

The background of the slide is a light blue-tinted image of a financial chart. A pen is shown pointing to a specific line on the chart. The chart features a jagged line representing price movement and a smoother line representing a moving average. The text '50-Day Moving Average' is visible on the chart. The overall aesthetic is professional and analytical.

Multiples

2012 @ A Glance!
Annual Edition

Multiples

Multiples Group is an investment management firm that focuses on building real partnership with investors under a long term investment perspective.

Investment channels include investments of short, medium and long terms under the channels: Private Equity & Venture Capital, Real Estate Investment and Trade Financing Activities.

Multiples Group complements its investment services with the offering of: Financial Analysis, Accounting Services, and Legal Establishment Services

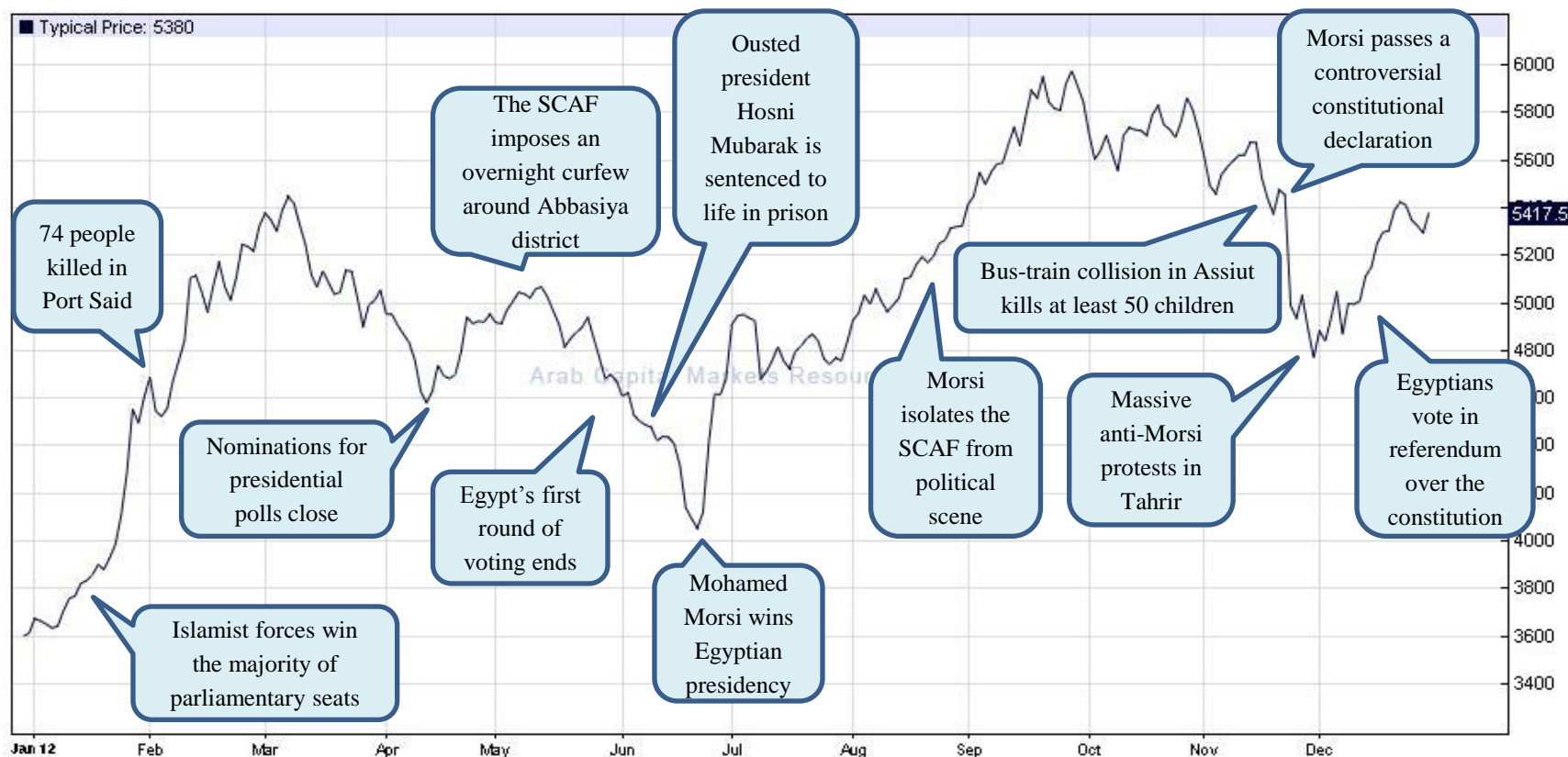
“2012 @ A Glance”:

2012 was a very intense year that witnessed a lot of political turbulent events across the years from a very competitive presidential elections that showed many surprises to a general positive sentiment after the election of the new president, which unfortunately was then followed by a turbulent constitutional declaration, followed by a Referendum about the new constitution and finally worries about the country economic situation and the currency. The report is generated through aggregation and analysis of several indicators; wrapped up with a strategic overview of the economy in 2012, and the outlook to 2013.

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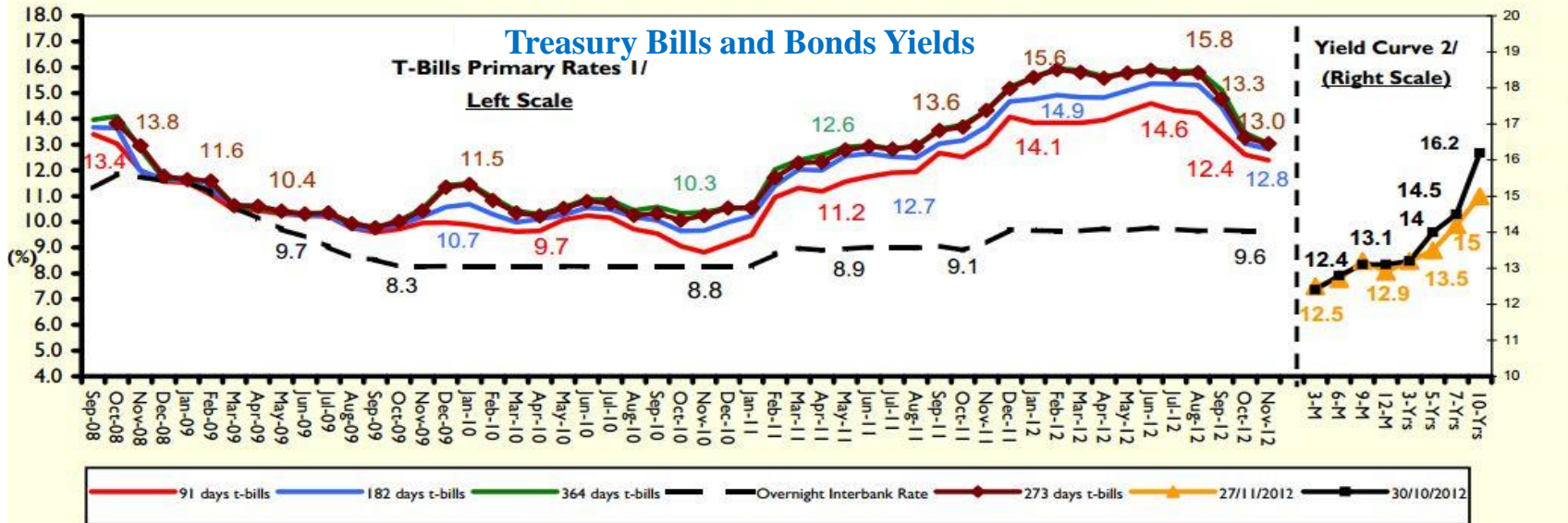
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Egyptian Stock Market



Source: Btflive.net

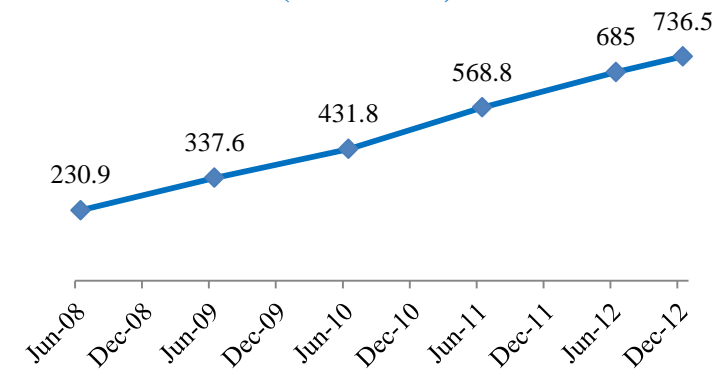
The above graph illustrates the performance of EGX 30 as an indicator for the Egyptian stock market throughout 2012. The significant boost caused when Mohamed Morsi won Egyptian presidency gaining around 23% while the highest drop caused when Morsi passed a controversial Constitutional declaration losing around 12%



Source: Ministry of Finance and Central Bank of Egypt.

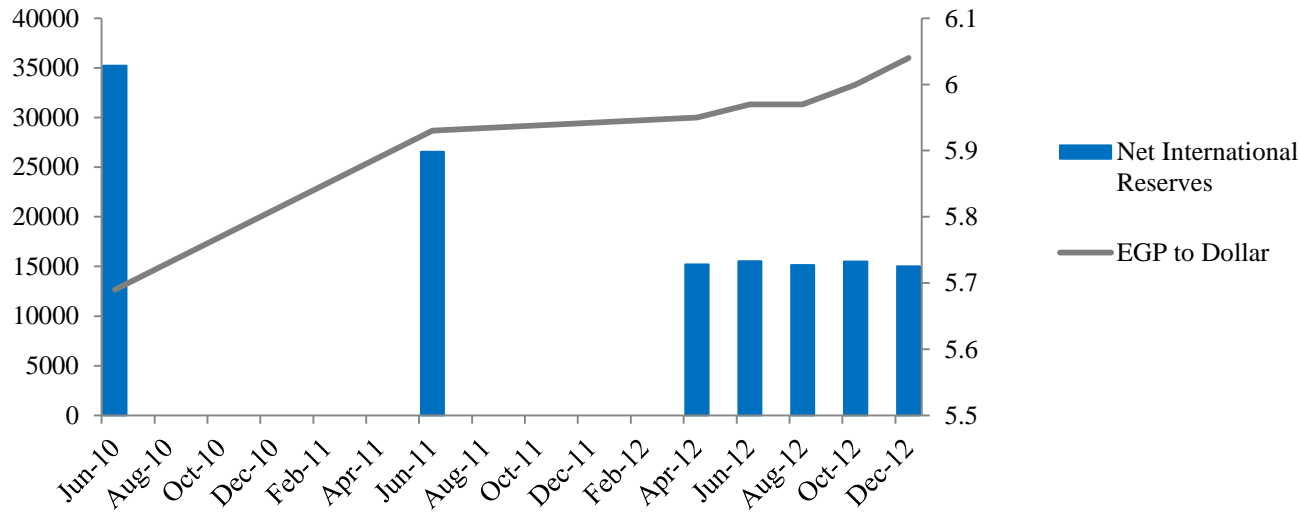
Starting from Jan 2012, Rates have been on the rise due to political tension that occurred before the presidential elections as well as the increase in issuance of Treasury bills and bonds to cover the country's Budget Deficit. Standard and Poor's (S&P) as well downgraded the long-term rating on Egypt from B+ to B due to sharp decline of foreign exchange reserves and political uncertainties.

Outstanding Treasury Bills and Bonds (LE Billions)



Source: Ministry of Finance

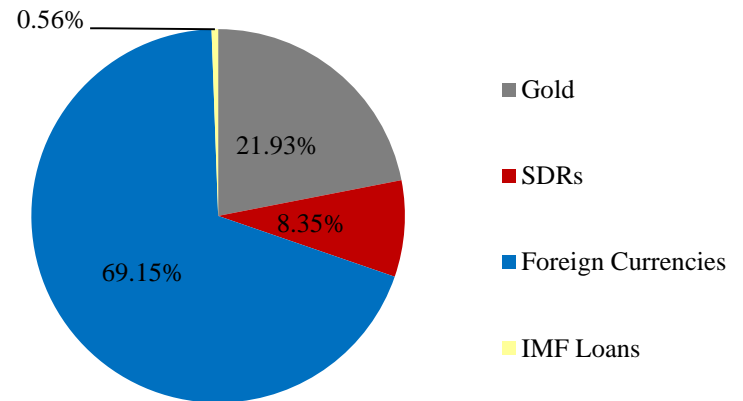
Regulating Dollar compared to Net International Reserves



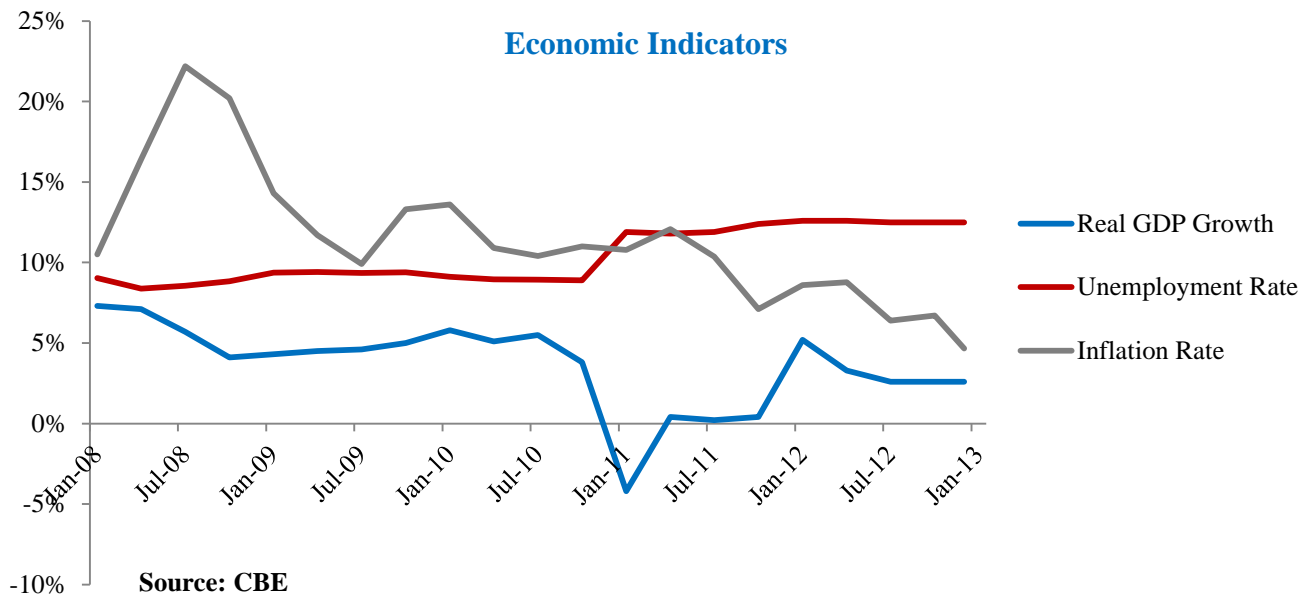
Source: CBE

Egypt's foreign cash reserves were 36 billion U.S. dollars in January 2011, but decreased to 15 billion dollars by end of 2012. Egypt's foreign currency reserves have fallen to a "critical" minimum level, the Central Bank of Egypt (CBE) warned in December 2012. After this warning, Central Bank decreased its selling of foreign currency and EGP started to devalue sharply.

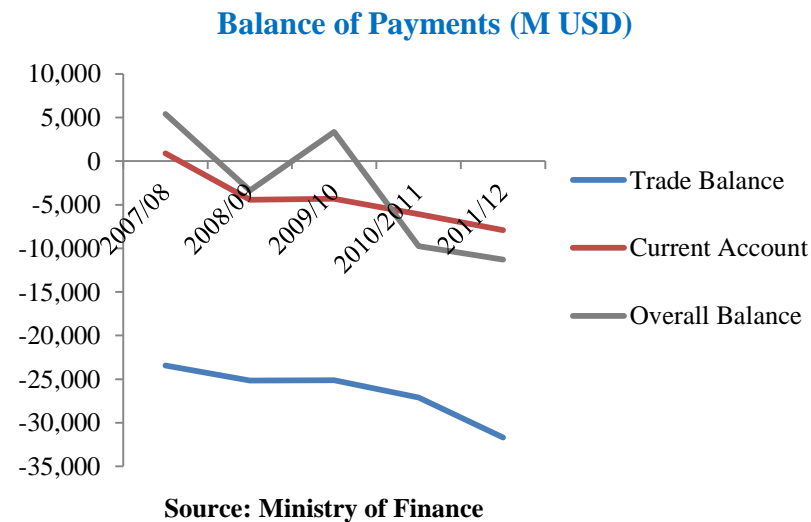
Gross Official Reserve (Dec 2012)



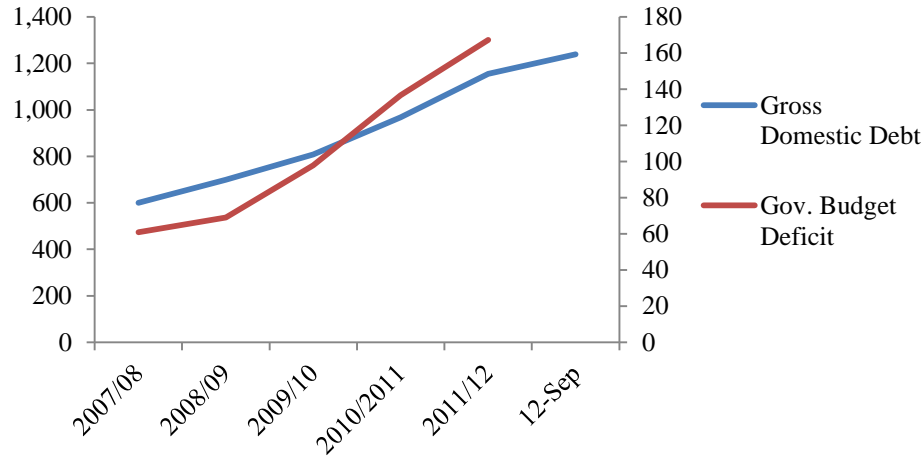
Source: CBE



Egypt's trade deficits continues to increase in 2012. The economy is highly dependent on oil exports, which is its major source of foreign income together with tourism receipts and Suez Canal, tourism has been affected a lot by the revolution as well as the current instability. On the other side, Egypt has to import most of its food, other commodities and equipment, since both its agricultural and industrial sectors are not well-developed.



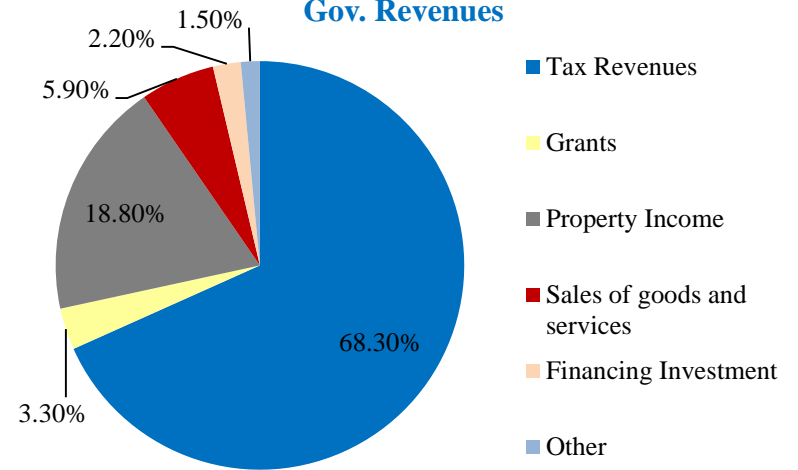
Domestic Debt compared to Gov. Budget Deficit (Bn EGP)



Source: Ministry of Finance

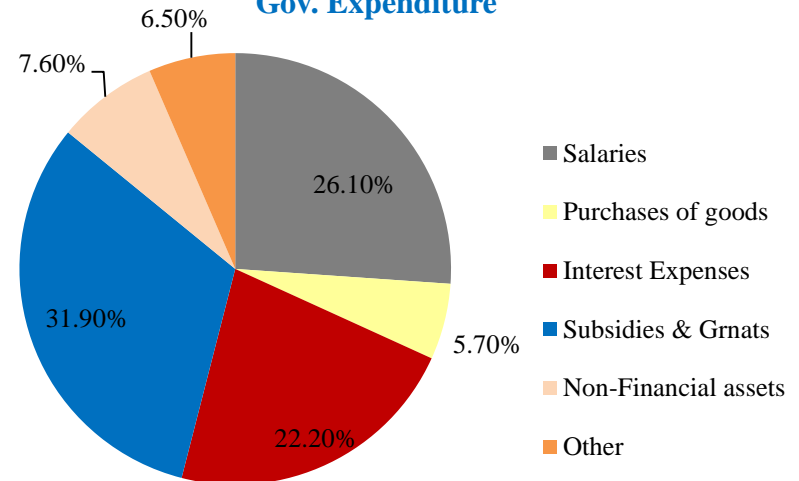
The government’s scramble to alleviate the widening budget deficit continues on the domestic fiscal front. Domestic Debt represents around 85% of the total Egyptian Debt. Tax revenues represent around 68% while Subsidies represent the highest share with 32% of Government Expenditure.

Gov. Revenues



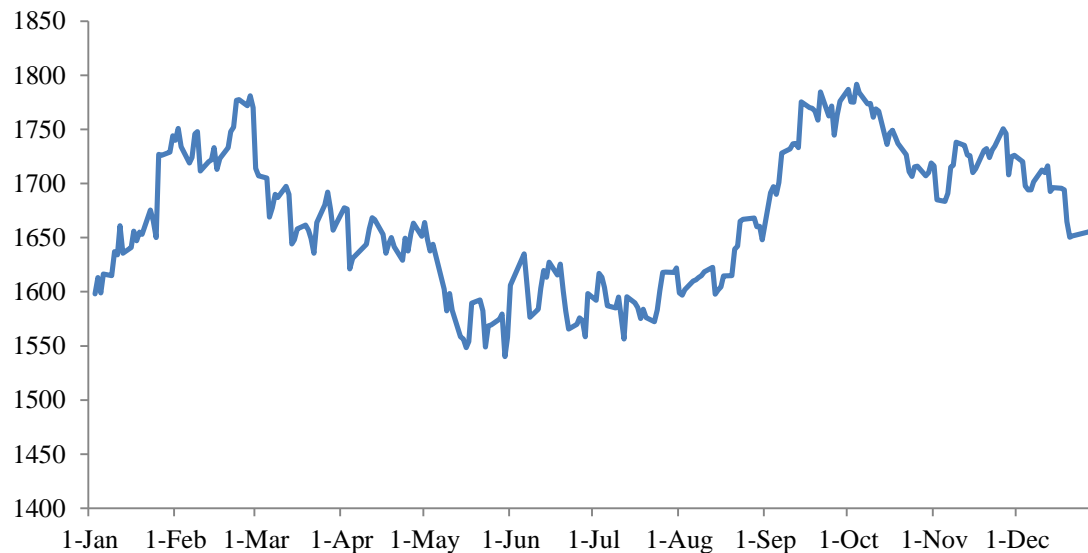
Source: Ministry of Finance

Gov. Expenditure



Source: Ministry of Finance

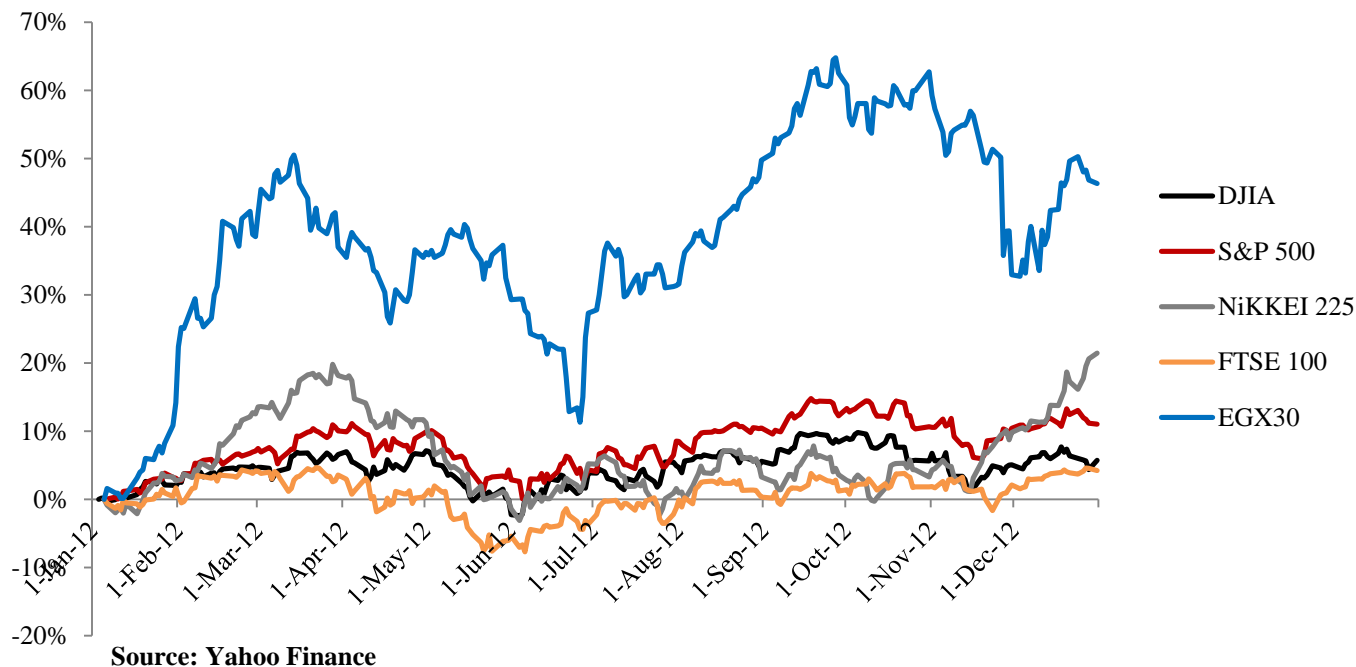
Gold Price (USD)



Source: Goldprice.org

A majority of gold investors view gold more as an insurance or store of value than as a means of speculation. These investors therefore regularly take a longer-term view on gold as an investment. The gold price started into the year 2012 at US dollars 1,598 per ounce. Over the full year 2012 the price of gold had increased by nearly 4% despite the two dips in July and November. By December 31st, 2012 the gold price has further increased – amid high volatility – to roughly US dollars 1,657. The CEO of the largest US gold mining company Newmont Mining estimates that the price of gold in 2013 may increase to USD 2,550 while Deutsche Bank updated its forecast on the gold price to USD 2,000.

Stock Markets Indices



The graph above shows a comparison between five indices, EGX 30 achieved the highest returns recovering part of the huge loses occurred in 2011. The graph above shows the enormous fluctuations Occurred in EGX30 due to political and economic instability. Afterwards, S&P500 & NIKKIE225 achieved higher returns than DJIA and FTSE100.

2012 Top News

Egypt

- Ousted president Hosni Mubarak is sentenced to life in prison.
- Mohamed Morsi wins Egyptian presidency.
- Morsi isolates the SCAF from political scene.
- Morsi passes a controversial constitutional declaration which safeguards his decrees from judicial oversight.
- IMF negotiations continues
- New Plans for extra Taxes imposed on certain Products.

World

- On-going European debt crises
- 9 Eurozone nations downgraded by S&P
- Superstorm Sandy crashed into the eastern coast of the United States
- Barack Obama wins election for second term as president
- Israel, Hamas agree to cease-fire
- Obama and Republican House Speaker John Boehner engaged in high-stakes negotiations over a deal to avert the so-called “fiscal cliff”

Strategic Review (1)

- 2013 is a very important year for the Egyptian economy, where the economy is required to pick up to show improvement and deliver on the promises given by the ruling party. Despite these high hopes, the road is expected to be very rough where the general macroeconomic indicators are at a tough state and the general political situation is still unstable with turbulences taking places every now and then.
- The route the government and the ruling party have taken by pursuing the IMF loan and carrying out the required economic reforms is not expected to see a change and both the government and the ruling party seem to be determined to take this route.
- Negotiations with IMF are expected to continue going on with closure by the middle of the year, around the time the new Parliament will be in place.
- The IMF loan, though being only 4.8 BN USD, should open the door for further loans and bilateral support agreements from other development agencies.

Strategic Review (2)

- The IMF loan and the other associated loan packages will not come free of charge, where the government is required to carry out a whole set of economic reforms covering different aspects of fiscal and monetary policies of the country.
- Such reforms, though being necessary, are expected to have negative impact on the economy, which is expected to witness a large wave of inflation that is expected to have major consequences on people, especially the least income segments. In addition, such reforms may be faced with strong political resistance, if not properly introduced.
- Given the political roadmap and the upcoming parliament elections, the general growth in the economy is expected to stay slow across the first half of 2013 until the new parliament is in place. Yet, around the summer time, the economy is expected to pick up, showing real growth.
- Such positive expectation beyond the parliament elections is based on the assumption of some political stability, which is yet a hard currency to fund in post-revolution Egypt.

Thanks... End

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