



EGYTRANS

ANNUAL REPORT 2014

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CHAIRMAN'S MESSAGE

1 Chairman's Speech

The year 2014 can be described as less stable when compared to the previous year, where the state of uncertainty continued in the economic and investment sectors. However, due to the availability of the elements of strength in the Egyptian economy and the presence of a regional desire to overcome this difficult phase, the Egyptian economy was coherent and realized acceptable growth rates relative to the current situation. Signs of recovery and the impact of the state monetary and fiscal



policies were demonstrated during the second half of the year. The government and the private sector worked hard to accelerate the Egyptian economic performance and there was a degree of response that had positive impact internally, and gave a bright image to the outside world. By the end of 2014, the said conditions caused a slowdown in contracts for project activities, a matter that had an impact on the companies' activity in this field as well as transit trade.

- EGYTRANS strategy in operation during 2014 focused on the key customers and was able to successfully serve a group of companies both locally and globally as well as coordinate the trade operations and affairs to intensify labor and resources to meet the volume of business in the different branches according to this approach.
- EGYTRANS has got all the necessary approvals for the project of El-Adabia Port warehousing and storage yard and completed all approvals, licenses, permits, engineering drawings and civil works from various entities. The investment cost of the project amounted to 5 million Egyptian Pounds and is almost a new activity for EGYTRANS. The Company preferred to create a separate department for storage of incoming goods, where the Management agreed with the Red Sea Ports Authority in early 2014 on allocating 9550 square meters for the project construction, which has been licensed for 10 years. This yard became ready to operate and receive the goods by the end of 2014.
- The capital of ETAL Co. was raised and earmarked to strengthen the company's fleet of equipment and the introduction of the Engaged Lifting System, where the issued and paid-in capital was raised from 25 million Egyptian Pounds to 53.5 million Egyptian Pounds until the beginning of

- December 2014, all of which was a contribution from EGYTRANS to increase its share in the company's capital.
- There was an increase in the number of Iso-tank containers that serve EGYTRANS Depot Solutions (EDS) and this led to an increase in demand on company's services from the shipping lines specialized in this field. Given the confidence of these lines in the quality of EDS services, they requested more than one service as provided by the company. The staff members were trained to provide such service at a level comparable to that offered by major similar companies in Europe. Closer trade relations were established with various shipping lines and agents who provide ISO Tank containers services in Egypt during 2014. Due to the incapacity of current storage yard to meet the growing demand, the Company began to examine the possibility of preparing the backyard to accommodate new items during some time across the year, as an additional storage yard of 6000 square meters to serve as expansion in the provision of the activities of this company. It is expected that the real financial capacity of EDS Company will be during the second half of 2015 after the company meets its financial obligations pursuant to financial leasing contract.
 - During 2014, the Company approve through the Extraordinary General Assembly meeting the adjustment of the nominal value of the shares of EGP 10 to EGP 5, so as to allow for greater volume of transactions on shares in the Stock Exchange.
 - In a report released during the second half of 2014, Belton Financial maintained a fair price for "EGYTRANS" share at EGP 7.75, with a chance to rise up to 9.5%, with the recommendation to maintain the share. Belton stated, in a recent research note, that it looks positively at EGYTRANS on the medium term, where it considers that the Company will be able to benefit from the restoration of political and economic stability in Egypt, with the increase in government spending and investment growth in the private sector, as well as the improved global and domestic trade activity, the strong volume of projects under implementation during the next three years, in addition to the endeavor to add two new activities.
 - During 2014, the Company began to implement the recommendations of the HR study that aim to improve performance and effectuate the proposed amendments to the organizational structure. During the next period, the Management shall focus on training in various organizational levels and various topics to raise the individual skills and abilities.

- EGYTRANS Management is greatly interested in corporate social responsibility programs. During 2014, the Company implemented more than one successful program under that umbrella, including a blood donation campaign in coordination with several entities, and a program to donate waste paper for one of the charity organizations, in addition to the sustained membership in the Global Compact Program.
- The Company also attaches great importance to the success and application of governance according to the latest adjustments.

By the end of 2014, it has been projected that the projects and other activities of the Company shall witness great demand during 2015. The Company's specialized departments and its affiliates will spare no effort to acquire the market share consistent with the Company's potential and its planned estimates for 2015.

Chairman
Hussam Leheta





ABOUT US

2 About Us

The Egyptian Transport and Commercial Services Company S.A.E. was established in December 1973 under Egypt's open door policy with regard to private enterprises. However, its transport activities and experience date back to 1939 as a continuation to GAMAL EL DIN LEHETA & CO. EGYTRANS was nationalized in 1964 when it was one of the biggest companies in EGYPT offering shipping agency, tourism agency and other transport services. The company was originally established as a limited liability company with a capital of EGP 10,000. It is now a corporation with capital of LE 56,064 million. Since its inception it has grown into a true leader in the transport field in Egypt with three hundred and fifty employees and eight branches in strategic locations close to the country's main ports, airports and transport centers.

EGYTRANS provides various services in the field of integrated transport including the following:

- Sea Freight (Import/Export/Consolidation/Chartering/NVOCC/Stevedoring)
- Air Freight (Import/Export/Consolidation)
- Customs Clearance
- Warehousing
- Land Transport
- Specialized Transport
- Project Logistics
- Fairs & Exhibitions
- Distribution
- Packing
- Insurance
- Commercial Services

The company provides additional services through affiliated companies such as Barwil EGYTRANS which was established in 1996 in association with WILH WILHEMSEN in Oslo, Norway., one of the world's largest international shipping agency networks, and Scan Arabia originally established as a shipping agency specializing in serving liner principals with unique requirements.

Our Mission

We make integrated transport easy, safe and cost-effective for business and people.

Our Vision

We will be the preferred partner for integrated global transport services and solutions in Egypt, offering the best value to customers, employees and shareholders.

Our Values

- Integrity
- Professionalism
- Commitment to Customer Success
- Innovation
- Quality
- Teamwork
- Learning & Personal Growth
- Building partnerships
- Social Responsibility
- Occupational Health & Safety

For further information, please visit our IR website: <http://ir.egytrans.com/vision.htm>

EGYTRANS Code of Ethics and Professional Conduct

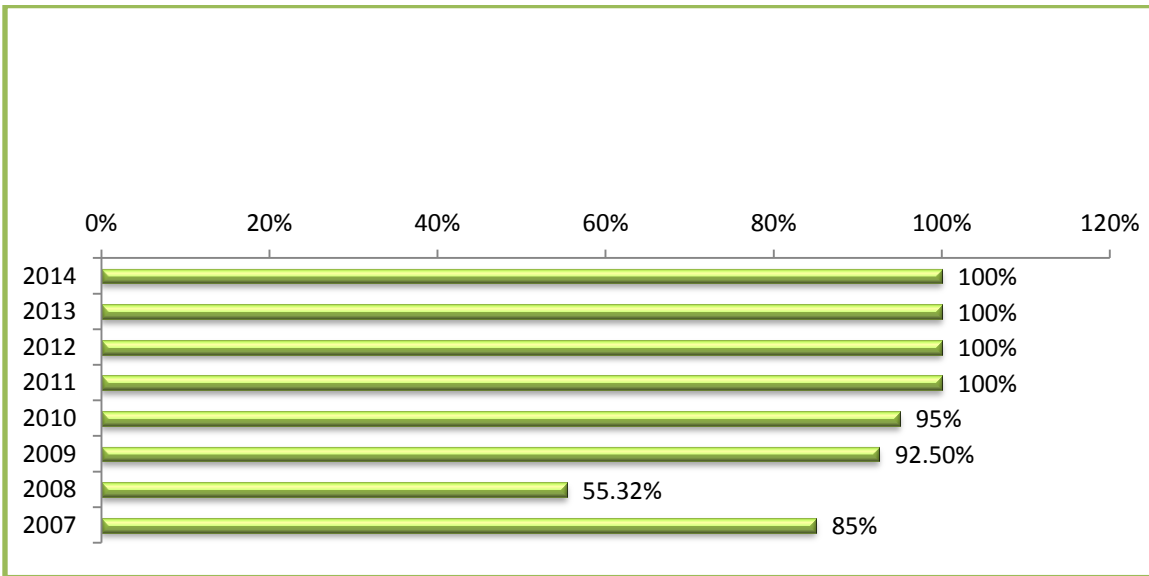
For further information, please visit our IR website: <http://ir.egytrans.com/code.htm>

1 Performance in 2014

1.3. Important Indicators

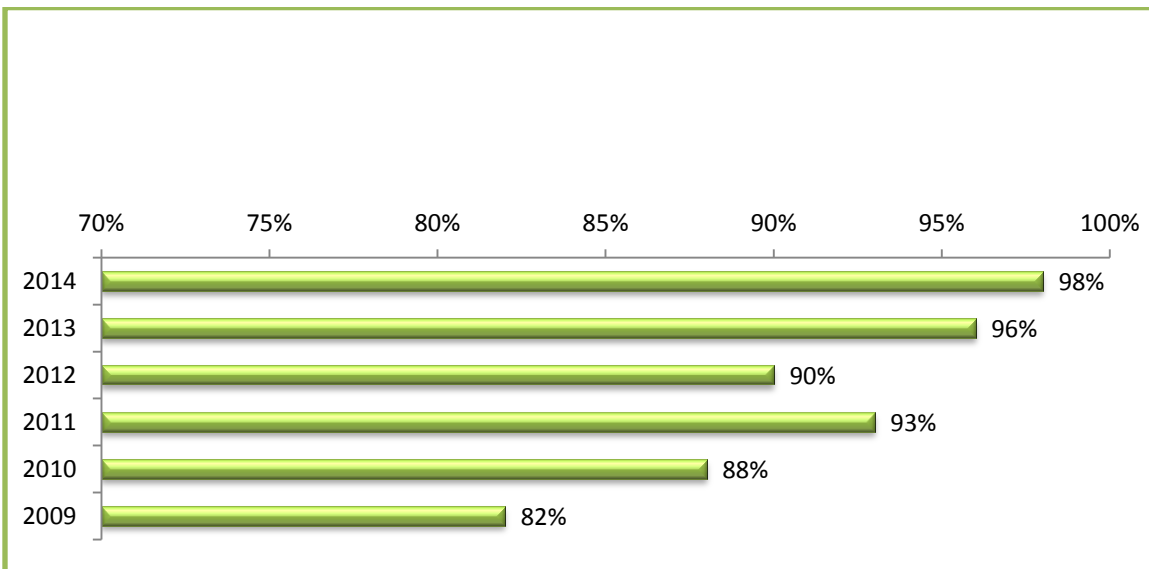
First: Quality

Percentage of Customers' Complaints that were solved in customers' satisfaction



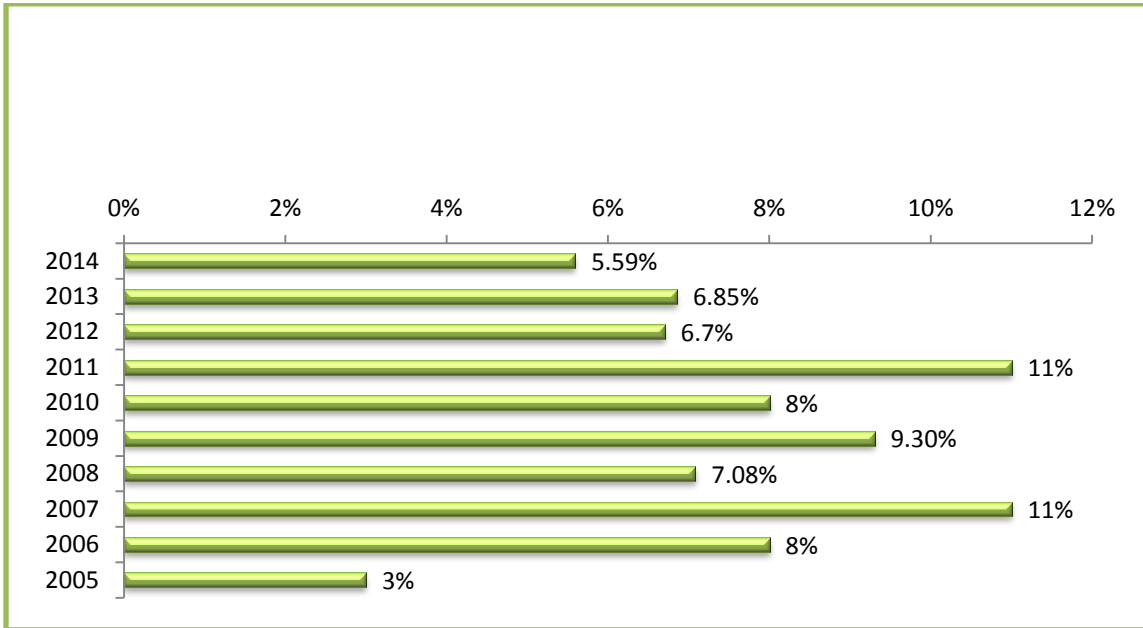
Second: Sales and Marketing

Percentage of Customers' Satisfaction



Third: Huma Resources

1. Percentage of Employees Turnover



2. Number of Employees who benefited from Training Courses



Fourth: Financial Indicators

The most important Financial indicators for the financial year ending in 31/12/2014

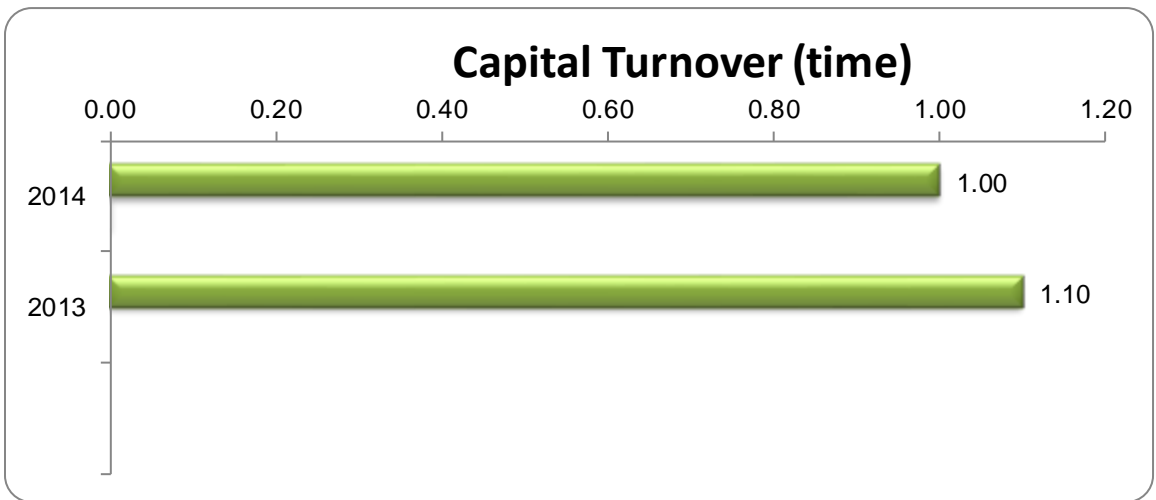
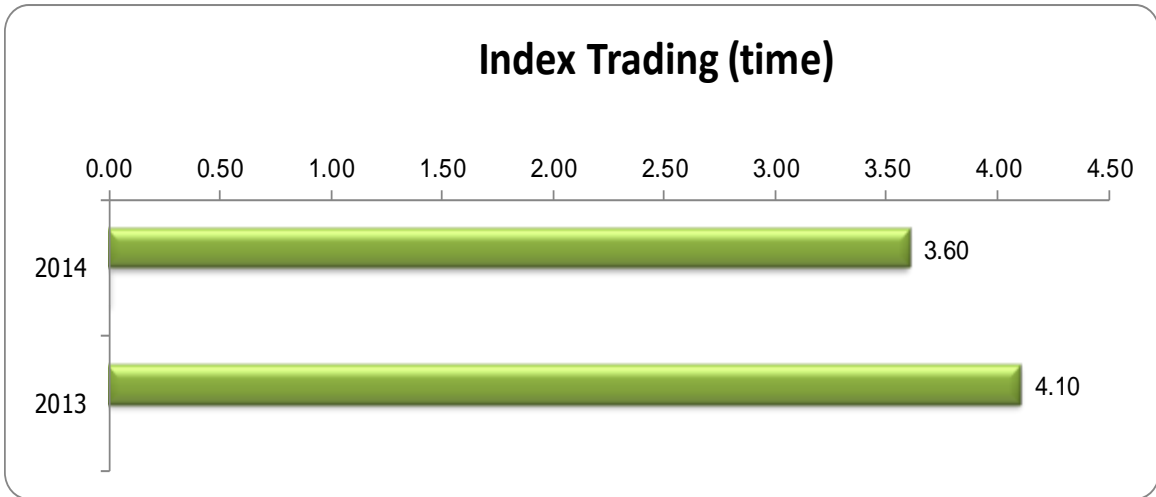
A- Financial Indicators

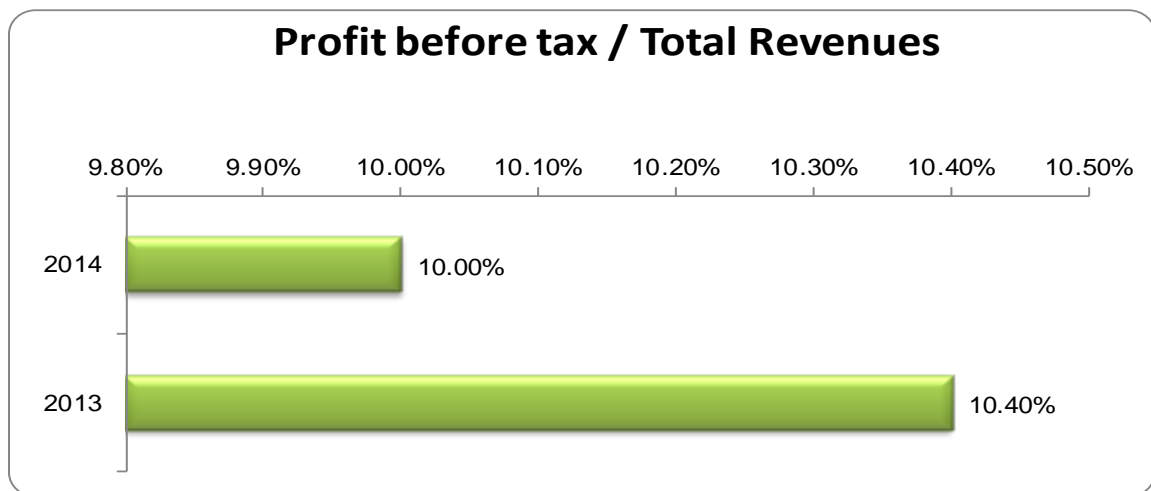
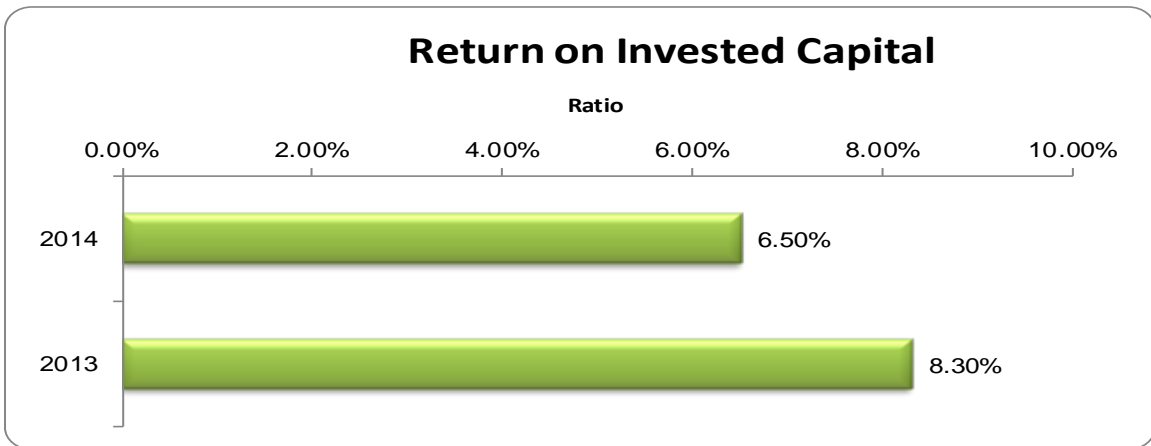
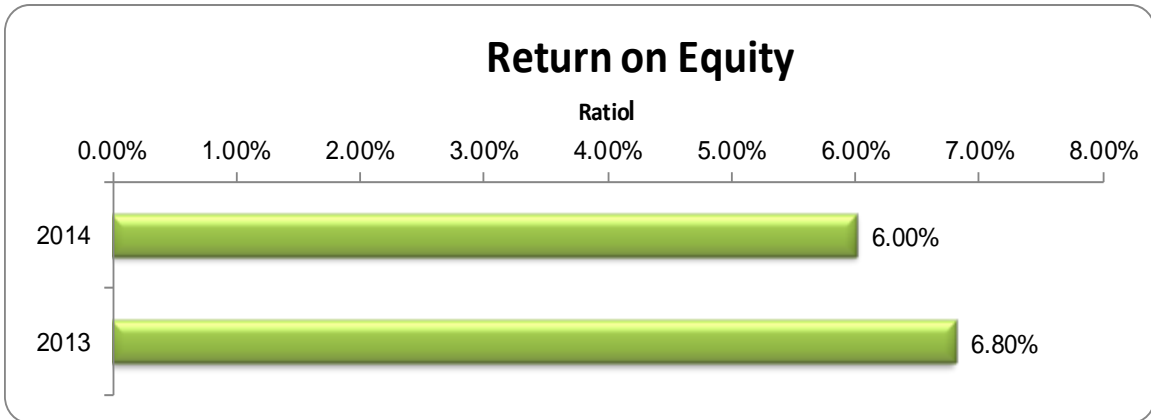
- 1) **Turnover** reached EGP 118 851 528 compared to EGP 144 690 582 for the previous year at a decrease of EGP 25 839 054 or 17.8%.
- 2) **Gross profit** reached EGP 23 606 621 compared with EGP 26 491 565 for the previous year at a decrease of EGP 2 884 944 or 10.8%.
- 3) **EBITDA** reached EGP 4 398 297 compared with EGP 8 896 627 for the previous year at a decrease of EGP 4 498 330 or 50.5%.
- 4) **Net Profit/Loss** reached EGP 10 879 450 compared with a net profit EGP 12 211 872 for the previous year at a decrease of EGP 1 332 422 or 10.9%.
- 5) **Earnings per Share** reached EGP 0.32 compared with EGP 0.35 for the previous year.

	2014 EGP	2013 EGP	Difference	%
Turnover	118 851 528	144 690 582	(25 839 054)	(17.8) %
Gross Profit	23 606 621	26 491 565	(2 884 944)	(10.8) %
Operating Profit(EBITDA)	4 398 297	8 896 627	(4 498 330)	(50.5) %
Net Profit/Loss (after tax deduction)	10 879 450	12 211 872	(1 332 422)	(10.9)%
Earnings per share	0.32	0.35	(0.03)	(8.5) %
Total Fixed Assets	16 775 404	14 271 583	2 503 821	17.5 %
Cash in banks & funds	37 288 479	22 376 228	14 912 251	66.6 %
Equity	179 204 091	178 164 119	1 039 972	0.58 %

A- Financial Ratios for 2014

	2014	2013
Return on Invested Capital	6.5 %	8.3 %
Return on Equity	6 %	6.8 %
Rate of Capital Turnover (time)	1	1.1
Index Trading (time)	3.6	4.1
The Proportion of Profit before tax/total revenues	10 %	10.4 %





3.2. Major Events

January

1. The Board of Directors held its first meeting in 2014 during the month of January. The most important decision of the meeting was to discuss and approve the budget for 2014. The budget targeted a total profit of 38.56 million Egyptian Pounds and a net after-tax profit of about 19 million Egyptian Pounds.

2. EGYTRANS attended the conference under the theme *Gaining Momentum*, which was organized by Belton Financial to meet with the representatives of capital and investment firms (Western, African, Arab and local firms), during the period from January 29 to 30, 2014 at Fairmont Heliopolis Hotel.

The Company received an invitation to the conference from Belton Financial at the request of some investors interested in the company and its activities in general and the transport and logistics sector in particular. EGYTRANS was among some other Egyptian companies that attended the conference. EGYTRANS was represented in this Conference by Engineer Hossam Leheta, Chairman of the Board and Managing Director and Mr. Sharif Helmy, Business Efficiency Manager.

The CEO and Managing Director of EGYTRANS made a presentation to introduce the company and its various activities, as well as its subsidiaries, sister companies and the activities of each. The presentation also included the financial performance, key financial indicators, projects and future investments, in addition to the stock performance compared to the key indicators of the Egyptian Stock Exchange.

The meetings with representatives of each company or investment firm had been held separately, where the Company met with every investor separately for an hour and a meeting was held with 16 delegations during the two days of the conference, and during which a number of important questions were raised about the Company, its activities and performance over the past years as well as the future vision including projects and investments that the Company intends to undertake in the coming period.

The meetings included inquiries about the affiliates and their activities as well as their direct and indirect relationship to EGYTRANS. The representatives of EGYTRANS answered all questions and queries raised in the meeting.

February

1. **EGYTRANS is the Gold Sponsor of "Future and investment opportunities in new and renewable energy" Conference, from 17 to 18 February under the auspices of the Ministers of Electricity and Energy and Oil and Mineral Resources.** The significance of this conference comes amid hopes for new and renewable energy to get the country out of the current energy crisis, to secure synergy between the key players in the development of this sector with the government officials and the companies working in the sector, as well as review the latest technologies in renewable energy and discussing the future plans and visions.



2. Ms. Rania Farouk Bastawisi was nominated to participate in the working group, assigned to develop and modernize the Egyptian Guide for Corporate Governance issued by the Egyptian Institute of Directors (EIoD), which will be adopted by the Financial Supervisory Authority. This Guide serves as a guidance document for corporate governance, which is used by all types of institutions in Egypt for the application of governance through the establishment of their internal guides. The Committee held its first meeting on Wednesday, 26/02/2014 at the headquarters of the Financial Supervisory Authority in Cairo. The second meeting will be held in April. This Committee is chaired by Mr. Sheriff Sami, the Chairman of the Financial Supervisory Authority and the Chairman of the Board of Trustees of the EIoD. The Committee comprises the following members:

1. Mr. Sami Sharif, Financial Supervisory Authority.
2. Mr. Tarik Youssef, Egyptian Association for Corporate Governance.
3. Mr. Mohammad Taha Khaled, Egyptian Society for Direct Investment.
4. Mr. Mohammed Maher, Egyptian Association for Securities.
5. Mr. Ahmed Abu-Saad, Egyptian Association for Investment Management.
6. Mr. Mohammed Amr, Egyptian Association for Investment Management.
7. Ms. Rania Farouk, Egyptian Company for Transportation and Trade Services "EGYTRANS."
8. Ms. Heba El-Serafi, the Egyptian Stock Exchange.
9. Ms. Abla Khairy, Commercial International Bank.
10. Mr. Kamel Galal, Ezz Steel Corporation.
11. Mr. Mohammed Riyad, Egyptian Institute of Directors



3. The Egyptian Transportation and Logistics S.A.E. (ETAL) completed the design of its new website and you can visit the site at the following link: www.etalegypt.com



4. Mr. Mohammed Sanaa, the Investor Relations Manager and Ms. Rania Farouk, Chairman's Assistant, attended a workshop at the headquarters of the Egyptian Stock Exchange, at the Smart Village in Cairo on Tuesday, 25/02/2014. The workshop aimed to highlight and educate the investor relations managers and managers of corporate governance regarding the new amendments to the listing Rules and the continued listing and delisting at the Egyptian Stock Exchange, in addition to the new rules of disclosure therein.



March

1. The Board of Directors held its second meeting for 2014 in March. One of its key decisions was the discussion and approval of the independent audited and consolidated financial statements for 2013, and concluded that the carried forward profits reached 4.902.659 in the light of the CAA amendments along with the decline in net profit for the same amount, and the approval of the independent audited and consolidated financial statements for 2013.
2. The Company held its ordinary general assembly meeting on 30/03/2014 at the Pearl Hall of Fairmont Hotel, Heliopolis, and Cairo. One of its most important decisions was to ratify the report of the Board of Directors and its financial position at the end of 2013 as well as the reports of the two controllers on the budget, income statement and other financial statements (independent and consolidated statements) for the same fiscal year.

The budget, income statement and other financial statements (independent and consolidated statements) for the last fiscal year were approved. The CEO and the Board members were cleared with respect to the financial year. It is worth mentioning that the Company's financial results for 2013 showed a steady rise in net profit, where the net profit reached EGP 27.575 million in 2013 compared to net income of EGP 286.321 thousand in 2012.

The sales revenue also rose to EGP 152.469 million in 2013 compared to EGP 124.503 million in 2012, by 22.4% growth rate.

The proposed dividend distribution account for the last financial year was also approved and the Assembly agreed to distribute a cash dividend of 50 Piasters per share value of 10 pounds for the holders of shares until 14.04.2014.

During 2014, the Board of Directors has been licensed to donate an amount of EGP 100.000 and EGP 470,000 to the corporate social responsibility.

The Investment Plan for the year 2014 – 2015 was approved, beside election of Board of Directors for a period of three years effective as of 29/03/2014 as follows:

- Eng. Hossam Wael Sediqq Leheta, Executive Member (candidate).
- Mr. Ahmed Mossad Behairy- Executive Member (candidate).
- Eng. Abeer Wael Seddiq Leheta, Executive Member (candidate).
- Mr. Hassan Attah, Non-Executive Member (candidate).
- Mr. Abdul Rahman Al-Khana, Non-Executive Member (candidate).
- Dr. Mohgah Abdul Rahman Badran, an experienced independent member (candidate).
- Dr. Amr Kais El-Ray, an experienced independent member (candidate).
- Ms. Awatif Sultan, Non-Executive Member (representing the National Investment Bank).
- Mr. Mohamed Abd El-Sayed - Non-Executive Member (representing the National Investment Bank.)

The extraordinary General Assembly meeting was also held on the same day at 4.00 PM and decided to approve the amendment to the nominal value of the shares from EGP 10 to EGP 5. It has also been approved to amend the provision of Articles 7 and 8 of the Company Statute.

The CEO or his authorized representative was also authorized to make any modifications deemed appropriate by the government agencies to the Assembly decisions in the light of applicable laws and regulations.

In a related context, the Company announced that it was decided to distribute the coupon No. (7) of EGP 0.5 per share as of current April 17.

3. Based on the confidence of the shareholders in the Company's performance, Mr.Hassan Ibrahim Makki Ibrahim, a Kuwaiti investor purchased 42.900 shares in the Egyptian Company for Transportation Services (EGYTRANS), the matter that raised the percentage of his ownership in the company after this process to 5.0225%.
4. EGYTRANS released its annual report for the year 2013, during the month of March. To view the report, you can visit the Company's investor relations site: www.ir.egytrans.com
5. "Logic Management Consulting" has completed the project of consolidation and development of human resources systems in EGYTRANS, in February 2014. Managers and HR team have been trained on the two systems of performance assessment and employment, and their related forms in January and March 2014.



6. Eng. Galal Soliman, Information Technology Manager, obtained an MBA with honors from the Arab Academy for Science, Technology and Maritime Transport, Major: Supply Chain with GPA 3.6 out of 4.0



April

1. **Increase of EGYTRANS profits during the first quarter (Q1) of the fiscal year up to 106% compared to the same period of the previous year.** During the first quarter, the financial statements of the EGYTRANS showed an increase in profits by 106%. According to a statement issued by the Company, the net profit amounted to EGP 9.8 million compared to EGP 4.8 million during the same period of fiscal year 2012/2013. The underlying reasons for the increase in profits are manifest in the change of the policy for listing investment revenues in the sister companies in accordance with the provisions of the Egyptian Accounting Standards and based on the observations of the Financial Supervisory Authority. It is noteworthy that during 2013, the Company realized a net profit of EGP 27.5 million, compared with a net profit of EGP 286 thousand in 2012. The consolidated business results of the EGYTRANS had shown, during the first quarter of this year, realization of a net profit of EGP 5.923 million, with an increase of 17.6%, compared to a net profit of EGP 5.038 million in the comparative period of 2013.

2. Belton Financial kept the fair price for EGYTRANS share at EGP 15.49, with a rise up potential to 9.5% along with a recommendation to hold the share. In a recent research note, Belton stated that it positively looks at EGYTRANS over the medium term, as it believes that the company will be able to benefit from the restoration of political and economic stability in Egypt, along with the increase in government spending and investment growth in the private sector, as well as the improved activity of global and internal trade as well as the big volume of projects to be implemented in the next three years. This is in addition to its endeavor to add two new activities. Belton stated that the plan, which was recently announced, to transfer grain across the Nile River will work as an engine to increase the fair value of the Company's shares in the event of its implementation. Belton added: "We have conducted a preliminary estimate for this project, which resulted in an increase in the fair value by EGP 5.86 per share". Belton expects that the Company's revenues shall amount to EGP 187.4 million in 2014, with an accumulative annual growth rate of 9.8% during the period of coverage until 2018. At the same time, it expects that the Company's net profit will reach EGP 26.6 million in 2014, with an accumulative annual growth rate of 12.9% during the same period.

May

1. The anniversary of 20 years of fruitful cooperation between EGYTRANS and "TT CLUB" was celebrated, where EGYTRANS members were invited to dinner by "TT CLUB" on May 19, 2014, at San Stefano Alexandria Hotel. The following EGYTRANS members attended: Eng. Hossam Leheta, CEO; Eng. Abdel Halim El-Sharif, Project Management Manager; Mr. Magdi Shehata, Specialized Projects Manager and Eng. Islam Salah, Supervisor of Projects, along with the following personnel from "TT CLUB": Mr. Andrew Kemp, EMEA

Regional Director, Mr. Julian Horn, Gulf Director and Mr. Abdul Fattah, Claims Executive. At the end of the dinner, "IT CLUB" presented a souvenir to the Chairman of the Board.



2. Ms. Rania Farouk, Chairman's Assistant, a training course entitled "The Role of Investor Relations Officer" on May 11-12, 2014 at Ramses Hilton Hotel in Cairo. The training session was organized by the Egyptian Institute of Directors and the Financial Supervisory Authority. Ms. Rania Farouk obtained a certificate of completion after her success in the evaluation test that followed the session.

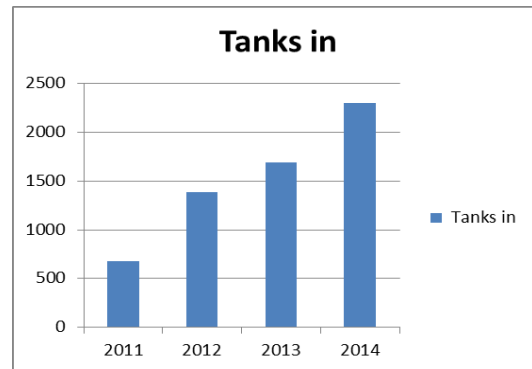


June

1. During the second quarter of the fiscal year 2014, EGYTRANS Depot Solutions "EDS" attained the best score in its history in terms of number of incoming tanks and the increase of demand for storage to about 660 tanks for washing and maintenance, while

the number of tanks stored reached 1144 tanks, which led to the start of the fourth level of stowage in order to accommodate the number to be stored.

EGYTRANS Depot Solutions have seen a steady increase in the size of the first quarter of 2014, where the number of units exceeded more than 39% compared to the same period in 2013. In the same context, the Company's site witnessed a visit from one of the most important customers of the company, Mr. Yves Grenier, Director of Fleet at Stolt Company, France, accompanied by the representative of Worms for Navigation Company, the Egyptian agent of Stolt. The visit included several discussions on business development and increase of its size between the two companies over the coming period.



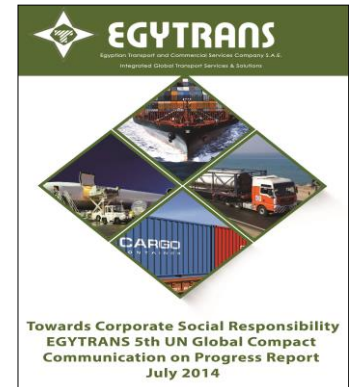
2. Payment of employees profits for the year 2013, including those who left the Company.
3. To complement the awareness courses regarding communication system, the Company's communication team comprising Ms. Rania Farouk, Chairman's Assistant and Ms. Khadija Mahgoub, Chairman's Office Manager, provided presentations about the Company's communication system for all Alexandria branch managers and staff on 28 and 29 May 2014. The team gave another lecture at EGYTRANS Depot Solutions (a subsidiary) on June 4, 2014.



July

EGYTRANS issued its 5th UN Global Compact Communication Progress Report in July 2014. It is worth mentioning that EGYTRANS had joined the UN Global Compact on Tuesday, August 25, 2009. It is a framework that allows committed businesses to adapt its operations and strategies with ten internationally accepted principles in the areas of human rights, labor, environment and anti-corruption. The Global Compact is the largest global initiative to create a sense of citizenship among companies, as thousands of people from more than 100 countries worldwide participate .

To view the report, please visit the Company's investor relations site at the following link: <http://ir.egytrans.com/un.php>



August

1. The Board of EGYTRANS met in mid-August 2014 at the Port Said branch. The modified Balanced Scorecard Report for the first quarter of 2014 was reviewed. The detailed report submitted by the CEO and the Managing Director regarding the Company's activity in the second quarter of 2014 was also reviewed. The Board also approved the credit policy.

September

1. By the end of September 2014, the Board of Directors met at "Opal" ballroom, Fairmont Hotel in Heliopolis. The Board took note of what was stated in the Expected Projects in Egypt 2015-2018 Report submitted by Eng. Abdul-Halim El-Sharif, Project Manager. The Board also approved the formation of the new Audit and Governance Committee as follows:
 - Mr. Hassan Atta, Non-Executive Member (Chairman of the Committee)
 - Dr. Amr Kais El-Ray, an Independent Member (Committee Member).
 - Mr. Mohammed Abdel Aal, Non-Executive Member (Committee Member).
 The Board also approved the semi-annual review of the Company's strategies. The Board was informed of what was incorporated in the Balance Scorecard Report for the second quarter of 2014.
2. Investment Committee of the Board of Directors held its meeting No. 3/2014 at the end of September 2014, at Fairmont Hotel in "Opal" Ballroom, Heliopolis, with the presence of Eng. Hossam Wael Sedik Leheta, CEO and Managing Director, Dr. Amr Kais El-Ray Atteya, Mr. Mohammed Abdel-Aal and Eng. Abdul Rahman El-Khana. Major General Karim Abul-Khair, CEO's Technical Advisor ; Mr. Sherif Helmy, Business Efficiency Manager and Mr. Amir Abbas, the Chairman's Assistant for Financial Studies also attended the meeting.

The Committee discussed and approved the agenda and adopted the procedures regarding the grain water port project (Alexandria port), in addition to the actions taken on raising the capital of ETAL company.

The Committee also approved the actions taken so far in the project of Storage Yard (Adabia Port), located on an area of 10 thousand square meters, in addition to briefing on the latest developments in 6th of October City projects (Dry Yard and Empty Containers Port Project), and taking stock of the latest developments in the Suez Canal Axis Projects. The memo on the actions taken so far on the segmentation of the nominal value of shares, as well as the future financial indicators of EGYTRANS Depot Solutions has been examined.

2. It is decided to establish a storage department in Suez branch to manage the storage project in Adabia Port named (EgyProject Bonded Storage Services) operated by EGYTRANS. The decision was made after review of the statute and the organizational structure of the Company and based on the Board of Directors decision no. (4) for the year 2014, on April 12, 2014. The decision was also based on the stipulations of the estimated budget for the Company for 2014 to make this department report to Suez branch . The organizational structure of the Company was amended thereupon.

**October**

1. EGYTRANS Depot Solutions completed the civil works of the project of adding a new space to the company store yard of about five thousand square meters, which will enable EDS to accommodate the larger number of tanks for cleaning and storage as targeted in the coming period. The fence construction around the new land is also completed and work is underway in the lighting and electrical works.

The Company has also completed the paving and asphaltting works of the area in front of the headquarters of about 1305 square meters in order to give a greater chance for the means of transport to wait in front of the Company in a secure way and avoid any suffocation in entrance and exit operations as well as adding better aesthetic form to the Company's façade. The automatic back gateway was also relocated and installed in front of the main gate to increase the means of security and safety of the Company.





2. EGYTRANS Depot Solutions held a training course for its technicians and employees with the aim of training them on washing tank trucks for the transport of liquid bulk cargo.

The aim of the course is to include the activity of washing the trucks carrying Iso-tank containers as new activity within the services and activities of the Company. The training has been conducted by the expert Ayman El-Rkkawi, the Company's resident consultant in the Netherlands, during his visit to the Company's site.



3. The Board of EGYTRANS approved the consolidated work results indicators during the nine months ending on September 30, 2014, with a net profit of EGP 9.9 million compared to EGP 18.4 million during the same period of the previous year, with a decline in profits amounting to 45.8%. The Company realized total revenues during this period amounted to EGP 108.2 million compared to EGP 117.5 million during the corresponding period of the last year. The results of EGYTRANS independent business during the same period realized a net profit of EGP 14.7 million compared to a net profit of EGP13.8 million during the same period of the previous year, with an increase to 6.7%. It is worth mentioning that during the six-month period ending on June 30, 2014, the Company has realized a net profit of EGP 8.9 million compared to EGP 10.9 million during the same period of the previous year, with a decline in profits amounting to 19%. The segregated business results for the same period demonstrated a net profit of EGP10.7 million compared to EGP 10.2 million.

November

1. Cairo branch finalized clearing, transportation and handling works for 7 special containers of equipment for Disney Live, which was held in the period from 18 to 22 November, 2014 at Cairo Convention Center. The equipment has been re-exported after the end of the

shows and shipped to the United States through Maritime Freight in coordination and cooperation with the Port Said branch.



2. EGYTRANS announced that a decision had been issued in favor of the Company, which resulted in a reduction of the tax base of the Company for the years 1994-1998 with an amount of EGP 10.816 million. The decision was issued by the Money Management Companies and Partnerships Taxes through an appealed judgment in the Case No. 47 of the year 2010 - Port Said Court of Taxes in favor of the Company for the years 1994-1998. The Company is waiting for the operational version of decision to see the details of ruling and its financial implication.

In the same context, the sales tax audit report for the years 2012/2013 was issued, where the tax audit for the years 2012/2013 was conducted with respect to the Company's accounts and resulted in outstanding tax differences of about EGP 8,000.

2. The Egyptian Company for transportation services "EGYTRANS" received the approval of the General Authority for Investment and Free Zones regarding the stock split to become a par-value of 5 Egyptian Pounds instead of 10 Egyptian Pounds, according to the decision issued in accordance with the minutes of the Extraordinary General Assembly held on March 30, 2014. The Company's statement stated that the Company completed this procedure while keeping its capital as is at EGP 156 million, divided into a number of EGP 31.2 million, according to the decision issued pursuant to the minutes of the Extraordinary General Assembly held on March 30, 2014 and that such segmentation shall be for the shareholder to be effected by the end of the trading session of Wednesday, 12 November 2014. The Stock Exchange Listing Committee, in its meeting on the last Wednesday of last October, decided to start trading with the new share value as of Thursday, November 13, 2014.
4. A comparison was set between the procedures implemented so far with respect to corporate governance within the Company and the previously stated in the report and recommendations of the

International Finance Corporation in 2007/2008. An offer was obtained from the International Finance Corporation (IFC) to carry out the review on governance within the company during 2015 and to issue a report with recommendations to improve performance in the area of corporate governance.

December

1. The Egyptian Company for transportation services "EGYTRANS" obtained the approval of the General Authority for Investment and Free Zones concerning extension of the duration of the license to exercise the activity related to EGYTRANS Project for Free Zones Services in Port Said for two years until 1st of December 2016.

EGYTRANS had obtained this license from November 2012 for two years to be renewed during the current year, according to the same terms, conditions and purposes, while taking the following into account:

- Commitment to export 100% of all items under item one of the license.
- The automobile spare parts shall be new, together with calculation of the project exports to those exempted bodies within the percentage of exports.
- As for the provision of primary services and requirements of ready-made garment production, it shall be allowed to export up to no more than 50% of the total annual exports to the domestic market and provided that the exports to the domestic market shall be to factories only.
- The Authority's entitlements shall be paid and all provisions of civil defense, fire and principles of appropriate storage shall be fulfilled.

1.3. Most Significant Projects in 2014

1. EGYTRANS completes the North Giza power plant project through installation of equipment of Chinese SEPCO

The Egyptian Company for Transport and Trade (EGYTRANS) (S.A.E) completed the clearance, unloading and transportation of North Giza Power Plant at Abu Ghalib pursuant to contractual agreement signed in June 2013. The volume of shipments in this phase amounts to 20.000 freight tons.

2. EGYTRANS completes the North Giza power plant project through installation of equipment of Italian Ansaldo Energia

The Egyptian Company for Transport and Trade (EGYTRANS) (S.A.E) completed the clearance, unloading and transportation of equipment for North Giza Power Plant at Abu Ghalib with the Italian Geodis Wilson. The project size is about 60.000 freight tons, carried out during 2013 and 2014.

3. EGYTRANS completes the North Giza power plant project through installation of equipment of Italian STF Company

The Egyptian Company for Transport and Trade (EGYTRANS) (S.A.E) completed the clearance, unloading and transport works for Giza North Power Plant in Abu Ghalib pursuant to contractual agreement, signed in December 2012. The project has a volume of about 18.000 freight tons.



4. EGYTRANS completes the North Giza power plant project through installation of equipment of (Chinese) TBEA Company

The Egyptian Company for Transport and Trade (EGYTRANS) (S.A.E) executes the transport work for North Giza Power Plant at Abu Ghalib in implementation of the contractual agreements signed in the months of April and November 2013 and April 2014. The project includes about 10.000

freight tons, with three transformers (one weighing 262 tons and two weighing 233 tons each). They were transferred using river transport and land transport to overcome the route obstacles.



5. Implementation of installation works of Gabal- Elzeit wind –operated power station of the equipment of Spanish Gamesa Company

The Egyptian Company for Transport and Trade (EGYTRANS) (S.A.E) completed the clearance, unloading and transportation works of parts of fans of the power station in Gabal-Elzeit. The size of the project is about 150.000 freight tons.



6. Ongoing works of Sokhna Power Plant for installation of equipment of the Korean Doosan Heavy Industries Company

The Egyptian Company for Transport and Trade (EGYTRANS) (S.A.E) continued the work of clearing, unloading and transportation works for El- Ain El-Sokhna Power Plant. The size of the contract is about 136.000 freight tons. The total value of this contract is EGP 40 million. It is worth mentioning that the works of this project started during the second quarter of 2011 and is expected to continue until the second quarter of 2015.



7. Ongoing works of Sokhna Power Plant for installation of equipment of Japanese Sumitomo Corporation

Completion of the clearance, unloading and transportation works of Sokhna Power Plant throughout the year with Sumitomo Corporation pursuant to the contract signed in October 2011. The project has a volume of about 25.000 freight tons and is expected to be completed during 2015.



8. EGYTRANS completes the transfer of equipment for Cairo Metro project – 3rd phase of the equipment for Mitsubishi Corporation

The Egyptian Company for Transport and Trade (EGYTRANS) (S.A.E) completed the clearance, unloading and transport for 2nd phase of the Greater Cairo Metro works with a contracted volume of about 22.500 freight tons. It is worth mentioning that the work of this project began during the third quarter of 2012.

9. EGYTRANS executes installation works of Samalout Power Plant of equipment of (Chinese) TBEA company

The Egyptian Company for Transport and Trade (EGYTRANS) (S.A.E) executed the clearance, unloading and transport works for Samalout Power Plant pursuant to contractual agreement signed in the month of April 2014. This project includes one transformer unit weighing 245 tons and has been transferred using river transport and land transport to overcome the route obstacles.



10. EGYTRANS conducts the installation works of Suez Power Plant Project of equipment of Alstom International Inc.

The Egyptian Company for Transport and Trade (EGYTRANS) (S.A.E) executed the clearance, unloading and transport works for Suez Power Plant with Alstom International Inc. This project includes 1 steam generator weighing 360 tons.

**11. EGYTRANS conducts the works of Suez Power Plant Project in collaboration with ALE Heavy lift Iberica SA and the Egyptian Company for Mechanical and Electrical Projects**

The Egyptian Company for Transport and Trade (EGYTRANS) (S.A.E) conducted the installation works for 1 steam generator weighing 360 tons for Suez Power Plant in implementation of the contractual agreement signed on December 17, 2013 with the Egyptian Company for Mechanical and Electrical Projects.



13. EGYTRANS complements transfer works at Badr Transformer Plant for equipment of (Korean) Daewoo International Corporation

The Egyptian Company for Transport and Trade (EGYTRANS) (S.A.E) executed the transport works of Badr Transformer Plant pursuant to the contractual agreement signed in May 2014. This project includes ten converter transformers weighing 119 tons.

**14. EGYTRANS conducts transfer works of El-Walidia Power Plant for equipment of the (Japanese) Mitsubishi Heavy Industries**

The Egyptian Company for Transport and Trade (EGYTRANS) (S.A.E) executed clearance, unloading and transport works for the renewal of El-Walidia power plant pursuant to contractual agreement signed in the month of August 2014. The project work size is about 10.000 freight tons.

15. EGYTRANS conducts the works of transport of equipment for the solar power plants in the New Valley, Sohag and Siwa affiliated to the Authority of New and Renewable energy

The Egyptian Company for Transport and Trade (EGYTRANS) (S.A.E) executed the clearance, transport and unloading works of Solar Power Plants in New Valley, Sohag and Siwa.

16. EGYTRANS conducts the works of transfer of manufacturing materials for wind station towers with the Egyptian Elsewedy Power

The Egyptian Company for Transport and Trade (EGYTRANS) (S.A.E) executed the clearance, unloading and transport works of materials for the manufacture of wind station towers with the Elsewedy Power Company pursuant to a contractual agreement signed in May 2014. The project has a volume of about 5000 freight tons.

1.3 Management analysis of the key developments in 2014

First: Analysis of the most critical obstacles and success components in 2014

Positive components for the year 2014:

Despite difficult economic, political and security conditions in Egypt recently, the year 2014 marked the efficiency and good governance of the Company. This had a positive return, which may be summarized as follows:

1. The Company maintained its share in the market for transport services and development.
2. The Company continued its development plans and internal development.
3. Strong financial position.
4. EGYTRANS acquired and completed the largest share of the project market.
5. Focus on the quality of giant industrial customers with large volume of goods and high profitability.
6. ETAL Co. has been supported with new high-capacity means of transport, a matter that increased its competitiveness in the field of heavy transport and projects in general.
7. Availability of strong network of foreign agents that helped outsource some business in various sectors.

As for EGYTRANS Depot Solutions (EDS), one of the subsidiaries, the positive components for 2014 were as follows:

1. Provision of our services in a correct scientific way, as sophisticated as their corresponding services abroad.
2. EGYTRANS management is keen to improve performance and provide EDS with state-of-the-art equipment.
3. Lack of competitors of the same level of quality and performance.
4. The presence of our company in the Egyptian market has already helped promote the use of Isotonic, which had the greatest impact on stimulating exports and imports of chemicals and liquid in general.
5. Adoption of the necessary measures for EDS Company to acquire the membership of one of the distinct global agencies in the field of tank washing, maintenance and testing.

Obstacles in 2014

1. Strikes, protests and lack of security, which negatively affect the process of business development.
2. Limited safety on the roads and incidents of theft of goods and cars, which led to increased risk and thus increased cost.
3. High exchange rate of foreign currencies against the Egyptian Pound.
4. Poor cash flows from customers as a result of the hard economic conditions.
5. Financial decisions related to banks like delayed transfers and LCs.

6. Issuance of several decisions, which limit the continued development of transit activity.
7. Unstable judicial environment, which led to delay in the settlement of claims.
8. Delay on part of Ministry of the Interior in implementing sentences, a matter that affected the Company's ability to collect amounts due by virtue of court rulings.
9. Delay or discontinuation of decision-making in some government authorities and departments, which affected our access to certain entitlements.
10. Significant decline in the volume of new investments, which affected the motion of exports and imports.
11. Low rates of regular business of customers due to of the concerns about the unstable political conditions.

Constraints within Alexandria and Dekheila Customs Sector, and within the General Organization for Export and Import Control (GOEIC):

1 - Constraints within the Customs sector:

1. Non-compliance with the terms of GATT in terms of the value of the deal and the alternative methods for determining the value in case of discrepancy, where the previous methods (Brussels Convention) are still used. This results in increase in tax burdens on importers as well as incurring all fines resulting from the delay in the release of the shipments.
2. Ambiguity of interpretation of Article (8) of the Import and Export Regulation, which stipulates that the imported goods shall be accompanied by an invoice including manufacturer name, address and phone number. This problem is clearly demonstrated in import for the purpose of trading, where the importer is not necessarily the manufacturer of these commodities.
3. There are difficulties in the logistics system as a result of the fact that inspectors at the check points are not the persons who carry out the valuation and determination of the customs fees, a matter that leads to many points of disagreement and makes it difficult to discuss these issues with these committees as the contact is through phone, which leads to non-clarification of the viewpoints resulting from this disagreement.
4. Deterioration of logistics centers as a result of poor periodical maintenance of equipment; these results in many breakdowns in most cases and delays in customs procedures.
5. The external depots system and the consequent long-time storage, and according to the new instructions, shipments shall be inspected within the customs office before being sent to the external warehouses under transit system and re- inspection at the external depot upon the final release. This results in shipment damage and long-time customs measures.
6. Customs authorities insist to charge the trust in disputed cases through a bank LG and refusal of cash deposit, resulting in extra cost to importers.
7. Non-observance of the Routes System provided for in the Customs Law and Regulations, which leads to extra costs and lengthy procedures, though this system aims to shorten the time.

8. Due to the state-wide circumstances, inspection procedures became more difficult, where the whole shipment is being inspected – to stop smuggling of fireworks and drugs- waiting for implementation of radiological inspection to put an end for these difficulties.

2 - Constraints within the General Organization for Export and Import Control (GOEIC):

1. Quantities required to be withdrawn during inspection of imported items (where the usual practice was to apply this to items of more than fifty pieces per label) are not defined.
2. Inspection committees linger in completion of the examination and inspection for more than one day though some of these committees have a specific day for inspection during the week.
3. Imports Department insists that the authorization provided shall be directly from the importer to the clearance agency and not to customs Clearance Company as in the customs system.
4. Late determination of the fees as the fees are defined by Electronic Imports Department, a matter that leads to an increase in the time specified for completion of import offer.
5. Waiting for results for quite a long time, as some of the items are being tested in laboratories outside Alexandria, which leads to an increase in time and costs
6. Imports Department insists that the examination should be made in compliance with the Egyptian Standard Specification, which is unknown for many importers. This results in rejection of the shipments in many cases, lengthy examination time and dual collection of fees.
7. As of next March, the decision of the Foreign Trade Sector in relation to China imports for trading will be implemented, where CIQ certificate will be coupled with the standard specification of imported items. This shall add to the difficulty of screening procedures, as inspection shall be conducted only through such certificate.
8. No common building for imports in Alexandria Customs, as is the case in Dekheila Customs. This renders application and inspection procedures for imports more difficult.

Second: Analysis of the key achievements of Human Resources Department in 2014

Training Unit

A. Internal training:

- Internal training is implemented under the theme "Negotiation Skills", where 13 trainees attended from Cairo and 8 from Alexandria branch. Video conference was used for the first time in organizing the training programs.
- An internal training was conducted for 5 trainees at Alexandria branch.

B. External training:

- The number of programs conducted in 2014 reached (17) programs, where (16) programs were carried out externally and (1) program internally.
- The number of trainees who benefited from the training program amounted to 41 employees (13%), where more than one employee benefited from more than one program.
- The most critical programs implemented during 2014:
 - Effective negotiation
 - Marketing Professional Certificate
 - Business Continuity
 - Advanced corporate financial modeling
 - The role of investor relations officer
 - FIATA Diploma
 - VMWARE VSICM

Recruitment Unit

- 39 employees were recruited throughout the year.

Key Positions:

- Chairman's Advisor for Foreign Affairs
- HR Manager

Development Unit

- Change of organizational structure on 01/01/2014. Following is an explanation of the changes:
 - Separate Marketing Department from the structure of commercial affairs and operation sector so as to report directly to the managing director.
 - Separate the Administrative Affairs Department from the structure of HR Department to report to the Financial Department.
 - Amend the administrative affiliation of the Investor Relations Manager to report directly to CFO instead of the Chairman.
 - Change the job titles of the following:
 - Development Manager to become Manager of Development Division
 - Human Resources Manager to the Human Resources Department Manager
 - Projects Manager to the Human Resources Department Manager
 - IT Manager to IT Department Manager
- Finalize the job descriptions for all staff.

Personnel Unit

- Raise the basic salary and variable rates in Form (2) of Social Insurance according to the law.
- Renewal of Royal Medical Services contract.

Administrative Affairs Unit

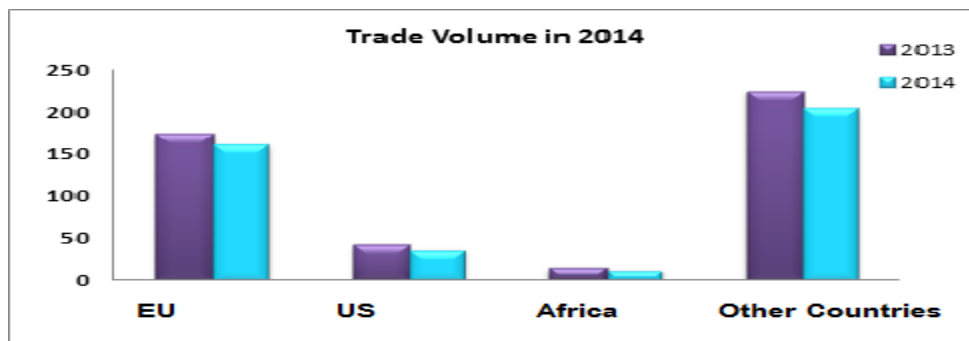
- A contract is concluded for guard service to the headquarters of Port Said branch.
- A generator was installed to avoid work disruption during outages (inside an Aluminum room with air vent to insulate sound and exhaust), as well as installation of alarm system and firefighting system.
- A depreciated (Shaheen) car was sold from Alexandria branch for EGP 14,500, saving its repair, maintenance and insurance expenses.
- Cars were rented to inspect the roads at a cost of EGP 74.677 for the management of projects and at a cost of EGP 160.355 to customers.
- Administrative Affairs Procedure Manual has been modified to emphasize the right steps for dealing with the reception section to send mail in closed envelopes and provide correct data to the receiver.
- Reimbursement checks have been received from auto repair insurance companies.

Third: Analysis of the commercial sector (projects, international transport, sales and branch operations)

The year 2014 witnessed many negative features that adversely affected the commercial and industrial activities as well as the projects, namely:

- Political and economic changes.
- Sudden rise in the prices of fuel, electricity and foreign exchange.
- Accumulation of items in some of major ports.
- Damietta Port went out of competition due to halt of development works.
- Discontinuation of transit trade to and from Libya and North Africa due to security reasons.
- Reduction of strategic reserve of foreign currency.
- Increase of local debt volume..
- Reduction in local and foreign investment flows.

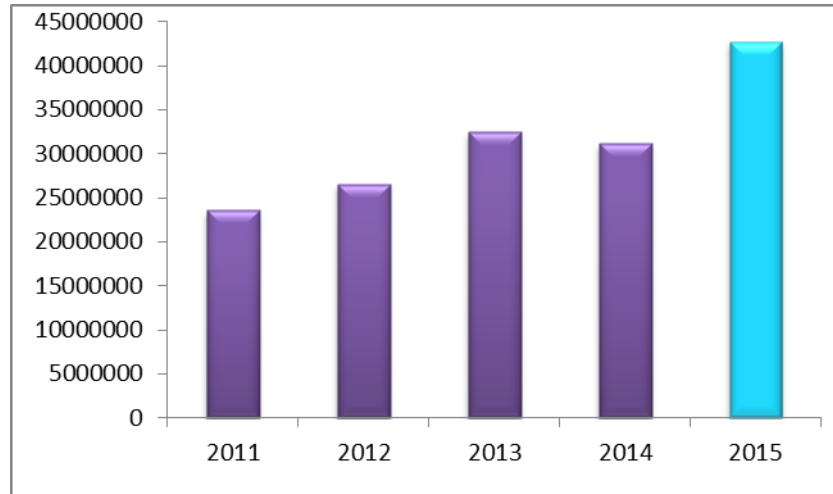
All this led to shrinkage of reserve and economic position as a whole as well as lack of financing for vital state projects and expansion of private sector projects, which in turn, was reflected on the activities of transport and shipping sector, particularly the project activities.



Source: General Organization for Export and Import Control (GOEIC)

However, EGYTRANS managed to surmount all these circumstances and realize an overall gross profit of EGP 31.131.136 in 2014, with a decrease of L.E. 1.720.211 against the profits of 2013.

Gross profit



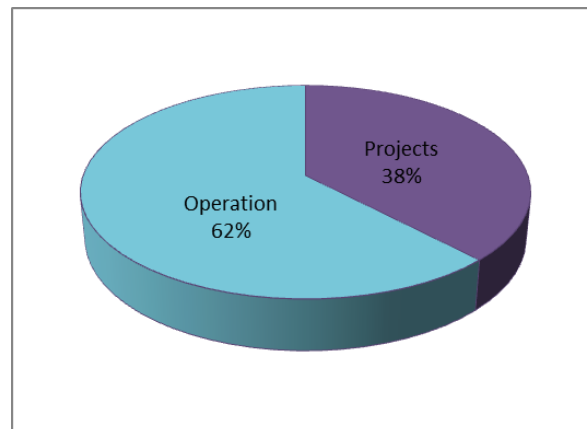
Operations (branches)

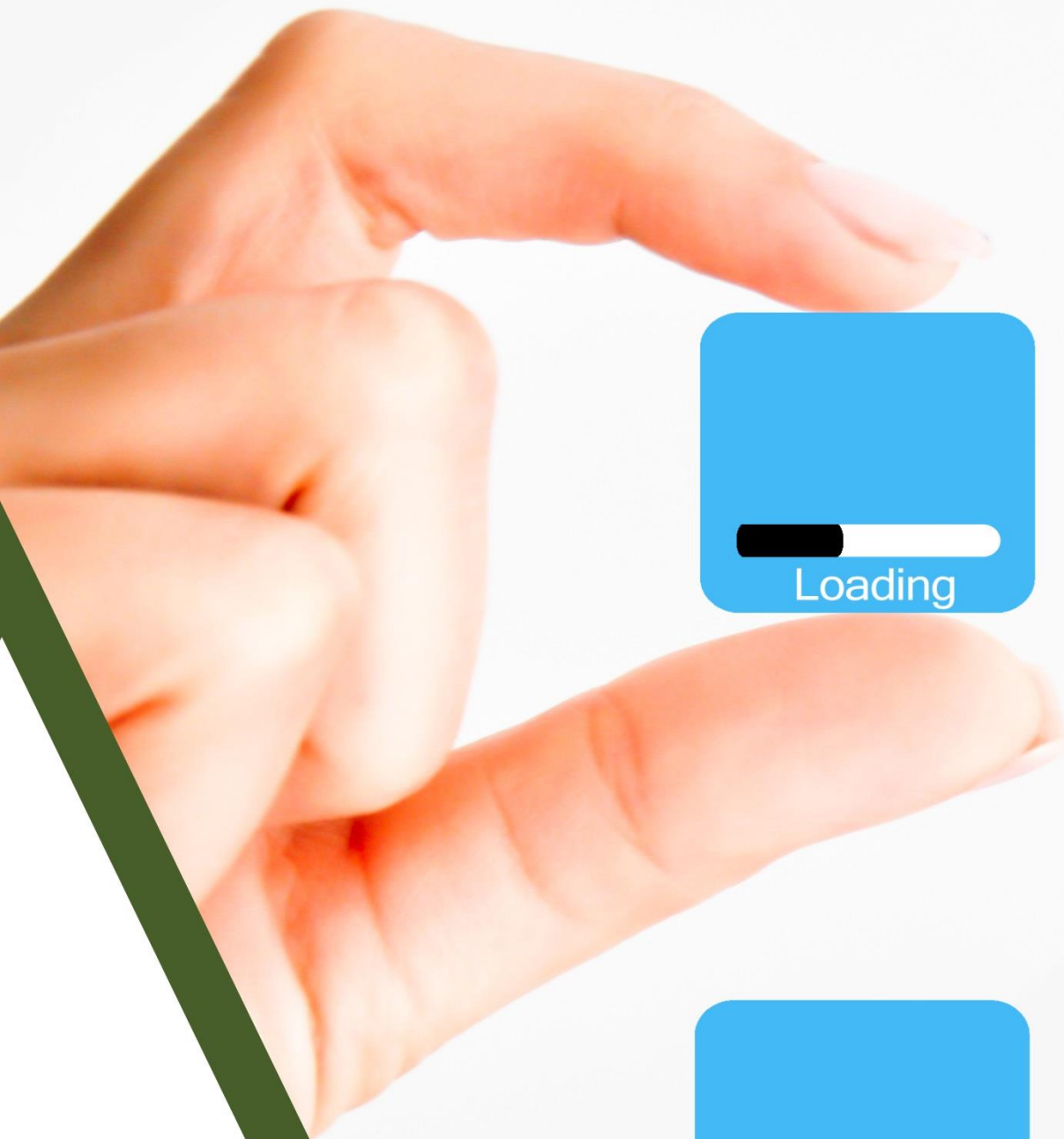
Operations and sales activities generated EGP 19365637 , i.e. 62% of the total gross profit for 2014.

The works of major customers, especially the Arab Group, ABB Group and Astrazeneca had the largest share, where the shipping and clearance activity realized an amount of EGP 11.410.766 for 2014 compared to EGP 5.904.277 for the same period in 2013 , with an increase of 51%.

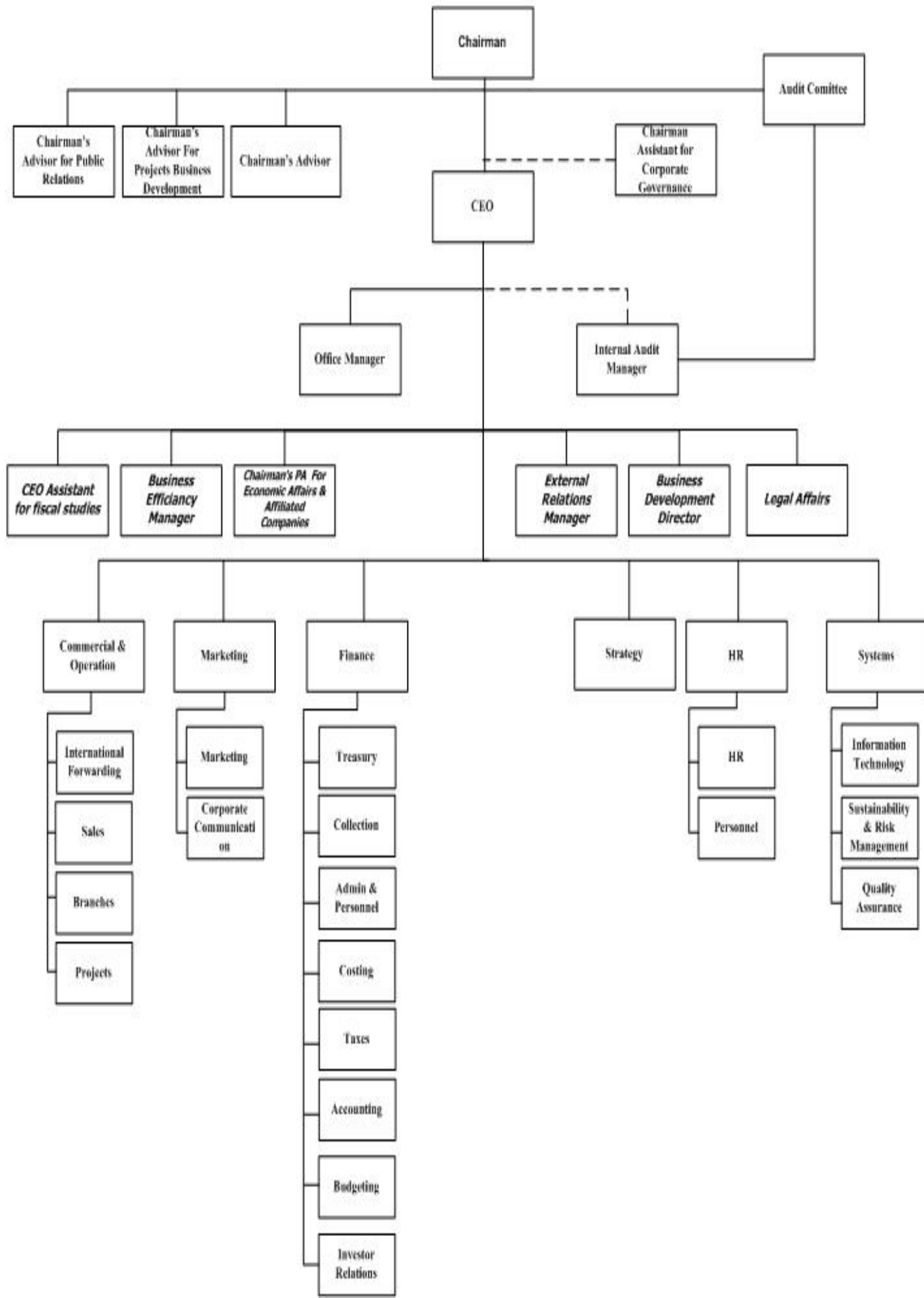
Projects:

Projects were affected by the economic conditions, which led to the postponement of financing most of the energy and power sector projects as well as other projects. This activity realized EGP 11.765.499, with a contribution of 38% of the total gross profit, which is expected to be compensated in 2015.





COMPANY'S STRUCTURE



4.2. Company structure

Equity Structure

Overview of the economy and the stock market

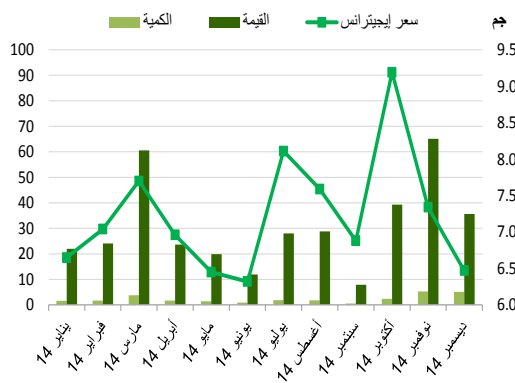
During 2014, the national economy witnessed a recovery as a result of the events of the June 30 revolution that led to the change in credit rating of Egypt to better levels. As a result of injecting funds from Arab countries, Egypt surmounted a devastating crisis due to the three previous years. This was reflected on the performance of the Egyptian Stock Exchange during the months of July and August, and reached its peak during the month of October. EGYTRANS had its share in this positive change that directly impacted the rise of the share price, where in October, the price reached EGP 19.49, which is its highest level during the year, as a result of the events taking place in Egypt in addition to the company's unprecedented achievements of turnover and profits during the period. The profits of sister companies in the first quarter have been added to let the share grow, where the impact is manifest in March and April 2014.

Share Performance:

During the months of July and August, the share has risen and reached its peak during the month of October, where it targeted the price of EGP 19.49, the highest level reached in 2014.

The Company obtained the approval of Extraordinary General Assembly meeting for share split in its meeting held on March 30, 2014, but the events that took place in the General Authority for Investment resulted in a delay of the share split until November 2014. At the end of 2014, the Egyptian Stock Exchange was affected by the fourth collapse of global shares as well as shares of the Arab stock markets, which had an impact on the share, where it dropped down in the month of December. It is natural in these events for the incidental change to continue until the end of January 2015. The following figures and graphs illustrate the technical analysis of the share during 2014.

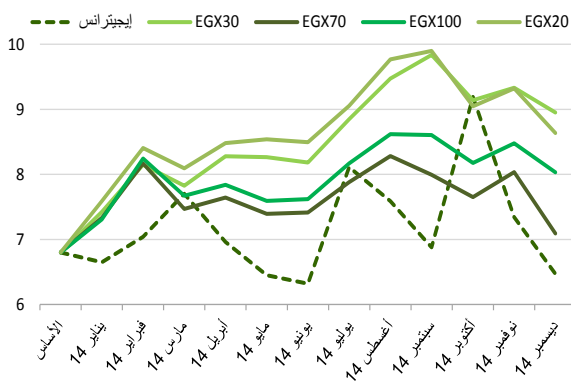
Monthly Performance of EGYTRANS share



Source: Direct

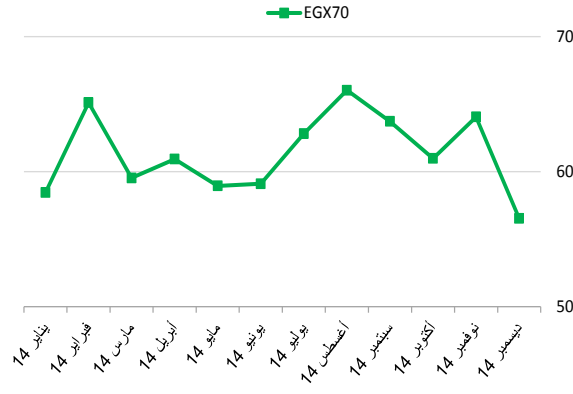
Monthly Performance of EGX70 Capped

Relative performance of EGYTRANS compared to key indicators of the Stock Exchange

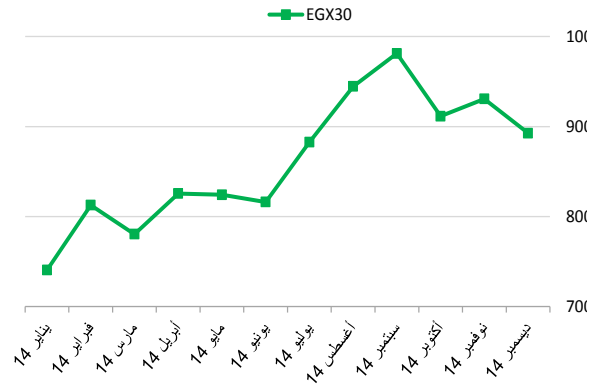


Source: Direct

Monthly Performance EGX30



Source: Direct



Source: Direct

Explanation and analysis:

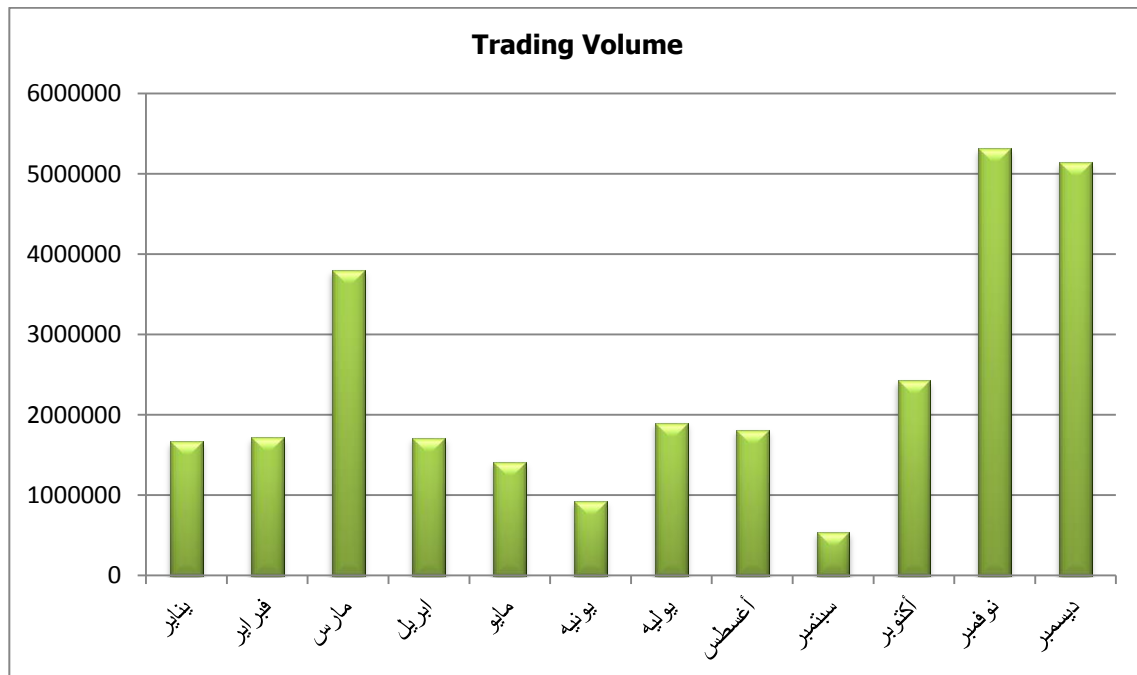
The company's shares closed at a price of EGP 6.47 on 31/12/2014, after split during the month of November. The analysis is as follows:

Stop-loss point before split	5.80
Lowest price after split	5.76
Highest Price	19.49

While the Egyptian Stock Exchange indexes closed at the following levels on 31/12/2014:

EGX 30 Index closed at	8926.58 points
EGX 70 index closed at	565.11 points
EGX 100 index closed at	1090.46 points

The volume of shares traded during the year was 28365317 shares as follows:



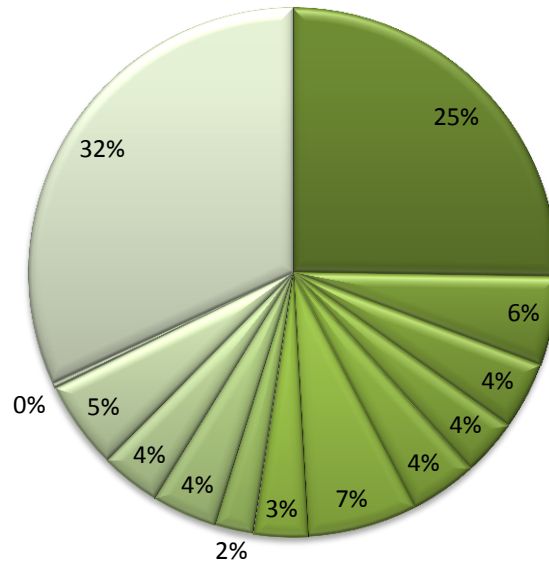
The following report summarizes the monthly data on the share price in 2014:

Month	Highest price	Lowest price	Average price	Trading volume	Trading value	Closing price	Transactions
January	15	12.71	13.86	1664310	23055418.54	13.3	1982
February	14.84	13.4	14.07	1715458	24121645.57	14.08	2668
March	17.6	13.05	15.33	3800300	60586806.91	15.4	5304
April	15.78	11.9	13.35	1710279	23608531.38	13.91	2523
May	14.99	12.42	13.7	1412629	19901346	12.9	2236
June	14.3	11.7	13	925775	11950499.35	12.63	1260
July	16.78	12.26	14.52	1899799	28053737.85	16.22	2576
August	16.82	14.8	15.81	1813630	28798996.22	15.17	2854
September	15.7	13.8	14.75	543286	7917346.11	14.3	885
October	19.49	13.84	16.66	2430791	39275316.68	18.37	3761
November	18.87	7.16	13.02	5312256	66255136.14	7.16	6717
December	8.06	5.76	6.91	5136804	35646775.97	6.47	4965

Shareholders structure:

Investor	Balance	Ratio
National Investment Bank	7882030	25.25
Hossam Wael Sediqq Leheta	1697622	5.44
Abeer Wael Sediqq Leheita	1290876	4.13
Amani Wael Sediqq Leheta	1076088	3.44
Heba Wael Sediqq Leheta	1275184	4.08
Mustafa Sayed Issa Mustafa	2106706	6.75
Gamal Abdel Qader Abdel Basir	1031578	3.3
Cairo Financial Investments Co.	736586	2.35
Kuwait Enterprises Company	1241194	3.98
Kuwaiti Investment House	1151658	3.69
Hassan Ibrahim Mekki Ibrahim	1675866	5.37
Abdel Rahman Mohammed Saleh El Khana	100000	0.32
Miscellaneous Investors	9947112	31.9
Total	31212500	100

Shareholder's Structure



Investors' questions

- **Financial statements on 31/03/2014 and whether the company realized any profits?**
There are specific times in which the annual financial statements are disclosed and the indicators have not been issued yet.
- **When is the share split in accordance with the decisions of the extraordinary general assembly and when are the dividends distributed in accordance with the decisions of the general assembly?**
According to the decisions of the general assembly, Coupon No. 7 will be distributed before the end of April, but for share split, the matter is handled by the Ministry of Investment.
- **Did the Financial statements shown on 30/06/2014 include profits of sister companies ?**
Profits of sister companies are included in the first quarter and the third quarter for the previous six months, and the profits will be included within the financial statements on 30/09/2014.
- **When the share can be split? (This question is repeated by many shareholders)**
List of shareholders contains foreigners and for the first time the Ministry of Investment is looking for passports or commercial registers. These documents are not available in our Company, but available at the Stock Exchange as these shareholders purchased their shares during the trading sessions through the stock market without being among the founders of the company.
- **What is the reason for the decline in net profit to almost 50%, given that the turnover declined by 9 million in the third quarter?**
 1. Decline in net profit at the consolidated statements until 30/09/2014 compared to the same period of the previous year, according to Egyptian Accounting Standard

No. (18) (Equity method). The consolidated income statement does not include profit of sister companies, which have been distributed for the period until 31/12/2013, and which appear in the list of independent income of EGYTRANS.

2. Decline in the Company's turnover in the consolidated statements until 30/09/2014 compared to the same period of the previous year. This is due to the decline in the company's project activity compared to the previous year.
 3. Investments have been made in the sister companies during this year, which will be reflected in the investment returns of the upcoming period. The underlying reason for the decline is the decline in the number of projects, which had an impact on the reduced revenue of the sister companies.
 4. The use of treasury bills in the investments of the sister companies will have an impact on increasing profits of the sister companies from the return on investments during the upcoming periods.
- **What are the reasons behind the decline in the share after the share split?**
This is a market determined by mechanisms without interference from our side. The financial indicators on September 30 are clear and well-defined. What is happening is influenced by the global events and the collapse of Arab Stock Exchanges and the high price of the U.S. Dollar.

Disclosures during 2014

Disclosure	Date
Inspection request on the agenda of the CEO of the General Authority for Investment	02/01/2014
Summary of decisions of Board meeting No. (1)	05/01/2014
Disclosure report form for the Board of Directors and the shareholders structure according to Article (18) of the Listing Rules for 2014	08/01/2014
Two certified minutes of meeting of the Board of Directors No. (9) for the year 2013 and No. (1) for the year 2014	27/01/2014
Summary of unaudited results of consolidated and independent works that ended on 31/12/2013	16/02/2014
Tracking of unconventional solutions to the transport of atypical packages through river and land transport with COSCO LOGISTICS BEIJING company	18/02/2014
About increase of the share of Mr. Ibrahim Hassan Makki	20/02/2014
Summary of decisions of Board meeting No. (2)(documented)	22/02/2014
Audit Committee Report for the fourth quarter of 2013	02/03/2014
The date of the meeting of the Board of Directors No. (3) on 12/03/2014	10/03/2014
Certified minutes of Board of Directors' meeting No. (2)	12/03/2014
Minutes of the meeting of Audit and Governance Committee, February 11 and March 12, 2014	13/03/2014
Summary of decisions of Board meeting No. (3)	13/03/2014
Disclosure report No. 49 with respect to proceeding forward with the adjustment of the nominal value	13/03/2014
Board of Directors' Annual Report	13/03/2014
Consolidated independent financial statements in 2013	13/03/2014
Board of Directors' Report	13/03/2014
Invitation to the Ordinary and Extraordinary General Assembly meetings	13/03/2014
CAA report on the consolidated financial statements of the Company for 2013 and CAA report on the independent financial statements of the Company for 2013, as well as the Company's reply.	25/03/2014
Summary of decisions of the ordinary and extraordinary general assembly	31/03/2014

meetings	
Data Form for distribution of cash coupons	31/03/2014
In response to what has been published in "Al-Maal" Gazette	02/04/2014
Lack of core events in the Company	07/04/2014
Disclosure report on the board of directors and the shareholders structure, in implementation of the listing rules for the first quarter of 2014	09/04/2014
Date of the meeting of Board of Directors No. (4) on 13/04/2014	10/04/2014
Certified minutes of the Board of Directors' meeting No. (3) (documented)	13/04/2014
Board meeting No. (4)	14/04/2014
Summary of unaudited independent business results on 31/03/2014	07/05/2014
Invitation to the Board meeting No. (5), to be held on May 10, 2014	07/05/2014
Summary of Board meeting No. (5)	11/05/2014
Summary of unaudited independent business results for the first quarter	11/05/2014
Board of Directors' report for the first quarter	11/05/2014
Consolidated and independent financial statements 31/03/2014	11/05/2014
Minutes of meeting of Audit and Governance Committee and recommendations letter of the said committee	11/05/2014
Invitation to the Board meeting No. (6), to be held on May 18, 2014	14/05/2014
Summary of results of the consolidated financial statements for the first quarter of 2014 (unaudited)	18/05/2014
Summary of Board meeting No. (6) - Summary of results of the business audited and consolidated financial statements	19/05/2014
Consolidated financial statements for the first quarter of 2014	19/05/2014
CAA Report on the financial statements for the first quarter (consolidated & independent)	25/05/2014
Certified Minutes of the Board meeting No. (4) (documented)	28/05/2014
Change of the method adopted for distribution of profits	29/05/2014
Certified minutes of the ordinary general assembly meeting	17/06/2014
Certified two minutes of the Board meeting Nos. (5 & 6) (documented)	02/07/2014
Disclosure report on the Board of directors and the shareholders structure, in implementation of the listing rules for the second quarter of 2014	09/07/2014
Agenda of the Board meeting No. 7 on 13/08/2014	10/08/2014
Summary of consolidated independent business results (Unaudited Financial Statements) for the period that ended on 30/06/2014	10/08/2014
Consolidated and independent financial statements on June 30, 2014.	14/08/2014
Board meeting No. (7)	14/08/2014
Disclosure of (independent - consolidated) budget for the period from 01/01/2014 - 30/06/2014	14/08/2014
Minutes of meeting of Audit and Governance Committee	14/08/2014
Decision of the Listing Committee No. 46 on CAA report	21/08/2014
Correction regarding the net profit for the period that ended on 30/06/2014 and published in the Official Gazette	24/08/2014
Central Auditing Agency report and the company's reply.	25/08/2014
Audit Committee Report for the second quarter of 2014	26/08/2014
Signed and uncertified minutes of the extraordinary general assembly meeting	03/09/2014
Certified minutes of Board meeting No. 7 (documented)	23/09/2014
Minutes of Board meeting No. (8) on 09/28/2014	23/09/2014

Summary of the Board meeting No. (8)	29/09/2014
Disclosure of Board of Directors and the shareholders structure for the third quarter	11/10/2014
Judgment in favor of the Company, which resulted in the reduction of its tax base	11/10/2014
Certified minutes of the Extraordinary General Assembly meeting (documented)	20/10/2014
Announcement of the share split	28/10/2014
Reply issued by the Inspection Committee from the General Authority for Investment and Free Zones	29/10/2014
General Authority for Investment and Free Zones approval to extend the licenses of the Free Zones project	01/11/2014
Certified Board meeting No. 8 (documented)	05/11/2014
Summary of the independent business results of the unaudited financial statements for the period ending on 30/09/2014.	06/11/2014
Summary of consolidated business results for the unaudited financial statements for the period that ended 30/09/2014	10/11/2014
Minutes of Board meeting No. (9) on 11/11/2014	10/11/2014
Consolidated and independent financial statements of the third quarter	12/11/2014
Summary of the Board of Directors meeting No. (9)	12/11/2014
Disclosure regarding the shares of Eng. Hossam Wael Sediqq Leheta	12/11/2014
Company's grievance to the Chairman of the General Authority for Investment and Free Zones on the result of the report of the Main Committee on the business of the Chairman of the Board	18/11/2014
Central Auditing Agency report on consolidated and independent financial statements on 30.30.2014	24/11/2014
Reply to the Central Auditing Agency report on the consolidated and independent financial statements on 30/09/2014 and the annex of the report	24/11/2014
Form No. for 210 to adjust the Company's data	25/11/2014
Certified Minutes of the Board of Directors No. (9) (documented)	20/12/2014

4.1. Board of Directors

4.3.1. Board Composition



In 2014, The Board of Directors comprised 9 members (3 executives, 4 non-executives, and 2 experienced independent members) as follows:

1. Mr. Hussam Wael Leheta - Chairman (executive member - Chairman & CEO)
2. Mr. Ahmed Mossad Beheiry - Board member (executive member – Chief Financial Officer)
3. Mrs. Abir Wael Seddiq Leheta – Board member (executive member – Chief Systems Officer)
4. Mr. Mohamed Abdel Aal - Board Member (non-executive member - representative of National Investment Bank (NIB))
5. Mrs. Awatef Sultan - Board Member (non-executive member - representative of National Investment Bank (NIB))
6. Mr. Hassan Ahmed Attah – Board member (non-executive member - a shareholder)
7. Dr. Amr Kais El-Ray Mohammed Atteya - Board member (independent director)
8. Dr. Mohga Abdel Rahman Badran - Board member (independent director)
9. Eng. Abdel Rahman El Khannah – Board member (non – executive representing Kuwaiti Investment Beyout).

For further information on detailed curriculum vitae of Board members, please visit the investors' relations website http://ir.egytrans.com/board_composition.php

4.3.2. Board Meetings During 2014

Meeting No.	MEETING DATE	MEETING PLACE	TIME	ATTENDANCE %	COMMENTS
1	4/01/2014	EGYTRANS PREMISES – PORTSAID BRANCH	4 P.M.	8 FROM 9	DR. AMR QAIS
2	20/02/2014	EGYTRANS PREMISES – PORTSAID BRANCH	4 P.M.	6 FROM 9	ENG. ABIR LEHETA MR. MOHAMED ABDEL AAL ENG. ABDEL RAHMAN EL KHANNAH
3	12/03/2014	EGYTRANS PREMISES – PORTSAID BRANCH	4 P.M.	8 FROM 9	DR. MOHGA BADRAN
4	13/04/2014	EGYTRANS PREMISES – PORTSAID BRANCH	4 P.M.	8 FROM 9	ENG. ABDEL RAHMAN EL KHANNAH
5	10/05/2014	EGYTRANS PREMISES – PORTSAID BRANCH	4 P.M.	7 FROM 9	DR. AMR QAIS Dr. Mohga Badran
6	18/05/2014	EGYTRANS PREMISES – PORTSAID BRANCH	4 P.M.	8 FROM 9	ENG. ABDEL RAHMAN EL KHANNAH
7	13/08/2014	EGYTRANS PREMISES – PORTSAID BRANCH	4 P.M.	8 FROM 9	ENG. ABIR LEHETA
8	28/09/2014	" OPAL " MEETING ROOM – FAIRMONT HOTEL	5 P.M.	9 FROM 9	-----
9	11/11/2014	EGYTRANS PREMISES – PORTSAID BRANCH	4 P.M.	9 FROM 9	----

4.3.3. Board Compensation During 2014

Statement of the deducted salaries, rewards, attendance and transport allowances for Board meetings and the ordinary and extraordinary general assembly for the Chairman & CEO and Board members for 2012:

Name	Title	Salaries & Bonuses	Attendance Allowance	Transport Allowance	Total
Eng. Hussma Leheta	Chairman & CEO	1,165,000	3,250	55,000	1,223,250
Mr. Ahmed Beheiry	Executive Board Member		2,500	47,500	50,000
Eng. Abir Leheta	Executive Board Member		2,750	45,500	48,250
Dr. Amr Qais	Independent Board Member	75,000	4,250	60,500	139,750
Mr. Hassan Atta	Non – Executive Board Member	75,000	4,250	65,000	144,250
Dr. Ashraf Gamal El Deen	Head of Audit & Corporate Governance Committee	25,000	750	7,500	33,250
Dr. Mohga Badran	Independent Board Member	75,000	2,500	40,750	118,250
Eng. Abdel Rahman El Khannah	Non – Executive Board Member	75,000	2,500	40,750	118,250
Mrs. Awatef Sultan	Non- Executive Board member representing National Investment Bank (NIB)	75,000	2,250	42,750	120,000
Mr. Mohamed Abdel Aal	Non- Executive Board member representing National Investment Bank (NIB)	75,000	4,750	65,500	145,250
Mr. Abdel Haleem Omar	Non- Executive Board member representing National Investment Bank (NIB)		250	4,750	5,000
Mr. Hisham Mohamed Fahmy	Non- Executive Board member representing National Investment Bank (NIB)		250	4,750	5,000
Total		1,640,000	30,250	480,250	2,150,500

4.3.4 Board Committees

1. Audit and Governance Committee

• Composition and functions:

A change was effectuated in the composition of Audit and Governance Committee in 2014, as Dr. Ashraf Gamal El-Din moved to work in one of the institutions abroad. Therefore, the Board of Directors decided to include Dr. Amr Kais – an experienced independent board member- as a member of the said committee, due to his experience as a member audit committees in some institutions. Thus, the composition of the Audit and Governance Committee has become as follows:

- Mr. Hassan Attah - Non-executive Board Member – Chairman
- Mr. Mohamed Abdel A'al - Non-executive Board Member –Member (representing the National Investment Bank)
- Dr. Amr Khais – an experienced independent board member –Member

- The Board and Audit and Governance Committee extended their thanks to Dr. Ashraf Gamal for his valuable contributions to the Committee and the accomplishments during the past period.
- The Committee held 8 meetings during the year 2014.
- The Committee abided strictly by the agenda of EGYTRANS events, which included dates of issuance of disclosure reports on the most important activities and recommendations quarterly issued by the Committee, and the most prominent responses received from the Board, which are sent to the Disclosure Department in the Stock Market.
- Audit and Governance Committee, in coordination with the Board of Directors, follows up the recommendations it issues during the year and the responses issued by the Board in the form of directions to the executive departments. Through the periodical follow-up report, the Committee reviews the procedures taken to implement its recommendations and the directions of Board of Directors.
- Audit and Governance Committee receives and discusses the quarterly audit report issued by the Quality Assurance Division, affiliated to the Systems Sector and the Internal Audit Department , as each undertakes the review and issuance of the reports, provided that the reviews focus of the former is on the implementation, while the latter focuses on the availability of procedures and documents.

Non- members who attended the meetings during the year as well as the external comptroller:

- Chief financial officer (CFO)
- Systems Administrator
- Chief accountant
- Cost manager
- Director of Internal Audit
- Legal affairs Manager
- Quality assurance specialist

Committee Secretary: Mr. Mohamed Kamel, the Chairman's Assistant for Economic Affairs and Subsidiaries

Schedule of meetings of the Audit and Governance Committee in 2013

No.	Meeting date	Venue	Time	Attendance rate	Names of absentees	Remarks
1	Meeting No. 29 15/02/2014	EGYTRANS Branch, Mohandessin	11:00 AM	100%	---	Discussion and approval of reports and financial statements (unaudited independent and consolidated reports) on 31/12/2013.
2	Meeting No. 30 12/03/2014	Through video conference between EGYTRANS Mohandessin and Alexandria branches.	09:00 A.M	66%	Dr. Ashraf Gamal El-Din excused himself	Discussion and adoption of some amendments proposed by Central Auditing Agency regarding reports and financial statements on 31/12/2013 .
3	Meeting No. 31 06/05/2014	EGYTRANS Branch, Mohandessin	10.00 AM	100%		Adoption of periodic reports and financial statements (independent and consolidated unaudited reports) for 1 st quarter of 2014.
4	Meeting No. 32 15/05/2014	EGYTRANS Branch, Mohandessin	10:00 AM	100%	---	Adoption of periodic reports and financial statements (independent and consolidated unaudited reports) for 2 nd quarter of 2014.
5	Meeting No. 33 10/08/2014	Egytrans Branch, Mohandissen	10:30 AM	66%	Dr. Ashraf Gamal El-Din excused himself	Adoption of periodic reports and financial statements (independent and consolidated unaudited reports) for 2 nd quarter of 2014.
6	Meeting No. 34 24/09/2014	Through video conference between EGYTRANS Mohandissen and Alexandria branches.	10:00 AM	100%		Discussion of some remarks made by Central Audit Agency regarding the Company's position during the 2 nd quarter of 2014 and the Company's reply.
7	Meeting No. 35 02/11/2014	EGYTRANS Branch, Mohandissen	11:00 AM	100%		Adoption of periodic reports and financial statements (independent and consolidated unaudited reports) for 3 rd quarter of 2014.
8	Meeting No. 36 09/11/2013	EGYTRANS Branch, Mohandissen	01:30 PM	100%		Adoption of periodic reports and financial statements (independent and consolidated unaudited reports) for 3 rd quarter of 2013.

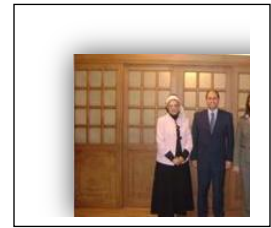
For further information on the biography of the Chairman and members, and the Committee Charter, please visit the Company's website: ir.egytrans.com

2. Nomination and Compensation Committee

• Composition and functions:

1- Composition of Nomination and Compensation Committee remained for the year 2014 stayed unchanged as follows:

- Dr. Mohgah Badran - Independent Board Member - Chairperson
- Dr. Amr Kais El-Ray Atteya - Independent Board Member – Committee Member
- Engr. Abeer Leheta - Executive Board Member - Committee Member
- Ms. Awatif Sultan – Non-executive Board Member who joined the Committee as of April 2014, as per Board decision.



- The Committee held (3) meetings for its members in 2014.
 - The Committee follows up the implementation of HR plan developed in the light of studies conducted by LOGIC Management Consulting, which was selected to cooperate with the Company in some issues related to HR consulting.
 - The Committee is keen to review the monthly report for Human Resource Management on employee turnover rates (resignations and appointments) at the corporate level.
 - The Committee pays special attention to attain the employee satisfaction. It made recommendation to the HR Director to set up a policy for the development of incentives and rewards system.
- 2- The Committee held various interviews to hire an HR Manager and Mr. Mahmoud Shama was appointed in November 2014.
- The Committee is interested in the follow-up of the Human Resources Department action plan, such as:
 - Modify the organizational structure of the Company
 - Review and updating the job description for all posts
 - Develop a system for performance management
 - Develop a system for job rankings
 - Develop salary scale in line with the labor market
 - Develop a meritocracy-based system
 - Develop a promotion system
 - Develop a recruitment policy
 - Discuss the medical treatment provided to the staff and the possibility of providing the same to their families
 - Developing an ombudsman system
 - Develop an incentive policy.
- 3- The Committee has communicated with some specialists in the training of board members in the different areas in order to discuss the Company's requirements regarding training of board members.

- 4- The Committee held a meeting with the CEO of the Employee Assistance Fund to be acquainted with the obstacles before the Fund and try to surmount them. The Committee also suggested that the Fund shall assume the responsibility of severance pay and advances to staff in order to encourage all staff members to join the Fund, the matter that will maximize its resources and role.

Schedule of meetings of Entitlements and Nominations Committee in 2014

No.	Meeting date	Venue	Time	Attendance rate	Names of absentees
1	08/01/2014	EGYTRANS Branch, Mohandissen	10:30 AM	3 out of 3	---
2	18/02/2014	EGYTRANS Branch, Mohandissen	11:00 A.M	3 out of 3	---
3	28/10/2014	EGYTRANS Branch, Mohandissen	10:00 A.M	3 out of 4	Ms. Awatif Sultan

For further information on the biography of the Chairman and members, and the Committee Charter, please visit the Company website: ir.egytrans.com

3. Investment Committee



• Composition and functions:

- The formation of the Investment Committee remains unchanged, as follows:
 - Mr. Hossam Wael Leheta - Chairman – CEO and Managing Director
 - Dr. Amr Kais El-Rayi Atteya - Committee member - Board member (Independent expert)
 - Mr. Mohamed Abdel A'al - Committee member and Board member (Non-executive - Representative of the National Investment Bank)
 - Mr. Abdel Rahman El-Khana - Committee member and Board member (Non-executive - Representative of the Kwaiti Investment House) .
 - Committee Secretary: Ms. Rania Farouk Bastawisi - Chairman's Assistant for Corporate Governance

Schedule of meetings of the Investment Committee in 2014

- The Committee held (3) meetings during 2014, as follows:
 - 1- 1st meeting on 11/02/2014
 - 2- 2nd meeting on 11/03/2014
 - 3- 3rd meeting on 27/09/2014

During 2014, the Committee discussed the following:

- 1- Projects and expected expansions of EGYTRANS 2014-2015;
- 2- Investment plan of EGYTRANS 2014-2018;
- 3- Segmentation of the share nominal value;
- 4- Increase the capital and expansion of ETAL;
- 5- Warehouse project (Adabia Port);
- 6- Future financial indicators of EGYTRANS for Depot Solutions (EDS).

For more information about the biography of the Board Chairman, members of the Committee, and the Committee Charter, please refer to the Company's Investor Relations http://ir.egytrans.com/arabic/board_committees.htm

4.3.5. Board & Committees' Secretaries

1. Corporate Secretary

Name: Rania Farouk Bastawissi Youssef

Current Position: Chairman's Personal Assistant; Corporate Governance & Corporate Social Responsibility's Officer; Corporate Secretary, Secretary of the Company General Assembly & New Projects' Follow Up Committee's Secretary.

For further information about the CV, please visit the investor relations' website http://ir.egytrans.com/board_meetings.php



2. Audit & Corporate Governance Committee's Secretary

Name: Mohammed Kamel Ibrahim

Current position: Chairman's Assistant for Economic Affairs and the Subsidiaries; Secretary of the General Assembly and Board of the subsidiary and sister companies.

For further information about the CV, please visit the investor relations' website http://ir.egytrans.com/board_meetings.php



3. Nomination & Compensation Committee Secretary

Name: Nagwa Mohamed

Current position: Chairman's Office Manager & Nomination & Compensation Committee Secretary.

For further information about the CV, please visit the investor relations' website http://ir.egytrans.com/board_meetings.php



4.3. Executive Management in 2014

The Company's executive management remained unchanged during 2014 and some modifications were introduced as follows:

		
Name	Khedr M. Mahmoud	Mahmoud Shama
Department	Chairman's office	HR
Occupational level	Consultant	Department Manager
Position	Chairman's consultant for foreign affairs	HR Manager
Hiring date	October 1 st , 2014	November 16 th , 2014

4.5 Subsidiaries and affiliates

1. Barwil Egytrans Shipping Agencies

- Barwil Egytrans is an Egyptian joint stock company within the group of Wilhelmsen Ships Service (WSS). It represents the legal entity of the company in Egypt in conjunction with the Egyptian Transport and Commercial Services Company (EGYTRANS) and is considered one of the leading ship agents in the world, due to the following:
- Barwil Egytrans is a shareholding company registered and licensed as an agent for ships since 1998, when the foreign companies had been permitted to enter the Egyptian market as agencies.
- The Company's management fully operates inside Egypt and is responsible for all activities in Egypt, where it employs around 200 employees distributed across the different branches in Alexandria (head office), Port Said, Suez, Damietta and Cairo, and where it is currently dealing with about 2,000 vessels a year.
- Under the guidance of its General Administration and through local operations team, characterized by high performance and experience, the Company achieved a high level of quality performance over its history as an agent for each of the Suez Canal Transit Agency, Port Call Agency, Liner Logistics (Nur-Asia Line agent) and Marine Service Provision for all types of vessels.
- Swedish / Norwegian Wilhelmsen Line chose the port of Alexandria as one of the most important ports in North Africa, from which direct services to the ports of Europe are launched through vessels. The navigation line also provides an opportunity to serve Egyptian exports and imports, transported through Ro-Ro ships.
- The major ports served by the line are mainly the ports of Alexandria in addition to the ports of Turkey, Izmir and Greece. The ships of the line also travel from the Far East in general (Japan, China and Korea) to the port of Aqaba and Alexandria, with a capacity of two ships per month. There is a tendency to increase this number during the next period through the increase of the volume of Egyptian exports and imports. The line focuses on the goods that are transported by Ro-Ro ships, the most important of which are cars and heavy goods like plant equipment.
- Wilhelmsen Line is the first in the world to provide the Ro-Ro service in terms of capacity, the number of ships and the quality of service, as it provides freight transport services, which are loaded and unloaded by Ro-Ro ships, through loading 8 thousand cars or equivalent quantities of goods. In addition, the line loads cargo ships with large equipment like plant equipment.
- EGYTRANS owns a share of 30% of Barwil Egytrans.



Address: 9 Hussein Hassab and Bani Abbasi Street, Daher Tower (2), off Sultan Hussein Street, Alexandria, 21111, Egypt

For Services of Suez Canal Transit Agency, Port Call Agency

Phone: (+20 3) 4843510

Fax: (+20 3) 4829555

For Services of Nur-Asia Liner Logistics

Phone: (+20 3) 4835065

Fax: (+20 3) 4835379

2. Scan Arabia Shipping Agencies

It is also a joint venture with the global WILH WILHEMSEN and serves the regular navigation lines with unique demands. It provides a full range of services for shipping agencies in all the Egyptian ports.



Scan Arabia Shipping Agencies rare agents to the German liner : HANJIN, where it collaborates with the line to provide useful services for its local customers including:

- Middle East, Indian Subcontinent and North America
- Direct service from Port Said to the United States
- Pendulum Service: Mediterranean - Asia – America, directly from Port Said to the Far East
- Quick service from the East Mediterranean and the Black Sea: directly from Damietta to the Far East
- EGYTRANS owns a share of 30% of Scan Arabia.

Address: 9 Hussein Hassab and Bani Abbasi Street, Daher Tower (2), off Sultan Hussein Street, Alexandria, 21111, Egypt

Phone: (+20 3) 4843096

Fax: (+20 3) 4829555

3. Egyptian Transportation and Logistics S.A.E. (ETAL)

A company specialized in the transport of shipments with non-conventional specifications, and EGYTRANS owns about 99% of its shares.



ETAL has a distinctive fleet with super-efficient equipment and fixtures, which makes it capable of completing the transport of any shipment whatever its specifications are. The Company has a highly experienced and efficient team that plays an integrated role starting from studies of roads and access to the best solutions for handling and transport of shipments with non-conventional specifications.

In collaboration with local and international experts, the Company efficiently strengthens works of bridges over water canals in order to withstand the transport of shipments with weights exceeding 450 tons, in addition to strengthening works of bridges over roads.

EGYTRANS raised the issued and paid-up capital of ETAL during 2014 from 25 million Egyptian Pounds to 53.5 million Egyptian Pounds in early December 2014, which contributed to settlement of the current account of shareholders between the two companies and provided a working capital for ETAL Company, while the authorized capital is kept at 250 million Egyptian Pounds. Some of this raise was earmarked to the introduction of installation by lifting system activity, from Enerpac, which is a global company specialized in the production of Lifting Systems. This activity will enter service during the second half of 2015, a matter that shall allow lifting, uninstallation and installation of atypical packages up to a load of 450 tons at heights from zero level to 25 meters. This new system is provided with a Rotation Unit that allows rotation of the

parcels at any level on zero to 25 meters height when there is a need to change the direction of parcel entrance loaded on bases. Those specifications will enable the Company to work on the trading of generators and turbines of different types of power stations.

The fleet has also been strengthened by 8 axes PPU 8 unit, with 3 self-drive axes. A truss was built on an area of 1,000 meters at Merghim Garage along with raising the floor level to make the garage floor level be equivalent to the level of the desert road

Chairman: Eng. Hossam Wael Leheta

Executive Director: Eng. Omar El-Nagar

Address: 11 Dr. Kamel Morsi Street, El-Shatby, Alexandria, 21519, Egypt.

Phone: (+20 3) 5914696 (14 lines)

Fax: (+20 3) 5900193 – 5920269

4. EGYTRANS Depot Solutions (EDS)

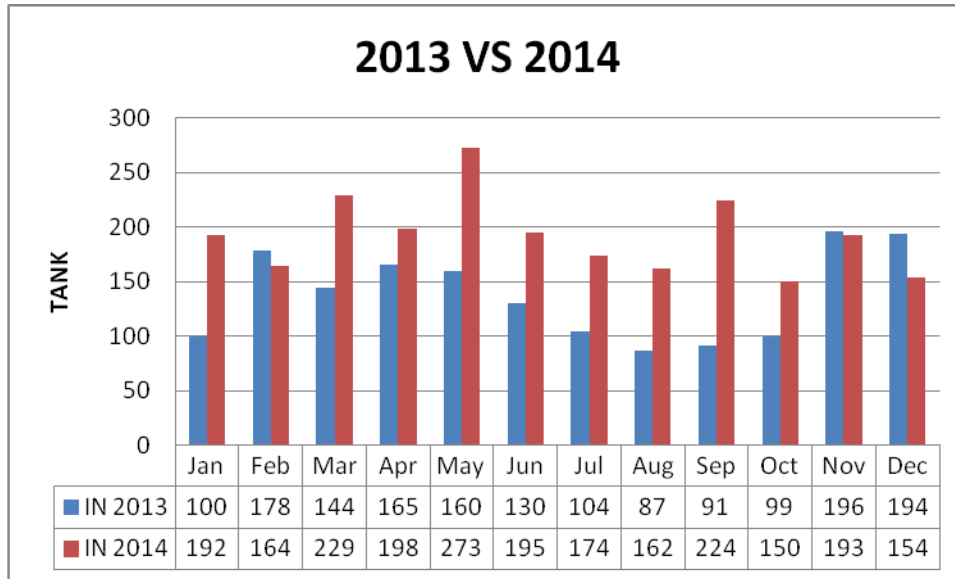
EGYTRANS Depot Solutions was established in June 2009, and is considered as an integrated service station, specialized in cleaning, repair and storage of ISO-Tank containers for transport of liquid shipments and transport vehicles with tanks. It is a shareholding company in accordance with Law No. 159 of the year 1981 and its executive regulations.



After a series of increases in the issued capital, the total authorized capital reached 5 million U.S. Dollars and the issued and paid-up capital reached. 2 million U.S Dollars, with a share of 99.7% for EGYTRANS. The project realized promising results in 2014 where:

On comparison of the total number of containers in 2013 against 2014, the number of containers in 2014, namely, 2308 tanks is greater than number of containers in 2013, i.e. 1648; with an increase of 660 tanks (40%) in 2014 when compared to 2013.

The following diagram demonstrates the comparison between the months of 2013 and 2014



The different yards in the station have been re-planned and an accurate system developed to store and tow ISO-TANK units, whether those for cleaning or after the cleaning and maintenance process. An area is allocated for towing units in order to raise the capacity of the site.

The Management is keen on continuous training for all staff in order to identify different types of hazardous goods and how to deal with them in the different stages.

The Management was also keen to obtain the different certificates in the field of quality assurance, occupational health and safety, and environmental conservation.

Chairman: Eng. Hossam Wael Leheta

Executive Director: Mr. Abdul Rahman Gamil

Head Office: 11 Dr. Kamel Morsi Street, El-Shatby, Alexandria.

Company Branch: Kilo 25 through Alexandria -Cairo Desert Road, in front of Akbaar El-Youm warehouses - Zawiet Abdel-Khader - Alexandria

Phone: (+20 3) 4702258

Fax: (+20 3) 4701988

5. Egytrans Barge Link Co. (EBL)

EGYTRANS Barge Link Company was established in May 2009 as an Egyptian joint-stock company in accordance to the provisions of Law No. 159 of the year 1981 on Joint-Stock Companies. The company transports goods through the Nile River using the river sandals, maritime transport within the Egyptian



territorial waters or land transport for all types of goods.

The main investor decided to reduce the paid-in capital from 2.5 million Egyptian Pounds to 250.000 Egyptian Pounds. Measures had been taken in this respect until the settlement of river transport problems in Egypt. The Company has no relation with such problems but cannot perform efficiently in this atmosphere.

Chairman: Eng. Hossam Wael Leheta

Head Office: 15 Ahmed Oraby – Mohandissen - Giza

Mailing address: 11 Kamel Morsi Street - ZIP code 21519 - Shatbi - Alexandria

Phone: (+20 3) 5908992

Fax: (+20 3) 5911746

E-mail: info@bargelink.egytrans.com

6. EGYTRANS River Ports Co.

EGYTRANS River Ports represents part of the investment system of EGYTRANS in the field of river transport of goods through the Nile River in Egypt. The Company was established in May 2009 as an Egyptian joint-stock company in accordance with the provisions of the Law No. 159 of the year 1981 on Joint-Stock Companies.



The Company aim to undertake the activities of management, operation, utilization and development of river ports, docks and container terminals as well as provide all services associated with the loading, unloading and storage works for all types of goods, along with the transport activities and container maintenance.

Due to intractable reasons, the main investor decided to reduce the paid-in capital from 2.5 million Egyptian Pounds to 250.000 Egyptian Pounds. Measures had been taken in this respect until the settlement of river transport problems in Egypt. The Company has no relation with such problems but cannot perform efficiently in this atmosphere.

Chairman: Eng. Hossam Wael Leheta

Head Office: 15 Ahmed Oraby Street- Mohadissen – Giza.

Mailing address: 11 Kamel Morsi Street - ZIP code 21519 - Shatbi – Alexandria.

Phone: (+20 3) 5908992

Fax: (+20 3) 5911746

E-mail: info@riverports.egytrans.com



INVESTOR
RELATION INFORMATION

5. Important Tips for investors

5.1. Internal development

i. Introduction

The Egyptian Company for Transport and Trade Services (EGYTRANS) continuously develops and improves the internal management system to achieve top performance and maintain and even increase its competitive advantage, being the leading Egyptian company in the provision of integrated transport and solutions services. In order to achieve this goal successfully, the Strategic Management Department was established in 2013. This department undertakes the following role:

- Strengthen strategic management to include the Company in its entirety.
- Participate in the development of initiatives required to achieve the Company's strategies.
- Develop a risk management system to manage any risks that may impact the implementation of these strategies.
- Develop the systems necessary to achieve sustainability and the development of corporate social responsibility.
- Encourage employees to be creative and to participate in the development efforts through receipt and evaluation of their suggestions, and rewarding them.

ii. Strategic management

EGYTRANS has developed a vision for a long-term strategy, and has taken active and systematic steps to turn that vision into reality. In order to achieve this goal, all staff members should be aware of , and even contribute to, realization of this vision and strategies.

In order to reach this goal, the Company has chosen to apply the Balanced Scorecard System as a system for measuring performance and strategic management. The Company, through the balanced performance appraisal card, managed to develop measurable and ambitious targets in four areas:

- Financial
- Customers
- Internal operations
- Education and development of staff

Along with developing specific and planned initiatives to achieve these goals.

We have set up a system to collect data on all new measurements that have been incorporated in the Company's balanced performance appraisal card on a regular basis and completed the process of building consequent balanced performance appraisal series of cards at the departmental level. This shall enable us to link the objectives of each branch and department to the overall objectives of the Company, where everyone works as one team.

The Company also continued to build awareness and provide the driving force at all levels and we continue to introduce the value of strategic management based on balanced performance appraisal card system in every aspect of the culture of the organization.

During 2013 and 2014, the Department provided support to ETAL, fully owned by EGYTRANS, in order to develop a similar system. This system will be designed for EDS during 2015.

iii. Development initiatives

The role of strategic management is leadership of development initiatives in all departments within the Company through the following steps:

- Identify opportunities for improvement, look for best practices and participate in choosing the right ones according to the needs of the company and its strategies.
- Participate in planning for the change and lead the implementation process.
- Select external consultants and coordinate the consulting projects.
- Make close contact with the various departments and managers, and work with them as a team in order to help develop business systems and procedures, as well as employees of those departments through the application of best practices.
- Work on the launch of new initiatives until they reach the necessary level to be delivered to the ultimate officer in charge.

5.2. IT Developments

2014 Accomplishments

- Provide OTM training for all Egytrans users so that they can use the new system effectively
- OTM go-live, system fully up and running since May 2014 except for Port Said branch which is planned to using the new system starting from Jan 2015
- Stopping the legacy Forwarding System
- Design and implement all essential reports for the operation running and documents printing
- Successfully implement the Cisco voice mail system in Mohandiseen and Cairo Airport branch offices
- Prepare IT Manual
- Update second edition of the company Information Security Policy (**ISP**)
- Enable smart phone email facility to communicate through the company email server and increase usage of Cisco Jabber on mobile
- Design the infrastructure for electricity, networking and telecommunication at Adabiya site on which implementation is kept on-hold till further notice from the management authority
- EDS 3G online backup line which automatically functioning when the current MPLS line goes down achieving high availability connection

5.3 Quality Applications

EGYTRANS Quality Assurance Department performs its functions in accordance with international standards of all acquired certificates, namely:

a - ISO 9001/2008 Certificate (Quality)

1. ISO 9001/2000 specification was issued on 12/15/2000 and we managed to acquire this specification. It was upgraded to be 9001/2008, which was issued on 15/1/2008.
2. Adoption of Quality Management System is a strategic corporate decision. The design and implementation of this system is influenced by the different needs and objectives of the services the Company provides.
3. The internal departments (quality assurance department) and the external bodies (TÜV, the awarding body) apply the international specification system to assess the Company's ability to meet customer needs as well as regulatory and corporate requirements.
4. This system meets customer needs.
5. Upon using the Quality Management System (ISO 9001/2008), the following matters shall be ensured:
 - Understanding and meeting the requirements.
 - Evaluating the operations on a value-added basis.
 - Obtaining the results and effectiveness of operations.
 - Continuous improvement of operations based on objective policies.
6. Certificates were renewed until 08/01/2017.



b - ISO 14001/2009 Certificate (Environment)

1. ISO 14001 was issued on 01/09/1996 and we managed to acquire this specification. The Specification was modified in 2004, and we made the necessary adjustments to obtain ISO 14001/2004 certificate, according to the new international specification. Then, it was adjusted to be ISO 14001/2009 on 15/04/2009 and we managed to acquire it.
2. This Specification preserves the internal and external environment (working environment), and the environmental impact resulting from its activities and services. It ensures compliance with the following:
 - Continuous improvement to prevent pollution.



- Compliance with laws, technical regulations and any other requirements governing the Company.
 - Secure a documented Certificate and availability to all employees.
 - Make it available to the public.
3. The internal departments (quality assurance department) and the external bodies (TÜV, the awarding agency) apply the international specification system.
 4. The Certificate was renewed until 08/01/2017

c - OHSAS 18001/2007 Certificate (Occupational Health and Safety)

EGYTRANS obtained OHSAS 18001/2007 Certificate on 15/01/2009

1. OHSAS 18001 Certificate relates to occupational health and health, and applies to:
 - Safety of individuals
 - Safety of equipment
 - Safety of establishments and facilities
2. This Certificate and Specification shall apply to all activities of the Company, which shall have direct and tangible impact on occupational health and safety. It shall also apply to all company sites, visitors, contractors, subcontractors, customers and employees.
3. This system applies to the working environment security against physical, mechanical and chemical, natural, health and training risks.
4. Security against all these risks shall have a positive impact on execution of work, whether for the client or for the Company. The security measures against these risks shall save time, effort and production costs for both the Company and employees
5. The Certificate was renewed until 08/01/2017



d –Integrated Certificate (IMS)

We obtained such certificate after the following certificates:

- ISO 9001 – 2008
- ISO 14001 – 2009
- OHSAS 18001 – 2007



through merging them in one homogeneous procedure manual with the three certificates.

EGYTRANS is the first company in its field around the world to obtain this certificate, provided through the awarding agency in Germany. It is valid until 08.01.2017

e - ISO 10002/2004 Certificate (customer complaints and satisfaction)

EGYTRANS is the only company around the world that obtained this certificate until now.

Purpose of applying the international Specification 10002/2004 is to:

- Improve the degree of customer satisfaction.
- Share and ensure senior management commitment.
- Record the customer needs and expectations.
- Establish and apply a clear and easy-to-use method, characterized by efficiency and transparency in processing customer complaints.
- Conduct continuous analysis and assessment of customer complaints for the purpose of improving the quality of service.
- Conduct continuous internal auditing for customer complaint processing.
- Review the efficiency and effectiveness of customer complaint processing by the Company's Administration.



f - TUV International certificate, which states that EGYTRANS is the first company in its field around the world to obtain the triple certificates ISO 9001, 14001, 18001, and the first worldwide to obtain ISO 10002.

- The duration of each certificate is 3 years.
- Department of Quality Assurance conducts an internal review 3 times a year.
- The Technical Supervision Authority (TÜV), which awards the Certificate, conducts annual review to ensure the application of the system.
- External and comprehensive review is conducted every 3 years to renew the certificate.



Subsidiaries:

1. ETAL

Quality Department in EGYTRANS provided technical support to ETAL Co. (Egyptian Company for Technical Transportation Works) in order to qualify for the integrated certificate:

- ISO 9001 – 2008
- ISO 14001 – 2009
- OHSAS 18001 – 2007

ETAL obtained the certificate on 01/04/2011 and is valid until 20/11/2017.



2. EDS

Quality Department in EGYTRANS provided technical support to EDS Company (Egytrans Depot Solutions) in order to qualify for the integrated certificate:

- ISO 9001 – 2008
- ISO 14001 – 2009
- OHSAS 18001 – 2007

EDS Company obtained the certificate on 26/08/2011 and is valid until 03/2015. The certificate shall be renewed in March 2015.



5.4 Governance Applications

Introduction

The year 2014 will continue to harvest and reap the benefits of the application of the principles of good governance and best practices in EGYTRANS. Since 2006, EGYTRANS developed many of the effective policies and charters which are reviewed annually to make sure that they are updated. The Business Charter of the Board of Directors was also developed, where all parties concerned shall apply and observe it along with the continuous disclosure of the core events as they happen, whether to the Disclosure Department at the Egyptian Stock Exchange or at EGYTRANS website for investor relations.

EGYTRANS has proved practically that years of relentless effort in the preparation and establishment of a fixed infrastructure of the elements of success for governance applications have led to many successes and progress in the Company's performance. This has been manifest throughout 2014 as follows:

Achievements:

- Ms. Rania Farouk Bastawisi was nominated to participate in the working group, assigned to develop and modernize the Egyptian Guide for Corporate Governance issued by the Egyptian Institute of Directors (EIoD), which shall be approved by the General Financial Supervisory Authority. This serves as a guiding document for corporate governance, and is used by all types of institutions in Egypt for the application of governance and through which, such institutions shall establish their own internal guides. The formed Committee finalized the Egyptian governance guide and submitted to the Chairman of the General Financial Supervisory Authority in preparation for the review and presentation for community debate and then the guide shall be operational during 2015.



- All policies on the applications of corporate governance have been reviewed to ensure the effectiveness, updating and the proper application of procedures in accordance with best practices.
- The annual appraisal of the performance of the Chairman and members of the Board for 2014 was conducted. The result of this appraisal indicated high performance level of the Board in many areas of assessment, thanks to the diversity of experience of the Chairman and the Board members. The Board comprised a number of independent members with expertise, which has had the greatest positive impact on its performance (to see the results of performance assessment for 2014, visit the company's website ir.egytrans.com).
- The core events of EYTRANS have been disclosed as they happened (whether positive or negative) to reach the appropriate degree of transparency in performance in dealing with the shareholders.
- A comparison is made between what has been implemented so far regarding the governance applications within the company and what had been previously stated in the reports and recommendations of International Finance Corporation (IFC) in 2007/2008.
- International Finance Corporation (IFC) offered to conduct the review on governance applications during 2015 and issue a report with recommendations to improve performance in the area of governance.
- The size and terms of disclosure on the website of the company expanded in line with the requirements of the Egyptian Stock Exchange and in an application of best corporate governance practices, for example:
 - Biography of the Secretaries of the Board of Directors and related committees.
 - Results of the performance assessment of Chairman and members of the Board of Directors for 2014.
 - Benefits of Chairman, Board members, chairmen and members of affiliated committees.
 - Quarterly reports of Audit and Governance Committee reporting directly to the Board of Directors.
 - The governing law with respect to the Company.
 - Date the company was listed in the stock exchange.
 - Type of placement.
 - Nominal value of shares.
 - The number of issuances.
 - Beginning of the fiscal year of the company.
 - Board reports.

-
- Shareholders structure (Disclosure Report Form).

Future steps for implementation in 2015

- An evaluation of all governance applications in the company shall be conducted during the year 2015 by International Finance Corporation.
- Development of the Dividend Policy.
- Development of Shareholders' Rights Policy.
- Organizing a workshop for the Chairman and Board members in the field of coordination of the optimal application of the principles of corporate governance in the management of boards of directors, in collaboration with Dr. Mohamed Radwan at the American University in Cairo.
- Review the Charter of the Audit and Governance Committee.

5.5 Internal Control Measures:

Internal audit processes were conducted in 2014 according to the internationally recognized internal audit standards and according to governance rules. This included audit and examination of several regulatory cycles at the Company to ensure the effectiveness and adequacy of the internal control systems, and ability to reduce potential risks through comprehensive holistic control plans for all operations, activities and responsibility positions.

The internal control policies, measures, regulations, and systems of 2014 were complementary to the preceding year to underscore what we have already started in terms of development of the regulatory process concepts to become all-embracing. The focus is on the effectiveness and efficiency of performance in all financial, technical and administrative domains. To secure the comprehensiveness of internal control measures, the audit and inspection functions have been added to appointment, wages and benefits cycle according to the internal audit plan of 2014 in order to realize further and more comprehensive control through review of the control measures of all the different corporate cycles.

Through the implementation of internal control programs and evaluation of the internal control systems, the following was demonstrated:

- The Company works in an effective regulatory environment where the Management supports the principles of internal control. The Board of directors, and Audit and Governance Committee Committee according corporate governance principles.
- Internal control fulfills its role through reasonable emphasis on the following:
 - Reliable financial and operational information.
 - Efficient implementation of operations and realization of corporate goals.
 - Protection of corporate assets.
 - Observance of regulations, laws and contracts.
- A good organizational structure that defines powers and responsibilities, prevents overlap of TORs, and provides accountability and liability principles.
- A self-controlled electronic system to record all financial, administrative and operational operations.
- An effective accounting system that provides for data recording and classification as well as reporting.
- An effective series of regulations and procedures that separate the tasks and duties of different functions in terms of disclosure, adoption and execution. In addition, the documentary cycles of every department are adequate and work efficiently to realize the goals of each and every department.
- A budget is developed on realistic basis and is linked with the responsibility positions to facilitate control of actual performance and accountability.
- An efficient communication system that secures flow of information and data within the organizational structure to ensure attainment of goals.
- A continuous monitoring system within the operational, financial and administrative systems that secures the effective implementation of the set goals. This is manifest in

the efficient administrative supervision, internal audit, quality control department, legal department, and external audit.

The audit and inspection process during 210 resulted in the following:

- Validation of the outcomes and credibility of financial and operational operations according to the sample under scrutiny; a matter that verifies the accuracy of data incorporated in the financial reports.
- Effective regulatory measures to control and rationalize public expenses in a manner that does not impact performance through observance of financial policies, and public expense budget with on deviation in the total budget.
- Adequate protection of all corporate assets, property and resources through application of accounting systems, rules and principles; observance of the effective control measures adopted within the Company , including a full insurance coverage of all fixed assets and active resources, regular maintenance programs; adoption of sound accounting treatment; and composition of the required provisions.
- Ongoing development and improvement of the Collection Department through effective elements and collection plans and programs; and ongoing administrative and regulatory follow-up given the importance of this department.
- Huge interest in human resources, experience development, and preparation of technical cadres as the Company focuses on human investment as the primary and effective element in the field of service activities.
- High interest in the operation cost and expenses where the disbursement regulations are controlled, reviewed and monitored, and any related deviations are checked.
- Validation of a sample of accounts payable and receivable, formation of the required financial provisions, and adoption of the necessary settlement measures of some balance to secure that financial positions are well-defined and transparent. Validation of the soundness of a sample of monetary operations, settlement notes, bank transfers and related control measures.
- One observation with respect to a key control component, namely, policies. It was noted, through review of regulatory cycles cross the year, lack of policies in certain departments where they only depend on the procedure manual. Accordingly, we recommended the need to develop policies in consistency with the objectives and general policy of the top management. Currently, policies are under development for these departments.
- Support of regulatory and supervisory departments is a continuous process (e.g. Internal Audit Department, Quality Assurance Department, Legal Department); promotion of their scientific and practical efficiency through professional training courses and provision of new specialized human elements.
- All the above-mentioned issues reveal the great concern with the continuous effectuation of the internal control system within the Company through the development of the regulatory structures and environment.

5.6 Corporate Social Responsibility

In 2014, EGYTRANS implemented many projects and initiatives within its social responsibility as follows:

1. UN Global Compact

EGYTRANS focused its activities in the field of social responsibility on four basic themes, namely human rights, labor standards, environment and anti-corruption, in accordance with the UN Global Compact standards, which EGYTRANS joined in August 2009. The UN Global Compact is a framework that allows the committed commercial institutions to align their operations and strategies with ten internationally accepted principles in the areas of human rights, labor, environment and anti-corruption. The Global Compact is the largest global initiative that creates a sense of corporate citizenship, where thousands of people from more than 100 countries worldwide join. The Global Compact is purely a voluntary initiative in nature and aims to replicate the ten principles in business activities around the world. The Company developed its 5th UN Global Compact Communication on Progress Report in June 2014 and was published at its website for investor relations under the following link: <http://ir.egytrans.com/arabic/un.php>



2. Department of Mechanical Engineering, Alexandria Faculty of Engineering awards the CEO an honorary trophy

Department of Mechanical Engineering, Alexandria Faculty of Engineering awards Eng. Hossam Leheta, the EGYTRANS Chairman, an honorary trophy, in recognition of the Company's special support of logistic services in exporting Formula race car for the graduation project of students of Department of Mechanical Engineering in 2014 from Cairo Airport to Frankfurt Airport, Germany, where the Company incurred the cost of its shipment by sea to Alexandria port.

It is worth mentioning that the Company waived the costs of packaging expenses and transport freight abroad, which enabled the students to participate with their Formula race car and represent the Faculty of Engineering, Alexandria University, and the Arab



Republic of Egypt in the Student Formula competition in Germany.

3. EGYTRANS trains the students of technical education dual program (Mubarak - Kohl) and the Arab Academy for Science and Technology

In the framework of social responsibility in the field of training and education, EGYTRANS trained 4 students from technical education dual program at the Company branches in Alexandria and Cairo. It also trained a student from the Arab Academy for Science and Technology in Alexandria branch during 2014.

4. Safe disposal of Company's waste papers in collaboration with Resala Charity Organization

In terms of the Company's social responsibility and its interest in the safety and preservation of the environment as well as its desire to participate in the development of society, within which it is operating, the Company embarked on the implementation of a social, community and environmental project in collaboration with Resala Charity Organization as of the beginning of November 2013.

The Company collects all the sheets of paper to be destroyed, including envelopes, files and other documents, in large plastic bags of Resala Charity Organization. Then, Resala representative receives such bags against an in-kind donation receipt.

Resala recycles the received paper and thus preserves the environment.

From the foregoing, it is clear that the said project serves three main objectives:

1. Maintain the safety and cleanliness of the environment according to the instructions of the Occupational Health and Safety Committee.
2. EGYTRANS contribution to charity works, beneficial to the community within which it operates.
3. Recycle and make use of the disposed paper.

During 2014, the Company provided several batches of waste paper, as follows:

Month	No. of sacs
January	10
February	7
March	6
April	4
May	3

June	3
July	5
August	4
September	5
October	5
November	4
December	4
Total plastic bags	60

It is worth mentioning that this project was a proposal by one of the female employees. The Company is used to receive various proposals and feedback from staff and implement the right ones through an initiative to encourage employees to provide their opinions in a manner that serves the interest of work and staff.



5. EGYTRANS Blood Donation Campaign

In the context of its corporate social responsibility, the Company was keen to participate in the "Blood donation campaign" project in collaboration with the Alexandria Businessmen Association and Price Waterhouse Coopers Foundation. The Company

carried out the campaign on Tuesday, 23/12/2014, from 10 am to 4 pm at the meeting room in the Awqaf Building. 40 blood bags were collected from donors at the level of EGYTRANS, ETAL, Depot Solutions and transport Branch at Merghgim, which is equivalent to the rescue of 120 cases.



It is worth mentioning that more than 70 donors of all ages in the Company participated in the campaign as well as donors from EGYTRANS, ETAL and EGYTRANS Depot Solutions. The high morale of the donors and their desire to participate in this charity project was asserted, while all measures went at ease and convenience.



This campaign was prepared at stages:

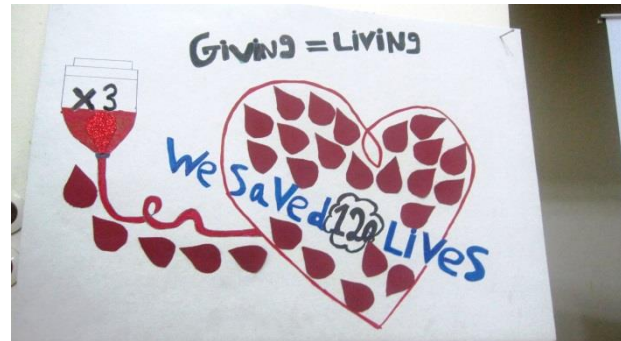
1. Preparation, publicity and awareness phase:

A social responsibility working group was formed from the Company's staff to prepare posters and publicity materials for the campaign. This working group also conducted the Special awareness campaign among their colleagues at the company and its subsidiaries.



2. The actual campaign day:

It was a successful day and all employees participated, whether to donate blood , organize donors or provide the required assistance to the nurses and doctors of the blood bank .



4. Post- donation campaign measures:

The Company received an official letter from Kom –El-Deka blood bank branch indicating donation of 40 blood bags during the campaign. By virtue of this letter, the Company facilitates provision of blood to patients in need of blood in critical situations , be from the staff or people in the vicinity (neighbors) through recommendation to the Blood Bank to facilitate their access to the bags required. It has been agreed with the senior management of the Company to replicate these campaigns on an ongoing basis and periodically (twice a year) for the benefit of the greatest number of people in need of blood bags.





FINANCIAL REPORTS

**Egyptian Transport
&
Commercial Services Co.
(EGYTRANS)
S.A.E.**

**Separate financial statements
together with auditor's report
for the year ended December 31st, 2014**

Translation of auditor's report
originally issued in Arabic

Auditor's report

To the shareholders of
Egyptian Transport & Commercial Services Co.
(Egytrans) " S.A.E. "

Report on the separate financial statements :

We have audited the accompanying separate financial statements of Egyptian Transport & Commercial Services Co. (Egytrans) - S.A.E. those statements comprise the separate balance sheet as at December 31st, 2014, and the separate statements of income, changes in owners' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the separate financial statements :

Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with Egyptian Accounting Standards and in light of governing laws. This responsibility include 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, 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 separate financial statements based on our audit. We conducted our audit in accordance with Egyptian Auditing Standards and in light of governing laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether 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 on 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 the 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.

Qualification :

The decline in clients value has been supported by an amount of L.E 667 thousand although we recommend it to be more, the decline in clients and debit balances value should be restituted to ensure its sufficiency, also we didn't obtain a reply for some confirmations sent to clients and debit balances to confirm their balances.

Qualified opinion :

In our opinion, except for the matters stated in preceding paragraph the separate financial statements referred to above present fairly in all material respects the separate financial position of the company as at December 31st, 2014, and of its financial performance and its cash flows for the year then ended in accordance with Egyptian Accounting Standards and in light of related governing laws.

Report on other legal and regulatory requirements :

The company's accounting records were maintained as required by law and the statute of the company and are in agreement with the accompanying financial statements.

The financial information included in the board of directors' report, prepared according to requirements of law No. 159 for 1981, and its executive regulation is in agreement with the company's records to the extent such information is normally recorded.

Auditor

Dr. Ahmed Shawki
"E.F.S.A." No. (5)
MAZARS Mostafa Shawki
March 12th, 2015



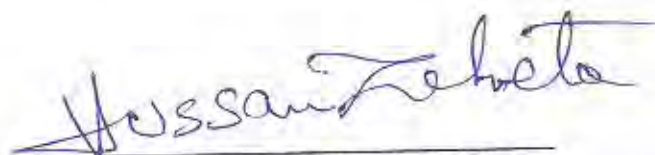
Translation of financial statements
originally issued in Arabic

Separate balance sheet at December 31st, 2014

(Amounts expressed in Egyptian Pound)

	Note	31/12/2014	31/12/2013
<u>Non-current assets :</u>			
Fixed assets (net)	(2c,3)	16,775,404	14,271,583
Other intangible assets	(2d,4)	3,164,584	1,521,387
Projects under construction	(2e,5)	--	2,584,652
Long term investments	(2f,6)	68,586,836	67,083,596
Total non-current assets		<u>88,526,824</u>	<u>85,461,218</u>
<u>Current assets :</u>			
Inventory – supplies	(2g)	86,861	--
Trade receivables (net)	(2h,7)	54,567,414	38,340,982
Clearance operations in process	(2i,9)	9,980,533	4,963,790
Debtors and other debits (net)	(8)	23,920,938	27,448,811
Debtors – tax authority	(10)	2,205,603	6,352,907
Investments in treasury bills	(2f)	--	25,470,782
Cash on hand and at banks	(11)	37,288,479	22,376,228
Total current assets		<u>128,049,828</u>	<u>124,953,500</u>
<u>Current liabilities :</u>			
Provisions	(2i,12)	712,943	3,015,800
Trade payables	(14)	5,254,890	4,412,428
Creditors – tax authority	(2n,13)	2,201,898	5,832,848
Creditors and other credits	(15)	26,945,513	16,758,833
Total current liabilities		<u>35,115,244</u>	<u>30,019,909</u>
Working capital		<u>92,934,584</u>	<u>94,933,591</u>
Total investment		<u>181,461,408</u>	<u>180,394,809</u>
<u>Owners' equity :</u>			
Issued and subscribed capital	(16)	156,062,500	156,062,500
Legal reserve	(2k)	4,511,925	3,691,056
Capital reserve	(2k)	1,993,177	1,993,177
Retained earnings		5,757,039	4,205,514
Net profit for the year		10,879,450	12,211,872
Net owners' equity		<u>179,204,091</u>	<u>178,164,119</u>
<u>Non-current liabilities :</u>			
Deferred tax liabilities	(2n)	2,257,317	2,230,690
Total non-current liabilities		<u>2,257,317</u>	<u>2,230,690</u>
Total finance of working capital and non-current assets		<u>181,461,408</u>	<u>180,394,809</u>

- The accompanying notes are an integral part of these separate financial statements.
- Auditor's report is attached.



Eng. Hussam Wael Sedeek Leheta
Chairman and deputy member



Mr. Ahmed Mossad Beheiry
Board member for financial affairs

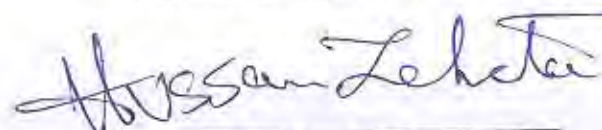
Translation of financial statements
originally issued in Arabic

Separate statement of income
for the year ended December 31st, 2014

(Amounts expressed in Egyptian Pound)

	Note	2014	2013
Operations revenues	(20,17)	118,851,528	144,690,582
Operations costs	(2g,18)	(95,244,907)	(118,199,017)
Gross profit		23,606,621	26,491,565
Selling and distribution expenses		(349,545)	(424,002)
General and admin. expenses	(19)	(19,208,324)	(17,594,938)
B.O.D. attendance allowances		(2,150,500)	(1,484,500)
Decline in clients value	(2h,7)	(666,573)	(1,227,200)
Decline in debtors value		--	(964,185)
Fixed assets depreciation	(2c)	(905,676)	(771,232)
Amortizations	(2d)	(1,091,172)	(685,290)
Operating (losses) profits		(765,169)	3,340,218
Finance expenses	(2L)	--	(1,342,895)
Provisions support	(2I,12)	(297,143)	(133,800)
Other revenues	(2o,20)	622,603	575,000
Revenues from investments in associates	(2f,22)	13,295,146	5,693,185
Losses from investments in associates	(2f,23)	(1,026,332)	--
Decline in investments value	(2f)	--	(885,000)
Treasury bills revenues	(2f)	113,202	3,884,691
Credit interests	(2o,21)	1,840,361	407,998
Foreign currency exchange differences	(2b)	(1,911,648)	2,925,022
(Losses) gains on sale of fixed assets		(27,913)	651,933
Net profit for the year before tax		11,843,107	15,116,352
Income tax	(2n)	(937,030)	(3,748,335)
Deferred tax (expense) income	(2n)	(26,627)	843,855
Income tax for the year		(963,657)	(2,904,480)
Net profit for the year		10,879,450	12,211,872
Earnings per share	(2p,25)	0.32	0.35

The accompanying notes are an integral part of these separate financial statements.



Eng. Hussam Wael Sedeek Leheta
Chairman and deputy member



Mr. Ahmed Mossad Beheiry
Board member for financial affairs

Translation of financial statements
originally issued in Arabic

Separate statement of changes in owners' equity
for the year ended December 31st, 2014

(Amounts expressed in Egyptian Pound)

	Issued and subscribed capital	Legal reserve	Capital reserve	Retained earnings	Net profit for the year	Total
Balance as at Jan. 1 st , 2013	156,062,500	3,691,056	1,993,177	16,269	(697,145)	161,065,857
Retained earnings	--	--	--	(697,145)	697,145	--
Adjustments on retained earnings	--	--	--	4,886,390	--	4,886,390
Net profit for year 2013	--	--	--	--	12,211,872	12,211,872
Balance as at December 31st, 2013	<u>156,062,500</u>	<u>3,691,056</u>	<u>1,993,177</u>	<u>4,205,514</u>	<u>12,211,872</u>	<u>178,164,119</u>
Balance as at Jan. 1 st , 2014	156,062,500	3,691,056	1,993,177	4,205,514	12,211,872	178,164,119
Legal reserve	--	820,869	--	--	(820,869)	--
Cash dividends	--	--	--	--	(9,449,478)	(9,449,478)
Retained earnings	--	--	--	1,941,525	(1,941,525)	--
Adjustments (note 30)	--	--	--	(390,000)	--	(390,000)
Net profit for the year	--	--	--	--	10,879,450	10,879,450
Balance as at December 31st, 2014	<u>156,062,500</u>	<u>4,511,925</u>	<u>1,993,177</u>	<u>5,757,039</u>	<u>10,879,450</u>	<u>179,204,091</u>



Eng. Hussam Wael Sedceek Leheta
Chairman and deputy member



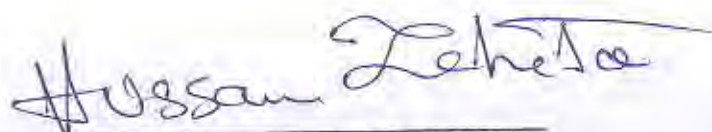
Mr. Ahmed Mossad Beheiry
Board member for financial affairs

Translation of financial statements
originally issued in Arabic

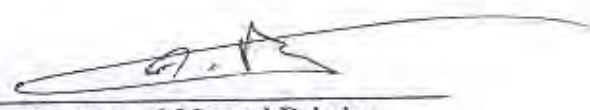
Separate statement of cash flows
for the year ended December 31st, 2014

(Amounts expressed in Egyptian Pound)

	Note	2014	2013
Cash flows from operating activities :			
Net profit for the year before tax		11,843,107	15,116,352
Adjustments :			
Depreciation and amortization		3,682,289	3,217,633
Investments in associates revenues		(13,295,146)	(5,693,185)
Investments in associates losses		1,026,332	—
Treasury bills revenues		(113,202)	(3,884,691)
Debit and credit interests		(1,840,361)	(3,036,638)
Losses (gains) on sale of fixed assets		27,913	(651,933)
Foreign currency exchange differences	(2r,28)	1,911,648	(2,910,022)
Provisions used		(2,600,000)	—
Provisions support		297,143	133,800
Decline in investments and debits value		—	1,849,185
Decline in trade receivables adjustments		657,573	(1,171,193)
Adjustments		(390,000)	4,886,390
		1,207,296	7,855,698
Working capital changes :			
Increase in inventory		(86,861)	—
(Increase) decrease in trade receivables		(16,884,005)	56,534
Decrease in debtors and other debits		7,678,030	9,081,335
Increase in clearance operations in process		(5,016,743)	(919,478)
Proceeds from investments in treasury bills		25,583,984	18,103,246
Increase in trade payables		842,462	1,743,472
Increase (decrease) in creditors and other credits		5,618,700	(13,487,814)
		18,942,863	22,432,993
Proceeds from investments in associates and subsidiaries		13,295,146	18,307,122
Collected credit interests		1,837,508	4,379,533
Paid debit interests		—	(1,342,895)
Effect of foreign currency differences on financial assets and liabilities		(1,818,676)	2,111,823
Net cash flows provided from operating activities		32,256,841	45,888,576
Cash flows from investing activities :			
Paid in fixed assets acquisition		(4,647,766)	(735,515)
Proceeds from sale of fixed assets		35,601	2,301,910
Paid in intangible assets		(660,403)	(88,875)
Paid in purchase of investments		(28,500,000)	(20,450,000)
Gains on sale of long investments		25,970,428	—
Paid in projects under construction		—	(1,132,946)
Net cash flows used in investing activities		(7,802,140)	(20,105,426)
Cash flows from financing activities :			
Cash dividends payments		(9,449,478)	—
Repayments of bank facilities		—	(12,932,265)
Cash flows used in financing activities		(9,449,478)	(12,932,265)
Net increase in cash and equivalents		15,005,223	12,850,885
Cash and equivalents, beginning of the year	(2r,28)	22,283,256	9,525,343
Cash and equivalents, end of the year	(2r,28)	37,288,479	22,376,228



Eng. Hussam Wael Sedeek Leheta
Chairman and deputy member



Mr. Ahmed Mossad Beheiry
Board member for financial affairs

Translation of financial statements
originally issued in Arabic

Notes to the separate financial statements
for the year ended December 31st, 2014

(Amounts expressed in Egyptian Pound)

1. The company :

Egyptian Transport & Commercial Services Co. (Egytrans) "S.A.E." was incorporated on September 13th, 1973 as a limited liability company and according to the extraordinary general assembly meeting held on January 1st, 1987 and law no. 159 of 1981, the company has changed its legal status to be a Joint Stock Company.

Company's purpose :

The company's purpose is to represent ship owners and shipping companies, air freight operations, shipping agencies, stevedoring for dry, bulk and general cargo, transportation and general services, international transportation by land, sea or air, customs clearance and shipping, warehousing and storage, container handling and related activities, packing and exhibition services also storage and selling all kinds of goods through the company branch located at port said free zone area.

2. Significant accounting policies :

A summary of the significant accounting policies is as follows :

a. Basis of accounting :

The accounts have been prepared according to historical cost and in conformity with Egyptian Accounting Standards and in light of governing laws, financial statements preparation require assumptions and estimates made by management that affect some assets, liabilities, revenues and expenses during financial period and the actual results might be different than these estimates.

b. Foreign currency transactions :

The company's functional and reporting currency is the Egyptian Pound, the transactions in foreign currencies during the year are translated to Egyptian Pound at the rates ruling at the transaction date. At period end, monetary assets and liabilities denominated in other currencies are translated to Egyptian Pounds at the rates ruling at that date. Exchange differences are included in the statement of income.

Non-monetary balances which were stated at historical cost (or fair value) are translated to Egyptian pounds using the rates ruling at the date of transaction (or when determining the fair value).

Concerning the company's branch at Port Said – free zone, the branch's functional and reporting currency is US Dollar, the branch's financial statement is translated at each financial period end at the rates ruling at that date. At period end, monetary assets and liabilities denominated in other currencies are translated to Egyptian Pounds at the rates ruling at that date. Exchange differences are included in the statement of income.

Branch's non-monetary balances which were stated at historical cost (or fair value) are translated to Egyptian pounds using the rates ruling at the date of transaction (or when determining the fair value).

The items of the branch's financial statements are translated to Egyptian pounds using the rates ruling at the date of transaction. Exchange differences are included in the statement of income.

c. Fixed assets :

Fixed assets are recognized when it is probable that future economic benefits embodied with acquired assets will flow to the company and its costs can be reliably measured. Fixed assets are stated at historical cost less accumulated depreciation, and accumulated impairment losses (if there are any indications of impairment in their values), The company annually reviews the estimated useful lives as well as scrap value for each asset (if any), The book value of these assets is depreciated by straight line method based on their estimated useful lives, using the following rates :

<u>Assets</u>	<u>Dep. rate</u>
Buildings	2%
Vehicles	20%
Computers	25%
Equipment and tools	10%
Fittings	20%
Furniture and office equipment	10%

Depreciation for recently acquired assets is calculated when the asset is ready for intended use. Any subsequent costs are capitalized to related fixed asset as a replacing part only if these costs are determinable and derive future economic benefits, other repairs and maintenance expenses are included in the statement of income as incurred.

d. Other intangible assets :

The acquired intangible assets are stated with their cost minus their accumulated amortization and their impairment losses, the after acquisition costs are capitalized only if there is an adequate expectation that there is an increase within the accompanied acquisition economic benefits and other costs are stated in the statement of income.

The intangible assets amortization is stated in the statement of income using straight line method based on their useful lives – other than goodwill, the amortization starts when the asset is ready for use and it's represented in computer programs with a useful life of 4 years.

e. Projects under construction :

Projects under construction include all expenditures directly attributable to acquire fixed assets, and they are transferred to fixed assets when completed and ready for intended use.

f. Long term investments :

- Investments in associates and subsidiaries :

Investments in associates and subsidiaries are stated at cost less accumulated impairment losses (if there are any indications of impairment in their values). Impairment loss is recognized in statement of income separately for each investment.

According to cost method, revenues are recognized based on cash dividends received from invested companies after the investment acquisition date.

- Available for sale investments :

Available for sale investments which have a market price that is registered in the stock exchange in an active market are evaluated at fair value and the evaluation differences are directly stated in the owners' equity and if there is an objective evidence regarding the impairment of these investments the resulting losses are stated in the statement of income.

Available for sale investments which doesn't have a market price that is registered in the stock exchange in an active market and can't be measured in a reliable way are evaluated at cost and if there is an impairment in their values, their book values will be reduced by the amount of that decrease which will be stated in the statement of income.

If the available for sale investments value increases during the period subsequent to the period in which the impairment losses were stated in the statement of income, the resulting gains are stated in the statement of income within the limits of the amounts that were previously stated as losses with including any increase that may arise after that in the fair value of those assets in the owners' equity excluding the impairment losses related to the securities available for sale that were previously stated in the statement of income as those losses can't be reversed except when selling or disposing those investments.

Revenues related to those investments are stated at cost and within what the company receives from the invested companies dividends that occurred after the acquisition date.

- **Trade investments :**
Trade investments are evaluated at fair market value, with any resultant gain or loss recognized in the statement of income as investments revenues or losses.
- **Investments in treasury bills :**
Treasury bills are stated at nominal value after deducting unearned revenues in the financial statements date. Revenues that result from such transactions are stated in the statement of income as treasury bills revenues.
- g. **Inventory :**
Inventory represents goods available for sale located in company's branch at Port Said – Free Zone, which is stated at cost or net realizable value whichever is lower, cost includes all costs incurred by the company until inventory reaches the company's warehouses. Cost of sold items from texture, housing tools, vehicles, spare parts and leather are evaluated using first in first out method, and net realizable value is represented in the estimated selling price in normal operating conditions after deducting all necessary costs and selling expenses.
- h. **Trade receivables :**
The trade receivables balance is stated at the net realizable value after deducting the decline in trade receivables value which is determined according to the management estimates, these estimates are reviewed at the end of each financial period to reflect the best current estimate.
- i. **Provisions :**
A provision is recognized when the company has a present legal obligation as a result of past event, the amount of the obligation can be reliably estimated, and it is probable that an outflow of economic benefits will be required to settle the obligation, provisions are reviewed at the end of each financial period and restated to reflect management estimates, the amount recognized as a provision should represent the present value of the expected outflows to settle the obligation.
- j. **Recognition of financial liabilities :**
Financial liabilities of loans and banks overdraft are measured by the consumed cost using the actual interest method in which financial liabilities are stated by the fair market value when the liability is recognized, installments that were previously paid are deducted and the interests expenses are distributed on the financial liability's lifetime.
- k. **Reserves :**
 - **Legal reserve :**
In accordance with corporate law no. 159 of 1981 and the company's articles 5% at least of the annual net income is required to be transferred to the legal reserve until it equals at least 50% of the issued capital, this reserve is not available for dividends.
 - **Other reserves :**
Using or supporting other reserves than the legal reserve is based on board of directors' suggestions and the approval of the company's general assembly.
- l. **Finance cost :**
Finance cost is stated as an expense in statement of income as incurred.
- m. **Treasury stocks :**
Treasury stocks are represented in the stocks that are reacquired by the company and it appears in the financial statements deducted from the owners' equity, when reacquiring the capital shares, the amount paid to acquire the stocks, are recognized as a deduction from the owners' equity and when reselling or issuing treasury stocks, the resulted surplus or deficit from the treasury stocks are stated in the owners' equity without recognizing any profits or losses in the statement of income.

n. **Income tax :**

Income tax on the profits for the year comprises current tax (calculated according to the laws and applicable regulations using the prevailing tax prices on balance sheet date) and the deferred tax, the accrued income tax is directly recorded in the statement of income.

The deferred tax resulting from time differences between the book values of the assets and liabilities according to the accounting base and their value according to the expected way to realize or settle the values of assets and liabilities using the prevailing tax prices on balance sheet date, deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized, deferred tax is recognized as an asset of the company if there is a strong probability that this asset could decrease the taxable profit of the company in the future years, the deferred tax is recognized as an asset and is reduced with its portion that will not result in future tax benefit.

o. **Revenue recognition :**

- **Rendering services :**

Revenues are recognized when services are rendered to the client with an accurate measurement of its degree of completion and when it's probable that identifiable and measurable economic benefits will flow to the company and the cost of these benefits could be reliably measured and the invoice is issued to the client.

- **Sales revenues :**

Sales revenues from goods available for sale in free zone branch are recognized when all ownership risks, rewards and controls are transferred to the client, the actual delivery of sold goods, invoices were issued, it is probable that identifiable and measurable economic benefits will flow to the company and the cost of these benefits could be reliably measured.

- **Credit interests :**

Credit interests revenues are recognized as incurred according to banks declared interest rates, which represent the required rate of return on the asset, it also includes a credit commission which is due on the highest credit balance of the banks current account.

p. **Earnings per share :**

Earnings per share are calculated by dividing the net profit (loss) for the financial period attributable to ordinary shareholders of the company (after deducting board of directors' rewards and employees share in profit) by the weighted average of the registered shares during the financial period.

q. **Finance lease :**

- **Leased assets :**

Accrued finance lease cost and the maintenance expenses of leased assets are stated in statement of income as expenses for each financial period. At the end of the contract, if the company decided to acquire the leased assets, these assets are stated as fixed assets by the amount paid to exercise their right to acquire these assets which was agreed upon according to the contract and depreciated over the remaining useful life of the asset in the same manner as similar assets.

r. **Statement of cash flows :**

Statement of cash flows is prepared according to the indirect method and for the purpose of preparing the statement of cash flows, cash and equivalents comprise cash on hand, banks current accounts, and time deposits which have short maturity dates not exceeding three months, cash and cash equivalents at the beginning and the end of each financial period are recognized by the amount of unrecognized profits and losses resulted from changes in foreign currencies exchange rates.

Cash proceeds from banks overdraft or payments are stated within the financing activities as it's considered as credit facilities in which the company obtains to finance its different activities.

s. **Impairment of assets :**

The book values of company's assets are reviewed at financial statements date to determine whether there are any indications of impairment in their value, if such indications exist the asset's residual value is estimated, and the asset is recorded by its estimated residual value and the difference between book value and the residual value of assets are included in statement of income.

When the residual value of the assets increases the impairment loss is redeemed in the value of the asset limited to it's book value which is determined after deducting the accumulated depreciation and without deducting the impairment in the value of assets.

t. **Clearance operations in process :**

The company put together all costs and expenses related to the incomplete customs clearance operations till the financial statements date, they are evaluated at cost or the net redemption value whichever is lower, and are stated in clearance operations in process in the current assets. Those amounts will be included within in the statement of income once the service is rendered and the invoice issued to the supplier.

u. **Social insurance :**

The company contributes to the government social insurance system for the benefit of its personnel in accordance with the social insurance law under this law, the employees and the employers contribute into the system on a fixed percentage of salaries basis, the company's liability is confined to the amount of its contribution, contributions are charged to statement of income according to the accrual basis of accounting.

v. **Contractual agreements :**

Any contractual agreements to acquire long term assets in which may result in an outflow of economic resources in the future are clearly disclosed.

w. **Related parties transactions :**

Related parties transactions comprise services, and current accounts among them. These transactions are maintained according to same basis applied to others.

x. **Comparative figures :**

The comparative figures are reclassified whenever necessary, to conform to current period presentation with disclosing the nature of the reclassification, the reason and the value of each reclassified item.

3. **Fixed assets (net) :**

Net book value of fixed assets comprises the following :

	<u>Buildings</u>	<u>Vehicles</u>	<u>Computers</u>	<u>Equipment and tools</u>	<u>Fittings</u>	<u>Furniture and office equipment</u>	<u>Total</u>
Cost as at January 1 st , 2014	6,995,837	3,378,573	3,333,251	17,285,844	1,125,864	3,814,102	35,933,471
Additions	4,212,770	143,730	206,832	99,171	7,300	488,649	5,158,452
Disposals	--	(1,341,715)	(380,044)	(489,303)	--	(621,620)	(2,832,682)
Adjustments	--	--	(999)	--	--	999	--
Cost as at December 31 st , 2014	<u>11,208,607</u>	<u>2,180,588</u>	<u>3,159,040</u>	<u>16,895,712</u>	<u>1,133,164</u>	<u>3,682,130</u>	<u>38,259,241</u>
Acc. Dep. as at January 1 st , 2014	6,154,572	3,150,912	2,636,864	5,835,380	928,393	2,955,767	21,661,888
Depreciation of the year	27,499	177,796	399,151	1,685,441	64,229	237,001	2,591,117
Acc. dep. for disposals	--	(1,341,715)	(380,044)	(489,303)	--	(558,106)	(2,769,168)
Adjustments	--	--	(224)	--	--	224	--
Acc. dep. as at December 31 st , 2014	<u>6,182,071</u>	<u>1,986,993</u>	<u>2,655,747</u>	<u>7,031,518</u>	<u>992,622</u>	<u>2,634,886</u>	<u>21,483,837</u>
N.B.V. as at December 31 st , 2014	<u>5,026,536</u>	<u>193,595</u>	<u>503,293</u>	<u>9,864,194</u>	<u>140,542</u>	<u>1,047,244</u>	<u>16,775,404</u>
N.B.V. as at December 31 st , 2013	<u>841,265</u>	<u>227,661</u>	<u>696,387</u>	<u>11,450,464</u>	<u>197,471</u>	<u>858,335</u>	<u>14,271,583</u>
Fully depreciated assets	<u>5,620,879</u>	<u>4,027,404</u>	<u>2,349,459</u>	<u>5,070,173</u>	<u>805,020</u>	<u>2,077,207</u>	<u>19,950,142</u>

4. **Other intangible assets :**

The balance of other intangible assets as at December 31st, 2014 amounted L.E 3,164,584 which represents the value of Oracle ERP computer system which was transferred from projects under construction on December 31st, 2011 and has been operating since January 1st, 2012 as well as the VIOP program , OTM program and other programs represented as follows :

	<u>2014</u>	<u>2013</u>
Oracle system - ERP	2,047,012	2,047,012
OTM program	2,698,490	—
VIOP Program	429,623	429,623
Others	391,269	355,390
Deduct :	5,566,394	2,832,025
Acc. amortization	<u>(2,401,810)</u>	<u>(1,310,638)</u>
	<u>3,164,584</u>	<u>1,521,387</u>

5. **Projects under construction :**

Projects under construction balance comprises the following :

	<u>2014</u>	<u>2013</u>
Al Adabeya port – storage areas	—	510,686
* Computer installments	—	2,073,966
	<u>—</u>	<u>2,584,652</u>

*The company signed a contract to develop its computer operating system by acquiring ERP system and OTM system, the company accomplished and transferred both to other intangible assets on December 31st, 2011 and May 31st, 2014 respectively.

6. **Long term investments :**

Long term investments balance comprises the following :

	<u>Share percentage</u>	<u>2014</u>	<u>2013</u>
Investments in subsidiaries :			
Egyptian Transportation & Logistics Co. (ETAL)	99.99%	55,672,000	27,172,000
Egytrans For Depot Solutions Co.	99.99%	11,879,750	11,879,750
Egytrans For River Ports Co.	99.99%	249,970	24,999,700
Egytrans Barg Link Co.	99.99%	249,970	2,497,000
		<u>68,051,690</u>	<u>66,548,450</u>
Investments in associates :			
Damietta Feeder Terminal Co. (DFTC)	20%	885,000	885,000
Barwil Egytrans Shipping Agencies Co.	30%	300,000	300,000
Scan Arabia Shipping Agencies Co.	30%	225,000	225,000
Barwil Arabia Shipping Agencies Co.	1%	7,500	7,500
		<u>1,417,500</u>	<u>1,417,500</u>
Decline in investments' value		<u>(885,000)</u>	<u>(885,000)</u>
		<u>532,500</u>	<u>532,500</u>
Investments available for sale :			
		<u>2,646</u>	<u>2,646</u>
		<u>2,646</u>	<u>2,646</u>
		<u>68,586,836</u>	<u>67,083,596</u>

Associates and subsidiaries summarized information is as follows:

	Value in thousands				
	Current assets	Current liabilities	Non-current assets	Revenues	Net profit / loss
Subsidiaries :					
Egyptian Transportation & Logistics Co. (ETAL)	11,562	1,136	53,300	6,466	86
Egytrans For Depot Solutions Co. (US Dollar)	201	571	2,047	690	227
Egytrans For River Ports Co.	1,070	68	99	--	(1,221)
Egytrans Barg Link Co.	357	55	--	--	46
Associates :					
Barwil Egytrans Shipping Agencies Co.	65,832	65,886	6,583	61,284	7,363
Scan Arabia Shipping Agencies Co.	67,205	52,890	664	127,295	28,036
Barwil Arabia Shipping Agencies Co.	1,071	165	184	2	56

- The investment in Barwil Arabia Shipping Agencies Co. was added to investments in associates because it is owned by Barwil Egytrans Shipping Agencies Co. with an ownership percentage of 50%, accordingly the holding company has a significant influence through its indirect ownership for more than 15% in the invested company.
- Global Depot Solutions company held an extra ordinary general assembly meeting on February 12th, 2012 to approve the change in the capital structure and the name of the Co. to be Egytrans for Depot Solutions and the increase in the authorized capital from USD 1 million to USD 5 million and increase the issued capital from USD 1 million to USD 1.5 million. This increase was paid and registered in the commercial register.

And during year 2013 and according to the board of directors meeting held on July 1st, 2013, the issued capital has increased with an amount of USD 500,000 to reach USD 2,000,000 which was subscribed in full by Egyptian Transport & Commercial Services Co. (Egytrans) resulting in an increase in its ownership percentage to be 99.99% instead of 99.98%, the article of association and the issued capital structure of Egytrans for Depot Solutions has been modified accordingly.

- During year 2013 Egyptian Transportation & Logistics Co. (ETAL) increased its capital by an amount of L.E 17 million to be L.E 25 million, the company subscribed in this increase by the whole amount so the ownership percentage changed to be 99.9%. This increase was registered in the commercial register on February 2013 and on September 8th, 2014 the issued capital increased by an amount of L.E 20 million to be L.E 45 million subscribed fully by Egyptian Transport and Commercial Services Company (Egytrans) accordingly its ownership percentage in the company increased to be 99.94 % , also an amount of L.E 10 million was paid for the paid up capital to be L.E 35 million and on September 21st, 2014 another L.E 10 million was paid for the issued and paid up capital to be L.E 45 million , this increase was registered in the commercial register.

During the year an amount of L.E 8.5 million was paid to increase company's issued capital, This increase was fully subscribed by Egyptian Transport and Commercial Services Company (Egytrans) increasing its ownership percentage to be 99.99 % , (these events were registered in the commercial register on January 11th, 2015.

The company's capital increased by an amount of L.E 7.5 million after the financial statements date, this increase was registered in the commercial register on February 24th, 2015.

- Egytrans For River Ports Co. didn't start operating yet and the company's management is in the process of extracting the necessary licenses to start its operations according to the legal requirements related to such licenses , the company also invested it's resources in alternative investment activities to be able to withstand any losses occurred because the company hadn't started operating yet.

The company's general assembly meeting held on June 28th, 2014 agreed to decrease the company's paid up capital from L.E 25 million to L.E 250,000 this decrease was registered in the commercial register in December 29th, 2014.

- Egytrans Barg Link Co. didn't start operating yet and the company's management is in the process of extracting the necessary licenses to start its operations according to the legal requirements related to such licenses, the company also invested its resources in alternative investment activities to be able to withstand any losses occurred because the company hadn't started operating yet.
The company's general assembly meeting held on September 28th, 2014 agreed to decrease the company's paid up capital from L.E 2.5 million to L.E 250,000 this decrease was registered in the commercial register on December 29th, 2014.
- During year 2013 investments impairment losses value has been calculated with an amount of L.E 885,000 which represent the value of the investment in Damietta Feeder Terminal Co. (DFTC) and included in the statement of income.

7. **Trade receivables :**

Trade receivables balance comprises the following :

	<u>2014</u>	<u>2013</u>
Clients	57,403,592	40,318,286
Checks under collection	—	201,301
	<u>57,403,592</u>	<u>40,519,587</u>
Decline in clients' value	(2,836,178)	(2,178,605)
	<u>54,567,414</u>	<u>38,340,982</u>

8. **Debtors and other debits (net) :**

Debtors and other debits balance (net) comprises the following :

	<u>2014</u>	<u>2013</u>
Due from related parties	13,109,675	16,189,619
Suppliers – debit balances	660,112	2,928,878
Accrued revenues	73,686	70,833
Insurance with others	1,170,728	2,026,975
L/G's cash cover	513,383	1,180,986
Maritime agents – debit balances	2,799,615	1,054,653
Maritime agent – related parties	3,532,633	—
Shipping lines	588,000	1,459,634
Prepaid expenses	532,796	946,409
Hadelco	825,457	825,457
Wadi El Niel For Trading	852,167	852,167
Cash imprests	41,024	408,689
Employees advances	185,847	253,031
Agencies claims	—	1,537
Other debits	—	214,128
	<u>24,885,123</u>	<u>28,412,996</u>
Decline in due from related parties	(964,185)	(964,185)
	<u>23,920,938</u>	<u>27,448,811</u>

9. **Clearance operations in process :**

Clearance operations in process balance comprises the following :

	<u>2014</u>	<u>2013</u>
Alexandria branch	6,733,046	427,195
Suez branch	955,671	758,635
Port said branch	1,566,305	1,579,240
Damietta branch	655,728	1,783,346
Merghem branch	69,783	415,374
	<u>9,980,533</u>	<u>4,963,790</u>

10. Debtors – tax authority :

Debtors – tax authority balance comprises the following :

	<u>2014</u>	<u>2013</u>
Withholding taxes	2,205,603	4,517,244
Withholding taxes – treasury bills	--	1,835,663
	<u>2,205,603</u>	<u>6,352,907</u>

11. Cash on hand and at banks :

Cash on hand and at banks balance comprises the following :

	<u>2014</u>	<u>2013</u>
Banks current acc. – foreign currency	17,622,297	14,233,348
Banks current acc. – local currency	2,357,145	3,427,984
Time deposits – local currency	16,236,250	3,930,025
Time deposits – foreign currency	545,237	457,748
Cash on hand	527,550	327,123
	<u>37,288,479</u>	<u>22,376,228</u>

12. Provisions :

Provisions balance comprises the following :

	<u>Balance as at 1/1/2014</u>	<u>Provisions support</u>	<u>Provisions used</u>	<u>Balance as at 31/12/2014</u>
Tax provision	2,600,000	--	(2,600,000)	--
Provisions to meet the disputes with customs authority	282,000	--	--	282,000
Provisions for legal claims	133,800	297,143	--	430,943
	<u>3,015,800</u>	<u>297,143</u>	<u>(2,600,000)</u>	<u>712,943</u>

- Tax provision balance amounted L.E 2,600,000 has been used to meet tax differences resulted from the internal committee decision regarding the tax dispute for years from 1994 till 2003.
- During the year the company has supported the legal claims provisions with an amount of L.E 297,143 for it to reach a balance of L.E 430,943 on December 31st, 2014.

13. Creditors – tax authority :

Creditors – tax authority balance comprises the following :

	<u>2014</u>	<u>2013</u>
Income tax authority current account	1,000,000	1,301,154
Income tax for the year	937,030	3,748,335
Withholding taxes	116,508	79,383
Tax authority – sales tax	52,133	308,085
Payroll tax authority	96,227	107,161
Tax authority – moving capital	--	288,730
	<u>2,201,898</u>	<u>5,832,848</u>

- According to the court of appeal of Ismailia decision no. 42-43 regarding the lawsuit no. 47 of year 2010 filed by the company against the corporates tax authority concerning the authority's inspection of the company's books for years from 1994 to 1998 , the due tax base has been reduced by an approximate amount of L.E 10 million.
The tax provision amounted L.E 2.6 million has been settled as well as the withholding taxes balance for the period from 1994 to 1998 which created a liability on the company with an amount of L.E 1 million which is compatible with the amount required by the tax authority in tax form (9AG)

14. Trade payables :

Trade payables balance comprises the following :

	<u>2014</u>	<u>2013</u>
Suppliers	5,094,106	4,162,613
Notes payable	160,784	249,815
	<u>5,254,890</u>	<u>4,412,428</u>

15. Creditors and other credits :

Creditors and other credits balance comprises the following :

	<u>2014</u>	<u>2013</u>
Customs authority	--	6,011,724
Clients – credit balances	8,414,597	4,551,300
Maritime agents – credit balances	16,446,784	3,136,933
Accrued expenses	502,180	774,247
Insurance for others	894,618	892,508
Due to related parties (note 26)	25,633	378,477
Unearned revenues (note 38)	94,813	178,115
Kromi – Hitachi	--	347,500
Social insurance authority	132,172	18,103
Contractors insurance	110,403	35,868
Accrued compensations	--	43,079
Shareholders C/A	27,328	9,802
Other credits	296,985	381,177
	<u>26,945,513</u>	<u>16,758,833</u>

16. Issued and subscribed capital :

The authorized capital amounted L.E 1 Billion and total issued and paid up capital amounted L.E 156,062,500 divided into 31,212,500 shares of L.E 5 par value each.

The extra - ordinary general assembly meeting held on December 6th, 2009 decided to increase the issued capital by L.E 200 million to be L.E 256,062,500 divided into 25,606,250 shares of L.E 10 par value each, the board of directors was delegated to call the capital increase according to projects time schedule, the board of directors decided to call only L.E 100 million which was paid in full according to Arab African Bank letter, this increase was registered in the commercial register on April 14th, 2010 leading the paid up capital to be L.E 156,062,500.

And according to the extra-ordinary general assembly meeting held on March 30th, 2014 the shares par value has been modified to be L.E 5 instead of L.E 10 , therefore the issued and paid up capital will be 156,062,500 divided into 31,212,500 shares of L.E 5 par value each and the company's capital structure is as follows :

<u>Name</u>	<u>Ownership percentage</u>	<u>No. of shares</u>	<u>Ownership value</u>
National Investment Bank	25.25 %	7,882,030	39,410,150
Mr. Moustafa Said Eissa	6.75 %	2,106,706	10,533,530
Eng. Hussam Wael Leheta	5.44 %	1,697,622	8,488,110
Mr. Hassan Ibrahim Mekky	5.37 %	1,675,866	8,379,330
Ms. Abir Wael Sedeek Leheta	4.14 %	1,290,876	6,454,380
Ms. Heba Wael Sedeek Leheta	4.09 %	1,275,184	6,375,920
Kuwait Enterprise House Co.	3.98 %	1,241,194	6,205,970
Kuwait Investment House Co.	3.69 %	1,151,658	5,758,290
Ms. Amany Wael Sedeek Leheta	3.45 %	1,076,088	5,380,440
Mr. Gamal Abd Elkader Abd Elbaseer	3.31 %	1,031,578	5,157,890
Other shareholders	34.55 %	10,783,698	53,918,490
	<u>100 %</u>	<u>31,212,500</u>	<u>156,062,500</u>

17. Operating revenues :

Operating revenues for the year ended December 31st, 2014 comprise the following :

Activity / branches	Alexandria	Cairo	Port Saïd	Suez	Damietta	Merghem	Free zone	Total
Sea Freight	9,166,846	--	321,748	438,044	209,606	--	--	10,136,244
Air Freight	59,932	6,665,852	--	--	--	--	--	6,725,784
Customs clearance	9,532,043	1,171,956	3,570,649	292,082	406,253	1,450	--	14,974,433
Discharge	7,923,278	--	12,220,293	1,187,777	1,919,558	1,890	--	23,252,796
Additional services	16,672,122	684,012	1,133,660	117,274	164,062	2,020	--	18,773,150
Land transportation	2,655,409	660,406	21,380,587	920,572	1,692,934	8,447,902	--	35,757,810
Warehousing	1,639,775	--	--	601,698	--	83,122	2,487,583	4,812,178
Transit	1,639,601	681,771	83,113	140,980	48,800	--	--	2,594,265
Insurance	--	107,025	9,000	24,800	41,310	--	--	182,135
Packing	--	98,496	--	--	--	--	--	98,496
Renting equipment	--	--	--	528,572	--	6,550	--	535,122
Others	806,020	--	58,544	28,888	68,324	47,339	--	1,009,115
Total	50,095,026	10,069,518	38,777,594	4,280,687	4,550,847	8,590,273	2,487,583	118,851,528

Continue: Operating revenues :

Operating revenues for the year ended December 31st, 2013 comprise the following :

Activity / branches	Alexandria	Cairo	Port Said	Suez	Damietta	Merghem	Free zone	Total
Sea Freight	29,785,469	42,067	52,610	1,084,093	1,450	222,695	--	31,188,384
Air Freight	189,440	7,419,280	--	24,204	--	--	--	7,632,924
Customs clearance	6,552,035	1,257,944	1,350,962	421,450	4,593	199,005	--	9,785,989
Discharge	14,536,571	--	3,217,949	2,124,015	6,518	1,315,589	--	21,200,642
Additional services	37,343,591	546,692	536,700	198,913	217,699	195,538	--	39,039,133
Land transportation	5,934,703	612,344	3,403,796	2,028,807	11,888,386	910,063	--	24,778,099
Warehousing	869,051	--	--	1,634,793	50,925	--	2,486,014	5,040,783
Transit	1,746,920	999,227	20,197	418,909	--	157,930	--	3,343,183
Insurance	--	102,315	--	55,450	--	2,844	--	160,609
Packing	--	88,199	--	--	--	--	--	88,199
Renting equipment	--	--	--	794,342	9,900	--	--	804,242
Others	803,080	106,428	51,123	373,959	10,100	283,705	--	1,628,395
Total	97,760,860	11,174,496	8,633,337	9,158,935	12,189,571	3,287,369	2,486,014	144,690,582

18. **Operating costs :**

Operating costs for the year ended December 31st, 2014 comprise the following :

Activity / branches	Alexandria	Cairo	Port Said	Suez	Damietta	Merghem	Free zone	Total
Sea Freight	8,391,065	--	2,738	373,684	--	200,686	--	8,968,173
Air Freight	41,258	5,361,660	--	--	--	--	--	5,402,918
Customs clearance	4,756,309	372,281	2,442,526	188,887	1,613	347,464	--	8,109,080
Discharge	4,195,345	--	12,220,293	878,810	--	1,919,558	--	19,214,006
Additional services	14,634,008	35,653	881,578	17,537	--	94,336	--	15,663,112
Land transportation	1,863,681	290,870	15,775,142	700,526	6,692,267	1,034,760	--	26,357,246
Warehousing	1,013,419	--	--	520,759	228,116	--	558,111	2,320,405
Transit	255,999	66,792	19,169	1,955	--	1,639	--	345,554
Insurance	--	63,629	2,700	21,875	--	17,650	--	105,854
Packing	--	31,822	--	--	--	--	--	31,822
Renting equipment	--	--	--	34,376	46,180	--	--	80,556
Others	1,173,455	--	--	6,634	70,700	55,049	--	1,305,838
Fixed assets depreciation	12,956	1,933	99	542,898	918,550	304	208,701	1,685,441
Salaries and wages	2,012,533	1,015,131	770,569	385,617	755,358	518,509	197,185	5,654,902
Total	38,350,028	7,239,771	32,114,814	3,673,558	8,712,784	4,189,955	963,997	95,244,907

Continue: operating costs :

Operating costs for the year ended December 31st, 2013 comprise the following :

Activity / branches	Alexandria	Cairo	Port Said	Suez	Damietta	Merghem	Free zone	Total
Sea Freight	26,572,890	77,775	23,961	940,646	--	197,435	--	27,812,707
Air Freight	163,628	5,781,727	--	19,368	--	--	--	5,964,723
Customs clearance	7,863,700	500,597	936,258	227,320	--	349,780	--	9,877,655
Discharge	7,734,074	--	3,216,355	982,600	--	1,538,822	--	13,471,851
Additional services	26,727,282	55,682	387,937	56,812	625	118,468	--	27,346,806
Land transportation	6,788,451	334,757	2,581,685	730,374	9,335,392	702,188	--	20,472,847
Warehousing	387,670	--	--	1,300,955	218,445	--	421,844	2,328,914
Transit	744,838	79,075	6,541	197,367	--	27,820	--	1,055,641
Insurance	--	59,668	--	44,352	--	1,450	--	105,470
Packing	--	31,134	--	--	--	--	--	31,134
Renting equipment	--	--	--	3,125	12,131	--	--	15,256
Others	2,835,094	6,701	16,576	393,686	107,156	98,459	--	3,457,672
Fixed assets depreciation	27,472	28,983	10,985	512,771	966,854	5,154	208,892	1,761,111
Salaries and wages	1,696,957	900,214	349,615	254,600	675,548	448,738	171,558	4,497,230
Total	81,542,056	7,856,313	7,529,913	5,663,976	11,316,151	3,488,314	802,294	118,199,017

19. **General and administrative expenses :**

General and administrative expenses balance for the year ended December 31st, 2014 comprises the following :

Activity / branches	Alexandria	Cairo	Port Said	Suez	Damietta	Merghem	Free zone	General administration	Total
Salaries and wages	2,083,603	1,056,095	820,165	394,427	534,710	803,883	204,283	5,491,152	11,388,318
End of service reward	--	660	--	--	--	9,615	--	77,961	88,236
Vehicles expenses	15,844	6,245	1,499	6,659	9,036	38,826	--	147,795	225,904
Traveling and accommodation	21,955	548	5,998	420	2,264	31,944	670	410,623	474,422
Telephones and communications	11,953	22,136	6,352	5,688	5,531	5,439	894	145,684	203,677
Rent	722	316,267	11,751	--	15,870	11,835	--	429,621	786,066
Maintenance, cleaning and security	33,719	2,020	7,733	1,996	5,421	62,271	140	257,496	370,796
Utilities (water and electricity)	15,301	4,320	24,208	3,269	2,879	17,753	6,359	131,616	205,705
Bank charges	--	--	12,706	260	--	720	631	164,409	178,726
Mails and stamps	28,218	5,822	7,937	3,782	3,311	--	--	85,930	135,000
Subscriptions and fees	2,554	19,433	6,788	4,140	3,590	14,885	3,850	517,284	572,524
Office supplies and printing	41,579	16,754	28,747	3,680	829	9,047	944	160,205	261,785
Computers expenses	130,449	59,415	31,585	33,069	36,818	25,090	16,074	920,266	1,252,766
Advertising and public relations	401	--	--	--	--	--	--	620,950	621,351
Hospitality and buffet	5,706	5,324	1,092	662	1,130	3,369	714	103,311	121,308
Donations	--	--	--	--	--	--	--	93,058	93,058
Legal fees	--	--	--	--	--	--	--	126,272	126,272
Insurance installments	17,654	10,703	6,933	1,862	4,858	22,100	22,880	97,140	184,130
Consulting and accounting fees	2,878	2,322	48	2,355	143	241	10,000	1,279,827	1,297,814
Training and quality	3,175	4,172	--	3,455	472	697	202	117,184	129,357
Central archive	24,754	15,049	--	2,067	--	--	--	39,968	81,838
Finance lease installment	--	--	--	--	--	--	--	--	--
Quality and ISO	5,245	--	679	438	646	1,714	595	16,827	26,144
Social responsibility	--	2,550	--	--	--	--	--	380,577	383,127
Total	2,445,710	1,549,835	974,221	468,229	627,508	1,059,429	268,236	11,815,156	19,208,324

Continue : General and administrative expenses :

General and administrative expenses balance for the year ended December 31st, 2013 comprises the following :

Activity / branches								General	Total
	Alexandria	Cairo	Port Said	Sucz	Damietta	Merghem	Free zone	administration	
Salaries and wages	1,767,381	946,745	372,712	265,995	465,557	734,870	179,623	6,345,432	11,078,315
End of service reward	56,838	707	100,947	29,001	2,000	20,171	4,000	427,788	641,452
Vehicles expenses	8,523	6,390	964	5,928	6,842	33,050	--	119,909	181,606
Traveling and accommodation	16,367	185	5,342	637	2,331	34,356	1,153	523,824	584,195
Telephones and communications	17,428	20,491	7,429	7,422	6,333	6,333	1,081	159,734	226,251
Rent	645	268,566	11,663	--	15,666	10,947	--	349,319	656,806
Maintenance, cleaning and security	27,966	2,166	5,495	2,875	3,304	75,425	480	173,346	291,057
Utilities (water and electricity)	12,974	4,320	6,814	1,344	2,759	8,393	2,682	75,989	115,275
Bank charges	310	--	--	--	--	--	20	110,530	110,860
Mails and stamps	22,536	5,692	2,515	2,308	1,657	--	--	54,302	89,010
Subscriptions and fees	2,113	6,970	2,390	2,808	2,078	1,406	3,000	354,756	375,521
Office supplies and printing	41,285	15,923	6,545	2,115	1,291	4,685	1,798	111,316	184,958
Computers expenses	48,300	28,416	13,849	16,194	17,827	14,250	9,206	406,761	554,803
Advertising and public relations	4,435	--	--	--	--	160	--	359,046	363,641
Hospitality and buffet	5,793	1,909	1,934	611	1,134	2,590	935	55,837	70,743
Donations	--	--	--	--	--	--	--	25,530	25,530
Legal fees	--	--	--	--	--	1,180	--	154,381	155,561
Insurance installments	15,490	8,045	7,265	1,631	2,731	77,755	9,610	94,110	216,637
Consulting and accounting fees	--	--	--	--	--	--	10,000	955,634	965,634
Training and quality	7,078	10,378	2,878	2,678	2,678	--	--	162,416	188,106
Central archive	24,437	15,099	--	2,240	--	--	--	46,561	88,337
Finance lease installment	--	--	--	--	--	--	--	45,425	45,425
Quality and ISO	7,764	5,283	3,280	3,812	1,059	6,781	2,760	36,026	66,765
Social responsibility	--	--	--	--	--	--	--	318,450	318,450
Total	2,087,663	1,347,285	552,022	347,599	535,247	1,032,352	226,348	11,466,422	17,594,938

20. **Other revenues :**

Other revenues balance for the year ended December 31st, 2014, is as follows :

	<u>2014</u>	<u>2013</u>
Compensatory contracts revenues	588,000	575,000
Other revenues	34,603	--
	<u>622,603</u>	<u>575,000</u>

21. **Credit interests :**

Credit interests balance for the year ended December 31st, 2014 amounted 1,840,361 are represented in the value of interest on time deposits and current accounts at Audi Bank.

22. **Investments revenues :**

Investments revenues balance for the year ended December 31st, 2014 is as follows :

	<u>2014</u>	<u>2013</u>
Scan Arabia Shipping Agencies Co.	9,102,012	3,033,167
Barwil Egytrans Agencies Co.	1,989,567	1,587,575
Etal	1,592,145	--
* Chairman share in Scan Arabia Co. profits	552,771	749,579
* Chairman share in Barwil Egytrans profits	58,651	322,864
	<u>13,295,146</u>	<u>5,693,185</u>

* According to the contracts written between the company and its chairman, the chairman has waived his share in the profits of Scan Arabia Co. and Barwil Egytrans Co. in favor of the company.

23. **Investments losses :**

Investments losses for the year ended December 31st, 2014 are represented in the retained losses of the period before Egytrans Barglink Co. began its operations with an amount of L.E 1,026,332 as the extraordinary general assembly meeting held on July 28th, 2014 agreed to decrease the company's issued and paid up capital from L.E 2.5 million to L.E 250 thousand and to return the disposed shares value to subscribers after absorbing the decreased losses according to the financial position of Egytrans Barglink Co. on April 30th, this modification in the capital has been registered in the commercial register on December 29th, 2014

24. **Income statement by segment :**

The income statement by segment for the year ended December 31st, 2014 comprises the following :

	Alexandria	Cairo	Port Said	Suez	Damietta	Merghem	Free zone	General administration	Total
Operating revenues	50,095,026	10,069,518	38,777,594	4,280,687	4,550,847	8,590,273	2,487,583	--	118,851,528
Operating costs	(38,350,028)	(7,239,771)	(32,114,814)	(3,673,558)	(4,189,955)	(8,712,784)	(963,997)	--	(95,244,907)
Gross profit	11,744,998	2,829,747	6,662,780	607,129	360,892	(122,511)	1,523,586	--	23,606,621
Selling and distribution expenses	--	--	--	--	--	--	--	(349,545)	(349,545)
General and admin. expenses	(2,445,710)	(1,549,835)	(974,221)	(468,229)	(627,508)	(1,059,429)	(268,236)	(11,815,156)	(19,208,324)
B.O.D. attendance allowances	--	--	--	--	--	--	--	(2,150,500)	(2,150,500)
Decline in clients value	--	--	--	--	--	--	--	(666,573)	(666,573)
Fixed assets depreciation and amortization	(1,613,917)	(216,477)	(54,648)	(9,066)	(24,087)	(77,166)	(1,466)	(21)	(1,996,848)
Operating profits (losses)	7,685,371	1,063,435	5,633,911	129,834	(290,703)	(1,259,106)	1,253,884	(14,981,795)	(765,169)
Provisions support	--	--	--	--	--	--	--	(297,143)	(297,143)
Investments revenues	--	--	--	--	--	--	--	13,295,146	13,295,146
Investments losses	--	--	--	--	--	--	--	(1,026,332)	(1,026,332)
Credit interests	--	--	--	--	--	--	--	1,840,361	1,840,361
Other revenues	240,000	--	--	--	--	--	--	382,603	622,603
Gains (losses) on sale of fixed assets	--	8,100	--	--	--	--	--	(36,013)	(27,913)
Foreign currency exchange differences	(2,168,386)	(45,409)	(176,321)	501	780	--	(1,141)	478,328	(1,911,648)
Treasury bills revenues	--	--	--	--	--	--	--	113,202	113,202
Net profit (loss) for the year before tax	5,756,985	1,026,126	5,457,590	130,335	(289,923)	(1,259,106)	1,252,743	(231,643)	11,843,107
Income tax	--	--	--	--	--	--	--	--	(937,030)
Deferred tax (expense)	--	--	--	--	--	--	--	--	(26,627)
Income tax for the year	--	--	--	--	--	--	--	--	(963,657)
Net profit for the year	--	--	--	--	--	--	--	--	10,879,450

Continue : Income statement by segment :

The income statement by segment for the year ended December 31st, 2013 comprises the following :

	Alexandria	Cairo	Port Said	Suez	Damietta	Merghem	Free zone	General administration	Total
Operating revenues	97,760,860	11,174,496	8 633 337	9,158,935	3,287,369	12,189,571	2,486,014	--	144,690,582
Operating costs	(81,542,056)	(7,856,313)	(7,529,913)	(5,663,976)	(3,488,314)	(11,316,151)	(802,294)	--	(118,199,017)
Gross profit	16,218,804	3,318,183	1,103,424	3,494,959	(200,945)	873,420	1,683,720	--	26,491,565
Selling and distribution expenses	--	--	--	--	--	--	--	(424,002)	(424,002)
General and admin. expenses	(2,087,663)	(1,347,285)	(552,022)	(347,599)	(535,247)	(1,032,352)	(226,348)	(11,466,422)	(17,594,938)
B.O.D. attendance allowances	--	--	--	--	--	--	--	(1,484,500)	(1,484 500)
Decline in clients value	--	--	--	--	--	--	--	(1,227,200)	(1,227,200)
Decline in Debits value	--	--	--	--	--	--	--	(964,185)	(964,185)
Fixed assets depreciation and amortization	(1,223,506)	(163,626)	(32,454)	(8,567)	(9,693)	(7,283)	(2,744)	(8,649)	(1,456,522)
Operating profits (losses)	12,907,635	1,807,272	518,948	3,138,793	(745,885)	(166,215)	1,454,628	(15,574,958)	3,340,218
Finance cost	(376,949)	--	--	--	--	--	--	(965,946)	(1,342,895)
Provisions support	--	--	--	--	--	--	--	(133,800)	(133,800)
Other revenues	933	--	1,320	--	--	--	--	572,747	575,000
Investments revenues	--	--	--	--	--	--	--	5,693,185	5,693,185
Decline in investments value	--	--	--	--	--	--	--	(885,000)	(885,000)
Treasury bills revenues	--	--	--	--	--	--	--	3,884,691	3,884,691
Credit interests	--	--	--	--	--	--	--	407,998	407,998
Foreign currency exchange differences	420,741	(465,836)	355,165	(105,202)	(4,907)	--	450	2,724,611	2,925,022
Gains on sale of fixed assets	--	--	--	--	--	--	--	651,933	651,933
Net profit (loss) for the year before tax	12,952,360	1,341,436	875,433	3,033,591	(750,792)	(166,215)	1,455,078	(3,624,539)	15,116,352
Income tax	--	--	--	--	--	--	--	--	(3,748,335)
Deferred tax revenue	--	--	--	--	--	--	--	--	843,855
Income tax for the year	--	--	--	--	--	--	--	--	(2,904,480)
Net profit for the year	--	--	--	--	--	--	--	--	12,211,872

25. Earnings per share :

Earnings per share is calculated for the year ended December 31st, 2014 as follows :

	2014	2013
Net profit for the year	10,879,450	12,211,872
Deduct :		
Employees profit share	(1,033,548)	(1,160,128)
Basic earnings attributable to shareholders	9,845,902	11,051,744
Number of shares	31,212,500	31,212,500
Earnings per share (Basic earnings / weighted average of shares)	0.32	0.35

According to the company's extra-ordinary general assembly meeting hold on March 30th, 2014, the company's shares par value has been modified from L.E 10 to L.E 5, therefore the issued capital number of shares became 31,212,500 with L.E 5 par value each, the number of shares for the comparative financial period has been modified.

26. Related parties transactions :

Transactions which have occurred within the year ended December 31st, 2014 with related parties are represented in transportation services, other services and current accounts between each other resulted into debit and credit balances as follows :

<u>Due from related parties :</u>	<u>Transaction</u>	<u>Transaction volume</u>	<u>Balance as at Dec. 31st, 2014</u>	<u>Balance as at Dec. 31st, 2013</u>
Egytrans For Depot Solutions Co.	Services provided	21,071	2,906,774	3,589,296
Egyptian Transportation and Logistics Co. (ETAL)	Transportation services and other services	4,908,121 240,000	9,238,716	11,582,102
Egytrans For River Ports Co.	Current accounts	--	--	54,036
Damietta Feeder Terminal Co. (DFTC)	Current accounts	--	964,185	964,185
			<u>13,109,675</u>	<u>16,189,619</u>
<u>Due to related parties :</u>				
Barwil Egytrans Shipping Agencies Co.	Services provided	448,000	5,815	19,526
Egytrans Barglink Co.	Current accounts	--	147	--
Egytrans For Rivers Ports Co.	Current accounts	--	145	--
Scan Arabia Shipping Agencies Co.	Current accounts	--	19,526	358,951
			<u>25,633</u>	<u>378,477</u>

* Egyptian Transportation and Logistics Company (Etal) has increased its capital by an amount of L.E 7.5 million which was registered in the commercial register on February 24th, 2015 and all the due amounts on it has been paid on February 26th, 2015.

27. **Adjustments to calculate the actual income tax rate :**

Actual income tax rate for the year ended December 31st, 2014 is calculated as follows :

	<u>2014</u>
Net accounting profit before tax	11,843,107
Add :	
Expenses and nondeductible burdens	3,786,227
Adjustments on the decline in clients' value	666,573
Provisions support	297,143
Differences in the accounting and tax treatment for depreciation expenses	(113,512)
Bad debts	(9,000)
Adjusted net profit of the free zone branch at port said	(1,252,743)
	<u>3,374,688</u>
Net Tax base	15,217,795
Approved donations	(93,058)
	<u>(93,058)</u>
Adjusted taxable profit	15,124,737
Tax exemptions (within taxable base) :	
Investments in associates revenues	(12,734,320)
Total tax exemptions	<u>(12,734,320)</u>
Net taxable base	2,390,417
Income tax	572,726
Added tax	69,521
Tax on dividends	294,783
Accrued income tax	937,030
Deferred tax (expense)	<u>26,627</u>
Total income tax for the year	963,657
Actual tax rate for the accrued income tax for the year	7.91%
Actual tax rate for total income tax for the year	<u>8.14%</u>

* According to the president's decision regarding law no. (44) of 2014 an additional annual temporary tax has been imposed for 3 years starting from 2014 which equals 5% over what exceeds L.E 1 million from the income tax base.

** According to the president's decision regarding law no. 53 of 2014 dated June 30th, 2014 a tax on dividends has been imposed on the Holding Co. when it receives its share from the dividends of its associates or related parties.

28. **Cash and cash equivalents :**

Cash and cash equivalents balance comprises the following :

	<u>2014</u>	<u>2013</u>
Cash on hand and at banks	37,288,479	22,376,228
Cash and cash equivalents balance	37,288,479	22,376,228
Effect of exchange rates fluctuations	--	(92,972)
Cash and cash equivalents adjusted balance	<u>37,288,479</u>	<u>22,283,256</u>

29. **Statement of cash flows :**

The non-monetary transactions were excluded from the statement of cash flows as follows :

- Amount of L.E 937,030 represents the income tax for the year and amount of L.E 26,627 represents deferred tax expense included in deferred tax liabilities.
- An amount of L.E 2,073,966 represents partial cost of OTM system, which has been transferred from projects under construction to intangible assets.

30. Adjustments on retained earnings :

Adjustments on retained earnings which is stated in the statement of owners equity is represented in the bonuses given to the board of directors non-executive members amounted L.E 390,000.

31. Contingent liabilities :

The outstanding letters of guarantee issued by the banks in favor of third parties as at December 31st, 2014 amounted L.E 16,832,040 which is covered by an amount of L.E 513,383.

32. Significant events :

The Arab Republic of Egypt has experienced events that had a significant impact on all economic sectors in general, it is very likely that this will lead to a significant decline in economic activities during the coming period, therefore it is possible that these events might have a substantial impact on the elements of assets and liabilities and related recoverable values as well as the results of operations during the coming periods, it is currently hard for management to determine the magnitude of this impact on the assets and liabilities included in the financial statements of the company as it depends on the expected extent and duration of these events and their implications.

However, in the long run the company sees indications of developing the entire transportation system during the next 20 years with a network of internal roads built as well as international roads, with developing Suez Canal region transforming it into an international logistics center with the maximum benefiting from river transportation as well as constructing three sea ports in Ras Banas, Sedi Barani and Tor , also constructing new airports to connect the governorates with each other which will reflect on the company's performance positively.

33. The fair value of financial instruments :

The financial instruments of the company represent financial assets and liabilities, financial assets include cash at banks, clients, and some debit balances while financial liabilities include bank facilities, creditors and other credit balances and according to the evaluation basis followed in evaluating company's assets and liabilities, the book value of those instruments doesn't significantly differ from its fair value on the financial statements date.

34. Risk management :

a. Credit risk :

Credit risk represents the company's ability to collect notes receivable on their due dates with whom the company deals, management observe the collection of these dues and improve its performance, as the company estimates this risk as limited.

b. Foreign currencies risk :

Foreign currencies risk is represented in the changes of foreign exchange rates which affect payments and collections of foreign currencies and the evaluation of assets and liabilities in foreign currencies, the company estimates this risk as relatively effective as the company rely mainly on the U.S dollar which suffers major changes in the exchange rate during the year.

c. Liquidity risk :

Liquidity risk is represented in the factors that may affect the company's ability to pay a part or all of its liabilities and according to the company's policy enough cash is kept to decrease that risk to its minimal limit, accordingly the company estimates this risk as relatively limited.

d. Interest rate risk :

The company depends basically on the bank facilities to provide the working capital, interest rate risk represents changes in bank's interest rates, the company estimates this risk as relatively limited.

e. Cash flows related to interest rate risk :

Cash flows related to interest rate risk is represented in the risks of changes in the future cash flows of financial instruments caused by the change in market's interest rates and as the company doesn't use the floated interest financial instruments, management estimated this risk as limited.

35. Governance situation improvement :

We'd like to mention that work mechanisms and system in the company have a special nature because of the variety of its hi-tech activities and for the work inside the company to be more accurate and according to the nature of its activities domestically and globally, the posts of the chairman and deputy member are occupied by the same person.

And to cope with corporate governance, the company started since last year to implement the policy of succession regarding the company's managers, A financial affairs manager was appointed and the board of directors monitors the daily operations.

Also two independent experienced members are appointed in the board of directors, the company improved its situations by modifying its statute through adding four independent experienced members to the board of directors, Also the company formed a number of committees like an audit committee, a corporate governance committee, a nominations committee and dues committee ,those committees are operating committees of the board of directors , one of the roles of the nominations committee and the dues committee is to evaluate the chairman's performance annually indifferently and with total transparency.

36. Tax situation :

First : Corporate tax :

The years from beginning of operation till 2003 :

The company's accounts were inspected by tax authority and the company paid and settled the accrued taxes for those years according to appeal committee decision.

According to the court of appeal of Ismailia decision no. 42-43 regarding the law no. 47 of year 2010 filled by the company against the corporates tax authority concerning the authority's inspection of the company's books for years from 1994 to 1998 , the due tax base has been reduced by an approximate amount of L.E 10 million.

The tax provision has been settled as well as the withholding taxes balance for the period from 1994 to 1998 which created a liability on the company with an amount of L.E 1 million which is compatible with the amount required by the tax authority in tax form (9AG)

Year 2004 :

The company presented the tax return for year 2004 on legal time, then the company appealed tax form (19), a re-inspection has been made upon the company's request and the company wasn't informed by any tax forms yet.

The years from 2005 till 2013 :

The company presented the tax returns for these years on legal time according to law no.(91) of year 2005, and the company wasn't informed by any inspection for these years.

Second : Payroll tax :

- The company pays its monthly payroll accrued tax on legal time.
- The company has settled and paid its due tax from inception till the end of 2009 and wasn't informed by any inspection for years after 2009 till now.

Third : Stamp tax :

- The company has settled and paid its due tax from inception till the end of 2012 and wasn't informed by any inspection for years after that.

Fourth : Sales tax :

- The company has settled and paid its due sales tax from inception till 2013 and wasn't informed by any inspection for years after that.

37. Financial statements approval :

The company's board of directors in their meeting held on March 12th, 2015 approved the company's separate financial statements for the year ended December 31st, 2014.

38. Comparative figures :

The comparative figures are reclassified through the period to conform with financial statements presentation of this period which are represented in :

- An amount of L.E 178,115 is reclassified from clearance operations in process to unearned revenues which is included in credit balances , this amount represents services provided to clients till December 31st, 2013 without specifying it's actual cost, therefore didn't meet revenue recognition conditions.
- An amount of L.E 510,686 reclassified from debit balances to projects under constructions, which represent cost of fitting new storage warehouses in Adabia port till December 31st, 2013.
- According to the contract between the company and the agent Toshiba Logistics, the company pays the freight expenses for the agent in exchange for a commission, the company has restated it within the agent's current account for this year to show the company's revenues and costs with their actual value represented in the company's commission value, accordingly an amount of L.E 4,015,265 has been excluded from last year revenues and expenses.
- An amount of L.E 42,019 is reclassified from general and administrative expenses to operating costs as it represents salaries and wages.

**Egyptian Transport
&
Commercial Services Co.
(EGYTRANS)
"S.A.E."**

**Consolidated financial statements
together with auditor's report
for the year ended December 31st, 2014**



Auditor's report

To the shareholders of
Egyptian Transport & Commercial Services Co.
(Egytrans) - S.A.E.

Report on the consolidated financial statements :

We have audited the accompanying consolidated financial statements of Egyptian Transport & Commercial Services Co. (Egytrans) - S.A.E. which comprise the consolidated balance sheet as at December 31st, 2014 and the consolidated statements of income, changes in owners' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the consolidated financial statements :

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Egyptian Accounting Standards and in light of governing laws. This 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, 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 consolidated financial statements based on our audit. We conducted our audit in accordance with Egyptian Auditing Standards and in light of governing laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether 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 on 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 the 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.

Qualification :

The consolidated financial statements were prepared according to the separate financial statements of the company, which we have issued our qualified report dated March 12th, 2015 and the financial statements of Egyptian Transportation & Logistics Co. (ETAL) S.A.E, which we have issued our unqualified report dated February 23rd, 2015 and the financial statements of Egytrans For Depot Solutions Co., Egytrans For River Ports Co, and Egytrans Barg Link Co. as at December 31st, 2014, which were audited by another auditor who issued his unqualified reports on February 14th, 2015, except for the additional explanatory notes about Egytrans For Depot Solutions Co. which applied IFRS no. (17) concerning finance lease instead of Egyptian Accounting Standard no. (20), while Egytrans for River Ports Co. and Egytrans Barg Link Co. have not started operating yet and their necessary licenses are being extracted and according to the extra ordinary general assembly meeting decision both companies decided to decrease their capitals.

Qualified opinion :

In our opinion, except for the matters stated in the preceding paragraph the consolidated financial statements referred to above present fairly in all material respects the consolidated financial position of the company as at December 31st, 2014 and of its financial performance and cash flows for the year then ended in accordance with Egyptian Accounting Standards and in light of related governing laws and regulations.

Auditor

Dr. Ahmed Shawki
"E.F.S.A." No. (5)
MAZARS Mostafa Shawki
March 12th, 2015



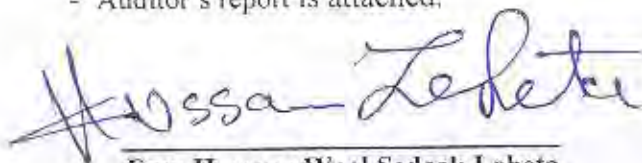
**Translation of financial statements
originally issued in Arabic**

Consolidated balance sheet as at December 31st, 2014


(Amounts expressed in Egyptian Pound)

	Note	2014	2013
Non-current assets :			
Fixed assets (net)	(2d,3)	72,124,729	62,570,374
Other intangible assets	(2e,4)	3,164,584	1,521,387
Projects under construction	(2f,5)	11,957,496	8,444,071
Long term investments	(2g,6)	7,230,555	7,701,880
Goodwill	(2h,7)	2,423,623	2,423,623
Total non-current assets		96,900,987	82,661,335
Current assets :			
Inventory	(2i,8)	755,835	629,182
Trade receivables (net)	(2j,9)	55,843,820	39,307,606
Clearance operations in process	(2u,12)	10,020,533	4,963,790
Debtors – tax authority	(10,2p)	3,382,313	8,180,414
Debtors and other debits (net)	(11)	12,467,601	13,068,869
Investments in treasury bills	(2g)	--	50,870,436
Cash on hand and at banks	(13)	47,865,883	24,168,982
Total current assets		130,335,985	141,189,279
Current liabilities :			
Provisions	(2k,14)	1,132,929	3,057,072
Short term finance lease installments	(2l,15)	580,823	1,300,561
Trade payables	(16)	5,561,369	5,003,580
Dividends payables		--	48,885
Creditors – tax authority	(2p,18)	2,359,508	6,647,959
Creditors and other credits	(17)	27,918,996	17,531,653
Total current liabilities		37,553,625	33,689,710
Working capital		92,782,360	107,599,569
Total investment		189,683,347	190,260,904
Owners' equity :			
Issued and paid up capital	(19)	156,062,500	156,062,500
Legal reserve	(2m)	4,511,925	3,691,056
Capital reserve	(2m)	1,993,177	1,993,177
Translation of F.S exchange differences		1,506,589	1,243,343
Retained earnings		11,247,083	755,220
Net profit for the year		10,396,921	22,618,277
Total owners' equity of controlling company		185,718,195	186,363,573
Minority interest	(2b)	3,989	29,157
Total owners' equity		185,722,184	186,392,730
Non-current liabilities :			
Finance lease liabilities	(2l,15)	--	564,576
Deferred tax liabilities	(2p)	3,961,163	3,303,598
Total non-current liabilities		3,961,163	3,868,174
Total finance of working capital and non-current assets		189,683,347	190,260,904

- The accompanying notes are an integral part of these consolidated financial statements.
- Auditor's report is attached.



Eng. Hussam Wael Sedceek Leheta
Chairman and Deputy Member



Mr. Ahmed Mossad Beheiry
Board Member for Financial Affairs

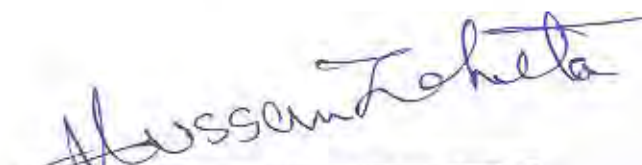
Translation of financial statements
originally issued in Arabic

**Consolidated statement of income
for the year ended December 31st, 2014**

(Amounts expressed in Egyptian Pound)

	<u>Note</u>	<u>2014</u>	<u>2013</u>
Operating revenues	(2q,20)	125,291,964	148,412,713
Operating costs	(2l)	(96,242,675)	(116,362,132)
Gross profit		29,049,289	32,050,581
Selling and distribution expenses		(349,545)	(424,002)
General and admin. expenses		(22,823,109)	(21,325,004)
B.O.D salaries and allowances		(2,374,750)	(1,653,940)
Decline in clients value		(666,573)	(1,227,200)
Decline in debtors value		--	(964,185)
Fixed assets depreciation	(2d)	(1,179,434)	(1,256,154)
Other assets amortization		(1,091,172)	(685,290)
Operating profits		564,706	4,514,806
Financing expenses	(2n)	--	(1,491,313)
Investments in associates revenues	(2g)	11,231,676	13,570,340
Provisions support		(675,857)	(133,800)
Impairment in projects under constructions		(1,638,812)	--
Impairment in investments value		--	(885,000)
Credit interests	(2q)	2,469,928	455,388
Foreign currency exchange differences	(2c)	(1,264,851)	3,745,258
Treasury bills revenues	(2g)	945,677	6,890,400
Other revenues	(24)	385,619	95,418
(Losses) gains on sale of fixed assets		(27,913)	71,933
Net profit for the year before tax		11,990,173	26,833,430
Income tax		(937,030)	(4,349,476)
Deferred tax – (expense) income	(2p)	(655,981)	136,247
Income tax for the year	(2p)	(1,593,011)	(4,213,229)
Net profit for the year		10,397,162	22,620,201
Distributed as follows :			
Controlling company share	(2b)	10,396,921	22,618,277
Minority interest share	(2b)	241	1,924
Net profit for the year		10,397,162	22,620,201

- The accompanying notes are an integral part of these consolidated financial statements.


Eng. Hussam Wael Sedeek Lebeta
Chairman and Deputy Member

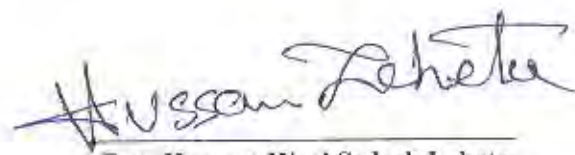

Mr. Ahmed Mossad Beheiry
Board Member for Financial Affairs

Translation of financial statements
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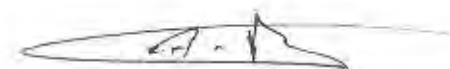
Consolidated statement of changes in owners' equity
for the year ended December 31st, 2014

(Amounts expressed in Egyptian Pound)

	Issued and paid up capital	Legal reserve	Capital reserve	Translation of F.S exchange differences	Retained (losses) earnings	Net profit for the year	Total controlling company	Minority interest	Total
Balance as at Jan. 1 st , 2013	156,062,500	3,691,056	1,993,177	569,191	(3,504,268)	285,895	159,097,551	15,086	159,112,637
Subsidiaries capital increase	--	--	--	--	--	--	--	14,031	14,031
Cash dividends	--	--	--	--	--	--	--	(450)	(450)
Retained earnings	--	--	--	--	285,895	(285,895)	--	--	--
Adjustments	--	--	--	--	3,973,593	--	3,973,593	(1,434)	3,972,159
Translation of F.S exchange diff.	--	--	--	674,152	--	--	674,152	--	674,152
Net profit for the year ended December 31 st , 2013	--	--	--	--	--	22,618,277	22,618,277	1,924	22,620,201
Balance as at December 31st, 2013	<u>156,062,500</u>	<u>3,691,056</u>	<u>1,993,177</u>	<u>1,243,343</u>	<u>755,220</u>	<u>22,618,277</u>	<u>186,363,573</u>	<u>29,157</u>	<u>186,392,730</u>
Balance as at Jan. 1 st , 2014	156,062,500	3,691,056	1,993,177	1,243,343	755,220	22,618,277	186,363,573	29,157	186,392,730
Legal reserve	--	820,869	--	--	--	(820,869)	--	--	--
Cash dividends	--	--	--	--	--	(9,449,478)	(9,449,478)	(1,016)	(9,450,494)
Retained earnings	--	--	--	--	12,347,930	(12,347,930)	--	--	--
Adjustments	--	--	--	--	(1,856,067)	--	(1,856,067)	(24,393)	(1,880,460)
Translation of F.S exchange diff.	--	--	--	263,246	--	--	263,246	--	263,246
Net profit for the year	--	--	--	--	--	10,396,921	10,396,921	241	10,397,162
Balance as at December 31st, 2014	<u>156,062,500</u>	<u>4,511,925</u>	<u>1,993,177</u>	<u>1,506,589</u>	<u>11,247,083</u>	<u>10,396,921</u>	<u>185,718,195</u>	<u>3,989</u>	<u>185,722,184</u>



Eng. Hussam Wael Sedeek Lebeta
Chairman and Deputy Member



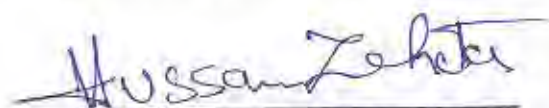
Mr. Ahmed Mossad Beheiry
Board Member for Financial Affairs

Translation of financial statements
originally issued in Arabic


Consolidated statement of cash flows
for the year ended December 31st, 2014

(Amounts expressed in Egyptian Pound)

	2014	2013
Cash flows from operating activities :		
Net profit for the year before tax	11,990,173	26,833,430
Adjustments :		
Depreciation and amortization	6,115,629	5,943,014
Investments in associates revenues	(11,231,676)	(13,570,340)
Investments in treasury bills revenues	(945,677)	(6,890,400)
Impairment in projects under construction	1,638,812	--
Provisions support	675,857	133,800
Provisions use	(2,600,000)	--
Impairment in investments	--	3,076,385
Adjustments on decline of clients value	--	(1,171,193)
Debit and credit interests	(2,469,928)	1,035,925
Losses (gains) on sale of fixed assets	27,913	(71,933)
Foreign currency exchange differences	1,264,851	(3,745,258)
Adjustments	(2,032,634)	7,421,210
	2,433,320	18,994,640
Working capital changes :		
Increase in inventory	(126,653)	(376,079)
(Increase) decrease in trade receivables	(16,536,214)	29,282
Decrease in debtors and other debits	5,399,369	5,792,853
Increase in clearance operations in process	(5,056,743)	(712,386)
Proceeds from investments in treasury bills	51,816,113	20,542,715
Increase in trade payables	557,789	2,136,684
Increase (decrease) in creditors and other credits	9,511,338	(16,988,659)
	47,998,319	29,419,050
Revenues collected from investments in associates	11,703,001	18,798,277
Income taxes paid	(4,349,476)	(805,367)
Credit interests collected	2,469,928	2,412,368
Debit interests paid	--	(1,491,313)
Impact of currency exchange rates on monetary assets and liabilities	(1,154,117)	2,696,215
Net cash flows provided from operating activities	56,667,655	51,029,230
Cash flows from investing activities :		
Paid in fixed assets acquisition	(12,061,357)	(20,832,703)
Proceeds from selling fixed assets	35,940	1,721,910
Paid in other intangible assets acquisition	(660,403)	(88,875)
Paid in projects under construction	(9,439,392)	(3,651,050)
Net cash flows used in investing activities	(22,125,212)	(22,850,718)
Cash flows from financing activities :		
Paid in finance lease installments	(1,284,314)	(934,861)
Repayments of bank facilities	--	(12,932,265)
Cash dividends payments – controlling company shareholders	(9,449,478)	--
Cash dividends payments – minority	(1,016)	(450)
Proceeds from minority – subsidiaries capital increase	--	14,031
Net cash flows used in financing activities	(10,734,808)	(13,853,545)
Net increase in cash and cash equivalents	23,807,635	14,324,967
Cash and cash equivalents, beginning of the year	24,058,248	9,844,015
Cash and cash equivalents, end of the year	47,865,883	24,168,982



Eng. Hussam Wael Sedeek Leheta
Chairman and Deputy Member



Mr. Ahmed Mossad Beheiry
Board Member for Financial Affairs

Translation of financial statements
originally issued in Arabic

**Notes to the consolidated financial statements
for the year ended December 31st, 2014**

(Amounts expressed in Egyptian Pound)

1. The group's companies :

a. Egyptian Transport & Commercial Services Co. (Egytrans) "Controlling company" :

Egyptian Transport & Commercial Services Co. (Egytrans) "S.A.E." was incorporated in Arab Republic of Egypt on September 13th, 1973 as a limited liability company. According to the extraordinary general assembly meeting held on January 1st, 1987 and according to law no. 159 of 1981 the company has changed its legal status to be a Joint Stock Company.

The company's purpose is to represent ship owners and shipping companies, air freight operations, shipping agencies, practice automated stevedoring for dry, bulk and general cargo, transportation and general services, international transportation by land, sea or air, customs clearance and shipping, warehousing and storage, container handling and related activities, packing and exhibition services also storage and selling all kinds of goods through the company's branch located at Port Said free zone area.

b. Egyptian Transportation & Logistics Co. (ETAL) "Subsidiary" :

Egyptian Transportation & logistics Co. (ETAL) "S.A.E." was incorporated on December 18th, 1982 under the internal investment system according to law no. 43 of 1974 which was amended by law no. 32 of 1977 and its executive regulation with capital amounting L.E 328,000 and during 2010 the controlling company has subscribed to the increase of its issued capital amounting L.E 7,672,000 to be L.E 8 million, and this increase was registered in the commercial register.

According to the extra-ordinary general assembly meeting held on December 20th, 2012 the company has increased its authorized capital with an amount of L.E 225 million to be L.E 250 million and also increased its issued capital with an amount of L.E 17 million to be L.E 25 million and the controlling company subscribed to the total increase by paying an amount of L.E 12 million during 2012 and the rest of the increase was paid on January 2013, this increase was registered in the commercial register on February 7th, 2013 resulting in an increase in its ownership percentage to be 99.9%.

On September 8th, 2014 the issued capital increased by an amount of L.E 20 million to be L.E 45 million subscribed fully by Egyptian Transport and commercial service company (Egytrans) accordingly its ownership percentage in the company increased to be 99.94 %, an amount of L.E 10 million was paid for the paid up capital to be L.E 35 million and on September 21st, 2014 another L.E 10 million was paid for the issued and paid up capital to be L.E 45 million, this increase was registered in the commercial register.

On January 15th, 2015 the capital increased with an amount of L.E 7.5 million and this increase was registered in the commercial register on February 24th, 2015.

The company's purpose is presented in transporting by vehicles of shipments exceeding 50 tons which require studies and technical experience in transportation and stevedoring engineering and the installment of these shipments in work sites as well as selling and preparing the equipment.

c. Egytrans For Depot Solutions Co. "Subsidiary" :

Global Depot Solutions Company. "S.A.E." was incorporated on May 4th, 2009 and registered in the commercial register under no. (39549) according to law no. 159 of 1981 and its executive regulation with capital amounting USD 100,000.

During 2010 the company increased its capital by an amount of USD 900,000 to be USD 1 million, and this increase was registered in the commercial register.

During year 2012, the company held an extra-ordinary general assembly meeting on February 12th to approve the change in its capital structure and its name to be Egytrans For Depot Solutions Co. and also to increase it's authorized capital from USD 1 million to USD 5 million, and to increase the issued capital by an amount of USD 500,000 to be USD 1.5 million, this increase was paid and registered in the commercial register.

During year 2013 and according to the board of directors meeting held on July 1st, 2013, the issued capital has increased with an amount of USD 500,000 to be USD 2,000,000 which was fully subscribed by Egyptian Transport & Commercial Services Co. (Egytrans) resulting in an increase in it's ownership percentage to be 99.99% instead of 99.98%, the article of association and the issued capital structure of Egytrans for Depot Solutions has been modified accordingly.

The company's purpose is represented in storage, cleaning and repairing of containers of liquid poured goods, specially the iso-tank containers for transporting liquid goods and the transportation vehicles with tanks used to transport liquid goods on land roads.

d. Egytrans For River Ports Co. "Subsidiary" :

Egytrans For River Ports Co. "S.A.E." was incorporated on May 4th, 2009 and registered in the commercial register under no. (38542) according to law no. 159 of 1981 and its executive regulation with capital amounted L.E 250,000 and during year 2011 the company fully subscribed the increase in its issued capital amounting L.E 24,750,000 to be L.E 25 million, this increase was registered in the commercial register on March 31st, 2011.

Egytrans For River Ports Co. didn't start operating yet and the company's management is in the process of extracting the necessary licenses to start it's operations according to the legal requirements related to such licenses , the company also invested it's resources in alternative investment activities to be able to withstand any losses occurred because the company hadn't started operating yet.

The company's extraordinary general assembly meeting held on June 28th, 2014 agreed to decrease the company's paid up capital from L.E 25 million to L.E 250,000 this increase was registered in the commercial register on December 29th, 2014.

The company's purpose is represented in managing, operating, using and enhancing river ports, river containers stations and providing all services related to stevedoring, storing all kinds of goods, transportation activities and mobile container maintenance.

e. Egytrans Barg link Co. "Subsidiary" :

Egytrans Barg link Co. "S.A.E" was incorporated on June 4th, 2009 and registered in the commercial register under no. (39179) according to law no. 159 of 1981 and its executive regulation with capital amounting L.E 250,000. 25% of the capital was paid in cash and the rest was paid during year 2011, this payment was registered in the commercial register and according to the board of directors meeting dated May 19th, 2011, the board decided to increase the issued capital by an amount of L.E 2.25 million to be L.E 2.5 million and this increase was registered in the commercial register on August 17th, 2011.

Egytrans Barg Link Co. didn't start operating yet and the company's management is in the process of extracting the necessary licenses to start it's operations according to the legal requirements related to such licenses, the company also invested it's resources in alternative investment activities to be able to withstand any losses occurred because the company hadn't started operating yet.

The company's extraordinary general assembly meeting held on June 28th, 2014 agreed to decrease the company's paid up capital from L.E 25 million to L.E 250,000 this increase was registered in the commercial register on December 29th, 2014.

The company's purpose is represented in performing all means of land transportation , using licensed ships and units for river transportation in addition to transporting goods by sea in the regional water and trading in all types and forms of goods.

2. Significant accounting policies :

A summary of the significant accounting policies is as follows:

a. Basis of accounting :

The accounts have been prepared according to historical cost and in conformity with Egyptian Accounting Standards and in light of governing laws, financial statements preparation require assumptions and estimates made by management that affect some assets, liabilities, revenues and expenses during the financial period and the actual results might be different than these estimates.

b. Basis of consolidation :

Consolidated financial statements include assets, liabilities and operation results of the controlling company and its subsidiary companies that the company holds and they are as follows:

<u>Subsidiary co.</u>	<u>Ownership percentage</u>
Egyptian Transportation & Logistics Co. (ETAL)	99.99%
Egytrans For Depot Solutions Co.	99.99%
Egytrans For River Ports Co.	99.99%
Egytrans Barg Link Co.	99.99%

* During year 2012, an extra ordinary general assembly meeting was held by Global Depot Solutions Co. on February 12th, 2012 to approve the change in capital structure, the change of the company's name to be Egytrans For Depot Solutions Co., and, the increase of the authorized capital from USD 1 million to USD 5 million and to increase the issued capital with an amount of USD 500,000 to be USD 1.5 million this increase was paid and registered in the commercial register, during year 2013 and according to the board of directors meeting held on July 1st, 2013, the issued capital has increased with an amount of USD 500,000 to be USD 2,000,000 which was fully subscribed by Egyptian Transport & Commercial Services Co. (Egytrans) resulting in an increase in its ownership percentage to be 99.99% instead of 99.98%, the article of association and the issued capital structure of Egytrans for Depot Solutions has been modified accordingly.

* During year 2012, Egyptian Transportation & Logistics Co. (ETAL) increased its authorized capital with an amount of L.E 225 million to be L.E 250 million and also increased its issued capital with an amount of L.E 17 million to be L.E 25 million and the controlling company subscribed to the total increase by paying an amount of L.E 12 million during year 2012 which was included in the non – current liabilities on December 31st, 2012, the rest of the increase was paid on January 2013, this increase was registered in the commercial register on February 7th, 2013 resulting in an increase in its ownership in this company to be 99.9%.

On December 8th, 2014 the issued capital increased by an amount of L.E 20 million to be L.E 45 million subscribed fully by Egyptian Transport and commercial service company (Egytrans) accordingly its ownership percentage in the company increased to be 99.94 % , an amount of L.E 10 million was paid for the paid up capital to be L.E 35 million and on September 21st, 2014 another L.E 10 million was paid for the issued and paid up capital to be L.E 45 million , this increase was registered in the commercial register.

These consolidated financial statements were prepared according to the following basis:

- Similar items of assets, liabilities, revenues and expenses of the controlling and the subsidiary companies are cumulated together.
- All transactions and balances related to the group companies are excluded as well as the unearned profits resulting from these transactions.
- The equity method is followed for associates in preparing the consolidated financial statements.
- Minority equity is represented by their share in the subsidiaries companies net assets and is recorded at the date of preparing the consolidated financial statements and classified as a separate item in the consolidated financial statements after owners' equity, and when minority share in period losses exceeds their interest in net assets of the subsidiary companies, These losses are settled in the controlling company's owners' equity.

- The assets and liabilities of foreign entities are translated to Egyptian Pound using the rates ruling at the financial statements preparation date. Revenues and expenses of foreign entities are translated to Egyptian Pound using rates ruling at the transactions date, and for practical purposes, an approximate rate is used representing the average exchange rates during the financial period. Cumulative differences resulting from revaluation of these foreign entities are recognized directly within the owners' equity section in the consolidated balance sheet.

c. Foreign currency transactions :

The company's functional and reporting currency is the Egyptian Pound, the transactions in foreign currencies during the year are translated to Egyptian Pound at the rates ruling at the transaction date. At period end, monetary assets and liabilities denominated in other currencies are translated to Egyptian Pounds at the rates ruling at that date. Exchange differences are included in the statement of income.

Non-monetary balances which were stated at historical cost (or fair value) are translated to Egyptian pounds using the rates ruling at the date of transaction (or when determining the fair value).

Concerning the company's branch at Port Said - free zone, the branch's functional and reporting currency is US Dollar, the branch's financial statement is translated at each financial period end at the rates ruling at that date. At period end, monetary assets and liabilities denominated in other currencies are translated to Egyptian Pounds at the rates ruling at that date. Exchange differences are included in the statement of income.

The branch's, non-monetary balances which were stated at historical cost (or fair value) are translated to Egyptian pounds using the rates ruling at the date of transaction (or when determining the fair value).

The items of the branch's financial statements are translated to Egyptian pounds using the rates ruling at the date of transaction ,exchange differences are included in the statement of income.

d. Fixed assets :

Fixed assets are recognized when it is probable that future economic benefits embodied with acquired assets will flow to the company and its costs can be reliably measured. Fixed assets are stated at historical cost less accumulated depreciation, and accumulated impairment losses (if there are any indications of impairment in their values). The company annually reviews the estimated useful lives as well as scrap value for each asset (if any) and modifies them according to the best current estimate. The book value of these assets is depreciated using straight line method based on their estimated useful lives, by the following rates :

<u>Assets</u>	<u>Dep. rate</u>
Buildings	2% - 4%
Vehicles	20%
Computers	25% - 33.3%
Equipment and tools	10% - 33.3%
Fittings	20%
Furniture and office equipment	10%

Depreciation for recently acquired assets is calculated when the asset is ready for intended use, any subsequent costs are capitalized to related fixed asset as a replacing part only if these costs are determinable and derive future economic benefits, other repairs and maintenance expenses are included in the statement of income as incurred.

e. Other intangible assets :

The acquired intangible assets are stated with their cost minus their accumulated amortization and their impairment losses, the after acquisition costs are capitalized only if there is an adequate expectation that there is an increase within the accompanied acquisition economic benefits and other costs are stated in the statement of income.

The intangible assets amortization is stated at the statement of income using straight line method based on their useful lives – other than goodwill and the amortization starts when the asset is ready for use.

f. Projects under construction :

Projects under construction include all expenditures directly attributable to acquire fixed assets, and they are transferred to fixed assets when completed and ready for intended use.

g. Long term investments :

-Investments in associates :

Investments in associates are stated initially at cost and they are accounted for using equity method for the purpose of preparing the consolidated financial statements.

The consolidated financial statements include the group's share in the revenues and expenses of the associates using owners' equity method, the appropriate adjustments are made to unify the accounting policies of the associate companies with those of the group, from the date that significant influence commences until the date such influence is lost. In case of impairment, the investments carrying amount is reduced and the impairment loss is charged to the consolidated statement of income.

When the group's share in losses exceeds its invested value in any associate company, the book value of the investment including any long term investment is reduced to zero.

-Available for sale investments :

Available for sale investments which have a market price that is registered in the stock exchange in an active market are evaluated at fair value and the evaluation differences are directly stated in the owners' equity and if there is an objective evidence regarding the impairment of these investments the resulting losses are stated in the statement of income.

Available for sale investments which doesn't have a market price that is registered in the stock exchange in an active market and can't be measured in a reliable way are evaluated at cost and if there is an impairment in their values, their book values will be reduced by the amount of that decrease which will be stated in the statement of income.

If the available for sale investments value increases during the period subsequent to the period in which the impairment losses were stated in the statement of income, the resulting gains are stated in the statement of income within the limits of the amounts that were previously stated as losses with including any increase that may arise after that in the fair value of those assets in the owners' equity excluding the impairment losses related to the securities available for sale that were previously stated in the statement of income as those losses can't be reversed except when selling or disposing of those investments.

Revenues related to those investments are stated at cost and within what the company receives from the invested companies dividends that occurred after the acquisition date.

- Trade investments :

Trade investments are evaluated at fair market value, any increase or (decrease) in the investments value is recognized in the statement of income as investments revenues or losses.

- Investments in treasury bills :

Treasury bills are stated at nominal value after deducting unearned revenues till the financial statements date. Revenues that result from such transactions are stated in the statement of income as treasury bills revenues.

h. Goodwill :

Goodwill represents the excess of the acquisition cost of subsidiaries over the company's share in the net fair value of the acquired company's net assets on the acquisition date. Goodwill is not depreciable but it's regularly reviewed periodically or annually to determine whether there are any indications of impairment in its value, if such indications exist it's charged to the statement of income and the negative goodwill is settled within the period's profits and losses.

i. Inventory :

Inventory is stated at cost or net realizable value whichever is lower, cost includes all costs incurred by the company until inventory reaches the company's warehouses. Issued materials are evaluated using first in, first out method, and net realizable value is represented in the estimated selling price in normal operating conditions after deducting all necessary costs and selling expenses.

j. Trade receivables :

Trade receivables balance is stated at the net realizable value after deducting the decline in trade receivables value which is determined according to the management estimates, these estimates are reviewed at the end of each financial period to reflect the best current estimate.

k. Provisions :

A provision is recognized when the company has a present (legal or judgmental) obligation as a result of a past event, the amount of the obligation can be reliably estimated, and it is probable that an outflow of economic benefits will be required to settle the obligation, provision is reviewed at the end of each financial period and restated to reflect management estimates. The amount recognized as a provision should represent the present value of the expected inflows and outflows to settle the obligation.

l. Finance lease :

Assets leased to others :

Assets leased to others – are recognized as leased fixed assets and are stated at historical cost less accumulated depreciation, and impairment losses (if there are any indications of impairment in their values), the book value of these leased assets are depreciated using straight line method over their estimated useful lives.

The finance leasing revenues are recognized according to the rate of return implicit in the finance lease contract and an additional amount that equals to periodic depreciation. The difference between the recognized revenues and the accrued rental value of the same period (whether more or less) is ceased in a separate account with reconciling its balance with the net book value of the leased asset at the end of the contract.

Assets leased from others :

Accrued rental value and maintenance expenses of leased assets in finance lease agreements are recognized as expenses in statement of income as incurred for each financial period. At the end of the contract, if the company decided to exercise its rights to purchase the leased assets, these assets are capitalized at the cost of the right to purchase it as an asset and depreciated over the useful life of the expected remaining life of the asset in the same manner as similar assets.

m. Reserves :

- Legal reserve :

In accordance with corporate law no. 159 of 1981 and the company's articles 5% at least of the annual net income is required to be transferred to the legal reserve until this reserve equals at least 50% of issued capital. This reserve is not available for dividends.

- Other reserves :

Using or supporting reserves other than the legal reserve is based on board of directors' suggestions and the approval of the company's general assembly.

n. Finance cost :

Finance cost is stated as an expense in statement of income as incurred.

o. Treasury stocks :

Treasury stocks are represented in the capital stocks that are reacquired by the company and it appears in the financial statements deducted from the owners' equity, when reacquiring the capital shares, the amount paid to acquire the stocks are recognized as a deduction from the owners' equity and when reselling or issuing treasury stocks the resulted surplus or deficit from the treasury stocks are stated in the owners' equity without recognizing any profits or losses in the statement of income.

p. Income tax :

Income tax on the profits comprises current tax (calculated according to the laws and applicable regulations using the prevailing tax prices on balance sheet date) and the deferred tax, the accrued income tax is directly recorded in the statement of income.

The deferred tax resulting from time differences between the book values of the assets and liabilities according to the accounting base and their value according to the expected way to realize or settle the values of assets and liabilities using the prevailing tax prices on balance sheet date, deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized, deferred tax is recognized as an asset of the company if there is a strong probability that this asset could decrease the taxable profit of the company in the future years, the deferred tax is recognized as an asset and is reduced with its portion that will not result in future tax benefit.

q. Revenue recognition :

- **Rendering services :**

Revenues are recognized when services are rendered to the client with an accurate measurement of its degree of completion and when it's probable that identifiable and measurable economic benefits will flow to the company and the cost of these benefits could be reliably measured and the invoice is issued to the client.

- **Sales revenues :**

Sales revenues from goods available for sale in the free zone branch are recognized when all ownership risks, rewards and controls are transferred to the client, the actual delivery of sold goods, invoices were issued, it is probable that identifiable and measurable economic benefits will flow to the company and the cost of these benefits could be reliably measured.

- **Credit interests :**

Credit interests revenues are recognized as incurred according to bank's declared interest rates, which represent the required rate of return on the assets.

r. Statement of cash flows :

Statement of cash flows is prepared according to the indirect method and for the purpose of preparing the statement of cash flows, cash and equivalents comprise cash on hand, banks current accounts, and time deposits which have short maturity dates not exceeding three months, cash and cash equivalents at the beginning and the end of each financial period are recognized by the amount of unrecognized profits and losses resulted from changes in foreign currencies exchange rates.

Cash proceeds from banks overdraft or payments are stated within the financing activities as it's considered as credit facilities in which the company obtains to finance its different activities.

s. Recognition of financial liabilities :

All financial liabilities of loans and overdrafts are measured by consumed cost by using the actual interest method, financial liabilities are recorded by fair market value at its first recognition and then the paid installments are deducted and the interest expenses are allocated based on the financial liability life.

t. Impairment of assets :

The book values of company's assets are reviewed at financial statements preparation date to determine whether there are any indications of impairment in their values, if such indications exist the asset's residual value is estimated, and the asset is recorded by its estimated residual value and the difference between book value and the residual value of assets are included in statement of income.

When the residual value of the assets increase the impairment loss is redeemed in the value of the asset limited to it's book value which is determined after deducting the accumulated depreciation and without deducting the impairment in the value of assets.

u. **Clearance operations in process :**

The company put together all costs and expenses related to the incomplete customs clearance operations till the financial statements date, they are evaluated at cost or the net redemption value whichever is lower, and are stated in clearance operations in process in the current assets. Those amounts will be included within in the statement of income once the service is rendered and the invoice issued to the supplier.

v. **Social insurance :**

The company contributes to the government's social insurance system for the benefit of its personnel in accordance with the social insurance law. Under this law, the employees and the employers contribute into the system on a fixed percentage of salaries basis. The company's liability is confined to the amount of its contribution. Contributions are charged to the statement of income according to the accrual basis of accounting.

w. **Contractual agreements :**

Any contractual agreements to acquire long term assets in which may result in an outflow of economic resources in the future are clearly disclosed.

x. **Related parties transactions :**

Related parties transactions comprise the value of exchanged resources, services or liabilities among the company and other related parties that are stated in the separate financial statements of each company, the effect of these transactions is excluded when preparing the consolidated financial statements.

y. **Comparative figures :**

The comparative figures are reclassified whenever necessary, to conform to current period presentation with disclosing the nature of the reclassification, the reason and the value of each reclassified item.

3. **Fixed assets (net) :**

Net book value of fixed assets comprises the following :

	<u>Buildings</u>	<u>Vehicles</u>	<u>Computers</u>	<u>Equipment and tools</u>	<u>Finance leased assets</u>	<u>Fittings</u>	<u>Furniture and office equipment</u>	<u>Total</u>
Cost at January 1 st , 2014	16,286,090	42,701,697	4,441,979	18,902,822	6,380,795	1,125,864	3,996,000	93,835,247
Additions of the year	5,636,710	7,680,216	212,273	248,618	--	7,300	489,429	14,274,546
Disposals	--	(1,341,715)	(380,604)	(489,303)	--	--	(621,620)	(2,833,242)
Adjustments	267,345	13,402	29,557	18,800	183,620	--	3,449	516,173
Cost at December 31 st , 2014	<u>22,190,145</u>	<u>49,053,600</u>	<u>4,303,205</u>	<u>18,680,937</u>	<u>6,564,415</u>	<u>1,133,164</u>	<u>3,867,258</u>	<u>105,792,724</u>
Acc. dep. at January 1 st , 2014	7,172,712	7,194,304	3,675,934	6,728,882	2,513,579	928,393	3,051,069	31,264,873
Depreciation of the year	450,036	1,024,893	436,597	1,971,512	820,555	64,229	256,635	5,024,457
Acc. dep. of disposals	--	(1,341,715)	(380,265)	(489,303)	--	--	(558,106)	(2,769,389)
Adjustments	29,299	7,500	28,765	9,261	72,333	--	896	148,054
Acc. dep. at December 31 st , 2014	<u>7,652,047</u>	<u>6,884,982</u>	<u>3,761,031</u>	<u>8,220,352</u>	<u>3,406,467</u>	<u>992,622</u>	<u>2,750,494</u>	<u>33,667,995</u>
N.B.V. at December 31 st , 2014	<u>14,538,098</u>	<u>42,168,618</u>	<u>542,174</u>	<u>10,460,585</u>	<u>3,157,948</u>	<u>140,542</u>	<u>1,116,764</u>	<u>72,124,729</u>
N.B.V. at December 31 st , 2013	<u>9,113,378</u>	<u>35,507,393</u>	<u>766,045</u>	<u>12,173,940</u>	<u>3,867,216</u>	<u>197,471</u>	<u>944,931</u>	<u>62,570,374</u>

Continue: fixed assets (net) :

Finance leased assets comprise the following :

• **Isotank container cleaning machine leasing agreement :**

A finance leasing contract dated November 19th, 2009 between Egytrans For Depot Solutions Co. and the International Company For Leasing (Incolease) to lease an Isotank container cleaning machine, on April 11th, 2011 this agreement was amended to add a forklift leaving the remaining terms of the agreement as it is, according to the final settlement of the asset's value. The contract's main articles are as follows :

- Leased asset values USD 728,565.
- The leasing period is 66 months starting from December 20th, 2009 till May 20th, 2015.
- Monthly rent amounts USD 3,830 for 6 months then USD 14,190 for another 60 months.
- The lessee has the right to acquire the leased assets at the end of the contract for L.E 1.
- Egyptian Transport & Commercial Services Co. (Egytrans) guarantees Egytrans For Depot Solutions Co. in this contract.

• **Fork lifts leasing agreement :**

A finance leasing contract dated May 1st, 2010 between Egytrans For Depot Solutions Co. and the International Company For Leasing (Incolease) to lease Fork Lifts, the contract's main articles are as follows :

- Leased asset values USD 117,402.
- Leasing period is 61 months starts from May 20th, 2010 till May 20th, 2015.
- Monthly rent amounts USD 618 for 1 month then USD 2,287 for the other 60 months.
- The lessee has the right to acquire the leased asset at the end of the contract for L.E 1.
- Egyptian Transport & Commercial Services Co. (Egytrans) guarantees Egytrans for Depot Solutions Co. in this contract.
- The company obtained a temporary operating license from the local administration of Alexandria Governorate which ends on March 2nd, 2015 and the company is taking the necessary procedures with the concerned administrative entities to obtain a permanent operating license.

4. **Other intangible assets :**

The balance of other intangible assets as at December 31st, 2014 amounted L.E 3,164,584 which represents the value of Oracle ERP computer system as well as VIOP, OTM and other programs, amounted as follows ;

	2014	2013
ORACLE – ERP system	2,047,012	2,047,012
OTM system	2,698,490	--
VIOP system	429,623	429,623
Others	391,269	355,390
	<u>5,566,394</u>	<u>2,832,025</u>
Accumulated amortization	<u>(2,401,810)</u>	<u>(1,310,638)</u>
	<u>3,164,584</u>	<u>1,521,387</u>

5. **Projects under construction :**

Projects under construction balance comprises the following :

	2014	2013
River ports project	1,638,812	1,638,812
Buildings installments	2,848,346	2,518,104
Ballast tractor	9,109,150	--
Al Adabya port – storage spaces	--	510,686
Land transportation project	--	1,702,503
*OTM system	--	2,073,966
	<u>13,596,308</u>	<u>8,444,071</u>
Projects under construction impairment	<u>(1,638,812)</u>	<u>--</u>
	<u>11,957,496</u>	<u>8,444,071</u>

- * The company signed a contract to develop its computer operating system by acquiring ERP system and OTM system, the company accomplished both and transferred them to other intangible assets on December 31st, 2011 and May 31st, 2014 respectively.

6. **Long term investments :**

Long term investments balance comprises the following :

	Share percentage	2014	2013
Investments in associates :			
Damietta Feeder Terminal Co. (DFTC)	20%	885,000	885,000
Barwil Egytrans Shipping Agencies	30%	1,877,815	1,658,609
Scan Arabia Shipping Agencies	30%	5,187,665	5,878,751
Barwil Arabia Shipping Agencies	1%	12,429	11,874
		7,962,909	8,434,234
Impairment in investments value		(885,000)	(885,000)
		7,077,909	7,549,234
Other investments			
		152,646	152,646
		7,230,555	7,701,880

Associates summarized information is as follows :

	Amounts in thousands				
	Current assets	Current liabilities	Non-current assets	Revenues	Net profit
Associate companies :					
Barwil Egytrans Shipping Agencies	65,832	65,886	6,583	61,284	7,363
Scan Arabia Shipping Agencies	67,205	52,890	664	127,295	28,036
Barwil Arabia Shipping Agencies	1,071	165	184	2	56

- The investment in Barwil Arabia Shipping Agencies Co. was added to investments in associates companies as it is owned by Barwil Egytrans Shipping Agencies Co. with an ownership percentage of 50% therefore the controlling company has a significant influence through its indirect ownership for more than 15% of the invested company.
- During year 2013, investments impairment losses value has been calculated with an amount of L.E 885,000 which represents the value of investments in Damietta Feeder Terminal Co. (DFTC) and included in the statement of income.

7. **Goodwill :**

Goodwill balance comprises the following:

	Investment's acquisition cost	Company's share in investment's net assets	Goodwill Value
Egyptian Transportation & Logistics Co. (ETAL)	2,500,000	(212,394)	2,287,606
Egytrans For Depot Solutions Co.	1,044,918	(908,901)	136,017
			2,423,623

8. **Inventory :**

Inventory balance comprises the following :

	2014	2013
Spare parts	642,440	602,723
Supplies	92,867	--
Chemicals	20,528	25,097
Others	--	1,362
	755,835	629,182

9. **Trade receivables (net) :**

Trade receivables (net) balance comprises the following :

	<u>2014</u>	<u>2013</u>
Clients	58,719,652	41,290,206
Checks under collection	--	201,301
	<u>58,719,652</u>	<u>41,491,507</u>
Decline in clients value	<u>(2,875,832)</u>	<u>(2,183,901)</u>
	<u>55,843,820</u>	<u>39,307,606</u>

10. **Debtors – tax authority :**

Debtors – tax authority balance comprises the following :

	<u>2014</u>	<u>2013</u>
Withholding taxes	2,303,679	4,606,074
Tax authority – sales tax	1,078,634	561,038
Withholding taxes– treasury bills	--	2,436,804
Tax authority current account	--	576,498
	<u>3,382,313</u>	<u>8,180,414</u>

11. **Debtors and other debits (net) :**

Debtors and other debits (net) balance comprises the following :

	<u>2014</u>	<u>2013</u>
Due from related parties	964,184	964,185
Suppliers – debit balances	660,112	2,928,878
Accrued revenues	73,686	75,658
Insurance with others	1,170,728	2,026,975
L/G's cash cover	611,533	1,240,986
Maritime agents – debit balances	2,799,615	1,054,653
Maritime agents – related parties	3,532,633	--
Shipping lines	588,000	1,459,634
Prepaid expenses	1,077,711	1,678,718
Hadelco	825,457	825,457
Wadi El Neil for Trading	852,167	852,167
Cash imprests	53,345	417,557
Employees advances	191,657	270,537
Agencies claims	--	1,537
Other debits	30,958	236,112
	<u>13,431,786</u>	<u>14,033,054</u>
Decline in due from related parties	<u>(964,185)</u>	<u>(964,185)</u>
	<u>12,467,601</u>	<u>13,068,869</u>

12. **Clearance operations in process :**

Clearance operations in process balance comprises the following :

	<u>2014</u>	<u>2013</u>
Alexandria branch	6,773,046	427,195
Suez branch	955,671	758,635
Port Said branch	1,566,305	1,579,240
Damietta branch	655,728	1,783,346
Merghem branch	69,783	415,374
	<u>10,020,533</u>	<u>4,963,790</u>

13. **Cash on hand and at banks :**

Cash on hand and at banks balance comprises the following :

	2014	2013
Banks current acc. – local currency	18,055,261	3,704,644
Banks current acc. – foreign currency	12,500,448	14,233,837
Time deposits – local currency	16,236,250	5,445,025
Time deposits – foreign currency	545,237	457,748
Cash on hand	528,687	327,728
	<u>47,865,883</u>	<u>24,168,982</u>

14. **Provisions :**

Provisions balance on December 31st, 2014 comprises the following :

	Balance as at 1/1/2014	Provisions support	Provisions used	Balance as at 31/12/2014
*Taxes differences provision	2,600,000	--	2,600,000	--
Customs differences provision	282,000	--	--	282,000
**Legal claims provision	133,800	297,143	--	430,943
Other claims provision	41,272	378,714	--	419,986
	<u>3,057,072</u>	<u>675,857</u>	<u>2,600,000</u>	<u>1,132,929</u>

- * The tax provision balance of L.E 2,600,000 was used to meet the tax differences resulted from the internal committee decision regarding the tax dispute for years from 1994 till 2003.
- ** During the year the company has supported the legal claims provisions with an amount of L.E 675,857 for it to reach a balance of L.E 1,132,929.

15. **Finance leasing agreements :**

According to the finance leasing agreement between Egytrans For Depot Solutions and International Company For Leasing - Inco lease note (3) leased assets are recognized within the fixed assets by the current value of the minimum limit of the lease installments which will be depreciated on their estimated useful lives according to the policies applicable on similar assets. The credit balances will be stated within the non-current liabilities – finance lease agreements (except for the short term portion that appears within the current liabilities) by the amount used in the finance leasing agreement in addition to any accrued interests till the financial position date after deducting the already paid installments, each period interests are stated in the period's statement of income.

Finance leasing agreements installments are as follows:

	Total contract's value (USD)	Paid installments (USD)	Short term installments (USD)
Finance leasing agreements			
Isotank container cleaning machine leasing contract	728,565	658,604	69,961
Fork lifts leasing contract	117,402	106,129	11,273
Total (USD)	<u>845,967</u>	<u>764,733</u>	<u>81,234</u>
Total (L.E)	<u>6,048,664</u>	<u>5,467,841</u>	<u>580,823</u>

The company applied the international financial reporting standard no. (17) instead of the Egyptian accounting standard no. (20) whereas the company considers it more accurate to illustrate the fixed assets used in the company's operations, balances affected by such application are as follows :

Description	Results of applying		
	Results of applying IFRS (L.E)	Egyptian Accounting Standard (L.E)	Difference (L.E)
Fixed assets-finance lease	3,157,961	--	3,157,961
Depreciation of the year	820,555	--	820,555
Rental value	--	1,413,726	1,413,726
Financing expenses	75,740	--	75,740
Finance leasing liabilities	580,823	--	580,823

16. Trade payables :

Trade payables balance comprises the following :

	<u>2014</u>	<u>2013</u>
Suppliers	5,237,049	4,207,739
Notes payable	324,320	795,841
	<u>5,561,369</u>	<u>5,003,580</u>

17. Creditors and other credits :

Creditors and other credits balance comprises the following :

	<u>2014</u>	<u>2013</u>
Clients – credit balances	8,414,597	4,551,300
Customs authority	--	6,011,724
Maritime agents – credit balances	16,446,784	3,136,933
Accrued expenses	725,674	985,783
Insurance for others	894,618	892,508
Due to related parties	25,341	378,477
Kromi – Hitachi	--	347,500
Social insurance authority	137,227	24,213
Contractors insurances	376,362	218,118
Accrued compensations	--	43,079
Shareholders C/A	27,745	9,802
Unearned revenues (note no.34)	94,813	178,115
Other credits balances	775,835	754,101
	<u>27,918,996</u>	<u>17,531,653</u>

18. Creditors – tax authority :

Creditors – tax authority balance comprises the following :

	<u>2014</u>	<u>2013</u>
Income tax authority C/A	1,073,377	1,301,154
Income tax for the year	937,030	4,349,476
Withholding tax	142,916	230,483
Tax authority – sales tax	52,133	308,085
Tax authority – payroll tax	154,052	170,031
Tax authority – moving capital	--	288,730
	<u>2,359,508</u>	<u>6,647,959</u>

19. Issued and subscribed capital :

The authorized capital amounted L.E 1 billion and total issued and paid up capital amounted L.E 156,062,500 divided into 15,606,250 shares with L.E 10 par value for each.

The extra-ordinary general assembly meeting held on December 6th, 2009 decided to increase the issued capital by L.E 200 million to be L.E 256,062,500 instead of L.E 156,062,500 divided into 25,606,250 shares with par value L.E 10 each, the board of directors was delegated to request the capital increase in accordance with the schedule of projects, the board of directors decided to request only L.E 100 million which was fully paid according to Arab African Bank letter, this increase was registered in the commercial register on April 14th, 2010 thus the paid up capital became L.E 156,062,500.

And according to the extraordinary general assembly meeting held on March 30th, 2014 the shares par value has been modified to be L.E 5 instead of L.E 10 accordingly the issued and paid up capital became L.E 156,062,500 divided into 31,212,500 shares with L.E 5 par value each.

The capital structure is as follows :

<u>Name</u>	<u>Ownership percentage</u>	<u>No. of shares</u>	<u>Ownership value</u>
National Investment Bank	25.25 %	7,882,030	39,410,150
Mr. Moustafa Said Eissa	6.75 %	2,106,706	10,533,530
Eng. Hussam Wael Leheta	5.44 %	1,697,622	8,488,110
Mr. Hassan Ibrahim Mekky	5.37 %	1,675,866	8,379,330
Ms. Abir Wael Sedeek Leheta	4.14 %	1,290,876	6,454,380
Ms. Heba Wael Sedeek Leheta	4.09 %	1,275,184	6,375,920
Kuwait Enterprise House Co.	3.98 %	1,241,194	6,205,970
Kuwait Investment House Co.	3.69 %	1,151,658	5,758,290
Ms. Amany Wael Sedeek Leheta	3.45 %	1,076,088	5,380,440
Mr. Gamal Abd Elkader Abd Elbaseer	3.31%	1,031,578	5,157,890
Other shareholders	34.55 %	10,783,698	53,918,490
	<u>100 %</u>	<u>31,212,500</u>	<u>156,062,500</u>

20. Operating revenues :

Operating revenues for the year ended December 31st, 2014 comprises the following :

Activity / branches	Alexandria	Cairo	Port Said	Suez	Damietta	Merghem	Free zone	Total
Sea freight	9,166,846	--	321,748	438,044	209,606	--	--	10,136,244
Air freight	59,932	6,665,852	--	--	--	--	--	6,725,784
Customs clearance	9,532,043	1,171,956	3,570,649	292,082	406,253	1,450	--	14,974,433
Discharge	7,923,278	--	12,220,293	1,187,777	1,919,558	1,890	--	23,252,796
Additional services	18,230,332	684,012	1,133,660	117,274	164,062	2,020	--	20,331,360
Land transportation	2,655,409	660,406	21,380,587	920,572	1,692,934	8,447,902	--	35,757,810
Warehousing	1,639,775	--	--	601,698	--	83,122	2,487,583	4,812,178
Transit	1,639,601	681,771	83,113	140,980	48,800	--	--	2,594,265
Insurance	--	107,025	9,000	24,800	41,310	--	--	182,135
Packaging	--	98,496	--	--	--	--	--	98,496
Renting equipment	--	--	--	528,572	--	6,550	--	535,122
Depots solutions	4,882,226	--	--	--	--	--	--	4,882,226
Others	806,020	--	58,544	28,888	68,324	47,339	--	1,009,115
Total	56,535,462	10,069,518	38,777,594	4,280,687	4,550,847	8,590,273	2,487,583	125,291,964

Continue: Operating revenues :

Operating revenues for the year ended December 31st, 2013 comprises the following :

Activity / branches	Alexandria	Cairo	Port Said	Sucz	Damietta	Merghem	Free zone	Total
Sea freight	29,785,469	42,067	52,610	1,084,093	222,695	1,450	--	31,188,384
Air freight	189,440	7,419,280	--	24,204	--	--	--	7,632,924
Customs clearance	6,552,035	1,257,944	1,350,962	421,450	199,005	4,593	--	9,785,989
Discharge	14,536,571	--	3,217,949	2,124,015	1,315,589	6,518	--	21,200,642
Additional services	37,729,353	546,692	536,700	198,913	195,538	217,699	--	39,424,895
Land transportation	5,934,703	612,344	3,403,796	2,028,807	910,063	11,888,386	--	24,778,099
Warehousing	869,051	--	--	1,634,793	--	50,925	2,486,014	5,040,783
Transit	1,746,920	999,227	20,197	418,909	157,930	--	--	3,343,183
Insurance	--	102,315	--	55,450	2,844	--	--	160,609
Packaging	--	88,199	--	--	--	--	--	88,199
Renting equipment	--	--	--	794,342	--	9,900	--	804,242
Depots solutions	3,336,369	--	--	--	--	--	--	3,336,369
Others	803,080	106,428	51,123	373,959	283,705	10,100	--	1,628,395
Total	<u>101,482,991</u>	<u>11,174,496</u>	<u>8,633,337</u>	<u>9,158,935</u>	<u>3,287,369</u>	<u>12,189,571</u>	<u>2,486,014</u>	<u>148,412,713</u>

21. **Operating costs :**

Operating costs for the year ended December 31st, 2014 comprises the following :

Activity / branches	Alexandria	Cairo	Port Said	Suez	Damietta	Merghem	Free zone	Total
Sea freight	8,391,065	--	2,738	373,684	200,686	--	--	8,968,173
Air freight	41,258	5,361,660	--	--	--	--	--	5,402,918
Customs clearance	4,756,309	372,281	2,442,526	188,887	347,464	1,613	--	8,109,080
Discharge	4,195,345	--	12,220,293	878,810	1,919,558	--	--	19,214,006
Additional services	12,148,758	35,653	881,578	17,537	94,336	--	--	13,177,862
Land transportation	1,863,681	290,870	15,775,142	700,526	1,034,760	6,692,267	--	26,357,246
Warehousing	1,013,419	--	--	520,759	--	228,116	558,111	2,320,405
Transit	255,999	66,792	19,169	1,955	1,639	--	--	345,554
Insurance	--	63,629	2,700	21,875	17,650	--	--	105,854
Packaging	--	31,822	--	--	--	--	--	31,822
Renting equipment	--	--	--	34,376	--	46,180	--	80,556
Others	1,173,455	--	--	6,634	55,049	70,700	--	1,305,838
Depots solutions	1,169,800	--	--	--	--	--	--	1,169,800
Depreciation expense	2,172,538	1,933	99	542,898	304	918,550	208,701	3,845,023
Salaries and wages	2,166,169	1,015,131	770,569	385,617	518,509	755,358	197,185	5,808,538
Total	<u>39,347,796</u>	<u>7,239,771</u>	<u>32,114,814</u>	<u>3,673,558</u>	<u>4,189,955</u>	<u>8,712,784</u>	<u>963,997</u>	<u>96,242,675</u>

Continue: Operating costs :

Operating costs for the year ended December 31st, 2013 comprises the following :

Activity / branches	Alexandria	Cairo	Port Said	Suez	Damietta	Merghem	Free zone	Total
Sea freight	26,572,890	77,775	23,961	940,646	197,435	--	--	27,812,707
Air freight	163,628	5,781,727	--	19,368	--	--	--	5,964,723
Customs clearance	7,863,700	500,597	936,258	227,320	349,780	--	--	9,877,655
Discharge	7,734,074	--	3,216,355	982,600	1,538,822	--	--	13,471,851
Additional services	20,628,558	55,682	387,937	56,812	118,468	625	--	21,248,082
Land transportation	6,788,451	334,757	2,581,685	730,374	702,188	9,335,392	--	20,472,847
Warehousing	387,670	--	--	1,300,955	--	218,445	421,844	2,328,914
Transit	744,838	79,075	6,541	197,367	27,820	--	--	1,055,641
Insurance	--	59,668	--	44,352	1,450	--	--	105,470
Packaging	--	31,134	--	--	--	--	--	31,134
Renting equipment	--	--	--	3,125	--	12,131	--	15,256
Depots solutions	2,835,094	6,701	16,576	393,686	98,459	107,156	--	3,457,672
Others	1,887,832	--	--	--	--	--	--	1,887,832
Depreciation expense	2,250,902	28,983	10,985	512,771	5,154	966,854	208,892	3,984,541
Salaries and wages	1,847,534	900,214	349,615	254,600	448,738	675,548	171,558	4,647,807
Total	<u>79,705,171</u>	<u>7,856,313</u>	<u>7,529,913</u>	<u>5,663,976</u>	<u>3,488,314</u>	<u>11,316,151</u>	<u>802,294</u>	<u>116,362,132</u>

22. Income statement by segment :

The income statement by segment for the year ended December 31st, 2014 comprises the following :

	Alexandria	Cairo	Port Said	Suez	Damietta	Merghem	Free zone	General administration	Total
Operating revenues	56,535,462	10,069,518	38,777,594	4,280,687	4,550,847	8,590,273	2,487,583	--	125,291,964
Operating costs	(39,347,796)	(7,239,771)	(32,114,814)	(3,673,558)	(4,189,955)	(8,712,784)	(963,997)	--	(96,242,675)
Gross profit	17,187,666	2,829,747	6,662,780	607,129	360,892	(122,511)	1,523,586	--	29,049,289
Selling and distribution expenses	--	--	--	--	--	--	--	(349,545)	(349,545)
General and admin. expenses	(6,060,495)	(1,549,835)	(974,221)	(468,229)	(627,508)	(1,059,429)	(268,236)	(11,815,156)	(22,823,109)
B.O.D. attendance allowances	--	--	--	--	--	--	--	(2,374,750)	(2,374,750)
Decline in clients value	--	--	--	--	--	--	--	(666,573)	(666,573)
Fixed assets depreciation and amortization	(1,887,675)	(216,477)	(54,648)	(9,066)	(24,087)	(77,166)	(1,466)	(21)	(2,270,606)
Operating profits (losses)	9,239,496	1,063,435	5,633,911	129,834	(290,703)	(1,259,106)	1,253,884	(15,206,045)	564,706
Provisions support	--	--	--	--	--	--	--	(675,857)	(675,857)
Investments revenues	--	--	--	--	--	--	--	11,231,676	11,231,676
Impairment of projects under construction	--	--	--	--	--	--	--	(1,638,812)	(1,638,812)
Credit interests	--	--	--	--	--	--	--	2,469,928	2,469,928
Other revenues	385,619	--	--	--	--	--	--	--	385,619
Gains (losses) on sale of fixed assets	--	8,100	--	--	--	--	--	(36,013)	(27,913)
Foreign currency exchange differences	(1,521,589)	(45,409)	(176,321)	501	780	--	(1,141)	478,328	(1,264,851)
Treasury bills revenues	--	--	--	--	--	--	--	945,677	945,677
Net profit (loss) for the year before tax	8,103,526	1,026,126	5,457,590	130,335	(289,923)	(1,259,106)	1,252,743	(2,431,118)	11,990,173
Income tax	--	--	--	--	--	--	--	--	(937,030)
Deferred tax - expense	--	--	--	--	--	--	--	--	(655,981)
Income tax for the year	--	--	--	--	--	--	--	--	(1,593,011)
Net profit for the year	--	--	--	--	--	--	--	--	10,397,162

Continue : Income statement by segment :

The income statement by segment for the year ended December 31st, 2013 comprises the following :

	Alexandria	Cairo	Port Said	Suez	Damietta	Merghem	Free zone	General administration	Total
Operating revenues	101,482,991	11,174,496	8,633,337	9,158,935	3,287,369	12,189,571	2,486,014	--	148,412,713
Operating costs	(79,705,171)	(7,856,313)	(7,529,913)	(5,663,976)	(3,488,314)	(11,316,151)	(802,294)	--	(116,362,132)
Gross profit	21,777,820	3,318,183	1,103,424	3,494,959	(200,945)	873,420	1,683,720	--	32,050,581
Selling and distribution expenses	--	--	--	--	--	--	--	(424,002)	(424,002)
General and admin. expenses	(5,817,729)	(1,347,285)	(552,022)	(347,599)	(535,247)	(1,032,352)	(226,348)	(11,466,422)	(21,325,004)
Decline in clients value	--	--	--	--	--	--	--	(964,185)	(964,185)
Decline in debtors value	--	--	--	--	--	--	--	(1,653,940)	(1,653,940)
B.O.D. attendance allowances	--	--	--	--	--	--	--	(1,227,200)	(1,227,200)
Fixed assets depreciation and amortization	(1,708,428)	(163,626)	(32,454)	(8,567)	(9,693)	(7,283)	(2,744)	(8,649)	(1,941,444)
Operating profits	14,251,663	1,807,272	518,948	3,138,793	(745,885)	(166,215)	1,454,628	(15,744,398)	4,514,806
Finance expenses	(525,367)	--	--	--	--	--	--	(965,946)	(1,491,313)
Provisions support	--	--	--	--	--	--	--	(133,800)	(133,800)
Investments revenues	--	--	--	--	--	--	--	13,570,340	13,570,340
Impairment of investments	--	--	--	--	--	--	--	(885,000)	(885,000)
Credit interests	--	--	--	--	--	--	--	455,388	455,388
Other revenues	1,351	--	1,320	--	--	--	--	92,747	95,418
Gains on sale of fixed assets	--	--	--	--	--	--	--	71,933	71,933
Foreign currency exchange differences	1,240,977	(465,836)	355,165	(105,202)	(4,907)	--	450	2,724,611	3,745,258
Treasury bills revenues	--	--	--	--	--	--	--	6,890,400	6,890,400
Net profit (loss) for the period before tax	14,968,624	1,341,436	875,433	3,033,591	(750,792)	(166,215)	1,455,078	6,076,275	26,833,430
Income tax	--	--	--	--	--	--	--	--	(4,349,476)
Deferred tax - revenues	--	--	--	--	--	--	--	--	136,247
Income tax for the year	--	--	--	--	--	--	--	--	(4,213,229)
Net profit for the year	--	--	--	--	--	--	--	--	22,620,201

23. Related parties transactions :

Transactions which have occurred within the year ended December 31st, 2014 between the company and related parties are represented in services provided and current accounts between them resulting into debit and credit balances as follows :

	Transaction	Transaction volume	Balance as at 31/12/2014	Balance as at 31/12/2013
Due from related parties :				
Damietta Feeder Terminal Co,	Current accounts	--	964,185	964,185
Decline in due from related parties value			(964,185)	(964,185)
			--	--
Due to related parties :				
Barwil Egytrans Shipping Agencies Co.	Services provided	448,000	5,815	19,526
Scan Arabia Shipping Agencies Co.	Current accounts	--	19,526	358,951
			25,341	378,477

24. Other revenues :

Other revenues balance for the year ended December 31st, 2014 comprise the following :

	2014	2013
Other revenues	385,619	418
Compensation contracts revenues	--	95,000
	385,619	95,418

25. Statement of cash flows :

The non-monetary transactions were excluded from the statement of cash flows as follows :

- An amount of L.E 937,030 represents the income tax for the period and an amount of L.E 655,981 represents the deferred tax expense for the period included in deferred tax liabilities.
- An amount of L.E 2,213,189 represents additions of fixed assets, and an amount of L.E 2,073,966 represents intangible assets additions transferred from projects under construction.

26. Contingent liabilities :

The outstanding letters of guarantee issued by the banks for the company and in favor of customs authority and sea ports authority at December 31st, 2014 amounted L.E 16,930,190 which are covered by an amount of L.E 611,533.

27. Significant events :

The Arab Republic of Egypt has experienced events that had a significant impact on all economic sectors in general, it is very likely that this will lead to a significant decline in economic activities during the coming period, therefore it is possible that these events might have a substantial impact on the elements of assets and liabilities and related recoverable values as well as the results of operations during the coming periods, it is currently hard for management to determine the magnitude of this impact on the assets and liabilities included in the financial statements of the company as it depends on the expected extent and duration of these events and their implications.

However, in the long run the company sees indications of developing the entire transportation system during the next 20 years with a network of internal roads built as well as international roads, with developing Suez Canal region transforming it into an international logistics center with the maximum benefiting from river transportation as well as constructing three sea ports in Ras Banas, Sedi Barani and Tor., also constructing new airports to connect the governorates with each other which will reflect on the company's performance positively.

28. The fair value of financial instruments :

The financial instruments of the company are represented in the financial assets and liabilities, financial assets include cash at banks, clients, and some debit balances while financial liabilities include bank facilities, creditors and other credit balances and according to the evaluation basis followed in evaluating company's assets and liabilities, the book value of those instruments doesn't significantly differ from its fair value on the financial statements date.

29. **Risk management :**

a. **Credit risk :**

Credit risk represents the company's ability to collect notes receivable on their due dates with whom the company deals, management observe the collection of these dues and improve its performance, as the company estimates this risk as limited.

b. **Foreign currencies risk :**

Foreign currencies risk is represented in the changes of foreign exchange rates which affect payments and collections of foreign currencies and the evaluation of assets and liabilities in foreign currencies. The company estimates this risk as relatively effective as the company relies mainly on the U.S Dollar and Euro which were subjected to major changes in the exchange rate during the period.

c. **Liquidity risk :**

Liquidity risk is represented in the factors that may affect the company's ability to pay a part or all of its liabilities and according to the company's policy enough cash is kept to decrease this risk to its minimal limit, accordingly the company estimates this risk as relatively limited.

d. **Interest rate risk :**

The company depends basically on the bank facilities to provide the working capital. Interest rate risk represents changes in bank's interest rates. The company estimates this risk as relatively limited.

e. **Cash flows risks related to interest rates :**

Cash flows related to interest rate risk is represented in the risks of changes in the future cash flows of financial instruments caused by the change in market's interest rates and as the company doesn't use financial instruments with floating interest rate, management estimates this risk as limited.

30. **Governance situation improvement :**

We'd like to mention that work mechanisms and system in the company have a special nature because of the variety of its hi-tech activities and for the work inside the company to be more accurate and according to the nature of its activities domestically and globally, the posts of the chairman and deputy member are occupied by the same person.

And to cope with corporate governance, the company started since last year to implement the policy of succession regarding the company's managers. A financial affairs manager was appointed and the board of directors monitors the daily operations.

Also two independent experienced members are appointed in the board of directors, the company improved its situations by modifying its statute through adding four independent experienced members to the board of directors. Also the company formed a number of committees like an audit committee, a corporate governance committee, a nominations committee and dues committee ,those committees are operating committees of the board of directors , one of the roles of the nominations committee and the dues committee is to evaluate the chairman's performance annually indifferently and with total transparency.

31. Tax situation :

a. Egyptian Transport and Commercial Services Co. (Egytrans) :

First : Corporate tax :

~~Years from beginning of operation till 2003 :~~

The company has settled and paid the accrued taxes for these years. The tax provision with an amount of L.E 2.6 million has been settled as the withholding taxes balance for the period from 1994 till 1998 which created a liability on the company with an amount of L.E 1 million which is compatible with the amount required by tax authority in tax form (9AG).

Year 2004 :

The company presented its tax return for year 2004 on the legal time then the company appealed tax form (19). A re-inspection has been made upon the company's request and the company wasn't informed by any tax forms yet.

Years from 2005 till 2013 :

The company presented its tax returns for these years on legal time according to Law no. (91) of 2005 and the company wasn't informed by any inspection for these years.

Second : Payroll tax :

- The company pays its monthly payroll accrued tax on legal time,
- The company has settled and paid its due tax from inception till 2009 and wasn't informed by any inspection for years after that.

Third : Stamp tax :

- The company has settled and paid its due tax from inception till 2012 and wasn't informed by any inspection for years after that.

Fourth : Sales tax :

- The company has settled and paid its due sales tax from inception till 2013 and wasn't informed by any inspection for years after that.

b. Egyptian Transportation and Logistics Co. (ETAL) :

First : Corporate tax :

- The company's accounts were inspected by tax authority for the years from 1998 till 2004, an arrangement was made with the internal committee and there are no disputes regarding these years.
- Years from 2005 till 2007 were inspected and the company received tax form (19) in which the company appealed on legal time and the due amount was paid according to the internal committee decision.
- The company presented its tax returns for years from 2008 till 2013 on legal time.

Second : Payroll tax :

- The company has settled and paid its due tax for the years from inception till 2007.

Third : Sales tax :

- The company has settled and paid its due tax for years from inception till 2012 and the company presents its monthly tax returns on legal time.

c. Egytrans For Depot Solutions Co. :

First : Corporate tax :

The company was incorporated on May 4th, 2009 and the company presents its tax returns for years from inception till year 2013 on legal time.

Second : Sales tax :

- The company presents the tax returns on legal time and the company regularly pays the due tax – if any.
- The sales tax have been inspected for the period from inception on October 2010 till December 31st, 2011, the company received tax form (15) dated May 3rd, 2013 as the due tax amounted L.E 22,963 which was fully paid and there aren't any due taxes regarding this period.
- Year 2012 has been inspected and the company was informed by tax form (15) as the due tax amounted L.E 163,830 which was fully paid plus the additional due tax and there aren't any other due taxes regarding this year.

Third : Payroll tax :

The company pays the tax on legal time according to the law.

d. Egytrans For River Ports Co. :

The company was incorporated on May 4th, 2009 and the company presents its tax returns for years from inception till year 2013 on legal time.

e. Egytrans Barg Link Co. :

First : Corporate tax :

The company was incorporated on June 4th, 2009 and the company presented its tax returns for years from inception till year 2013 on legal time.

Second : Payroll tax :

- The company pays the tax on legal time according to the law.
- The company's books have been inspected for the period from inception till December 31st, 2011 and was informed by tax form (38) on September 13th, 2012, the due tax amounted L.E 2,218 in which the company paid and there aren't any other due taxes.
- Tax inspection has not been conducted for years 2012 and 2013.

32. Financial statements approval :

The company's board of directors in their meeting held on March 12th, 2015 approved the company's consolidated financial statements for the period ended December 31st, 2014.

33. Comparative figures :

During the year the comparative figures were reclassified to conform with financial statement presentation of the current period which are presented as follows :

- An amount of L.E 178,115 has been reclassified from clearance operations in process to unearned revenues which is included in credit balances , this amount represents services provided to clients till December 31st, 2013 without specifying it's actual cost, therefore didn't meet revenue recognition conditions.
- An amount of L.E 510,686 has been reclassified from debit balances to projects under construction, which represent cost of fitting new storage warehouses in Adabia port till December 31st, 2013,
 - According to the contract between the company and the agent Toshiba Logistics, the company pays the freight expenses for the agent in exchange for a commission. the company has restated it within the agent's current account for this year to show the company's revenues and costs with their actual value represented in the company's commission value, accordingly an amount of L.E 4,015,265 has been excluded from last year revenues and expenses.
 - An amount of L.E 42,019 is reclassified from general and administrative expenses to operating costs as it represents salaries and wages.

GLOSSARY

are followed by a phonetic
ids usually come from
llowing rules are taken
ic spelling system.
able) is long;
of knee; ri,

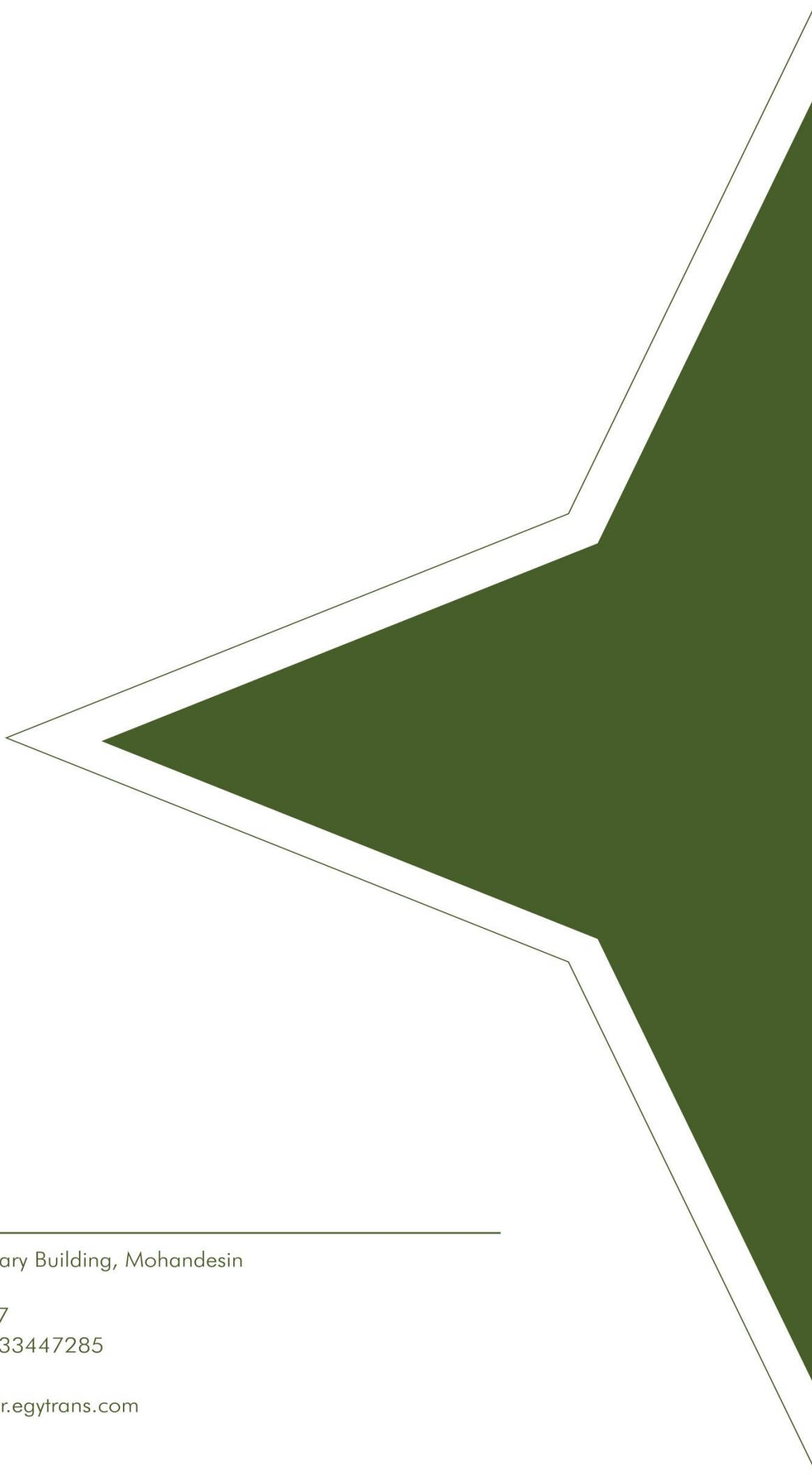
4. A short vowel that ends or itself consists
by a breve; thus *ě-fekt* for *effect*. *ī-mīn*

Primary (˘) and secondary (˙) accents are shown
Unstressed syllables are followed by hyphens
Some common vowels are pronounced as follows:
ə sofa
ā mate

7 Glossary

- ❖ **Risk Management:** The procedures followed by corporations on a regular basis to confront risks associated to their activities. The main aim of applying these procedures is to achieve opportunities and avoid threats. Risk Management is one of the modules of Corporate Governance practices such as disclosure, transparency, responsibility and reliability. Therefore, it is a basic component of strategic management in any corporation as well as being part of its culture and activities.
- ❖ **Corporate Governance:** Rules, regulations and procedures that assist in increasing the efficiency of business management and control as well as creating balanced relation between various related parties.
- ❖ **Risks:** Set of complicated potential events or results, achieving these risks might produce threats to success (negative side) or opportunities (positive side) except the health and safety risks which has only negative side.
- ❖ **Balanced Scorecard:** a system for performance measurement and strategic management incorporating measures in four perspectives (financial, customer, internal process and employee learning & growth).
- ❖ **ERP:** Enterprise Resource Planning, a management information system designed to integrate the data and processes of an enterprise in a single unified system.
- ❖ **EBITDA:** Earnings before interest, taxes, depreciation & amortization = gross profit - general expenses.
- ❖ **Turnover:** total revenues of activities.
- ❖ **Net Profit:** Gross profit – (general expenses + financial expenses + selling and distribution expenses + depreciation).
- ❖ **Gross Profit:** Revenue of activities – cost of activities.
- ❖ **Earnings per share:** Net profit/number of shares.
- ❖ **Chartering:** the process of renting vessels whether for a certain trip or for a certain period of time.

- ❖ **Consolidation:** consolidated cargos for various clients inside one common container through a shipping agent.
- ❖ **FCL:** Full Container Load, i.e. a full container shipment.
- ❖ **FIATA:** Federation of International Freight Forwarding Associations.
- ❖ **Freight forwarder:** a third party provider of logistics services. The role of a forwarder is to dispatch, book or otherwise arrange space for shipments via carriers who operate vessels, airplanes, trucks or railroads. Freight forwarders typically arrange cargo movement to an international destination, prepare and process the required documents and perform other services related to international shipments.
- ❖ **Freight Ton:** the weight of cargo in tons or its volume in meters (whichever is larger).
- ❖ **LCL:** a shipment that is less than a full container.
- ❖ **NVOCC:** Non Vessel Operating Common Carrier i.e. renting areas or a space on vessels owned by a shipping line and selling these areas or spaces on behalf of the shipping line.
- ❖ **TEU:** Twenty Foot Equivalent Unit equivalent to 20 foot container (40 foot container = 2 TEUs).



15 Ahmed Orabi St., Barbary Building, Mohandesin
Giza 12411, Egypt
Phone: (+20 2) 33448787
Fax: (+20 2) 33450761- 33447285
Email: ir@egytrans.com
Investor relations website: ir.egytrans.com