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LIST OF ACRONYMS

CAA	Central Auditing Agency
CBE	Central Bank of Egypt
CMA	Capital Markets Authority
ERP	Early Retirement Program
ERS	Early Retirement Scheme
FY	Fiscal year represented by the period 1-July to 30-June
GDP	Gross Domestic Product
GOE	Government of Egypt / Arab Republic of Egypt
HC	Holding Company
IMF	International Monetary Fund
JV	Joint Venture
MFT	Ministry of Foreign Trade
MOEFT	Ministry of Economy & Foreign Trade
MOTS	Ministry of Trade & Supply
MPE	Ministry of Public Enterprise
NA	Not Available
PBSIC	Public Business Sector Information Center
PE	Public Enterprise
PEO	Public Enterprise Office
PIP	Privatization Implementation Project
USAID	United States Agency for International Development

I INTRODUCTION

During the fourth quarter of 2002, a number of factors continued to challenge prospects for investing in Egypt, such as slow growth globally, political tension in the Middle East region, increasing Egyptian public debt, and an overvalued Egyptian pound. Nevertheless, the Government of Egypt (GOE) forged ahead with its privatization program to transition the remaining Law 203 and joint venture companies to the private sector. In particular, the GOE made efforts to progress the privatization program by developing and beginning to carry out a new technique for privatizing loss making and other under performing Law 203 affiliate companies, which continue to be a significant drain on the public sector.

Accordingly, the most significant development during the fourth quarter was the GOE's development of a new technique for privatizing Law 203 companies whereby new company shares would be issued to private investors permitting investors to attain majority control of the Law 203 affiliate issuing the shares. This "privatization by capitalization" technique is being promoted to potential investors as an opportunity to enter the local market with an established brand, market position, and labor force at an attractive share price based on a restructured and improved balance sheet. The benefit to the holding company and the economy will be to modernize the company, and improve management and competitiveness of the enterprise.

This new technique is intended to provide a means to sell the more difficult companies in the GOE portfolio. Many observers conclude that the more attractive companies tend to be privatized early in the privatization program and the level of transactions decline since companies remaining in the portfolio are usually more difficult to divest. This pattern seems to be true in Egypt based on the number of transactions in the past couple of years. During calendar 2002, the GOE closed less than a quarter of the number of transactions it closed annually during the privatization program's peak years during the late 1990s.

The following report provides an overview of the activities relevant to the privatization program during the quarter ended 31 December 2002, as well as historic data. This information is intended to provide a better understanding of these activities within two main sections of the report: Ministry of Public Enterprise, and Quarterly Economic and Financial Review with related and detailed information on Law 203 and joint venture companies.

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This report is submitted by IBM Business Consulting Services (IBM), successor-in-interest to the business and operations of PwC Consulting, formerly a business unit of PricewaterhouseCoopers LLP. Novation of this contract to IBM is pending.

II MINISTRY OF PUBLIC ENTERPRISE (MPE)

The MPE continues its efforts to progress Egypt's privatization program. The MPE is responsible for the privatization activities for Law 203 as well as certain JV companies transferred from the Ministry of Foreign Trade. This section includes important activities related to Law 203 and JV companies, a summary of an alternative privatization method being employed, recent tender announcements and the status of previous tender announcements, a record of privatizations to date, and a financial overview of the companies remaining in the Law 203 and JV portfolio.

II.1 Important Activities with Law 203 and JV Companies

During the fourth quarter, there was a significant sale of a hotel company and two smaller transactions, as well as continued steps by the GOE to realign its efforts with privatization program.

II.1.1 Recent Transactions

Sale of public sector share in a JV

During November 2002, the French company Accor S.A. announced the purchase of remaining public sector shares (23%) in El Gezira Hotels and Tourism Company, which owns the **Gezira Sheraton** hotel. This transaction along with the previously unrecognized sale represents approximately 65% or LE 181 million of the public share. Refer to Privatizations to Date for additional details.

Sale of two assets in a Law 203 company

During November 2002, the Ministerial Committee approved the:

- Sale of a liquid batteries factory owned by the National Plastic Company, an affiliate of the Chemicals HC, to an anchor investor for LE 1.2 million.
- Two-year lease and deferred sale agreement of a bag production line owned by the National Plastic Company, an affiliate of the Chemicals HC, to another anchor investor for LE 2 million.

II.1.2 Recent Efforts with Privatization

In recognition of a need for change, the GOE took measures to improve the performance of Law 203 companies, discontinue the early retirement program, and respond to the mounting debt of Law 203 companies.

Six law 203 sectors are prioritized for restructuring

- **Renewed investment in Law 203 companies.** Although the GOE previously chose to avoid additional investment in its Law 203 companies, plans are set to implement necessary investment in the spinning and weaving sector with an expected cost estimated at LE 790 million. Other sectors that will receive additional investment are: iron and steel; pharmaceutical; flour mills; historic hotels; and inland and maritime transport. The GOE indicates that these investment plans are neither a substitute nor a discontinuation of the privatization process. These companies will be available for sale during and after restructuring.
- **Early Retirement Scheme discontinued.** With the exception of the spinning and weaving sector, the GOE decided to discontinue the early retirement program and stated that the reason for ceasing the program was

an increase in unemployment and a need to divert funds toward the restructuring initiative, as described above.

New ideas to work with bank debts owed to public sector banks

- **Law 203 company bank debt owed to public sector banks.** In a continuing effort to resolve the mounting bank debt of Law 203, the MPE in coordination with public sector banks’ chairmen and the Governor of the Central Bank of Egypt are currently discussing settlement options for debt owed directly to the National Bank of Egypt, Banque Misr, Banque du Caire, Alexandria Bank, and the National Investment Bank. Resolution ideas include securitization of debts (issuance of bonds by the HC and affiliates); granting banks marketable excess lands; granting banks Law 203 stakes in profitable joint venture companies; reducing interest rates; and rescheduling payment terms over longer periods. Refer to Level of Debts section Table 7 for more details.

II.2 Alternative Method for Privatization

A significant development in the fourth quarter was the approval of a previously unused method for privatizing Law 203 companies referred to as “**privatization by capitalization.**” The technique provides for the sale of new shares in certain weaker affiliates with the proceeds to be used to expand and modernize the business. Subject to negotiations through a competitive tender process, the new shares issued by the affiliate would result in the investor attaining a majority stake. The government, through the HCs, intends to retain its existing shares (comprising a minority interest following the recapitalization), which it hopes will substantially increase in value as a result of the new investment.

New shares will be issued to the investor

Price per share would be adjusted book value

It is significant that the Cabinet, which approved the valuation technique for issuing new shares at adjusted book value, recognizes that new investment to expand and modernize a weak affiliate is more important than the price the HC receives for its shares.

New shares will be offered at a price announced in advance. The PEO proposes that this price will reflect a book value adjusted, where appropriate, for revaluations of land and other assets. In the cases of distressed enterprises, the anticipated book value will also reflect anticipated debt reductions committed to by the relevant HC. This method will be reviewed on a case-by-case basis to ensure that it yields a market price and funding based on the prospects for each enterprise.

Companies selected for privatization by capitalization are: El Nasr for Electric and Electronic Apparatus S.A.E. (NEEASAE), Narubin, Semaf, Edfina, Automotive Engineering Company, Dyestuff & Chemicals, Kom Hamada Spinning & Weaving, and El Mahmoudeya Spinning & Weaving.

The advantages of the privatization by capitalization concept to the GOE: avoids diminishing value of company from lack of investment and poor management; alternative source for cash to support operations rather than incurring more debt; and opportunity for HC to realize appreciation in its shares.

II.3 Tender Announcements

The GOE has offered 4 law 203 companies for sale during the 2nd quarter of 2003 in Table 1 below. Helnan Shepherds' offer was extended till June 15/2003, whereas El Nasr Glass & Crystals' Yassin and Mostorod factories were re-offered again this quarter. These were all tendered alongside the 8 companies by capitalization offered also this quarter. In Table 2

Table 1
Status of Law 203 Announcements in the 2nd Quarter 2003

<i>Company Name</i>	<i>For Sale</i>	<i>Tender Opened</i>	<i>Tender Closed</i>	<i>Status</i>
Helnan Shepheard	Hotel	25/5/03	15/6/03	Opening envelopes on 15/6/03
Mansoura for resins & Chemical Industries Company	100% Shares	9/5/03	5/7/03	
Tanta Flax and Oil	100% Shares	30/5/03	5/8/03	
El Nasr Glass & Crystal	Yassin Factory, Glass Bottles & Medical Ampules factories in Mostorod	8/6/03	Yassin Factory 23/6/03 Medical Ampules 21/7/03 Glass Bottles 11/8/03	

Source: PEO; compilation and presentation by PIP

II.4 Privatization to Date

The year 2002 was one of the least productive periods for Egypt's privatization program. There were only four Law 203 companies privatized and a similar number of JV transactions as presented below.

II.4.1 Privatization of Law 203 Companies

During the calendar year 2002, there were eight Law 203 company transactions to include four majority privatizations (categorized below as anchor investor, ESA, or liquidation) and four partial privatizations (asset sales).

- | | |
|-----------------|---|
| Anchor Investor | <ul style="list-style-type: none"> • Egypt Shipbuilding and Repair Company transferred to the Maritime Force. Although this transaction is reported by the PEO as a sale, it is clearly not a privatization. |
| ESA | <ul style="list-style-type: none"> • United Trading Company through a management buy-out. • Arab Company for Textiles through a management buy-out. |
| Liquidation | <ul style="list-style-type: none"> • Alex for Cooling shareholders determined to liquidate rather than sell to a anchor investor (as previously |

- reported).
- Asset Sale
- Al Nasr Glass and Crystal by the sale of its ampoules factory production line.
 - Cairo Metallurgical Products sold its Shobra Armenian factory.
 - National Plastic Company sold its liquid batteries factory.
 - National Plastic Company also sold its bags factory.

As of December 2002, there were 134 majority privatizations and 57 partially privatized and leasing transactions. Below is a summary of the number and type of privatizations per year since the beginning of the GOE privatization program.

Table 2
Number and Type of Privatizations as of 31 December 2002

Year	<i>Majority Privatization (>51% sold)</i>					<i>Partial Privatization & Leases</i>			
	<i>Anchor Investor</i>	<i>Majority IPO</i>	<i>ESA</i>	<i>Liquidation</i>	<i>Majority Total</i>	<i>Minority IPO</i>	<i>Asset Sales</i>	<i>Leases</i>	<i>Partial Total</i>
1991				4	4				
1992				1	1				
1993				1	1				
1994	3		7	2	12	1			1
1995		1	3	2	6	6			6
1996	3	14		1	18	6	1		7
1997	3	14	3	3	23	2	1	2	5
1998	2	8	12	6	28	1	3		4
1999	9		5	7	21		4	8	12
2000	5	1		3	9		6	8	14
2001	3		2	2	7		3	1	4
2002	1		2	1	4		4 ¹		4
Total	29²	38³	34	33	134	16	22	19	57

¹ SABI was reported as a production asset transaction during 2002 but was later rejected by the Ministerial Committee after the cut off date of September 2002 report.

² Includes four transactions transferred to another public sector – refer to Table 16 for details.

³ Includes three transactions transferred to another public sector – refer to Table 16 for details.

Source: PEO; compilation and presentation by PIP

The HC for Engineering Industries sold its remaining interest in the Telephone Equipment Company (10%) in February 2002.

II.4.2 Privatization of Joint Venture Companies

During the quarter, Misr Insurance and Egyptian Reinsurance sold their remaining interest (23% or approximately 85,600 shares) in El Gezira Hotels and Tourism Company, which owns the **Gezira Sheraton** hotel. The French company Accor S.A. announced the purchase of the government-owned shares in November 2002. The value of the 23% remaining public shares was at \$162 per share. This transaction along with the previously

unrecognized divestitures (42% sold to the market in December 1997) represents approximately 65% or LE 181 million.

The following table represents other JV privatization transactions of public sector share during the period January 2000 to December 2002.

Table 3
JV Transactions from January 2000 to December 2002

<i>Company</i>	<i>Date of Sale</i>	<i>Public Sector Shares Sold</i>	<i>Value of Sale in LE Thousands</i>	<i>Remaining State Share (%)</i>
Egyptian American Insurance Co.	Aug. 2000	98%	39,073	0
Egyptian British Bank	Sep. 2000	6%	63,473	5%
Developing Upper Egypt Industrial Co.	Oct. 2000	14%	217	9%
National Food Industries (SONAT)	Dec. 2000	10%	3,600	0
Arab Financial for Exchange	Feb. 2001	25%	1,100	0
Fast Tourism Projects & Ambulances	Feb. 2001	10%	140	0
Misr Amereyah Spinning and Weaving*	Apr. 2002	Lease	850,000	N/A
Egyptian Glass Company - EGC	Jun. 2002	67%	206,360	0
El Gezira Hotels and Tourism Company - Gezira Sheraton Hotel**	Nov 2002	65%	181,343	0
* Lease with an option to buy during the first five years. Value of sale is an estimate (includes LE and US\$ stated in LE) based on the option to buy being exercised in the fifth year. Reported value approximated and will be updated when more information is available.				
** Represents two transactions with approximately 241,000 shares (or 65%) at \$162 per share or LE 181,343: (1) November 2002 for 23% of total capital or 372,173 and (2) December 1997 for 42%. Represents 241,000 shares (65%).				
Source: PEO, Compilation and presentation by PIP				

II.5 Portfolio Analysis

There are 176 Law 203 companies remaining to be sold and more than 640 JV companies where the GOE has an ownership interest – refer to below annex B¹ for more details. These remaining companies to be privatized and interests in JV companies to be divested face a number of challenges. Below is a description of these distinct portfolios.

II.5.1 Law 203 Companies

The following subsection provides an overview of the remaining Law 203 companies to be privatized and examines the HCs by operations, changes in employment, and debt levels.

¹ Annex B indicates 177 companies to include Alexandria Cooling Company, which was approved to be liquidated in August 2002, i.e. after the fiscal year ending 30 June 2002.

Revenues and Profitability

Although the consolidated operating results for FY 2001 and FY 2002 show increasing revenues, the HCs experienced net loss for both periods, LE 208 million to LE 866 million, respectively. The losses are concentrated in four of the ten HCs: Cotton, Spinning and Weaving; Trade; Engineering; and Metallurgical; of which three experienced annual losses for at least two consecutive years.

Table 4

Law 203 HC Revenue and Profit/Loss Ending FY 2002

Holding Company	Revenues (LE million)		P/L (LE million)	
	FY2001	FY2002	FY2001	FY2002
Trade ¹	1,539	1,451	(225)	(229)
Engineering	1,173	994	(218)	(370)
Metallurgical	3,891	4,447	97	(24)
Chemicals	4,238	4,495	342	240
Pharmaceutical	3,261	3,567	348	354
Food	6,621	8,139	272	322
National Construction	3,385	3,523	210	218
Housing Tourism and Cinema	961	797	329	332
Transport ²	1,249	1,259	258	283
Subtotal	26,318	28,672	1,413	1,126
Cotton, Spinning and Weaving	2,969	3,658	(1,621)	(1,991)
Total	29,287	32,330	(208)	(866)

Source: PEO (document of the Public Business Sector Information Center)

Figures reported previously were revised by the HCs for comparative reasons.

¹ Misr Import and Export was privatized in July 01 and hence excluded from the Trade HC 01/02 figure. Trade HC numbers are accordingly different from the PBSIC.

² FY 01/02 comparative figures exclude data of the Egyptian Shipbuilding and Repair Company sold to the Armed Forces as per the Extraordinary GA decision dated Aug-2002.

Revenues and net results for the **Food HC** increased in FY 2002 compared to the previous FY as a result of efforts to increase exports of related food products to the international markets. Among these efforts is its participation in an international fair to learn about marketing new products and changing market. The total value of exports increased from LE 507.2 million to LE 792.8 million during the two fiscal years, a significant increase of 56%.

*Cotton,
Spinning &
Weaving HC
net loss*

The **Cotton, Spinning and Weaving HC** had an increase in revenues from LE 2.97 billion to LE 3.66 billion ending FY 2002 while net losses increased for the same period. These operating results are primarily attributable to the change in the Egyptian pound and its affect on the cotton price supplied to local spinning mills and the direct costs of the final products. Subsequently, most of the companies could not meet salary obligations or cover other costs, such as depreciation and interest expenses from operating results.

*Engineering
HC
continuing to
deteriorate*

The **Engineering Industries HC** reported a decrease in revenues and an increase in net loss in FY 2002. The HC cited the change in operating results

from a depreciating Egyptian pound and the scarcity of the U.S. dollar in the market, which restricted the ability to purchase imported raw materials.

Chemicals HC experiences declining results

The decline in revenue and net profit for the **Chemicals HC** is due to the continuous deterioration in its overall market position. Beginning 1996, imports have steadily increased competing with products produced by the Chemical HC, including paper, carton, matches, fertilizers, dyestuff, and carbonate. Also, high salary expenses have reduced already marginal profits.

Metallurgical HC reported a loss ending FY 2002

Metallurgical Industries HC reported an increase in revenues and a net loss for FY 2002 and cited the following reasons: increase in imports from Russia, Eastern Europe, East Asia, China, and other Arab countries; and an increase in the electricity costs at Misr Aluminum: General Metals Company and River Transport Company reported their first annual losses of LE 8 million and LE 26.7 million, respectively.

HTC HC reported 17% reduction in revenues

The **Housing, Tourism and Cinema (HTC) HC** had the largest decline in revenues during FY 2002. Misr Travel and Misr Tourism companies are the primary contributors to the reduction of revenues in this HC. Despite the falling revenues, profit remained stable.

Employment

Employment decreased in all HCs due to the ERS

The application of the Early Retirement Scheme was the primary reason for the decrease in the number of employees in all HCs from 453 thousand to 437 thousand ending FY 2002. Although the aggregate number of employees decreased in HCs, salaries expenses increased in four HCs, including the Engineering, National Construction, Housing Tourism and Cinema, and Transport.

Table 5

Law 203 HC Employment Analysis Ending FY 2002

<i> Holding Company</i>	<i>No. of Employees</i>		<i>Annual Salaries (LE million)</i>		<i>Salaries as a % of Revenues</i>	
	<i>FY2001</i>	<i>FY2002</i>	<i>FY2001</i>	<i>FY2002</i>	<i>FY2001</i>	<i>FY2002</i>
Cotton, Spinning and Weaving	136,316	131,326	1,029	1,041	34.7	28.5
Trade ¹	19,325	18,383	141	129	9.2	8.9
Engineering	26,020	24,977	276	285	23.5	28.7
Metallurgical	53,256	50,659	779	747	20.0	16.8
Chemicals	40,377	39,816	532	567	12.6	12.6
Pharmaceutical	21,600	21,377	285	295	8.7	8.3
Food	77,660	75,179	622	653	9.4	8.0
National Construction	40,473	38,446	385	423	11.4	12.0
Housing Tourism and Cinema	7,173	6,913	104	103	10.8	12.9
Transport ²	30,707	29,587	320	323	25.6	25.7
Total	452,907	436,663	4,473	4,566	15.3	14.1

Source: PEO (document of Public Business Sector Information Center)

Figures reported previously were revised by the HCs for comparative reasons.

¹ Misr Import and Export was privatized in July 01 and hence excluded from the Trade HC 01/02 figure. Trade HC numbers are accordingly different from the PBSIC.

² FY 01/02 comparative figures exclude data of the Egyptian Shipbuilding and Repair Company sold to the Armed Forces as per the Extraordinary GA decision dated Aug-2002.

Debt Level

*HC to
restructure
debt*

As the consolidated loss increased, as noted above, the level of aggregate debt of the HCs increased from LE 25 billion to LE 28 billion ending FY 2002, with the Cotton, Spinning and Weaving HC having the largest increase of more than 24%. To pay interest on this debt, LE 2.96 billion was charged during FY 2002 representing an average cost of approximately 11% per annum.

Table 6
Law 203 HC Debt Level Ending FY 2002

<i> Holding Company</i>	<i> Outstanding Debt (LE million)</i>		<i> % Change</i>	<i> Annual Interest Expense (LE million)</i>	
	<i> FY2001</i>	<i> FY2002</i>	<i> FYs</i>	<i> FY2001</i>	<i> FY2002</i>
Cotton, Spinning and Weaving	9,050	11,227	24.1%	1,347	1,598
Trade ¹	1,036	1,139	9.9%	117.5	127.3
Engineering	1,898	2,026	6.7%	158.9	181.5
Metallurgical	6,425	7,002	9.0%	529.0	579.4
Chemicals	2,268	2,657	17.2%	183.6	197.4
Pharmaceutical	395	435	10.3%	31.9	43.0
Food	1,801	1,790	-0.6%	122.5	137.5
National Construction	1,784	1,457	-18.3%	99.0	88.4
Housing Tourism and Cinema	146	117	-20.1%	4.2	2.2
Transport ²	42	63	50.4%	2.4	3.2
Total	24,844	27,913	12.4%	2,596	2,958

Source: PEO (document of Public Business Sector Information Center)

Figures reported previously were revised by the HCs for comparative reasons.

¹ Misr Import and Export was privatized in July 01 and hence excluded from the Trade HC 01/02 figure. Trade HC numbers are accordingly different in data provided by the PBSIC.

² FY 01/02 comparative figures exclude data of the Egyptian Shipbuilding and Repair Company sold to the Armed Forces as per the Extraordinary GA decision dated Aug-2002.

Note that the CAA is assigned to verify and reconcile the debt balances between HCs and banks.

II.5.2 Joint Venture Companies

The structure of the JV portfolio is divided into six categories: (1) companies with no PE share; (2) companies with PE share; (3) financial institutions; (4) companies transferred from Law 203 with PE share; (5) companies remaining under Law 203 with only minority shares sold; and (6) companies under liquidation. Note that each of these areas will be discussed in greater detail within the next report. PE (Public Enterprise) share refers to companies under Law 203.

As shown in the following table, the number of financial institutions comprises only 8% of the JVs but contributes more than 56% of the aggregate net profits. And the number of companies with no PE share

comprises of 65% of the total number of companies and contributes 24% of the net profits.

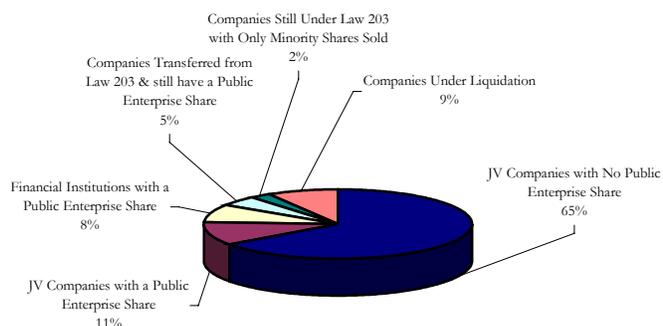
Table 7
Public Enterprise Share in JVs as of FY 2001*

<i>Description</i>	<i>Number of JVs</i>	<i>Public Sector Share (LE million)</i>	<i>Net Profit (LE million)</i>	<i>% of total</i>
1. With no PE share	417	10,331	1,708	24
<i>With 100% public ownership</i>	27	na	310	4
<i>With majority public ownership</i>	56	na	294	4
<i>With minority public ownership</i>	329	na	1,104	15
2. With PE share	69	5,496	356	5
3. Financial Institutions	53	3,551	4,036	56
<i>JV Banks</i>	44	3,395	4,038	56
<i>JV Insurance Companies</i>	6	16	-	
<i>Funds</i>	3	140	(2)	
4. Transferred from Law 203 - PE share	30	463	1,089	15
5. Under Law 203 with minority sold**	16	941	-	
6. Under liquidation	56	-	-	
TOTAL	641	20,782	7,189	100

Source: PEO

* Data is currently being updated from FY 2001

** Include 5 pharmaceutical companies 5 flour mills and silos, Misr Aluminum, Misr Chemical industries, Mokhtar Ibrahim, Engineering Office for Design, Heliopolis Housing, and Eastern Tobacco.



Number of JV Companies by Category

For purposes of analysis, the GOE segregates JV companies into twenty-seven sectors by industry, with the largest number of JVs concentrated in investment, construction, and the food sectors – refer to Table 9 below. Although an analysis of profitability by sector is not available for dissemination this quarter, the preliminary results indicate that sectors within the Law 203 companies, such as construction and food, have similar operating results in the same sectors. Details of this analysis will be provided in the next quarter report.

Table 8
JVs by sector

<i>Sector</i>	<i>Number of JVs</i>	<i>% of total</i>
Investment	59	10.4%

<i>Sector</i>	<i>Number of JVs</i>	<i>% of total</i>
Housing	1	0.2%
Metallurgical Products	22	3.9%
Pharmaceutical Products	15	2.6%
Fertilizers	2	0.4%
Cement	6	1.1%
Petroleum	7	1.2%
Trade	8	1.4%
Construction	58	10.2%
Technology	10	1.8%
Refractory	3	0.5%
Agricultural Products	11	1.9%
Tourism	32	5.6%
Energy	4	0.7%
Medical	5	0.9%
Food	50	8.8%
Spinning	19	3.3%
Electricity	6	1.1%
Chemical Products	13	2.3%
Contracting	3	0.5%
Transport	11	1.9%
Engineering	14	2.5%
Paper	6	1.1%
Banks	44	7.7%
Insurance	6	1.1%
Funds	3	0.5%
Others	121	5.3%
Total Joint Ventures *	539	100%

Source: PEO, data is currently under completion and update

* The number excludes 56 companies under liquidation, 16 Law 203 companies, and 30 Law 203 companies privatized. Total companies reaches, accordingly, 641

III QUARTERLY ECONOMIC AND FINANCIAL OVERVIEW

This section describes the economic and financial events impacting privatization during the fourth quarter of 2002, as outlined below.

III.1 Discussion of Laws and Regulations

Although there were no new laws impacting privatization during the fourth quarter, there was considerable debate over the viability of the new Central Bank draft law expected to be enacted during 2003. The Cabinet terminated the discussion and forwarded the draft CBE law to the President of Egypt then to the People's Assembly for final discussion.

The CBE draft law stipulates the CBE ("Bank") is an independent entity under the authority of the President of Egypt who assigns the Governor to represent the Bank in the People's Assembly. Moreover, the draft law provides that the Bank's capital should be LE 1 billion and board members can increase its capital in agreement with the Ministry of Finance. According to the draft law, the CBE is responsible for credit and monetary policy and sets objectives in coordination with the GOE.

Some observers have criticized the draft Unified Banking law as not in compliance with the Egyptian constitution because the draft law does not follow the prerequisite procedures. Also, they say the draft law has the appearance of allowing private sector banks to own shares in public sector banks, which implies a trend towards privatizing state-owned banks. Furthermore, the draft law allows the GOE to interfere in the CBE's assignments by having its board members and limiting the Governor's role.

Banks registered under the CBE are shown in Table 14 below.

III.2 Development In Financial Sectors

Continuing the GOE's intent to reform existing financial and monetary policies, the CBE took the following measures:

- **Interest rate reduction by 1%:** In November 2002, the CBE issued a decree to decrease its lending and discount rate from 11% to 10% per annum. Consequently, private and state-owned banks decreased both credit and debit interest rates by varying amounts (0.25% or 0.5%). This rate cut is intended to decrease cost of borrowing and enhance investments.
- **Change in stock market indicators:** The following table provides three main stock market indicators for the months June to October 2002.

Table 9
Capital Market Indicators Monthly Profile during 2002

<i>Year 2002</i>	<i>Jun</i>	<i>Jul</i>	<i>Aug</i>	<i>Sep</i>	<i>Oct</i>
Market Capitalization (LE billion)	118.62	118.37	119.3	119.5	120.6
Value of traded Securities listed (LE million)*	2952.77	1522.5	1600	3535.8	1737.2
Volume of traded securities listed (million)	51.7	75.8	75.9	71.9	62.1

Source: Ministry of Foreign Trade, Monthly Economic Digest, November 2002

**Figures may differ from those of the CMA due to differences Exchange Rate calculations*

Based on market activity, the most important transactions during 2002 were El Ahram Beverages, Egyptian Sheet Glass, and Gezira Hotels, with the El Ahram Beverages transaction being the most successful. In what has been considered a sign of confidence in Ahram management's ability to operate the company, Heineken International (buyer) retained all board members in Ahram. The other successful transactions were the sale of the Egyptian Sheet Glass Company to the Egyptian Kuwait Holding Company, and the sale of the Gezira Hotels and Tourism Company to the French hotels group Accor S.A. – refer to section on Privatization of JV companies. Data on important stock exchange transactions, as published, during 2002, are in the following table.

Table 10
Important Stock Exchange deals during 2002

The buyer	Selling Company	Date
Asian Paints	Squibb Chemicals	Dec-02
Accor S.A.	El Gezira Hotels and Tourism	Nov-02
Heineken International	El Ahram Beverages	Oct-02
Pharco	El Amereya Pharm. Industries	Oct-02
Heineken International	El Ahram Beverages	Sep-02
El Rashidi EL Mizan Factories	Unilever Overseas Holdings	Aug-02
Egyptian Kuwaiti Holding Co.	Egyptian Glass Co. – EGC	Jun-02
Alexandria Development Co.	Alexandria Cement	May-02

III.3 Economic Indicators

The MFT recently released its report reflecting the following economic indicators.

Table 11
Major Economic Indicators per Annum

<i>Economic Indicators</i>	<i>FY1998</i>	<i>FY1999</i>	<i>FY2000</i>	<i>FY2001</i>	<i>FY2002 *</i>
GDP at market price (LE billion)**	287	308	340	359	382
Real GDP at market price (LE billion)***	277	294	309	320	330
Real GDP Growth Rate	4.0	5.4	5.9	3.4	3.2
Unemployment Rate	8.8	8.1	7.7	8.3	9.0
Average Annual Inflation Rate	3.8	3.8	2.8	2.4	2.4
End of Period A. Inflation Rate	4.1	2.9	2.5	2.2	2.7
Total External Debt (US\$ million) – period end	28,076	28,224	27,783	26,560	28,667
Net International Reserves (US \$ Millions)	20,118	18,066	15,130	14,244	14,147

Source: Ministry of Foreign Trade, *Monthly Economic Digest*, November 2002

Previous year figures were revised by the MFT

* Estimated

** Series revised starting 96/97

*** Based period for 97/98 is 96/97 and the base period for previous years is 91/92

Some economists and financial analysts were recently calling to reconsider the constituents of international reserves to reflect the higher volume and greater share of Egyptian trade with the European Community.

Economists have interpreted that the Egyptian pound has depreciated against the Euro as a result of the appreciation of the latter against the US dollar during the same period. The weak economic activity in the US during the past year, and the US monetary policy applied to increase growth, including interest rate reduction were the major contributors to this phenomenon. More serious consideration was being given to broadening the basis for pegging the Egyptian pound to a mix of currencies. In fact, during January 2003 as this report was being prepared, the GOE announced that it would allow the market to determine exchange rates, which resulted in a LE 5.35 to US 1 official exchange rate, as of 29-Jan-2003.

Table 12
Official Exchange Rate for Major Currencies

<i>(LE/ currency units)*</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>Jan-Aug 02</i>	<i>Jan-Oct 02</i>	<i>Post Dec 2002***</i>
US Dollar	3.418	3.652	4.067	4.630	4.632	5.350
Pound Sterling	5.521	5.380	5.871	6.853	6.936	8.719
Euro**	3.622	3.274	3.644	4.281	4.342	5.759

Source: Ministry of Foreign Trade, Monthly Economic Digest, November 2002

** Bid/ Ask average*

*** Prior to 1999, rates refer to ECU*

**** Spot rate on 29-Jan-2003*

Table 13
Structure of the Egyptian Banking System¹

	<i>Commercial Banks</i>				<i>Non-Commercial Banks</i>											
	<i>Public Sector Banks</i>		<i>Private and JV Banks</i>		<i>Business and Investment Banks</i>				<i>Specialized Banks</i>						<i>Total</i>	
					<i>Private and JV Banks</i>		<i>Off-Shore Banks</i>		<i>The Egyptian Industrial Development Bank</i>		<i>Real Estate Banks</i>		<i>Principal Bank for Development and Agricultural Credit</i>			
<i>30 June</i>	<i>Banks</i>	<i>Branches</i>	<i>Banks²</i>	<i>Branches</i>	<i>Banks</i>	<i>Branches</i>	<i>Banks³</i>	<i>Branches</i>	<i>Banks</i>	<i>Branches</i>	<i>Banks⁴</i>	<i>Branches</i>	<i>Banks</i>	<i>Branches</i>	<i>Banks</i>	<i>Branches</i>
1990	4	663	40	221	11	43	22	46	1	3	2	11	1	895	81	1882
1991	4	663	40	221	11	43	22	46	1	3	2	11	1	895	81	1882
1992	4	772	40	254	11	74	22	45	1	8	2	15	1	953	81	2121
1993	4	811	26	253	11	74	21	36	1	8	2	15	1	953	66	2150
1994	4	831	24	261	11	80	21	39	1	8	2	18	1	954	64	2191
1995	4	851	24	273	11	86	21	38	1	9	2	19	1	965	64	2241
1996	4	866	24	288	11	88	21	41	1	14	2	21	1	967	64	2285
1997	4	883	24	298	11	90	21	42	1	14	2	22	1	976	64	2325
1998	4	908	24	312	11	98	20	42	1	14	2	23	1	994	63	2391
1999	4	918	24	323	11	105	20	45	1	14	2	25	1	1004	63	2434
2000	4	913	24	340	11	112	20	47	1	14	1	26	1	1029	62	2481
2001	4	921	24	367	11	126	20	51	1	14	1	26	1	1031	62	2536
2002	4	919	24	375	11	136	20	58	1	14	1	26	1	1033	62	2561

Source: CBE

¹ Egyptian Banks abroad are not included, also two banks established under private laws and are not registered with CBE: the Arab International Bank and Nasser Social Bank.

² 13 development banks were merged into the National Bank for Development in Cairo in 1992 and 2 banks in 1994. Also Bank of Credit and Commerce merged into Misr Bank in 1993.

³ One branch of the foreign banks operating in Egypt was crossed out in 1993 and other in 1998.

⁴ The Egyptian Real Estate Bank merged in the Arab Real Estate Bank in December 99 according to the CBE decision in 1999.

III.4 Illustrative Public Announcements

This section contains translations of excerpts from public announcements in the press during the reported period. The purpose of this section is to provide a summary of the information being disseminated to the general public relevant to the privatization program.

Privatization by Market Consolidation

The Egyptian market is currently witnessing a phenomenon represented in a growing trend by international companies to buy up their counterparts in the Egyptian market, at a time when they are avoiding the purchase of public enterprise sector companies offered for sale within the framework of the privatization program. The majority of experts stated that the problems facing MPE companies were a main obstacle standing in the way of their sale. *Al Alam Al Youm, October 21, 2002*

A New Group Joins the List of Public Enterprise Sector Promoters

A new group of Egyptian promoters and investment bankers have expressed interest in participating in promotion activities for public enterprise sector companies offered for sale within the framework of the privatization program. Qualified promoters should meet some conditions to be included in the MPE investment bankers' list. The conditions included requirements for previous experience in identifying sale strategies, the preparation of promotion documentation and resources, analytical studies of the companies' financial position and supervision over sale operations. This step comes at a time when a committee of current listed promoters has been formed with the purpose of activating their role in the privatization program. *Al Alam Al Youm, October 22, 2002*

Businessmen Express Reservations on New Privatization Program Techniques

Businessmen expressed varying opinions regarding the new privatization technique proposed by the Minister of Public Enterprise Mokhtar Khattab at the Council of Ministers meeting held in October 2002. These opinions include: first, an increase in the capitalization of loss making companies is a waste of funds with insignificant economic use, and that the transformation of under performing companies into profitable companies is not an easy task in the public sector, which requires time to change – this is the sale of companies in their current state, conditional that the companies are not overvalued; second, the capitalization increase should be limited to companies that are economically viable, and that the sale value upon privatization should cover the cost of development in addition to the company's current value; and third, the new privatization technique is sound and realizes the necessary liquidity. *Al Alam Al Youm, November 9, 2002*

ABS Purchases 34% of Egyptian Sheet Glass Company

The stock market board received a statement from the Egyptian Kuwaiti Holding Company indicating that a preliminary agreement has been signed with Guardian Middle East and Africa Company ABS for the sale of 34% interest in the Egyptian Sheet Glass Company, of which the Egyptian Kuwaiti Holding Company holds 88% of the shares. *Al Ahran, December 26, 2002*

The CHEMA Story

The Egyptian Chemical Industries Company CHEMA witnessed many developments during the year 2002. At the start of the year, the Chairman and Managing Director stated that the company would cooperate with the Chemical Industries Holding Company, the Ministry of Electricity and the Ministry of Public Enterprise for the establishment of the largest fertilizers factory in the Middle East. The company achieved net profits of LE 23.9 million during the fiscal year 2001/2002 compared to LE 17.93 million the previous year. The company's general assembly approved the Board of Directors and auditor's report on the company's

financial statements and approved an increase in the company's authorized capitalization to LE 50 million and its paid in capitalization from LE 16 million to LE 40 million. Despite all this positive data, a decision was suddenly issued to shut down the company's factories. Eventually, all the responsible officials disclaimed any responsibility for this decision, and the matter was raised within the Peoples Assembly. During mid-October it was officially decided to keep the company as a producer of fertilizers and to maintain its workforce, as well as resolve the issue of uneconomic consumption of electricity over the next five years. *Al Alam Al Youm, December 30, 2002*

IV ANNEX A - HISTORICAL DEVELOPMENT UPDATE

The following provides a historical overview of the developments in privatization in Egypt by Law 203 and JV companies.

IV.1 Law 203 Companies

Since the inception of the privatization program in 1991, the Ministry of Public Enterprise has reduced its portfolio of Law 203 companies from 314 to 176. This reduction has come from transfers to other Ministries, anchor sales, initial public offers through the stock market, sold to the Employee Shareholding Association, as well as through liquidations and mergers and consolidations of companies.

Original Law 203 Portfolio

The following table and graph summarize the development of Law 203 companies ending December 2002. Transaction details by company and privatization method are illustrated in Figures 1 to 8 commencing on page 27, below.

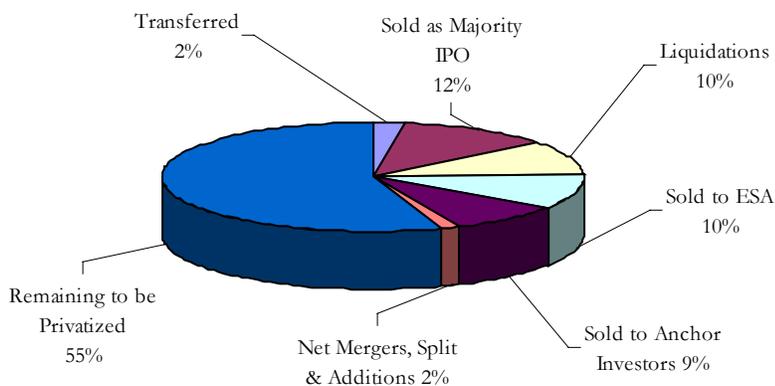
Table 14
Distribution of Law 203 Companies as of December 2002

<i>Distribution of Law 203 Companies</i>	Description	Distribution
	Law 203 Original Portfolio	314
	Transfers to the Ministry of Electricity	-8
	Sold to Anchor Investors	-29
	Sold as Majority IPO	-38
	Sold to ESA / Management Buy-out	-34
	Liquidations	-33
	Net Mergers, Splits and Additions	+3
	Remaining to be Privatized	175*

Source: PEO; Compilation and presentation by PIP

*+1 representing Gianaklis factory. This sale represent a major factory but id classified in the PEO privatization report as "Anchor Sale" not "Asset Sale"

Privatization Overview by percentage



Law 203 Portfolio Status

Companies sold but not privatized

The following table highlights companies transferred to public entities but not privatized. These transfers (also referred to as sales) of Law 203 companies that should not be defined as privatizations. Refer to Annex B for details on privatization transactions.

Table 15
Law 203 Companies Transferred to another Public Sector
Ending FY 2002

<i>Affiliated Company</i>	<i>Holding Company</i>	<i>% Sold</i>	<i>Comments</i>
United for Housing	Housing	10.1	Remaining percent owned by a government authority.
Abou Kir Fertilizers	Engineering Industries	2.8	Remaining percentage owned by other government authorities
Al Nasr Casting	Metallurgical Industries	32.5	Debt Equity Swap with a publicly owned bank.
Ramsis Agriculture	Cotton	100.0	100% sold to the Egyptian Endowment Authority Fund. Refer to Annex B for details.
Arab for Carpets	Textiles	100.0	A 100% production line was sold to the Egyptian Endowment Authority Fund after the general assembly decided to liquidate the company. Refer to Annex B for details.
Al Nasr Transformers (Al Maco)	Electricity Distribution (previously)	90.0	90% sold to a majority (90.0%) public-owned joint venture company.
Egyptian Ship Building and Repair	Transport	100.0	100% sold to the Maritime Force based on the company's net book value.

Companies sold to public sector

Source: PEO; Compilation and presentation by PIP

IV.2 Joint Ventures

Laws of JV companies

A joint venture company can be established (1) under the investment Law 43 of 1974 and its amendment concerning the investment of Arab and foreign funds, (2) the joint stock company law 159 of 1981, or (3) the investment and free zone law 8 of 1999. Under law, all JVs are considered private sector companies even if the public-sector ownership exceeds 51% of its paid-in capital.

Legal Basis of Privatizing Egypt's joint ventures

The presidential decree no. 341/96 provides the basis for the GOE to privatize by means of decreasing its ownership in JVs to include banks and insurance companies. A decrease in ownership does not necessary mean a reduction to zero percent but rather to achieve the GOE's objective to increase private sector participation as well as stimulate reform and JV restructuring to increase market responsiveness, efficiency and profitability. This objective is

consistent with the GOE's strategy to create a more private sector oriented economy that can compete within global markets.

*The purpose of
the Joint
Venture
Valuation
Committee*

In October 99, the Ministry of Foreign Trade² through a privatization unit was responsible for tracking the JV portfolio. This responsibility was transferred from the Ministry of Trade and Supply (MOTS). A JV valuation committee, created by the previous Minister of Economy and Foreign Trade issued decree 282/2000, suggested and approved privatization strategies, reviewed technical valuations, evaluated market values of companies, and suggested fair prices. The intent of the committee was to improve the implementation of GOE's restructuring and reform program and included representatives from the MFT, MPE, the Central Auditing Agency (CAA), and the Capital Market Authority (CMA).

As per the Prime Minister decrees (No. 1502 and 1500), the Ministry of Public Enterprise is currently in-charge of selling public participation in any joint venture company in which a Law 203 HC or affiliate has an ownership interest. Furthermore, the Divestiture Committee in charge of divesting and valuing public sector shares in JVs has been reformulated.

² Previously the Ministry of Economy and Foreign Trade and/or the Ministry of Economy

V ANNEX B – PRIVATIZATION & LAW 203 DATA STATISTICS

The following section provides relevant notes to information provided in figures one to eight.

V.1 Definitions

Majority Privatization

The terms used in the following tables for majority privatization are defined as follows:

- **Sales to Anchor Investors** lists companies in which over 51% of shares have been sold to a strategic investor. The table gives the date(s) of sale, amount held by the private sector, the company's ESA, the residual stakes still held by the holding company, and the total value of the sale.
- **Majority Public Offerings/Share Sales** provides details on companies sold through the stock market to the private sector. The remaining Holding Company's share should be less than 50%. The table gives the name of the company, date(s) of sale, amounts sold to the private sector, company's ESA, and the remaining HC share.
- **Majority sales to Employee Shareholding Associations (ESA) /Management** lists the companies in which over 51% of the shares were sold to the company's employees and/or management. The table provides the date, value and percentage of sale. The ESA usually has between 5 and 10 years to pay the HC for the company and accumulate board credits.

- **Company Liquidations** lists companies that have incurred losses of more than 50% of its paid-in capital and the Extraordinary General Assembly has approved to assign and liquidate. Values are not available due to long period of time required to complete the liquidation process.

Minority Privatization

A minority privatization to include **Minority Public Offering and Assets Sales** occurs when the transfer of ownership to the private sector is less than 50% of the paid-in capital. In cases where successive minority privatizations and/or asset sales add up to 51% these are noted as a privatization. For example, Ameriya Cement was initially reported as a minority IPO sale but later reclassified as a majority privatization.

A **lease** is considered a privatization activity if the aggregate annual payments are equal or greater than its book value and there is an irrevocable commitment to buy.

V.2 Highlighted Notes

- During the fourth quarter 2002, the PEO updated their review of transactions through December 31, 2002. The source of information contained within these tables is from the PEO. Companies whose shares were sold in tranches are reported in the year of the largest or most significant sale. The year in which the sale is recorded is given and tranche sales are shown with parentheses.

- **Arabia United Stevedoring** and **Bisco Misr** are also reported as Majority IPO however less than 51% of the company is in private sector hands. The ownership of the ESA and the private sector total to more than 51%.
- **Amoun Shipping Agencies, Abou Simbel Shipping Agencies, Memphis Shipping Agencies, and Egyptian Irrigation** are reported as privatized through ESAs while less than 50% is held by the ESA but over 51% is held by both the ESA and the private sector.
- The buyer of **Abu Zaabal Fertilizers Co.** will lease the company for a period of three years before purchasing the company. The PEO records this transaction as lease with a deferred sale. The contract was signed and the government received collateral to guarantee buyer commitments. Moreover, the Bags factory owned by the **National Plastic Company** is a two-year lease for this production asset ending with a sale.
- There are 38 companies shown as being sold as a majority IPO in the following table but less than 51% of the paid-in capital for **United Housing, Abou Kir Fertilizers, and El Nasr Casting** is in private sector.
- Out of the 28-recorded companies sold to anchor investors, **Ramsis Agriculture, and Arab for Carpets** were sold to the Egyptian Endowment Fund (EEF). Ramsis Agriculture is to be liquidated after delivering lands to the EEF. **El Nasr Transformers** was sold to a JV owned by a major public sector

shareholder. Moreover, **Egyptian Ship Building and Repair** was sold to the Maritime Force.

- **Misr Aluminum Co. – Darphala factory** is reported by the PEO as a long-term lease. However, during 2002, the Metallurgical Industries HC terminated the contract due to noncompliance with the agreement terms and conditions – nonpayment of lease payments from the lessee.
- **Alexandria for Cooling** will be liquidated rather than sold to an anchor investor. This company was reclassified during 2002.

V.3 Other Relevant Notes

- Values are rounded to the nearest million and (totals) may include rounding errors.
- The biggest sale value and percentage is reported in the years without brackets and other years indicate minor sale percentage.
- The date given in the approval column identifies when a company's general assembly approved the change to Law 159.
- When percentages do not add to 100%, the information has not been provided.

V.4 Statistical Achievements

The information in the figures below provides detailed statistics on privatization achievements.

The PEO is currently updating the status of companies privatized with respect to their transfer to law 159.

Figure 1
Majority Privatization: Sales to Anchor Investors

	Name of Company	Date of Contract	Private Sector	ESA	Remaining HC Share	Total Sale Value (LE millions)	Approval to Law 159
1	Pepsi Cola	11/4/1994	90.00%	10.00%	0.00%	131	16-12-94
2	CocaCola	20-04-94	90.00%	10.00%	0.00%	286	16-12-94
3	El Nasr Boilers	27-09-94	100.00%	0.00%	0.00%	16	6-12-1994
4	El Nasr Transformers (Elmaco)	25-02-96	90.00%	0.00%	10.00%	115	13-07-96
5	Al Nasr Utilities	10/11/1996	90.00%	0.00%	10.00%	40	30-06-97
		(4-08-99)	10.00%	-	0.00%		
6	Al Ahram Beverages	13-11-96	90.00%	10.00%	0.00%	298	18-02-97
7	Misr Mechanical and Electrical Projects (Kahromica)	19-06-97 (26-08-97)	61.00%	10.00%	29.00%	103	18-09-97
8	Modern Textiles (Bolivara)	30-06-97	100.00%	0.00%	0.00%	33	N/A
9	Delta Industries (Ideal)	Dec-97	90.00%	10.00%	0.00%	311	5-1-1998
10	Kaha for Preserved foods	Aug-98	90.00%	10.00%	0.00%	154	Feb-01
11	El Wadi for Exporting Agricultural Products	17-11-98	68.00%	27.00%	5.00%	122	18-12-98
12	Nobareya for Seeds Production - Nobaseed	24-02-99	100.00%	0.00%	0.00%	103	20-04-99
13	Gianaclics	4/3/1999	100.00%	0.00%	0.00%	32	N/A
14	Beni Suef Cement	5/7/1999	76.00%	5.00%	19.00%	427	29-08-99
		(2-02-00)	19.00%	-	0.00%	100	
15	Delta Sand Bricks	5/7/1999	90.00%	10.00%	0.00%	62	25-09-99
16	Arabia Foreign Trade	Aug-99	90.00%	10.00%	0.00%	15	27-04-00
17	Assiut Cement	Nov-99	77.00%	10.00%	13.00%	1,197	1-11-1999
		(Jun-00)	13.00%	-	0.00%	183	
18	Alexandria Cement	30-11-99	90.00%	10.00%	0.00%	670	Feb-00
19	Industrial Gases	22-12-99	90.00%	10.00%	0.00%	60	Feb-00
20	Telephone Equipment	Dec-99	80.00%	10.00%	10.00%	100	12-2-2000
		14-02-02	10.00%	-	0.00%	11.4	
21	Torah Portland Cement	(9-12-94)					
		(5-05-95)	76.40%	5.00%	18.60%	1,226	Mar-00
		26-01-00					
22	Plastic & Electricity Industry	3/2/2000	90.00%	0.00%	10.00%	94	Feb-00
*	Ameriyah Cement	Mar-00	29.00%	0.00%	0.00%	527	1-10-1998
23	Ramsis Agriculture	30-01-00	100%	-	-	161	Oct-98
24	Egyptian Engineering & Equipment (MICAR)	Jun-00	90.00%	10.00%	0.00%	25	15-07-00
25	Alexandria Confectionary	Aug-00	90.00%	0.00%	10.00%	28	Nov-99
26	Egyptian Gypsum	8/2/2001	90.00%	0.00%	10.00%	83	7-12-2000
27	Arab for Carpets	5/7/2001	100%	-	-	50.1	14-4-2001
28	Abou Zaabal Fertilizer	23-11-01	0.00%	0.00%	100%	182.8	13-1-1999
29	Egypt Shipbuilding and Repair	Jan-00	100%	0%	0%	17.5	Nov-02
Total						6,964	

Source: PEO

* Total sale is recorded as majority IPO

Figure 2
Majority Privatization: Majority Public Offering

	Name of Company	Date of Sales	Private Sector	ESA	Remaining HC Share	Total Sale Value (LE Millions)	Approval to Law 159
1	United Arab for Spinning & Weaving	(1994) 1998	60.40%	6.90%	32.70%	225.7	5-5-1997
2	Ameriyah Cement	(1994) 1998	61.00%	10.00%	0.00%	768.2	1-10-1998
3	Alex. For Spinning & Weaving	(1995) 1998	94.60%	5.40%	0.00%	82.4	5-3-1998
4	Egyptian Electrical Cables	(1995) 1997	95.00%	5.00%	0.00%	320.8	8-12-1997
5	Extracted Oils	30-03-95	42.53%	8.54%	48.93%	85	26-04-98
6	Paints & Chemicals (Pachin)	(1995) 1997	53.75%	8.00%	38.25%	835.8	3-10-1997
7	Helwan Portland Cement	(9-11-95)	47.20%	5.00%	47.80%	541	4-1-1997
		12/3/1996					
		(6-09-01)	47.80%	-	0.00%	661.2	
8	United Housing (& Construction)	12/2/1996	3.11%	7.00%	0.00%	5	21-05-96
9	Abou Kir Fertilizers	May-96	2.80%	0.00%	0.00%	20	See Notes
10	Medinet Nasr Housing / Construction	13-05-96	64.94%	10.00%	25.06%	189.6	30-06-96
11	Egyptian Financial & Industrial Co	26-05-96	64.70%	10.00%	25.30%	70	30-06-96
12	Egyptian Starch & Glucose	18-06-96	51.03%	10.00%	38.97%	67.6	10-9-1996
13	Middle & West Delta Mills	30-06-96	51.00%	10.00%	39.00%	177.1	30-10-96
14	Nile Matches (and Prefabricated Houses)	Sep-96	55.67%	8.90%	35.43%	33.9	28-09-96
15	Kafr El Zayat for Insecticides	Sep-96	70.00%	5.00%	25.00%	59.5	28-09-96
		(Feb-01)	25.00%	-	0.00%		
16	Misr Oil & Soap	7/8/1996	50.92%	10.00%	39.08%	73.2	17-09-96
17	Arabia Cotton Ginning	Sep-96	90.00%	10.00%	0.00%	87.1	21-12-96
18	Telemisr	9/1/1996 (03-1999)	90.00%	10.00%	0.00%	59.1	25-11-96
19	Upper Egypt Flour Mills	4/11/1996	51.00%	10.00%	39.00%	165.3	4-11-1996
20	East Delta Mills	18-11-96	51.00%	10.00%	39.00%	109.9	18-11-96
21	Nile Cotton Ginning	Jan-97	90.00%	10.00%		294.8	27-07-97
22	Misr for Free Shops	2/2/1997	87.40%	10.00%	2.60%	132.7	21-05-97
23	Cairo Housing (& Construction)	24-03-97	69.38%	10.00%	0.00%	117.8	29-04-97
24	Development & Engineering Consulting	30-04-97	88.00%	10.00%	0.00%	104.4	21-05-97
25	Nobareya Agricultural Eng.	14-05-97	79.38%	20.00%	0.62%	26.9	21-06-97
26	KABO	11/6/1997	63.00%	0.00%	7.00%	196.9	18-05-96
27	Middle East Co. for Paper SIMO	22-06-97	75.00%	0.00%	25.00%	54.8	19-08-97
28	Upper Egypt Contracting	6/5/1997 (4-07-98)	75.00%	10.00%	15.00%	15	29-06-97
29	Nasr Dehydrated Agricultural Products	11/8/1997	90.00%	10.00%	0.00%	23.6	14-12-96
30	El Giza Contracting	15-09-97	70.00%	10.00%	20.00%	33.2	16-11-97
31	Industrial & Engineering Projects	29-10-97	80.00%	10.00%	10.00%	299.1	30-12-97
32	El Nasr Casting	Dec-97	0.00%	32.50%	0.00%	47.5	24-11-97
33	Mahmoudia Contracting	17-01-98	69.75%	10.00%	20.25%	54.4	15-02-98
34	El Shams Housing	Oct-98	50.46%	5.00%	44.54%	30.8	13-10-98
35	El Nasr Civil Works	24-05-98	70.67%	10.00%	19.33%	104.6	30-06-98
36	Arabia & United Stevedoring	5/16/1998	29.50%	21.95%	49.00%	16.6	11-1-1999
		11/8/1998					
37	Bisco Misr (Second Tranch for ESA)	(Jun-00)	45.69%	9.30%	45.01%	88.7	Oct-98
		5/26/1998	-	8%	37.01%		
38	Cairo Co. for Oil & Soap	Jul-00	61%	0.00%	39.00%	33	Jul-98
Total						6,312	

Source: PEO

Figure 3
Majority Privatization: Majority Sales to ESAs

	Name of Company	Date of Contract	Private Sector	ESA	Remaining HC Share	Total Sale	Approval to law 159
						Value (LE Millions)	
1	Consulting Office for Irrigation	25-Jun-94	4.00%	95%	1.00%	1.3	27-04-94
2	Kom Ombo Valley	15-Sep-94	4.73%	95%	0.27%	70.1	27-04-94
3	General for Land Reclamation	11-Oct-94	4.86%	95%	0.14%	60	27-04-94
4	Egyptian Real Estate	16-Nov-94	4.70%	95%	0.30%	45.7	27-04-94
5	General Mechanical Excavation	16-Nov-94	4.76%	95%	0.24%	23.4	27-04-94
6	Egyptian Dredging	12-Jun-94	4.17%	95%	0.83%	18.5	27-04-94
7	Upper Egypt Dredging	12-Jul-94	4.80%	95%	0.20%	8	27-04-94
8	Regwa	1-Mar-95	4.77%	95%	0.23%	28.3	27-04-94
9	Arabia for Land Reclamation	1-Jul-95	4.77%	95%	0.23%	61.2	27-04-94
10	El Beheira Company	16-Feb-95	3.20%	95%	1.80%	49	27-04-94
11	El Nile for Heavy Transport	15-Nov-97	-	95%	5.00%	27.2	18-10-98
12	El Nile for Goods Transport	15-Nov-97	-	95%	5.00%	24.1	24-10-98
13	El Nile for Inland Transport	15-Nov-97	-	95%	5.00%	27.3	18-10-98
14	Damietta & Bilkas Mills	1-Jan-98	0.10%	90%	9.90%	48.6	27-06-99
15	Sharkeya Mills	7-Jan-98	0.10%	90%	9.90%	38.7	4-3-1999
16	Kafr El Sheikh Mills	27-Jul-98	0.10%	90%	9.90%	13	19-09-99
17	Rasheed Mills	26-Sep-98	0.10%	90%	9.90%	11.5	30-10-99
18	El Beheira Mills	26-Sep-98	0.10%	90%	9.90%	21.8	8-8-1999
19	Dakahleya Mills	10-Mar-98	0.10%	90%	9.90%	36.7	27-06-99
20	Alexandria Mills	10-Oct-98	0.10%	90%	9.90%	26.8	10-7-1999
21	Marine Supplies & Contracting	19-Oct-98	-	51%	49.00%	16.4	5-11-1998
22	Amoun Shipping Agencies	11-Apr-98 30-Jan-99	51.00%	44%	5.00%	25.9	11-3-1999
23	Abu Simbel Shipping Agencies	11-Apr-98 (30/01/99)	51.00%	44%	5.00%	26	11-3-1999
24	Memphis Shipping Agencies	11-Apr-98 30-Jan-99	51.00%	44%	5.00%	43.3	11-3-1999
25	Martrans	11-Oct-98	44.00%	51%	5.00%	42.7	11-3-1999
26	San El Hagar Agricultural	3-Jan-99	0.00%	95%	5.00%	18	14-03-99
27	Egyptian for Irrigation	1-Jan-99	60.00%	30%	10.00%	5.2	14-03-99
28	Transport Works	7-Jan-99	0.13%	95.00%	4.87%	11.8	25-12-99
29	Direct Transport	7-Jan-99	0.08%	95.00%	4.92%	17.7	25-12-99
30	Suez Shipment & Auto. Stevedoring	24-Oct-99	0.19%	61.88%	6.69%	21.8	1-2-2000
31	Gharbeya Mills	Jul-01	0.00%	90%	10%	51.2	19-7-2001
32	Misr for Export & Import	30-Jul-01	0.00%	95%	5.00%	17.9	1-11-1998
33	United for Trade	19-Feb-02	0.00%	98%	2%	4.9	2-11-2002
34	Arab Textiles	19-Feb-02	0.00%	98%	2%	5.8	2-11-2002
Total						950	

Source: PEO

Figure 4
Majority Privatization: Liquidations

	Name of Company	Date	Liquidator
1	Upper Egypt Agricultural*	17-04-90	Ahmed Serrafy
2	West Nobareya Agricultural*	10-11-1991	Ahmed Abu Hadab
3	Middle Delta Agricultural*	10-11-1991	Farouk Omar
4	Al Nahda Agricultural*	26-11-91	Mahfouz Boutros
5	El Nile for Corps Export*	7-1-1992	Youssef Al Hayatmi
6	Cairo for Building & Prefab Houses	15-06-93	Mohamed Shoukri
7	South Tahrir Agricultural*	28-02-94	Mahfouz Boutros
8	Faraskor for Wood	7-5-1994	Mohamed Mounir - Abdel Aziz Hareedi
9	General for Foundations	23-02-95	Abdel Halim Abdel Fattah
10	General for Contracting & Sanitary Works	23-02-95	Abdel Moneim Akl
11	High Dam for Civil Works*	18-03-96	Moustafa Nour
12	Canaltext	26-08-97	Badr El Dakar
13	Pre-Fabricated Houses	5-11-1997	Saad Salem
14	General for Batteries	1997	Mohamed Rashid
15	Cairo for Silk Textiles	1-7-1998	Wageeh Rady
16	Industrial Fittings & Services	13-07-98	Yousry Yousry
17	Graphite & Stationary Co.	15-09-98	Ali Waly
18	General for Metallurgical Wealth	28-09-98	Mohamed Shalakany
19	Maryout Agriculture	17-10-98	Abdel Bary Abdel Bary
20	Egyptian for Leather Tanning	25-11-98	Hosny Mowafy
21	Sand Bricks	6-2-1999	Fekry Fashara
22	Egyptian General Agriculture Co.	11-9-1999	Hamed Abu Ghaleb
23	General Co. for Production & Agricultural Services	11-9-1999	Essam Zerd
24	Egyptian Co. for Meat Production and Dairy	23-09-99	Fardous Badran
25	North Tahrir Agricultural Co.	25-09-99	Mohamed Borhan
26	Egyptian Gypsum Quarry & Marble - Gemco	14-10-99	Sarwat Abdullah
27	Al Nasr Refractories - Sornaga	29-12-99	Mr. Ali El Din Mohamed Badra
28	General Co. for Engineering Works	8-5-2000	Samir Kenaway
29	Egyptian Refractories	13-02-00	Osama Mahmoud
30	United Poultry Production	24-06-00	Hamed Abu Ghaleb
31	Egyptian Electrical Equipment (Shaher)	Jan-01	Eng. Nagwa Fakher
32	Egyptian Company for Metal Trade (Segal)	Jan-01	Maher Abdullah
33	Alexandria for Cooling	13-8-2002	Ahmed Ibrahim Ismail

Source: PEO

* Liquidation Complete

Figure 5
Privatization Achievements: Minority Public Offerings

	Name of Company	Date of Contract	Private Sector	ESA	Remaining HC Share	Total Sale Value (LE Millions)
1	Arab Bureau for Design	24-Jul-94	5.00%	40.00%	55.00%	4
2	Misr for Chemicals	Jan-95	51.10%	0.00%	48.90%	65.4
3	North Cairo Mills	29-May-95	33.42%	8.25%	58.32%	135.9
4	Eastern Tobacco	22-Jun-95	28.70%	5.00%	66.30%	549
		(06-03-1997)				
5	Heliopolis Housing	15-Aug-95	10.47%	9.53%	72.86%	134.7
		14-Dec-96	7.14%			
6	Alexandria Pharmaceuticals & Chemicals	1995 (1996)	30.00%	10.00%	60.00%	51.7
7	Nile Pharmaceuticals	1995 (1998)	23.30%	10.00%	66.70%	54.6
8	Middle Egypt Mills	10-Apr-96	30.07%	10.00%	59.93%	32.3
9	South Cairo Mills	26-May-96	30.00%	10.00%	60.00%	29.8
10	Memphis Pharmaceuticals	Sep-96	30.00%	10.00%	60.00%	47.5
11	Arab Pharmaceuticals	Sep-96	30.00%	10.00%	60.00%	18.2
12	General for Silos	28-Oct-96	30.00%	10.00%	60.00%	148.2
13	Cairo Pharmaceuticals	Nov-96	30.00%	10.00%	60.00%	61.9
14	Alexandria Mills	29-Jun-97	30.00%	10.00%	60.00%	125.1
15	Misr Aluminum	1997	8.00%	0.0%	92.00%	221
16	Mokhtar Ibrahim	24-Jun-98	3.45%	10.00%	86.55%	75.6
Total						1,755

Source: PEO

Figure 6
Privatization Achievements: Production Assets Sold

	Sold Assets Statement	Owner	Date of Selling/ Contracting	Value (LE millions)
1	Cairo Sheraton	EGOTH	14-Nov-96	350
2	Al Borg Hotel	Egyptian Hotels	6-Nov-97	6
3	San Stepheno Hotel: Lands and Premises	Egyptian Hotels	Aug-98	271
4	Siklam Factory	N/A	27-Aug-98	19.5
5	Distillation Factory	Egyptian Koroum	8-Oct-98	26
6	Plastic Factory in Kabari	National Plastics	22-Jun-99	2.53
7	Kowar Grinding Balls Factory	Delta for Steel	Aug-99	28
8	Production Line for Yoghurt & Ice Cream	Plastic Factory - Victorya	24-Nov-99	0.6
9	Basatin Factory	Sabi Company	30-Nov-99	14
10	Tinning Factory in Ghamara	Cairo Metal Products	22-Jan-00	0.6
11	Nile Hotel	N/A	Feb-00	49
12	Agriculture Dehydration factory	Gianaclis	Jun-00	3.7
13	Oil and Olive Production	Gianaclis	Jun-00	0.5
14	Barrel Factory	Alex Metal Products	Jul-00	11
15	Home Appliances Factory	Neeasae Company	Dec-00	19.3
16	Nozha Factory	Alex Metal Products	Jan-01	25
17	Factory for Steel Enamel Sheets	Cairo Metal Products	Jan-01	2.65
18	Nadler Factory	Alex Confectionary	30-Jan-01	10.5
19	Medical Ampoules Factory	El Nasr Glass and Crystal	Apr -02	20
20	Shobra Armenian Factory	Cairo Metal Products	Jul-02	8.5
21	Liquid Batteries factory	National Plastics	Nov-02	1.2
22	Bags factory	National Plastics	Nov-02	2
Total				872

Source: PEO

Figure 7
Privatization Achievements: Multiyear Leases

	Name of Leased Assets	Company Name	Date of Contract	Annual Lease in LE (unless otherwise stated)	Duration (years)	Total in LE Million (unless otherwise stated)	Management Company *
1	Aga Factory	El-Dakahlia for Spinning & Weaving	5-Aug-97	1, 560,000	5	7.8	N/A
2	New Weaving Factory Mostorod-Kalyobia	Industrial Shops for Silk & Cotton (Esco)	15-Oct-97	\$750,000 +3% net FOB for raw material	10		N/A
3	First Group: Miami(Cairo)-Al Chark (Cairo)-Radio(Alex)-El Horeya(Alex)-Misr(Port-Said)		20-Mar-99	2,200,000	20	44	N/A
4	Second Group: Begal (Cairo)-Roxy (Cairo)-Winter Rio (Alex)-Summer Rio (Alex)-Opera (Sohag)	Misr Company for Distribution & Cinema Show Rooms	20-Mar-99	2,600,000	20	52	N/A
5	Third Group: Diana (Cairo)-Winter Normandy (Cairo)-Ferial (Alex)-Al Ahli (Damanhour)-Rashid (Rashid)		20-Mar-99	2,500,000	20	50	N/A
6	Menia El Kamh Factory	El Sharkeya for Spinning & Weaving	1-Jul-99	9,000,000	5	45	Islamic Company for Plastic & Weaving
7	String Dye Factory		Sep-99	336,000	5	1.68	Mr. Said Ramzy Hanna
8	Fibers Factory	Cairo Dying & Preparation	Oct-99	1,600,000	5	8	Mr. Sabry Ishak Missiha and Mr. Emad Sabry Ishak
9	Galal Studios		2-Jan-00	379,000	20	7.58	Studio 13 Co. for Artistic Production & Distribution
10	El Ahram Studios		Feb-00	2,100,000	20	42	Egyptian Co. for Media Production City
11	Misr Studios	Misr Studios and Cinema Production	Feb-00	2,250,000	20	45	El-Exeer for Technical Services
12	Cinema City Studios		Feb-00	5,400,000	20	108	Egyptian Co. for Media Production City
13	2 Floating Hotels Anni & Hotob		9-Mar-00	\$1,200,000	5	\$6M	N/A
14							
15	2 Floating Hotels Isis & Osiris	Egyptian For Tourism & Hotels	19-Apr-00	\$672,000	5	\$3.3M	N/A
16							
17	2 Floating Hotels Tut & Aton		3-May-99	\$1,000,000	5	\$5M	N/A
18							
19	Gypsum Factory—Sadat	GYMCO	19-Feb-01	2,000,000	4	8M	N/A

Source: PEO

M: Million

* Holding Companies reported data

V.5 Remaining Law 203 Portfolio

Figure 8
Employment & Financial Data by Affiliated Law 203 Company

Serial	Affiliate Company	No. of Workers		Salaries (LE 000)		Revenues (LE 000)		Net Profit (LE 000)		Total Bank Debt (LE 000)
		01/02	00/01	01/02	00/01	01/02	00/01	01/02	00/01	01/02
Chemical Industries HC										
1	Al Mansoura for Resins	264	272	2,779	2,366	28,792	21,744	2,274	1,797	0
2	Al Nasr Fertilizers	1,807	1,886	28,360	25,214	121,483	86,185	6,063	5,638	218,003
3	Al Nasr Leather Tanning	553	667	3,872	4,104	11,418	13,815	(10,815)	146	43,061
4	Al Nasr Salines	1,724	1,762	32,203	31,116	118,683	117,983	7,887	13,395	447,110
5	Alexandria Sodium Carbonate	1,593	0	27,170	-	97,813	-	-84,631	-	413,309
6	Chemical Industries - Kima	2,087	2,193	25,122	25,256	107,592	108,171	23,203	17,931	0
7	Delta Fertilizer	4,492	4,562	81,554	77,542	362,498	323,871	52,958	30,115	95,658
8	Dyestuffs	908	929	10,888	10,208	26,186	26,694		(10,949)	48,670
9	Eastern Tobacco	12,581	12,503	192,897	182,111	2,672,908	2,438,718	281,850	273,565	71,702
10	Egyptian Shoes - Bata	2,001	2,063	10,895	10,023	8,099	11,364	0	96	67,640
11	General for Trade & Chemicals	325	402	3,989	3,907	38,499	51,713	0	(4,501)	0
12	Misr Chemical Industries	1,065	1,105	11,142	12,371	86,685	85,928	12,869	10,505	290,676
13	Moharam Press	1,361	1,454	18,063	16,515	96,004	87,274	1,716	922	26,867
14	National Cement - Kawmia	3,643	3,732	63,042	68,673	379,904	501,812	(65,211)	4,890	569,086
15	National Paper Company	1,157	1,232	12,739	10,964	71,417	64,280	2,048	241	31,318
16	National Plastic Company	188	1,208	4,904	8,571	16,331	29,860	(9,537)	(10,415)	97,689
17	Paper Manufacturing - RAKTA	2,044	2,070	18,210	20,854	104,096	128,705	4,096	11,821	0
18	Paper Manufacturing - VERTA	570	717	6,135	7,584	32,600	43,485	197	(1,048)	33,881
19	Sinai Magnesium	350	494	5,367	6,633	75,451	68,929	14,912	(3,885)	125,754
20	Tanta Flax	1,103	1,126	8,161	8,194	38,688	27,946	508	1,531	76,446

Serial	Affiliate Company	No. of Workers		Salaries (LE 000)		Revenues (LE 000)		Net Profit (LE 000)		Total Bank Debt (LE 000)
		01/02	00/01	01/02	00/01	01/02	00/01	01/02	00/01	01/02
		TOTAL*		39,816	40,377	567,492	532,206	4,495,147	4,238,477	240,387
Cotton, Spinning and Weaving HC										
21	Al Nasr Spinning, Weaving & Dyeing (MAHALA)	5,282	6,218	41,010	45,096	74,562	68,468	(88,120)	(75,247)	459,581
22	Al Nasr Wool & Selected Textiles - STIA	4,938	4,977	44,016	43,797	93,500	109,344	(47,513)	(15,946)	72,912
23	Alexandria Commercial (Trading) Co.	535	528	9,063	8,639	244,157	159,351	6,140	6,237	907,785
24	Cairo Cotton	567	589	10,578	10,358	250,998	147,375	8,196	7,958	598,453
25	Cairo Dyeing & Finishing	639	634	3,805	3,537	6	0	(3,870)	(4,559)	10,331
26	Cotton Trade & Export Co.	483	526	10,413	10,371	220,553	149,189	10,553	8,964	306,757
27	Dakahleya Spinning	4,430	3,440	28,494	23,636	51,759	54,164	(68,719)	(56,777)	321,142
28	Damietta Spinning & Weaving	3,829	3,996	28,340	26,150	62,353	70,364	(117,475)	(69,456)	343,869
29	Delta Cotton Ginning	707	742	9,725	9,451	80,050	55,219	10,860	6,338	48,990
30	Delta Spinning & Weaving	5,300	5,032	31,896	28,895	100,893	96,615	(38,469)	(38,572)	166,757
31	Egyptian Cotton Pressing	712	741	8,841	8,800	18,310	22,467	11,085	13,852	0
32	Egyptian for Wool-Wooltex	4,243	4,191	34,920	33,236	5,354	8,131	(113,556)	(90,674)	533,077
33	El Mahmudeya Spinning	1,217	1,279	9,141	8,575	10,854	8,144	(6,267)	(5,927)	0
34	El Seyouf Spinning & Weaving	4,595	4,826	31,059	30,852	36,674	31,626	(91,126)	(74,210)	333,070
35	El Wady Cotton Ginning	578	1,024	8,131	7,493	55,528	28,195	6,028	4,073	19,512
36	General for Jute products	1,495	1,957	9,428	12,425	19,974	11,107	(7,654)	(9,994)	70,556
37	Industrial Estab. for Rayon & Cotton (ESCO)	3,552	3,808	20,490	20,038	10,861	2,559	(93,815)	(71,823)	288,850
38	Kom Hamada spinning	2,015	2,078	13,755	13,032	28,638	19,467	(10,645)	(8,795)	0
39	Menya El Kamh Spinning	0	0	0	0	(96)	(4)	(20,281)	(18,823)	124,441
40	Middle Egypt Spinning & weaving	2,424	2,640	15,631	15,722	10,991	10,884	(79,279)	(69,157)	387,983
41	Misr Beida Dyers	4,130	4,625	31,152	32,291	38,451	36,512	(72,869)	(62,905)	269,286
42	Misr Cotton Ginning	919	947	9,773	10,084	59,986	33,755	5,511	4,040	35,305
43	Misr Fine Spinning - Kafr El Dawar	13,972	15,203	101,484	103,821	133,671	131,839	(292,042)	(252,780)	1,104,725

Serial	Affiliate Company	No. of Workers		Salaries (LE 000)		Revenues (LE 000)		Net Profit (LE 000)		Total Bank Debt (LE 000)
		01/02	00/01	01/02	00/01	01/02	00/01	01/02	00/01	01/02
		44	Misr For Cotton Export	459	501	10,841	10,947	286,060	146,694	8,064
45	Misr for Rayon - silk	5,580	5,684	45,747	45,114	30,966	30,899	(206,610)	(142,851)	824,008
46	Misr for Textile Equipment	527	547	4,884	4,496	15,828	14,002	(5,660)	(4,803)	34,717
47	Meet Ghamr Spinning (newly split)	2,317	2,350	18,998	27,438	49,499	61,368	(38,914)	(48,910)	40,619
48	Misr Helwan Spinning	6,178	6,208	44,497	39,934	36,788	30,720	(144,271)	(128,962)	37,817
49	Misr Polyester (newly split)	1,409	1,442	11,676	11,323	47,108	46,716	(19,762)	(17,408)	27,437
50	Misr Spinning & Weaving - Mehalla	27,453	27,881	215,420	207,616	740,484	756,212	(128,426)	(142,608)	713,009
51	Misr Shebin El Kom Spinning & Weaving	5,579	6,002	57,203	57,228	164,428	171,381	10,000	10,000	2,492
52	National Spinning & Weaving	2,555	2,662	17,370	18,671	16,656	12,111	(150,338)	(131,625)	289,658
53	Port Said For Cotton export	739	773	12,380	12,162	261,660	164,371	6,135	10,675	658,364
54	Port Said Spinning & Weaving	1,112	1,154	11,252	10,754	15,356	12,599	(8,941)	(9,724)	53,023
55	Sharkeya Cotton	508	537	13,111	12,953	287,598	182,321	5,872	21,662	905,119
56	Sharkeya for Cotton & linen	2,130	2,181	15,115	14,923	22,871	22,412	(61,757)	(53,356)	235,280
57	Sharkeya Spinning	2,686	2,679	15,601	14,547	30,286	24,566	(29,929)	(24,743)	123,095
58	Shourbagy & Tricon	2,204	2,146	12,938	11,815	17,968	8,169	(65,176)	(44,868)	352,094
59	Upper Egypt Spinning & Weaving	3,328	3,568	23,073	23,170	26,337	29,856	(68,279)	(50,870)	326,572
	TOTAL*	131,326	136,316	1,041,251	1,029,390	3,657,920	2,969,168	(1,991,319)	(1,621,652)	11,227,342
	Engineering Industries HC									
60	Al Nasr Automotive	5,185	5,619	78,087	77,452	289,017	307,840	(58,367)	(58,372)	439,792
61	Al Nasr Cooling-KOLDAIR	550	576	5,621	5,769	8,603	10,388	(5,549)	(4,278)	16,464
62	Al Nasr Electrical Apparatus (NEEASA)	2,168	2,216	21,247	20,014	55,063	54,225	(23,529)	(21,744)	92,731
63	Al Nasr Forging	1,065	1,065	12,834	12,152	21,283	20,627	(10,909)	(9,048)	44,824
64	Al Nasr Rubber - Naroubin	840	862	9,034	8,296	9,021	10,599	(14,991)	(3,459)	13,136
65	Al Nasr Television	786	817	7,396	7,160	5,660	11,027	(22,003)	(26,393)	107,847

Serial	Affiliate Company	No. of Workers		Salaries (LE 000)		Revenues (LE 000)		Net Profit (LE 000)		Total Bank Debt (LE 000)
		01/02	00/01	01/02	00/01	01/02	00/01	01/02	00/01	01/02
		66	Alexandria for Metal Products	96	98	1,262	1,674	2,186	3,265	(2,677)
67	Cairo Metal Products	596	780	5,016	5,802	12,195	14,515	(6,112)	469	26,788
68	Egyptian Copper Factories	2,572	2,621	25,265	24,223	133,654	150,372	(47,662)	(44,393)	238,603
69	Egyptian Light Transport Industry	657	685	11,713	11,362	18,533	23,164	(39,260)	(33,484)	202,062
70	Egyptian Pipes - SIEGWART	3,409	3,483	25,493	24,547	37,889	51,204	(26,549)	0	128,788
71	Engineering Car Industry	1,542	1,544	27,543	23,578	196,914	260,699	3,161	6,762	47,670
72	Nile General Engineering	664	695	4,885	4,569	6,963	7,181	(8,265)	(11,336)	11,615
73	Precision Industries - SABI	128	151	1,477	1,711	2,129	3,649	(332)	548	548
74	Tractors & Engineering	725	784	4,867	4,920	26,932	40,882	(11,295)	(8,849)	81,066
75	Transport & Engineering	3,586	3,637	38,468	37,905	150,586	188,255	(95,688)	0	561,370
76	Transportation Facilities Industry	408	387	5,005	4,617	17,420	15,605	241	306	12,533
	TOTAL*	24,977	26,020	285,213	275,751	994,048	1,173,497	(369,786)	(217,749)	2,025,837
	Food Industries HC									
77	Al Ahram Consumption Outlets	1,314	1,579	8,912	7,706	140,909	82,687	118	1,028	2,750
78	Alex Consumption Outlets	1,308	1,396	7,902	9,060	125,889	89,014	148	(2,144)	15
79	Alex Oil and Soap	3,643	3,404	22,231	19,255	379,795	307,605	8,520	7,669	99,582
80	Alexandria Flour Mills	3,193	3,419	20,426	22,745	290,852	308,649	6,798	7,886	42,045
81	Edfina For Preserved Food	917	940	9,384	11,813	66,223	58,947	3,195	1,404	9,904
82	Egypt Meat, Poultry and Supplies	812	886	6,571	5,113	114,448	80,695	3,104	1,245	8,557
83	Egyptian for Fish Marketing	1,198	1,650	9,951	12,431	39,974	38,967	(10,592)	(11,992)	21,210
84	Egyptian Starch & Glucose	1,422	1,467	11,622	11,244	69,284	62,985	11,598	12,523	0
85	Egyptian Wholesale trade	2,619	2,546	30,222	19,335	763,412	565,624	1,976	5,593	0
86	General Greater Cairo Bakeries	5,756	5,756	34,290	36,037	112,287	108,089	5,878	5,760	45,445
87	General Silos and Storage	3,468	3,665	33,244	32,234	160,924	120,658	30,259	24,273	117,039

Serial	Affiliate Company	No. of Workers		Salaries (LE 000)		Revenues (LE 000)		Net Profit (LE 000)		Total Bank Debt (LE 000)
		01/02	00/01	01/02	00/01	01/02	00/01	01/02	00/01	01/02
		88	General Wholesale Trade	3,404	3,498	33,912	22,126	830,877	657,991	15,832
89	Middle Egypt Flour Mills	4,495	4,684	39,484	38,632	592,839	514,339	30,044	29,026	54,259
90	Misr Dairy Products	1,204	1,233	9,591	8,994	52,450	47,932	(3,289)	558	38,669
91	Nile Consumption Outlets	1,849	2,271	12,649	14,364	137,670	110,252	11,029	(8,577)	35,516
92	Nile Oil and Detergents	3,002	2,960	30,148	27,656	380,155	292,752	21,620	21,484	38,292
93	North Cairo Flour Mills	5,057	4,918	34,559	35,900	509,060	508,150	21,649	33,410	2,444
94	Rice Marketing Co.	599	608	5,007	4,628	48,008	45,908	3,312	2,897	550
95	Salt & Soda Egyptian Co.	2827	2,933	22,915	21,076	245,340	229,198	18,685	18,351	3,348
96	South Cairo Flour Mills	3,441	3,588	23,435	22,609	306,754	296,886	11,454	12,541	58,867
97	Sugar and Integrated industries	19,771	20,348	221,484	216,652	2,481,662	1,840,854	119,711	88,803	1,167,159
98	Tanta Oil And Soap	3,880	3,911	25,051	22,760	289,871	253,315	10,578	9,794	43,895
	TOTAL*	75,179	77,660	652,990	622,370	8,138,683	6,621,497	321,627	271,866	1,789,546
	Housing, Tourism & Cinema HC									
99	Al Maamoura Housing & Urbanization	609	691	12,772	12,060	85,073	106,552	34,996	34,210	0
100	Al Nasr Housing	607	603	11,070	8,911	66,462	58,713	21,501	18,152	7,628
101	Delta General Contracting	300	343	5,260	5,424	93,029	88,608	12,612	10,700	1,484
102	EGOTH	1,824	1,853	34,495	31,356	173,381	223,801	193,220	175,284	95,022
103	Gomhureya Contracting	377	383	4,748	4,807	64,611	67,441	16,050	15,707	53
104	Misr Distribution and Movie Production	841	864	4,319	5,529	20,628	20,896	12,743	9,892	3,526
105	Misr for Sound And Light	392	379	4,873	5,277	17,664	28,768	11,563	12,849	1,904
106	Misr Hotels	90	90	1,976	2,184	37,484	53,106	21,753	37,068	7,313
107	Misr Travel	1,873	1,967	23,629	28,809	238,551	313,094	7,820	15,619	0
	TOTAL*	6,913	7,173	103,142	104,357	796,883	960,979	332,258	329,481	116,930

Serial	Affiliate Company	No. of Workers		Salaries (LE 000)		Revenues (LE 000)		Net Profit (LE 000)		Total Bank Debt (LE 000)
		01/02	00/01	01/02	00/01	01/02	00/01	01/02	00/01	01/02
		Maritime and Inland Transport HC								
108	Alex Containers Handling	2,150	2,113	33,793	30,957	208,865	201,037	104,861	100,362	53,540
109	Alex Shipyards	2,428	2,527	34,693	30,353	49,072	30,593	344	(13,275)	0
110	Canal Shipping Agencies	1,482	1,547	20,633	20,322	73,847	70,449	53,236	52,634	0
111	Damietta Containers Handling	1,180	1,103	14,130	13,011	118,374	114,625	44,273	43,252	0
112	East Delta Bus	5,700	5,522	42,336	41,591	149,625	153,463	18,070	19,787	0
113	Egyptian General Warehouses	1,484	1,528	18,059	18,187	68,718	73,243	12,803	15,586	127
114	Egyptian Navigation	1,430	1,374	20,980	22,407	140,472	146,448	(4,096)	(14,323)	6,208
	Egyptian Shipbuilding & Repair (sold)	-	1035	-	7,566	-	14,340	-	(2,273)	0
115	Middle Delta	2,640	2,876	20,086	20,118	55,187	56,453	771	1,611	0
116	Nile Car Repair	627	620	3,462	3,203	37,722	31,445	873	374	2,338
117	Port Said Containers Handling	2,534	2,502	48,791	45,315	150,986	146,019	43,290	42,989	0
118	Upper Egypt Bus	5,424	5,460	44,832	45,728	132,270	139,161	4,000	6,691	745
119	West Delta Bus	2,508	2,500	21,616	20,736	73,904	71,814	4,513	4,357	0
	TOTAL*	29,587	30,707	323,411	319,494	1,259,042	1,249,090	282,938	257,772	62,958
Metallurgical Industries HC										
120	Alexandria Refractories	699	744	4,852	7,991	60,578	68,712	4,420	4,001	2,391
121	Al Nasr Mining	1,198	1,396	15,734	19,170	153,449	108,916	17,802	12,065	330,832
122	Al Nasr for Coke	4,029	4,289	92,661	102,451	664,579	615,778	10,556	16,183	513,056
123	Al Nasr Glass & Crystal	2,098	2,173	22,108	21,488	96,843	96,696	104	23	24,089
124	Al Nasr Refractory and Ceramic - Sornaga	104	107	1,021	985	6,925	7,485	1,148	1,006	3,185
125	Al Nasr Steel Pipes	2,512	2,546	36,438	35,017	112,615	127,115	(65,502)	(35,458)	172,938
126	Delta Steel	2,283	2,384	24,254	23,802	73,454	103,602	(86,638)	(18,013)	331,686

Serial	Affiliate Company	No. of Workers		Salaries (LE 000)		Revenues (LE 000)		Net Profit (LE 000)		Total Bank Debt (LE 000)
		01/02	00/01	01/02	00/01	01/02	00/01	01/02	00/01	01/02
		127	Egyptian Ferroalloys	1,365	1,468	13,979	13,968	103,883	84,872	5,054
128	Egyptian General for Irrigation Workshops (Tersana)	578	475	5,028	4,953	12,940	15,490	(3,750)	(9,559)	0
129	Egyptian Iron and Steel	15259	16,113	280,251	309,000	1,167,401	883,687	60	40	3,651,588
130	Egyptian Metal Construction - Metalco	3,673	4,158	28,327	29,791	53,956	62,880	70	10	138,043
131	General Metals Company	1,142	1,276	12,605	12,145	140,372	130,239	(8,276)	177	89,681
132	Misr Aluminum	10,270	10,341	164,820	155,004	1,717,008	1,482,951	120,435	115,453	1,518,427
133	Porcelaine & Tableware-SHINI	1,078	1,100	10,325	9,145	29,779	34,040	270	1,478	95,416
134	Railway Wagons Co. - SEMAF	1589	1,716	16,818	16,804	34,387	38,243	7,029	8,283	112,174
135	River Transport Co.	2782	2,970	17,549	17,206	18,800	30,534	(26,698)	0	5,259
	TOTAL*	50,659	53,256	746,770	778,920	4,446,969	3,891,240	(23,916)	96,907	7,001,902
	National Construction HC									
136	Alex Contracting	308	325	3,093	2,912	28,399	34,607	302	339	2,473
137	Arab Foundations (Vibro)	1,279	1,351	8,308	7,912	73,610	71,570	4,111	4,526	6,505
138	Arab General Contracting	363	375	3,291	3,152	18,871	18,663	380	416	858
139	Atlas General Contracting	1,321	1,359	8,271	8,308	68,981	78,402	529	396	122,601
140	Cairo General Contracting	1,093	1,117	6,613	6,573	34,919	42,719	351	441	13,172
141	Egyco	1,825	1,843	25,711	26,650	311,496	297,008	4,279	3,999	90,905
142	Egyptian Contracting (El Abd)	1,311	1,313	18,798	16,133	207,837	185,731	2,451	2,623	32,123
143	Egyptian General for Building	263	263	3,027	3,298	44,211	56,649	3,518	4,633	879
144	El Wady El Gedid Contracting	396	425	3,105	3,371	20,014	23,665	112	106	6,604
145	General Construction Company - Roulan	460	486	3,401	3,597	35,354	45,361	196	463	10,630
146	General Electric Projects - Eleget	3,536	3,050	29,555	28,822	149,962	137,340	3,205	3,140	48,077
147	Hassan Allam Contracting	6,382	7,888	97,848	78,880	1,026,114	971,540	69,776	67,439	505,413

Serial	Affiliate Company	No. of Workers		Salaries (LE 000)		Revenues (LE 000)		Net Profit (LE 000)		Total Bank Debt (LE 000)
		01/02	00/01	01/02	00/01	01/02	00/01	01/02	00/01	01/02
		148	Heliopolis (Misr El Gedida) Housing & Development	1,267	1,113	13,728	12,455	146,733	125,128	57,761
149	High Dam electrical Projects	2,797	3,292	25,331	26,012	166,080	153,881	3,071	3,325	55,922
150	Maadi Housing	595	602	9,244	8,481	70,768	79,115	34,748	30,424	149,234
151	Misr for Concrete	3,577	3,835	32,515	36,438	124,938	142,950	442	864	158,097
152	Mokhtar Ibrahim Contracting	10,045	10,168	117,814	99,720	912,971	802,413	32,189	29,873	145,144
153	Nile Concrete Development - SPEECO	1008	1,026	7,425	6,828	34,704	60,059	219	596	56,237
154	Nile General Contracting	337	337	2,629	2,599	23,498	24,625	567	1,125	3,001
155	Red Sea Contracting	283	305	2,933	3,080	23,605	33,118	151	1,150	350
	TOTAL*	38,446	40,473	422,640	385,221	3,523,065	3,384,544	218,358	210,345	1,457,466
	Pharmaceutical Industries HC									
156	Al Nasr Chemical	2,870	2,908	38,774	35,553	216,492	190,721	25,261	25,273	156,330
157	Alexandria Pharmaceuticals & Chemicals	1,430	1,392	18,963	18,540	173,403	167,021	34,945	34,863	0
158	Arab Pharmaceuticals & Chemicals (ADCO)	1,246	1,258	18,397	18,076	122,443	131,148	15,953	15,767	4,856
159	Cairo Pharmaceuticals & Chemicals	2,398	2,476	33,406	31,982	179,835	167,277	34,760	33,519	25,468
160	Chemical Industries Development (CID)	2,244	2,284	33,068	31,528	200,159	196,743	37,118	37,390	14,088
161	Egyptian Pharmaceutical Trading	3,558	3,500	50,803	48,487	1,524,827	1,405,264	68,196	67,556	26,359
162	El Gomhureya Pharmaceuticals	1,477	1,527	19,948	19,687	651,134	497,370	60,035	59,357	116,218
163	Memphis Pharmaceuticals & Chemicals	1,484	1,495	18,938	18,759	135,050	132,550	29,437	28,242	7,749
164	Misr Pharmaceutical Industries	1,544	1,593	21,944	20,581	107,607	100,507	12,367	9,673	8,478
165	Nile Pharmaceuticals	2,417	2,434	33,387	35,148	226,590	239,443	35,378	34,141	16,990
166	Pharmaceutical Packaging Co.	709	733	7,041	7,043	29,734	33,185	467	2,578	58,876
	TOTAL*	21,377	21,600	294,669	285,384	3,567,274	3,261,229	353,917	348,359	435,412

Serial	Affiliate Company	No. of Workers		Salaries (LE 000)		Revenues (LE 000)		Net Profit (LE 000)		Total Bank Debt (LE 000)
		01/02	00/01	01/02	00/01	01/02	00/01	01/02	00/01	01/02
		Trade HC								
167	Al Nasr Export and Import	645	651	3,933	3,498	478,701	438,369	(119,009)	(143,496)	467,440
168	Alexandria Cooling	201	566	2,429	4,146	7,241	11,924	(1,256)	(4,672)	0
169	Benzayoun Department Stores	1906	1,988	12,732	12,874	80,966	113,144	(27,414)	(22,998)	176,446
170	Commercial Co. for Wood	557	923	9,302	15,495	18,185	30,480	(20,189)	(28,770)	10,677
171	Arab Bureau for Design	892	919	13,668	16,694	22,145	28,809	3,359	6,020	0
172	Hannaux Department Stores	2,319	2,319	11,508	11,150	114,804	128,408	472	309	41,735
173	Misr Car Trading	337	356	2,564	2,681	30,020	12,433	206	317	11,318
	Misr Import & Export (privatized in July 01)	-	287	-	3,092	-	12,864	-	702	-
174	Misr Foreign Trade	402	402	3,393	3,642	67,282	54,936	398	394	0
175	Omar Effendi Department Stores	5,665	5,462	36,443	35,656	419,225	449,166	1,736	6,265	108,622
176	Selling Egyptian products	2,770	2,817	15,397	15,652	58,445	84,400	(41,974)	(33,866)	179,120
177	Sednawi Department Stores	2,689	2,635	17,842	16,587	153,812	174,328	(25,155)	(4,845)	143,184
	TOTAL	18,383	19,325	129,211	141,167	1,450,826	1,539,261	(228,826)	(224,640)	1,138,542

Source: PEO (document of Public Business Sector Information Center)

Figures reported previously were revised by the HCs for comparative reasons.

