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Listed Companies In Egypt

The bt 100: A User's Guide

The story of Egyptian business, told chapter by chapter, one year at a time

THIS PACKAGE ISN'T YET THE ultimate measure of Egyptian business, as *Fortune* magazine likes to call its American 500. It's not difficult to see why: Our package doesn't include privately held companies such as Vodafone Egypt and Raya Software — let alone the local arms of multinationals like Apache and British Petroleum — that make significant contributions to the economy without being listed on the Cairo and Alexandria Stock Exchange.

But it is a new chapter in the story of Egyptian business, a story we'll tell chapter by chapter, one year at a time as new companies go public, as Vodafone might this year, and others go bankrupt or delist, as the Holding Company for Financial Investment (aka the Lakah Group) did in 2002.

The *bt* 100 are an impressive lot: They cover 17 industries and have combined revenues of LE 36.47 billion, net profits of LE 4.22 billion and an aggregate market cap of LE 47.86 billion. Together, they employ more than 200,000 Egyptians and control assets worth more than LE 190.34 billion.

For the sake of reference (comparison would be like comparing apples to lug nuts), the nation's gross domestic product for FY 2000-01 (the fiscal year from which the revenue figures in this package are drawn) was LE 362 billion. The *bt* 100, then, had revenues equal to a bit more than 10% of that year's GDP.

So how did we arrive at the final list? To start with, it's all about revenue. We could have chosen any metric under the sun by which to rank them, but none is a better indicator of the size of a company's operations or contribution to the economy than revenue. And, hey, if it's good enough to qualify a corporation for rank-

ing on the Fortune 500, it's good enough for us.

The first cut was the easiest to make: We narrowed the list of candidates from the 20,800 companies registered in Egypt to the 1295 that are listed on the CASE. Listed companies are required by law to file audited annual results with the CASE, typically outlining everything from revenues and profits through payables and receivables, making scientific rankings possible.

We would have loved to have included companies that are privately held, listed offshore or solely owned by foreign-listed multinationals, but it would literally have been Mission Impossible to have done so. Imagine calling up Vodafone Egypt CEO Ian Gray, for example, and asking for his financials.

"Hi, Ian, it's Patrick from *bt*. We're doing this rankings project and, well, I know you don't have to tell us anything, but I was wondering if you might be willing to give me all your financial data for 2001 — you know, the stuff MobiNil has a competitive intelligence department to track down...?"

(If Vodafone lists this year, though, Ian won't have a choice in 2004.)

The next cut came as we decided to exclude all listed companies that were not actively traded in calendar year 2002 — actively traded being defined as shares changing hands at least once a week, on average. Actively traded companies are, after all, the soul of the stock market and, arguably, of the economy. That narrowed the list down to about 120 of the 1295 companies listed on the CASE.

The third cut — the actual ranking — was made by Sigma Capital, our brokerage partner for the *bt* 100. Led by head of research Hussein Abdel Halim, Sigma went on a hunt for 2001

The bt 100 By The Numbers

Industry	Number of Companies	Contribution to bt 100 revenue (LE billions)	Percent of total bt 100 revenue
Construction materials	10	6.80	18.66
Telecom, media, tech	4	6.33	17.35
Food, beverages and tobacco	12	6.11	16.78
Construction and engineering	9	4.64	12.73
Banks	17	4.45	12.19
Pharmaceuticals	10	2.07	5.67
Chemicals	7	1.73	4.74
Real estate	7	0.47	1.30
Total revenue of bt 100 companies		36.47	

revenue figures for all the finalists. (We chose 2001 figures because to wait for 2002 data would have entailed twiddling our thumbs until the end of 2003, if past experience is any indication.)

Getting the data we needed was no simple feat. Abdel Halim had annual reports in his files for 83 companies that had completed their disclosure in a relatively timely manner. Tracking down numbers on the rest of the candidates was a nightmare, involving innumerable calls to the CASE and, in some cases, to the companies themselves.

Three of the rest, Abdel Halim discovered, have been delisted, and at least four more do not appear to have filed financials. All were dropped as candidates. Others did not trade on 31 December 2001 (trading of their shares had been suspended), one reported all its figures in US dollars, and two others reported neither profits nor losses, but provisions instead.

Notes about irregular entries (about a half-dozen in all) are flagged in the *bt* 100 List (beginning page 74) and are explained in more detail in each company's bio entry (starting page 102.)

And one other quick note

about the *bt* 100 List: All the categories are self-explanatory except perhaps Brand Value, which we define as the difference between market capitalization and total owner's equity, all measured in Egyptian pounds.

We have also included a secondary list of 100 companies ranked by market capitalization, compiled without regard to how actively the companies trade. Thirty-seven of the *bt* 100 cross over, starting with number-3 ranked MobiNil, which comes fourth on the Market Cap list. Please note that the Market Cap list is based on figures provided to us by the CASE on 30 September 2002.

With no prior data against which to compare, we can't comment on trends, but we can make a prediction: Judging from *bt* Top 100, 2003 will be the year of telecom.

Orascom Telecom (ranked number 1) may well have won its turnaround bid. MobiNil is expected to report solid growth when it releases its 2002 financials. Vodafone Egypt admits it is considering listing on the CASE. And, of course, all three are bracing for the launch of the third GSM network, for which Telecom Egypt (number 1 by Mar-

No. 18 Commercial International Bank
 With over the world Egypt's leading bank, CIB has not been listed in the Egyptian stock market since its founding in 2001.

No. 19 Tarek Comart
 Egyptian television station, Tarek Comart is the subject of our new, Star Comart's new book titled a 2003 insight book.

Rank	Company Name	2002 Revenue (EGP)	2002 Profit (EGP)	2002 Assets (EGP)	2002 Liabilities (EGP)	2002 Employees	2002 Market Cap (EGP)	2002 P/E Ratio	2002 Dividend Yield (%)	2002 Return on Equity (%)	2002 Return on Assets (%)
1	Commercial International Bank	1,200,000,000	150,000,000	2,500,000,000	1,800,000,000	10,000	1,000,000,000	10	5	15	10
2	Bank of Alexandria	800,000,000	100,000,000	1,500,000,000	1,000,000,000	8,000	800,000,000	12	4	12	8
3	Bank of Egypt	700,000,000	90,000,000	1,400,000,000	900,000,000	7,000	700,000,000	11	3	11	7
4	Bank of Nile	600,000,000	80,000,000	1,200,000,000	800,000,000	6,000	600,000,000	9	2	9	6
5	Bank of Sudan	500,000,000	70,000,000	1,000,000,000	700,000,000	5,000	500,000,000	8	1	8	5
6	Bank of Egypt for Social Finance	400,000,000	60,000,000	800,000,000	600,000,000	4,000	400,000,000	7	0	7	4
7	Bank of Egypt for Investment and Finance	300,000,000	50,000,000	600,000,000	400,000,000	3,000	300,000,000	6	0	6	3
8	Bank of Egypt for Real Estate	200,000,000	40,000,000	400,000,000	300,000,000	2,000	200,000,000	5	0	5	2
9	Bank of Egypt for Finance	150,000,000	30,000,000	300,000,000	200,000,000	1,500	150,000,000	4	0	4	1
10	Bank of Egypt for Finance and Insurance	100,000,000	20,000,000	200,000,000	150,000,000	1,000	100,000,000	3	0	3	1
11	Bank of Egypt for Finance and Real Estate	80,000,000	15,000,000	160,000,000	120,000,000	800	80,000,000	2	0	2	1
12	Bank of Egypt for Finance and Investment	60,000,000	10,000,000	120,000,000	90,000,000	600	60,000,000	1	0	1	1
13	Bank of Egypt for Finance and Insurance	40,000,000	5,000,000	80,000,000	60,000,000	400	40,000,000	0	0	0	0
14	Bank of Egypt for Finance and Real Estate	20,000,000	2,000,000	40,000,000	30,000,000	200	20,000,000	0	0	0	0
15	Bank of Egypt for Finance and Investment	10,000,000	1,000,000	20,000,000	15,000,000	100	10,000,000	0	0	0	0
16	Bank of Egypt for Finance and Insurance	5,000,000	500,000	10,000,000	7,500,000	50	5,000,000	0	0	0	0
17	Bank of Egypt for Finance and Real Estate	2,000,000	200,000	4,000,000	3,000,000	20	2,000,000	0	0	0	0
18	Bank of Egypt for Finance and Investment	1,000,000	100,000	2,000,000	1,500,000	10	1,000,000	0	0	0	0
19	Bank of Egypt for Finance and Insurance	500,000	50,000	1,000,000	750,000	5	500,000	0	0	0	0
20	Bank of Egypt for Finance and Real Estate	200,000	20,000	400,000	300,000	2	200,000	0	0	0	0
21	Bank of Egypt for Finance and Investment	100,000	10,000	200,000	150,000	1	100,000	0	0	0	0
22	Bank of Egypt for Finance and Insurance	50,000	5,000	100,000	75,000	0	50,000	0	0	0	0
23	Bank of Egypt for Finance and Real Estate	20,000	2,000	40,000	30,000	0	20,000	0	0	0	0
24	Bank of Egypt for Finance and Investment	10,000	1,000	20,000	15,000	0	10,000	0	0	0	0
25	Bank of Egypt for Finance and Insurance	5,000	500	10,000	7,500	0	5,000	0	0	0	0
26	Bank of Egypt for Finance and Real Estate	2,000	200	4,000	3,000	0	2,000	0	0	0	0
27	Bank of Egypt for Finance and Investment	1,000	100	2,000	1,500	0	1,000	0	0	0	0
28	Bank of Egypt for Finance and Insurance	500	50	1,000	750	0	500	0	0	0	0
29	Bank of Egypt for Finance and Real Estate	200	20	400	300	0	200	0	0	0	0
30	Bank of Egypt for Finance and Investment	100	10	200	150	0	100	0	0	0	0

No. 14 Tarek Comart
 Tarek Comart is the largest television station, with a capital of a billion, even of recent production growth.

Rank	Company Name	2002 Revenue (EGP)	2002 Profit (EGP)	2002 Assets (EGP)	2002 Liabilities (EGP)	2002 Employees	2002 Market Cap (EGP)	2002 P/E Ratio	2002 Dividend Yield (%)	2002 Return on Equity (%)	2002 Return on Assets (%)
1	Tarek Comart	1,500,000,000	150,000,000	3,000,000,000	2,000,000,000	15,000	1,500,000,000	10	5	15	10
2	Star Comart	800,000,000	80,000,000	1,600,000,000	1,100,000,000	10,000	800,000,000	12	4	12	8
3	Star Comart	600,000,000	60,000,000	1,200,000,000	900,000,000	8,000	600,000,000	11	3	11	7
4	Star Comart	400,000,000	40,000,000	800,000,000	600,000,000	6,000	400,000,000	9	2	9	6
5	Star Comart	300,000,000	30,000,000	600,000,000	450,000,000	5,000	300,000,000	8	1	8	5
6	Star Comart	200,000,000	20,000,000	400,000,000	300,000,000	4,000	200,000,000	7	0	7	4
7	Star Comart	150,000,000	15,000,000	300,000,000	225,000,000	3,000	150,000,000	6	0	6	3
8	Star Comart	100,000,000	10,000,000	200,000,000	150,000,000	2,000	100,000,000	5	0	5	2
9	Star Comart	80,000,000	8,000,000	160,000,000	120,000,000	1,500	80,000,000	4	0	4	1
10	Star Comart	60,000,000	6,000,000	120,000,000	90,000,000	1,000	60,000,000	3	0	3	1
11	Star Comart	40,000,000	4,000,000	80,000,000	60,000,000	700	40,000,000	2	0	2	1
12	Star Comart	30,000,000	3,000,000	60,000,000	45,000,000	500	30,000,000	1	0	1	1
13	Star Comart	20,000,000	2,000,000	40,000,000	30,000,000	300	20,000,000	0	0	0	0
14	Star Comart	15,000,000	1,500,000	30,000,000	22,500,000	200	15,000,000	0	0	0	0
15	Star Comart	10,000,000	1,000,000	20,000,000	15,000,000	100	10,000,000	0	0	0	0
16	Star Comart	8,000,000	800,000	16,000,000	12,000,000	80	8,000,000	0	0	0	0
17	Star Comart	6,000,000	600,000	12,000,000	9,000,000	60	6,000,000	0	0	0	0
18	Star Comart	4,000,000	400,000	8,000,000	6,000,000	40	4,000,000	0	0	0	0
19	Star Comart	3,000,000	300,000	6,000,000	4,500,000	30	3,000,000	0	0	0	0
20	Star Comart	2,000,000	200,000	4,000,000	3,000,000	20	2,000,000	0	0	0	0
21	Star Comart	1,500,000	150,000	3,000,000	2,250,000	15	1,500,000	0	0	0	0
22	Star Comart	1,000,000	100,000	2,000,000	1,500,000	10	1,000,000	0	0	0	0
23	Star Comart	800,000	80,000	1,600,000	1,200,000	8	800,000	0	0	0	0
24	Star Comart	600,000	60,000	1,200,000	900,000	6	600,000	0	0	0	0
25	Star Comart	400,000	40,000	800,000	600,000	4	400,000	0	0	0	0
26	Star Comart	300,000	30,000	600,000	450,000	3	300,000	0	0	0	0
27	Star Comart	200,000	20,000	400,000	300,000	2	200,000	0	0	0	0
28	Star Comart	150,000	15,000	300,000	225,000	1.5	150,000	0	0	0	0
29	Star Comart	100,000	10,000	200,000	150,000	1	100,000	0	0	0	0
30	Star Comart	80,000	8,000	160,000	120,000	0.8	80,000	0	0	0	0

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Targets: Acquired

Wateeya, Telecom Egypt's new GSM arm, will go live in the fourth quarter of 2003 and already has Vodafone Egypt and number-3 ranked Mobinil in its crosshairs. Orascom Telecom, ranked number 1, has nearly won its tamarisand bid. And Vodafone Egypt is considering a CASE listing.

Welcome to the Year of Telecoms.

A The idea of going out on a limb... (text continues)

ket Cap) is reportedly about to partner with Spain's Telefonica and Germany's Siemens.

So make certain to check out Staff Writer Réhab El-Bakry's cover story "Targets: Acquired," starting page 84. Every major player in the industry is talking, from Minister of Communications and Information Technology Ahmed Nazif, to the heads of TE, Mobinil, Vodafone Egypt and the Telecommunications Regulatory Authority.

Before the rankings were in, we picked 12 companies we

thought might have interesting stories to tell. As the *bt* 100 are in the news frequently, we selected a mix of the "usual suspects" and companies we felt were interesting but about whom we've written relatively little. Companies we selected for profiles were told they were candidates for the list, but were not told whether or where they finished. Only eight of the 12 selected are included in the magazine — meaning no one could claim they were offered

the chance to swap an advertising buy for editorial coverage.

Also in this package, you'll find 21 pages of corporate bios — short (75-300 word) write-ups about each of the companies that made the list. The bios are heavily based on data provided to us by Kompas Egypt, with additional details drawn from our own reporting, research and archives.

To make certain readers can have the same confidence in the rankings we here at *bt* have, we

shipped the Revenue and Market Capitalization lists — along with the original data as provided by Sigma, the CASE and Kompas — off to Mansour & Co. PricewaterhouseCoopers for an audit. We're delighted to have received PwC Country Senior Partner Tarek Mansour's personal seal of approval, certifying that the rankings and the numbers on which they're based are both unadulterated and as accurate as possible.

Mansour's letter and a description of his methodology appear on page 138. For what we consider the limits of this list, please see our disclaimer on page 136.

The *bt* 100 is off to a flying start, but it's only the beginning. We're looking forward to writing the next chapter of the story in 2004.

In the meantime, we're pleased to announce that we'll be launching two other list issues in the intervening months: Look this summer for *bt*'s first-ever Small Businesses To Watch issue, and in the fall for the first annual edition of Who's Earning What? The 2003 *bt*/CareerMideast Salary Survey. *bt*

Patrick FitzPatrick

The Brains Behind The List

The *bt* Top 100 Listed Companies in Egypt was completed in association with:

Sigma Capital

ESTABLISHED IN 2000 TO OFFER HIGH-QUALITY FINANCIAL SERVICES TO A diverse customer base in Egypt and abroad, the company's signature operations include Sigma Securities Brokerage, investment banking and research arms, and Sigma Ventures.

Sigma Capital was, in many respects, an equal partner in the *bt*'s Top 100, providing us with both solid technical advice and the data on which the *bt*'s Top 100 Revenue List was based.



Sigma Securities provides brokerage services to clients worldwide for all securities listed on the Cairo and Alexandria Stock Exchanges as well as GDRs listed internationally. These services, coupled with the team's unparalleled knowledge of capital markets, are the foundation for Sigma Capital's expansion into other markets. Sigma Securities prides itself on quality personalized service, a powerful execution arm and cutting-edge technology.

Sigma's investment-banking team has extensive experience in corporate finance, as proven by its recent role as sole investment bank to the management team that executed the first MBO of Rashidi El-Mizan, as well as developing and creating value for high-growth companies. The team provides financial advice and execution in mergers and acquisitions and restructuring; funding at multiple stages with a focus on private placements; corporate finance; and initial public offerings. (For more on Sigma's involvement in the Rashidi MBO, see News Focus, page 46.)

Sigma Capital's approach focuses on providing a fresh perspective that guarantees innovative strategic solutions for its clients. Sigma is uniquely positioned to identify, structure and successfully execute transactions while possessing the skills and resources necessary to efficiently carry out transactions that often demand sophisticated financing structures.

Its demonstrated experience across a broad spectrum of industries, coupled with an extensive network of domestic and international working relationships, allows it to deliver superior investment banking services.

Fiani & Partners / Kompass Egypt

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As partner of Kompass International, Fiani & Partners created and operates one of the only company databases in Egypt, linked to Kompass' 75-country web marketplace. It also operates a leading commercial



credit-reporting agency as well as Egypt-watch.com, a business and finance web portal, and a series of vertical business-to-busi-

Mansour & Co. PricewaterhouseCoopers

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Mansour & Co. PricewaterhouseCoopers provided invaluable as-



sistance to *bt*'s editorial team early in the preparation of the *bt* Top 100 and audited both the Revenue and Market Capitalization lists, certifying that the printed lists did not vary from the data provided by Sigma Capital and that Sigma's data was accurate.

With more than 230 professionals including senior expatriates, PwC serves multinational companies, internationally funded organizations, the local business community and public institutions by providing services based on quality and integrity.

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Audit and assurance: PwC provides a service that is not only valued for its compliance with professional standards — statutory and international — but also for its relevance to management. PwC can also help clients obtain assurance that business risks — internal and external — are managed and mitigated.

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ness websites in the agribusiness, automotive and real estate sectors.

For the *bt*'s Top 100, Kompass Egypt allowed *bt* staff to draw on and reprint data from the 2002 Kompass Egyptian Financial Yearbook, a leading directory to listed companies available in print and on CD. Kompass Egypt also provided supplementary lists and financial data.

ARAMEX

Total Transportation Solutions



Aramex President & CEO,
Fadi Ghandour

Dear Readers,

Aramex is proud to be the sponsor of this first issue of the *Top 100 Listed Companies in Egypt*. This is part of our commitment to the business community in our region. For the past twenty years Aramex has been at the forefront of innovation and entrepreneurship in the Arab world. Our story is the story of young, educated, committed, and creative Arab professionals who believe that if you have a good idea, and good people then the sky is the limit.

In the 20 years we have been doing business in the Arab world, we have faced wars, and civil wars, government regulations, and recessions, and most of all we have faced the giants, the multi billion dollar corporations, and have competed with them in the business arena and have prevailed. Through all this persistent struggle we have been able to build a world class service and an organization that is proud to have been borne and nurtured in this region.

Our path from the beginning has been both challenging and exciting: from a company of two offices in Amman and New York in 1982, to becoming the first Arab based company to be listed on the NASDAQ in 1997 and back to private ownership in early 2002. Aramex today is an extensive total transportation solutions network reaching every corner of the world with 135 offices in 34 countries serving tens of thousands of businesses in this region and beyond. We are a dynamic, fast moving company, guided by innovative thinking and driven by our customers' needs. We are the leaders in providing unique services and customized solutions to our clients and to the market. Our commitment to excellence, and to quality of service is ensured through our corporate culture that nurtures these values and attracts the best people to build a career in Aramex.

Our story in Egypt is a reflection of what we have been achieving in the rest of the region. Egypt, has been one of our most promising and most competitive markets. It is one of our earliest operations in the Middle East. We are proud to have been in Egypt for over 18 years and we are more proud that we are actively taking part in the changes that are shaping the country. Our commitment is evident in the recent substantial investments we have made to establish Aramex Egypt as the leader in offering total transportation services in the country.

Fadi Ghandour



Express



Freight



Domestic



Logistics



Special



Catalog



Shop&ship

TOP 100 The *bt* 100

The top 100 listed, actively traded companies in Egypt by 2001 revenue

REVENUE Rank	Company Registered Name (Trade Name)	Symbol	Revenue (LE millions)			Net Profit (LE millions)			Brand Value '01 (LE millions)
			2001	2000	% Change	2001	2000	% Change	
1	Orascom Telecom Holdings (OT, OTH)	ORTE	3907.12	2157.00	81.1	(435.32)	37.34	(1265.8)	1930.33
2	Orascom Construction Industries (OCI)	OCIC	2414.70	2027.03	19.1	303.77	309.57	(1.9)	1251.76
3	Egyptian Company for Mobile Services (MobiNil, ECMS)	EMOB	2316.85	2058.95	12.5	336.87	286.21	17.7	1632.68
4	Eastern Tobacco Company (Eastern Tobacco)	EAST	2170.87	1995.52	8.8	277.81	268.47	3.5	277.75
5	Egypt Aluminum (Misr Aluminum)	EGAL	1319.57	1174.63	12.3	115.72	76.63	51.0	1656.94
6	Suez Cement	SUCE	1131.83	1286.98	(12.1)	95.54	296.41	(67.8)	1225.14
7	Ezz Steel Rebars (Ezz Steel)	ESRS	1065.80	1015.39	5.0	(40.29)	16.46	(344.8)	480.20
8	Abu Qir Fertilizers and Chemical Industries (Abu Qir Fertilizers)	ABUK	938.47	825.26	13.7	317.17	261.26	21.4	1198.45
9	Commercial International Bank (CIB)	COMI	893.04	842.56	6.0	401.76	284.99	41.0	1575.33
10	Egyptian Iron and Steel	IRON	846.85	871.51	(2.8)	40.00	57.00	(29.8)	688.05
11	Egyptian Contracting (Mokhtar Ibrahim) (Mokhtar Ibrahim)	ECMI	801.87	777.91	3.1	35.88	40.03	(10.4)	129.37
12	Oriental Weavers	ORWE	689.74	629.66	9.5	133.23	122.89	8.4	607.52
13	Faisal Islamic Bank of Egypt	FAIT	683.83	471.39	45.1	39.20	32.23	21.6	344.26
14	Central and West Delta Flour Mills (Middle and West Delta Flour Mills)	WCDF	663.99	647.20	2.6	43.43	50.16	(13.4)	128.91
15	Upper Egypt Flour Mills	UEFM	582.96	603.30	(3.4)	41.35	47.49	(12.9)	133.75
16	Industrial and Engineering Projects	IEEC	550.18	787.39	(30.1)	13.16	21.75	(39.5)	97.43
17	Central Egypt Flour Mills (Middle Egypt Mills)	CEFM	521.54	507.20	2.8	29.03	26.89	7.9	118.34
18	North Cairo Flour Mills (North Cairo Mills)	MILS	510.74	559.23	(8.7)	33.41	47.86	(30.2)	82.14
19	Torah Cement	TORA	502.57	613.47	(18.1)	100.65	169.47	(40.6)	776.73
20	National Cement (Kawmia) (National Cement)	NCEM	500.36	558.22	(10.4)	78.66	(150.56)	152.2	240.06

No. 9: Commercial International Bank

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CIB, still near the top of Egypt's banking heap, started 2002 strong, but its shares cooled considerably later in the year.

Total Assets '01 (LE millions)	Market Cap (LE millions)			Share Price (LE)			Volume '02 (Millions)	Value '02 (LE millions)	Industry
	2002	2001	% Change	30-Dec-02	31-Dec-01	% Change			
12,099.79	1131.90	1482.80	(23.7)	10.29	13.48	(23.7)	29.33	278.77	Wireless telecommunication services
5633.25	2011.43	2557.50	(25.1)	23.22	31.00	(25.1)	12.59	367.30	Construction and engineering
4976.03	3116.00	3336.00	(6.6)	31.16	33.36	(6.6)	16.99	507.12	Wireless telecommunication services
2393.99	1388.00	1039.25	33.6	55.52	41.57	33.6	3.16	144.54	Tobacco
3798.78	593.20	468.40	26.6	14.83	11.71	26.6	4.64	46.84	Construction materials (aluminum)
3417.72	2027.52	2077.44	(2.4)	31.68	32.46	(2.4)	7.45	289.61	Construction materials
2062.27	127.28	110.94	14.7	1.48	1.29	14.7	25.91	38.92	Construction materials (steel)
2214.07	1488.10	1147.16	29.7	32.43	25.00	29.7	1.58	51.61	Fertilizers and agricultural chemicals
18,601.49	1768.65	1813.50	(2.5)	27.21	27.90	(2.5)	21.05	602.55	Financial institutions (banks)
6481.00	1389.15	2060.46	(32.6)	4.18	6.20	(32.6)	2.80	12.63	Construction materials (steel)
226.21	126.12	112.80	11.8	10.51	9.40	11.8	0.08	0.81	Construction and engineering
1090.61	736.29	308.61	138.6	54.54	22.86	85.6	1.07	34.84	Textiles (Home furnishings)
9973.00	79.54	72.55	9.6	60.30	55.00	9.6	0.02	1.15	Financial institutions (banks)
327.63	139.80	143.18	(2.4)	18.64	19.09	(2.4)	0.65	13.90	Food distributors
347.97	120.75	117.60	2.7	17.25	16.80	2.7	0.62	12.41	Food distributors
1008.76	43.86	71.76	(38.9)	7.31	11.96	(38.9)	0.41	4.21	Construction and engineering
385.47	76.39	65.64	16.4	8.17	7.02	16.4	0.52	4.31	Food distributors
276.79	81.00	112.80	(28.2)	13.50	18.80	(28.2)	0.16	2.87	Food distributors
1552.20	545.25	780.09	(26.4)	22.87	31.08	(26.4)	6.07	189.74	Construction materials
1226.61	729.62	1055.74	(30.9)	7.07	10.23	(30.9)	4.85	48.21	Construction materials

No. 26: Egyptian International Pharmaceutical Industries

EIPICO accounts for 25% of Egypt's drug exports — and is being sued by No. 39 Pfizer.

REVENUE Rank	Company Registered Name (Trade Name)	Symbol	Revenue (LE millions)			Net Profit (LE millions)			Brand Value '01 (LE millions)
			2001	2000	% Change	2001	2000	% Change	
21	Misr International Bank (MIBank)	MIBA	484.32	452.38	7.1	209.12	204.85	2.1	1043.14
22	ASEC-Helwan Cement (Helwan Portland Cement)	HELW	459.71	582.64	(21.1)	17.18	170.08	(89.9)	615.45
23	Natural Gas and Mining Project (Egypt Gas)	EGAS	448.36	417.82	7.3	134.53	130.42	3.1	548.45
24	East Delta Flour Mills	EDFM	444.85	453.40	(1.9)	27.21	32.11	(15.3)	105.51
25	Arabian International Construction (AIC) <i>(*2001 share price is pre-31 December. See note page 110.)</i>	AICR	432.60	377.72	14.5	(49.40)	(72.67)	32.0	123.80
26	Egyptian International Pharmaceutical Industries (EIPICO)	PHAR	428.26	388.69	10.2	100.73	97.49	3.3	771.77
27	International Electronics (Bahgat)	INEC	405.30	427.57	(5.2)	(222.21)	(49.34)	(350.4)	(67.66)
28	Ameriyah Cement	AMRI	404.64	471.19	(14.1)	93.86	160.37	(41.5)	329.72
29	Delta Industries* (IDEAL) <i>(*Part of Olympic Group. See story page 127.)</i>	IDEA	350.93	322.75	8.7	101.85	102.55	(0.7)	327.45
30	Export Development Bank of Egypt (EDB, EDBE)	EXPA	341.67	281.26	21.5	132.79	120.71	10.0	531.09
31	National Societe Generale Bank (NSGB)	NSGB	327.97	285.32	14.9	142.10	124.58	14.1	561.34
32	Alexandria Flour Mills	AFMC	311.53	383.20	(18.7)	0.98	7.18	(86.4)	49.62
33	Suez Canal Bank	CANA	303.93	272.78	11.4	102.31	95.98	6.6	11,001.38
34	Egyptian American Bank (EAB)	EABK	300.83	301.10	(0.1)	73.32	72.54	1.1	521.94
35	Cairo Poultry	POUL	296.90	287.84	(3.1)	24.20	30.97	(43.4)	225.22
36	South Cairo and Giza Mills and Bakeries (South Cairo and Giza Mills)	SCFM	295.29	286.96	2.9	10.11	13.81	(26.8)	54.44
37	Extracted Oils and Derivatives (Extracted Oils)	ZEOT	275.94	325.35	(15.2)	14.92	12.55	18.9	66.19
38	Medical Union Pharmaceuticals	MEDU	264.06	229.07	15.3	37.42	31.31	19.5	377.49
39	Pfizer Egypt (Pfizer)	PFIZ	260.62	250.01	4.2	(6.60)	2.93	(325.3)	35.11
40	Al-Watany Bank of Egypt (Al-Watany Bank, AWB)	WATA	254.71	225.93	12.7	107.86	101.89	5.9	384.72

Cairo Poultry's integrated production operation is a leading supplier for fast-food chains and also exports to the Arab Gulf.

Total Assets '01 (LE millions)	Market Cap (LE millions)			Share Price (LE)			Volume '02 (Millions)	Value '02 (LE millions)	Industry
	2002	2001	% Change	30-Dec-02	31-Dec-01	% Change			
13,063.79	421.59	570.94	(26.2)	14.99	20.30	(26.2)	2.41	47.22	Financial institutions (banks)
1194.00	5678.64	7619.02	(25.5)	22.71	30.47	(25.5)	0.05	1.4	Construction materials
1216.47	438.06	443.76	(1.3)	73.01	73.96	(1.3)	0.12	8.21	Gas utilities
296.77	88.44	88.38	0.1	14.74	14.73	0.1	0.87	15.02	Food distributors
699.91	48.96	67.32	(27.3)	1.36	1.87	(27.3)	69.35	121.63	Construction and engineering
1099.79	605.84	625.32	(3.1)	8.40	8.67	(3.1)	8.63	73.40	Pharmaceuticals
866.07	6.02	9.64	(37.5)	2.38	3.81	(37.5)	1.05	3.39	Consumer electronics
740.01	410.20	560.80	(26.9)	20.51	28.04	(26.9)	2.03	59.92	Construction materials
619.02	335.79	341.06	(1.5)	17.22	17.49	(1.5)	0.58	9.65	Consumer durables
7578.45	328.25	467.75	(29.8)	13.13	18.71	(29.8)	4.22	75.56	Financial institutions (banks)
6675.16	705.30	688.80	2.4	23.51	22.96	2.4	0.93	23.62	Financial institutions (banks)
261.07	23.84	28.40	(16.1)	5.96	7.10	(16.1)	0.72	4.80	Food distributors
11,001.38	372.83	324.76	14.8	16.21	14.12	14.8	0.44	6.94	Financial institutions (banks)
6902.12	423.79	475.78	(10.9)	29.43	33.04	(10.9)	3.29	99.75	Financial institutions (banks)
482.49	230.16	251.79	(8.6)	10.96	11.99	(8.6)	0.81	6.75	Agriculture
187.75	32.76	30.21	8.4	10.92	10.07	8.4	1.04	12.02	Food distributors
256.30	32.44	29.66	9.4	6.19	5.66	9.4	2.92	19.45	Food distributors
471.17	223.13	213.42	4.6	7.12	6.81	4.6	0.07	0.52	Pharmaceuticals
283.80	162.12	354.34	(54.2)	24.61	53.79	(54.2)	2.47	105.07	Pharmaceuticals
5596.86	232.00	416.75	(44.3)	9.28	16.67	(44.3)	6.63	100.44	Financial institutions (banks)

No. 42: Egyptian Electrical Cables

The national leader in low- and medium-voltage cables has seen its revenues grow lately, but profits have taken a steep turn for the worse.

REVENUE Rank	Company Registered Name (Trade Name)	Symbol	Revenue (LE millions)			Net Profit (LE millions)			Brand Value '01 (LE millions)
			2001	2000	% Change	2001	2000	% Change	
41	Nile Pharmaceutical and Chemical Industries (Nile Pharmaceuticals)	NIPH	229.18	222.71	2.9	34.17	35.34	(3.3)	85.09
42	Egyptian Electrical Cables	ELEC	227.83	212.48	7.2	(89.21)	(47.89)	(86.3)	317.16
43	Giza General Contracting	GGCC	222.52	239.41	(7.1)	2.70	4.63	(41.6)	22.47
44	Paints and Chemical Industries (PACHIN)	PACH	220.13	241.23	(8.7)	51.02	77.29	(34.0)	420.32
45	Arab Polvara Spinning and Weaving <i>*(2001 share price is pre-31 December)</i>	APSW	213.53	183.12	16.6	12.13	8.80	37.9	480.64
46	Egyptian Financial and Industrial (EFIC)	EFIC	200.16	173.33	15.5	42.00	40.20	4.5	491.05
47	Sixth of October Development and Investment (SODIC) <i>*(Revenue figures are estimates. See note page 120.)</i>	OCDI	198.70*	72.98*	172.3	N/A	N/A	-	170.38
48	National Development Bank of Egypt (National Bank for Development, NBD, NDBE)	DEVE	195.74	182.57	7.2	62.62	59.00	6.1	425.51
49	Amriyah Pharmaceutical Industries (Amriyah Pharmaceuticals)	ARPP	191.22	178.34	7.2	56.78	56.14	1.1	205.27
50	El-Ezz Porcelain (El-Jawhara, El-Gawhara)	ECAP	184.61	207.94	(11.2)	(5.23)	5.68	(192.1)	192.75
51	Alexandria Cement (Alexandria Portland Cement)	ALEX	184.08	178.21	3.3	113.28	7.06	1504.8	307.31
52	Cairo Pharmaceuticals	CPCI	170.76	168.99	1.0	33.52	30.96	8.3	205.28
53	Alexandria Chemical Industries (Alexandria Pharmaceutical and Chemical Ind.)	AXPH	162.57	162.88	(0.2)	34.86	34.36	1.5	87.36
54	Alexandria Spinning and Weaving	SPIN	160.68	150.04	7.1	18.11	21.65	(16.4)	501.35
55	EFG-Hermes Holding (EFG-Hermes)	HRHO	158.69	186.61	(15.0)	19.77	53.01	(62.7)	618.70
56	Egypt Kuwait Holding Company <i>*(Figures converted into LE from US dollars. See note page 124.)</i>	EKHO	155.69	86.95	79.1	70.36	65.40	7.6	661.26
57	RAKTA Paper Manufacturing (RAKTA)	RAKT	154.30	117.18	31.7	11.82	8.76	35.0	128.70
58	Housing and Development Bank	HDBK	153.29	151.33	1.3	30.90	47.38	(34.8)	270.90
59	Egyptian Glass Company (Al-Masreyya Glass)	EMGL	151.69	133.10	14.0	39.27	22.94	71.2	220.25
60	Sinai Cement Company <i>*(Began operations in 2000)</i>	SCEM	131.22	N/A	-	26.69	N/A	-	280.69

Backed by Danish technology, Sinai got off to a flying start, starting exports in early 2002 — six months ahead of schedule.

Total Assets '01 (LE millions)	Market Cap (LE millions)			Share Price (LE)			Volume '02 (Millions)	Value '02 (LE millions)	Industry
	2002	2001	% Change	30-Sep-02	31-Sep-01	% Change			
233.82	156.00	144.00	8.3	52.00	48.00	8.3	0.06	3.36	Pharmaceuticals
612.29	25.25	31.19	(19.0)	1.70	2.10	(19.0)	6.63	12.95	Electrical components and equipment
256.38	8.50	8.15	4.3	9.44	9.05	4.3	0.30	3.16	Construction (homebuilding)
609.15	320.00	243.40	31.5	16.00	12.17	31.5	7.61	107.27	Commodity chemicals
787.44	70.75	154.61	(54.2)	1.51	3.30	(54.2)	33.78	71.92	Textiles
743.15	253.71	152.75	66.1	39.05	23.51	66.1	1.20	37.96	Fertilizers and agricultural chemicals
897.82	62.49	74.58	(16.2)	3.72	4.44	(16.2)	3.73	16.76	Real estate management & development
7034.49	267.00	221.48	20.6	10.03	8.32	20.6	1.07	8.50	Financial services
353.63	246.46	235.01	4.9	34.23	32.64	4.9	0.09	3.08	Pharmaceuticals
562.30	35.11	39.82	(11.8)	0.97	1.10	(11.8)	34.27	38.92	Building products
911.91	216.00	219.96	(1.8)	18.00	18.33	(1.8)	11.50	341.92	Construction materials
339.16	141.95	126.98	11.8	40.10	35.87	11.8	0.26	11.35	Pharmaceuticals
170.69	160.00	162.92	(1.8)	80.00	81.46	(1.8)	0.01	1.06	Pharmaceuticals
657.96	79.48	65.50	21.4	6.65	5.48	21.4	0.33	1.78	Textiles
1272.95	170.46	188.12	(9.4)	4.15	4.58	(9.4)	3.22	13.43	Diversified capital markets
522.12	727.80	695.40	4.7	12.13	11.59	4.7	1.89	21.78	Multi-sector holdings
195.42	60.75	69.99	(13.2)	5.59	6.44	(13.2)	0.28	2.04	Forest products
5581.53	78.30	86.78	(9.8)	14.50	16.07	(9.8)	0.34	6.23	Financial institutions (banks)
542.39	241.06	170.52	41.4	137.75	97.44	41.4	0.04	5.08	Commodity chemicals
686.44	236.50	255.25	(7.3)	9.46	10.21	(7.3)	14.30	149.51	Construction materials

No. 65: Al-Ahram Beverages

Al-Ahram's record sale to Heineken has opened new doors for the brewer, whose local management team is staying on.

REVENUE Rank	Company Registered Name (Trade Name)	Symbol	Revenue (LE millions)			Net Profit (LE millions)			Brand Value '01 (LE millions)
			2001	2000	% Change	2001	2000	% Change	
61	Memphis Pharmaceuticals	MPCI	127.98	123.19	3.9	28.27	27.38	3.3	94.42
62	Arab Drugs and Chemical Industries (Arab Pharmaceuticals, ADCO)	ADCI	127.13	120.89	5.2	15.77	13.81	14.2	59.82
63	Misr Free Shops (EFSCO)	MFSC	125.28	120.11	4.3	16.31	15.94	2.3	68.20
64	Nasr Civil Works (Nasr Company for Civil Works)	NCCW	122.67	159.90	(23.3)	18.73	21.03	(10.9)	51.26
65	Al-Ahram Beverages Company (Al-Ahram Beverages, ABC)	PYBR	120.81	190.91	(36.7)	92.22	172.29	(46.5)	450.23
66	General Silos and Storage	GSSC	120.66	128.97	(6.4)	24.45	24.76	(1.2)	180.80
67	Orascom Projects and Touristic Development (OPTD)	OPTD	120.60	170.23	(29.2)	3.95	(27.59)	114.3	274.48
68	Egyptian Gulf Bank	EGBE	108.81	109.66	(0.8)	17.68	20.08	(12.0)	247.63
69	United Bank of Egypt (UBE)	UBEE	105.92	92.41	14.6	31.16	30.12	3.4	251.43
70	T3 - A Pharmaceutical Group (T3 Pharma)	TAGP	104.14	86.91	19.8	9.76	15.47	(36.9)	94.51
71	Heliopolis Housing and Development (Heliopolis Housing)	HELI	103.39	117.63	(12.1)	54.47	50.73	7.4	75.32
72	Egyptian Starch and Glucose	ESGI	99.65	97.21	2.5	15.21	15.37	(1.0)	60.99
73	Olympic Group for Financial Investment (Olympic Group)	OLGR	94.23	78.54	20.0	50.24	51.64	(2.7)	464.24
74	Misr Chemical Industries	MICH	87.03	78.37	11.1	7.54	9.18	(17.9)	131.09
75	Misr Hotels (Hilton)	MHOT	86.80	50.61	71.5	59.63	35.40	68.4	292.85
76	Medinet Nasr Housing and Development (Nasr City Housing)	MNHD	83.94	153.13	(45.2)	52.67	69.92	(24.7)	196.80
77	Mohandes Bank <i>*(Profits converted into provisions)</i>	MOHA	81.14	94.66	(14.3)	N/A	N/A	-	166.87
78	Kafr El-Zayat Pesticides	KZPC	74.16	77.91	(4.8)	6.02	10.40	(42.1)	24.52
79	Arab Ceramics (Aracemco)	CERA	71.54	78.67	(9.1)	4.87	5.32	(8.4)	40.41
80	Canal Shipping Agencies	CSAG	70.41	93.76	(24.9)	52.72	44.91	17.4	78.99

No. 80: Canal Shipping Agencies

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Maritime, freight and tourist operations augment CSA's role as overseer of foreign ships in Egypt's territorial waters.

Total Assets '01 (LE millions)	Market Cap (LE millions)			Share Price (LE)			Volume '02 (Millions)	Value '02 (LE millions)	Industry
	2002	2001	% Change	30-Dec-02	31-Dec-01	% Change			
195.06	125.20	113.55	10.3	50.08	45.42	10.3	0.05	2.50	Pharmaceuticals
180.73	61.69	54.64	12.9	51.41	45.54	12.9	0.07	4.07	Pharmaceuticals
106.52	58.03	38.36	51.3	16.58	10.96	51.3	0.28	4.12	Department stores
198.45	52.20	40.00	30.5	13.05	10.00	30.5	0.36	7.56	Construction (homebuilding)
1085.28	1333.90	710.39	87.8	65.10	34.67	87.8	2.96	122.85	Brewers
393.28	92.30	65.90	40.1	9.23	6.59	40.1	3.27	30.91	Food distributors
822.94	77.18	153.22	(49.6)	2.01	3.99	(49.6)	6.42	16.93	Hotels, resorts and cruise lines
2294.00	32.79	33.58	(2.4)	0.83	0.85	(2.4)	1.06	0.93	Financial institutions (banks)
4197.38	158.00	273.60	(42.3)	7.90	13.68	(42.3)	4.34	42.47	Financial institutions (banks)
210.56	23.39	38.67	(39.5)	5.71	9.44	(39.5)	0.18	1.52	Pharmaceuticals
678.00	266.37	210.25	26.7	53.87	42.52	26.7	0.05	2.59	Real estate management & development
89.91	49.63	47.66	4.2	10.79	10.36	4.2	1.04	12.42	Food distributors
674.64	268.95	144.19	86.5	7.89	4.23	86.5	8.93	41.34	Consumer durables
519.00	114.24	97.28	17.4	3.57	3.04	17.4	6.35	23.23	Diversified chemicals
358.04	211.20	298.49	(29.2)	64.00	90.45	(29.2)	0.32	24.67	Hotels, resorts and cruise lines
765.89	346.72	347.52	(0.2)	21.67	21.72	(0.2)	2.43	50.90	Real estate management & development
5166.07	97.41	108.19	(10.0)	6.05	6.72	(10.0)	0.85	7.30	Financial institutions (banks)
69.41	38.33	24.59	55.9	25.55	16.39	55.9	0.49	14.20	Fertilizers and agricultural chemicals
84.60	23.64	22.05	7.1	4.20	3.92	7.1	0.08	0.32	Building products
568.14	246.00	252.00	(2.4)	1.23	1.26	(2.4)	2.69	3.7	Marine

No. 82: **Egyptian Media Production City**

Millions of square meters of production facilities and shooting venues are helping lure media ventures from abroad.

REVENUE Rank	Company Registered Name (Trade Name)	Symbol	Revenue (LE millions)			Net Profit (LE millions)			Brand Value '01 (LE millions)
			2001	2000	% Change	2001	2000	% Change	
81	Egyptian Saudi Finance Bank (ESFB)	SAUD	69.00	55.59	24.1	11.80	14.70	(19.8)	156.28
82	Egyptian Media Production City (Media City, EMPC, MPC)	MPRC	62.48	64.71	(3.4)	27.21	52.74	(48.4)	1835.73
83	Alexandria Commercial and Maritime Bank	MART	59.26	71.26	(16.8)	16.50	29.00	(43.1)	171.43
84	Nile Matches and Prefabricated Homes (Nile Matches)	NMPH	57.65	55.38	4.1	3.88	3.89	(0.3)	33.90
85	Egyptian Chemical Industries (Kima)	EGCH	55.29	52.63	5.0	7.51	6.25	20.1	150.88
86	Egyptian Commercial Bank (ECB) <i>*(Profits converted into provisions)</i>	ECBK	54.01	68.01	(20.6)	-	27.46	N/A	173.53
87	Upper Egypt General Contracting (Upper Egypt Contracting)	UEGC	52.71	56.09	(6.0)	1.57	2.73	(42.7)	12.74
88	Egyptian Satellite Company (NileSat)	EGSA	40.55	36.25	11.8	(9.99)	4.50	(322)	165.02
89	Cairo Housing	ELKA	39.59	51.13	(22.6)	3.30	5.81	(43.3)	85.29
90	Egyptian Workers Bank	WORL	28.06	28.12	(0.2)	5.83	6.06	(3.8)	66.27
91	Development and Engineering Consultants	DAPH	27.57	44.74	(38.4)	1.70	1.29	31.5	57.25
92	Acrow Misr Metallic Scaffolding and Frameworks (Acrow Misr)	ACRO	23.57	27.89	(15.5)	3.35	3.35	0.0	32.81
93	Al-Ahli Investment and Development	AFDI	20.91	18.25	14.6	0.30	(16.41)	101.8	175.74
94	Mohandes Insurance	MOIN	20.72	21.85	(5.2)	16.50	15.00	10.0	89.31
95	Engineering Industries (Icon)	ENGC	17.02	23.90	(28.8)	(1.02)	(0.71)	(43.7)	31.46
96	El-Shams Housing and Urbanization (El-Shams Housing and Development)	ELSH	11.27	19.94	(43.5)	8.04	10.19	(21.1)	71.79
97	United Housing and Development	UNIT	9.82	10.99	(10.6)	7.80	8.76	(11.0)	21.39
99	Egyptians Abroad for Investment and Development	ABRD	3.14	2.86	9.8	4.26	3.59	18.7	40.63
99	Orascom Hotel Holdings (OHH)	ORHC	0.08	0.45	(82.2)	(20.30)	(14.17)	(43.4)	450.59
100	Export Development Trading Company	EXPO	0.00	5.27	(100.0)	(2.82)	0.42	(771.4)	33.08

No. 96: El-Shams Housing and Urbanization

Still looking to finish privatization, El-Shams continues to expand with a self-financing policy and investment in Sixth of October City.

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Total Assets '01 (LE millions)	Market Cap (LE millions)			Share Price (LE)			Volume '02 (Millions)	Value '02 (LE millions)	Industry
	2002	2001	% Change	30-Dec-02	31-Dec-01	% Change			
2288.62	103.29	105.00	(1.6)	7.23	7.35	(1.6)	0.05	0.37	Financial institutions (banks)
2056.70	1360.52	2067.44	(34.2)	7.91	12.02	(34.2)	44.27	460.76	Movies and entertainment
1611.00	75.69	347.61	(78.2)	9.00	41.33	(78.2)	0.21	2.25	Financial institutions (banks)
61.71	10.10	12.52	(19.3)	5.05	6.26	(19.3)	0.86	4.97	Forest products
237.81	61.36	62.72	(2.2)	7.67	7.84	(2.2)	0.08	0.66	Fertilizers and agricultural chemicals
2127.14	77.88	138.13	(43.6)	8.09	14.35	(43.6)	0.29	2.74	Financial institutions (banks)
99.40	2.48	3.90	(36.5)	8.26	13.00	(36.5)	0.29	3.40	Construction and engineering
354.50	42.50	40.12	5.9	1.25	1.18	5.9	0.57	0.72	Broadcasting and cable TV
227.92	33.12	26.25	26.2	2.17	1.72	26.2	31.32	82.42	Real estate management & development
323.00	0.81	0.56	46.4	3.25	2.22	46.4	0.03	0.11	Financial institutions (banks)
231.23	31.15	21.71	43.4	8.09	5.64	43.4	3.08	25.52	Real estate management & development
40.57	28.34	11.56	145.3	23.62	9.63	145.3	0.69	12.22	Construction and engineering
333.16	57.15	55.80	2.4	3.81	3.72	2.4	1.18	4.37	Multi-sector holdings
442.14	56.00	43.40	29.0	14.00	10.85	29.0	0.36	4.71	Property and casualty insurance
99.36	4.51	4.51	0.0	1.52	1.52	0.0	0.27	0.45	Construction materials
212.77	50.19	64.47	(22.1)	2.39	3.07	(22.1)	4.04	11.57	Real estate management & development
58.28	45.54	57.43	(20.7)	2.72	3.43	(20.7)	1.32	4.05	Real estate management & development
49.48	24.25	24.76	(2.0)	9.58	9.78	(2.0)	0.83	5.83	Multi-sector holdings
626.20	44.68	34.28	30.3	2.32	1.78	30.3	11.18	23.57	Hotels, resorts and cruise lines
417.45	2.19	3.99	(45.1)	1.46	2.66	(45.1)	0.49	1.18	Trading companies and distributors

+ WATANEYA

SYMBOL: ETEL
USERS: 0
REVENUE: 0
NET PROFIT: 0

THREAT: HIGH.
LAUNCHES 4Q03.

+ VODAFONE

SYMBOL: [none]
USERS: 2 MN (EST.)
REVENUE: N/A
NET PROFIT: N/A

THREAT: MEDIUM.
CONSIDERING CASE
LISTING IN 2003...

+ MOBILIL

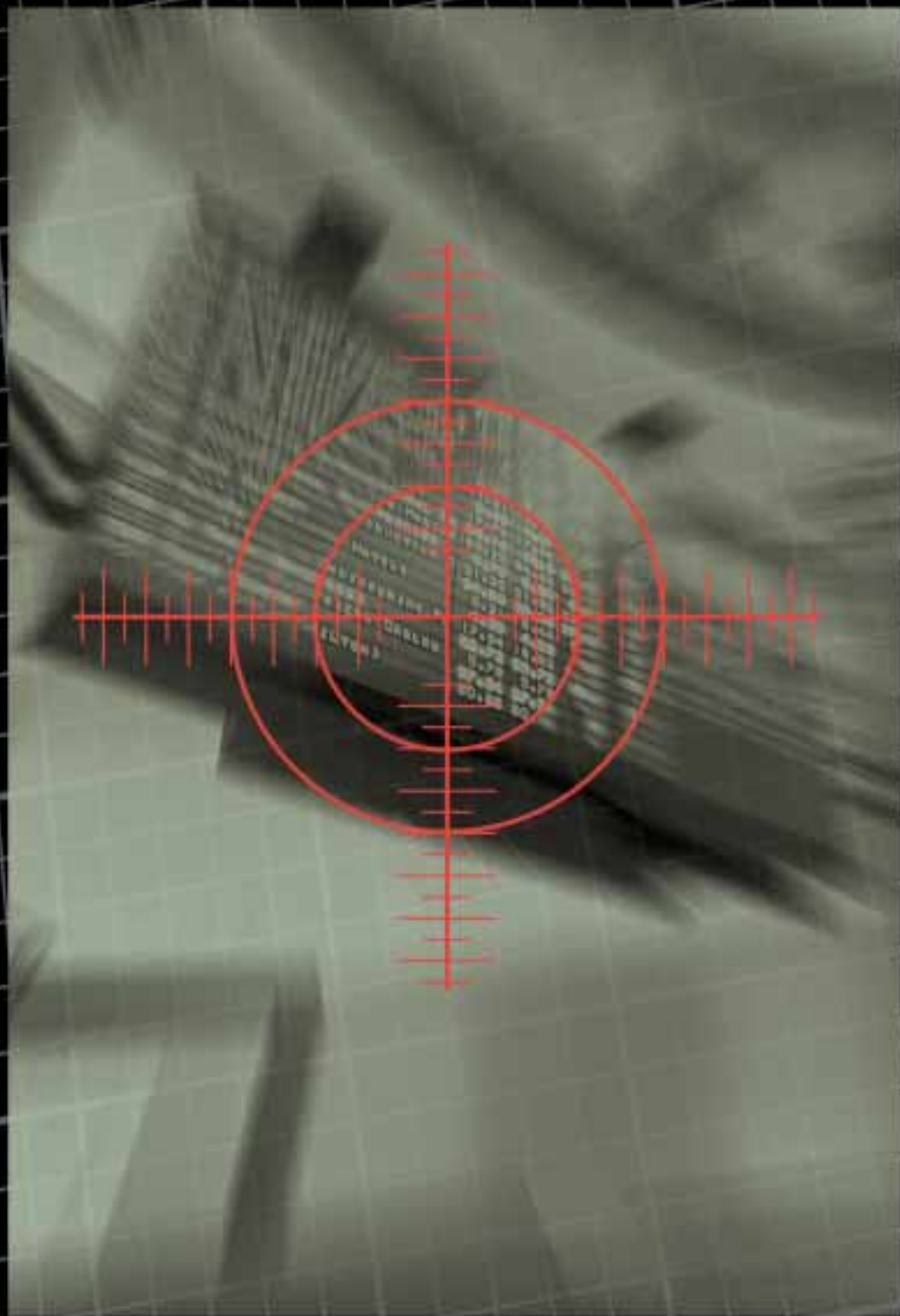
SYMBOL: EMOB
USERS: 2.132 MN
REVENUE: 2.316 BN
NET PROFIT: 336 MN

THREAT: LOW.
HOLDING ON TO
MARKET SHARE.

+ OT

SYMBOL: ORTE
USERS: 5 MN
REVENUE: 3.907 BN
NET PROFIT: -435 MN

THREAT: LOW.
RESTRUCTURING
BID IN PROGRESS.



Targets: Acquired

Wataneya, Telecom Egypt's new GSM arm, will go live in the fourth quarter of 2003 and already has Vodafone Egypt and number-3 ranked MobiNil in its crosshairs. Orascom Telecom, ranked number 1, has nearly won its turnaround bid. And Vodafone Egypt is considering a CASE listing.

Welcome to the Year of Telecoms.

By Réhab El-Bakry • Photography by Mohsen Allam

AT THE RISK OF GOING OUT ON A LIMB, we're going to make a prediction: Fiscal year 2003-04 will be the Year of Telecom.

Orascom Telecom (ranked number 1) appears to have won its turnaround bid. Analysts expect MobiNil (ranked number 3) to report solid growth when it releases its 2002 financials within the next two months. MobiNil and arch-rival Vodafone Egypt continue to grow their combined subscriber base at an estimated clip of 1.43% per month, competing heavily while dancing gingerly to avoid touching off a price war. The two look set to make the Cairo and Alexandria Stock Exchange their next battleground if Vodafone Egypt lists this year.

And, of course, all three are bracing for the launch of the third GSM network, for which Telecom Egypt, the state-run fixed-line monopoly (itself number 1 by market cap, by the way) is reportedly about to name its foreign partner (more on that in a moment).

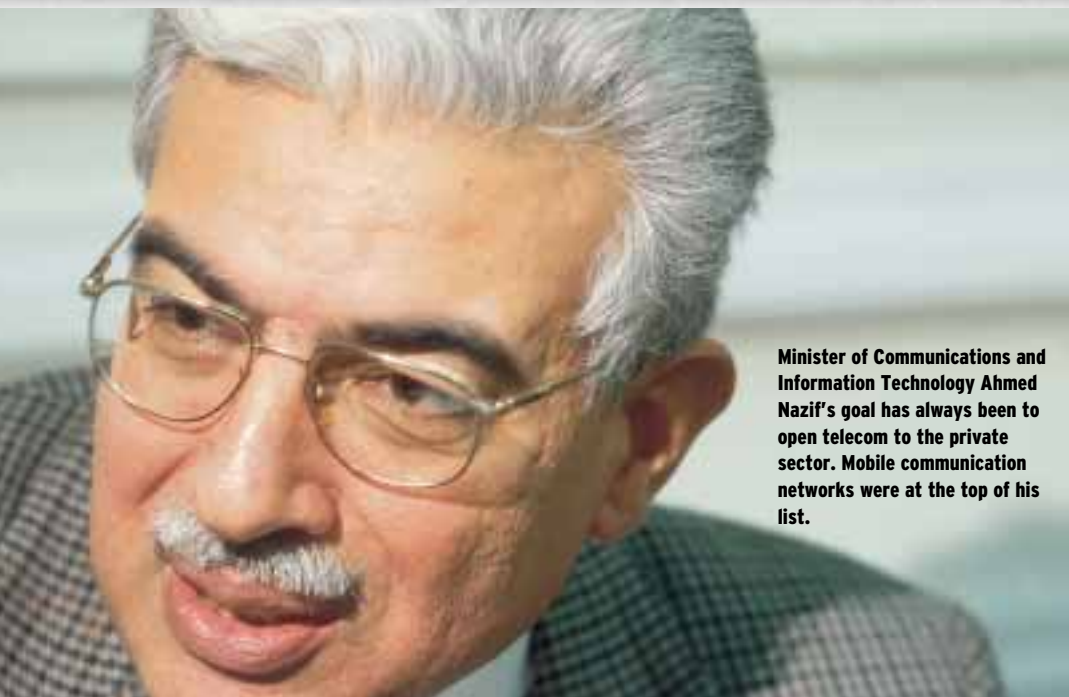
Not bad for an industry that's all of about five years old.

When Ahmed Nazif was appointed minister of communications

and information technology in 1999, the man who was in many ways the sector's founding father told the People's Assembly his goal was to expand the year-old industry by opening it to the private sector. Mobile communication networks were at the top of his list. A year earlier, the Egyptian Authority for Telephones (as Telecom Egypt was then known) had sold its GSM operator's license, the only one in the nation, to the fledgling Egyptian Company for Mobile Services (MobiNil).

Among Nazif's first acts was to announce he would make available two other GSM licenses. Vodafone Egypt, then operating as Click, bought the second license in 1999, paying roughly LE 1.755 billion, the same fee MobiNil shelled out to acquire the Egyptian Authority for Telephone's license and the 80,000 or so subscribers who went with it. Vodafone Egypt and MobiNil had guarantees of market exclusivity until the end of 2002; late in 2001, Telecom Egypt purchased the third operator's license Nazif had promised the PA.

Telecom Egypt's bid wasn't without controversy. Its early declaration that it would not have to pay the LE 1.755-billion license fee because it had purchased a license once before (the one it sold MobiNil) prompted Orascom Telecom head Naguib Sawiris, who



Minister of Communications and Information Technology Ahmed Nazif's goal has always been to open telecom to the private sector. Mobile communication networks were at the top of his list.

heads the board of OT subsidiary MobiNil, and Vodafone Egypt anchor investor Mohammed Nosseir to hold an unprecedented joint press conference to announce they would happily square off against the government in court if TE didn't pay up.

In the end, TE paid and MobiNil and Vodafone Egypt continued to work together on regulatory issues while still competing tooth-and-nail for new subscribers. Everything seemed relatively quiet until late last year, when Orascom Telecom suddenly appeared to have flown too close to the sun, teetering on the verge of collapse under the weight of its own debt, and Telecom Egypt finally announced it would be rescheduling the launch of its third GSM network until 2003.

New kid on the block

NOT TO BE PROSAIC, BUT THE LAUNCH OF THE THIRD OPERATOR WILL signal the dawn of a new era in Egyptian telecommunications. The presence of the third operator, which TE has named Wataneya, will mean more competition in an already cutthroat market. It will also mean a new lease on life for TE, whose fixed-line monopoly will expire in 2005.

When she approved TE's bid to acquire the third license in late 2001, Telecommunications Regulatory Authority (TRA) Director Fekreya Allam was quick to point out that her agency's decision was not influenced by the fact that the TE is owned by the Egyptian government.

In an interview in May 2002, Allam told *Business Today Egypt* that TE's bid received the same scrutiny as any other. It was simply the bid the TRA's review committee found the most viable.

"We in no way favored TE because they are government-owned," Allam said at the time. "The biggest illustration was that the TRA decided TE has to pay the same price to acquire the license as MobiNil and Vodafone." (For more of this interview, see *Face of Business*, June 2002, page 46.)

Today, Allam is equally adamant the TRA isn't about to favor Telecom Egypt as the launch date for Wataneya, scheduled now for the fourth quarter of this year, draws nearer. "The TRA does not in any way give preferential treatment to TE," she says. "In the case of mobile operations, they received a license to enter into an already

the transformation.

"We built this country's first mobile network in 1996," Beshir said in a December 2001 interview with *bt*. "The company operated it for two years. During that time, we only managed to get 84,000 subscribers. So it was obvious that we were doing something wrong because in two years, MobiNil had over 1 million subscribers."

With mobile penetration at just 5% at the time of his 2001 interview compared with a whopping 70% rate in Scandinavia, 60% in Germany and 50% in most other European countries — even Lebanon has a 20% rate — it simply seemed to make good economic sense to apply for the third license, Beshir said.

"There is still a lot of potential for growth in the mobile market. A third license will give the consumer more choice, increase competition between mobile service providers, and drop prices. That's what a real open market is like." (For more of this interview, see *Face of Business*, January 2002, page 52.)

Almost a year later, Beshir is no less adamant that buying the license was one of the best decisions TE has ever made.

"I think this was not an optional decision for us, but a necessary one," he says. "No telecommunications operator as big as TE can survive in the long term without [owning a] mobile operator because this is the future — all the trends are in mobile operations."

In a country with a population of around 70 million (60% of whom are under the age of 30) and a mobile penetration rate of just 6%, telecommunications is revenue cash cow waiting to be milked.

"There are countries in Europe where the penetration rate is 80% — those are markets in which you may not want to acquire a new license. But in our case there is plenty of room for a third operator," he says.

Although Vodafone and MobiNil have since accepted the notion of going up against the state-owned monopoly — ISPs faced a similar situation when TE launched the "free" internet last year — preoccupation with Wataneya's entry mounted as the current operators' exclusivity period ended in December 2002. Their worries about how to handle Wataneya increased again last month when rumors began to circulate that TE had finally found the two foreign partners it spent all of 2002 declaring it had nearly recruited.

well-established, 4-year-old market. They [even] paid the same amount of money in royalty fees. There are people who even believe we were a little too hard on TE and that TE is getting a lesser deal for more money," she says, noting the license fee TE paid was actually slightly higher than that paid by Vodafone and MobiNil.

Why was TE so interested in acquiring a new license when it clearly failed in operating the first one ever granted in Egypt? Two words: "revenue" and "turnaround." Anyone who has spent the past five years on a desert island in the South Pacific would fail to recognize the former Egyptian Authority for Telephones if he returned to Egypt today. It is reformist, increasingly efficient and very revenue-oriented.

In many ways, TE Chairman Akil Beshir is the man behind

The “Who” and “When” of it all

INDUSTRY SOURCES TELL *bt* WATANEYA IS FINALIZING NEGOTIATIONS WITH Spanish mobile operator Telefonica to serve as the lead foreign partner, while Germany’s Siemens will provide the hardware (and some software) muscle.

Beshir admits TE is in the final stages of negotiations with a foreign operator, but would neither confirm nor deny the rumors, saying he is bound by a confidentiality agreement that prohibits him from naming Wataneya’s partners until a deal is inked. All he’s willing to say is that TE’s mobile arm will be named Wataneya and that it will go live by the fourth quarter of this year.

Nazif says TE has avoided making any announcements about plans for Wataneya not because of an inborn urge to be secretive, but because of uncertainty about how the economy — and the regional political situation — might affect the launch date.

“We have [been] talking to our consultants and investment advisers about [a potential launch date] for the mobile operations, but the numbers are not encouraging,” the minister says. “There was a strategic objective [behind acquiring the license], and that was to add value to the company. The actual launch will depend on the [market] situation.

“To go into operations is an investment of \$300 million or \$400 million. You need to know you’re going to get a return on this investment, and in the market [conditions] today, that doesn’t seem likely. They need to think long and hard about their next move, especially since there are alternatives.”

One would be for Telecom Egypt to ask the TRA to suspend its license until market conditions improve. (Suspension is akin to putting the license in the freezer until the economy improves: TE would pay no maintenance fees, and no other operator could apply to snatch it away.)

But Beshir says TE has no plans to ask for a suspension unless the economy takes a drastic turn for the worse.

“We will not be launching commercially until the fourth quarter of this year,” he says. “This is a delay of almost one year, but we know we’re not losing because the mobile market has slowed down and we

can see it in the numbers of the other two operators. We know the market goes in cycles, and within the next three years we’ll see the 6% penetration rate more than double. We have to be ready to capitalize on that. Even if we’re late, we’re going to be ready by the time the market is ready to pick up again.”

While Allam confirms TE has not approached the TRA about the possibility of suspending the license, she has no problem with the request in theory.

“As far as we’re concerned, their frequency is ready for them,” she says. “If they do submit a request to delay implementation of the license, I really don’t see a problem. They’ve already paid for the license. If they begin services, they’re capitalizing on their investments, so it’s in their best interests. But for me, the frequency is ready and their money is already in my pocket.”

Hooking users

ONE OF THE BIGGEST QUESTIONS ABOUT WATANEYA’S LAUNCH IS HOW IT will lure new subscribers — and who, exactly, those subscribers will be, socio-economically speaking.

The MCIT estimates MobiNil and Vodafone had a combined total of around 4.2 million subscribers at the end of 2002, meaning the two added about 60,000 new subscribers a month between them throughout the year. Orascom Telecom’s 3Q02 financials report 2.132 million subscribers for MobiNil, good for a growth rate of about 1.01% each month for the first nine months of the year.

Vodafone Egypt CEO Ian Gray refused to release subscriber numbers or comment on growth rates, saying, “We do not quote publicly any of our performance figures, but we believe our market share has remained broadly constant over the last year or so.”

But MobiNil President and CEO Osman Sultan has no choice but to comment — MobiNil, after all, trades on the CASE under the symbol EMOB.

“There are two ways to calculate how well you’re doing as a mobile company,” says Sultan, confirming the numbers released in OT’s third-quarter filing. “The first is by the number of subscribers and the second is by revenue per user (RPU), which means how many minutes the customer is paying for. I think that you can’t judge how well you’re doing just by looking at how many subscribers you have. It’s even more important to see how many minutes they’re paying for.”

While Sultan acknowledges his company’s lead over Vodafone is slim, he says it is important to look at RPU to get a true sense of how well operators are doing. And that’s exactly what they’ll continue doing as Wataneya launches, he says: Paying attention to whether the new operator lures low-end subscribers or A-class consumers who consume airtime like it is, well, air.

“We’re always interested in acquiring new subscribers,” says Sultan, “but we’re even more interested in retaining the clients with the highest RPU because this translates into revenue for us and our shareholders. While the Egyptian market



TRA Director Fekreya Allam is adamant the TRA isn’t about to favor Telecom Egypt as the launch date for Wataneya, scheduled now for the fourth quarter of this year, draws nearer.

The Turnaround King

Just six months after pundits declared his empire dead, telecom magnate Naguib Sawiris has reason to smile after reviving number-1 ranked Orascom Telecom

NAGUIB SAWIRIS MUST HAVE BEEN SMILING AS HIS PRIVATE JET LEFT Egyptian airspace late last month. Just weeks before, Orascom Telecom, the crown jewel in his corporate empire, had been effectively declared near death (or at least on life support) when his auditors said in their review of his 3Q02 financials that they had grave worries about OT's ability to continue as a "going concern."

OT's liabilities, said KPMG Hazen Hassan's eponymous senior partner, exceeded its assets by as much as LE 3.11 billion, and the only way out was for Sawiris to go forward with an LE 900 million capital increase to LE 2 billion. Sawiris had announced the increase in summer 2002, only to postpone it within a matter of months.

KPMG's opinion amounted to auditor-speak for "We think you're on the verge of bankruptcy." But Sawiris thought otherwise — and it seems he was right.

Sawiris' first stop after leaving Egypt was Paris, where he was scheduled to attend a board meeting for Tececel, his debt-laden, underperforming sub-Saharan African subsidiary. It's entirely likely that by the time you read this, Sawiris will have announced that the board meeting approved the sale of up to 10 of Tececel's 14 holdings.

Leaving France, Sawiris was due to touch down in Tunisia for more festivities marking the launch last month of his Tunisian subsidiary. Few analysts were pleased when Sawiris bought Tunisia's third GSM license on March 14, 2002. At \$454 million, the license was costly many of them said, and making good on the payments would effectively choke off Orascom's already low cash flow after it bid a stunning \$737 million for its Algerian license in July 2001. France Telecom bid just \$424 million for the Algerian license, while Spain's Telefonica decided at the last minute not to make an offer at all. The Algerian network, called Djazzy, went live in February 2002.

Naysayers, like KPMG, were wrong. It took several requests for extensions and an ultimatum from the Tunisian government, but OT scared up the cash.

Sawiris seems to have been a couple steps ahead of the game since signs that OT was having financial problems first started emerging in early 2002. After watching problem after problem accumulate, Sawiris launched an ambitious turnaround plan in late August of last year, touching off a process that has since seen him cut the excess of liabilities to assets from LE 3.11 billion to LE 606.89 million through a series of perfectly timed sales.

Sawiris' trips to Paris and Tunis last month were just the latest in a series of moves OT insiders say will put the company solidly in the black by the time it releases its 2002 results, which analysts expect by the end of this quarter.

Last year's red flags over the price OT paid for the Algerian license were compounded by the earlier release of its 2001 financials, which disclosed the company had lost some LE 435 million, more than LE

361 million of which was accounted for by Tececel.

Senior OT officials speaking on background say today that OT's move into Africa in 2000 made perfect sense at the time. And in many respects it did. Between widespread expectations in the 1990s of an African economic renaissance and the prohibitive cost of laying copper cables on the infrastructure-poor continent, wireless was clearly the force that would bring Africa into the information age. It made sense, then, for OT to acquire an 80% stake in Tececel, which was then valued at around \$520 million.

But what OT didn't know — what no one then knew — was that Africa's economy was headed for a double-dip recession that would run headlong into the bursting of the telecom bubble and a global economic slowdown.

OT's woes didn't end with Africa, though. As investors pummeled OT's shares for the company's poor 2001 results and for appearing to have overpaid for Tunis — a payment Sawiris said at the time was necessary because the Tunisian government would have called off the sale had none of the bidders met its minimum — word emerged that SyriaTel, OT's promising subsidiary in Damascus, was headed for disaster.

bt has covered OT's Syrian woes in detail, so here's the bullet: A management dispute between OT and its highly connected Syrian partner led to an all-out war between the two sides. In a lightning strike last spring, Syrian partner Drex Technologies moved to take full control of SyriaTel beginning with a bid to take sole control of the company's bank accounts before appealing to a Syrian court for a decision that ultimately ordered OT to hand over its stake to Drex. While the case is now tied up in courts spanning from Syria to the British Virgin Islands to Europe, even OT officials have admitted Syria is a lost cause.

SyriaTel accounted for only 1.2% of OT's total investments, but the conflict shook investor confidence in the Egyptian multinational's ability to manage its far-flung empire.

Then, in late summer 2002, the Algerian daily *Le matin* alleged OT had secured its license there by rigging the bidding process. The charges, ultimately proven unfounded by an Algerian government investigation, only added to the taint associated with OT's shares.

OT's share price sank even lower when Sawiris seemed to consciously delay release of his 3Q02 results which, as we now know, contained KPMG's going-concern warning.

But by the time the 3Q02 results hit the streets last month, the auditor's concerns were all but irrelevant. In mid-September, OT divested its Yemeni operation, selling its take in Sabafon for \$18.5 million, rolling a net capital gain of LE 38 million into its financials. Exactly one month later, OT announced it had entered into an agreement with Wataniya Telecom of Kuwait to jointly manage its since-launched Tunisian GSM concession. Wataniya kicked \$113.5 million into OT's coffers for a 50% stake.

"I think we are now on the verge of announcing the finalization of the sale of at least 10 of our assets."

100



The biggest — and most stunning — announcement came on Christmas Eve when Orascom announced that it had inked a deal the day before to sell its 91.6% stake in the Jordan Mobile Telephone Services Company Ltd., better known as Fastlink, to Kuwait's Mobile Telecommunications Company (MTC) in a deal worth as much as \$423.9 million.

The Fastlink sale was good for both sides, analysts say.

"Fastlink was Orascom Telecom's crown jewel," says Arab Advisors Group analyst Hala Baqain. "It was amongst the highest revenue-generating subsidiaries for OT. However, the weary financial position of the operator made the sale of Fastlink the most rational solution to ease its burden of debts. This agreement illustrates another key milestone in the implementation of OTH's plan to restructure its balance sheet."

Investors also cheered the news, kickstarting a rally on OT shares that saw them shoot up 83.5% from 19 December to 20 January as the company announced it had used the cash from the Fastlink, Sabafon and Tunisia sales to fully repay debt obligations worth roughly \$187 million to equipment suppliers Alcatel and Siemens in addition to a payment to Motorola. OT also said in a statement it would "deploy some of the remaining proceeds to fund the high-growth of its core operations, primarily Orascom Telecom Algeria" and added it would make good on all of its debts to Motorola by mid-year.

Although OT insiders admit it was hard to part with Fastlink, it was clearly time. Fastlink was OT's most mature subsidiary and one of its biggest success stories: Despite competition from an established Jordanian competitor run by Orange, France Telecom's mobile arm, Fastlink managed to maintain a 75% market share and hit a compounded subscriber growth rate of 138% between 1999 and the time of sale.

So where did the three sales leave OT on the eve of its release of 3Q02 financials? Roughly LE 2.507 billion closer to being in the black.

It's little wonder, then, that investors cheered the 3Q02 results despite the fact that they included an LE 188-million write down on the

value of Telecel that translated into a net loss of LE 96 million for the year-to-date. Without the write down, though, OT's net income would have been LE 92 million, while its total subscriber base (before the sales of Jordan and Yemen) rose 40% over 3Q01 to 5 million and revenues (again, before the sales) grew 47% to LE 3.8 billion.

Even the news of the Telecel write down was welcome once investors digested it — it was another sign that Sawiris was clearing the decks for the sale of 10 of his sub-Saharan holdings, the same ones that contributed LE 361 million in losses to OT's bottom line in 2001.

"As far as the sub-Saharan deals? I think we are now on the verge of announcing the finalization of the sale of at least 10 of our assets," Sawiris told a press conference just days before for the Paris/Tunis trip.

In almost the same breath, Sawiris denied he was considering selling Mobilink, Orascom's Pakistan operation. "We are receiving lots of offers since we carried out the Fastlink sale," he said. "We might just watch what is coming, but we have no intention to sell."

Instead, OT officials say the company will continue to focus on its high-growth (and highly profitable) core operations in Egypt, Pakistan, Algeria and Tunisia while continuing to improve its cash flow and balance sheet. Sawiris has previously said he would be interested in licenses in the United Arab Emirates, Iran and Saudi Arabia when the time is right, but any plans for expansion appear on hold — for now.

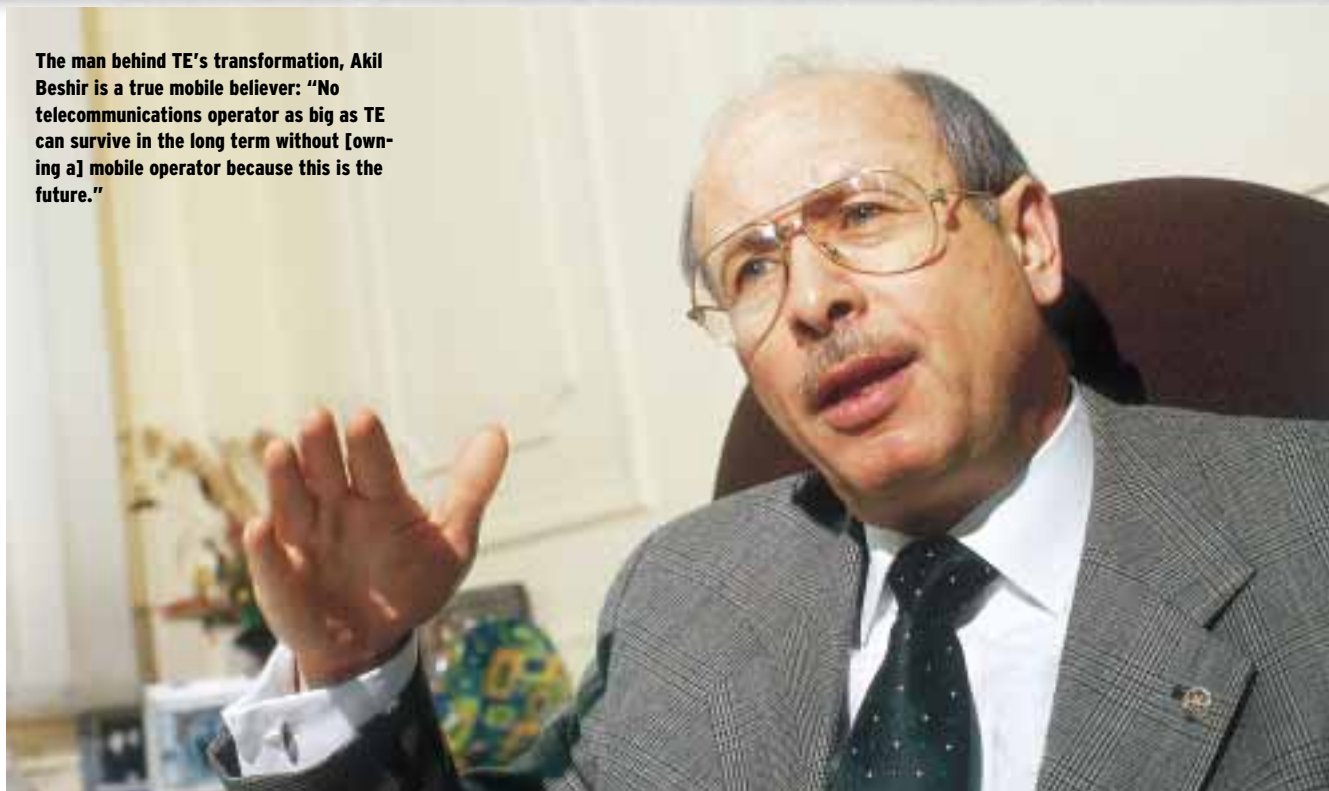
So, too, are suggestions that Sawiris might be quietly trying to delist his companies from the Cairo and Alexandria Stock Exchange. In fall 2002, the European edition of Newsweek magazine claimed Sawiris had told its reporter he was looking to delist his shares. A senior company official says the report may have involved a misquote.

The sale of Fastlink and Telecel (should it happen this year) will likely kick OT down a notch or two on next year's *bt* 100, but one thing is certain: Reports of number-1 ranked Orascom Telecom's demise have been greatly exaggerated. *bt*

Patrick FitzPatrick



The man behind TE's transformation, Akil Beshir is a true mobile believer: "No telecommunications operator as big as TE can survive in the long term without [owning a] mobile operator because this is the future."



does have a lot of potential for penetration, you must also consider the income of the customers and how much they're willing to spend on mobile bills."

Vodafone's Gray says he has no doubt Wataneya will take market share from the two existing operators. "Any new operator will take some market share," he says, adding, "Only when we understand [TE's] objectives better will we know which segment [of clients] they are targeting and, from that, the impact on customer numbers.

"I do still doubt the real benefits to anyone of starting a third operator in the current market conditions with the pressure on dollar availability. Only a company with the scale of TE could contemplate such a large dollar investment. Equally, we are quite happy to trade with any other competitor."

But Beshir has no doubts about the customers he's targeting: To survive, Wataneya has to go after Vodafone and MobiNil users.

"We will need to attract as many new subscribers as possible," the TE boss says. "Actually, we have to get more than one third of our clients from new subscribers in order to catch up with the other two operators. But more importantly, we will work on convincing the other two operators' subscribers to change operators."

1, 2, 3, 4 – let's start a price war

EXACTLY HOW WATANEYA PLANS TO DO THAT IS CAUSING MORE THAN A few sleepless nights at Vodafone and MobiNil's respective Nile-side offices. And while none of the major players are willing to say so openly, all fear a price war on the heels of Wataneya's launch.

Despite often cutthroat competition and unusual marketing ploys ("MobiNil: The Only Egyptian Mobile Company To Use The World-Leading Technology Called GSM," reads one MobiNil advertisement in downtown Cairo), Vodafone and MobiNil have until recently stopped short of an all-out price war, seeming to dance circles around each other's seasonal and regular promotions to avoid introducing instability into the market.

By charging identical rates for identical packages, the two have

instead sought to distinguish themselves through promotions emphasizing breadth and quality of service and high-profile celebrity endorsements. (The two currently charge retail post-paid clients rates of between 60 and 90 piasters per minute, plus a monthly subscription fee.)

While market analysts see few ways Wataneya can gain market share short of touching off some form of price war, Beshir doesn't think a battle-to-the-death is in the cards.

"I don't think that you're going to see much of a price war," he suggests. "We will try to drop our prices, but we can only drop them a little. For the most part, I anticipate that Vodafone and MobiNil will meet our prices because they have the advantage — they already have large consumer bases. They can afford to drop the price. But that will not be our primary way of attracting customers."

Gray, too, says a price war is unlikely, noting, "The economics in Egypt — paying for network equipment in dollars and earning in Egyptian pounds — leaves little room for a price war."

In any case, the TRA's Allam, who ultimately approves pricing schemes, says there's no way she would let it happen. "We will not allow TE to price their services to drown the market or to offer prices with the aim of driving the competition out of business," she says. "The prices are always going to have to be cost-based. We are not going to allow a price war."

Robbing Peter to pay Paul

GRAY AND SULTAN ARE WORRIED ABOUT MORE THAN A PRICE WAR, THOUGH, saying the larger concern is TE's potential to use its monopoly over Egyptians' coveted fixed lines to give Wataneya an edge.

"I'm all for competition because I believe it makes you much stronger as a company and makes you more customer-oriented," Sultan says, "but so far, both companies in the market have played on an even field. MobiNil and Vodafone own just MobiNil and Vodafone. I hope that the position of TE as the sole fixed-line operator will not affect the way in which they operate their mobile [subsidiary]."

But while Allam and Gray point out that cross-subsidies are against the license agreements and the newly passed telecommunications law, Beshir sees room to maneuver, saying TE will use its fixed-line advantage as much and as often as possible to give Wataneya a boost.

"This is an advantage for us in this market, and we will use it as much as the regulator will allow us. Everyone has an edge and, right now, there are a couple of factors in our favor: The first is that we are the fixed lines, and the second is that we come into the market with newest-technology advantage."

Beshir says TE's advantages will boil down to what the TRA will allow the state-owned company to get away with.

"I'm sure the regulator will not just leave it open, but I know that there are some things we can get away with because they are done everywhere," says Beshir. "I can tell you that in any country that has several operators, the regulator does not treat everybody exactly the same. There is something called 'asymmetric regulation,' meaning they always try to favor the new entrants to encourage them and boost their survival in the market. We have to capitalize on that."

One option the existing operators clearly dislike would be for the TRA to allow fixed-line subscribers to use their land lines as collateral for a new mobile line. TE already has experience with a roughly analogous scheme that allows customers to use their land lines as collateral to purchase new computers under MCIT's Computer In Every Home program.

Beshir says Wataneya and TE are interested in a similar scheme, but adds he's only interested in allowing collateralization of land lines if Wataneya alone benefits.

"As I said, we have to use our position as a fixed-line operator to our advantage. We will not make any offers that would benefit all three operators. I'd rather we do without it."

Gray and Sultan both have reservations about collateralization. Gray notes "the idea sounds very close to a cross subsidy," which is forbidden under the new telecom act, while Sultan says he would only go along with collateralization if any of the three operators could use it.

"When TE did a special offer [for computers]," the MobiNil chief says, "they made it available to all computer-assembly companies. So if they are going to create such an offer, then in terms of fairness, they would have to offer it to all mobile operators."

The mobile number portability is another option TE could force that has segment managers at MobiNil and Vodafone awake at night spinning possible scenarios. And they have reason to worry: Beshir says it's virtually a guarantee TE will ask the TRA to declare mobile numbers portable between operators, meaning if you switch from MobiNil to Vodafone, your "012" number stays the same even though your bill would be issued by the company that runs the "010" series.

"This is very important to us," Beshir says, "and it will definitely be something we will approach the regulator about. This will be a big attraction because it reduces the hassles of switching [operators], and we want this to be a hassle-free process."

MobiNil's Sultan doesn't object in principle, explaining, "I think this would be a very good idea. But it has to be available to everyone and not one specific company. Otherwise, this would be giving one company an unfair advantage over the others."

Gray, though, isn't particularly concerned — or excited — by the idea of number portability. "It's expensive and technically complex, but we have experience with it in other markets. Generally, it generates more excitement before the event than after. At the end of the day, the operator with the best coverage and products is the one most-wanted by customers."

And what does the TRA have to say on the issue? Allam notes the telecommunications act is mum: It neither allows nor forbids portability.

"This is something that has been done in other markets," she continues. "There's nothing in the law for it or against it. Actually, we have not been approached by any of the three companies about number portability. We're willing to allow it, but it would work for all three operators."

Perks like portability and collateralization aside, Beshir says Wataneya will lure customers primarily by providing top-quality services on both the technical and customer-relations fronts.

"What will attract the subscriber is providing the same types of services they are getting now [from Vodafone and MobiNil], but with higher quality. Plus we'll provide new services that the current operators cannot provide," he says, though he stops short of specifying what these new services might be.

The brand-new Telecom Egypt

QUALITY SERVICE FROM TELECOM EGYPT? THE VERY Juxtaposition of those two notions would have been laughable two years ago, a fact Beshir says was behind both TE's search for a reputable foreign partner for Wataneya and the rebranding campaign he launched last year.

"That's why we're looking for an international partner," he says, "because while TE has improved its customer care and services over the past two years, we want to partner with an operator who has competed against international companies like Vodafone and Orange [a major MobNil shareholder]. We want their know-how to take care of our customers and attract the others' customers."

The marketing campaign is designed to erase the public's percep-



Telecom Egypt launched an unprecedented (and sophisticated) ad campaign in 2002.

Bates Equity

tion that a state-owned company cannot successfully compete head-to-head with private ones.

Nazif is clearly happy with the marketing campaign, which rolled out in November 2002, just in time for the peak Ramadan television season. "I was very glad to see that kind of image change for TE," Nazif says. "When I saw the first ad on television, I expected to see Vodafone or MobiNil, but I was pleasantly surprised when I saw TE [because] I have been pushing for this image change for a while."

Beshir says that when he first joined TE, the national operator didn't have a marketing department because it believed having a monopoly meant marketing was irrelevant. That perception, he says, was completely wrong.

"The objective for us was a complete image [overhaul]," he says. "Many people were wondering why we're advertising when we have no competition on the market. We wanted and needed to change [our] image because we have changed from a government department into a company that is actually competing in the market in every area of its business."

Ahmed Marwan, vice chairman of Sigma Capital, says TE's transformation in the past two years is more than skin deep. Marwan says the company, which ranks number 1 in the country by market capitalization, was completely reborn.

"Telecom Egypt is number 1 by market cap because they're huge — it's that simple," says Marwan. "They're a company with total capital of LE 15 billion. Consequently, they're the largest company in Egypt. If TE was making LE 20 billion in net profit or LE 2 billion in losses, it would still be the largest by market capital. So it's very important to distinguish that size — in terms of market capitalization, — is not necessarily a reflection of the performance of the company. But in terms of whether or not the company is doing well, I believe that what TE has achieved in the past two years is no small thing."

Marwan says TE has successfully turned itself from a government subsidiary into a profit-oriented corporation that is trying hard to maximize shareholder returns. It just so happens that the government of Egypt is that shareholder.

"It is this shift in management that has made TE come to life," he continues. "They have an advertising campaign, something they've never had before, to increase the awareness of the benefits of telecommunications to the general public. Building public awareness was the message — you are entitled to a phone, whether you're in downtown Cairo or in a rural area, and they will set it up for you."

Telecom Egypt has proven true the theory that you sometimes need to spend money to make money. In the past two years, the company has invested heavily in infrastructure improvements, employee training, increasing staff salaries to boost efficiency, and diversifying its services.

The result? More revenue. In fiscal 2001, TE's revenues topped LE 6.1 billion, with profits of LE 1.4 billion. Beshir says the profit came not from TE's land-line and international monopolies, but because it has managed to create a niche for itself in almost every segment of the telecom market.

"We are no longer the monopoly we were five years ago," the TE chief claims. "Under the new law, we only have a monopoly over international tariffs for fixed lines. But for the local tariffs, we have an

accidental monopoly." Beshir notes that while the new telecom law opens the market to another domestic fixed-line operator, the cost and complexity of launching a second land network makes it unlikely TE will soon face competition in the field.

Morocco and South Africa are actively seeking a second fixed-line operator, but to do the same in Egypt would require an investment of more than \$20 billion — exactly the sum Beshir says TE has sunk into its domestic network over the years. Even if a competitor did have that kind of money, urban congestion in Cairo and Alexandria would make it virtually impossible to lay the infrastructure.

And, more to the point, part of TE's profitability comes from the fact that the government heavily subsidizes domestic tariffs to keep calls affordable for low-income earners.



Vodafone's Ian Gray (left) says a price war on mobile services is unlikely. MobiNil's Osman Sultan (right) says he welcomes competition — as long as the TRA treats everyone equally.

"We don't make profit from our domestic calls because they are heavily subsidized by the government," explains Beshir. "We try to make money from all our other services. But in all of these, we're competing with the private sector. Even on international tariffs we only have an exclusivity deal until 2005 — then this market will be open, too."

If TE has done nothing else since Beshir took the helm, it has positioned itself to handle competition. In almost all service areas, TE has become more customer-oriented as a company and much more aware of how it is perceived by both consumers and international telecom players.

Telecom Egypt has almost completely eliminated the fixed-line waiting list, which stood at 1.3 million customers at the end of 2001; only 200,000 customers are waiting for lines today.

"TE wanted to eliminate the entire list," Nazif says, "but there were areas where it was out of their hands because these areas are missing basic infrastructure like electricity and sewage systems. But TE's ready whenever the infrastructure is ready."

Moreover, the company has trimmed its 55,000-strong payroll to 51,000 while at the same time increasing the number of lines per employee from 110 to 200 lines per. The international average for a company with the same staff base of 51,000 is around 250 per employee.

"We're not done yet," Beshir promises. "We want to get even closer to our customers, so this year we will establish a call center that will allow them to do everything over the phone."



CASEing the final frontier

IF MARKET CHATTER IS ANY INDICATION, THE CAIRO AND ALEXANDRIA Stock Exchange could well become the sector's final battlefield.

Today, MobiNil and parent company Orascom Telecom are the only two actively traded telecom stocks on the exchange. TE has been listed pending an IPO for about three years now, and Vodafone is toying with the idea of listing.

"Telecom on the CASE is a sector that intrigues many investors, regardless of their size," says Marwan. "Everyone who has a portfolio allocates a certain portion of the stocks to telecommunications. Right now, OT and MobiNil have an edge because they're actively traded, but should TE decide to join them and become traded or should Vodafone decide to list, this will mean great changes for the market and the CASE."

MobiNil went live with capital of LE 600 million. The company wanted to increase that figure to LE 1 billion. Instead of borrowing, it offered shares on the CASE. Analysts expected Vodafone to follow suit once it won a reasonable market share but, despite rumors in the last month or so, it has so far failed to do so.

"I think many people expected them to list, but it didn't happen. As far as MobiNil is concerned, I think becoming actively traded was a very good decision for us," says Sultan. "Being listed forces you to be even more accountable to the customer and your stockholders. You have to always keep their interests in mind when making management decisions. It might be a bit restrictive at times, but it's not a hassle."

Asked directly whether Vodafone Egypt — which had a board meeting last month that coincided with a visit from senior Vodafone Group executives — was considering a listing, Gray would only say, "The board is considering a listing, but a final decision will be based on market conditions, including a sufficiently positive outlook for the Egyptian economy and the telecom sector globally."

Gray says Vodafone is not interested in listing for a cash boost to finance infrastructure projects (such as the recent launch of Vodafone Live, its new GPRS-based service), noting, "We have invested heavily to date but anticipate no further requirement for cash beyond our current borrowing facilities."

(Which is not to say Vodafone is avoiding significant cash outlays. Among the operator's infrastructure priorities for 2003 are "getting GPRS installed and working perfectly," Gray says. "That may seem obvi-

ous, but it is challenging. We're also increasing significantly our investment in improving coverage inside buildings. Our customers have told us that this is what they most want." Gray declined to give a price tag for either project.)

Marwan says a Vodafone listing would give telecom stocks a boost similar to the one they got when TE announced it would become actively traded two years ago. The company carried out its listing, but pulled back less than 10 days before its scheduled IPO.

"We [have been] functioning on the basis that this company was going to have an initial public offering two years ago," says Beshir. "but it was delayed because of unfavorable market conditions. Despite the delays, we're still planning to have an IPO — when the time is right."

Nazif says the partial privatization of TE has been delayed solely for economic reasons. "The political decision to privatize part of this company has been in law for a long time," he says. "But the problem really is that we don't want to sell during these market conditions because there's no added value in selling the

company today. The company is making a good profit and there is no need for an immediate inflow of cash. It's not a matter of privatization, but a matter of good business decisions. It's pure economics."

But if TE launches its IPO after going live with Wataneya, Marwan says, its trading pattern would definitely change the dynamics of the sector on the CASE: Investors would suddenly have the option of buying into a well-rounded, local telecommunications company. MobiNil is strictly an Egyptian mobile operator, while OT is more a multinational GSM holding company.

Marwan says the market would welcome a Vodafone listing with almost equally open arms. "This would be direct competition for MobiNil stocks because it would be very easy for an investor to look at the numbers for each of the companies and he will be comparing apples and apples." Investors' decisions to buy, sell or hold would be based solely on comparisons between each company's management team and performance.

"In an ideal world, if TE and Vodafone decide to list, it should not affect MobiNil one way or another," Marwan adds. "But in the real world, it's a different story because people will always be attracted to whatever is new on the market. So people will initially sell shares in MobiNil in order to acquire some shares in TE or Vodafone, then they will eventually balance out again. That would be on the retail side. On the portfolio side, you'd have an asset allocation for telecom and probably, you will have a few stocks in each. If one does a bit better, you'll put in a bit more money. That might be a bit of the short-term view — those who do it professionally will be a bit more balanced."

In spite of all the hardships that have plagued the Egyptian economy like locusts over the past two years, it is encouraging that a sector as crucial to economic development as telecom has managed not only to keep its head above water, but even to grow.

"I have always believed the telecommunications sector is [part] of the backbone of Egypt's economic growth," says Sultan. "I believe with strong telecommunications infrastructure, Egypt will continue to develop economically and to attract more investors in many sectors, because a strong telecommunications sector along with strong infrastructure is the key incentive for a company to set up in Egypt."

All in all, not a bad proposition for other members of the **bt** 100. **bt**
Contributing Writer Dan Bernard and Managing Editor Patrick FitzPatrick contributed to this story.

100 by Market Capitalization

The 100 largest companies in Egypt listed on the CASE ranked by market capitalization (Sept. 2002)

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MARKET CAP

Rank	Company Registered Name (Trade Name)	Symbol	Market cap (LE Millions)	Percent of total market	Sector	Rank by Revenue
1	Telecom Egypt (TE)	ETEL	17,112	14.08	Telecommunication services	-
2	MIDOR <i>(Market cap figure converted from US dollars.)</i>	MIDR	3511	2.89	Construction materials	-
3	Cairo Barclays Bank	CBIB	3360	2.76	Financial institutions (banks)	-
4	Egyptian Company for Mobile Services (MobiNil, ECMS)	EMOB	2881	2.37	Wireless telecom services	3
5	Orascom Construction Industries (OCI)	OCIC	2310	1.90	Construction and engineering	2
6	Suez Cement	SUCE	2112	1.74	Construction materials	6
7	Golden Pyramids Plaza <i>(Market cap figure converted from US dollars.)</i>	GPPL	1855	1.53	Hotels, resorts and cruise lines	-
8	Commercial International Bank (CIB)	COMI	1820	1.50	Financial institutions (banks)	9
9	Assiut Cement (Assiut Cement)	ASCE	1675	1.38	Construction materials	-
10	Egyptian Media Production City (Media City, EMPC, MPC)	MPRC	1629	1.34	Movies and entertainment	81
11	Abu Qir Fertilizers and Chemical Industries (Abu Qir Fertilizers)	ABUK	1601	1.32	Fertilizers and agri. chemicals	8
12	Egyptian Iron and Steel	IRON	1449	1.19	Construction materials	10
13	Al-Ahram Beverages Company (Al-Ahram Beverages, ABC)	PYBR	1329	1.09	Brewers	64
14	Exxon Mobil (Egypt) (Exxon)	MOBL	1300	1.07	Energy	-
15	Eastern Tobacco Company (Eastern Tobacco)	EAST	1271	1.05	Tobacco	4
16	Arab International Investment Co. (LAFICO) <i>(Market cap figure converted from US dollars.)</i>	LFCO	1155	0.95	Multi-sector holdings	-
17	Commercial International Investment Co. (CIIC)	CICI	1149	0.95	Multi-sector holdings	-
18	Delta Sugar (Delta Sugar)	SUGR	1135	0.93	Food distributors	-
19	HSBC Bank of Egypt (HSBC)	HSBC	1001	0.82	Financial institutions (banks)	-
20	Alexandria National Iron & Steel	IRAX	1001	0.82	Construction materials	-

No. 32: **Glaxo Wellcome**

Now known as GlaxoSmithKline, the British firm is the world's largest pharmaceutical company and makes the popular drug Paxil.

MARKET CAP Rank	Company Registered Name (Trade Name)	Symbol	Market cap (LE Millions)	Percent of total market	Sector	Rank by Revenue
21	National Cement (Kawmia) (National Cement)	NCEM	937	0.77	Construction materials	20
22	Sugar & Integrated Industries	SIIC	900	0.74	Food distributors	-
23	Egyptian Cement Company (Misr Cement Company, EEC)	ECEM	812	0.67	Construction materials	-
24	National Societe Generale Bank (NSGB)	NSGB	808	0.66	Financial institutions (banks)	31
25	Orascom Telecom Holdings (OT, OTH)	ORTE	800	0.66	Wireless telecom services	1
26	Dreamland Urban Development	DRRI	790	0.65	Real estate mgmt. & devel.	-
27	Torah Cement	TORA	781	0.64	Construction materials	19
28	Delta International Bank	DIBK	740	0.61	Financial institutions (banks)	-
29	Misr Exterior Bank	EXTR	723	0.60	Financial institutions (banks)	-
30	Tholathia Manufacturing, Trade and Marketing	TTMT	700	0.58	Capital goods	-
31	National Tourism & Hotels <i>(Market cap figure converted from US dollars.)</i>	NATH	693	0.57	Hotels, resorts and cruise lines	-
32	Glaxo Wellcome (now operating as GlaxoSmithKline after merger)	BIOC	692	0.57	Pharmaceuticals	-
33	Egypt Kuwait Holding Company <i>(Market cap figure converted from US dollars.)</i>	EKHO	682	0.56	Multi-sector holdings	55
34	ASEC-Helwan Cement (Helwan Portland Cement)	HELW	655	0.54	Construction materials	22
35	National Gas Company (NATGAS)	NATG	650	0.53	Construction materials	-
36	Misr Romania Bank <i>(Market cap figure converted from US dollars.)</i>	MRBK	624	0.51	Financial institutions (banks)	-
37	Tholathia Investment	ETIN	600	0.49	Multi-sector holdings	-
38	Egyptian International Pharmaceutical Industries (EIPICO)	PHAR	584	0.48	Pharmaceuticals	26
39	Oriental Weavers	ORWE	576	0.47	Textiles (home furnishings)	12
40	World Trade Center Co. Cairo <i>(Market cap figure converted from US dollars.)</i>	WTCC	554	0.46	Real estate mgmt. & devel.	-

No. 47: Egypt Aluminum

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Egypt Aluminum will increase its annual capacity of 166,000 tons of aluminum alloys, wire, T-bars, slabs and sheets to 300,000 this year.

Rank	Company Registered Name (Trade Name)	Symbol	Market cap (LE Millions)	Percent of total market	Sector	Rank by Revenue
41	Arab Insurance Group <i>(Market cap figure converted from US dollars.)</i>	ARIG	549	0.45	Property & casualty insurance	-
42	Ameriyah Cement	AMRI	525	0.43	Construction materials	28
43	Nile City Investment	NCIN	515	0.42	Multi-sector holdings	-
44	Reach Trade & Marketing	RTMK	500	0.41	Commercial services & supplies	-
45	Egyptian Arab Engineering Real Estate & Investment	EAEI	491	0.40	Real estate mgmt. & devel.	-
46	Arab Iron Factory	AIRF	486	0.40	Construction materials	-
47	Egypt Aluminum (Misr Aluminum)	EGAL	484	0.40	Construction materials (alum.)	5
48	Alexandria Containers and Goods	ALCN	478	0.39	Marine	-
49	Marine and Petroleum Services <i>(Market cap figure converted from US dollars.)</i>	MAPS	476	0.39	Energy	-
50	Misr International Bank (MIBank)	MIBA	465	0.38	Financial institutions (banks)	21
51	Misr Iran Development Bank <i>(Market cap figure converted from US dollars.)</i>	MIDB	462	0.38	Financial institutions (banks)	-
52	Arab African International Bank (AAIB) <i>(Market cap figure converted from US dollars.)</i>	ABBK	462	0.38	Financial institutions (banks)	-
53	Orascom for Investment & Development <i>(Market cap figure converted from US dollars.)</i>	ORID	462	0.38	Real estate mgmt. & devel.	-
54	Amoun	AMUN	440	0.36	Pharmaceuticals	-
55	R.G. Investment	RGIT	439	0.36	Multi-sector holdings	-
56	Chipsy Food Industries (Chipsy)	CFIN	431	0.35	Food distributors	-
57	Natural Gas and Mining Project (Egypt Gas)	EGAS	420	0.35	Gas utilities	23
58	Misr Shipping <i>(Market cap figure converted from US dollars.)</i>	MISH	416	0.34	Marine	-
59	Amoun Pharmaceutical Industries (Amoun Pharmaceuticals)	AMON	400	0.33	Pharmaceuticals	-
60	Arabia Tourism Development & Real Estate Investment	ATRE	400	0.33	Real estate mgmt. & devel.	-

MARKET CAP



No. 80: **Americana Group for Food & Tourism Projects**

Americana spent a great deal of 2002 defending its operations Pizza Hut, KFC and Domino's from the boycott on US goods.

Rank	Company Registered Name (Trade Name)	Symbol	Market cap (LE Millions)	Percent of total market	Sector	Rank by Revenue
61	Arab Company for Touristic Projects	ACFT	400	0.33	Hotels, resorts and cruise lines	-
62	Egyptian American Bank (EAB)	EABK	381	0.31	Financial institutions (banks)	34
63	Zahraa Maadi Investment & Development (Zahraa Maadi Investment & Development)	ZMID	380	0.31	Multi-sector holdings	-
64	Suez Canal Bank	CANA	362	0.30	Financial institutions (banks)	33
65	Export Development Bank of Egypt (EDB, EDBE)	EXPA	351	0.29	Financial institutions (banks)	30
66	Societe Arabe International De Banque (SAIB) (Market cap figure converted from US dollars.)	SAIB	349	0.29	Financial institutions (banks)	-
67	Al-Watany Bank of Egypt (Al-Watany Bank, AWB)	WATA	335	0.28	Financial institutions (banks)	39
68	Beni Suf Cement Company	BSCC	330	0.27	Construction materials	-
69	Medinet Nasr Housing and Development (Nasr City Housing)	MNHD	324	0.27	Real estate mgmt. & devel.	75
70	Cairo & Paris Bank (Market cap figure converted from US dollars.)	BCNP	315	0.26	Financial institutions (banks)	-
71	Dreamland Pyramids Golf	DRGQ	313	0.26	Hotels, resorts and cruise lines	-
72	Misr Qena Cement (Qena)	MCQE	312	0.26	Construction materials	-
73	Delta Industries (IDEAL, Delta Industrial)	IDEA	302	0.25	Consumer durables	29
74	Remco for Touristic Villages Construction	RTVC	302	0.25	Construction materials	-
75	El Masreyah Tourism & Hotels (EGOTH)	EGOT	300	0.25	Hotels, resorts and cruise lines	-
76	Canal Shipping Agencies	CSAG	298	0.25	Marine	79
77	Arab Banking Corporation (ABC)	ABCB	293	0.24	Financial institutions (banks)	-
78	Paints and Chemical Industries (PACHIN)	PACH	289	0.24	Commodity chemicals	43
79	IDEAL Trading (First Trade & Marketing)	FTMG	277	0.23	Retailing	-
80	Americana Group for Food & Tourism Projects (Americana)	AGFT	275	0.23	Food distributors	-

No. 98: **Misr Hotels (Hilton)**

Misr Hotels' latest attempt to privatize in 2002 was shot down when the Ministry of Finance demanded LE 180 million in back taxes.

MARKET CAP	Rank	Company Registered Name (Trade Name)	Symbol	Market cap (LE Millions)	Percent of total market	Sector	Rank by Revenue
	81	DINA for Agriculture Investment (DINA)	DATI	275	0.23	Food distributors	-
	82	Faisal Islamic Bank of Egypt <i>(Market cap figure converted from US dollars.)</i>	FAIT	274	0.23	Financial institutions (banks)	13
	83	Heliopolis Housing and Development (Heliopolis Housing)	HELI	274	0.23	Real estate mgmt. & devel.	70
	84	Arab Cables Company	ACAB	270	0.22	Construction materials	-
	85	Mantrac	MTAC	260	0.21	Construction materials	-
	86	Orascom Hotel Holdings (OHH)	ORHC	260	0.21	Hotels, resorts and cruise lines	98
	87	Suez Canal for Educational Services	SCES	259	0.21	Commercial services & supplies	-
	88	Sinai Cement Company	SCEM	256	0.21	Construction materials	59
	89	Al-Amal Clay Bricks	ACBR	255	0.21	Construction materials	-
	90	Egyptian Glass Company (Al-Masreyya Glass)	EMGL	254	0.21	Construction materials	58
	91	Amriyah Pharmaceutical Industries (Amriyah Pharmaceuticals)	ARPP	252	0.21	Pharmaceuticals	48
	92	Taba Tourism Development	TABA	250	0.21	Hotels, resorts and cruise lines	-
	93	Misr Beni Suef Cement	MBSC	246	0.20	Construction materials	-
	94	Egyptian Real Estate Group	AREH	242	0.20	Real estate mgmt. & devel.	-
	95	Isis for Hotels & Touristic Real Estate	EZIZ	237	0.19	Hotels, resorts and cruise lines	-
	96	Alexandria Cement (Alexandria Portland Cement)	ALEX	233	0.19	Construction materials	50
	97	Saudi Egyptian Construction <i>(Market cap figure converted from US dollars.)</i>	SECN	231	0.19	Construction and engineering	-
	98	Misr Hotels (Hilton)	MHOT	227	0.19	Hotels, resorts and cruise lines	74
	99	Credit Agricole Indosuez (Egypt) (Credit Agricole Indosuez, CAI)	CIEB	225	0.19	Financial institutions (banks)	-
	100	South Egypt Drug Industries Co. (SEDICO)	SEDI	224	0.18	Pharmaceuticals	-

No. 3: **MobiNil**

MobiNil was the nation's first GSM operator and remains a market leader with 91.1% of the nation covered.

1 **Orascom Telecom Holdings (OT, OTH)**

SYMBOL: ORTE

INDUSTRY: Wireless telecommunication services

BASED: Cairo (Agouza)

EMPLOYEES: 6757

The largest and most diversified telecommunication group in Africa and the Middle East, Orascom Telecom is looking to pare down its operations as it restructures its balance sheet, having taken blows as the international telecom bubble burst. (For more on OT, see feature page 88.)

MANAGEMENT: Naguib Sawiris (chairman)

LISTED: 2000

PAR VALUE: LE 10

MARKET CAP: 1,131.90

TRADING DAYS: 242

NUMBER OF TRADES: 46,720

NUMBER OF SHARES: 110

2 **Orascom Construction Industries (OCI)**

SYMBOL: OCIC

INDUSTRY: Construction and engineering

BASED: Cairo (Agouza)

EMPLOYEES: 2652

Established in 1950, Orascom Construction Industries is Egypt's largest and most diversified private-sector construction and building materials group. OCI benefits from strategic partnerships with leading multinational companies in the construction and gas industries. Its core competencies include large industrial and infrastructure projects, construction materials manufacturing and infrastructure concessions.

OCI has had no problems tapping capital on the bond market, having issued an LE 200 million offering in 2001; its subsidiary Egyptian Cement Company (Misr Cement) last year completed the nation's largest-ever corporate bond offering at LE 1 billion.

"This bond constitutes a milestone transaction in Egypt, being the largest corporate bond issue in the country's history and the first refinancing of existing corporate debt," said OCI chief Nassef Sawiris of the LE 1 billion issue in a company statement. The Bank of New York issued global depository receipts for OCI in 2002.

OCI's activities range from the construction of Cairo's tallest buildings (the twin

Nile City towers near the Conrad Cairo) to a wastewater treatment system in Luxor, as well as electricity plants and private port construction and management contracts, among others.

In October, OCI announced that members of its board of directors and a number of its major shareholders were converting shares representing 46.12% of the company's total shares into its newly listed GDRs. OCI shareholders also recently approved an LE 86.62 million capital increase from retained earnings and reserves, issuing shareholders one free share for every 10 they already held. The move boosted OCI's issued capital from LE 866.25 million to LE 952.88 million. In April, shareholders held an extraordinary general meeting to approve an LE 41.25 million increase to raise OCI's capital to LE 866.25 million.

OCI focuses on three high-growth sectors: construction, building materials manufacturing, and infrastructure development. (For more on OCI, see profile page 105.)

MANAGEMENT: Nassef Sawiris (chairman and CEO), Naguib Sawiris (vice chairman)

LISTED: 1999

PAR VALUE: LE 10

MARKET CAP: 2011.43

TRADING DAYS: 238

NUMBER OF TRADES: 9683

NUMBER OF SHARES: 82.50

3 **Egyptian Company for Mobile Services (MobiNil, ECMS)**

SYMBOL: EMOB

INDUSTRY: Wireless telecommunication services

BASED: Cairo

EMPLOYEES: 1685

Formed in May 1998, MobiNil was the nation's first GSM operator and remains a market leader in terms of subscribers and coverage range with 91.1% of the nation covered. Its bottom-line revenue benefits from roaming agreements with 236 operators in 106 countries and includes GSM, non-GSM and satellite partners. The company also has a broad retail base, with some 2000 points of sale nationwide.

Shareholders include Orange (France Telecom's mobile arm) and Orascom Telecom, the leading Africa and Middle East GSM conglomerate. MobiNil's total investment in the domestic economy tops LE 5 billion.

Relations between MobiNil and arch-rival Vodafone Egypt (formerly Click GSM and Click Vodafone) took a turn for the better in the summer of 2001 when MobiNil chief Naguib Sawiris and Vodafone anchor investor Mohamed Nosseir threatened legal action if Telecom Egypt was not required to pay state licensing fees to operate the nation's third (yet to be launched) GSM network. The two networks finally allowed their subscribers to exchange SMSes between the services in fall 2001.

Relations between the two continued to improve in 2002, but are believed to have taken a turn for the worse of late following a conflict over MobiNil's new multimedia messaging service. (For more on the "Live" service, see The Good Life, page 151. See cover story, page 84, for more on MobiNil.)

MANAGEMENT: Naguib Sawiris (chairman),

Osman Sultan (CEO)

LISTED: 1998

PAR VALUE: LE 10

MARKET CAP: 3116

TRADING DAYS: 242

NUMBER OF TRADES: 33,334

NUMBER OF SHARES: 100

4 **Eastern Tobacco Company (Eastern Tobacco)**

SYMBOL: EAST

INDUSTRY: Tobacco

BASED: Cairo

EMPLOYEES: 12,700

Established in 1920, Eastern Tobacco produces cigarettes and tobacco products on behalf of international brands and benefits from a complete market monopoly on domestic cigarette production.

Eastern boosted the price of local hard-pack cigarette brands, including the Cleopatra and Boston labels, in early 2000 to finance new machinery that would allow it to boost hard-pack production from 5 million a year to 10 million. Analysts estimate Eastern produces 99% of the cigarettes sold in Egypt and controls 55-60% of the market for shisha tobacco. Forbidden by law from growing tobacco in Egypt, Eastern's profitability has grown since 1999, when Egypt joined the Common Market of Eastern and Southern Africa (COMESA). The move immediately slashed duties on imported African to-

KEY AND SOURCE GUIDE: NAME: in format of listed name (trade name and/or common derivatives), sourced from the Cairo and Alexandria Stock Exchange (CASE), Sigma Capital (Sigma), Kompas Egypt (Kompas) and *bt* files • **SYMBOL:** CASE symbols reported by Sigma • **INDUSTRY:** reported by Sigma according to Global Industry Classification Standard (GICS) • **BASED:** indicates location of corporate headquarters as reported by Kompas • **EMPLOYEES:** number of employees reported by the company to Kompas (2001) • **BIOGRAPHICAL SKETCHES:** short biographical sketches based on data from Kompas; augmented bios draw on data from Kompas, Sigma, *bt* files and *bt* research • **MANAGEMENT:** executive officers as reported by companies to Kompas (2001) • **LISTED:** year listed on CASE as reported by CASE to Kompas • **PAR VALUE:** par value of company's shares as reported by Kompas, all in LE unless otherwise stated • **MARKET CAP:** market capitalization in LE (unless otherwise stated) as calculated on 31 December 2002 by Sigma • **TRADING DAYS:** total days traded in calendar year 2002 as reported to Sigma by CASE • **NUMBER OF TRADES:** number of trades in calendar year 2002 as reported to Sigma by CASE • **NUMBER OF SHARES:** total number of issued shares for each company as reported to Sigma by CASE. IN ALL INSTANCES: (N/A) = not applicable; (-) = not available.

Suez Cement is Egypt's leading cement mill with a total annual production capability of 7.6 million tons.

bacco from 80% to 20%.

Ending months of maneuvering, the Ministry of Public Enterprise's privatization committee said in December 2001 it would boost the number of Eastern shares on offer by 15% to increase the private-sector's shareholding to 49%. British American Tobacco's (BAT) subsequent launch of the Kent brand in Egypt prompted speculation that BAT was looking to take a stake in Eastern, a notion the foreign tobacco company promptly denied.

Eastern's shares were star performers in 2002. Its sharp rise began in July, when the company announced it would increase its authorized capital from LE 400 million to LE 500 million and its issued capital from LE 250 million to LE 375 million. At the time, Eastern said it would finance the increase by hiking its shares' par value from LE 10 to LE 15 using reserves.

Interest in the shares grew in August as Eastern reported a 2.4% increase in net income for FY01-02 to just under LE 280 million. Egyptians inhaled LE 1.68 billion in cigarettes between July 2001 and March 2002, LE 95 million more than during the same period the previous year. In October, the CASE approved Eastern's capital increase. After rising 46% since August, Eastern's shares cooled off slightly in late October as the company announced it would issue an LE 6-per-share cash dividend. (For more on Eastern Tobacco, see profile page 109.)

MANAGEMENT: Mohamed Sadek Ragab (chairman and managing director)

LISTED: 1995

PAR VALUE: LE 10

MARKET CAP: 1388

TRADING DAYS: 235

NUMBER OF TRADES: 4829

NUMBER OF SHARES: 25

5 Egypt Aluminum (Misr Aluminum)

SYMBOL: EGAL

INDUSTRY: Construction materials (aluminum)

BASED: Cairo

EMPLOYEES: 9500

Egypt Aluminum enjoys a monopoly on the local aluminum production market and still exports 55% of its production. Although hit by the downturn in the construction industry, EGAL still plans to increase its annual production capacity by nearly 50% to 300,000 tons. On the auction block since 2000, EGAL has completed the first phase of privatization and is still planning to go completely private.

The Metallurgical Industries Holding

Company announced in April 2002 that EGAL would increase its capital to LE 500 million from LE 400 million by issuing one new share for every four existing shares at a value of LE 10 per. The stock flashed briefly on the CASE in July 2002 on news of a pending privatization valuation after company officials said EGAL's current market price does not reflect its growth potential. EGAL's shares closed 2002 up 26.64% over their 2001 close.

MANAGEMENT: Zaki Bassiouny (chairman and managing director)

LISTED: 1994

PAR VALUE: -

MARKET CAP: 593.2

TRADING DAYS: 198

NUMBER OF TRADES: 2219

NUMBER OF SHARES: 40

6 Suez Cement

SYMBOL: SUCE

INDUSTRY: Construction materials

BASED: Cairo (Maadi)

EMPLOYEES: 1800

As the majority shareholder of Torah Cement, Suez Cement is Egypt's leading cement mill with a total annual production capacity of 7.8 million tons (which includes Torah's capacity). Established as a private company in 1997, Suez itself operates two large dry-method facilities in Qatamia and Suez. Although stake sale rumors have abounded, Suez claims to be studying the possibility of acquiring outstanding shares in Torah. Suez accounted for 15% of cement production in 2001, or 26.6% if Torah's share of the production is included.

MANAGEMENT: Mohamed Sayed Dessouki (chairman and managing director)

LISTED: 1995

PAR VALUE: LE 10

MARKET CAP: 2027.52

TRADING DAYS: 239

NUMBER OF TRADES: 7504

NUMBER OF SHARES: 64

7 Ezz Steel Rebars (Ezz Steel)

SYMBOL: ESR5

INDUSTRY: Construction materials (steel)

BASED: Giza (Mohandiseen)

EMPLOYEES: 1279

Established in 1994, Ezz Steel Rebars is the largest steel producer in the region, manufacturing steel products for the domestic, African and Arab markets. Ezz plans

to increase productivity while continuing recycling and environmental protection efforts. The company increased its capital from LE 194.3 million to LE 270 million in April 2001 to better compete with foreign competitors.

Ezz was the center of controversy throughout 2002 as talk of its near-monopoly on the domestic steel market mounted and chairman Ahmed Ezz was appointed to the secretariat of the ruling National Democratic Party. Ezz Steel's position in local and export markets was given a shot in the arm in late summer 2002 when the World Trade Organization backed Egypt's 1998 decision to im-

Top 30 By Brand Value

(difference between market cap and book value [owner's equity], 2001)

1 Suez Canal Bank	11,001.38
2 Orascom Telecom	1930.33
3 Media Production City	1835.73
4 Egypt Aluminum	1656.94
5 Mobinil	1632.68
6 Commercial International Bank	1575.33
7 Orascom Construction Industries	1251.76
8 Suez Cement	1225.14
9 Abu Qir Fertilizers	1198.45
10 Misr International Bank	1043.14
11 Torah Cement	776.73
12 Egyptian International Pharmaceutical Industries	771.77
13 Egyptian Iron and Steel	688.05
14 Egyptian Kuwait Holdings	661.26
15 EFG-Hermes Holding	618.70
16 Helwan Portland Cement	615.45
17 Oriental Weavers	607.52
18 National Societe Generale Bank	561.34
19 Natural Gas and Mining Project (Egypt Gas)	548.45
20 Export Development Bank of Egypt	531.09
21 Egyptian American Bank	521.94
22 Alexandria Spinning and Weaving	501.35
23 Egyptian Financial and Industrial	491.05
24 Arab Polvara Spinning and Weaving	480.64
25 Ezz Steel Rebars	480.20
26 Olympic Group for Financial Investment	464.24
27 Orascom Hotel Holdings (OHH)	450.59
28 Al-Ahram Beverages Company	450.23
29 National Development Bank of Egypt	425.51
30 Paints and Chemical Industries (PACHIN)	420.32

No. 8: Abu Qir Fertilizers and Chemical Industries

Egypt's largest fertilizer company with a 70% share of the domestic market, Abu Qir also produces for export.

pose anti-dumping duties on steel rebars from Turkey and the Commonwealth of Independent States. Ezz Steel and Alexandria National Iron and Steel had complained to the former Ministry of Economy and Foreign Trade about dumping by Turkish producers.

MANAGEMENT: Ahmed Ezz (chairman and managing director)

LISTED: 1999

PAR VALUE: LE 5

MARKET CAP: 127.28

TRADING DAYS: 241

NUMBER OF TRADES: 12,275

NUMBER OF SHARES: 86

8 Abu Qir Fertilizers and Chemical Industries (Abu Qir Fertilizers)

SYMBOL: ABUK

INDUSTRY: Fertilizers and agricultural chemicals

BASED: Alexandria

EMPLOYEES: 2992

Egypt's largest fertilizer company with a 70% share of the domestic market, Abu Qir also produces for export. The company, founded in 1976, has made steady progress in adopting new production technologies, including the production of ammonium nitrate granules using natural-gas fired plants.

Top 20 Gainers

(by change in share price 2001-2002)

1 Acrow Misr	145.3%
2 Al-Ahram Beverages Company	87.8%
3 Olympic Group for Financial Investment	86.5%
4 Oriental Weavers	85.6%
5 Egyptian Financial and Industrial	66.1%
6 Kafr El-Zayat Pesticides	55.9%
7 Misr Free Shops	51.3%
8 Egyptian Workers Bank	46.4%
9 Development and Engineering Consultants	43.4%
10 Egyptian Glass Company	41.4%
11 General Silos and Storage	40.1%
12 Eastern Tobacco	33.6%
13 Paints and Chemical Industries (PACHIN)	31.5%
14 Nasr Company for Civil Works	30.5%
15 Orascom Hotel Holdings (OHH)	30.3%
16 Abu Qir Fertilizers	29.7%
17 Mohandes Insurance	29.0%
18 Heliopolis Housing	26.7%
19 Egypt Aluminum	26.6%
20 Cairo Housing	26.2%

MANAGEMENT: Osama El-Sayed El-Ganayny (chairman and managing director)

LISTED: 1994

PAR VALUE: LE 10

MARKET CAP: 1488.10

TRADING DAYS: 237

NUMBER OF TRADES: 3140

NUMBER OF SHARES: 45.89

9 Commercial International Bank (CIB)

SYMBOL: COMI

INDUSTRY: Financial institutions (banks)

BASED: Cairo

EMPLOYEES: 1701

CIB, the only financial institution to place in the Top 10, opened 2002 strong after posting 2001 profits that exceeded even optimistic analyst projections, but closed down after being rocked by the resignation of its chairman and posting disappointing results for the first nine months of the year.

Established in 1975 by the National Bank of Egypt and Chase Manhattan as the nation's first private joint-venture bank, CIB remains Egypt's leading private-sector financial institution measured by revenue, net profits, total deposits, loans, total assets and its securities portfolio. Its 2001 revenues and net profits were roughly double those of both Misr International Bank (MIBank) and National Societe Generale Bank (NSGB), its two nearest challengers, though some analysts have of late criticized CIB for what they claim are operating inefficiencies stemming from what they say is an inadequate IT base.

CIB won a string of international awards in 1998-2000 and benefits from a substantial foreign corporate client base. It has worked hard at maintaining both attractive share prices and securing foreign loans to deepen and broaden its lending activities.

In early 2000, CIB entered into a new life insurance venture, Commercial International Life, with Britain's Legal and General. It worked on an LE 200 million bond offering for Orascom Construction Industries in 2001, and was part of the team advising the government on the listing and privatization of Telecom Egypt when TE was listed on the CASE on 3 January 2000. CIB was one of 12 local and foreign banks to extend TE an additional LE 800 million in medium-term financing in mid-2002 to finance the fixed-line operator's infrastructure and service-improvement plans.

On the retail side, CIB squelched persistent customer complaints by joining the nation's "123" automated teller network in January 2002, becoming the 22nd member of the network and one of its anchors. The 123

service now includes more than 440 machines nationwide.

CIB's strong 2001 profits (up 41% over the previous year) led investors to favor the stock early in 2002, a trend aided by rumors that strategic investors were interested in acquiring a large stake. The National Bank of Egypt, the largest single shareholder in CIB, was said in June 2002 to be planning the purchase of another 200,000 shares to boost its stake in the bank to 20.53%. Other leading shareholders include the International Finance Corporation (5%) and GDR holders (18% in total).

The bank's problems began in July 2002 when international ratings agency Standard and Poor's cut its medium- and long-term ratings on CIB, as it did with other Egyptian financial institutions. Next, CIB chief Mahmoud Abdel-Aziz unexpectedly resigned in mid-August, leaving the reins briefly to Mahmoud Helal, his number two. Although Abdel-Aziz said health concerns were behind his decision, which he called a "natural one" after 42 years in the industry, there was rampant industry speculation that his resignation was the result of mounting frustration at the government's alleged interference in how CIB managed some of its more high-profile dead-beat clients.

CIB shares were hit in August as bank officials failed to confirm a strategic stake sale and by Abdel-Aziz's departure, but were pushed up at the beginning of October as the bank appointed Hesham Ezz El-Arab as its new chairman and by talk of a forthcoming capital increase through a rights issue to existing shareholders at par. CIB suffered, though, at year's end after being hit by news of disappointing third-quarter results: Net profits for the nine-month period ending 30 September had dipped 9% to LE 216.93 million compared to the same period the previous year.

MANAGEMENT: Hesham Ezz El-Arab (chairman), Mohamed Ashmawy (vice chairman and managing director)

LISTED: 1995

PAR VALUE: -

MARKET CAP: 1768.65

TRADING DAYS: 242

NUMBER OF TRADES: 34,415

NUMBER OF SHARES: 65

10 Egyptian Iron and Steel Company

SYMBOL: IRON

INDUSTRY: Construction materials (steel)

BASED: Cairo (Helwan)

EMPLOYEES: 15,500

A late turnaround bid, high domestic steel prices and the prospect of profiting from a

For the first three quarters of 2002, OCI brought in more than LE 2.09 billion in revenue. Only Arab Contractors has higher revenue.

Running With The Big Dogs

A mantra of "Build it or Buy it" has kept number-2 ranked Orascom Construction Industries firmly at the top

FOR SYMBOLIC PUBLIC RELATIONS, A CONSTRUCTION company can't do much better than helping build a country's tallest structure. Orascom Construction Industries (OCI) is sharing in those honors now as it helps complete the twin Nile City office towers 33 stories above downtown Cairo's east Nile bank. OCI was also the contractor on the previous record-holder, the nearby Royal Nile Tower Hotel.

But a somewhat less-glamorous project, a liquefied natural gas facility under construction in Damietta, may be a more telling example of how OCI has thrived during a slump in the domestic construction industry. It's not just that Agouza-based OCI landed part of the €82 million contract to build LNG storage tanks for Union Fénoza of Spain, not to mention a \$21 million contract to build related marine facilities on the Mediterranean — it's the pipes. The subcontractor supplying steel pipes for the project is National Steel Fabrication, which is 50% owned by OCI.

And it's the concrete, which is being supplied by Ready Mix Egypt. Ready Mix is 100% owned by — yep, Orascom Construction Industries. The concrete contains cement that likely came from Egyptian Cement Co., 53.7% owned by OCI. And the cement came in bags manufactured by National Bag Co., 75% owned by ... you get the point.

Egypt's largest private-sector construction company has flourished by branching out beyond construction. Any construction firm needs to buy supplies and take on subcontractors; OCI happens to hold a 50% or larger stake in companies that make paint, plaster and construction chemicals, and provide services such as waterproofing, facades and window installation. OCI's Building Materials Group now accounts for 40% of the parent company's total revenue.

"I like their business mode," says Moustafa Hassan, an investment adviser at Swiss Egyptian Portfolio Management Co. "Whenever they need a company, they basically buy it or create it."

OCI is part of the Orascom business em-

pire founded in 1950 by Onsi Sawiris. Its sister companies include Orascom Telecom (the largest GSM group in Africa and the Middle East) and Orascom Projects & Touristic Developments (builder of the El Gouna and Taba Heights resort towns). Son Nassef Sawiris has overseen construction activities since 1990 and was chief exec as OCI went public in 1998. (Through his office staff, Nassef Sawiris declined to be interviewed for this story in keeping with a long-standing policy not to speak with the media.)

For the first three quarters of 2002, OCI brought in more than LE 2.09 billion in consolidated revenue, up from LE 1.77 billion during the same period the previous year. Net profit for 2002 through September was LE 240.5 million, or 11.5% of total revenue, compared to 232.7 million (13.2%) during that period in 2001. Only government-owned Arab Contractors has higher revenue.

But OCI's future success depends upon growing outside of Egypt. OCI has insulated itself from Egypt's economic hard times by accumulating business interests around the Middle East and North Africa. For the first nine months of 2002, OCI derived 15% of its total revenue from sources outside Egypt, about LE 323 million. The company did that by landing LE 198 million worth of construction jobs funded by or located in other countries and by exporting LE 124 million worth of building materials made by its subsidiaries.

"In construction, OCI is the only company that is aggressively expanding outside Egypt," says Wessam Mohie, a construction industry analyst at EFG-Hermes. "The company is trying not to put all operations in one place in order to diversify the risk, so that if one country suffers, not all the company is affected."

OCI has broader ambitions. Last year, executives vowed that they would accelerate multinational activities so that by 2005, fully half of the company's revenue will come from sources outside Egypt (a plan the company calls its "50-05 action plan"). "The '50-05 action plan establishes export sales targets for each business unit and provides a framework for recruiting new sales staff, exchanging customer information and providing new capital for export sales promotion programs," CEO Nassef Sawiris said in a September message to shareholders.

Taking into consideration projects scheduled but not yet under way, about 20% of OCI's construction revenue will soon be from



OCI is helping erect the city's newest tallest structures, the Nile City office towers.

foreign sources, including jobs in Algeria, Qatar, Tunisia, Jordan, Bahrain and Yemen, says OCI spokesman Hassan Badrawi.

A milestone in OCI's regional strategy will come this summer, when the company is scheduled to open its first foreign-based manufacturing subsidiary. Algerian Cement Co. is to ramp up to its full annual production capacity by summer 2004, churning out 2 million tons of cement.

And building-material exports are rising. Egyptian Cement Company exported an estimated 600,000 tons of cement last year to Yemen, Jordan, Kuwait, Libya, Algeria, Sudan, and elsewhere in Africa. (ECC was also in the news last year for successfully making an LE 1 billion bond offering, the largest private-sector bond float in Egyptian history.)

By the way, some of that cement from the Egyptian Cement Co. was transported by a company named Egyptian Maritime Services (which is part-owned by OCI) and shipped at the Red Sea port at Ain Sokhna. The port is managed by Sokhna Port Development Co. (part-owned by OCI) and adjacent to an industrial park under planning by Suez Industrial Development Co., which happens to be 59% owned by ... who else? **bt**

Daniel Lynx Bernard

No. 11: Egyptian Contracting (Mokhtar Ibrahim)

Egyptian Contracting is engaged in large-scale projects in Oman and the United Arab Emirates worth more than LE 250 million.

steel war between the United States and the European Union did little to help the Egyptian Iron and Steel Company in 2002.

In April, IRON unveiled what it said was a \$120-million (LE 544-million) plan to boost its production capacity, raising its present 1-million-ton threshold by 250,000 tons by the end of the year. Company officials claimed they would use the extra capacity in part to service export contracts for 150,000 tons worth LE 145.6 million to companies in Italy, Spain and the UK, as well as a 30,000-ton contract worth LE 32.5 million to Sudan and a 20,000-ton contract worth LE 23.3 million to the United Arab Emirates — about LE 101 million in total.

In public statements made in June as they announced a financial restructuring program designed to allow the company to cover the cost of new production equipment and raw materials, IRON officials revised the value of the deals to LE 186 million. By August, Egyptian Iron and Steel's shares had become attractive on the CASE, with investor interest fuelled by both rumors of a stake sale and confirmation that the company was proceeding with the restructuring and had also made good on some of its outstanding debts.

The People's Assembly and Metallurgical

Top 20 Losers

(by change in share price 2001-2002)

1 Alexandria Commercial and Maritime Bank	-78.2%
2 Pfizer Egypt	-54.2%
3 Arab Polvara Spinning and Weaving	-54.2%
4 Orascom Projects and Touristic Development	-49.6%
5 Export Development Trading Company	-45.1%
6 Al-Watany Bank of Egypt	-44.3%
7 Egyptian Commercial bank	-43.6%
8 United Bank of Egypt	-42.3%
9 T3 - A Pharmaceutical Group	-39.5%
10 Industrial and Engineering Projects	-38.9%
11 International Electronics	-37.5%
12 Upper Egypt Contracting	-36.5%
13 Media Production City	-34.2%
14 Egyptian Iron and Steel	-32.6%
15 National Cement	-30.9%
16 Export Development Bank of Egypt	-29.8%
17 Misr Hotels (Hilton)	-29.2%
18 North Cairo Mills	-28.2%
19 Arabian International Construction	-27.3%
20 Ameriyah Cement	-26.9%

Industries Holding Company promptly poured cold water on briefly red-hot IRON: The MIHC announced it would be breaking IRON into three separate divisions as a step toward privatizing each as an individual company. MPs later demanded a parliamentary inquiry into allegations of corruption and mismanagement at IRON, claiming the company had reported losses of LE 458.3 million in the first quarter of 2002 despite recording sales of LE 792.6 million in the same period, a 29.38% rise in sales compared with first quarter of 2001.

MANAGEMENT: Ali Helmy (chairman and managing director)

LISTED: -

PAR VALUE: -

MARKET CAP: 1389.15

TRADING DAYS: 239

NUMBER OF TRADES: 5748

NUMBER OF SHARES: 332.33

11 Egyptian Contracting (Mokhtar Ibrahim) (Mokhtar Ibrahim)

SYMBOL: ECMI

INDUSTRY: Construction and engineering

BASED: Giza (Mohandiseen)

EMPLOYEES: 5291

Established in 1952 and one of the first state-owned companies to be partially privatized through an offering on the CASE, Mokhtar Ibrahim's construction activities include housing and infrastructure projects and services in real estate, land reclamation and utilities. The company is currently engaged in large-scale projects in Oman and the United Arab Emirates worth more than LE 250 million.

Full privatization is still in the cards, but has been hampered as ECMI's net profits and profit margins have slid as a result of the downturn in the domestic construction industry.

MANAGEMENT: Mounir Ali El Ghanem (chairman and managing director)

LISTED: 1998

PAR VALUE: -

MARKET CAP: 126.12

TRADING DAYS: 133

NUMBER OF TRADES: 415

NUMBER OF SHARES: 12

12 Oriental Weavers

SYMBOL: ORWE

INDUSTRY: Textiles (home furnishings)

BASED: Cairo (Heliopolis)

EMPLOYEES: 1147

Ranked among the top three carpet pro-

ducers worldwide, analysts consider Oriental Weavers one of Egypt's most successful exporters. Oriental, established in 1981 by the Orientals Group, uses mechanical manufacturing processes to make carpets at its complex of four integrated factories in Tenth of Ramadan City. It continues to pursue a plan for vertical integration and has been aiming to grow annual revenue 13.3% per annum through 2006. Earnings grew 13.5% in the first quarter of 2000, but have slackened some since then, with revenue growing a respectable 9.5% between 2000 and 2001. (For more on Oriental Weavers, see profile page 111.)

MANAGEMENT: Mohamed Farid Khamis (chairman and managing director)

LISTED: 1997

PAR VALUE: LE 10

MARKET CAP: 736.29

TRADING DAYS: 217

NUMBER OF TRADES: 2373

NUMBER OF SHARES: 13.50

13 Faisal Islamic Bank of Egypt

SYMBOL: FAIT

INDUSTRY: Financial institutions (banks)

BASED: Cairo

EMPLOYEES: 1322

Established in 1977, the Faisal Islamic Bank of Egypt continues to operate all of its commercial and investment activities according to Islamic finance principles derived from Shari'a and has branched out into real estate and leasing activities.

MANAGEMENT: Prince Mohamed Al-Faisal Al-Saud (chairman), Ahmed Oweida (vice chairman)

LISTED: 1995

PAR VALUE: -

MARKET CAP: 79.54

TRADING DAYS: 103

NUMBER OF TRADES: 273

NUMBER OF SHARES: 1.32

14 Central and West Delta Flour Mills (Middle and West Delta Flour Mills)

SYMBOL: WCDF

INDUSTRY: Food distributors

BASED: Tanta, Gharbia

EMPLOYEES: 6078

Established in 1967 and now 61% privatized, WCDF owns 20 mills and 26 bakeries. It manages the trade, storage and distribution of grain while serving one-third of Egypt's population. The company accounted for 0.9% of Egypt's weighting in the Emerging Markets Free Index when Egypt was included in 2000. WCDF is cur-

No. 18: North Cairo Flour Mills

Founded in 1976, North Cairo Flour Mills holds a 17% market share in flour, enough to make it Egypt's number-two producer.

rently developing new silos and mills in a bid to boost its production capacity.

MANAGEMENT: Abu Zeid Mohamed Abu Zeid (chairman), Aly Mohamed Al-Etr (vice chairman)

LISTED: 1996

PAR VALUE: -

MARKET CAP: 139.80

TRADING DAYS: 238

NUMBER OF TRADES: 2931

NUMBER OF SHARES: 7.50

15 Upper Egypt Flour Mills

SYMBOL: UEFM

INDUSTRY: Food distributors

BASED: Sohag

EMPLOYEES: 5652

Upper Egypt Flour Mills, established in 1965 and partially privatized (61%), operates 24 mills, with all mills now believed to have been upgraded to modern cylinder methods. The company also controls a majority stake in King's Valley Mills (since 1999), giving it a large share of premium flour milling throughout Upper Egypt and the Red Sea area.

MANAGEMENT: Sami Taha (chairman)

LISTED: 1996

PAR VALUE: LE 10

MARKET CAP: 120.75

Top 20 By Assets

(by total assets from 2001; in LE millions)

1 Commercial International Bank	18,601.49
2 Misr International Bank	13,063.79
3 Orascom Telecom	12,099.79
4 Suez Canal Bank	11,001.38
5 Faisal Islamic Bank of Egypt	9973.00
6 Export Development Bank of Egypt	7578.45
7 National Development Bank of Egypt	7034.00
8 Egyptian American Bank	6902.12
9 National Societe Generale Bank	6675.16
10 Egyptian Iron and Steel	6481.00
11 Orascom Construction Industries	5633.25
12 Al-Watany Bank of Egypt	5596.86
13 Housing and Development Bank	5581.53
14 Mohandes Bank	5166.07
15 Mobinil	4976.03
16 United Bank of Egypt	4197.38
17 Egypt Aluminum	3798.78
18 Suez Cement	3417.72
19 Eastern Tobacco	2393.99
20 Egyptian Gulf Bank	2294.00

TRADING DAYS: 236

NUMBER OF TRADES: 2844

NUMBER OF SHARES: 7

16 Industrial and Engineering Projects

SYMBOL: IEEC

INDUSTRY: Construction and engineering

BASED: Cairo

EMPLOYEES: -

Partially privatized in 1997, Industrial and Engineering Projects has suffered of late from management problems and swirling allegations of fraud. The state is believed to owe IEEC some LE 500 million in back dues.

MANAGEMENT: -

LISTED: -

PAR VALUE: LE 5

MARKET CAP: 43.86

TRADING DAYS: 201

NUMBER OF TRADES: 1250

NUMBER OF SHARES: 6

17 Central Egypt Flour Mills (Middle Egypt Mills)

SYMBOL: CEFM

INDUSTRY: Food distributors

BASED: Minya

EMPLOYEES: 4908

Established in 1967 and partially privatized in 1996 (31%), Central Egypt Flour Mills owns 21 mills and other facilities, including 25 storage facilities, six silos, and a number of bakeries, packaging units and retail outlets. In 1999, it announced it would sell off many of its assets in Beni Suef, Minya and Assiut and begin converting its mills from stone to cylinder crushers.

In late 2002, Prime Minister Atef Ebeid was reportedly considering a proposal from the Ministry of Environment that would order closure of the 11 Egyptian mills still reliant on stone crushers. Fifty-five mills (30 private sector and 25 public sector) have now upgraded to cylinders.

MANAGEMENT: -

LISTED: April 1996

PAR VALUE: LE 10

MARKET CAP: 76.39

TRADING DAYS: 230

NUMBER OF TRADES: 1489

NUMBER OF SHARES: 9.35

18 North Cairo Flour Mills (North Cairo Mills)

SYMBOL: MILS

INDUSTRY: Food distributors

BASED: Cairo (Salaam City)

EMPLOYEES: 4700

Founded in 1976, North Cairo Flour Mills holds a 17% market share in flour, enough to make it Egypt's number-two producer. MILS operates 13 mills, five bakeries and a macaroni factory. Partially privatized (42%), the company is believed to have completed its upgrade from stone crushers to cylinders, in line with a Cabinet decree.

MANAGEMENT: Profi El-Hoss (chairman), Ali Abul Hamid Haridi (managing director)

LISTED: 1995

PAR VALUE: LE 10

MARKET CAP: 81

TRADING DAYS: 206

NUMBER OF TRADES: 997

NUMBER OF SHARES: 6

19 Torah Cement

SYMBOL: TORA

INDUSTRY: Construction materials

BASED: Cairo (Helwan)

EMPLOYEES: 2233

Egypt's first cement mill, founded in 1927, produces all varieties of gray cement by using the dry method. Suez Cement owns a majority stake of more than 66% in the company. The Metallurgical Industries Holding Company recently denied it was planning to sell its stake in Torah, as has Suez, which continues to study the feasibility of bidding for the MIHC's shares.

MANAGEMENT: Alaa El-Din Mounir El-Wahab (chairman and managing director)

LISTED: 1995

PAR VALUE: LE 10

MARKET CAP: 545.25

TRADING DAYS: 242

NUMBER OF TRADES: 19,779

NUMBER OF SHARES: 23.84

20 National Cement (Kawmia) (National Cement)

SYMBOL: NCEM

INDUSTRY: Construction materials

BASED: Cairo

EMPLOYEES: 3500

Established in 1956, National Cement overcame financial challenges by rescheduling its short-term loans, raising capital through the private sector. After achieving profitability in 2001, the state-owned operation is still exploring the option of selling 90% of its shares to an anchor investor. NCEM produces all types of cement and industrial gypsum.

The state owns roughly 98% of NCEM,

Analysts estimate Eastern produces 99% of the cigarettes sold in Egypt and controls 55-60% of the market for shisha tobacco.

It's Not Easy Being Eastern

Egypt's tobacco monopoly keeps taking hits, but number-4 ranked Eastern Tobacco is staying in the ring

IT'S A BUSINESS MODEL ANY ENTREPRENEUR would envy: The product is so popular it seems positively addictive, and you're the only company to make it in a country that consumes more each year while other countries are cutting down.

Yet for all the advantages of being the sole business licensed to manufacture cigarettes in Egypt, it's actually not that easy being the Eastern Tobacco Company these days. The currency crunch keeps driving up the cost of importing tobacco, which by law cannot be grown in Egypt, and Eastern, which is majority government-owned, has been prevented from passing along cost by price controls in force for more than a decade.

Luring new customers got harder last year as the People's Assembly banned all cigarette advertising and sales to minors. And in December 2002, cigarette packages started donning blunt new warning labels pointing out that smoking "causes death."

Forced out of its Giza base by urban congestion, Eastern is starting the multi-year process of moving all of its facilities to a complex under construction in Sixth of October City.

So officials are proud to report that profits continue to rise, albeit slightly: Even as its cost of goods sold increased more than 9% in fiscal 2002, profits were up 2.4% to LE 280 million.

Credit the ever-growing smoking public. Eastern manufactured 61.5 billion cigarettes last fiscal year — its own brands such as Cleopatra, Boston, Belmont and Lite, plus foreign brands manufactured under agreements with Philip Morris (Marlboro, Merit, L&M) and British American Tobacco (Dunhill, Kent, Rothman, Lucky Strike). Total revenue in fiscal 2002 was up about 6%, to nearly LE 2.3 billion. The company is so flush that Chairman and Managing Director Sadek Ragab plans to fund the LE 800 million relocation to Sixth of October entirely with cash.

But the healthiest indicator was a change in the price-control system last summer. Prices were frozen in 1990 as the government declared cigarettes a "strategic commodity," with only a slight hike in 1998. A strict tax system discouraged Eastern from further in-



"I welcome competition, but fair competition," says Chairman and Managing Director Sadek Ragab.

creases. Last July, Eastern persuaded the government to make taxes proportionate to the price. Eastern's share price jumped as it hiked its brands by 15 to 25 piasters a pack except for its mainstay, Cleopatra King Size.

"This takes care of a major problem. I consider it a very important step," says Ragab. "Now we have a much better chance to put different brands at different prices, so we have a more reasonable price scale."

While touting greater flexibility, Ragab vows to leave untouched for the foreseeable future the price of the common man's cigarette, Cleopatra King Size, which at LE 1.60 per soft pack accounts for 60% of sales. "Making profits isn't our only objective," Ragab says as he puffs one of his company's products. "We have a social commitment to the people of limited incomes, because we are the only producer of cheap cigarettes for this segment of smokers."

Ragab has spent 42 years at Eastern, rising through the processing and importing side of the business to become chairman in 1990.

He enjoys unorthodox solutions, like Eastern's longstanding request to allow local tobacco farming — not by changing Egyptian law, but by growing it in free zones, which are treated as if offshore. After advertising was banned, Eastern distributors began handing out cards bearing a vague offer to handle customers' needs. Callers to the toll-free number

are offered free cigarette delivery. And Ragab notes slyly that there is no ban on advertising non-tobacco products that happen to be named, for instance, Cleopatra.

But Eastern faces a more profound challenge to its business model. A proposed antitrust law in Parliament would place any company with a market share of more than 35% under the supervision of government antitrust regulators.

Ragab says attorneys assure him they could show Eastern is no monopoly because, among other arguments, it does not control the market for water-pipe tobacco, and it sold 34% of its shares to private investors in 1995. (The government has been willing since 2000 to increase the private portion to 49% but has no takers despite inquiries from several tobacco multinationals.)

To date, the government has suppressed competition. Philip Morris and its domestic distributor, the Mansour Group, proposed a cigarette factory in Sixth of October in 1996, but were rebuffed after Eastern argued that its capacity was ample to supply the market.

"I welcome competition, but fair competition," Ragab says. "Fair competition is some other producer of cigarettes dealing under the same conditions" as Eastern, he adds. By that standard, Eastern could be the only game in town for a long time to come. **bt**

Daniel Lynx Bernard

No. 21: **Misr International Bank**

Despite creaking under a bad-loan burden, MIBank has expanded its retail banking services with home and mobile banking options.

with just 2% traded on the CASE, and has been trying to privatize 90% of its holdings since July 2000. The company itself announced in February 2001 that it would be offered for sale before June of that year — an event that has yet to come to pass. Although the company had a 10.8% market share in 2000-01, Minister of Public Enterprise Mokhtar Khattab faced angry MPs in the People's Assembly in late 2002 as he fended off charges NCEM suffers from chronic mismanagement, an unrealistic debt burden and a swollen, non-performing payroll.

MANAGEMENT: Nabil Sayed El-Gabri (chairman and managing director)

LISTED: 1995

PAR VALUE: -

MARKET CAP: 729.62

TRADING DAYS: 242

NUMBER OF TRADES: 11,859

NUMBER OF SHARES: 103.20

21 **Misr International Bank (MIBank)**

SYMBOL: MIBA

INDUSTRY: Financial institutions (banks)

BASED: Cairo

EMPLOYEES: 9957

Founded in 1975, MIBank still ranks

Top 20 By Market Cap

(in LE millions, 2002)

1 Helwan Portland Cement	5678.64
2 MobiNil	3116.00
3 Suez Cement	2027.52
4 Orascom Construction Industries	2011.43
5 Commercial International Bank	1768.65
6 Abu Qir Fertilizers	1488.10
7 Egyptian Iron and Steel	1389.15
8 Eastern Tobacco	1388.00
9 Media Production City	1360.52
10 Al-Ahram Beverages Company	1333.90
11 Orascom Telecom	1131.90
12 Oriental Weavers	736.29
13 National Cement	729.62
14 Egyptian Kuwaiti Holdings	727.80
15 National Societe General Bank	705.30
16 Egyptian International Pharmaceutical Industries	605.84
17 Egypt Aluminum	593.20
18 Torah Cement	545.25
19 Natural Gas and Mining Project	438.06
20 Egyptian American Bank	423.79

among Egypt's largest banks in terms of total assets and equity. Despite creaking under a bad-loan burden, MIBank has continued to expand its retail banking services with home and mobile banking options.

MANAGEMENT: Bahaa El-Din El-Helmy (chairman), Hatem Sadek (deputy chairman), Kamal Sorour (managing director)

LISTED: 1995

PAR VALUE: LE 5

MARKET CAP: 421.59

TRADING DAYS: 237

NUMBER OF TRADES: 5142

NUMBER OF SHARES: 28.13

22 **ASEC-Helwan Cement (Helwan Portland Cement)**

SYMBOL: HELW

INDUSTRY: Construction materials

BASED: Cairo

EMPLOYEES: 2623

Established in 1929 and purchased by ASEC Group in 2001 in an LE 1.21 billion deal that won it control of 94.9%, Helwan Portland Cement is the only Egyptian white-cement producer exporting to Arab and African countries. Estimates of its local market share range between 10.9% (2000-01) and a high of 16%. ASEC-Helwan uses new systems to monitor pollution and continues to upgrade two production lines to the dry method. The company renamed itself ASEC-Helwan from Helwan Cement Company in 2002 soon after company officials denied they were planning to sell ASEC-Helwan's white-cement plant in Minya.

MANAGEMENT: Omar Amin Gamaiy (chairman and managing director)

LISTED: 1995

PAR VALUE: -

MARKET CAP: 5678.75

TRADING DAYS: 131

NUMBER OF TRADES: 412

NUMBER OF SHARES: 250.06

23 **Natural Gas and Mining Project (Egypt Gas)**

SYMBOL: EGAS

INDUSTRY: Gas utilities

BASED: -

EMPLOYEES: -

Established in 1983 with a mandate to develop natural gas networks in urban areas, Egypt Gas operates LNG networks in Alexandria and the Greater Cairo area. EGAS plans to expand its network to completely cover the Nile Delta. Some 20% of its shares are privatized, with feasibility studies under way for further privatization phases.

MANAGEMENT: -

LISTED: 1998

PAR VALUE: -

MARKET CAP: 438.06

TRADING DAYS: 129

NUMBER OF TRADES: 587

NUMBER OF SHARES: 6

24 **East Delta Flour Mills**

SYMBOL: EDFM

INDUSTRY: Food distributors

BASED: Zagazig, Sharqia

EMPLOYEES: 4487

East Delta Flour Mills, established in 1967 and partially privatized (61%), owns 17 mills and nine bakeries as well as a macaroni factory. It produces flour and bread products, distributes local wheat for the Ministry of Supply and has been upgrading its stone mills to cylinder systems.

MANAGEMENT: Mahmoud El-Hattab (chairman and managing director)

LISTED: 1996

PAR VALUE: LE 10

MARKET CAP: 88.44

TRADING DAYS: 241

NUMBER OF TRADES: 4014

NUMBER OF SHARES: 6

25 **Arabian International Construction (AIC)**

SYMBOL: AICR

INDUSTRY: Construction and engineering

BASED: Cairo

EMPLOYEES: 100

Created in 1987, AIC is a diversified contractor, handling general construction, civil works, housing- and tourism-development projects. AIC is currently under contract to the Abu Dhabi Fund to complete the Palmira Resort in Luxor.

AIC posted sub-par profits in 1999 and 2000, owing largely to payment delays from private-sector residential projects and cost overruns on both utility and residential projects on which the company was working in the first quarter of FY 1999-2000. At the time, AIC was moving to diversify its revenue streams with projects in Uganda and Tunisia, and managed to cut net losses from LE 79 million in 2000 to LE 49 million in 2001.

Trading in AIC shares was suspended twice in 2002. Early in the year, the Capital Market Authority ordered trading halted until the company issued audited financial statements for the first three quarters of

Company officials estimate 2002 revenues will ring in at LE 770 million with net profits as high as LE 145 million.

All In The Family

A new generation is helping turn number-12 ranked Oriental Weavers into Egypt's next multinational

FEW SECTORS HOLD AS MUCH PROMISE AS TEXTILES, but fewer still are in such dismal shape. Consider this: Between its subsidiaries' antiquated technology, swollen and ineffective payrolls, ballooning debt, zero access to financing and utter lack of attention to sales and marketing, the state's holding company for textile industries is believed to account for roughly 75% of the Ministry of Public Enterprises' annual losses.

And that's with tariff protection.

Against that backdrop, number-12 ranked Oriental Weavers, a publicly traded family run business, stands out as a shining example of what the industry could be.

The Egyptian rug and carpet manufacturer is ranked among the top three in its field worldwide, commanding an 80% domestic market share while exporting about 50% of its production. With 3Q02 results now in, Oriental Weavers posted a 16.3% increase in revenues in the first nine months of 2002 compared to the same period the previous year. Revenue in 2001 grew to LE 689 million from LE 629 million the year before, a jump of more than 9.5%, and company officials estimate that 2002 revenues will ring in at LE 770 million (almost 11.8% more than 2001) with net profits as high as LE 145 million.

It's not difficult to see why Oriental Weavers (which includes subsidiaries Oriental Weavers Carpets, Oriental Weavers International, Oriental Weavers Fibers, Oriental Weavers USA and, as of 31 December 2002, Oriental Weavers UK and OW Carpet Technology Center) is doing so well: It's efficient. It's flexible. And it has export savvy — meaning it benefits from devaluation of the Egyptian pound.

Founded by family patriarch Mohamed Farid Khamis 23 years ago, Oriental Weavers targeted export markets from the outset. Today, Farid has largely left daily operations to a new generation as he focuses on corporate strategy and expansion into still more markets. Four of the new breed have stepped up — two daughters and two nephews — to learn how to run what has quickly become a leading international company, one of two or three that can reasonably be considered



Sister, sister: Yasmine and Farida Khamis are the new executive team at number 12 Oriental Weavers.

an Egyptian multinational.

One daughter, investor relations and international business director Farida Khamis, is just 23. Sitting with *bt* for an exclusive interview, she's clearly interested in taking on the challenge to which she was born. Together with sister Yasmine Khamis, 25, and their cousins Mohamed Khamis, 25, and Amr Mahmoud Khamis, 24, Khamis was introduced to the sounds and smells of rug manufacturing as a child.

"We used to play and run around the factory," says Khamis, explaining why it was inevitable that the four of them would help grow the company one day. Khamis says the quartet complement each other, specializing in different sides of the business: product development director Yasmine Khamis works with the design department, Amr Khamis on the technical side (he can dismantle and assemble a loom machine single-handedly) and Mohamed Khamis is into quality control.

Although admittedly young, Khamis brings solid international experience to her post, having worked with Citigroup in New York and Sigma Capital in Egypt.

ORWE listed on the CASE in 1997. Together with 19 sister companies, it forms the Orientals Group of Companies, which also includes Orientals Agricultural Development, Oriental Resort Company, ORCOM (which manufactures interiors items including PVC

windows, doors and wall panels) as well as Orientals for Urban Development.

Of the more than 85 countries to which it exports, Oriental Weavers typically sends 60% of its wares to the United States and Canada at the same time as servicing 88 showrooms in Egypt. Subsidiary Oriental Weavers USA runs a rug-manufacturing plant in the United States, and there are marketing and distribution companies in both the US and the United Kingdom.

Not impressive enough? ORWE is dealing with the threat posed by cheap Chinese exports by building a factory there to harness its cheap labor and preferential-trade agreements.

"Our mission is to be known as the number-one [textiles] company worldwide," says Mohamed Amer, deputy chairman and managing director of Orientals Group. "We are very successful in the US, in Europe and also in the Middle East. Our expansion plan is very aggressive as we work to reach a worldwide market."

But while Oriental Weavers may be focusing on international growth and expansion, the family says one thing is certain: It will never forsake its roots.

"We will continue to be here in Egypt. The management is Egyptian and our factories are here," Khamis concludes. *bt*

Jane Hamrin

No. 27: International Electronics (Bahgat)

Bahgat is Egypt's market leader in medical equipment manufacturing and sales, holding licenses from Siemens and Johnson & Johnson.

2001; some industry sources said CMA officials were questioning AIC insiders about rumored price manipulation. AIC subsequently took hits in the press for allegedly having failed to make good on its debts.

The stock rose from the dead in July, buoyed by rumors of negotiated debt settlements and whispers that strategic investors were interested in acquiring a significant stake. Stake-sale talk rose in September as the stock was supported by local institutional buying, but AIC was the center of controversy again in October when the financial daily *Al-Alam Al-Youm* reported the company had reached a debt-settlement agreement with local bank creditors. AIC promptly denied the news, triggering a wave of selling after *Al-Alam Al-Youm* responded by publishing leaked documents suggesting a deal had been struck.

Top 25 By Employees

(by number of employees)

1 Egyptian Iron and Steel	15,500
2 Eastern Tobacco	12,700
3 Misr International Bank	9957
4 Egypt Aluminum	9500
5 Orascom Telecom	6757
6 Central and West Delta Flour Mills	6078
7 Upper Egypt Flour Mills	5652
8 Egyptian Contracting (Mokhtar Ibrahim)	5291
9 Middle Egypt Mills	4908
10 North Cairo Mills	4700
10 Orascom Projects and Touristic Development	4700
12 East Delta Flour Mills	4487
13 Al-Ahram Beverages Company	3745
14 South Cairo and Giza Mills and Bakeries	3588
15 National Cement	3500
15 General Silos and Storage	3500
17 Alexandria Spinning and Weaving	3200
18 Alexandria Flour Mills	3193
19 Extracted Oils and Derivatives	3150
20 Delta Industries	3080
21 Abu Qir Fertilizers	2992
22 Egyptian Financial and Industrial	2808
23 National Development Bank of Egypt	2720
24 Orascom Construction Industries	2652
25 Helwan Portland Cement	2623

Altogether, the Top 100 companies employ 198,865

The CMA briefly halted trading a second time as confusion reigned.

AIC opened October strong on talk its EGM would approve the acquisition of 5 million free-float shares, but the approval of just a 2.5-million-share buyback weighed heavily against it. AIC has performed slightly below par since; even confirmation of a debt-settlement agreement with Banque Misr failed to prevent its shares from falling 12% in December 2002.

NOTE: Market cap and share price for 2001 are based on a pre-31 December 2001 share price as AIC had earlier been suspended and was not trading at year end.

MANAGEMENT: Hassan Mohamed Allam (chairman), Ibrahim Shatta (vice chairman and managing director)

LISTED: 1997

PAR VALUE: LE 5

MARKET CAP: 48.96

TRADING DAYS: 134

NUMBER OF TRADES: 22,756

NUMBER OF SHARES: 36

26 Egyptian International Pharmaceutical Industries (EIPICO)

SYMBOL: PHAR

INDUSTRY: Pharmaceuticals

BASED: Cairo (Nasr City)

EMPLOYEES: 1988

Formed in 1980 and presently under the stewardship of the state's Pharmaceutical Industries Holding Company, EIPICO accounts for 25% of Egypt's drug exports and has an 8% share of the domestic market. It produces 190 products, 65 under license from other companies. EIPICO's future plans include expansion of its sterilized eye-drop production plant and the opening of a new biotechnology center to research and produce genetically engineered therapies. EIPICO increased its capital to LE 721.24 million after its merger with the Egyptian Packaging Company.

EIPICO is presently the center of a patent infringement controversy after Pfizer Egypt, the international drug giant's local arm, filed a lawsuit against EIPICO and the PIHC claiming that EIPICO's cholesterol-lowering drug Ator (which sells for LE 1.5 per tablet) is an illegal copy of Pfizer's Lipitor (which retails at LE 7 per tablet). EIPICO also roused Pfizer's anger by reportedly asking the Ministry of Health for permission to override Pfizer's patent on Viagra, the male potency drug.

MANAGEMENT: Ahmed Borhan El-Din Ismail (chairman and managing director)

LISTED: 1995

PAR VALUE: LE 10

MARKET CAP: 605.84

TRADING DAYS: 234

NUMBER OF TRADES: 9244

NUMBER OF SHARES: 72.12

27 International Electronics (Bahgat)

SYMBOL: INEC

INDUSTRY: Consumer electronics

BASED: Giza (Dokki)

EMPLOYEES: 1326

Created in 1985, International Electronics produces a wide range of household electrical appliances, including the Goldi brand. It is also Egypt's market leader in medical equipment manufacturing and sales, holding licenses from Siemens and Johnson & Johnson Medical.

MANAGEMENT: Ahmed Bahgat (chairman), Mohamed Salah Salem (managing director), Mahmoud Bahgat (vice chairman)

LISTED: 1998

PAR VALUE: LE 5

MARKET CAP: 6.03

TRADING DAYS: 192

NUMBER OF TRADES: 1301

NUMBER OF SHARES: 2.53

28 Ameriyah Cement

SYMBOL: AMRI

INDUSTRY: Construction materials

BASED: Alexandria

EMPLOYEES: 850

Created in 1998 as a state-owned subsidiary of Alexandria Portland Cement, Ameriyah Cement makes all types of cement using two dry-method production lines. Portugal's Cimbor recently purchased a 91% stake and plans to boost Ameriyah's capacity by training engineers and technicians at its 10 other international plants.

MANAGEMENT: Ahmed Fouad El-Mikaty (chairman and managing director)

LISTED: 1995

PAR VALUE: -

MARKET CAP: 410.20

TRADING DAYS: 108

NUMBER OF TRADES: 266

NUMBER OF SHARES: 20

29 Delta Industries (IDEAL, Delta Industrial)

SYMBOL: IDEA

INDUSTRY: Consumer durables

BASED: Cairo (Nasr City)

No. 30: Export Development Bank of Egypt

EDB's kicked in loan funding worth LE 9 billion to the state's "export or die" campaign last year.

EMPLOYEES: 3080

Founded in 1920 and purchased by the Olympic Group in 1997, IDEAL specializes in the production, domestic sale and export of household appliances. Its new plant in Tenth of Ramadan City has increased its production capacity under the leading Zanussi license. (For more, see Olympic Group profile on page 127.)

MANAGEMENT: Niazay Abdallah Sallam (chairman), Nabil Abdallah Sallam (vice chairman), Abdel Fattah Sallam (managing director)

LISTED: 1996

PAR VALUE: -

MARKET CAP: 335.79

TRADING DAYS: 169

NUMBER OF TRADES: 1532

NUMBER OF SHARES: 19.50

30 Export Development Bank of Egypt (EDB, EDBE)

SYMBOL: EXPA

INDUSTRY: Financial institutions (banks)

BASED: Giza (Mohandiseen)

EMPLOYEES: 873

The Export Development Bank of Egypt, established in 1983, had a busy first half of 2002 as it geared up to support the Ebeid government's "export-or-die" campaign. While it offers commercial banking services, the EDB's mandate is to support Egyptian exports through foreign-trade finance and export-guarantee services.

In one of the more grandiose rumors to leak last year, the Ministry of Foreign Trade was said in January to be considering a proposal that would have seen the Central Bank of Egypt allocate 15% of its domestic currency deposits and 10% of its foreign currency deposits to low-to-zero interest rate loans it would provide the EDB, which would then use the funds to offer loans at a 2% rate to qualified exporters. While little appears to

have come of that trial balloon, the EDB was certainly on the hunt for funds last year.

Despite already having \$135 million (LE 625 million) in loans still untapped by exporters in February 2002, the EDB was actively courting loans topping \$165 million (LE 763.9 million) to fund new loan programs. EDB eventually won \$65 million (LE 300.9 million) from the African Development Bank in November 2002 and \$100 million (LE 463 million) from the Japanese International Cooperation Agency.

The Capital Market Authority approved the EDB's plans to double its capital from LE 250 to LE 500 million in April at the same time as the National Investment Bank said it would grant the EDB some LE 6 million to finance the construction of a refrigerated storage area at Cairo International Airport to encourage cut-flower exports.

By July, the EDB had collected enough loan pledges to announce it would allocate nearly LE 9 billion to loans backing the Ebeid government's export-promotion campaign. The bank said it would kick in 45% of the funds for the loans from its own resources, with another 45% from foreign loans and credit facilities made available to the bank. The government promptly announced it would contribute the balance once the EDB reduced interest rates on loans to exporters from 16% to 13%.

MANAGEMENT: Mahmoud M. Mahmoud (chairman), Salah El-Din Ahmed Fahmy (vice chairman)

LISTED: 1995

PAR VALUE: LE 10

MARKET CAP: 328.25

TRADING DAYS: 217

NUMBER OF TRADES: 12,053

NUMBER OF SHARES: 25

31 National Societe Generale Bank (NSGB)

SYMBOL: NSGB

INDUSTRY: Financial institutions (banks)

BASED: Cairo

EMPLOYEES: 757

Created in 1978 as an investment bank, NSGB is one of Egypt's largest private banks ranked by balance sheet and continues to expand its corporate and retail banking activities and services, including savings packages and 24-hour banking services through Fona Bank.

The bank went on a retail-outlet expansion campaign in 2001 that included two new branches in Alexandria. In January 2002, Societe Generale acquired an addi-

tional 3.33% stake in NSGB by purchasing 1 million shares at market price. The acquisition brought SG's stake in NSGB to 43.33%. The state-owned National Bank of Egypt owns 19%, with the remaining 26.67% trading on the CASE.

In late 2002, NSGB applied for a license to operate the National Society General Life Insurance Company, in which NSGB would hold a 25% share. In a year during which many banks lost ground, NSGB posted modest gains, reporting LE 115.68 million in net profits for the first nine months of 2002, a 4% rise over the same period the previous year. NSGB moved into new corporate headquarters on Champollion Street, downtown, last year. (For more on NSGB, see profile on page 115.)

MANAGEMENT: Mohamed Madbulay Sayed Ahmed (chairman), Jerome Guiraud (managing director)

LISTED: 1996

PAR VALUE: LE 10

MARKET CAP: 705.30

TRADING DAYS: 198

NUMBER OF TRADES: 1511

NUMBER OF SHARES: 30

32 Alexandria Flour Mills

SYMBOL: AFMC

INDUSTRY: Food distributors

BASED: Alexandria

EMPLOYEES: 3193

Alexandria Flour Mills' 16 plants process and package grains and grain by-products ranging from wheat to dough, macaroni and bakery goods. Established in 1965, AFMC was merged with North and South Alexandria Mills in 1995; 30% of the company was privatized in 1997.

MANAGEMENT: Mahmoud Abu El-Gheit (chairman and managing director)

LISTED: 1997

PAR VALUE: LE 10

MARKET CAP: 23.84

TRADING DAYS: 232

NUMBER OF TRADES: 2187

NUMBER OF SHARES: 4

33 Suez Canal Bank

SYMBOL: CANA

INDUSTRY: Financial institutions (banks)

BASED: Cairo (Garden City)

EMPLOYEES: 985

Founded by the Suez Canal Authority Employees Fund and other financial institutions in 1978, Suez Canal Bank provides a full range of retail and corporate banking ser-

Net Profit: Winners

(in LE millions, 2001)

1 Commercial International Bank	401.76
2 MobiNil	336.87
3 Abu Qir Fertilizers	317.17
4 Orascom Construction Industries	303.77
5 Eastern Tobacco	277.81
6 Misr International Bank	209.12
7 National Societe Generale Bank	142.10
8 Natural Gas and Mining Project	134.53
9 Oriental Weavers	133.23
10 Export Development Bank of Egypt	132.79

The bank went on a retail-outlet expansion campaign in 2001 that included two new branches in Alexandria.

The Language Of Money

While others confronted by the bad-debt crisis of 2002 slipped, number-31 ranked NSGB posted steady growth

THIS YEAR MARKS THE 25TH ANNIVERSARY OF National Societe Generale Bank (NSGB) in Egypt. The nation's third-largest bank, NSGB is part owned by Société Générale Groupe (SG), the Paris-based financial group, and the National Bank of Egypt, one of the country's Big Four state-owned banks. SG holds the biggest chunk at 54.33%, while the National Bank of Egypt owns 19.32%. The remaining 26.35% stake is accounted for by free-floating shares.

When it was founded in 1978, NSGB focused almost exclusively on large corporate clients, but in 1999 made a bold decision to move into retail banking, a decision from which it has never looked back.

Thankfully for its shareholders, the bank also stuck to rigid corporate-lending criteria that appear to have protected it from the worst of the ongoing bad-debt crisis. While many posted losses in 2002, NSGB recorded steady growth: With 3Q02 results in, the bank's net profits for the first nine months of 2002 grew to LE 115.7 million, up 4% from LE 110.8 million for the same period in 2001.

"When you compare our financials to other banks, we are the only private bank to have positive growth in net profit by the end of third quarter," says Jérôme Guiraud, managing director of NSGB. "Having only 4% growth is very good compared to others. For instance, Commercial International Bank's net profits fell around 7% and the Egyptian American Bank's net profits dipped 14.6%," adds Guiraud, listing off his leading competitors' results for the first three quarters of 2002.

Guiraud says NSGB's focus in 2002 was on "building the best-performing distribution network in Egypt. First, we increased the number of branches to 32; we want to end up with 45 branches by the end of 2003. The second element was to give clients more options for accessing their accounts, so we launched PortaBank and FonaBank," Guiraud adds.

PortaBank was launched in May 2000 as the first GSM banking solution in Egypt. NSGB clients can use it to receive select banking information on their mobile handsets via



Mohsen Allam

"We were the only private bank to have positive growth in net profit," says Jérôme Guiraud.

SMS. Originally launched in partnership with MobiNil, the service now extends to Vodafone subscribers as well.

In October 2002, NSGB launched FonaBank, which enables customers to access their accounts 24 hours a day, seven days a week from fixed-line telephones. With FonaBank, clients can inquire about their personal banking information anytime and request credit-card statements via fax.

But what about the downside of 2002, the year of deadbeat borrowers and jailed tycoons? Guiraud admits it was a rough 12 months: "Yes, it was tough; however, by being innovative and anticipating this recession, we have been able to manage. We feel that we took the right strategic option in terms of being selective about projects and the kind of products we launched," he says proudly. "Added to the [recession] were the recovery actions we attempted with bad debtors. But we cannot say 2002 was [completely] a bad year," he adds.

As banks start coping with hangovers from the free-wheeling, easy-credit 1990s, non-performing loans are a problem throughout the industry. Guiraud says NSGB used several strategies to deal with the problem.

"The best way to avoid bad loans is to try to strengthen your credit analysis," he says. "We have a risk policy that is very clear and is shared by all the executives in the bank. But unfortunately, bad loans are simply part of

the banking business."

Facing problems as soon as possible is one of the keys to moving forward, he says, particularly given that many honest business leaders who borrowed what they thought were sensible amounts on sensible terms in the 1990s were hit by a train neither they nor the government anticipated — the recession. "It is not that we have dishonest clients," Guiraud says, "but sometimes they may face difficulties. Maybe they were too ambitious in their investments, or maybe the market did not live up to their expectations."

As for how operations are handled when the bank's largest shareholder is 3220 kilometers from Cairo? "We are a local bank with local products. For instance, FonaBank was designed by an Egyptian company, Trittech, as SG does not have the same system in Morocco. So we have products that are dedicated locally, but at the same time use Société Générale standards in terms of quality and service," Guiraud emphasizes.

Last year also saw NSGB build a new headquarters downtown on Champollion Street. The new building, products and services, Guiraud boasts, confirm the bank's commitment to the market: "In three years, we have increased our staff base from 350 to 850 — and we hope we will be able to maintain the same speed of growth in 2003 as we mark our 25th anniversary in Egypt." **bt**

Eman Wahby

No. 34: Egyptian American Bank

EAB's name was eventually cleared after an investigation into whether insiders profited from advance warning about a pending deal.

vices. The bank recently created a venture capital firm and assisted in establishing a real estate company. Suez Canal Bank was the first Egyptian bank to attract Libyan investors with the establishment of an office in Libya.

Despite its low public profile, CANA ranks among the top five private-sector banks and is particularly strong in industrial project financing. Its large investment franchise has heavy direct investment in companies.

MANAGEMENT: Moustafa Hablas (chairman and managing director)

LISTED: 1995

PAR VALUE: LE 10

MARKET CAP: 372.83

TRADING DAYS: 151

NUMBER OF TRADES: 587

NUMBER OF SHARES: 23

34 Egyptian American Bank (EAB)

SYMBOL: EABK

INDUSTRY: Financial institutions (banks)

BASED: Cairo (Zamalek)

EMPLOYEES: 869

Established as a joint venture between American Express Bank Holdings (Amex Holdings) and the Bank of Alexandria in 1976. Amex now holds a 41% stake in EAB, and the Bank of Alex a 36% share after the balance was offered on the CASE as an IPO.

Ranked number five among actively-traded full-service banks listed on the CASE, EAB was the center of an insider trading controversy early in 2002 after Britain's Standard Chartered Bank in late 2001 ended six months of speculation by announcing it was not interested in taking a majority stake in EAB. Both Amex and the Bank of Alex had offered their stakes for sale, but the two sides could not reach an agreement about share value or the value of the Egyptian pound in the sale following

Net Profit: Losers

(in LE millions, 2001)

1 Orascom Telecom	-435.32
2 International Electronics	-222.21
3 Egyptian Electrical Cables	-89.21
4 Arabian International Construction	-49.40
5 Ezz Steel Rebars	-40.29
6 Orascom Hotel Holdings (OHH)	-20.30
7 Egyptian Satellite (NileSat)	-9.99
8 Pfizer Egypt	-6.60
9 El-Ezz Porcelain (El-Jawhara)	-5.23
10 Export Development Trading Company	-2.82

the 11 September terror attacks on the United States and a sharp devaluation of the pound.

The bank was rocked further by the unexpected death of its managing director and a Capital Market Authority investigation into whether insiders had profited from advance warning that Standard Chartered was pulling its bid. Former EAB chairman Abdel Salam Omar and other top officials were ultimately exonerated by the seven-month investigation, and EAB subsequently announced it was considering future expansion and development plans.

EAB shares slid for much of 2002 before flattening out in the third quarter of 2002, prompting bargain hunters to eye the stock in the last quarter. EAB has consistently downplayed rumors that it is considering another stake sale.

MANAGEMENT: Mahmoud Abdel Latif (chairman), Francis Stankard (vice chairman), Roderick Richards (managing director)

LISTED: 1996

PAR VALUE: LE 10

MARKET CAP: 423.79

TRADING DAYS: 242

NUMBER OF TRADES: 12,620

NUMBER OF SHARES: 14.40

35 Cairo Poultry

SYMBOL: POUL

INDUSTRY: Food

BASED: Giza

EMPLOYEES: 4453

Established in 1977 by the Kharafy Group of Kuwaiti Foods/Americana, Cairo Poultry manages an integrated poultry production operation which includes breeding and processing. The company caters to both Egyptian fast-food chains and exports to the Arab Gulf market.

MANAGEMENT: Mamdouh Sharaf El-Din (chairman), Ahmed El-Khayat (managing director), Moataz El-Alfy (vice-chairman)

LISTED: 1983

PAR VALUE: LE 2

MARKET CAP: 230.16

TRADING DAYS: 162

NUMBER OF TRADES: 890

NUMBER OF SHARES: 21.0

36 South Cairo and Giza Mills and Bakeries (South Cairo and Giza Mills)

SYMBOL: SCFM

INDUSTRY: Food distributors

BASED: Giza (Pyramids)

EMPLOYEES: 3588

South Cairo and Giza Mills and Bakeries, founded in 1966, ranks as Egypt's fourth-largest flour mill. SCFM owns nine flour mills and has been 40% privatized; the company has been part of the Holding Company for Food Industries since 1999.

MANAGEMENT: Adel Ahmed Abd El-Tawab (chairman and managing director)

LISTED: 1996

PAR VALUE: LE 10

MARKET CAP: 32.76

TRADING DAYS: 235

NUMBER OF TRADES: 2770

NUMBER OF SHARES: 3

37 Extracted Oils and Derivatives (Extracted Oils)

SYMBOL: ZEOT

INDUSTRY: Food distributors

BASED: Alexandria

EMPLOYEES: 3150

Extracted Oils, created in 1959 and 51% privatized in 1995 and 1997, operates two factories and exports products to both Arab and Asian markets. It specializes in the production of edible oils, ghee and margarine, soaps and industrial detergents, and animal feeds.

MANAGEMENT: Youssef Mohamed Hewila (chairman and managing director)

LISTED: 1995

PAR VALUE: LE 10

MARKET CAP: 32.44

TRADING DAYS: 238

NUMBER OF TRADES: 4914

NUMBER OF SHARES: 5.24

38 Medical Union Pharmaceuticals

SYMBOL: MEDU

INDUSTRY: Pharmaceuticals

BASED: Cairo (Nasr City)

EMPLOYEES: 600

Created in 1984 as a subsidiary of ACDIMA (as the Arab League-backed Arab Company for Drug Industries and Medical Applications is better known), Medical Union Pharmaceuticals manufactures and exports medications and other pharmaceutical products.

MANAGEMENT: Zakaria Ibrahim Gad (chairman and managing director)

LISTED: 2001

PAR VALUE: LE 10

MARKET CAP: 223.13

TRADING DAYS: 92

NUMBER OF TRADES: 250

NUMBER OF SHARES: 31.34

No. 39: Pfizer Egypt

Pfizer has put plans to build a new \$140 million facility in Sixth of October City on hold while it is embroiled in a patent lawsuit.

39 Pfizer Egypt (Pfizer)

SYMBOL: PFIZ

INDUSTRY: Pharmaceuticals

BASED: Cairo

EMPLOYEES: 800

Founded in 1961 and 85% held by Pfizer International, Pfizer Egypt produces human and veterinary pharmaceutical products on behalf of its parent company, which monitors production quality and manufacturing methods.

Pfizer has been debating whether to start construction of a new \$140 million production facility in Sixth of October City for more than a year and a half. The facility would serve as a manufacturing hub for the Middle East and Africa, but the company has lately put the plans on hold after the Ministry of Health failed to step in to help Pfizer protect its patent on Viagra, the male-potency drug legalized in Egypt last year, after several state-owned companies asked for permission to manufacture it before patent protection runs out.

Pfizer recently filed court papers suing the Egyptian International Pharmaceuticals Industries, claiming EIPICO has violated Pfizer's patent on Lipitor by producing a generic version, sold as Ator, before the drug giant's patent on the cholesterol-lowering medication ran out.

In late 2002, Pfizer Egypt posted losses of LE 19.51 million for the six-month period

ending 31 May, a 100% increase over the same period last year. Pfizer's sales slipped 5% while interest expenses rose 13% and foreign-exchange losses soared 75%.

MANAGEMENT: Mohamed Mohamed Attia (chairman), Mohamed Salah El Din Rushdy (vice chairman and managing director)

LISTED: -

PAR VALUE: LE 4

MARKET CAP: 162.12

TRADING DAYS: 242

NUMBER OF TRADES: 16,009

NUMBER OF SHARES: 6.59

40 Al-Watany Bank of Egypt (Al-Watany Bank, AWB)

SYMBOL: WATA

INDUSTRY: Financial institutions (banks)

BASED: Giza (Mohandiseen)

EMPLOYEES: 1300

Al-Watany Bank of Egypt, established in 1980, took a roller coaster ride this year. The company's shares shot up early in the year amid news it would increase its capital from LE 157.5 million to LE 175 million, planning to use the infusion to finance expansion plans including growing its network of branches to 30 by 2005 and expanding its range of retail banking options.

In April, Al-Watany climbed sharply on heavy trading following news than an unnamed Arab financial institution had made an offer to take a 40% stake in AWB. The bank reportedly agreed to sell a 33% stake at the same time as it announced the remaining 7% of its shares would be offered to shareholders at LE 7 per share. The stock's upward momentum continued throughout the month, boosted by news of an LE 3-per-share cash dividend with an attractive yield of 14.5%, but the rise slowed as AWB announced it would not disclose the terms of the Arab investor's tender offer until the end of May.

By June, Al-Watany had announced the stake sale was off, and its shares remained relatively quiet until the banking sector was pummeled in fall 2002 by the bad-loan crisis. Talk of a forthcoming capital increase, the second of the year, failed to save AWB from the bears in October. After posting disappointing third quarter 2002 results, the bank in November appointed Ahmed Hassan Koura as managing director and deputy chairman and Yasser Ismail Hassan as first general manager for investments, external relations and finance.

After the bank lost slightly more than 20% to close near its historical low in November, shareholders were cheered when

AWB's board approved an LE 75 million increase in capital to LE 250 million by raising its par value from LE 7 to LE 10 per share.

MANAGEMENT: Adel Hussein Ezzi (chairman and executive officer)

LISTED: 1994

PAR VALUE: LE 7

MARKET CAP: 232

TRADING DAYS: 242

NUMBER OF TRADES: 14,898

NUMBER OF SHARES: 25

41 Nile Pharmaceutical and Chemical Industries (Nile Pharmaceuticals)

SYMBOL: NIPH

INDUSTRY: Pharmaceuticals

BASED: Cairo (Amereyya)

EMPLOYEES: 2417

Established in 1962 and 40% privatized by 1997, Nile Pharmaceuticals manufactures cosmetics and 56 pharmaceutical lines for sale on the local, Middle Eastern, African and Eastern European markets. The company hopes to open the Middle East's first genetic-engineering facility to produce specialty drugs that are now imported. The Ministry of Public Enterprise announced in June 2000 that the state still hopes to offer for sale another 6.5% of Nile Pharmaceuticals.

MANAGEMENT: Mohamed A. El Azim (chairman and managing director)

LISTED: 1995

PAR VALUE: LE 10

MARKET CAP: 156

TRADING DAYS: 106

NUMBER OF TRADES: 236

NUMBER OF SHARES: 3

42 Egyptian Electrical Cables

SYMBOL: ELEC

INDUSTRY: Electrical components and equipment

BASED: Cairo (Shubra El-Kheima)

EMPLOYEES: 2100

Founded in 1954 and fully privatized in 1997, ELEC's rather dull name masks its position as a market leader in the production of low- and medium-voltage cables. Despite current capital market and construction industry conditions, Egyptian Electrical officials claim to be optimistic that sales will continue to grow. Gross revenue climbed 7.2% between 2000 and 2001, but net profits slumped more than 86% in the same period as the company posted a net loss of LE 89.21 million.

MANAGEMENT: Essmat El-Sayyed (chairman and managing director)

LISTED: 1995

Banks

(Net revenue 2001, LE millions)

1 Commercial International Bank	893.04
2 Faisal Islamic Bank of Egypt	683.83
3 Misr International Bank	484.32
4 Export Development Bank of Egypt	341.67
5 National Societe Generale Bank	327.97
6 Suez Canal Bank	303.93
7 Egyptian American Bank	300.83
8 Al-Watany Bank of Egypt	254.71
9 National Development Bank of Egypt	195.74
10 Housing and Development Bank	153.29
11 Egyptian Gulf Bank	108.81
12 United Bank of Egypt	105.92
13 Mohandes Bank	81.14
14 Egyptian Saudi Finance Bank	69.00
15 Alexandria Commercial and Maritime Bank	59.26
16 Egyptian Commercial Bank	54.01
17 Egyptian Workers Bank	28.06

The bulk of PACHIN's revenue — about 80% — comes from its architectural paint line.

Painting A Profitable Picture

After years of an identity crisis, number-44 ranked PACHIN is prettying itself up for a possible foreign merger

EGYPT'S PAINT GIANT, PAINTS AND CHEMICAL Industries, better known as PACHIN, has had nothing short of a volatile, roller-coaster history. PACHIN was established in 1958, nationalized in 1961, and partially privatized in 1997. In 1998, the state's Chemical Industries Holding Company (CIHC) put its remaining stake in PACHIN (40%) up for sale, but failed to find a suitable bid. Now, the market is awash in talk that a foreign company is interested in snapping up the state's last stake.

Like many former state-run monopolies, PACHIN is an attractive prospect for investors. But the question remains: How well can a company used to having a captured market fare in an open one?

In mid-December, market watchers caught word of stake-sale talks between PACHIN and Akzo Nobel Coatings, a subsidiary of the Akzo Nobel NV chemical group, based in the Netherlands. Sources at the Ministry of Public Enterprise confirmed that the CIHC was in talks with a potential buyer, but refused to release any more details.

The foreign interest comes as PACHIN's efforts to increase its competitiveness are beginning to bear fruit. The company's first-quarter consolidated net profits for the FY02-03 jumped 57% from the same period the previous year to LE 34.29 million. Company officials attribute the surge to their new sales plan, which saw sales rise 57% to LE 94.55 million and gross profits rise 61%.

According to Sigma Securities, PACHIN has a 30% share of the local paint market and is the largest local producer of inks. The bulk of the company's revenue, around 80%, says Sigma, comes from paints — 72% of revenue comes from architectural paint alone. PACHIN also produces five different types of printing inks, including offset inks, liquid inks, silk screen, additives and reducers, and metal decoration.

PACHIN's heavy reliance on paints has meant that the company has suffered during the downturn in the real-estate sector. Demand peaks in May, June and July, but trails off for the rest of the year. However, new op-



Nicola Matthews

Chairman Sherif Shawky says his management team's aim has been to guard the firm's market position.

portunities may await PACHIN if the much-talked about mortgage law leads to a revival of the housing market.

PACHIN Chairman Sherif Shawky says that since the company's partial privatization in 1997, his management team's aim has been to guard PACHIN's market position by focusing on the quality of the company's products and customer needs.

PACHIN has been looking to improve quality through increased cooperation with foreign players. It has produced architectural paints under license from Danish color specialist Dyrup for the past 10 years and recently extended its license agreement for 10 more.

PACHIN has also signed a five-year license agreement with multinational giant Imperial Chemical Industries, which is expected to cut costs by up to 10% through the use of better technologies in the production of resins.

But the multinationals are also a source of worry for PACHIN. The company faces competition from international players able to produce higher-quality products. Tariffs keep imported substitutes costly, but will have to be phased out under the General Agreement on Tariffs and Trade, of which Egypt is a signatory.

Shawky admits his company is facing growing competition, but says, "PACHIN is well aware of these challenges, and has managed to adopt several activities and projects to compete effectively in the marketplace." He goes on to explain that the company has been tar-

getting promotional campaigns at both traders and painters, developing and supporting a direct sales force as well as a contracting division. It has also undertaken "extensive outdoor campaigns to create corporate awareness."

The company aims to raise its market share to 33% by 2006. Its new production facility in El-Obour City benefits from a 10-year tax break, which frees up resources for expansion. At the same time, PACHIN is looking to expand into markets that make up a minor part of its present business.

Sigma says the company is looking to reach license agreements in printing inks since they represent 15% of revenue at present and are a growing market.

Financially speaking, PACHIN has had a rough ride over the past five years. The peak in demand that accompanied the surge in new construction in 1996 was followed by a drop in revenue in 2001. At the same time, the devaluation of the Egyptian pound led to an increase in costs.

With the beginning of the 2002 fiscal year, the company's increased marketing began to pay off. By the end of 2002, lowered costs and increased revenues resulted in a net profit figure of LE 64.8 million for the first nine months of the year. By the end of 2003, the company predicts a revenue figure of LE 269.1 million and a net profit figure of LE 106.5 million, nearly double the 2001 figure. **bt**

Amil Khan

No. 46: Egyptian Financial and Industrial

EFIC became Egypt's largest producer of phosphate fertilizers after being merged with Arab Granulated Fertilizers.

PAR VALUE: -
MARKET CAP: 25.25
TRADING DAYS: 237
NUMBER OF TRADES: 5850
NUMBER OF SHARES: 14.85

43 Giza General Contracting

SYMBOL: GGCC
INDUSTRY: Construction (homebuilding)
BASED: Cairo (Bab El-Louq)
EMPLOYEES: 1030

Founded in 1935, Giza General Contracting operates three offices in Egypt and one in Abu Dhabi while maintaining two factories for cement bricks and prefabricated units. Contracting activities include utilities networks, government projects, and housing and real estate development, as well as engineering consulting.

MANAGEMENT: Mohamed Ezzat Al Ma'ayery (chairman and managing director)
LISTED: 1997
PAR VALUE: LE 10
MARKET CAP: 8.50
TRADING DAYS: 205
NUMBER OF TRADES: 1433
NUMBER OF SHARES: 0.90

44 Paints and Chemical Industries (PACHIN)

SYMBOL: PACH
INDUSTRY: Commodity chemicals
BASED: Cairo
EMPLOYEES: 1012

Privatized in 1997, Pachin leads Egypt's paint-producing sector with a market share of 30-35%. A new production complex opened in New Obour City in 2000 with imported equipment and the latest production technologies. Pachin's future plans include the development of more retail outlets and tapping new export markets.

The company's first quarter FY02-03 consolidated net profits jumped 57% to

Chemicals

(Net revenue 2001, LE millions)

1 Abu Qir Fertilizers	938.47
2 Paints and Chemical Industries (PACHIN)	220.13
3 Egyptian Financial and Industrial	200.16
4 Egyptian Glass Company	151.69
5 Misr Chemical Industries	87.03
6 Kafr El-Zayat Pesticides	74.16
7 Egyptian Chemical Industries (Kima)	55.29

LE 34.29 million compared to LE 21.87 million for the same quarter in FY01-02. Company officials attributed the surge to their new sales plan, which saw sales rise 57% to LE 94.55 million and gross profits jump 61%.

Pachin has recently been the center of stake-sale rumors, with market chatter claiming Akzo Nobel Coatings, a subsidiary of the Dutch Akzo Nobel NV chemical group, was interested in buying the state's 40% stake in Pachin. A source at the Ministry of Public Enterprise confirmed that the Holding Company for Chemical Industries was in talks with a potential buyer, but refused to confirm whether it was Akzo Nobel. (For more on Pachin, see profile page 119.)

MANAGEMENT: Sherif Mahmoud Shawki (chairman and managing director)
LISTED: 1994
PAR VALUE: LE 10
MARKET CAP: 320
TRADING DAYS: 242
NUMBER OF TRADES: 14,168
NUMBER OF SHARES: 20

45 Arab Polvara Spinning and Weaving

SYMBOL: APSW
INDUSTRY: Textiles
BASED: Alexandria
EMPLOYEES: -

Formerly United Arab Polvara Spinning and Weaving (UNAR), APSW emerged from a merger with a subsidiary to revalue its assets and increase its market capitalization. The market cap increase came as the company boosted the par value of its shares while cutting their number.

NOTE: Arab Polvara Spinning and Weaving did not trade on 31 December 2001; market capitalization calculation is based on its last pre-31/12/01 share price.

MANAGEMENT: -
LISTED: -
PAR VALUE: -
MARKET CAP: 70.75
TRADING DAYS: 229
NUMBER OF TRADES: 17,284
NUMBER OF SHARES: 46.85

46 Egyptian Financial and Industrial (EFIC)

SYMBOL: EFIC
INDUSTRY: Fertilizers and agricultural chemicals
BASED: Cairo
EMPLOYEES: 2808

Established in 1929 as an investment

bank that became a heavy investor in the fertilizer industry, EFIC is now solely a fertilizer concern and became Egypt's largest producer of phosphate fertilizers after being merged with Arab Granulated Fertilizers, once a subsidiary. EFIC presently owns 70% of the domestic market and accounts for 65% of Egypt's phosphate fertilizer exports. The company recently established a new granulated and compound fertilizer factory in Suez to specifically tap export markets.

MANAGEMENT: Yehia Mahmoud Qotb (chairman and managing director)
LISTED: 1995
PAR VALUE: LE 40
MARKET CAP: 253.71
TRADING DAYS: 226
NUMBER OF TRADES: 3448
NUMBER OF SHARES: 6.50

47 Sixth of October Development and Investment (SODIC)

SYMBOL: OCDI
INDUSTRY: Real estate management and development
BASED: Giza (Mohandiseen)
EMPLOYEES: 158

Established in 1996 to develop land in and near Sixth of October City, SODIC continues integrated real estate operations in the Beverly Hills area with plans under way for school and health-care facilities to be constructed to generally accepted international standards.

NOTE: Sixth of October Development does not book revenue until buyers have completely paid off their purchases. We have used the company's cash-flow reports for 2000 and 2001 to track customer downpayments and estimate eventual revenues from activities in those two years. The company will not report net profits until it books the revenues.

MANAGEMENT: Mohamed Maqdi Rasekh (chairman), Shafik El Boghdady (managing director)
LISTED: 1998
PAR VALUE: LE 10
MARKET CAP: 62.49
TRADING DAYS: 208
NUMBER OF TRADES: 1521
NUMBER OF SHARES: 16.80

48 National Development Bank of Egypt (National Bank for Development, NBD, NDBE)

SYMBOL: DEVE
INDUSTRY: Financial services
BASED: Cairo
EMPLOYEES: 2720

Founded in 1980, the NBD finances small

EFG-Hermes acted as the sell-side adviser for the acquisition of Al-Ahram Beverages, the largest deal of its kind in Egypt.

The Lords Of Finance

Despite a rough 2001-02, number 55-ranked EFG-Hermes remains Egypt's powerhouse brokerage

FOR NEARLY A DECADE, THE NAME EFG-Hermes has commanded respect in Egyptian financial circles. Widely recognized as the nation's largest investment bank and brokerage house, its more recent work in a number of landmark cross-border transactions have helped turn it into a regional player.

The leaps EFG-Hermes took in 2002 came after two years of a bear market rumored to have forced it to cut up to 60% of the 430 staff it employed at the beginning of 2001. In the company's 2001 annual report, EFG-Hermes Chairman Mohamed Taymour pointed out that the company's fortunes were falling in lockstep with the plummeting local economy.

"The Egyptian stock market was one of the worst-performing equity markets in the world, with prices falling by 47%. Exchange-rate concerns, high interest rates and decreased corporate earnings were all factors that drove away both local and foreign investors," Taymour said.

"It was no surprise that all non-bank financial firms suffered greatly," he continued. "We witnessed a considerable drop in the income of our subsidiaries on all fronts. Income from fees, commissions and the managing of assets dropped from LE 168 million in 2000 to LE 91 million in 2001."

Senior executives at EFG-Hermes refused to comment for this story.

Although the fall tapered in 2002, the trend continued: EFG-Hermes reported total operating revenues for the first half of 2002 of LE 50.8 million compared to LE 58.0 million for the first half of 2001. Analysts expect FY02 results to be similarly flat.

The majority of the company's revenues for first half 2002 (67.5%) came from the investment-banking and private-placements division headed by Hassan Heikal. Under Heikal's tutelage, EFG's investment-banking arm orchestrated a number of high-profile M&A transactions, most notably Heineken's acquisition of Al-Ahram Beverages (ABC) in September 2002, the largest deal of its kind in Egypt at a value of \$287 million in cash.

EFG acted as the sell-side adviser for ABC, winning the respect of ABC chairman Ahmed

Zayat, who told *bt* last fall that before agreeing to hear Heikal's pitch, "I had zero relationship with them and, to be perfectly honest, zero respect." (For more on Zayat's take on EFG, see "Making History," November 2002, page 32.)

Although EFG-Hermes has a well-earned reputation for being the financial adviser of choice for the country's blue-chip corporates, its public image has not always been positive. EFG's senior managers are notoriously aloof and media-shy, and its lack of openness with the press frequently fuels rumors that it is not a straight shooter.

The Egyptian Financial Group (EFG) was first established in 1980 by Taymour, who had just returned to Egypt after several years of working abroad in the United States, Sudan and Kuwait. What started out as a financial consulting firm grew into Egypt's first investment-banking operation. EFG quickly made a name for itself as one of the leading authors of privatization studies for the Egyptian government. In 1993, after the passage of 1992's Capital Market Law, EFG moved into brokerage services and in 1994 launched its asset-management services.

In 1994, Hermes, a separate company, was established by two young financial mavericks, Aladdin Saba and Aly El-Tahry, both of whom had acquired substantial experience with American financial firms. Hermes excelled in securities brokerage and fund management and promptly became known as a clever upstart with a promising future.

EFG-Hermes as we know it today emerged after the two merged in 1996. Taymour's nephews Ahmed and Hassan Heikal, the sons of journalist Mohamed Hassanein Heikal, widely seen as the Arab world's foremost political analyst, also came on board as major shareholders in the new company. Ahmed Heikal, who for years headed the management team at EFG, now heads Founoon, the Arab world's first private media conglomerate; Saba and El-Tahry have also moved on, but remain members of EFG-Hermes' board.

The launch of Founoon, with initial issued capital of LE 40 million, was a major private-equity deal for EFG in 2000. But its involvement with the "Time Warner of the Middle East" was regarded as an unconventional move. Founoon's subsequent purchase of the rights to some 800 classic Arabic-language films stirred up a heated controversy over the alleged sale of Egypt's national film heritage to "foreigners": The local press were quick to



Mohsen Allam

EFG's investment-banking arm orchestrated a number of high-profile M&A transactions in 2002.

label EFG and Founoon as a foreign entities.

Although Citibank owns 20% of EFG-Hermes, the firm is by and large Egyptian-owned.

EFG-Hermes flourished in the late 1990s, with its securities brokerage, investment banking, asset management and private equity arms leading the market. As it relocated to a posh new building on Tahrir Street, EFG went on a hiring spree, aiming to attract the brightest financial talent from Egypt and abroad with notoriously attractive salary packages.

As the investment climate took a sharp turn for the worse in 2001, EFG-Hermes announced that it would merge with its leading competitor, Commercial International Investment Company (CIIC). Analysts viewed the merger, which EFG and CIIC now call a "strategic alliance with consolidation of assets," as a move that would enable the two entities to compete regionally.

The company is now aggressively pursuing a forward-looking regional strategy with a long-term goal of deriving at least 50% of its income from operations outside Egypt. Sources close to the company say senior managers believe investment banking activities will climb again in 2003, with more high-profile M&A deals in the works. *bt*

Hadia Mostafa

No. 50: **El-Ezz Porcelain**

While not as controversial as sister company Ezz Steel Rebars, El-Ezz Porcelain still gave many shareholders a ride.

and medium-sized enterprises and development projects through its 67 branches. Its future plans include the expansion of retail banking services.

MANAGEMENT: Mohamed Zaki El Orabi (chairman and managing director)

LISTED: -

PAR VALUE: LE 10

MARKET CAP: 267

TRADING DAYS: 243

NUMBER OF TRADES: 3262

NUMBER OF SHARES: 26.62

49 **Amriyah Pharmaceutical Industries (Amriyah Pharmaceuticals)**

SYMBOL: ARPP

INDUSTRY: Pharmaceuticals

BASED: Cairo (Amereyya)

EMPLOYEES: 1327

Established as a joint venture in 1984 between Rhône Poulenc and Egyptian investors, Amriyah Pharmaceuticals holds a market share of 6.6% in the production and export of pharmaceuticals. In October 2002, Pharco Pharmaceutical Company purchased 96% of Amriyah Pharmaceuticals in an LE 266 million purchase. EFG-Hermes (Top 100 rank #55), the buy-side adviser to Pharco, said the acquisition would create "significant financial and operational synergies" between the two companies. Many local analysts considered the Pharco-Amriyah deal a landmark local-to-local private-sector transaction.

MANAGEMENT: Hussein Sarwat Hagar (chairman)

LISTED: 1999

PAR VALUE: -

MARKET CAP: 246.46

TRADING DAYS: 71

NUMBER OF TRADES: 175

NUMBER OF SHARES: 7.20

Construction & Engineering

(Net revenue 2001, LE millions)

1 Orascom Construction Industries	2414.70
2 Egyptian Contracting (Mokhtar Ibrahim)	801.87
3 Industrial and Engineering Projects	550.18
4 Arabian International Construction	432.60
5 Giza General Contracting	222.52
6 Nasr Company for Civil Works	122.67
7 Upper Egypt Contracting	52.71
8 Acrow Misr	23.57
9 Engineering Industries (Icon)	17.02

50 **El-Ezz Porcelain (El-Jawhara, El-Gawhara)**

SYMBOL: ECAP

INDUSTRY: Building products

BASED: Giza

EMPLOYEES: 1200

Established by steel magnate Ahmed Ezz in 1994, the company specializes in the production and export of porcelain and ceramic tiles. El-Jawhara emerged from the merger of Ezz Porcelain and Ezz Ceramic. While not as controversial as sister company Ezz Steel Rebars, which was mired in rumors of monopoly charges throughout 2002 as CEO Ezz was named to the ruling National Democratic Party's secretariat, El-Ezz Porcelain still gave many shareholders a ride.

Ezz Porcelain and Ezz Steel Rebars were among the most actively traded stocks in August on heavy bargain hunting as investors held their breaths in hope of better-than-expected results. Ezz Steel was further boosted by sharp rises in the domestic price of steel, and both stocks survived waves of profit-taking.

Both were eventually hit by selling waves in October as they posted losses for the first half of 2002. Rebars' losses grew LE 50 million over the same period in 2000 to top LE 54 million, while Porcelain posted losses of LE 10 million compared to losses of LE 1 million in the same period the previous year. Porcelain's comparatively modest losses and the sense that it was undervalued led it to gain 12% that month to close at LE 1.21, but it shrugged off another LE 0.31 to finish the year near LE 0.90.

MANAGEMENT: Ahmed Ezz (chairman and managing director)

LISTED: 1998

PAR VALUE: LE 5

MARKET CAP: 35.11

TRADING DAYS: 242

NUMBER OF TRADES: 14,301

NUMBER OF SHARES: 36.20

51 **Alexandria Cement (Alexandria Portland Cement)**

SYMBOL: ALEX

INDUSTRY: Construction materials

BASED: Alexandria

EMPLOYEES: 1370

Opened in 1948 and subsequently nationalized, Alexandria Cement was privatized in the 1990s, with Britain's Blue Circle Cement (owned by French cement titan Lafarge) taking a 70% stake. Alexandria cement specializes in cement production and

packaging; a new production line, the company's fifth, will increase its total annual capacity to 1.5 million tons.

Alexandria Cement increased its capital to LE 120 million in the fall of 2001, financing the increase from reserves. In 2002, Alex Cement was the center of a modest shareholder controversy after small shareholders met in April to oppose a general assembly motion to allow the sale of ACC to Alexandria Development Limited. Alex Development, a division of Lafarge, had bid LE 30 per share for the 20% or so of ACC that trades on the CASE, which would have given Lafarge a 100% stake.

The Capital Market Authority subsequently suspended trading in ACC, claiming the company had failed to release its financials for FY 2001. ACC later reported 2001 profits of LE 113 million against just LE 7 million the year before. Greece's Titan later offered \$22.5 million for a 44.2% stake in ACC, which is now owned 80% by Lafarge.

MANAGEMENT: Anthony Muckley (chief executive officer), Mounir Kamel Hamdi (vice president)

LISTED: 1999

PAR VALUE: LE 10

MARKET CAP: 216

TRADING DAYS: 163

NUMBER OF TRADES: 4024

NUMBER OF SHARES: 12

52 **Cairo Pharmaceuticals**

SYMBOL: CPCI

INDUSTRY: Pharmaceuticals

BASED: Cairo (Shubra)

EMPLOYEES: 2398

Founded in 1962 and now 40% privatized, Cairo Pharmaceuticals manufactures over 30 registered products, with licenses from international companies such as Merck Sharp and Dohm, Smith Kline French and Searle Abbot Astra Zeneca Iso Medica. Cairo Pharma claims particular expertise in producing gelatin and coated capsules. Its future plans reportedly include a new factory in Badr Industrial City, where it will engage in research on vaccines against the viruses that cause hepatitis and AIDS.

MANAGEMENT: Mohamed Salah Fayed (chairman and managing director)

LISTED: 1996

PAR VALUE: LE 10

MARKET CAP: 141.95

TRADING DAYS: 214

NUMBER OF TRADES: 1357

NUMBER OF SHARES: 3.54

No. 56: Egypt Kuwait Holding Company

The Egypt Kuwait Holding Company was formed in 1997 to participate in Egypt's privatization process.

53 Alexandria Chemical Industries (Alexandria Pharmaceutical and Chemical Industries)

SYMBOL: AXPB
INDUSTRY: Pharmaceuticals
BASED: Alexandria
EMPLOYEES: 1494

Founded as a public-sector company in 1964 and partially privatized in 1995 and 1996 (40%), Alexandria Pharmaceuticals operates two factories at which it produces pharmaceuticals, veterinary products and medical supplies. Roughly 37% of production (207 products) is under license from international companies. The company made news in 2002 for having applied to the Ministry of Health for the right to make a generic version of Viagra, the male potency drug patented by Pfizer, in violation of Pfizer's Egyptian patents.

MANAGEMENT: Dr. Talaat Mohamed El Nahrawy (chairman and managing director)

LISTED: 1995
PAR VALUE: LE 30
MARKET CAP: 160
TRADING DAYS: 62
NUMBER OF TRADES: 229
NUMBER OF SHARES: 2

54 Alexandria Spinning and Weaving

SYMBOL: SPIN
INDUSTRY: Textiles
BASED: Alexandria
EMPLOYEES: 3200

Opened in 1947 and privatized in 1997, Alexandria Spinning and Weaving has a 13% market share of cotton yarn production in Egypt.

MANAGEMENT: Samir Riad (chairman), Refaat Helal (vice chairman and managing director)

LISTED: -
PAR VALUE: LE 40
MARKET CAP: 79.48

Construction Materials (Cements)

(Net revenue 2001, LE millions)

1 Suez Cement	1131.83
2 Torah Cement	502.57
3 National Cement	500.36
4 Helwan Portland Cement	459.71
5 Ameriyah Cement	404.64
6 Alexandria Cement	184.08
7 Sinai Cement Company	131.22

TRADING DAYS: 157
NUMBER OF TRADES: 653
NUMBER OF SHARES: 11.95

55 EFG-Hermes Holding (EFG-Hermes)

SYMBOL: HRHO
INDUSTRY: Diversified capital markets
BASED: Giza (Dokki)
EMPLOYEES: 440

Created in 1996 from the merger of Egyptian Financial Group and Hermes Financial Group, EFG-Hermes is generally considered the region's premier investment bank. Hermes opened its first Gulf office in the UAE in 2002.

After taking the Middle East by storm and forming a strategic alliance with former competitor Fleming-CIIC, EFG-Hermes has been hard hit by the vagaries of the local economy. After a record number of layoffs in 2001 and 2002, notoriously press-shy EFG posted a 75% drop in the first half of 2002's consolidated net profits to finish at LE 7.04 million compared to LE 27.65 million for the same period in 2001.

EFG reported no investment income in the first half of 2002 compared to LE 49.63 million worth in the first half of 2001, while operating revenue dipped 12.5% to LE 50.8 million. The results did not include commissions and fees EFG-Hermes won for its role in the sale of Al-Ahram Beverages Co. (ABC) last fall. EFG was sell-side adviser to ABC, which sold more than 98% of its stock to Heineken Breweries BV in a deal worth \$287 million in cash, the largest private-sector M&A deal in Egypt's history.

In other positive 2002 news, EFG was also sell-side adviser to Misr Insurance Company and CIIC as they sold their combined 57.75% stake in El-Gezirah Hotels and Tourism Company to France's Accor, the world's third-largest hospitality group. The deal was worth \$39.2 million. EFG was also buy-side adviser to Pharco Pharmaceuticals in its LE 266 million purchase of 100% of Amriyah Pharmaceuticals.

On the securities brokerage side, EFG-Hermes executed LE 8.1 billion in trades for the first nine months of 2002, a 15% share, compared with LE 5.7 billion in the same period the previous year, which represented a 13% market share. (For more on EFG-Hermes, see profile page 121.)

MANAGEMENT: Mohamed Taymour (chairman), Ramzy Zaki (CFO), Yasser Mellawany (vice chairman and CEO)
LISTED: 1998
PAR VALUE: LE 5
MARKET CAP: 170.46

TRADING DAYS: 224
NUMBER OF TRADES: 4595
NUMBER OF SHARES: 41.07

56 Egypt Kuwait Holding Company (Egyptian Kuwaiti Holdings)

SYMBOL: EKHO
INDUSTRY: Multi-sector holdings
BASED: Giza (Mohandiseen)
EMPLOYEES: 16

The Egypt Kuwait Holding Company was formed in 1997 to participate in Egypt's privatization process. Today, it holds a 70% stake in the National Gas Company, a 20% share in Delta Insurance and a 37.5% stake in Americana Agriculture Development. EKHO's spin-off of subsidiary Globe Telecom to invest in the Egyptian telecom and information technology sectors will likely have to wait for an upturn in the economy before adding to its parent's bottom line.

In July 2002, the state's privatization coordination committee approved the sale of up to 100% of the Egyptian Glass Company to EKHO at LE 176 per share. EKHO's initial LE 165 per-share bid was pushed up by a counteroffer from Pilkington.

NOTE: All revenue, net profit and share price data reported in US dollars was converted into Egyptian pounds at the CBE rate of LE 4.51 : \$1.

MANAGEMENT: Nasser Mohamed Abd El-Mohsen El-Kharafi (chairman), Bassam Youssef Ahmed El-Ghanem (vice chairman), Moataz Adel El-Alfy (managing director)

LISTED: -
PAR VALUE: -
MARKET CAP: 727.80
TRADING DAYS: 224
NUMBER OF TRADES: 2266
NUMBER OF SHARES: 60

57 RAKTA Paper Manufacturing (RAKTA)

SYMBOL: RAKT
INDUSTRY: Forest products
BASED: Alexandria
EMPLOYEES: 2059

Rakta, established in 1958 and partially privatized (7%), produces all types of paper to generally accepted international standards using up-to-date production technologies.

MANAGEMENT: Mohamed Kamal Osman (chairman), Fouad Katkout (managing director)

LISTED: -
PAR VALUE: LE 2
MARKET CAP: 60.75
TRADING DAYS: 211
NUMBER OF TRADES: 1245
NUMBER OF SHARES: 10.87

EFSCO was successfully privatized, with its employee association purchasing the majority of its publicly traded shares.

58 Housing and Development Bank

SYMBOL: HDBK

INDUSTRY: Financial institutions (banks)

BASED: Giza (Mohandiseen)

EMPLOYEES: 2147

The Housing and Development Bank, established in 1979, finances urban development projects for low-income earners. It participates in all major banking activities and is planning the launch of a property management and maintenance company. In early 2002, the Central Bank of Egypt granted HDBK LE 1 billion to use to back mortgages for low-income earners interested in purchasing homes of 70-90 square meters. The bank's shareholders include the Commercial International Investment Company, CIB and the Suez Canal Bank.

MANAGEMENT: Fouad Mohamed Badr (chairman and managing director), Sawsan Ibrahim El Shorbagy (vice chairman)

LISTED: -

PAR VALUE: LE 10

MARKET CAP: 78.30

TRADING DAYS: 181

NUMBER OF TRADES: 1778

NUMBER OF SHARES: 5.40

59 Egyptian Glass Company (Al-Masreyya Glass)

SYMBOL: EMGL

INDUSTRY: Commodity chemicals

BASED: Sharqia (Tenth of Ramadan City)

EMPLOYEES: 405

Manufactures and distributes colored and transparent-float glass. Exports heavily to Arab markets.

MANAGEMENT: Mohamed Abd El-Wahab (chairman and managing director)

LISTED: -

PAR VALUE: -

MARKET CAP: 241.06

TRADING DAYS: 84

NUMBER OF TRADES: 474

NUMBER OF SHARES: 1.75

Construction Materials

(Net revenue 2001, LE millions)

1 Egypt Aluminum	1319.57
2 Ezz Steel Rebars	1065.80
3 Egyptian Iron and Steel	846.85
4 El-Ezz Porcelain (El-Jawhara)	184.61
5 Arab Ceramics (Arasemco)	71.54

60 Sinai Cement

SYMBOL: SCEM

INDUSTRY: Construction materials

BASED: Giza (Dokki)

EMPLOYEES: 250

Founded in 1998 by private investors as the largest investment in the North Sinai region, Sinai Cement produces cement products using Danish technology. Production commenced in 2000-01 with cement exports beginning in 2002, six months ahead of schedule. Sinai operates as the second white-cement producer in Egypt with annual production of 1.4 million tons. The Arab Swiss Engineering Company (ASEC) announced in spring 2001 it was boosting its stake in Sinai to 15% from 5%.

NOTE: Sinai Cement was not operating as a producer in FY00 and thus did not report revenues or net profits.

MANAGEMENT: Hassan Kamel Rateb (chairman), Mohamed Ahmed Abd El-Karim (managing director)

LISTED: 2000

PAR VALUE: -

MARKET CAP: 236.5

TRADING DAYS: 230

NUMBER OF TRADES: 28,143

NUMBER OF SHARES: 25

61 Memphis Pharmaceuticals

SYMBOL: MPC1

INDUSTRY: Pharmaceuticals

BASED: Cairo (Amereyya)

EMPLOYEES: 1505

Founded in 1940 as Egypt's first pharmaceutical company, state-owned Memphis operates two factories and produces approximately 190 products, 40% under license. The company, partially privatized (40%), is also the world's leading producer of kidney, colic and psoriasis treatments.

Memphis has been at the center of controversy since mid-2002 when it demanded permission of the Ministry of Health to produce Viagra, the male potency drug patented by Pfizer. Memphis has been petitioning the MoH to allow the domestic production of Viagra since the potency drug was first launched in the United States.

MANAGEMENT: Fardous Mahamed Abdel Rahman (chairman and managing director)

LISTED: 1995

PAR VALUE: LE 10

MARKET CAP: 125.20

TRADING DAYS: 125

NUMBER OF TRADES: 518

NUMBER OF SHARES: 2.50

62 Arab Drugs and Chemical Industries (Arab Pharmaceuticals, ADCO)

SYMBOL: ADC1

INDUSTRY: Pharmaceuticals

BASED: Cairo (Amereyya)

EMPLOYEES: 1300

ADCO, formed in 1964 and partially privatized in 1996 (40%), manufactures pharmaceuticals, veterinary medicine products, cosmetic supplies and other products. Its Rivo-brand analgesic is ADCO's leading product with a 95% share of the domestic market.

MANAGEMENT: Dr. Moustafa Ibrahim (chairman and managing director)

LISTED: 1996

PAR VALUE: LE 10

MARKET CAP: 61.69

TRADING DAYS: 181

NUMBER OF TRADES: 947

NUMBER OF SHARES: 1.20

63 Misr Free Shops (EFSCO)

SYMBOL: MFSC

INDUSTRY: Department stores

BASED: Giza (Mohandiseen)

EMPLOYEES: 815

Originally a subsidiary of EgyptAir and spun off in 1975, Egypt Free Shops imports and sells household goods through its trading outlets. EFSCO was successfully privatized with its employee association purchasing the majority of its publicly traded shares.

MANAGEMENT: Mohamed Moustafa El Sallawy

LISTED: 1979

PAR VALUE: LE 10

MARKET CAP: 58.03

TRADING DAYS: 153

NUMBER OF TRADES: 880

NUMBER OF SHARES: 3.50

64 Nasr Civil Works (Nasr Company for Civil Works)

SYMBOL: NCCW

INDUSTRY: Construction (homebuilding)

BASED: Cairo

EMPLOYEES: 700

Founded in 1965 and privatized in 1998, NCCW is now owned largely by Nasr City Housing and Development. NCCW operates five offices in Egypt and specializes in infrastructure projects, utilities and electrical works, and housing and general contracting.

MANAGEMENT: Mohamed Taher El-Maghraby (chairman and managing director), Hamdy Amin Abu Zeid (vice chairman)

LISTED: 1998

PAR VALUE: LE 5

If Olympic subsidiaries consolidated their revenues into the parent company, OLGR would shoot up the list to number 9.

Home Sweet (Modern) Home

Kitchen goods' reigning champ, number-73 ranked Olympic is moving into your living room with a Sony electronics deal

IF YOU FIND YOURSELF SATISFIED WITH A RECENT experience purchasing a home appliance such as, say, a refrigerator, you may want to thank Canada. Well, at least in part.

It was the experience of returning a faulty fridge in Canada and receiving a new one free of charge that lit a bulb in the head of a young Dr. Saad Sallam, the son of Shahers stores magnate Abdalla Sallam. Sallam was in Canada for six years learning the ins and outs of civil engineering before he returned to Egypt in 1978 and was handed the reins of the family business, Olympic Group.

Through its subsidiaries, Olympic is now the largest manufacturer in the nation of "white goods," or kitchen appliances such as gas stoves, washing machines, refrigerators, blenders and electrical appliances. Olympic chairman "Dr. Saad," as his friends call him, remembers well a time in Egypt when returning a broken appliance was unheard-of.

"After-sales service was practically nonexistent here, especially in the public-sector companies. I don't claim we changed the market, but we transplanted the 'satisfaction guaranteed' attitude."

Number 73-ranked Olympic Group is best known as the holding company for IDEAL (*bt* Top 100 number 29). It owns almost 80% of the subsidiary, which it acquired in 1997. At the time, IDEAL was the largest and oldest public-sector producer of kitchen appliances. The acquisition added refrigerators and washing machines to Olympic's growing list of product lines. IDEAL's newest factory, built in 2002, has a production capacity of 600,000 automatic washing machines a year.

(Had IDEAL and other Olympic Group firms consolidated revenue figures for all their holdings under one stock ticker, their revenues of LE 926 million would have seen them edge out CIB to finish ninth in the *bt* 100.)

Olympic's latest strategic shift involves two moves: creating a leaner machine and diversifying product lines. In making the company leaner, Olympic has taken six of its sub-



Olympic Group Chairman Dr. Saad Sallam is gradually handing over the company's daily management to a team of executives.

sidaries and placed them under IDEAL's supervision. By doing so, Olympic divested expensive real estate and high operating costs — all without layoffs.

The other recent move involves Olympic's newest international partners, Sony and Aiwa. Olympic in late January bought the distribution rights to sell and service Sony and Aiwa products in Egypt. Not only is the deal a major brand coup, it represents a new area for Olympic — out of the kitchen and into the living room.

Olympic's staying capacity — it's been around since 1939 — can be attributed to one thing: the ability to evolve, of which the electronics deals are just one example. Company patriarch Sallam started Olympic with his Shahers stores to hawk home goods. The stores were popular until the company was nationalized in 1963. In the 1970s, it morphed again into Cairo Light Industries, which introduced modern electric water heaters under the Olympic Electric brand name.

By 1995, the Olympic Group Financial Investment Company, as it is known today, was born as the holding company for all the subsidiaries. After acquiring IDEAL, the company ballooned to over 10,000 employees. Sallam spent a couple of years working out severance packages and offering voluntary retirement. Today, the subsidiaries employ about 5000 people spread over 10 production facilities, after-sale operations and three retail and trading companies.

Sallam also decided in the last couple of years to let the company become a full corporation. "It wasn't easy," he says, but it was for the benefit of the company and shareholders. He hired an executive board in 2000 to run things and has pulled himself off to the sidelines. "Enough family business: We have to have a corporate culture. We are one of the very few companies in Egypt that is not still run by interfering families."

The new team seems to be winning big. According to Chief Financial Officer Hussam El Mestekawy, consolidated revenue (including all subsidiaries under the Olympic umbrella) grew from LE 735 million in 2000 to LE 885 million in 2001 and the company estimates that 2002 consolidated revenue will be well over LE 926 million. Consolidated sales revenues increased 17% in 2002; consolidated net profits increased 20% in the third quarter of 2002 compared with the same time period in 2001. "All this was achieved with very little increase in product pricing [4%]," says El Mestekawy.

The group's dominance also rests on the strength of international partnerships. It all started with Italian refrigerator brand Zanussi, IDEAL's first international partner in 1985. In 1992, Olympic became Egypt's distributor of Dutch consumer king Philips' electronic products. Olympic is also the country's distributor for Korean giant Daewoo's home products. *bt*

Elizabeth Drachman

No. 67: Orascom Projects and Touristic Development

OPTD built Cairo's first piano bar as well as Upstairs disco, Downstairs pub, Sushi Yama and the Casino El-Shagara Riverside Café.

MARKET CAP: 52.20
TRADING DAYS: 165
NUMBER OF TRADES: 739
NUMBER OF SHARES: 4

65 Al-Ahram Beverages Company (Al-Ahram Beverages, ABC)

SYMBOL: PYBR
INDUSTRY: Brewers
BASED: Cairo
EMPLOYEES: 3745

Now Egypt's only domestic brewer, Al-Ahram Beverages was purchased by Heineken Breweries BV in fall 2002 in the nation's largest-ever private-sector M&A deal. For more, see our November 2002 cover story "Party Time?," page 48, as well as "The Deal Of The Decade," October 2002, page 24.

NOTE: The company is now more than 98% owned by Heineken, but traded with enough activity before the acquisition to qualify among 2002's most actively traded stocks.

MANAGEMENT: Ahmed Zayat (chairman)
LISTED: 1997
PAR VALUE: -
MARKET CAP: 1333.90
TRADING DAYS: 173
NUMBER OF TRADES: 5281
NUMBER OF SHARES: 20.49

66 General Silos and Storage

SYMBOL: GSSC
INDUSTRY: Food distributors
BASED: Cairo (Amereyya)
EMPLOYEES: 3500

Created in 1988 to serve the state's flour mills and since partially privatized (40%), General Silos and Storage offers a range of grain services from storage to transport. The company plans to upgrade silos and streamline unloading processes while increasing its capacity at the port of Alexandria.

MANAGEMENT: Mohamed Ibrahim Hassan (chairman and managing director)
LISTED: 1996
PAR VALUE: LE 10
MARKET CAP: 92.30
TRADING DAYS: 240
NUMBER OF TRADES: 7023
NUMBER OF SHARES: 10

Consumer Durables

(Net revenue 2001, LE millions)

1 International Electronics	405.30
2 Delta Industries	350.93
3 Olympic Group for Financial Investment	94.23

67 Orascom Projects and Touristic Development (OPTD)

SYMBOL: OPTD
INDUSTRY: Hotels, resorts and cruise lines
BASED: Cairo (Agouza)
EMPLOYEES: 4700

Orascom Projects and Touristic Development plans, develops and builds world-class destination resorts, hotels and restaurants in Egypt, with firms including Movenpick, Sonesta and Sheraton managing its properties. Properties include El-Gouna, with its own hotels, museums, shopping facilities, airport, marina and golf course. OPTD also builds and operates independent, upscale restaurants, nightclubs and pubs including Cairo's first piano bar (Piano Piano), Upstairs discotheque, Downstairs pub, Sushi Yama Japanese restaurant and the Casino El-Shagara Riverside Café.

MANAGEMENT: Samih Onsi Sawiris (chairman and managing director)
LISTED: -
PAR VALUE: -
MARKET CAP: 77.18
TRADING DAYS: 110
NUMBER OF TRADES: 1875
NUMBER OF SHARES: 38.40

68 Egyptian Gulf Bank

SYMBOL: EGBE
INDUSTRY: Financial institutions (banks)
BASED: Giza
EMPLOYEES: 598

Established in 1981 by Egyptian and Arab businessmen with the creation of a LE 100 million mutual fund, Egyptian Gulf Bank promotes a range of commercial banking products including savings instruments, credit cards and web-based services.

MANAGEMENT: Gawad Khamseen (chairman), Mohamed Barakat (vice chairman and managing director)
LISTED: -
PAR VALUE: \$2
MARKET CAP: 32.79
TRADING DAYS: 140
NUMBER OF TRADES: 445
NUMBER OF SHARES: 39.5

69 United Bank of Egypt (UBE)

SYMBOL: UBEE
INDUSTRY: Financial institutions (banks)
BASED: Cairo
EMPLOYEES: 571

The United Bank of Egypt, founded in 1981, offers corporate and household bank-

ing services. Its future plans include opening three new branches in Cairo, offering a range of new investment services, operating Diner's Club credit cards and the continued implementation of a new management information systems strategy designed to boost the bank's efficiency. A group of Arab investors purchased Misr Exterior Bank's 7.34% stake in UBE in early 2002 before buying an additional 3.6% stake on the stock market.

MANAGEMENT: Seif Allah Coutry (chairman)
LISTED: 1997
PAR VALUE: LE 10
MARKET CAP: 158
TRADING DAYS: 88
NUMBER OF TRADES: 221
NUMBER OF SHARES: 20

70 T3 - A Pharmaceutical Group (T3 Pharma)

SYMBOL: TAGP
INDUSTRY: Pharmaceuticals
BASED: Giza
EMPLOYEES: 350

Established in 1994, T3 is Egypt's fastest-growing pharmaceutical company with a strong presence in Europe and head office and production facilities in Giza. The company produces an array of chemical and pharmaceutical products, representing international companies from the US, UK, France and Japan. Future plans include the construction of a new plant in Assiut.

MANAGEMENT: Tarek Moustafa El Hadi (chairman and managing director)
LISTED: 1999
PAR VALUE: LE 10
MARKET CAP: 23.39
TRADING DAYS: 162
NUMBER OF TRADES: 617
NUMBER OF SHARES: 4.10

71 Heliopolis Housing and Development (Heliopolis Housing)

SYMBOL: HELI
INDUSTRY: Real estate management and development
BASED: Cairo (Heliopolis)
EMPLOYEES: 1267

Established in 1906, Heliopolis Housing and Development continues to develop land throughout Heliopolis, including New Heliopolis and Obour. The company is partially privatized, with 27% of shares available to the public. The recent passage of the mortgage law will enhance the company's growth prospects — if it is implemented in 2003 as promised.

MANAGEMENT: Fadel Mohamed El-Shahawy (chair-

Egyptian Starch and Glucose owns two factories and holds an 80% market share in the production and export of starch and glucose.

man and managing director)

LISTED: 1995

PAR VALUE: LE 5

MARKET CAP: 266.37

TRADING DAYS: 96

NUMBER OF TRADES: 277

NUMBER OF SHARES: 4.94

72 Egyptian Starch and Glucose

SYMBOL: ESGI

INDUSTRY: Food distributors

BASED: Cairo

EMPLOYEES: 1650

Created in 1942, Egyptian Starch and Glucose owns two factories and holds an 80% market share in the production and export of starch and glucose, though recent competition has forced it to slash production by 50%. The Ministry of Public Enterprise claims the company is in the final stages of privatization, but a 1999 offering of state-owned shares has not yet been completed.

MANAGEMENT: Abd El Satar Soliman Khalil (chairman and managing director)

LISTED: 1996

PAR VALUE: LE 10

MARKET CAP: 49.63

TRADING DAYS: 215

NUMBER OF TRADES: 2211

NUMBER OF SHARES: 4.60

73 Olympic Group for Financial Investment (Olympic Group)

SYMBOL: OLGFR

INDUSTRY: Consumer durables

BASED: Cairo (Nasr City)

EMPLOYEES: 7 (executive team); 5000 (including all subsidiaries)

Founded in 1995 to manage and train staff at the Olympic Group family of companies, Olympic Group has since obtained credit from local banks to develop its subsidiaries. Olympic recently embarked on a restructuring plan recommended by international auditors that will see it merge six subsidiaries, forming the nation's largest white goods and electrical home appliance manufacturing groups.

Olympic-owned IDEAL's production capacity now extends to 600,000 washing machines and 500,000 refrigerators per year. Olympic Group's investments in the domestic market now top LE 587 million. (For more on Olympic Group, see profile page 127.)

MANAGEMENT: Saad El Din Sallam (chairman), Niazy Abdallah Sallam (vice chairman)

LISTED: 1998

PAR VALUE: LE 10

MARKET CAP: 268.95

TRADING DAYS: 233

NUMBER OF TRADES: 6917

NUMBER OF SHARES: 34.09

74 Misr Chemical Industries

SYMBOL: MICH

INDUSTRY: Diversified chemicals

BASED: Alexandria

EMPLOYEES: 165

Misr Chemical Industries, founded in 1959 and partially privatized in 1994, produces industrial chemicals including caustic soda, chlorines, acids and carbonates for local and export markets

MANAGEMENT: Ragab El Sayed Ali (chairman and managing director)

LISTED: 1994

PAR VALUE: LE 4

MARKET CAP: 114.24

TRADING DAYS: 242

NUMBER OF TRADES: 6882

NUMBER OF SHARES: 32

75 Misr Hotels (Hilton)

SYMBOL: MHOT

INDUSTRY: Hotels, resorts and cruise lines

BASED: Cairo

EMPLOYEES: 90

Created as a joint venture in 1959, Misr Hotels built Cairo's Nile Hilton and was a nationalized tourism body. Misr Hotels continues to undergo a partial privatization program while operating under international management. Though the Nile Hilton remains Misr Hotels' largest source of revenue, the company also owns shares in three other Hilton hotels and other properties throughout Egypt.

In March 2001, the state Hotels and Tourism Holding Company won approval from the Ministerial Privatization Committee to offer all of the Nile Hilton for sale and attracted three bids: One from an Egyptian group, one from a group of Arab investors and one from a non-Arab foreign investor. The HTHC held meetings with all three parties, at least two of whom remained interested despite the global downturn in tourism following the 9/11 terror attacks on the United States. The sale was torpedoed in January 2002 when the Ministry of Finance won a court order demanding that Nile Hilton pay LE 180 million in back taxes. For more on the Nile Hilton and the privatization program generally, see News Focus, May 2002, page 32.

MANAGEMENT: Mohamed Hussein Ahmed (chairman and managing director)

LISTED: 1994

PAR VALUE: LE 4

MARKET CAP: 211.2

TRADING DAYS: 231

NUMBER OF TRADES: 2849

NUMBER OF SHARES: 3.3

76 Medinet Nasr Housing and Development (Nasr City Housing)

SYMBOL: MNHD

INDUSTRY: Real estate management and development

BASED: Cairo (Nasr City)

EMPLOYEES: 494

Formed in 1959 and fully privatized in 1996, Medinet Nasr Housing owns the largest land portfolio in Nasr City and continues real estate, leasing and development work in Cairo's fastest-growing district, although it, like most other construction industry players, has suffered since 1999.

MANAGEMENT: Mohamed Taher El-Maghrabi (chairman and managing director)

LISTED: 1996

PAR VALUE: LE 5

MARKET CAP: 346.72

TRADING DAYS: 229

NUMBER OF TRADES: 5538

NUMBER OF SHARES: 16

77 Mohandes Bank

SYMBOL: MOHA

INDUSTRY: Financial institutions (banks)

BASED: Giza (Dokki)

EMPLOYEES: 746

Established in 1979 by the Engineers' Syndi-

Food, Beverages & Tobacco

(Net revenue 2001, LE millions)

1 Eastern Tobacco	2170.87
2 Central and West Delta Flour Mills	663.99
3 Upper Egypt Flour Mills	582.96
4 Central Egypt Flour Mills	521.54
5 North Cairo Flour Mills	510.74
6 East Delta Flour Mills	444.85
7 Alexandria Flour Mills	311.53
8 South Cairo and Giza Mills and Bakeries	295.29
9 Extracted Oils and Derivatives	275.94
10 Al-Ahram Beverages Company	120.81
11 General Silos and Storage	120.66
12 Egyptian Starch and Glucose	99.65

No. 81: Egyptian Saudi Finance Bank

ESFB continues to expand locations while encouraging foreign trade opportunities between Egypt, Saudi Arabia and other nations.

cate Pension Fund and Suez Canal Bank, Mohandes Bank finances development projects and professional syndicate activities while providing commercial banking services. Mohandes has plans to upgrade existing branches and open new branches in areas including Tenth of Ramadan City's industrial zone.

Mohandes Bank was briefly in the spotlight in late 2002 as public-sector banks scrambled to meet Basel II capital adequacy requirements mandated by the Central Bank of Egypt. The inability of many of the banks to finance the increases led to speculation that Mohandes Bank, among others including the Islamic International Bank for Investment and Development, Misr Exterior Bank and Nile Bank, might be forced to merge with one of the Big Four state-owned banks.

NOTE: All profits converted into provisions as a result of the bank's portfolio of non-performing loans.

MANAGEMENT: Moustafa Moustafa Marzouk (chairman and managing director)

LISTED: -

PAR VALUE: LE 10

MARKET CAP: 97.41

TRADING DAYS: 181

NUMBER OF TRADES: 1348

NUMBER OF SHARES: 16.10

78 Kafr El-Zayat Pesticides

SYMBOL: KZPC

INDUSTRY: Fertilizers and agricultural chemicals

BASED: Gharbia

EMPLOYEES: 609

Kafr El-Zayat, founded in 1955, produces pesticides and fertilizers for agribusiness and households. It has recently benefited from new product licenses and maintains a range of distribution channels from its base in the Delta region. The Ministerial Committee for Privatization approved the sale of an additional 15% of Kafr El-Zayat at a price of LE 8.4 million in March 2001.

MANAGEMENT: Albert George El Dabaa (chairman), Allam El Sayed Allam (managing director)

LISTED: 1996

PAR VALUE: LE 5

MARKET CAP: 38.33

TRADING DAYS: 198

NUMBER OF TRADES: 1611

NUMBER OF SHARES: 1.50

Multi-sector Holdings

(Net revenue 2001, LE millions)

1 Egyptian Kuwaiti Holdings	155.69
2 Al-Ahli Investment and Development	20.91
3 Egyptians Abroad for Investment and Development	3.14

79 Arab Ceramics (Aracemco)

SYMBOL: CERA

INDUSTRY: Building products

BASED: Giza (Dokki)

EMPLOYEES: 1815

Created in 1975 as a joint venture between Kuwait Real Estate and General China and Pottery in 1975, Aracemco produces sanitary ware, tiles and other ceramic items for local and export markets.

MANAGEMENT: Mohamed Salem El-Sayed (chairman and managing director), Mohamed Badr El-Tarkeit (vice chairman)

LISTED: 1982

PAR VALUE: LE 4

MARKET CAP: 23.63

TRADING DAYS: 79

NUMBER OF TRADES: 172

NUMBER OF SHARES: 5.63

80 Canal Shipping Agencies

SYMBOL: CSAG

INDUSTRY: Marine

BASED: Port Said

EMPLOYEES: 1600

Founded by the Suez Canal Authority in 1965, Canal Shipping oversees the activities of foreign ships in Egyptian territorial waters while carrying out maritime, freight and tourist operations. The company's performance is based largely on maritime regulations and market trends in international shipping.

MANAGEMENT: Selim Salem Yaccout (chairman and managing director)

LISTED: 1996

PAR VALUE: -

MARKET CAP: 246

TRADING DAYS: 221

NUMBER OF TRADES: 2107

NUMBER OF SHARES: 200

81 Egyptian Saudi Finance Bank (ESFB)

SYMBOL: SAUD

INDUSTRY: Financial institutions (banks)

BASED: Giza

EMPLOYEES: 600

Opened in 1980, the Egyptian Saudi Finance Bank operates as an Islamic commercial bank, with all activities governed in accordance with Islamic finance principles derived from Shari' a under the supervision of the Islamic Supervisory Authority. ESFB continues to expand branch locations and marketing activities while encouraging foreign trade opportunities between Egypt, Saudi Arabia and other nations, primarily Muslim.

MANAGEMENT: Sheikh Saleh Abdallah Kamel (chairman), Sheikh Mahmoud Gamil Hassouba (vice chairman), Sobhi Badawi (managing director)

LISTED: -

PAR VALUE: LE 7

MARKET CAP: 103.29

TRADING DAYS: 68

NUMBER OF TRADES: 112

NUMBER OF SHARES: 14.29

82 Egyptian Media Production City (Media City, EMPC, MPC)

SYMBOL: MPRC

INDUSTRY: Movies and entertainment

BASED: Sixth of October City

EMPLOYEES: 665

Established in a tax-free zone in Sixth of October City in 1997, Media Production City operates 2 million square meters of studios and production facilities for local and foreign productions. Originally designed to attract Europe-based Arab satellite broadcasters including MBC, Orbit and ANN, MPC recently established an academy for media technical training and a new company for news, production, marketing and satellite channels.

The state has lauded MPC's progress, but critics warn it has fallen behind Dubai and could be challenged by the new Jordanian Media Production City.

MANAGEMENT: Abd El-Rahman Hafez (chairman)

LISTED: 1999

PAR VALUE: LE 10

MARKET CAP: 1360.52

TRADING DAYS: 242

NUMBER OF TRADES: 86,751

NUMBER OF SHARES: 172

83 Alexandria Commercial and Maritime Bank

SYMBOL: MART

INDUSTRY: Financial institutions (banks)

BASED: Alexandria

EMPLOYEES: 589

Established by public-sector maritime companies in 1981, Alexandria Commercial and Maritime continues to expand its presence in coastal cities and in retail banking ventures, such as credit cards. Basmala acquired 10% of MART at LE 247 per share in a deal worth LE 25 million in spring 2001.

MANAGEMENT: Mohamed Adel El Barkouk (chairman and managing director)

LISTED: 1995

PAR VALUE: LE 10

MARKET CAP: 75.69

TRADING DAYS: 103

NUMBER OF TRADES: 565

NUMBER OF SHARES: 8.41

With the backing of the Social Fund for Development, Al-Watany has opened new product lines to serve small borrowers.

Staying The Course

Hammered by bad loans in 2002, number-40 ranked Al-Watany Bank of Egypt keeps expanding its retail presence while standing by SMEs

ASK A SMALL-BUSINESS OWNER WHO HIS best friend is and you might hear the name Al-Watany. Al-Watany Bank of Egypt (AWB) has endeared itself to small and medium-size enterprises by catering to their borrowing needs.

With the backing of the Social Fund for Development, Al-Watany has opened new product lines to serve small borrowers ranging from new graduates to craftsmen with loans to finance new small projects and to help grow existing small businesses.

AWB was incorporated in May 1980 by a group of Egyptian business leaders under Law 43/1974 and began operations with two branches in Cairo and Alexandria. AWB has grown rapidly in recent years by expanding its retail activities as well as diversifying its revenue base. It is a medium-sized bank in terms of total loans with a 1.5% market share, while its deposits accounted for 1.6% of the market as of year-end 2001.

In addition to the bank's focus on small business, it also expanded its number of retail branches to 16 in 2002 as part of its strategy to open two new branches each year to support its expanding range of consumer and car loans as well as mortgage financing services it plans to launch when the new mortgage law eventually goes live.

On the corporate banking side, AWB officials say they want to be selective in expanding their client base, developing a niche market for medium-sized companies in sectors like oil, gas, tourism and telecommunications, offering them a standard range of services including deposit and cash management, trade finance, letters of credit, and import and export financing. Al-Watany has also tried to broaden its appeal by dipping its toes into the retail side of Islamic banking.

AWB officials declined to speak on the record for this story.

Market talk of a possible stake sale last April boosted AWB's share price on the CASE; however, a month later, the bank terminated negotiations regarding the offer by



Mohsen Allam

AWB expanded its number of locations to 16 as part of a strategy to open two new branches each year.

an unnamed Kuwaiti investor to acquire a 40% holding.

Al-Ahram Weekly reported in June 2002 that AWB was credit-rated by the local Nile Rating and its international parent company FitchRatings. According to Robert Young, senior director with FitchRatings, both ratings put the bank in positive credit standing. He explains that national ratings show only relative credit strengths within Egypt. International ratings are globally standardized. AWB's profitability has been affected in recent years by increased loan loss provisioning and rising costs; however, gains from a depreciating Egyptian pound have helped to offset these pressures.

As part of the bank's full-throttle effort to grow its assets, AWB appointed Ahmed Hassan Koura as vice chairman and managing director in November 2002. Koura was general manager of Société Arabe Internationale de Banque for the previous five years but as recently as 1997 was general manager of Al-Watany.

For the first nine months of 2002, AWB reported a dip in bottom-line profits of 67% to reach LE 29.2 million or LE 1.17 per share, compared with LE 88.6 million or LE 3.95 per share during the same period of 2001. The dip was worse than analysts had predicted. In nine months, AWB reported LE 320.2 million in interest income from loans, representing an increase of 2.7% compared to LE 311.8

million the same period of 2001. Interest income from treasury bills and bonds rose by 20.8% to reach LE 52.5 million, up from LE 43.5 million during the same period 2001. Moreover, AWB saw 16.8% surge in customer deposits from LE 4.3 billion to LE 5.1 billion.

A substantial portfolio of non-performing loans, coupled with the general downturn in banking, led the drop, analysts believe.

"This was due to higher provisions taken to account for bad loans. Moreover, net interest income fell 37% in the nine-month period of FY02 on the back of much higher interest-bearing funds relative to earning assets, which pressured the bank's margins. Consequently, the share price fell 44% over the year 2002," says Mohamed Hamdi, a research analyst at CIBC.

In 2001, AWB increased the bank's invested capital to LE 175 million distributed in 25 million shares with a par value of LE 7 each to support its financial position and retail expansion. The bank said it would use the proceeds from the capital increase to reach its goal of 30 branches by 2005.

By the end of the third quarter of 2002, AWB's capital adequacy ratio was 11%. On 30 December, shareholders approved a LE 75 million capital increase from LE 175 to LE 250 million by increasing the par value per share from LE 7 to LE 10. The increase will be financed from reserves. **bt**

Eman Wahby

Kima prides itself on being an engine of growth for Upper Egypt development and survived a government attempt to shut it down.

84 Nile Matches and Prefabricated Homes (Nile Matches)

SYMBOL: NMPH

INDUSTRY: Forest products

BASED: Alexandria

EMPLOYEES: 1662

Established in 1935 and partially privatized in 1996, Nile Matches leads Egypt's match industry with an 80% market share. It also produces match boxes, wood products and prefabricated wooden housing materials.

MANAGEMENT: Mahmoud Fouad El-Guindi (chairman and managing director), Mohamed Tawfik Khairy (vice chairman)

LISTED: 1996

PAR VALUE: LE 10

MARKET CAP: 10.10

TRADING DAYS: 216

NUMBER OF TRADES: 1839

NUMBER OF SHARES: 2

85 Egyptian Chemical Industries (Kima)

SYMBOL: EGCH

INDUSTRY: Fertilizers and agricultural chemicals

BASED: Aswan and Cairo

EMPLOYEES: 2500

Founded in 1956 as a publicly owned urea fertilizer producer, Kima prides itself on being one of the engines of Upper Egyptian development but found itself in the news in 2002 after an aborted government attempt to close down the debt-making plant.

Prime Minister Atef Ebeid briefly ordered Kima closed in October, saying inefficiencies at the plant were such that only massively subsidized electricity rates allowed it to turn an on-paper profit. The local press responded immediately with speculation that Kima had been ordered closed because American officials believed

the plant could produce chemical weapons, a charge Kima, the Ebeid government and the US Department of State all denied.

Sources close to Cabinet claim Ebeid and Minister of Electricity Hassan Younes decided several months earlier to shutter Kima by November 2002 because the company's LE 8 million in net profit for 2001 was made possible only because it buys electricity at 1992's rates and has so far been unable to convert to more efficient, less costly production technologies fueled by natural gas.

The government later changed tacks and promised to keep Kima open for a transitional period and explore other means of reducing production costs and electricity consumption before Kima ultimately has to pay full rate for its electricity. The decision to close Kima would have rendered jobless the company's 2500 direct employees as well as some 10,000 others working in supporting industries. (For more on Kima's woes, see "Weapons of Mass Destruction Or Mass Losses?" News Focus, page 28, December 2002.)

MANAGEMENT: Salah El-Din Ahmed Moumen (chairman and managing director)

LISTED: 1995

PAR VALUE: LE 2

MARKET CAP: 61.36

TRADING DAYS: 145

NUMBER OF TRADES: 436

NUMBER OF SHARES: 8

86 Egyptian Commercial Bank

SYMBOL: ECBK

INDUSTRY: Financial institutions (banks)

BASED: Cairo

EMPLOYEES: 420

Originally established as Alexandria Kuwait International Bank in 1978, the bank became known as Egyptian Commercial after Egyptian investors purchased a majority of the bank's shares. It continues to practice all banking activities at seven branches while creating a new mutual fund and new household savings products.

NOTE: 2001 profits converted to provisions as a result of non-performing loans.

MANAGEMENT: Mohamed A. El-Wahab (chairman), Mohamed Gamal Moharram (managing director)

LISTED: 1997

PAR VALUE: -

MARKET CAP: 77.88

TRADING DAYS: 76

NUMBER OF TRADES: 202

NUMBER OF SHARES: 9.63

87 Upper Egypt General Contracting (Upper Egypt Contracting)

SYMBOL: UEGC

INDUSTRY: Construction and engineering

BASED: Cairo

EMPLOYEES: 620

Established in 1964 and fully privatized in 1997, Upper Egypt Contracting's activities include real estate purchasing and sales and general contracting for utilities, sewage and industrial buildings. Upper Egypt is currently working with Zein Bahiky Contracting on a joint venture in Saudi Arabia.

MANAGEMENT: Abdel Moneim Hosny Fahmy (chairman and managing director)

LISTED: 1997

PAR VALUE: LE 10

MARKET CAP: 2.48

TRADING DAYS: 185

NUMBER OF TRADES: 1558

NUMBER OF SHARES: 0.30

88 Egyptian Satellite Company (NileSat)

SYMBOL: EGSA

INDUSTRY: Broadcasting and cable TV

BASED: Giza (Sixth of October City)

EMPLOYEES: 208

Launched and manages NileSat.

MANAGEMENT: Amin Bassiouny (chairman and managing director)

LISTED: -

PAR VALUE: -

MARKET CAP: 42.50

TRADING DAYS: 202

NUMBER OF TRADES: 1552

NUMBER OF SHARES: 34

89 Cairo Housing

SYMBOL: ELKA

INDUSTRY: Real estate management and development

BASED: Cairo (Bab El-Louq)

EMPLOYEES: 37

Cairo Housing, founded in 1908 as Egypt's first urban-planning company and fully privatized in 1997, conducts urban planning, design, and construction projects in Cairo, Alexandria and the new urban communities. The small-cap real-estate developer grabbed market attention early in 2002 as investors rushed to buy ahead of the company's merger with one of its subsidiaries to benefit from large tax savings.

MANAGEMENT: Mohamed Ezzat Zeitoun (chairman and managing director)

LISTED: 1997

PAR VALUE: LE 1

MARKET CAP: 33.12

Real Estate & Development

(Net revenue 2001, LE millions)

1 Sixth of October Development Company (SODIC)	198.70
2 Heliopolis Housing	103.39
3 Medinet Nasr Housing and Development	83.94
4 Cairo Housing	39.59
5 Development and Engineering Consultants	27.57
6 El-Shams Housing and Urbanization	11.27
7 United Housing and Development	9.82

No. 92: Acrow Misr

A market leader in the production of metal scaffolding, Acrow exports heavily to North Africa and the Arab Gulf.

TRADING DAYS: 242
NUMBER OF TRADES: 20,941
NUMBER OF SHARES: 15.26

90 Egyptian Workers Bank

SYMBOL: WORL
INDUSTRY: Financial institutions (banks)
BASED: Cairo

Pharmaceuticals

(Net revenue 2001, LE millions)

1 Egyptian International Pharmaceutical Industries (EIPICO)	428.26
2 Medical Union Pharmaceuticals	264.06
3 Pfizer Egypt	260.62
4 Nile Pharmaceuticals	229.18
5 Amriyah Pharmaceuticals	191.22
6 Cairo Pharmaceuticals	170.76
7 Alexandria Chemical Industries	162.57
8 Memphis Pharmaceuticals	127.98
9 Arab Pharmaceuticals	127.13
10 T3 - A Pharmaceutical Group	104.14

EMPLOYEES: 155

Opened in 1983, the Egyptian Workers Bank is a joint venture of the National Labor Union, Social Insurance Authority, Pension Authority, Banque Misr and Banque du Caire.

MANAGEMENT: El Sayed Mohamed Rashed (chairman), Ahmed Hussein El Shazly (general manager)
LISTED: 1995
PAR VALUE: LE 4
MARKET CAP: 0.81
TRADING DAYS: 68
NUMBER OF TRADES: 145
NUMBER OF SHARES: 0.25

91 Development and Engineering Consultants

SYMBOL: DAPH
INDUSTRY: Real estate management and development
BASED: Cairo (Garden City)
EMPLOYEES: 321

DAPH participates in real estate and development activities for housing areas and tourist resorts and owns premium real estate in areas including Giza's Dokki district. Established in 1954, DEC was privatized and re-named in 1996.

MANAGEMENT: Hosny Ahmed Omar (chairman and

managing director)

LISTED: June 1996
PAR VALUE: LE 10
MARKET CAP: 31.15
TRADING DAYS: 190
NUMBER OF TRADES: 4240
NUMBER OF SHARES: 3.85

92 Acrow Misr Metallic Scaffolding and Frameworks (Acrow Misr)

SYMBOL: ACRO
INDUSTRY: Construction and engineering
BASED: Helwan
EMPLOYEES: 600

A market leader in the production of metal scaffolding, Acrow Misr produces metal frameworks and structures in addition to offering design, engineering and installation

Telecom, Media & Tech

(Net revenue 2001, LE millions)

1 Orascom Telecom	3907.12
2 Mobinil	2316.85
3 Media Production City	62.48
4 Egyptian Satellite (NileSat)	40.55

Orascom Hotel Holdings owns nine hotels in El-Gouna and Taba Heights totaling 20,170 rooms.

services. Established in 1977 as a venture between Britain's Acrow, the Icon Company, Arab Contractors Investments and Al-Nasr Pipes, Acrow exports heavily to North Africa and the Arab Gulf.

MANAGEMENT: Osama Kamal El-Gerf (chairman)
LISTED: 1998
PAR VALUE: LE 10
MARKET CAP: 28.34
TRADING DAYS: 203
NUMBER OF TRADES: 1068
NUMBER OF SHARES: 1.20

93 Al-Ahli Investment and Development

SYMBOL: AFDI
INDUSTRY: Multi-sector holdings
BASED: Cairo (Boulaq)
EMPLOYEES: 12

A leading investment bank, Al-Ahli Development and Investment began operations in 1995 and provides comprehensive financial services to corporate clients.

MANAGEMENT: Fouad Sultan (chairman and managing director)
LISTED: 1997
PAR VALUE: LE 10
MARKET CAP: 57.15
TRADING DAYS: 155
NUMBER OF TRADES: 468
NUMBER OF SHARES: 15

94 Mohandes Insurance

SYMBOL: MOIN
INDUSTRY: Property and casualty insurance
BASED: Giza (Dokki)
EMPLOYEES: 758

Created in 1980 as Egypt's second private insurance company, Mohandes Insurance continues to receive positive bond ratings. Its lineup includes products covering assets, businesses and individuals.

MANAGEMENT: Samir Moustafa (chairman and managing director), A. El Raouf Qotb (vice chairman and managing director)
LISTED: 1980
PAR VALUE: LE 10
MARKET CAP: 56
TRADING DAYS: 131
NUMBER OF TRADES: 400
NUMBER OF SHARES: 4

95 Engineering Industries (Icon)

SYMBOL: ENGC
INDUSTRY: Construction materials
BASED: Cairo (Helwan)

EMPLOYEES: 500

Manufactures a variety of building materials: corrugated sheets, concrete blocks, and metallic and aluminum products. Operates a service center and serves as a commercial agent for construction and electrical equipment (licensed to sell select foreign imports).

MANAGEMENT: Mohamed Maged Sakr (chairman and managing director)
LISTED: -
PAR VALUE: -
MARKET CAP: 4.51
TRADING DAYS: 115
NUMBER OF TRADES: 274
NUMBER OF SHARES: 2.97

96 El-Shams Housing and Urbanization (El-Shams Housing and Development)

SYMBOL: ELSH
INDUSTRY: Real estate management and development
BASED: Cairo
EMPLOYEES: 200

El-Shams Housing and Development, founded in 1946 and partially privatized in 1997, participates in land purchasing, leasing and real estate development projects. Recent activities include the adoption of a self-financing policy and the purchase of 170 acres in Sixth of October City. The National Housing and Building Company announced in April 2001 it was prepared to sell 90% of El-Shams.

MANAGEMENT: Dr. Hosny Hafez (chairman and managing director)
LISTED: 1995
PAR VALUE: LE 1
MARKET CAP: 50.19
TRADING DAYS: 238
NUMBER OF TRADES: 4542
NUMBER OF SHARES: 21

97 United Housing and Development

SYMBOL: UNIT
INDUSTRY: Real estate management and development
BASED: Alexandria
EMPLOYEES: 149

Originally established in 1907, United Housing completed privatization and continues land purchasing, leasing and real estate development activities throughout Alexandria.

MANAGEMENT: Eng. Abd El Moneim Mohamed Siam (chairman and managing director), Hassan Moustafa Hassan (vice chairman)
LISTED: 1999

PAR VALUE: LE 1.25
MARKET CAP: 45.54
TRADING DAYS: 203
NUMBER OF TRADES: 1253
NUMBER OF SHARES: 16.74

98 Egyptians Abroad for Investment and Development

SYMBOL: ABRD
INDUSTRY: Multi-sector holdings
BASED: Giza
EMPLOYEES: 25

ABRD was founded in 1984 as the first investment company for Egyptians living abroad to distribute their Egyptian investments. Current investment activities take place in all fields, from portfolio management to venture capital projects.

MANAGEMENT: Ahmed Kamal Abul Magd (chairman), Ibrahim Fazi Abdel Wahed (vice chairman)
LISTED: -
PAR VALUE: LE 10
MARKET CAP: 24.25
TRADING DAYS: 99
NUMBER OF TRADES: 219
NUMBER OF SHARES: 2.53

99 Orascom Hotel Holdings (OHH)

SYMBOL: ORHC
INDUSTRY: Hotels, resorts and cruise lines
BASED: Cairo (Agouza)
EMPLOYEES: 2103

Orascom Hotel Holdings owns nine hotels in El-Gouna and Taba Heights totaling 20,170 rooms. OHH properties are managed by Hyatt, Intercontinental, Club Med and Swisshotels, among others. The company continues to develop its operations in hotels and custom-built tourist villages as its original shareholders contemplate a share buyback.

MANAGEMENT: Samih Onsi Sawiris (chairman), Emad Adly (vice chairman), Roger Sabet (managing director)
LISTED: 1998
PAR VALUE: LE 10
MARKET CAP: 44.68
TRADING DAYS: 241
NUMBER OF TRADES: 7441
NUMBER OF SHARES: 19.26

Textiles

(Net revenue 2001, LE millions)

1 Oriental Weavers	689.74
2 Arab Polvara Spinning and Weaving	213.53
3 Alexandria Spinning and Weaving	160.68

No. 100: Export Development Trading Company

Export Development Trading was founded in 1989 as a joint stock company and charged with supporting Egyptian trade.

100 Export Development Trading Company

SYMBOL: (EXPO)

INDUSTRY: Trading companies and distributors

BASED: Cairo

EMPLOYEES: 40

Founded as a joint stock company by the Export Development Bank in 1989 and charged with supporting Egyptian trade, the company's activities include

managing corn imports and leasing grain mills.

MANAGEMENT: Farid Moheb El-Kassaby (chairman and managing director)

LISTED: 1996

PAR VALUE: LE 10

MARKET CAP: 2.19

TRADING DAYS: 173

NUMBER OF TRADES: 814

NUMBER OF SHARES: 1.50 *bt*

Miscellaneous

(Net revenue 2001, LE millions)

1	Natural Gas and Mining Project (Egypt Gas)	448.36
2	Egyptian Electrical Cables	227.83
3	EFG-Hermes Holding	158.69
4	Rakta Paper Manufacturing	154.30
5	Misr Free Shops	125.28
6	Orascom Projects and Touristic Development	120.60
7	Misr Hotels (Hilton)	86.80
8	Canal Shipping Agencies	70.41
9	Nile Matches and Prefabricated Homes	57.65
10	Mohandes Insurance	20.72
11	Orascom Hotel Holdings (OHH)	0.08
12	Export Development Trading Company	0.00

DISCLAIMER

Revenue List (page 74) provided by Sigma Capital; Market Capitalization List (page 95) provided by Cairo and Alexandria Stock Exchange; biographical sketches sourced as per page 102. All reported articles (feature and company profiles) by *bt* staff writers and freelancers.

All revenue, net profit, brand value and asset data on the Revenue List was drawn by Sigma Capital from candidate companies' annual filings to the CASE as required by law.

Mansour & Co. PricewaterhouseCoopers warrants that financial data found in the Revenue List and Market Capitalization List and provided by Sigma Capital and Kompass Egypt, respectively, has not been tampered with in any way and is accurate in so far as it reflects the original data provided to *Business Today Egypt* by Sigma Capital and Kompass Egypt.

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Building World-Class Professional

An oasis of excellence
Center of Egypt to become a world leader in information
Financial 199

The Regional Institute was established in 1992 as a center of excellence for the design, delivery and dissemination of continuing professional development programs. A variety of training, the formulation of world class managers, experts, practitioners,

The Regional Institute is a non-profit regional training and human resources development organization. It has become one of the leading institutes in the region. Its mandate is to design and deliver academic and executive development programs that leverage skills and knowledge in various management, business, and information systems. The seminars and topics are provided through a number of modalities and delivery methods. Theoretical and practical applications and projects. Such a unique blend is intended to bring the latest in research and developments in the informational market.

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- | | |
|---|---|
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| - Master of Business Administration (MSM) | - Project Management Professional Certificate |
| - MSc. in Business Technology (MDX) | - Web Development Diploma |
| - MSc. in Electronic Commerce (MDX) | - Marketing Management Diploma |
| - MSc. in Computer Science (UofL) | - Media Skills Diploma |
| - MSc. in Human Resource Education (UofL) | - Management Seminars |

With the growing demand, both locally and internationally, and academic development programs, we emerged for the expansion of its operations to accommodate the growing market demand for its various programs. It is reaching out to regional markets to provide the same high-standard service that it provides locally.

MANSOUR & CO. PRICEWATERHOUSECOOPERS

22 El Nasr Street
PO Box 42
New Maadi 11435, Cairo
Cairo, Egypt
Telephone: (202) 5168027
Facsimile: (202) 5168110
Web site: www.pwcglobal.com/egypt
e-mail: pwc@bt.com

Mansour & Co. PricewaterhouseCoopers is pleased to have been the audit partner for the first annual edition of Business Today Egypt's Top 100 Listed Companies in Egypt.

To verify the accuracy of the data used to prepare the Revenue List and Market Capitalization List in this magazine, Business Today Egypt provided PwC with:

- (1) An electronic copy of the original data used to compile the Revenue List, as provided to bt by Sigma Capital, along with an electronic version of the final designed list as it would appear in the magazine. This Revenue List ranks the most actively traded listed companies of 2002 in descending order according to their 2001 revenue figures as disclosed to the Cairo and Alexandria Stock Exchange (CASE) in the candidate companies' annual reports.
- (2) An original printed copy of the data used to compile the Market Capitalization List as provided to bt by the Cairo and Alexandria Stock Exchange (CASE), along with an electronic version of the final designed list as it would appear in the magazine. This list ranks companies in descending order of market capitalization without respect to how actively the companies are traded. Market capitalization figures on this list are as calculated by the CASE on 30 September 2002.
- (3) Staff at Mansour & Co. PricewaterhouseCoopers first verified that the designed lists as they were to appear in the magazine were 100% accurate reflections of the lists provided to bt by Sigma Capital and the CASE, respectively. After ascertaining this fact, our staff verified the accuracy of the data provided to bt by Sigma Capital and the CASE by checking the top 20 companies against our own data sources and performing random audits on the data for companies ranked 21-100.

Mansour & Co. PricewaterhouseCoopers thus warrants that by this standard, the Revenue List is an accurate reflection of the audited financial information disclosed by the companies in question to the CASE and that the original data provided to bt by Sigma Capital has not been modified or adulterated in any manner. Mansour & Co. PricewaterhouseCoopers also warrants that data for the Market Capitalization List provided to bt by the CASE was similarly unadulterated and unmodified.

We look forward to working with bt to develop and expand this valuable addition to Egyptian financial journalism in Egypt in the coming year.



Tarek Farid Mansour
Country Senior Partner
Mansour & Co. PricewaterhouseCoopers