	**73,182.0**
Shareholders' Equity														
Total Equity Holders of the Company	**6,210.8**	**14,178.1**	**1,022.9**	**106.9**	**(2,842.8)**	**(409.8)**	**208.8**	**115.0**	**(1,241.2)**	**(5,807.9)**	**11,540.9**	**(16,276.1)**	**(4,735.2)**	**186.7**
Minority Interest	-	6,934.0	351.0	70.9	998.1	(166.4)	(45.9)	-	(20.8)	(0.8)	8,120.0	7,649.1	15,769.2	16,283.7
Total Equity	**6,210.8**	**21,112.1**	**1,373.9**	**177.8**	**(1,844.6)**	**(576.3)**	**162.9**	**115.0**	**(1,262.0)**	**(5,808.7)**	**19,660.9**	**(8,626.9)**	**11,034.0**	**16,470.5**
Current Liabilities														
Borrowings	3,269.4	-	432.1	45.4	885.5	583.2	313.4	55.2	8.7	4,102.8	9,695.6	537.9	10,233.5	5,793.5
Trade and Other Payables	1,829.2	1,351.7	1,401.9	124.0	3,507.5	636.2	483.5	985.7	1,253.8	1,754.0	13,327.4	(1,610.8)	11,716.6	9,099.8
Provisions	53.5	-	302.9	44.4	259.5	9.6	26.8	26.0	4.2	14.7	741.5	29.9	771.4	681.5
Liabilities Held For Sale	-	-	-	-	255.5	-	-	133.6	-	912.4	1,301.6	(780.3)	521.3	5,912.3
Total Current Liabilities	**5,152.0**	**1,351.7**	**2,136.9**	**213.7**	**4,908.0**	**1,228.9**	**823.6**	**1,200.5**	**1,266.6**	**6,784.0**	**25,066.1**	**(1,823.3)**	**23,242.8**	**21,487.1**
Non-Current Liabilities														
Borrowings	978.3	33,709.2	151.0	-	158.8	-	626.5	80.4	-	-	35,704.3	1,857.8	37,562.1	34,234.3
Shareholder Loan	-	-	-	-	2,180.8	138.1	152.6	-	-	537.5	3,008.9	(2,972.1)	36.8	47.4
Long-Term Liabilities	-	267.7	172.7	11.1	154.9	-	5.6	36.7	-	2.7	651.4	293.8	945.3	942.7
Total Non-Current Liabilities	**978.3**	**33,976.9**	**323.7**	**11.1**	**2,494.5**	**138.1**	**784.7**	**117.2**	**-**	**540.2**	**39,364.7**	**(820.5)**	**38,544.2**	**35,224.4**
Total Liabilities	**6,130.4**	**35,328.7**	**2,460.6**	**224.8**	**7,402.5**	**1,366.9**	**1,608.3**	**1,317.7**	**1,266.6**	**7,324.2**	**64,430.7**	**(2,643.7)**	**61,787.0**	**56,711.6**
Total Equity and Liabilities	**12,341.2**	**56,440.7**	**3,834.5**	**402.6**	**5,557.9**	**790.7**	**1,771.2**	**1,432.7**	**4.6**	**1,515.5**	**84,091.6**	**(11,270.6)**	**72,821.0**	**73,182.0**

^ T&L represents Transportation & Logistics

^^ Miscellaneous includes Mashreq, Africa Railways, United Foundries, Designopolis (Mena Home), Crondall, & Sphinx Egypt.

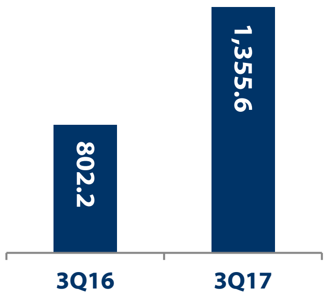
Sector Review: Energy

Qalaa Holdings' operational Energy companies include TAQA Arabia (energy generation and distribution) and Tawazon (solid waste management). Pre-operational Greenfields include Egyptian Refining Company (petroleum refining).

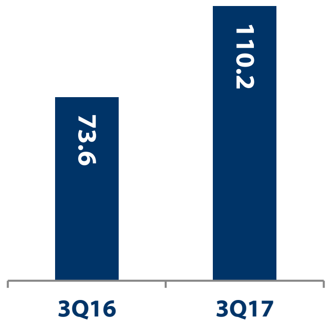
Operational and Financial Performance

The energy division delivered a solid set of results in 3Q17, with revenues rising 69% y-o-y to EGP 1,355.6 million while EBITDA recorded EGP 110.2 million, up 50% y-o-y. The sector's strong performance came as subsidiaries TAQA Arabia and Tawazon both delivered top-line growth with the latter recording a threefold increase in revenues, while TAQA's marketing arm saw sales climb 88% y-o-y in 3Q17. For the nine-month period, the energy division recorded revenue growth of 50% y-o-y to EGP 3,255.7 million in 9M17, in-turn leading to an EBITDA of EGP 264.5 million or 36% higher compared to the same period last year.

Energy Revenues[1]
(EGP mn)



Energy EBITDA[1]
(EGP mn)



(EGP mn unless otherwise stated)	3Q16	3Q17	% chg	9M16	9M17	% chg
TAQA Arabia Revenues	749.8	1,198.7	*60%*	2,040.4	2,909.2	*43%*
TAQA Arabia EBITDA	69.4	67.9	*(2%)*	181.4	190.0	*5%*
Tawazon Revenues	52.4	156.8	*199%*	128.5	346.4	*170%*
Tawazon EBITDA	4.2	42.3	*907%*	12.8	74.5	*483%*

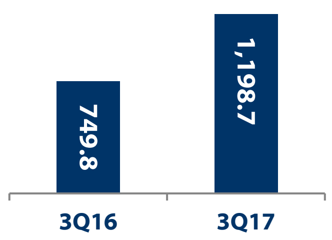
[1] Energy revenues and EBITDA are aggregate figures, representing the simple summation of TAQA Arabia and Tawazon's figures, as these are the only two operational companies within the Energy sector.

QH OWNERSHIP — 62.5%

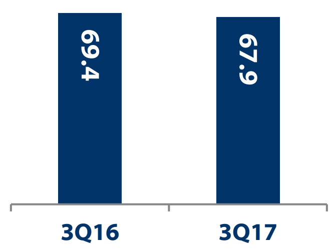
TAQA Arabia records a 60% year-on-year increase in 3Q17 revenues to EGP 1,198.7 million

TAQA Arabia, Egypt's leading independent energy company, recorded revenues of EGP 1,198.7 million in 3Q17, up a significant 60% compared to 3Q16, with top-line growth being primarily driven by the company's marketing arm. Meanwhile, EBITDA contraction at the company's power division led to a 2% y-o-y decline in TAQA Arabia's consolidated EBITDA to stand at EGP 67.9 million in 3Q17. On a nine-month basis, the company delivered a 43% y-o-y increase in revenues to EGP 2,909.2 million in 9M17, while EBITDA inched up 5% y-o-y to EGP 190.0 million for the same period.

Consolidated TAQA Arabia Revenues
(EGP mn)



Consolidated TAQA Arabia EBITDA
(EGP mn)



TAQA Marketing reported revenues of EGP 796.9 million in 3Q17, up almost twofold over 3Q16 figure and contributing the lion's share to TAQA Arabia's revenues at c.66%. Revenue growth came on the back of higher fuel products prices following the ongoing phase-out of energy subsidies, with the latest round having been implemented in June 2017. Sales of fuel products (diesel and gasoline) stood at 197 million liters in 3Q17, down 8% y-o-y, while total lube sales climbed 13% y-o-y to 1,264 tons. Top-line performance was carried down the income statement as TAQA Marketing delivered margin improvement and recorded an 89% y-o-y increase in EBITDA to EGP 33.1 million in 3Q17. For the nine-month period, the division recorded revenues of EGP 1,865.6 million in 9M17, up 59% y-o-y, with EBITDA clocking in at EGP 80.8 million, up almost twofold compared to 9M16. TAQA Marketing brought online three new filling stations during the quarter, bringing total stations as at 30th of September 2017 to 49 compared to 45 stations in 9M16. It is worth noting that the division completed construction works on an additional six new stations, with start of operations pending issuance of government permits.

TAQA Gas recorded revenues of EGP 154.3 million in 3Q17, up 32% y-o-y despite the division halting installations during the quarter in anticipation of the government's upward revision of installations fees. After a period of negotiations between a number of industry players and the government, installation fees have indeed been revised during 4Q17 to EGP 3,500 per client, up from EGP 2,500, with TAQA Arabia resuming government-subsidized installations in the fourth quarter of the year. Revenue growth in 3Q17 was nevertheless driven by higher customer service installations (infill), which recorded some 4,000 units during the quarter. Said installations are priced at market rates as they are typically contracted after TAQA has completed works on a building, and hence new connections require redeployment of labor and materials for the specific unit. Revenues were also supported by higher proceeds from industrial clients on the back of increased natural gas imports and a seasonal hike in demand for power generation. Consequently, TAQA Gas' EBITDA recorded a 16% y-o-y increase to EGP 28.8

million in 3Q17. Cumulative number of domestic households stood at 875,450 clients as at 30 September 2017, up 9% y-o-y, while total gas distributed stood at 1.2 BCM in 3Q17, up 22% y-o-y.

TAQA Power recorded revenues of EGP 247.6 million in 3Q17, up a solid 45% y-o-y with growth being driven by a 14% increase in total power distributed along with higher electricity prices, together offsetting a 25% y-o-y decline in total generated electricity. Lower generation was primarily driven by a 65% drop in the Red Sea tourist town of Marsa Alam to 9.7 M KW/hr at September 2017 versus 27.7 M KW/hr in the same period last year. Thus, the division's EBITDA contracted by 34% y-o-y in 3Q17 to EGP 20.5 million. Management, however, has extended its contract with its hotel client in Marsa Alam into 2023 given the anticipated rebound in tourism in the area, and has collected all past dues of c.EGP 4 million. Management also reiterates its strategy of diversifying its revenues base, with opportunities in new business lines currently being explored, including energy efficiency —such as the design and implementation of energy saving solutions and/or projects — and "waste to energy" services such as power generation using agricultural and municipal waste.

TAQA Arabia Subsidiaries (EGP mn)	3Q16	3Q17	*% chg*	9M16	9M17	*% chg*
TAQA Arabia Power Revenues	170.8	247.6	*45%*	389.7	520.6	*34%*
TAQA Arabia Power EBITDA	31.0	20.5	*(34%)*	71.3	63.5	*(11%)*
TAQA Arabia Gas Revenues	117.3	154.3	*32%*	428.7	523.0	*22%*
TAQA Arabia Gas EBITDA	24.8	28.8	*(16%)*	79.7	62.2	*(22%)*
TAQA Marketing Revenues	424.1	796.9	*88%*	1,173.7	1,865.6	*59%*
TAQA Marketing EBITDA	17.5	33.1	*89%*	41.7	80.8	*94%*

Total Power Generated & Distributed* (3Q17)

204.3*
M kW/hr
▼3% y-o-y

Total Gas Distributed (3Q17)

1.2
BCM
▲22% y-o-y

Total Liquid Fuels Distributed (3Q17)

197.1
M Liters
▼8% y-o-y

Filling Stations (3Q17)

49**
Stations
vs. 45 as at 3Q16

*Of the total, 66.1% is distributed while the remainder is generated.

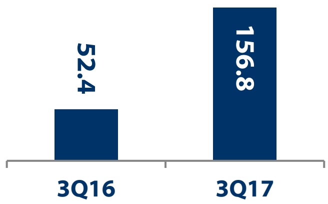
** Of which seven are CNG stations.

tawazon | QH OWNERSHIP — 68.1%

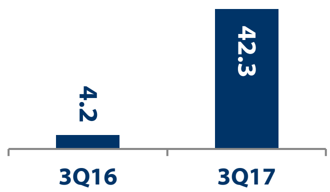
Tawazon records tenfold increase in EBITDA to EGP 42.3 million in 3Q17

Tawazon, Qalaa Holdings' solid waste management subsidiary, continued to deliver a strong performance in 3Q17 with revenues posting a 199% y-o-y increase to EGP 156.8 million, and EBITDA recording a significant tenfold surge to EGP 42.3 million. Record performance comes on the back of solid operational results from subsidiaries **ECARU** and **ENTAG**, with the latter's Omani operations contributing over 50% to Tawazon's revenues and EBITDA during the quarter. Meanwhile on a nine-month basis, Tawazon delivered equally impressive results with revenues at EGP 346.4 million in 9M17, up 170% y-o-y, while EBITDA posted a fivefold increase to EGP 74.5 million.

Consolidated Tawazon Revenues (EGP mn)



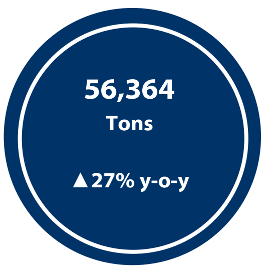
Consolidated Tawazon EBITDA (EGP mn)



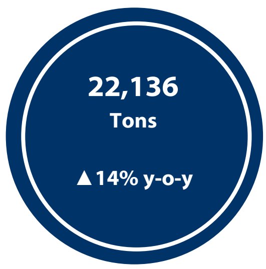
ECARU recorded revenues of EGP 72.6 million in 3Q17, up 55% y-o-y with revenue growth being dual-driven by both higher volumes and better pricing. ECARU continued to capitalize on increasing demand for alternative fuels —primarily biomass— in the wake of the partial lifting of energy subsidies on conventional fuels, with the company also being able to pass on price increases in-line with prevailing inflationary environment following the float of the Egyptian pound. Total biomass sales stood at 56,364 tons in 3Q17, up 27% y-o-y, while sales of Refuse-Derived Fuels (RDF) during the quarter totaled 22,136 tons, up 14% compared to 3Q16. EBITDA for the quarter recorded EGP 11.0 million, up 80% compared to the same period last year. On a nine-month basis, ECARU posted revenues of EGP 211.3 million in 9M17, up 76% y-o-y, while EBITDA came in 92% higher compared to 3Q16 at EGP 32.8 million. Management remains optimistic with regards to the company's current growth trajectory given the new market dynamics with the phase-out of energy subsidies and the continued issuance of new cement manufacturing licenses.

ENTAG's performance during 3Q17 saw it overtake ECARU as the largest contributor to Tawazon's consolidated revenues at c.55% or EGP 85.5 million between the company's Egyptian and Omani operations. Established in 1Q17, ENTAG Oman continued to be the primary driver of revenue growth during the year, posting a top-line of EGP 79.5 million in 3Q17. The company has secured two contracts for sanitary landfills in Oman, allowing it to benefit from the float of the Egyptian pound as it translates proceeds on its EGP-denominated financials. The first of the two projects is 100% complete (contract termination expected in December 2017) as the company made significant progress during 3Q17, with revenues up c.350% q-o-q. Meanwhile, the second contract is pending approvals from the Omani government. ENTAG Oman was also the largest contributor to EBITDA and EBITDA growth, recording EGP 30.4 million in 3Q17 or c.80% of Tawazon's EBITDA growth in absolute terms.

Total Biomass Supplied (3Q17)



Total RDF Supplied (3Q17)



ERC

QH OWNERSHIP — 17.9%

ERC reaches overall construction progress of 95.7% as of December 2017


ERC's construction site

Egyptian Refining Company (ERC) is building a USD 3.7 billion Greenfield petroleum refinery in the Greater Cairo Area (GCA); the consortium of GS Engineering & Construction Corp and Mitsui & Co Ltd, acting as the contractor for the project, took full receipt of the project site in early 2014 with overall completion progress standing at 95.0% as of September 2017.


ERC's construction site


ERC's construction site

All of ERC's heavy/major equipment has been installed at the construction site. As of September 2017, ERC withdrew USD 2,022 million from its extended facility totaling USD 2,575 million – USD 1,797 million from its senior facility and USD 225 million from the junior tranche – with the USD 553 million balance earmarked for utilization during 2018.

Sector Review: Transportation & Logistics

Qalaa Holdings' operational Transportation & Logistics companies include Nile Logistics (seaport services in Egypt as well as river transportation in Egypt and South Sudan)

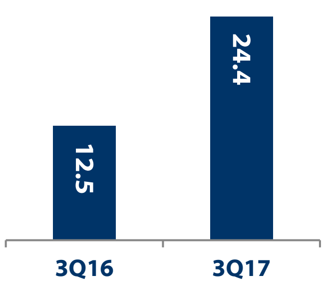
Operational and Financial Performance

Nile Logistics recorded a significant 95% y-o-y increase in revenues to EGP 24.4 million in 3Q17, driven primarily by improved pricing at the company's stevedoring operations and steadily increasing contributions from its Inland Container Depot launched in August 2016. On a nine-month basis, revenues recorded EGP 82.3 million in 9M17, up 26% y-o-y. Nile Logistics is pushing forward with the expansion of its storage facilities, with the company continuing to resort to outsourced storage capacity during the period. Outsourcing costs along with an increase in maintenance fees weighed down on profitability, with the company posting an EBITDA of negative EGP 3.5 million in 3Q17 and negative EGP 10.5 million in 9M17. EBITDA was also affected by a halt in operations at Nile Barges Sudan, however, the company has completed maintenance work on one of its barges and recommissioned it into service with preparations already underway for its first trip.

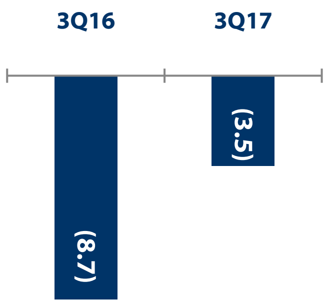
QH OWNERSHIP — 67.6%

Nile Logistics records a twofold increase in revenues to EGP 24.4 million in 3Q17

Revenues (EGP mn)

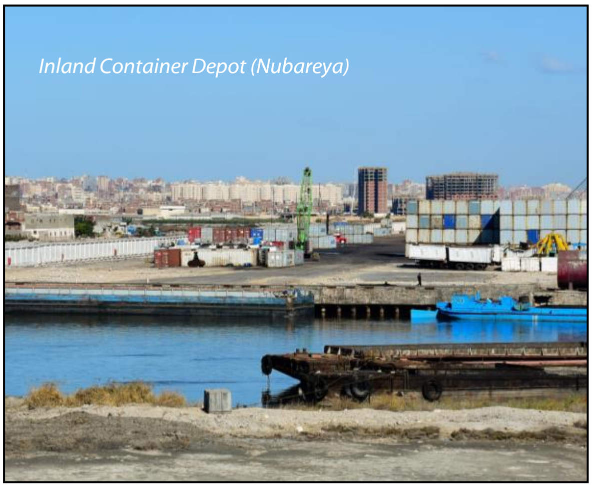


EBITDA (EGP mn)



Nile Logistics' stevedoring operations maintained normal averages of c.50 thousand tons handled per month during 3Q17, closing the quarter at a total of 146 thousand tons versus 178 thousand tons in 3Q16. For the nine-month period, total tons handled remained flat at 678 thousand tons in 9M17. The company continues to implement its phased maintenance plan for both stevedoring and river transportation barges with the aim of increasing their operational efficiency. Meanwhile, the company's Inland Container Depot operation launched in August 2016 at Nubareya is increasingly contributing to revenues and driving top-line growth, with the operation recording proceeds of EGP 3.6 million in 3Q17.

At Nile Logistics' feeder services (transsshipment) in Port Said, activity has ground to halt during 3Q17 following a hike in handling fees at the Suez Canal Container Terminal (SCCT) and shipping lines' subsequent rerouting of volumes to other ports. Total volumes handled during July 2017 stood at only 107 TEUs— down from monthly averages of c.2,000 TEUs —with no activity in August or September 2017. Consequently, the company's management decided to classify the feeder service as a discontinued operation, putting the three barges at Port Said into maintenance prior to remobilizing them to another port. Feeder service employees have already been relocated.


Inland Container Depot (Nubareya)


Inland Container Depot (Nubareya)

On the business development front, Nile Logistics is successfully leveraging the removal of energy subsidies and increasing trucking rates to its favor, capturing demand diverted to river transport as a more efficient means of transporting goods. During the quarter just ended, the company completed its first two trips for the General Company for Silos & Storage (GCSS) as part of the recently signed contract to transport grain from Alexandria port to GCSS's silos. Nile Logistics is also raising funds for the construction of a grain storage warehouse on its Nubareya land, with offtake storage agreements with one of the largest international grain and commodities traders in the final stages. Fleet additions and maintenance, expanded storage capacity and a more comprehensive offering of transportation and logistics services form the cornerstones of Nile Logistics' growth strategy, with all pillars contributing to increased operational activity and driving top-line growth.

Stevedoring Tons Handled (3Q17)

146
K Ton

▼ 18% y-o-y

Sector Review: Mining

Qalaa Holdings' operational platform in the Mining sector is ASCOM, which includes operating companies ASCOM (leading provider of quarrying services), ASCOM for Chemicals & Carbonates Manufacturing (ACCM), GlassRock and ASCOM Precious Metals (APM – consolidated under the equity method as a share of associates' results).

Operational and Financial Performance

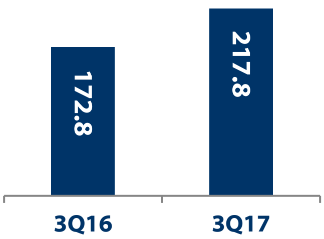
ASCOM's consolidated revenues recorded EGP 217.8 million in 3Q17, up 26% y-o-y driven by the company's ability to leverage its export competitiveness and generate foreign currency proceeds. Meanwhile, ASCOM's Egypt quarrying operations also continues to yield solid results and contribute to revenue growth. Foreign currency proceeds and their associated translation effect on the company EGP-denominated financials also helped improve profitability, with EBITDA recording a strong 157% y-o-y increase in 3Q17 to EGP 31.6 million. On a nine-month basis, ASCOM recorded revenues of EGP 721.0 million in 9M17, up 34% y-o-y, while EBITDA posted growth at 170% y-o-y to EGP 106.7 million.

ASCOM GEOLOGY & MINING

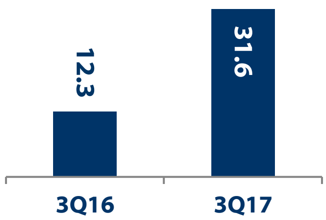
QH OWNERSHIP — 54.7%

ASCOM EBITDA records 157% year-on-year increase in 3Q17 to EGP 31.6 million

ASCOM Consolidated Revenues
(EGP mn)



ASCOM Consolidated EBITDA
(EGP mn)



ASCOM Subsidiaries (EGP mn unless otherwise stated)	3Q16	3Q17	% chg	9M16	9M17	% chg
ACCM Revenues (in USD mn)	5.1	4.3	*(16%)*	15.2	12.9	*(15%)*
ACCM EBITDA (in USD mn)	0.9	1.1	*16%*	3.1	3.9	*26%*
GlassRock Revenues (in USD mn)	0.9	1.6	*79%*	4.2	4.4	*5%*
GlassRock EBITDA (in USD mn)	(0.3)	(0.2)	*(45%)*	(0.9)	(0.6)	*(34%)*
Egypt Quarrying Revenues	92.0	101.3	*10%*	270.8	319.4	*18%*
Egypt Quarrying EBITDA	6.1	7.0	*15%*	12.9	28.8	*123%*
Other Quarry Management Revenues - ex Egypt*	27.5	7.1	*(74%)*	98.4	91.1	*(7%)*
Other Quarry Management EBITDA - ex Egypt*	8.4	(2.2)	*n/a*	14.5	4.6	*(69%)*

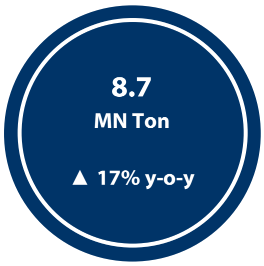
ACCM's revenues declined 16% y-o-y in 3Q17 to USD 4.3 million on the back of lower volumes, with the company selling a total of 64,300 tons during the quarter, down 7% compared to 3Q16. Nevertheless, higher export sales helped enhance profitability given the company's predominantly EGP cost base, leading to a 16% y-o-y increase in 3Q17 EBITDA to USD 1.1 million.

GlassRock is increasingly capitalizing on the float of Egyptian pound and its newly found competitiveness, driving increased orders at higher margins. The company recorded a 79% y-o-y increase in revenues to USD 1.6 million as volumes doubled to 2,000 tons during the quarter compared to 3Q16. Consequently, EBITDA losses narrowed by 45% y-o-y to negative USD 0.2 million.

At ASCOM's **Egypt Quarrying** operation, revenues posted a 10% y-o-y increase to EGP 101.3 million in 3Q17. Revenue growth came as volumes increased — up17% y-o-y to 8.7 million tons — and as the business successfully passed on price increases in the wake of the partial lifting of energy subsidies. EBITDA also recorded y-o-y improvement, climbing 15% in 3Q17 to EGP 7.0 million.

ACCM Volumes Sold (3Q17)

Egypt Quarrying Business Volumes Sold (3Q17)



Sector Review: Cement

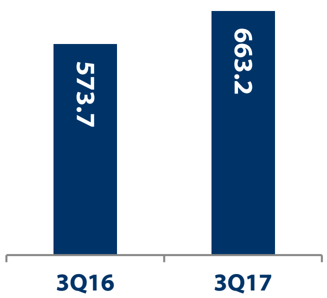
Qalaa Holdings' operational Cement platform company is ASEC Holding, which includes cement manufacturing (ASEC Cement with production facilities: Al-Takamol Cement in Sudan and Zahana Cement Co. in Algeria; construction (ARESCO, ASEC Automation) and technical management (ASEC Engineering and ASENPRO).

Operational and Financial Performance

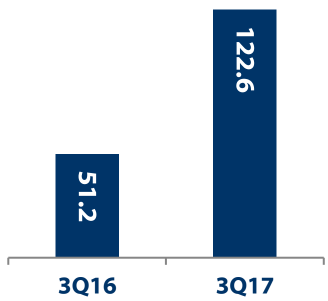
ASEC Holding recorded consolidated revenues of EGP 663.2 million in 3Q17, up 16% y-o-y and contributing 27% to Qalaa's consolidated top-line for the quarter. Higher revenues were driven by improved performance at the company's cement arm, with Al-Takamol Cement continuing to ramp-up production and delivering strong profitability, while the company's engineering arm, ASEC Engineering, also recorded strong double-digit revenue growth in 3Q17. Improved operational performance by subsidiaries had a significant impact on EBITDA which climbed 139% higher y-o-y to EGP 122.6 million in 3Q17. Meanwhile on a nine-month basis, ASEC Holding's revenues came in at EGP 2,039.8 million in 9M17, up 11% y-o-y, while EBITDA posted a 15% y-o-y increase to EGP 239.8 million in the same period.

QH OWNERSHIP — 69.2%

ASEC Holding Consolidated Revenues
(EGP mn)



ASEC Holding Consolidated EBITDA
(EGP mn)

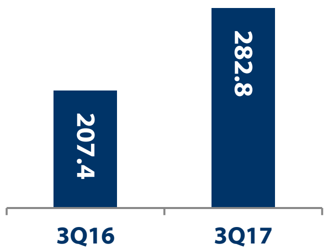


ASEC CEMENT

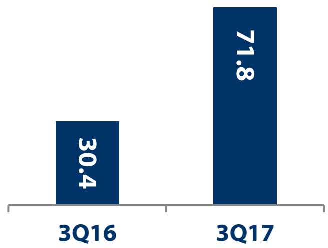
ASEC HOLDING OWNERSHIP — 59.9%

ASEC Cement records 136% year-on-year increase in EBITDA to EGP 71.8 million in 3Q17

ASEC Cement Revenues
(EGP mn)



ASEC Cement EBITDA
(EGP mn)



ASEC Cement delivered a solid performance in 3Q17 with revenues recording a 36% y-o-y increase to EGP 282.8 million, while EBITDA surged 136% y-o-y to EGP 71.8 million. The company's strong results were driven by a ramp-up in production at Al-Takamol cement, which helped offset downward pressure on Zahana Cement's top-line.

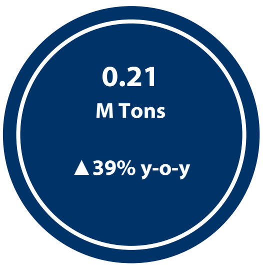
Sudan's **Al-Takamol Cement** produced a total of c.210 thousand tons in 3Q17, up 39% y-o-y and reversing the slump in volumes witnessed at the beginning of the year. Consequently, top-line recorded an impressive 86% y-o-y increase in 3Q17 to EGP 300.8 million, and filtered into an EBITDA of EGP 67.1 million, up more than threefold compared to 3Q16. The plant is currently operating at high efficiency levels thanks to a consistent supply of its energy needs afforded by its recent connection to the national electricity grid as of August 2017.

Meanwhile at Algeria's **Zahana Cement,** the company's performance continues to suffer from technical pullbacks and limited downtime during 3Q17, with volumes declining 4% y-o-y during the quarter to c.230 thousand tons. Revenues similarly recorded a 3% y-o-y decrease to EGP 214.0 million in 3Q17, while EBITDA closed at EGP 77.2 million, down 18% y-o-y. It is worthy to mention, however, that quarterly performance is a marked improvement over the previous quarter, with volumes, revenues and EBITDA recording q-o-q increases over 2Q17.

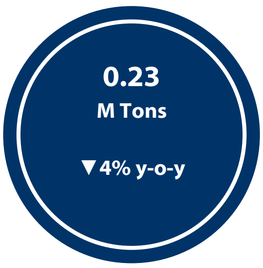
ASEC Cement Subsidiaries (EGP mn)	3Q16	3Q17	*% chg*	9M16	9M17	*% chg*
Al-Takamol Cement Co. Revenues	161.9	300.8	*86%*	641.7	814.6	*27%*
Al-Takamol Cement Co EBITDA	22.0	67.1	*205%*	109.3	107.9	*(1%)*
Zahana (Algeria) Revenues*	219.8	214.0	*(3%)*	628.1	527.1	*(16%)*
Zahana (Algeria) EBITDA*	94.7	77.2	*(18%)*	209.8	125.8	*(40%)*

** Zahana is consolidated using the equity method (share of associates)*

Total Sales Volume (Al-Takamol) (3Q17)



Total Sales Volume (Zahana) (3Q17)

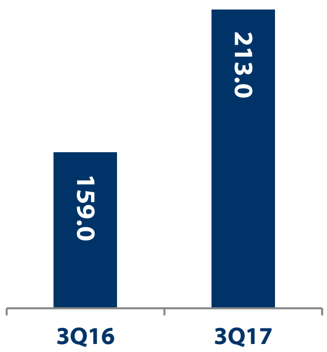


asec ENGINEERING & MANAGEMENT

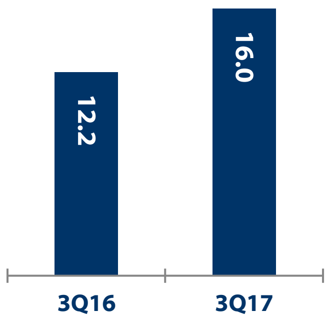
ASEC HOLDING OWNERSHIP — 99.9%

ASEC Engineering recorded a 34% year-on-year increase in revenues in 3Q17 to EGP 213.0 million

ASEC Engineering Revenues
(EGP mn)

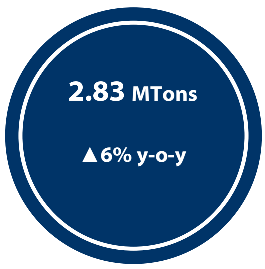


ASEC Engineering EBITDA
(EGP mn)



ASEC Engineering's total managed capacity stood at 2.83 million tons in 3Q17, up 6% y-o-y on the back of technical improvements and a focus on preventative maintenance with an effective technical support function. That, in addition to a hike in production fees, saw revenues record a solid 34% y-o-y increase in 3Q17 to EGP 213.0 million. Revenues were also supported by a consistent fuel supply and kiln availability across all projects, helping drive profitability up with EBITDA posting EGP 16.0 million in 3Q17, up 31% y-o-y and an almost 80% increase q-o-q. On a nine-month basis, ASEC Engineering recorded revenues of EGP 661.4 million in 9M17, up 32% y-o-y, while EBITDA recorded a 30% y-o-y increase to EGP 59.8 million despite the increase in operational costs, including wages and spare parts, during 2017.

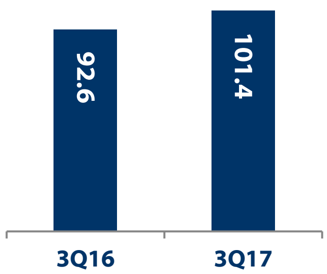
Managed Clinker Production
(3Q17)



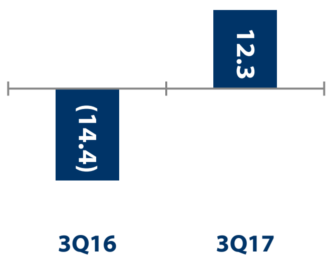
ASEC HOLDING OWNERSHIP — 99.9%

ARESCO reports a 9% year-on-year increase in revenues to EGP 101.4 million in 3Q17

ARESCO Revenues
(EGP mn)



ARESCO EBITDA
(EGP mn)



ARESCO recorded revenues of EGP 101.4 million in 3Q17, up 9% y-o-y, while on a nine-month basis revenues grew 20% y-o-y to EGP 344.9 million in 9M17. Improved top-line comes as the company implements work on new projects, with increased contribution from higher-margin streel fabrication contracts. Consequently, ARESCO's EBITDA posted EGP 12.3 million in 3Q17, reversing the negative EGP 14.4 million posted in the same period last year. For the nine-month period, EBITDA came in at EGP 36.3 million in 9M17 versus a negative EGP 4.3 million in 9M16. Stronger profitability was also supported by the company's restructuring efforts, with increased reliance on outsourced labor for different projects and in turn reduced labor costs. ARESCO is aiming to aggressively grow its backlog, currently standing at EGP 198.4 million as at 30 September 2017, with several new contracts in the pipeline.

Total Construction Backlog
(as at Sept. 2017)

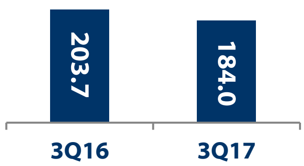
Sector Review: Agrifoods

Agrifoods companies consolidated under parent company Gozour (multicategory agriculture and consumer foods) include Dina Farms, ICDP (Dina Farms' fresh dairy producer) and ACST (Dina Farms supermarket chain).

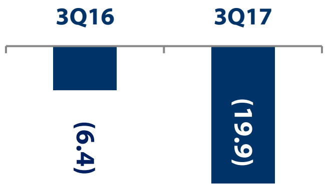
QH OWNERSHIP — 54.9%

Gozour records a 107% year-on-year increase in 9M17 EBITDA to EGP 24.5 million

Consolidated Gozour Revenues
(EGP mn)



Consolidated Gozour EBITDA
(EGP mn)



Gozour's consolidated revenues came in at EGP 184.0 million in 3Q17, down 10% y-o-y as weak operational performance at subsidiary ACST (Dina Farms retail supermarkets) muted revenue growth delivered by other subsidiaries. The company's EBITDA was also affected by operational difficulties at ACST, posting a negative EGP 19.9 million in 3Q17. On a nine-month basis, however, Gozour revenues recorded a 7% y-o-y increase while EBITDA posted a strong twofold increase to EGP 24.5 million in 9M17.

Gozour Subsidiaries (EGP mn)	3Q16	3Q17	% chg	9M16	9M17	% chg
Dina Farms Revenues	85.7	128.0	*49%*	322.1	485.1	*51%*
Dina Farms EBITDA	10.0	21.5	*114%*	56.7	126.4	*123%*
ICDP Revenues (Fresh Dairy producer)	36.8	46.4	*26%*	113.8	133.0	*17%*
ICDP EBITDA	4.4	(1.4)	*n/a*	17.4	1.4	*(92%)*
ACST Revenues (Retail Supermarkets)	67.7	21.5	*(68%)*	177.8	73.0	*(59%)*
ACST EBITDA	(5.9)	(10.3)	*76%*	(16.0)	(32.2)	*102%*

- **Dina Farms'** continued to deliver strong results in 3Q17, with revenues recording a 49% y-o-y increase to EGP 128.0 million despite the industry's downcycle that occurs in the third quarter of the year. Meanwhile, EBITDA recorded an impressive 114% y-o-y surge to EGP 21.5 million even as the company grappled with operational difficulties during the quarter, including a national outbreak of cattle fever with its adverse effect on herd milk production, as well as difficulties in corn silage which affected the agricultural arm's financial KPIs. Nevertheless, Dina Farms' total raw milk production climbed 24% y-o-y in 3Q17 to 16,807 tons. Meanwhile, the company is in the process of identifying external land locations with better fertility to cultivate up to 2,000 acres of corn silage as animal feedstock as it seeks to increase its self-sufficiency.

- **ICDP**, which markets Dina Farms' fresh dairy produce, recorded revenue growth of 26% y-o-y in 3Q17 to EGP 46.4 million despite lower SKU volumes on the back of an overall slowdown in the juice and milk markets. Total tons sold recorded 3,338 across all SKUs, down 5% y-o-y, with lower volumes weighing on profitability and leading to a negative EBITDA of EGP 1.4 million in 3Q17.

Dina Farms Sales (3Q17)

16,807
Tons raw milk
▲24% y-o-y

Dina Farms Total Herd (3Q17)

14,313*
Cows
▼3% y-o-y

ICDP Sales (3Q17)
Dina Farms fresh dairy producer

3,338
SKUs in Tons
▼5% y-o-y

* Of which 6,648 are milking cows

ENERGY

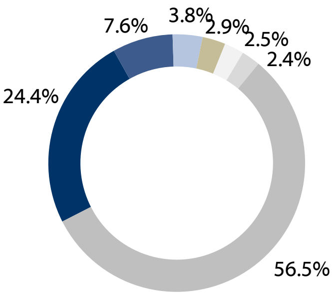
TRANSPORTATION & LOGISTICS

MINING

CEMENT

AGRIFOODS

SHAREHOLDER STRUCTURE
(as at September 2017)



CCP
EIIC
DH Investors LTD
CIB
Coronation
Olayan
Others

CCAP.CA on the EGX

Number of Shares	1,820,000,000
Of which Preferred	401,738,649
Of which Common	1,418,261,351
Paid-in Capital	EGP 9.1 billion

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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