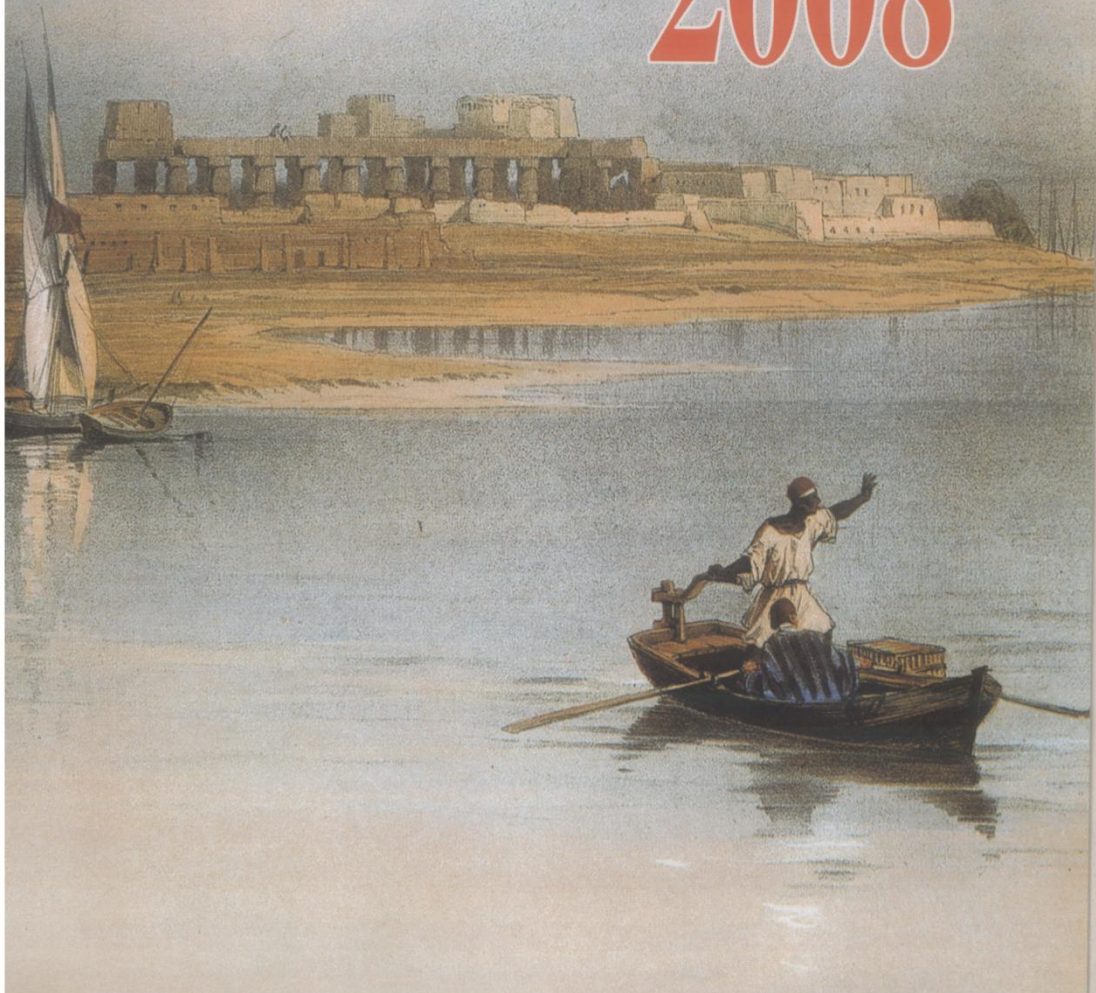




MISR FOR CENTRAL CLEARING, DEPOSITORY AND REGISTRY


ANNUAL REPORT 2008





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 **BOARD OF DIRECTORS**

Mr. Mohamed Soliman Abdel Salam
Chairman and Managing Director



Dr. Tarek Ezzat Abdel Bary
Managing Director



Mr. Maged Shawky
Board member, representing
Cairo and Alexandria Stock
Exchanges



Mr. Amr Yousef Al Ganainy
Board Member (representing
Commercial International Bank)



Dr. Yasser Ismaeel Hassan
Board Member (representing
Al Watany Bank of Egypt)



Mr. Awny Abdel Aziz Yousef
Board Member (representing
Wedian Brokerage Co.)



Mr. Khaled Abu Heif
Board Member (representing
Al Tawfik Financial Co.)



Mr. Amr Bahaa El Din
Board Member (representing
Piraeus Bank)



Mr. Ashraf Salman
Board Member (representing
Cairo Capital Co.)



GENERAL FRAME

MCDR was established according to the Law no.95 for the year 1992 and its executive bylaw. The central depository and registry law no. 93 for the year 2000 was issued in order to organize and set the legislative frame of the company. MCDR introduces its services to the financial institutions in the capital market as well as MCDR provides technical consultations to many of the Arab countries in the region. One of MCDR's main achievements is operating and launching the Libyan market and supporting its systems to date.

Board of Directors

Mr. Mohamed Soliman Abdel Salam	Chairman and Managing Director
Dr. Tarek Ezzat Abdel Bary	Managing Director
Mr. Maged Shawky	Board member, representing Egyptian Stock Exchanges
Mr. Amr Yousef Al Ganainy	Board Member (representing Commercial International Bank)
Dr. Yasser Ismaeel Hassan	Board Member (representing Al Watany Bank of Egypt)
Mr. Awny Abdel Aziz Yousef	Board Member (representing Wedian Brokerage Co.)
Mr. Khaled Abu Heif	Board Member (representing Al Tawfik Financial Co.)
Mr. Amr Bahaa El Din	Board Member (representing Piraeus Bank)
Mr. Ashraf Salman	Board Member (representing Cairo Capital Co.)



◆ CEO SPEECH



I would like to seize the opportunity in this annual meeting to present the honorable achievements of MCDR. Such achievements were the outcome of the continuous development adopted in its activities, and the strong performance of the company in the Egyptian and the Arab markets, as well as its main role on the regional and international levels.

The world economic crisis and its negative effect on the Egyptian and the neighboring markets forced the company to seek further means to reinforce its financial position. Thus MCDR moved to market its systems in the Arab region, by signing a new contract with the Libyan market to add new settlement and clearing systems, in addition to documentation for all systems.

On the other side, MCDR has set new policies and provisions, to encourage the investors to keep their investments in the Egyptian market; developing direct services for the investor such as keeping him aware of his instantly executed transactions, and the instantly calculated value of his portfolio; preparing a budget of the investor's securities in the Egyptian stock market and his profits and losses during a certain period.

Despite the impact of the economic crisis on the Egyptian market, reflected in the decrease of trade value and volume in the second half of the fiscal year, the strong performance of the market through the first half resulted in improving the performance of MCDR in 2008. The number of executed transactions reached 13447256, with an increase of 49.27% compared to 2007, with market value 485.89 billion EGP and 44.25 billion shares, with a decrease of 43.18% compared to last year.

MCDR on behalf of its member issuers, distributed cash dividends with total value of 51.3 billion EGP. The number of beneficiary investors was 601 thousands obtaining their cash dividends through 18 banks with 46 branches covering whole country.

One of 2008 significant features was approving fees for the services, provided by MCDR. Resolution no. 129, 2008 was declared by Dr. Mahmoud Mohie El Din, Minister of Investment, determining the maximum amount of fees.

In addition, MCDR planed a strategy aiming at launching a risk management program which mainly depends on determining and identifying the risks MCDR may face. MCDR has thus set plans for risk management and measurement in cooperation with Thomas Murray institution (a world institution specialized in studying and evaluating market risks). MCDR aims at increasing its efficiency by automating its systems to introduce services with low risk, which resulted in obtaining a world evaluation rate (A)

MCDR has also activated the money laundering unit to follow up transactions and send reports to the money laundering unites periodically.

Internationally, MCDR played a key role by attending the AMEDA meeting held in South Africa, April 2008, where Egypt has been chosen to host the next meeting in Alexandria.

MCDR focuses on small and medium enterprises proposed to register in the company, as a step to be registered in the Nile stock exchange. This aims at encouraging the small investor and enabling him to invest with little capital. Consequently the board decided to reduce the fees in return for services by 50% for these enterprises.

Finally, on behalf of my self and the board I would like to thank all shareholders and participants for their trust, looking forward to more progress and accomplishments.



Chairman and Managing Director

Mr. Mohamed Soliman Abdel Salam

FEATURES OF 2008

January | preparing the alternative site located at 4 Talaat Harb Street

February | testing the Egyptian market operation at the alternative site of MCDR where all employees, brokerage firms and custodians are connected to the servers of MCDR without any trouble. This was repeated thrice during that year.

March | connecting the Libyan market with MCDR to facilitate technical support and maintenance from MCDR's premises in Cairo.

April | inaugurating Heliopolis Branch supplied with required equipments and networks

June | the Minister of Investment approved service fees, introduced by MCDR through issuing Law no. 129 for the year 2008

July | MCDR obtained a world evaluation rate (A) from Thomas Murray (a world specialized institution in studying and evaluating market risks)







Approving service fees

Since MCDR has started its activity in October 1996, it has determined its fees of services taking into consideration the non profit policy adopted by the Company. Accordingly, the service fees are set to be less than those in other countries. The company then decreased the service fees of clearing and settlement to be .000125 instead of .0025

The central Depository and Registry Law no.93 for the year 2000 has been authorized in order to add legality to all introduced services. One of the legislative frames determined by the law is issuing the Minister of Investment decree identifying the service fees.

The Minister of Investment issued resolution no. 129 for the year 2008, highlighting that those shareholders should bear the actual cost of the other services they need as well as the service cost. The resolution also obligated the company to take all the necessary actions to secure the deposited security balances without adding any further costs to benefiting shareholders other than those mentioned in the resolution.

It is worth mentioning that despite issuing this resolution, MCDR did not increase its service fees since it has started its activity in 1996.





Securing internal systems, Data Privacy and obtaining the ISO Certificates

MCDR aims at securing the data of its shareholders among market parties. MCDR is characterized by a huge and branched data base which includes all data of registered issuers, brokerage firms, custodians and other participated and beneficiary financial institutions as well as accounts of shareholders (about 2 million accounts) dealing with the mentioned entities.

Thus, one of MCDR's main tasks is securing data and providing it to market concerned parties according to their needs and authority. Accordingly, MCDR attempted to obtain a license from the Information Technology Industry Development Agency (ITIDA) allowing MCDR to be the E- signature authority. Worth mentioning, the e-signature will lead the Egyptian market to leap into a new developed phase which will result in attracting foreign investors.

MCDR was capable of providing all necessary programs regarding data documentary and protection where the company was awarded the ISO/ IEC27001 for Information safety and protection from BIS institution. This certificate represents one of the fundamental requirements to operate the E-signature licensed from the Information Technology Industry development agency (ITIDA).



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This certificate proves the continuous effort of MCDR to convey with the world standards in data security and protection.

TechnicalSupport

The company provides technical support to all its members through solving problems related to intermediaries, custodians, issuers and primary dealers.



Programs have been uploaded and tested for a number of 232 members and participants including brokerage firms, Custodians and issuers, in addition to executing 125 external messages for modification and addition of new programs according to the member's requirements, as well as applying special programs to produce the required reports.

The company has also taken care of providing fully equipped training halls in its branch located in 4 Talaat Harb Street to meet all requirements.

MCDR has participated in the trial sessions of the new trading system by providing a suitable atmosphere and following Brokerage firms and custodians to ensure compliance between bookings and trading systems, as well as providing the technical assistance for them.





Updating the Market's Automated Systems



MCDR has been famous for its choice of highly qualified engineers in the fields of programming and computer science, who have managed to design all programs related to clearing, settlement and depository activities. This proves the ability of the company to cope with the continuous development and modify the systems according to the market's requirements and needs.

The dividends' system has been modified by including new currencies, e.g.: Euro, and Swiss frank as well as the systems related to the Settlement Guarantee Fund such as: participation fees payment system and adding reports and statistics' systems. Same Day Trading system has been modified, including the part related to Intraday Trade, as well as all related settlement systems and reports produced by intermediaries. Modifications have also been made on Omnibus Account systems providing correction (ratification) process for clients of investment managers. The company has also modified its internal systems such as the systems developed for the payment requests.



Signing a new contract with the Libyan Market

MCDR has signed a contract to renew the agreement with the Libyan market and providing it with new systems such as: the registered owner system, Investor protection Fund and systems related to settlement guarantee fund. It has also worked on customizing trade auditing system in order to comply with the Libyan market's requirements. It has also been agreed upon providing them with systems for producing the necessary reports on foreign dealings, trading volume, as well as settlement and auditing reports. Systems related to investors have been included; e.g.: systems for brokerage firms to collect fees from shareholders and systems of confirming pledge rights. MCDR has authenticated all used systems such as the settlement guarantee fund and lending and borrowing system, the user guide of the customer service cash dividends, as well as its website.



MCDR on the International Level

Mr. Mohamed Abdel Salam, MCDR Chairman and Managing Director, has attended the AMEDA conference that has taken place in South Africa where one of the most important decisions taken in this conference was forming a training committee, headed by Ms. Monica Singer, AMEDA Deputy Chairman. The committee is responsible for increasing interaction among countries, developing skills and exchanging experience. Training shall be in the form of an educational forum handling subjects related to





capital markets and new tools that could be updated in order to activate the capital markets in the region.



It has been decided that Alexandria shall host the upcoming meeting during the period 27-29 April, since Egypt has had the lead in the field of capital markets.

MCDR also participated in the conference of Islamic Stock Markets that was held in Turkey to discuss the means of activating stock exchanges and clearing houses role in order to face the financial crisis. The main recommendation of the conference was to unite standards and trading rules in the Islamic countries' markets, enhance mutual cooperation among these countries, and produce a mutual index for their exchanges. In addition, the conference focused on dual listing which shall activate capital markets and encourage issuance of bonds as an alternative to lending and borrowing system. This requires establishing an integrated trading system to facilitate transactions among these countries. The most important decision taken during the conference was organizing two annual conferences; one to be held in Istanbul and the other in any of the member countries. Moreover, two committees have been formed; a technical committee and another specialized in information systems in order to evaluate the technical levels of participated exchanges, and establishing a mutual automated system.

Evaluating MCDR by "Thomas Murray" an international specialized risk rating institution

MCDR has always been keen on evaluating its rank (position) among international depositories. Therefore undertakes an annual estimation by



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an international risk rating agency "Thomas Murray". MCDR has achieved a credit rate of (A), which proves its ability to overcome risks resulting from its activities.

Thomas Murray has classified risks facing any company into six types:

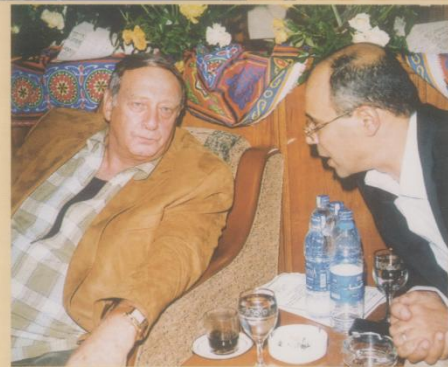
- 1- Asset Risks
- 2- Operation Risks
- 3- Financial Risks
- 4- Counterpart Risks
- 5- Liquidity Risks
- 6- Assets Obligations Risks

Thomas Murray has estimated risk rates as follows:

- (A+) for asset obligation risks, counterpart risks, and financial risks
- (A) For operation risks, asset risks, and liquidity risks.

It has appealed to settlement procedures among intermediaries that are undertaken on the basis of DVP (Delivery versus Payment), and indicated that the booking system minimizes (reduces) risks. It has praised the role of Settlement Guarantee Fund and its immediate coverage of every operation, as well as the central depository system that allows MCDR to manage a huge database. It has referred that the applied profit distribution system is characterized by its flexibility to meet clients' requirements. Thomas Murray also praised the trend followed by MCDR in order to increase its capital, which is considered a cover for all direct financial risks.

The group responsible for the evaluation process has checked the business continuity plan, as well as the disaster recovery site that has





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been actually tested during the visit and has proved its efficiency.

Thomas Murray also referred to the effectiveness of internal auditing in the company and the automation of almost all processes to avoid human intervention.



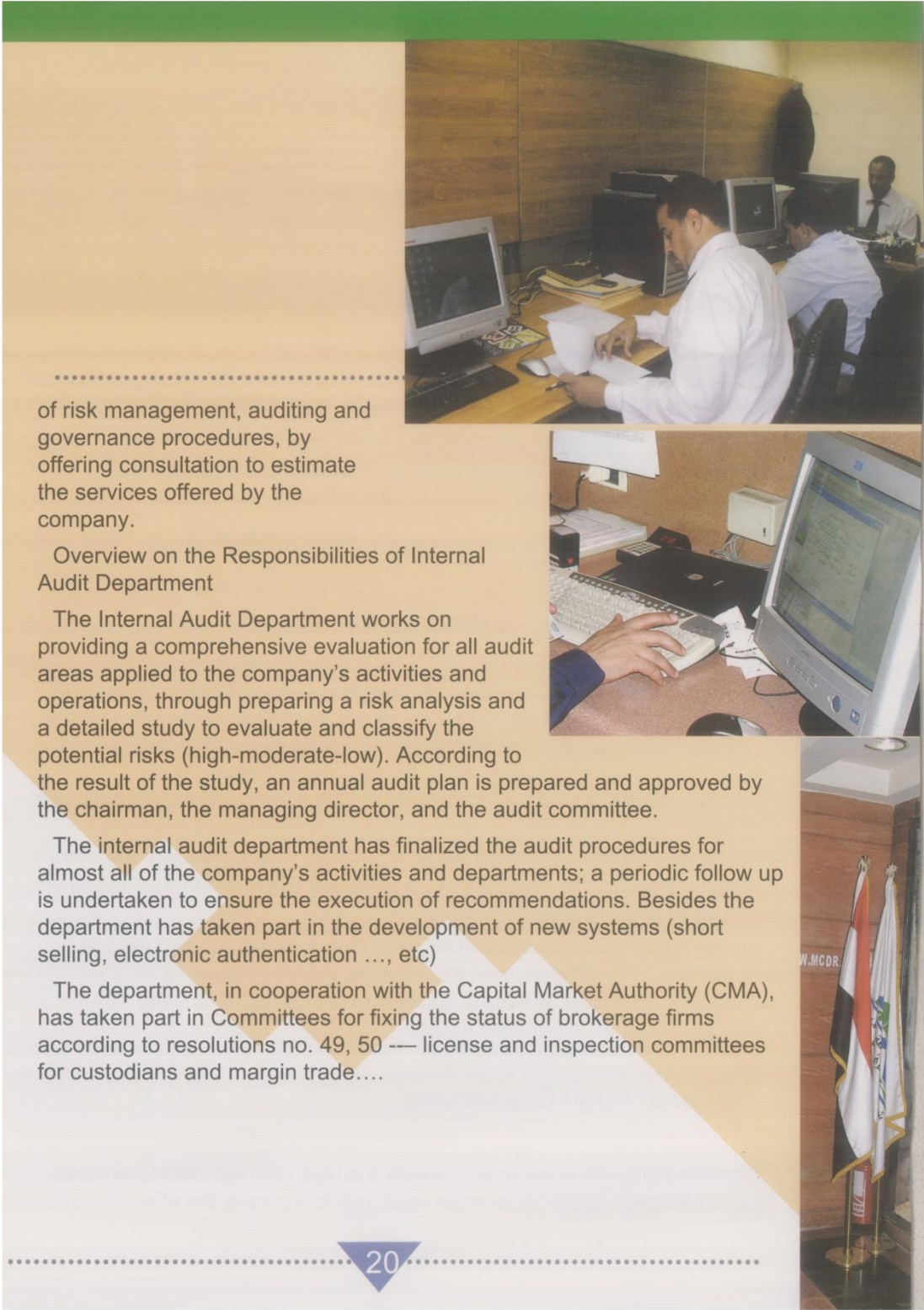
▶ Training Employees

Training is considered one of the main items in MCDR's annual agenda. The training committee has specified the main areas in the company, whether technical or legal that requires development of qualifications. Accordingly, the training department agreed with specialized institutions to organize courses in different fields for employees. This has been reflected on improving employees' competence in dealing with clients, investors or participants, which in turn has led to the increase in number of beneficiaries.

During 2007, about 45 training courses have been organized for 298 employees. The company has arranged 30 training programs for 534 custodians and brokerage firms, as well as taking part in training 105 university students in summer vacation.

▶ Internal Audit Department

The Internal Audit Department assists the high management to achieve its goals through applying an organized path to improve the effectiveness



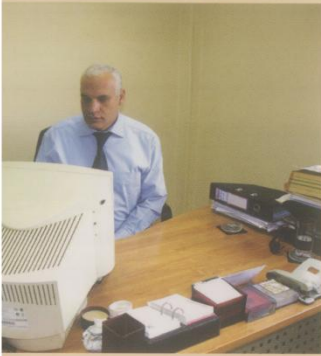
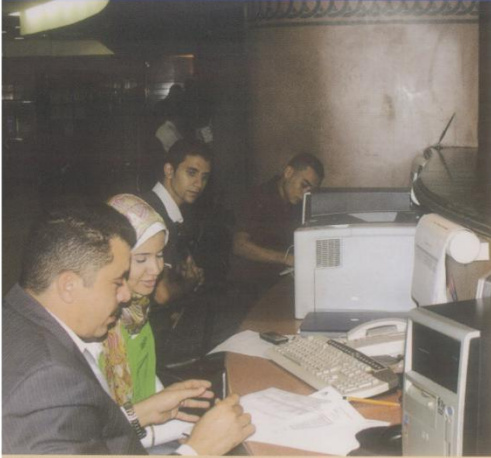
of risk management, auditing and governance procedures, by offering consultation to estimate the services offered by the company.

Overview on the Responsibilities of Internal Audit Department

The Internal Audit Department works on providing a comprehensive evaluation for all audit areas applied to the company's activities and operations, through preparing a risk analysis and a detailed study to evaluate and classify the potential risks (high-moderate-low). According to the result of the study, an annual audit plan is prepared and approved by the chairman, the managing director, and the audit committee.

The internal audit department has finalized the audit procedures for almost all of the company's activities and departments; a periodic follow up is undertaken to ensure the execution of recommendations. Besides the department has taken part in the development of new systems (short selling, electronic authentication ..., etc)

The department, in cooperation with the Capital Market Authority (CMA), has taken part in Committees for fixing the status of brokerage firms according to resolutions no. 49, 50 --- license and inspection committees for custodians and margin trade....



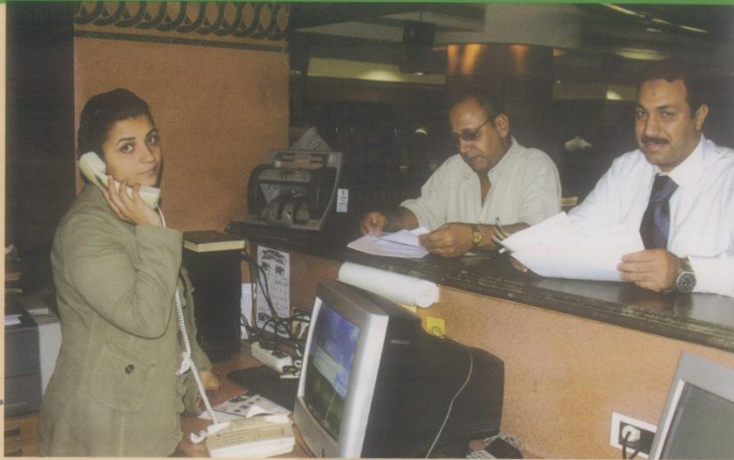
Risk Management

The main focus of this department is analyzing, indicating and managing events that are expected to have a negative effect on the company, preventing it from carrying out its aims and policies. It works on securing operations that might be affected by such risks and setting a comprehensive regime to check and study the company's systems, including the following:

- Specification and assessment of risks related to operations.
- Setting procedures to overcome probable risks.
- Preparing periodic reports for analyzing risks and proposing procedures to overcome such risks. These reports are presented to the Chairman and Managing Director, as well as the risk committee for approval.

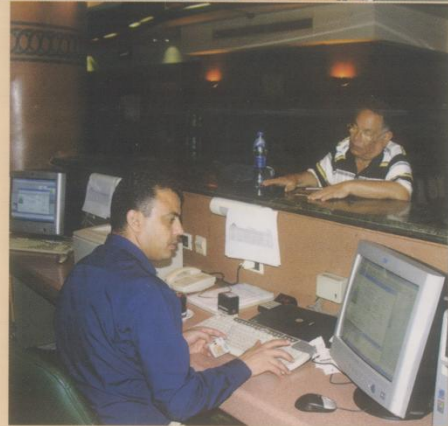
Money Laundering Department

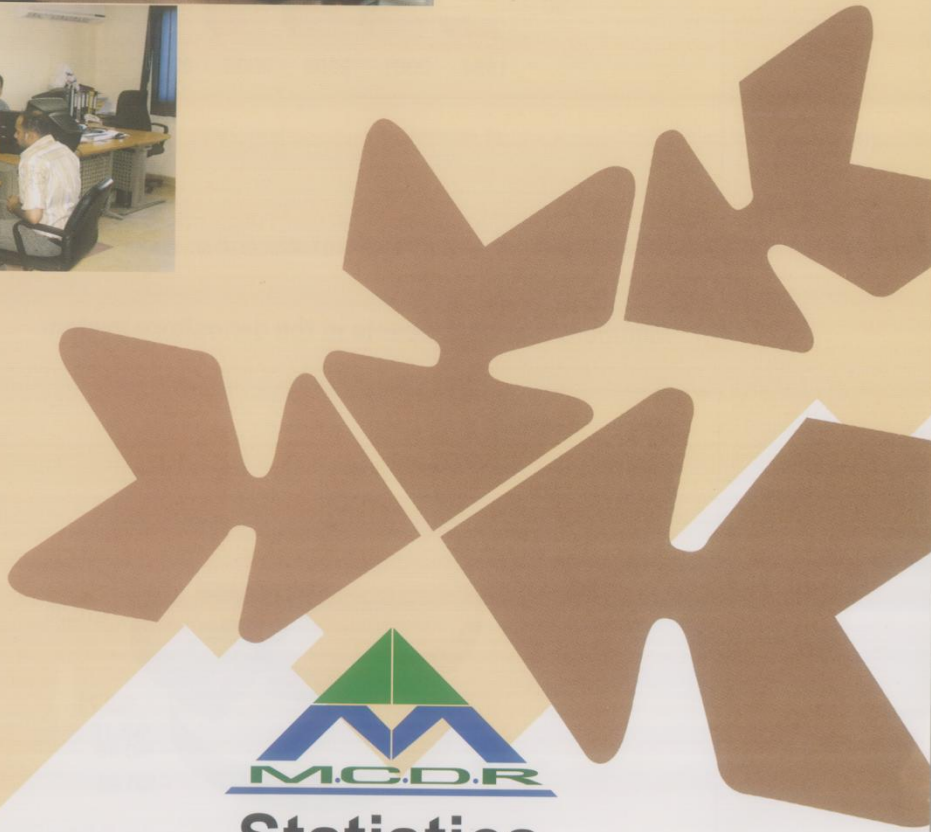
Within the framework of applying law no. 80/2002 and its executive regulation, MCDR has established a money laundering department. This department has been established according to audit standards, issued by the Capital Market Authority and the board decision no. 87 /2008 for setting




a comprehensive regime for anti-money laundering, and combating terrorism including the following:

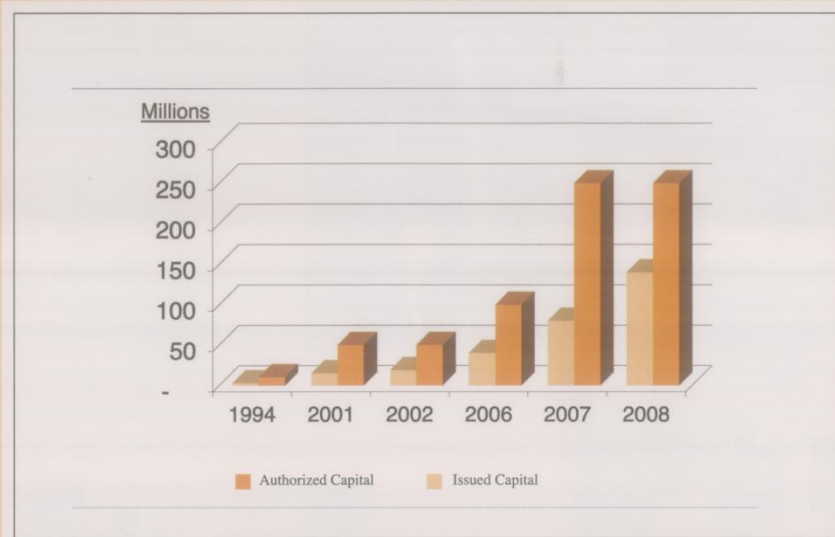
- Preparing a training program for employees, supervised by the head of money laundering department and the high management.
- Ensuring that all members (brokerage firms, custodians and issuers) comply with the identity awareness standards and legal situations.
- Setting programs and systems to help in recognizing suspicious cases and means of reporting them.
- Establishing a database to keep all information concerning the suspicious cases.
- Preparing a periodic report including the most important missions undertaken by the department; to be presented to the board of directors and sent to both the Capital Market Authority and the anti-money laundering unit.





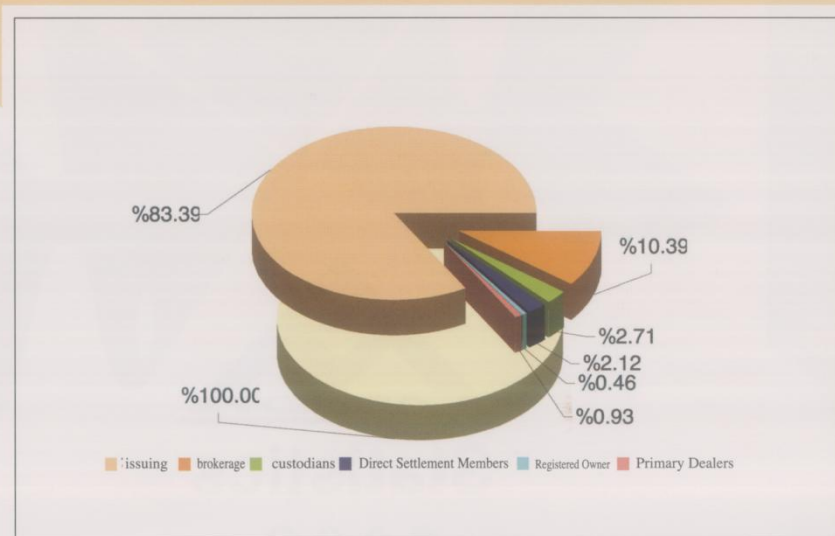

Statistics
2008

◆ Development of MCDR Capital since its establishment



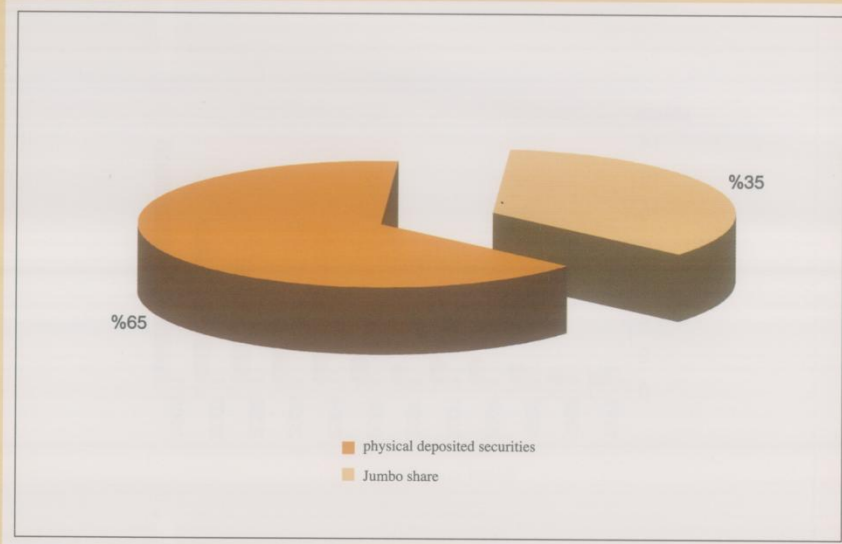
MCDR issued and paid capital was developed from 3 Million EGP since MCDR started its activity in 1994 to reach by the end of 2008 140 Million EGP divided on 140.000 shares with nominal value of 100 EGP for each share.

◆ Members and participants in the depository system



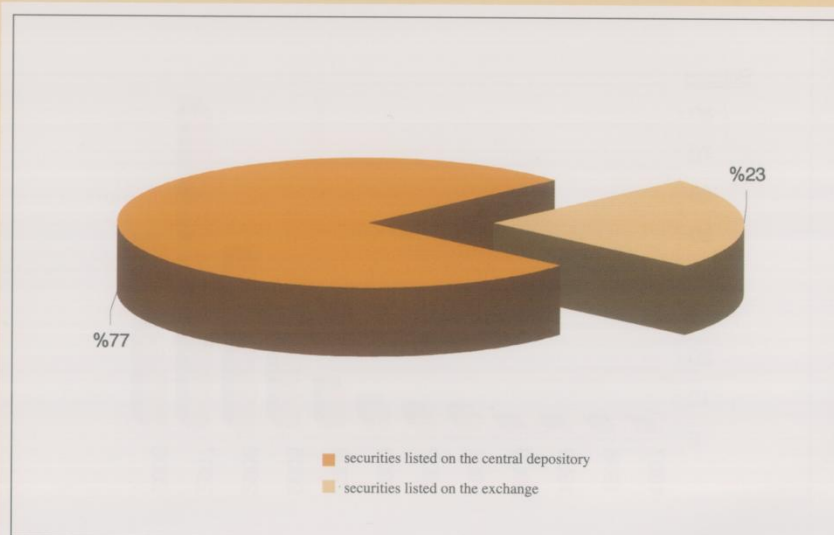
By the end of 2008, number of members and participants reached 1511 including 1260 participants and 251 member.

◆ **Percentage of physical to non physical securities**



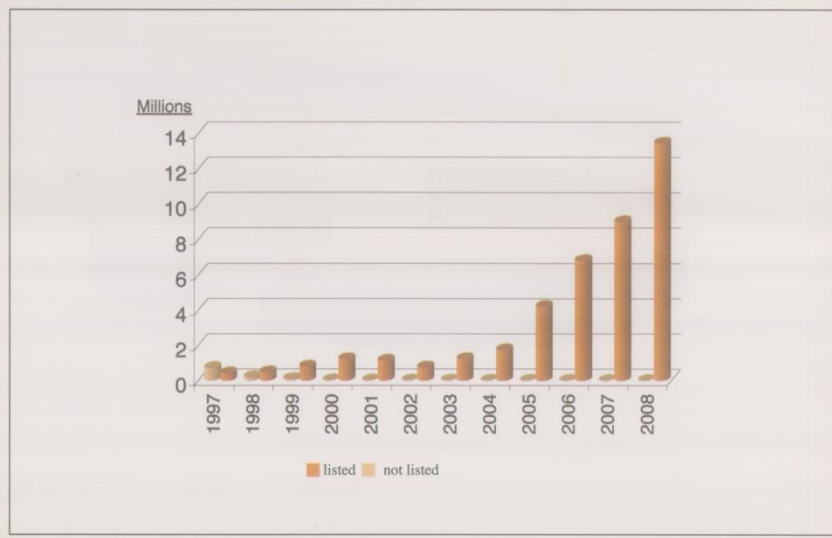
Number of deposited issuers who issued stock certificates or temporary certificates is 829 issuers and deposited issuers who have jumbo share are 441 issuers.

◆ **Percentage of securities listed in the stock exchange to securities listed in the central depository**



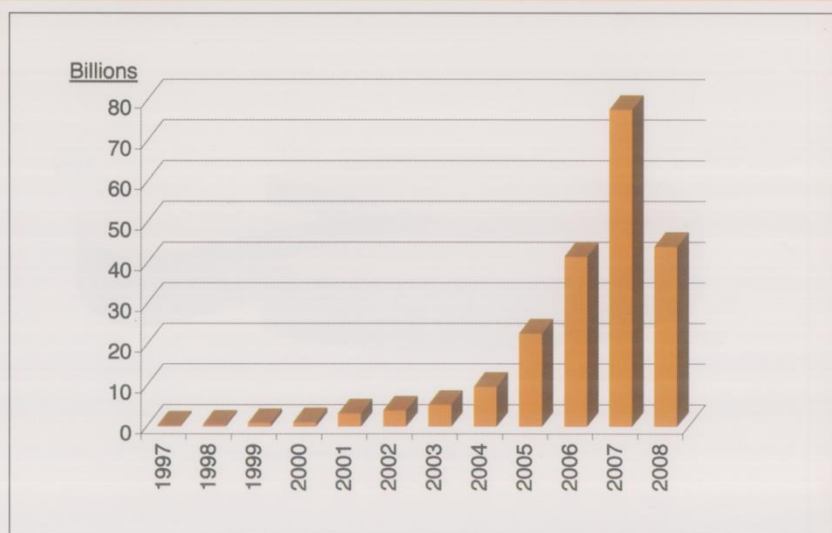
At the end of 2007, Securities listed in the central depository reached 1260 including 370 shares listed in the stock exchange.

◆ Number of settled transactions



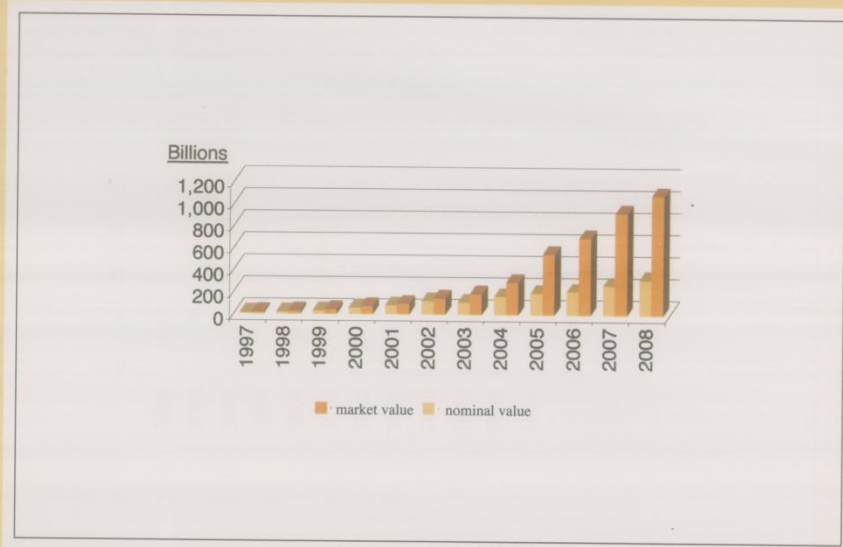
2008 has witnessed significant increase in number of settled transaction executed on deposited securities where settled transactions reached 13447240 with an increase of 49.27% compared to the previous year.

◆ Development of number of settled securities in the central depository system



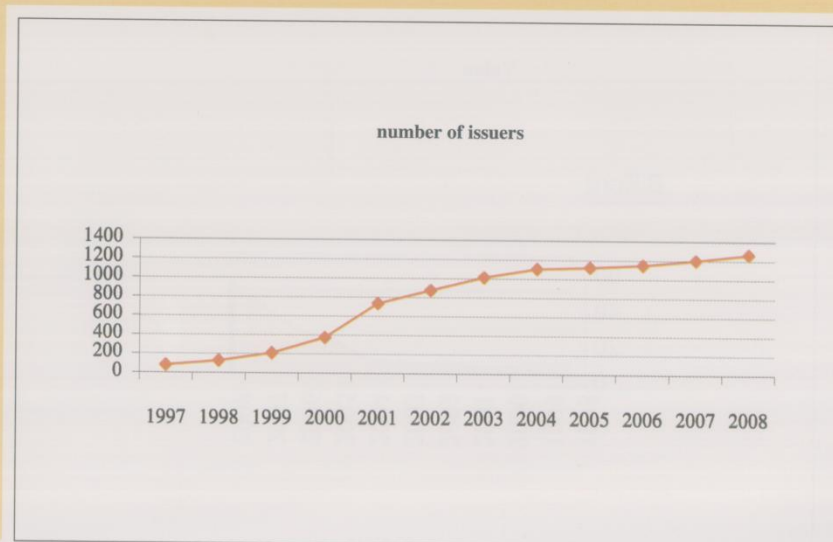
Number of settled securities decreased to reach 44.25 Billion shares with a decrease of 43.18% compared to the previous year.

◆ Nominal & Market value of deposited securities



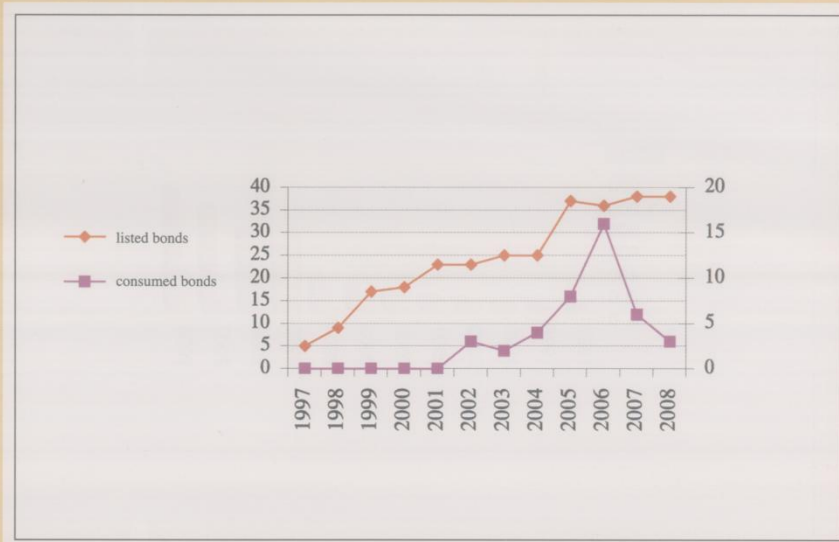
Nominal value of deposited securities was 321.36 Billion EGP with an increase of approximately 20.22% and the market value is 1082.77 Billion EGP with an increase of 17.13% compared to previous year.

◆ Development in number of registered issuers



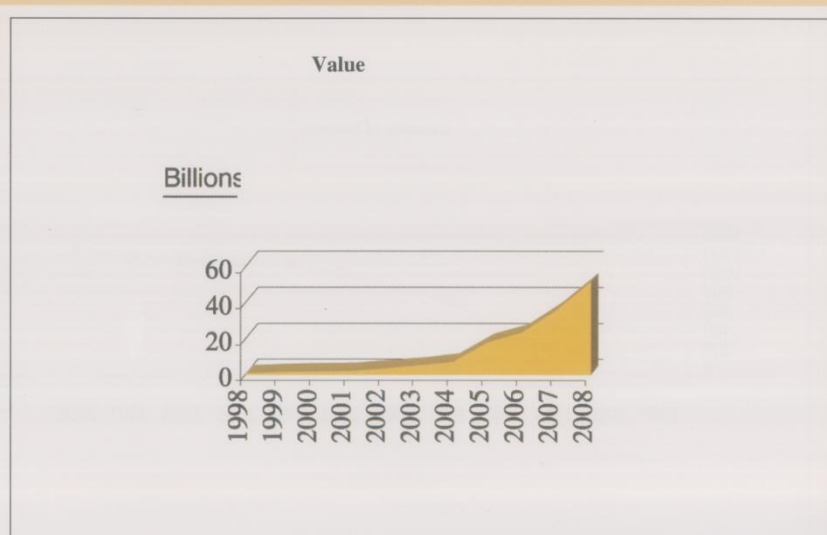
By the end of 2008, number of registered issuers was 1260 with an increase of 5.4% compared to previous year.

◆ **Development in the number of registered bonds in the central depository**



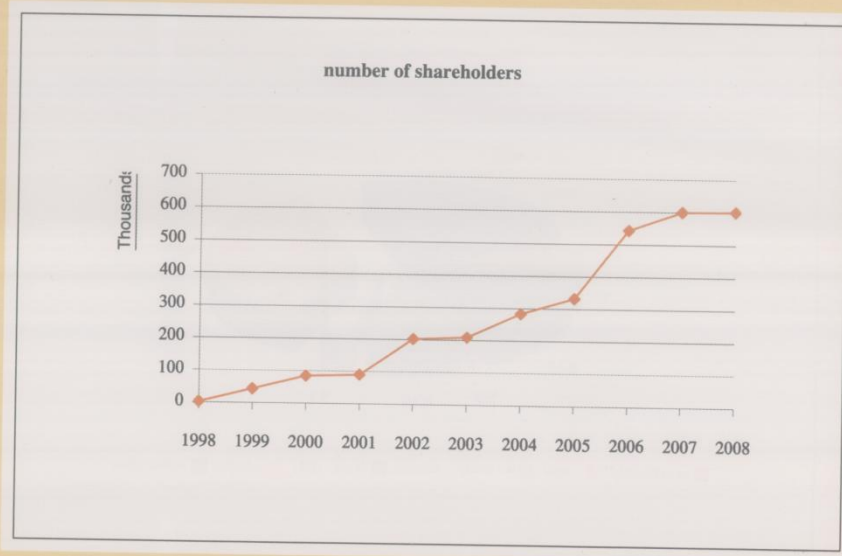
The number of registered bonds in the central depository reached 38 bonds until the end of 2008 without any increase due to registering 3 new bonds and complete consuming of 3 others during the year.

◆ **Development of paid dividends**



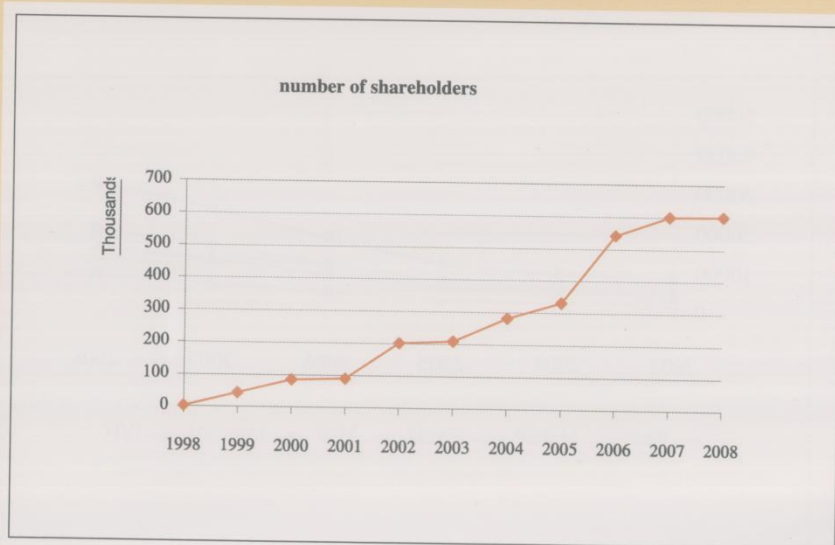
_During 2008, Securities paid dividends increased where number of distributed dividends reached 51,33 billion EGP with an increase of 44,55 % compared to previous year .

◆ **Development in the number of shareholders received their cash dividends**



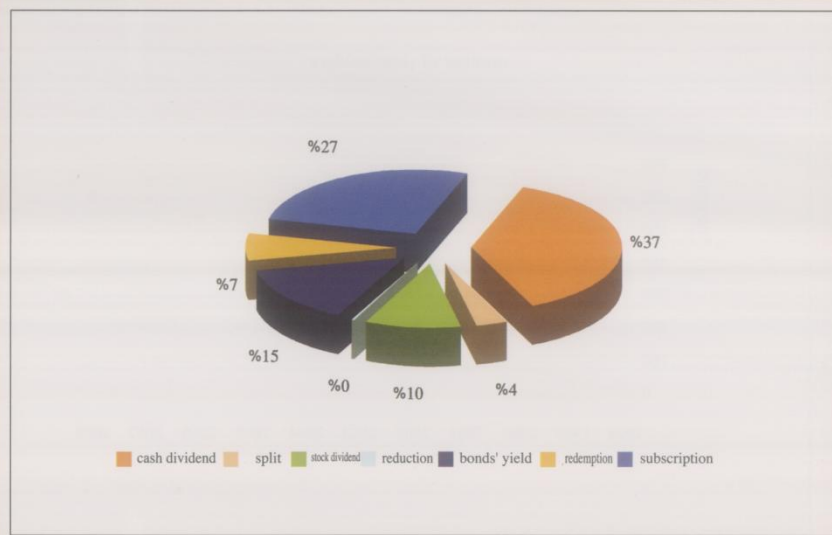
The number of shareholders who received cash dividends increased to reach 601 thousand shareholders in 2008 with an increase of 0.2% compared to previous year.

◆ **Development in the number of cash distribution windows:**



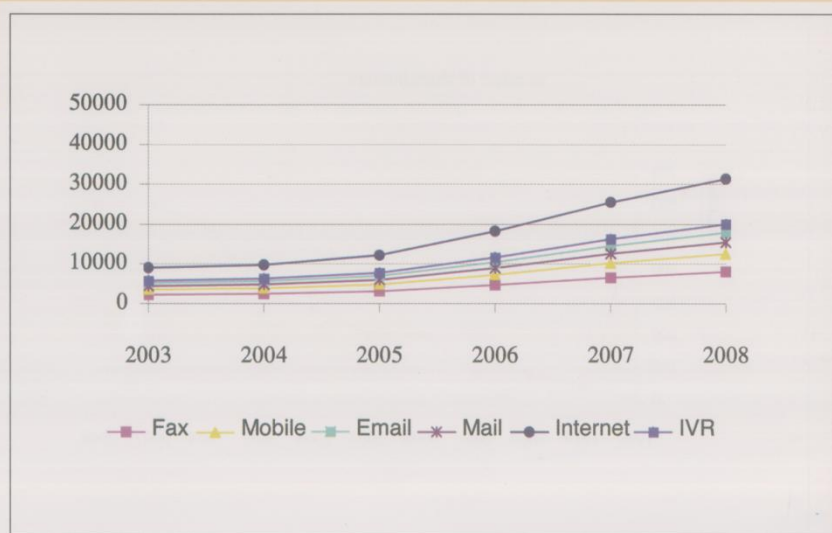
By the end of 2008, the number of cash distribution windows reached 46 spread all over Egypt

◆ Corporate actions executed through MCDR



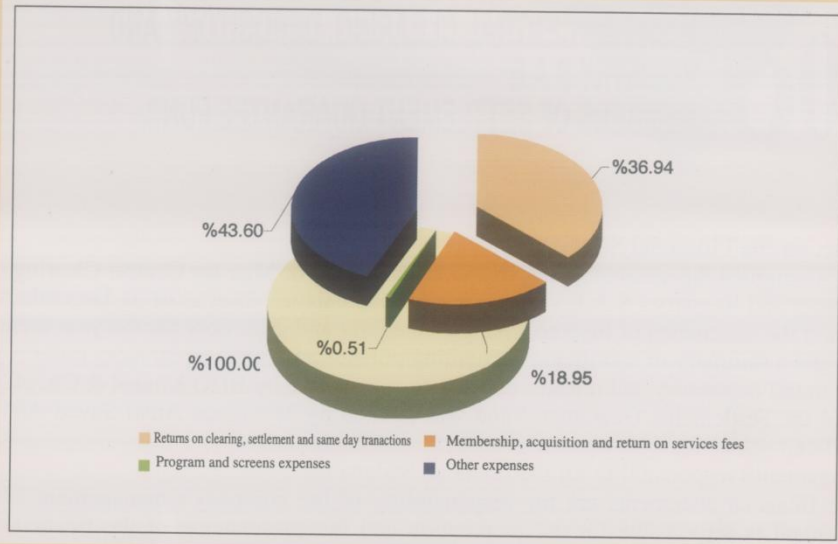
By the end of 2008, number of corporate actions executed by MCDR on behalf of the issuers was 818.

◆ Services introduced to the shareholders



Number of shareholders interested in the IVR service introduced by MCDR reached 105 thousand with an increase of 23% compared to previous year.

◆ Reference for MCDR Expenses



Expenses realized from clearing and settlement services, which is considered the company's main activity, reached a percent of 36.94% of the total expenses. Membership and acquisition fees as well as expenses realized from bookkeeping were 18.95% and 0.51% of the total expenses consecutively. Whereas other expenses represented 43.60% of the total expenses.

Remark: the reference for numbers and statistics is MCDR data base for 2008 and previous years.

2008

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
MISR FOR CENTRAL CLEARING, DEPOSITORY AND
REGISTRY S.A.E
MEMBERS OF SETTLEMENT GUARANTEE FUND**

Report on the Financial Statements

We have audited the accompanying financial statements of Misr for Central Clearing, Depository and Registry - S.A.E. - represented in the balance sheet as of 31 December 2008, and the statements of income, changes in equity and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

The Central depository and registry activities were audited by BDO Khaled & Co. of-
fice and the Settlements Guarantee Fund was audited by Mohamed Amal Sayed Ah-
med office.

Management's responsibility for the financial Statements

These financial statements are the responsibility of the company's management as management is responsible for the preparation and fair presentation of the financial statements in accordance with Egyptian Accounting Standards and in the light of relevant Egyptian laws and regulations also according to the Capital Market Authority Chairman's decision No. (29) dated 5th August 2004. The Management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. This responsibility also includes selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Egyptian Standards on Auditing and in the light of relevant Egyptian laws and regulations. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend of the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Misr for Central Clearing, Depository and Registry - S.A.E. as of 31 December 2008, and its financial performance and its cash flows for the year then ended in accordance with Egyptian Accounting Standards and in the light of relevant Egyptian laws and regulations according to the Capital Market Authority Chairman's decision No. (29) dated 5th August 2004.


Report on Other Legal and Regulatory Requirements

The company maintains proper books of account that include all that is required by the Law and the company's Articles of Association, and the financial statements are in agreement therewith.

The financial information included in the Board of Directors' report, which has been prepared in accordance with the requirements of Law NO. 159 of 1981 and its Executive Regulations, is in agreement with the relevant information in the company's books.

Auditors

M. Amal 3
Mohamed Amal Sayed Ahmed
Chartered Accountant
R.A.A. 1047



Taha M. Khaled
Chartered Accountant
R.A.A. 5136
CMA register No. 28

cairo 09/04/2009

BALANCE SHEET
At 31 December 2008

	Note	31/12/2008 L.E.	31/12/2007 L.E.
LONG TERM ASSETS			
Fixed assets	6	25,378,189	29,582,376
Projects under contraction	7	66,135,844	26,505,926
Investment in subsidiaries	8	8,850,000	8,850,000
Investment in associates	9	2,903,500	2,903,500
Held to maturity investments	10	97,725,863	35,495,556
Available for sale investments	11	6,741	6,741
Investment in Risk Insurance Fund (Investor Protection Fund)	12	2,115,154	2,115,154
Intangible assets	13	2,500,000	1,500,000
Total long term assets		205,615,291	106,959,253
CURRENT ASSETS			
Trade and other receivables	14	52,356,862	35,865,176
Trading investments	16	94,472,714	54,384,655
Cash	17	207,194,463	224,531,821
Bank balances – coupons' dividends	18	524,481,496	1,008,698,213
Total current assets		878,505,535	1,323,479,865
CURRENT LIABILITIES			
Dividends coupons payable	18	524,481,496	1,008,698,213
Trade and other payables	19	48,062,523	31,259,178
Provision for risks and claims	20	53,434,664	42,026,617
Dividends payable		-	50,252,951
Total current liabilities		625,978,683	1,132,236,959
Working capital		252,526,852	191,242,906
Total investments		458,142,143	298,202,159
Financed as follows:			
EQUITY			
Depostory and registry activities			
Share capital	21	140,000,000	80,000,000
Legal reserve	22	13,236,798	8,738,192
Retained earnings		86,134,505	60,660,974
Total equity for depository and registry activities		239,371,303	149,399,166
Settlement guarantee fund			
General accumulation	23	161,599,544	108,405,971
Special accumulation	24	39,197,745	39,335,271
Legal reserve	21	1,907,341	1,061,751
Retained earnings		16,066,210	-
Total equity for settlement guarantee fund		218,770,840	148,802,993
Total finance of investment		458,142,143	298,202,159
CONTRA ACCOUNTS			
	31	1,074,945,220,804	902,949,011,237

STATEMENT OF INCOME
For the year ended 31 December 2008

	Note	31/12/2008 L.E.	31/12/2007 L.E.
Services revenue	25	148,896,488	121,335,988
Cost of services	26	(92,311,465)	(66,612,856)
Gross profit		56,585,023	54,723,132
Other income	27	115,108,121	75,782,903
		<u>171,693,144</u>	<u>130,506,035</u>
General and administrative expenses	28	(42,705,221)	(20,061,624)
Provisions	29	(1,779,975)	(2,814,658)
		<u>(44,485,196)</u>	<u>(22,876,282)</u>
Profit for the year before taxes		127,207,948	107,629,753
Income Tax		(20,324,011)	(11,470,925)
Net profit for the year		<u><u>106,883,937</u></u>	<u><u>96,158,828</u></u>
Net profit for the year represents the following:			
Net profit for Depository & Registry Activities		89,972,137	84,864,688
Net Profit for Settlement Guarantee Fund		<u>16,911,800</u>	<u>11,294,140</u>
		<u><u>106,883,937</u></u>	<u><u>96,158,828</u></u>

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2008

	Depository and Registry Activities			
	Share Capital L.E.	Legal Reserve L.E.	Statutory reserve L.E.	Retained Earnings L.E.
Balance at 1 January 2007	40,000,000	4,494,957	14,848,019	45,745,451
Increase in share capital	40,000,000	-	-	(40,000,000)
Increase in general accumulation	-	-	-	-
Net profit for the year	-	-	-	84,864,688
Transfer to legal reserve	-	4,243,235	-	(4,243,235)
Transfer from statutory reserve	-	-	(14,848,019)	14,848,019
Dividends	-	-	-	(40,553,949)
Transfer to Special accumulation	-	-	-	-
Used from Special accumulation	-	-	-	-
Balance at 31 December 2007	80,000,000	8,738,192	-	60,660,974
Increase in share capital (Note 21)	60,000,000	-	-	(60,000,000)
Increase in general accumulation	-	-	-	-
Net profit for the year	-	-	-	89,972,137
Transfer to legal reserve	-	4,498,606	-	(4,498,606)
Used from special accumulation	-	-	-	-
Balance at 31 December 2008	<u>140,000,000</u>	<u>13,236,798</u>	<u>-</u>	<u>86,134,505</u>

Settlement Guarantee Fund				
General accumulation L.E.	Special accumulation L.E.	Legal Reserve L.E.	Retained Earnings L.E.	Total L.E.
99,972,149	38,512,322	497,044	-	244,069,942
-	-	-	-	-
8,433,822	-	-	-	8,433,822
-	-	-	11,294,140	96,158,828
-	-	564,707	(564,707)	-
-	-	-	-	-
-	-	-	(9,699,002)	(50,252,951)
-	1,030,431	-	(1,030,431)	-
-	(207,482)	-	-	(207,482)
108,405,971	39,335,271	1,061,751	-	298,202,159
-	-	-	-	-
53,193,573	-	-	-	53,193,573
-	-	-	16,911,800	106,883,937
-	-	845,590	(845,590)	-
-	(137,526)	-	-	(137,526)
161,599,544	39,197,745	1,907,341	16,066,210	458,142,143

STATEMENT OF CASH FLOW
For the year ended 31 December 2008

	Note	31/12/2008 L.E.	31/12/2007 L.E.
OPERATING ACTIVITIES			
Net profit for the year before taxes		127,207,948	107,629,753
Adjustments for the following item:			
Depreciation		10,638,397	10,569,315
Provisions	29	1,779,975	2,814,658
Capital Gains		(42,900)	(31,067)
Trading investment return		(12,429,962)	(33,502,734)
Held to maturity investment return		(8,457,807)	(512,378)
Operating profits before working capital changes:		118,695,651	86,967,547
Trade and other receivables		(15,362,273)	(10,140,109)
Trade and other payables		13,381,893	4,984,700
Tax paid		(11,470,925)	(10,561,131)
Dividends paid to employees and Board of Directors		(17,632,498)	(12,000,000)
Claims paid		-	(90,642)
Net cash from operating activities		<u>87,611,848</u>	<u>59,160,365</u>
INVESTING ACTIVITIES			
Proceed from disposal of fixed assets		198,000	461,100
Purchases of fixed assets		(5,864,190)	(8,100,746)
Investment In subsidiaries		-	(8,850,000)
Held to maturity investments		(62,230,307)	(33,107,372)
Trading investments		(40,088,059)	125,284,755
Treasury bills/ Trading investment return		12,429,962	33,502,734
Bonds return		8,457,807	512,378
Projects under constriction		(40,709,464)	(26,505,926)
Intangible Assets		(500,000)	(1,500,000)
Net cash (used in)/from investing activities		<u>(128,306,251)</u>	<u>81,696,923</u>
FINANCING ACTIVITIES			
Dividends paid to shareholders		(29,699,002)	(25,041,930)
Increase in general accumulation		53,193,573	8,433,822
Decrease in special accumulation		(137,526)	(207,482)
Net cash from/(used in) financing activities		<u>23,357,045</u>	<u>(16,815,590)</u>
(Decrease)/Increase in cash and cash equivalent		(17,337,358)	124,041,698
Cash and cash equivalent at the beginning of the year		224,531,821	100,490,123
Cash and cash equivalent at the end of the year	16	<u>207,194,463</u>	<u>224,531,821</u>