

EFG Hermes and QInvest Confirm Expiration of JV Agreement

Business as usual as both firms look to separate avenues for value creation going forward

1 May 2013

Cairo, Egypt and Doha, Qatar — EFG Hermes, the leading investment bank in the Arab world, and QInvest, Qatar's leading investment bank, announced today that the long-stop date for the satisfaction of the conditions precedent for their joint venture agreement to proceed had been reached without receiving the necessary regulatory approvals from the Egyptian Financial Supervisory Authority (EFSA). As a result of the long stop date being reached, the joint venture agreement will automatically terminate.

The parties received the necessary financial services regulatory approvals in all other markets in which the joint venture was initially to operate including Qatar, the United Arab Emirates, Saudi Arabia, and Jordan, among others. EFG Hermes and QInvest co-operated fully with all regulators, met all of their requirements and exercised the utmost diligence in addressing any regulatory requests in a timely and comprehensive manner.

Both institutions look forward to separately creating value for their shareholders and remain open going forward to capitalizing on their complementary strengths to pursue together suitable business opportunities in a less-structured framework.

— Ends —

Notes for Editors:

About QInvest

QInvest was licensed by the Qatar Financial Centre Authority in April 2007 and is authorised by the Qatar Financial Centre Regulatory Authority. The firm has authorized capital of USD 1 billion and paid up capital of USD 750 million.

The QInvest shareholder structure includes Qatar Islamic Bank and other institutional investors, as well as prominent high net worth individuals from across the region. The platform offers a broad range of expertise which enables QInvest to deliver a high value service to clients, seamlessly covering advisory, financing and investment needs. The firm's talented team of investment bankers brings a valuable mix of both international experience and regional knowledge, enabling the firm to pursue opportunities across its chosen markets of the Middle East, Africa, Turkey, South Asia and South-East Asia.

For further information about QInvest, please visit www.qinvest.com.

About EFG Hermes

Established in 1984, EFG Hermes is the leading investment bank in the Arab world. The Firm specializes in Securities Brokerage, Investment Banking, Asset Management, Private Equity and Research. EFG Hermes is listed on both the Egyptian and London stock exchanges. The recent acquisition of a 65% stake in Credit Libanais marks the first step towards EFG Hermes's transformation into a universal bank and will enable it to rapidly expand into retail and commercial banking.

Through its operations in Egypt, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia and the UAE, with around 900 employees of 25 nationalities, EFG Hermes serves a considerable and diversified client base from the Middle East and North Africa to Europe, Africa and the United States. Our clients include governments, corporations, financial institutions, high net worth clients and individual customers. For further information about EFG Hermes, please visit www.efghermes.com.



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EFG Hermes Focuses on Opportunities & Shareholder Value Creation Following Expiration of JV agreement with QInvest

- ≡ *Focus on regional growth opportunities*
- ≡ *Leading market shares across all lines of business*
- ≡ *Cost cutting plan already being implemented with a targeted cost structure of LE 500 million in 2014, a 35% reduction from estimated 2013 level*
- ≡ *Decision taken to sell non-core assets and return most of the proceeds to shareholders*
- ≡ *Strong balance sheet with cash & cash equivalents in excess of USD 400 million with no leverage*

1 May 2013

Cairo, Egypt — EFG Hermes, the leading investment bank in the Arab world, announced today that the long-stop date for the satisfaction of the conditions precedent to proceed with its joint venture agreement with QInvest had been reached without receiving the necessary regulatory approvals. In light of this development, the firm has issued the following statement:

Maximizing Shareholder Value and Cutting Costs

EFG Hermes is operating from a three-front strategy to create value for shareholders:

- ≡ Revenue generation remains a top focus for all division with an increasing focus on regional growth opportunities while continuing to preserve our market share in our home market of Egypt.
- ≡ A comprehensive cost-cutting plan is already in the implementation phase, with the first stage of those cost cuts already executed during the course of the first quarter of 2013. Further cost cutting measures are planned throughout this year with the goal of bringing our costs down to c. LE 500 million in 2014 from an estimated LE 780 million in 2013. This will ensure the Investment Bank's ability to perform amid unpredictable market conditions.
- ≡ There are several assets on the firm's balance sheet that we consider non-core. We aim to shed those assets over the coming period and return most of the cash generated from those sales to our shareholders, all while preserving a well-capitalized balance sheet.

Strength Across All Lines of Business

Despite a challenging operating environment, EFG Hermes has continued to perform well over the course of the past 12 months. Below are some operational highlights that underscore the quality of our human resources and the strength of our regional franchise:

Securities Brokerage

- ≡ As of end of the first quarter of 2013, our Securities Brokerage division continues to be the leading platform in the region with market shares of 31% in Egypt, 23% in Kuwait, 16% in Abu Dhabi, 11% in Dubai, 14% in Oman, 10% in Qatar, 5% in Jordan and 5% in Bahrain, making it the leading execution platform across the Arab world. The Division serves long-term clients including leading global and Arab institutional investors as well as c. 95,000 retail clients.

- ≡ The first quarter of 2013 saw a marked improvement in revenue generation with the Division seeing an average daily commission of c. USD 130,000, up around 30% on the last quarter of 2012.
- ≡ Securities Brokerage continues to win international accolades, most recently including EMEA Finance's award as Best Broker in the UAE (second time in three years) and Best Broker in Kuwait (third year in a row).

Research

- ≡ Our Research division was ranked the number-one research house in the region in the 2012 Euromoney MENA Research Poll, a position it has held in five of the past six years.
- ≡ In addition to the quality of its product, Research offers the widest coverage of MENA equities and economies with a diversified product range spanning equities, strategy, macro, index research and data-mining.
- ≡ 125 companies covered representing c. 61% of total MENA market capitalization.

Asset Management

- ≡ The division remains the largest asset manager in the region with USD 3.4 billion in AUM dedicated to the MENA region as of year-end 2012.
- ≡ During 2012, five of the division's managed funds were ranked number one, with two other funds ranked number two in their respective classes.

Investment Banking

- ≡ Since 2011, the division has executed transactions worth a combined USD 32.1 billion, helping it maintain its position at the top of the regional league tables.
- ≡ In 2012, Investment Banking closed four landmark transactions including the first demerger ever in Egypt; one of the largest take-private transactions in the UAE; the largest private placement in Egypt since 2007; and a merger that formed Egypt's largest diagnostics centers business.
- ≡ The division continues to perform well in 2013, closing two transactions in the first quarter while currently acting as M&A advisor to Russian player Altimo on its launched (but yet uncompleted) USD 1.8 billion offer for Orascom Telecom.

Private Equity

- ≡ With c. USD 700 million in funds under management, EFG Hermes is one of the region's leading private equity houses;
- ≡ The flagship InfraMed fund is the largest investment vehicle dedicated to infrastructure investments in the MENA SEMED region and is managed advised by one of our wholly owned subsidiaries.

Continuity in Management of Investment Bank

EFG Hermes has always prided itself on its ability to hire and develop some of the best talent in the Arab world. Accordingly, the firm continues its strategy of hiring at the bottom and promoting talent from within, a strategy that preserves EFG Hermes' culture and ensures business continuity.

- ≡ In addition to serving as Co-CEO of the Investment Bank, Karim Awad will also become a member of the Board of Directors of EFG Hermes Holding S.A.E., replacing Ramsay Zaki, who has resigned his position as Chief Operating Officer of the firm effective May 2013.
- ≡ The Board of EFG Hermes is confident that the firm's young, energetic management team will lead EFG Hermes through its next phase of growth;
- ≡ The Board expects to announce further changes to the organization structure during the course of the year as it continues to push younger talent into more senior leadership positions in the firm; these announcements will be made to the market in due course.

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