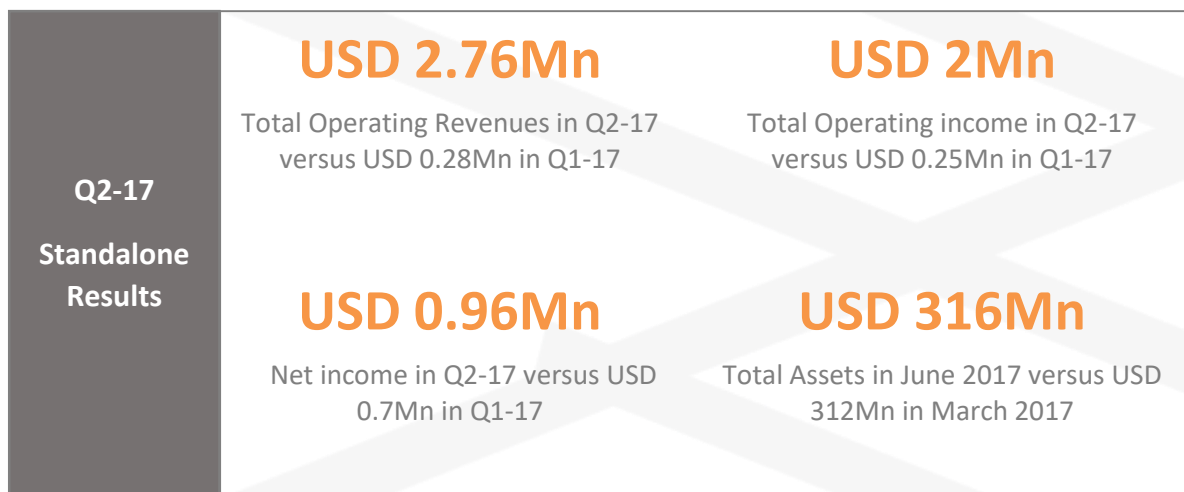
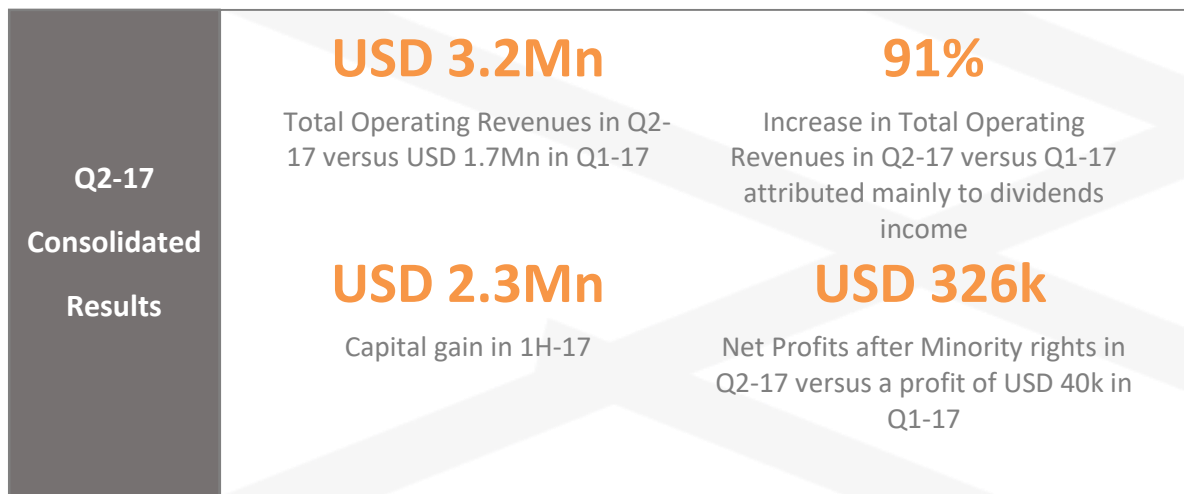


NAEEM Holding for Investments “NAEEM” reports Q2-17 consolidated results

NAEEM reported on August 9th 2017 its Q2-17 Results with total operating revenues amounting to USD 3.2Mn, EBITDA recorded USD 1Mn and net income after minority Interest amounted to USD 326k.



I. KEY FINANCIAL HIGHLIGHTS

Operating Revenues Breakdown (000 USD)	Q2-17	Q1-17	Q2-16	Q-o-Q%	Y-o-Y%	1H-17	1H-16	Y-o-Y %
Securities Brokerage	954	1,369	1,059	-30.3%	-9.9%	2,323	2,339	-0.7%
Asset Management	115	36	61	224.3%	90.1%	151	141	6.9%
Others	8	0	0	N/M	N/M	8	0	N/M
Total Business Line Contribution	1,078	1,404	1,120	-23.3%	-3.8%	2,482	2,480	0.1%
	Q2-17	Q1-17	Q2-16	Q-o-Q%	Y-o-Y%	1H-17	1H-16	Y-o-Y %
NAEEM's Operations & Investments	1,995	(366)	(893)	N/M	N/M	1,629	170	857.9%
REACAP Financial Investments	324	743	1,633	-56.4%	-80.2%	1,066	4,121	-74.1%
Other Income (losses)	(115)	(66)	19	N/M	N/M	(181)	16	N/M
Total Investments Contribution	2,204	311	759	608.9%	190.3%	2,515	4,307	-41.6%
Grand Total Operating Revenues	3,281	1,715	1,879	91.3%	74.7%	4,996	6,787	-26.4%
Operating Revenues Breakdown (000 EGP)	Q2-17	Q1-17	Q2-16	Q-o-Q%	Y-o-Y%	1H-17	1H-16	Y-o-Y %
NAEEM Brokerage	10,782	13,430	6,732	-19.7%	60.2%	24,212	14,031	72.6%
Al Tawfeek Brokerage	4,548	6,969	-	-34.7%	N/M	11,518	-	N/M
Egypt's Total Brokerage Business Line	15,330	20,400	6,732	-24.9%	127.7%	35,730	14,031	154.7%
Asset Management	2,080	641	517	224.5%	302.3%	2,721	1,178	130.9%
REACAP Financial Investments	5,862	13,382	14,784	-56.2%	-60.3%	19,245	35,111	-45.2%

On a consolidated level, during Q2-17 total operating revenues witnessed a 91% growth Q-o-Q, mainly driven by recorded dividends income of USD 2.47Mn. In 1H-17, total operating revenues stood at c.USD 5.0Mn down from USD 6.8Mn in 1H-16 as revenues from REACAP fell on the back of the almost complete sale of apartment inventory.

Regarding profitability, EBITDA stood at USD 1 Mn in Q2-17 versus a negative USD 1.1Mn in Q1-17 as SG&A retreated by 10.8% while Net income after minority in Q2-17 amounted to USD 326K, compared to USD 40K for the previous quarter. During 1H-17, the company turned profitable as net income after minority rights stood at USD 365K versus a loss of USD 2.5Mn in 1H-16. The aforementioned favorable change in bottom line results was mainly driven by a capital gain of USD 2.3Mn.

On a standalone basis, NAEEM reported operating revenues of USD 2.8Mn in Q2-17, up 865% and 290% Q-o-Q and Y-o-Y, respectively, with dividends income being the main contributor. The increase in operating revenues coupled with the absence of losses on current assets available for sale, offset the 8.5% increase in SG&A expenses which resulted in a positive EBITDA of USD 1.6Mn versus negative EBITDA of USD 1.3Mn during the same quarter of the prior year. As a result, Net income in Q2-17 stood at USD 0.96Mn, versus a loss of USD 1.9Mn in Q2-16; and recorded USD 1.6Mn in 1H-17 compared to a loss of USD 0.9Mn in 1H-16.

In Q2-17, NAEEM's business lines revenues contributed 33% of the group's consolidated operating revenues while NAEEM's proprietary investments contributed the bigger share of 67%. However, NAEEM's business lines revenues increased in 1H-17 to represent around 49.7% of the group's consolidated operating revenues compared to a 36.5% contribution in 1H-16. The proprietary investments attributed to the remaining 50.3% and 63.5% in 1H-17 and 1H-16, respectively.

The Securities Brokerage business line contributed 88.5% to the group's business lines revenues in Q2-17 and 93.6% during 1H-17. In Q2-17, Egypt's brokerage business represented 89% of total brokerage revenues versus 11% earned through NAEEM brokerage arm in UAE "NSB".



Asset Management fees income climbed by 134% during Q2-17, mainly driven by an increase in performance fees, which contributed 58% of overall fees earned in the quarter, while the remaining 42% were generated from Management fees. In 1H-17, Asset Management fees earned witnessed an increase of 7%.

On the prop investments level REACAP reported EGP 6.2Mn in total revenues a 54% and 61% decline Q-o-Q and Y-o-Y respectively; due to an almost complete sale of the existing inventory of apartments. REACAP is currently developing Linx Business Park, a 12,000 sqm BUA project in Smart Villages; offering both administrative and commercial units. Project Linx revenues and the like should boost REACAP revenues again.

II. KEY OPERATIONAL HIGHLIGHTS

1. Brokerage

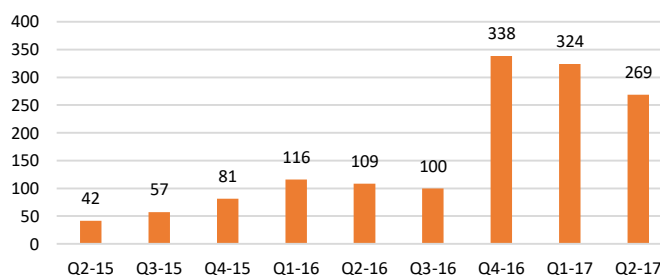
On the consolidated level, commission income from brokerage activities amounted to USD 0.95Mn in Q2-17 compared to USD 1.37Mn in Q1-17. The decline was due to reduced session hours during Ramadan and Eid holiday as well as a recent restructuring in NAEEM Shares and Bonds in UAE which temporality affected its operations. On a Y-o-Y basis, commission income declined by 10% from USD 1.06Mn in Q2-16. During 1H-17, aggregate commission income stood at USD 2.3Mn, reporting a marginal decrease of 0.7% versus 1H-16.

		Q2-17	Q1-17	Q2-16	Q-o-Q	Y-o-Y	1H-16	1H-17	Y-o-Y
Egypt	EGX Turnover (000 EGP)	122,570,826	175,232,776	70,553,908	-30.1%	73.7%	144,390,012	297,803,602	106.2%
	Company Turnover (000 EGP)	3,798,506	6,400,235	1,999,795	-40.7%	89.9%	4,442,880	10,198,740	129.6%
	Market Share	3.1%	3.7%	2.8%			3.1%	3.4%	
UAE	UAE Turnover (000 AED)	65,018,304	131,187,185	81,943,089	-50.4%	-20.7%	195,376,087	196,205,489	0.4%
	Company Turnover (000 AED)	204,477	653,082	767,876	-68.7%	-73.4%	1,769,342	857,560	-51.5%
	Market Share	0.3%	0.5%	0.9%			0.9%	0.4%	

Egypt

During Q2-17, the main market turnover in the Egyptian stock exchange dropped by 30% Q-o-Q to reach EGP122.6 Bn; this decline can be attributed to reduced session working hours during the month of Ramadan besides Eid Holiday and the usual summer season slowdown. On a Y-o-Y basis, the Egyptian stock exchange main market turnover increased by 73.7%. Turnover in the brokerage activity for NAEEM from Egyptian equities dropped 40.7% Q-o-Q but witnessed a 89.9% growth Y-o-Y, this growth is attributed to an increase in the market activity along with NAEEM's acquisition of AT Brokerage during November FY16. Q2 2017 ended with a combined market share of 3.1%, ranking 7th in terms of turnover in the Egyptian Market. During 1H-17, the brokerage activity turnover stood at EGP 10.2Bn, translating into a market share of 3.4%.

Egypt Brokerage Average Daily Commissions (000 EGP)



Brokerage commission stood at approximately EGP 15.3Mn in Q2-17, dropping 26% Q-o-Q owing to seasonal slowdown, however recorded a 1,283% increase Y-o-Y, attributed to an increase in the company turnover as well as AT acquisition during Q4-16. During 1H-17, total commission was up 156% to EGP 36Mn from EGP 14Mn in 1H-16. Average daily Commission reached EGP 269k in Q2-17.

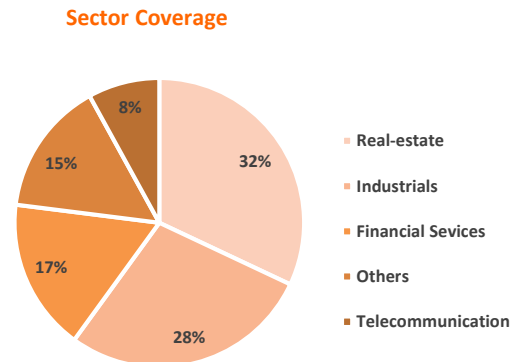
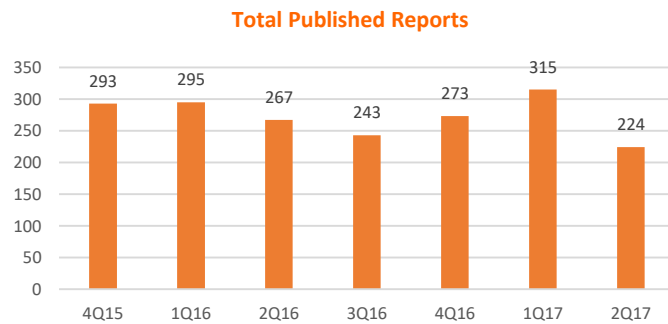
UAE

NAEEM Shares & Bonds (NSB) went through a restructuring in Q2-17, which temporarily affected its operations. Company turnover dropped to AED 204k in Q2-17, a 68.7% and 73.4% decrease Q-o-Q and Y-o-Y respectively.

2. Research

NAEEM Research, which falls under NAEEM Brokerage Egypt, offers tailored research, regular macro-overview reports, in addition to management interaction and on-the-ground support for clients.

In Q2-17, NAEEM Research issued 224 report in both Arabic and English.



The Research department covers all major sectors in the MENA region including Real estate, Petrochemicals, Oil & Gas, Building materials, Telecommunications, financial services, and other sectors. The department also offers a wide range of products covering both fundamental as well as technical research.

3. Asset Management

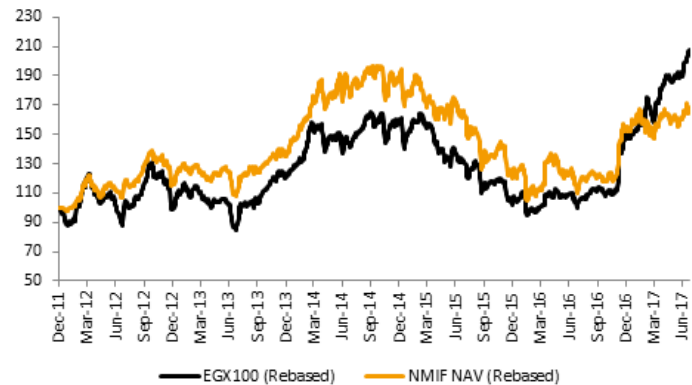
NAEEM's total Assets under Management (AUMs) are booked at USD 334.7Mn as of June 30th 2017.

A. Listed Equities

During Q2-17, despite the interest rate hike in May that had a negative impact on overall stock market performance, EGX30 index ended Q2-17 with a slight increase of 3.1% during the quarter and an 8% increase since the beginning of 2017. Overall investment appetite is optimistic on the back of the increase in foreign holdings in Egyptian treasuries, as well as the IMF loan installments as part of the Economic restructure program. The remaining amount of the first tranche is expected in the following quarter while the second tranche totaling USD4bn is expected over 2 installments during FY17/18 according to government officials.

During Q2-17, NAEEM's Egypt based AUMs were up 58% Y-o-Y on the back of improving market conditions as well as the acquisition of AT Financial Investments. From a dollar perspective, in Q2-17 NAEEM's AUMs slightly declined by approximately 0.5% Q-o-Q as well as 23.5% Y-o-Y due to the floatation of the EGP November 2016. The impact of the EGP devaluation on the Y-o-Y basis was inevitable since the majority of portfolios and funds are denominated in EGP.

As of Q2-17, the Asset Management clients' base was 68% individual clients and 32% institutional clients.



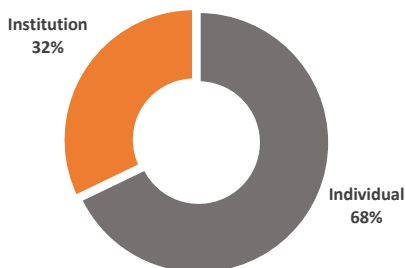
NAEEM Misr Islamic Fund (NMIF)

NMIF ended Q2-17 with a NAV of EGP 171.57, which is up 5.3% Q-o-Q and 48% Y-o-Y compared to the EGX100 benchmark index, which gained 13.6% and 103% Q-o-Q and Y-o-Y, respectively. During 1H-17, NMIF was up an overall 9.4% versus the EGX100 which increased 37.7%.

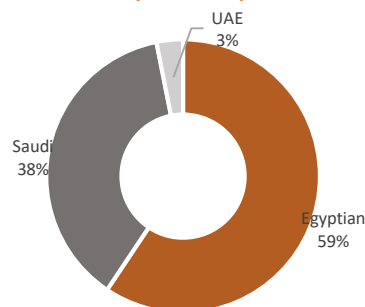
Al Baraka Bank Fund

The fund ended Q2-17 with a NAV of EGP 27.72Mn a slight increase of 0.35% Q-o-Q.

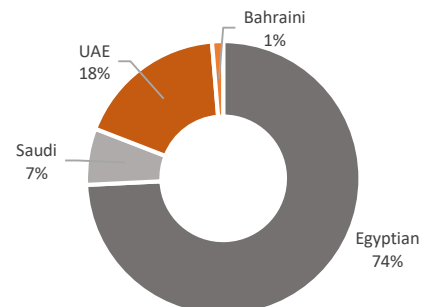
Q2-17 Portfolio Allocation by Client Type



Q2-17 Portfolio & Funds Number Breakdown by Nationality



Q2-17 AUM Value Breakdown by Nationality



B. Egyptian Gulf Bank (EGBank)

Income Statement (000 EGP)	Q2-17	Q1-17	Q2-16	Q-o-Q%	Y-o-Y%	1H-17	1H-16	Y-o-Y%
Net interest income	403,105	426,680	296,640	-5.5%	35.9%	829,785	520,582	59.4%
Fees and commissions	63,291	103,263	65,732	-38.7%	-3.7%	166,555	137,583	21.1%
Other income	12,629	76,816	96,790	-83.6%	-87.0%	89,445	118,867	-24.8%
Net operating income	234,645	209,779	209,223	11.9%	12.2%	444,424	346,972	28.1%
Provisions	(28,486)	(191,296)	(26,258)	N/M	N/M	(219,781)	(51,616)	325.8%
Net profit after tax	139,487	121,114	146,852	15.2%	-5.0%	260,600	240,629	8.3%

Balance Sheet (000 EGP)	Q2-17	Q1-17	Q2-16	Q-o-Q%	Y-o-Y%	6M-17	6M-16	Y-o-Y%
Cash and marketable securities	12,241,864	12,793,903	7,497,030	-4.3%	63.3%	12,241,864	7,497,030	63.3%
Total loans	24,302,136	22,470,991	12,596,969	8.1%	92.9%	24,302,136	12,596,969	92.9%
Total Assets	55,785,112	53,371,783	34,727,992	4.5%	60.6%	55,785,112	34,727,992	60.6%
Total deposits	50,464,361	48,679,070	31,249,946	3.7%	61.5%	50,464,361	31,249,946	61.5%
Shareholders' Equity	2,615,398	2,502,101	2,123,661	4.5%	23.2%	2,615,398	2,123,661	23.2%

Key ratios	Q2-17	Q1-17	Q2-16	Q-o-Q%	Y-o-Y%	6M-17	6M-16	Y-o-Y%
NIM (%)	0.8%	1.0%	0.81%	(0.1)	0.0	1.6%	1.3%	0.0
Loan to deposits (%)	48.2%	46.2%	40.3%	2.0	7.8	48.2%	40.3%	7.8
Growth in deposits	3.7%	19.8%	15.0%	(16.1)	(11.3)	61.5%	51.5%	(11.3)
Growth in loans	8.1%	18.6%	28.9%	(10.5)	(20.7)	92.9%	53.3%	(20.7)
NPL / gross loans	2.0%	1.9%	3.1%	0.1	(1.1)	2.0%	3.1%	(1.1)

EGBank reported net operating income of EGP 829Mn in 1H-17, a 28% increase compared to EGP 520.5Mn in 1H-16, owing to the recent hike in interest rates coupled with the increase in the bank's loan portfolio, which drove the net interest income up by 59.4% Y-o-Y. Fees and commissions also increased by 21.1% Y-o-Y during 1H-17 while other income, which is mainly generated from trading activity, fell 24.8% Y-o-Y. Provisions climbed to EGP 219Mn due to exceptionally high provisions of EGP 191.3Mn booked during Q1-17 compared to EGP 28.5Mn booked during Q2-17 now that the floatation of the local currency is now priced in the market. Net profit after provisions and taxes stood at EGP 260.6Mn, recording an 8.3% increase Y-o-Y.

As for Q2-17 results, net income after provisions reached EGP 139Mn, up 15.2% Q-o-Q and slightly down by 5% Y-o-Y. Despite the drop in both fees & commissions income to EGP 63Mn as well as other income to EGP 12.6Mn, overall net operating income grew by 11.9% and 12.2% Q-o-Q and Y-o-Y, respectively; on the back of a 35.9% Y-o-Y increase in Net interest income.

The bank announced that customer deposits reached EGP 50.5Bn up 4.5% and 23.2% Q-o-Q and Y-o-Y, respectively; while its loan portfolio stood at EGP 24.3Bn, growing 8.1% and 92.9% Q-o-Q and Y-o-Y, respectively; translating into a loan to deposit ratio of 48.2%. On a quarterly basis, NPL to Gross Loans was relatively stable at 2% however reporting a significant improvement in loans quality on a yearly basis compared to a 3.1% in Q2-16.

C. Smart Villages Company (SVC)

EGP '000	Q2-17	Q1-17	Q-o-Q %	1H-17	1H-16	Y-o-Y %
Sale of Properties	8,450	600	1308.3%	9,050	2,600	248.1%
Rent Activities	15,999	15,700	1.9%	31,699	27,100	17.0%
Services Revenues	59,919	47,000	27.5%	106,919	83,700	27.7%
Other Services	911	10,200	-91.1%	11,111	8,600	29.2%
Total Revenues	85,278	73,500	16.0%	158,778	122,000	30.1%
EBITDA	22,357	25,900	-13.7%	48,257	26,500	82.1%
Net Profit	6,613	10,300	N/M	16,913	(600)	N/M

Profitability	Q2-17	Q1-17	Q-o-Q	1H-17	1H-16	Y-o-Y
Gross Profit Margin	33.5%	43.9%	(10.5)	38.3%	32.1%	6.2
EBITDA Margin	26.2%	35.2%	(9.0)	30.4%	21.7%	8.7
Net Profit Margin	7.8%	14.0%	(6.3)	10.7%	-0.5%	11.1

Smart Villages Company (SVC) total revenues recorded EGP 158.8Mn during 1H-17, up 30% Y-o-Y with the services constituting the lion's share as it contributed 67% to revenues; while revenues from rental activities constituted 20% followed by other services and sale of properties contributing with 7% and 6%, respectively.

During Q2-17, revenues from sale of properties witnessed a significant improvement climbing to EGP 8.4Mn versus EGP 0.6Mn in Q1-17.

D. REACAP Financial Investments (REACAP)

EGP '000	Q2-17	Q1-17	Q2-16	Q-o-Q %	Y-o-Y %	1H-17	1H-16	Y-o-Y %
Sold Units Revenues	5,476	12,799	16,585	-57%	-67%	18,274	33,232	-45%
Rental Income	364	563	588	-35%	-38%	928	1,127	-18%
Other Operating Revenues	22	21	(1,714)	8%	N/M	43	752	-94%
Total Operating Revenues	5,862	13,382	15,459	-56%	-62%	19,245	35,111	-45%
Other Revenues	304	16	453	1796%	-33%	320	602	-47%
Total Revenues	6,166	13,398	15,912	-54%	-61%	19,564	35,713	-45%
Net Profit	777	4,461	3,104	-83%	-75%	5,238	6,505	-19%

REACAP reported EGP 6.2Mn in total revenues a 54% and 61% decline Q-o-Q and Y-o-Y respectively; on the back of the almost complete sale of the existing inventory of apartments. REACAP Net profit after tax retreated to EGP 0.78Mn in Q2-17 versus EGP 4.5Mn and EGP 3.1Mn in Q1-17 and Q2-16, respectively. In 1H-17, total revenues reached EGP 19.6Mn, a 45% decline compared to 1H-16. Despite the 45% drop in revenues, net profit declined 19% to EGP 5.2Mn compared to EGP 6.5Mn 1H-16 as the company posted FX translation gains as opposed to a EGP2.4Mn loss in 1H-16.

REACAP is currently developing Linx Business Park, a 12,000 sqm BUA project in Smart Villages; offering both administrative and commercial units. Project Linx revenues and the like should boost REACAP revenues again.

E. Arab Sweeteners Company

Arab Sweeteners Company (ASC) – a fully owned subsidiary of NAEEM - is building a USD 135Mn wet corn milling facility in 10th of Ramadan, with daily milling capacity of 1,500 tons of yellow corn yielding 300,000 tons of high fructose corn syrup annually.



During 1H-17, ASC management has taken on ground steps toward the project execution. Based on an early start agreement signed with the EPC contractor, ASC has paid the latter a down payment to start working and delivering the project's layout and mechanical engineering designs. As a result, the project's construction period has been shortened to 24 months instead of 27 months.

4. Investment Banking

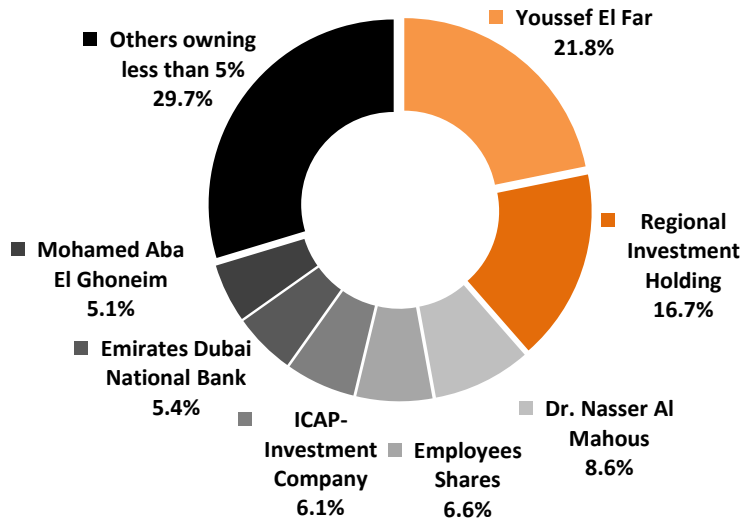
Leveraging on NAEEM Group MENA presence, the Investment Banking division has generated a diversified pipeline during H1-17. NAEEM IB continued to pitch new clients across several sectors including:

1. Education
2. Food & Beverage
3. Agriculture
4. Advertising & Marketing
5. Financial services
6. Real Estate

This allowed NAEEM IB to increase the number of transactions in the pipeline to a total of 9 transactions separated into External Clients Advisory Services and NAEEM Group Proprietary investments advisory.

III. NAEEM HOLDING STANDALONE

Shareholding Structure as of June 2017



NAEEM in Figures

USD 960K

NAEEM's net income in Q2-17 vs.
USD 0.7Mn in Q1-17

4,000

Number of Institutional & Retail
Shareholders as of June 2017

USD 62Mn

Total Distributed cash dividends to
shareholders since inception

USD 316Mn

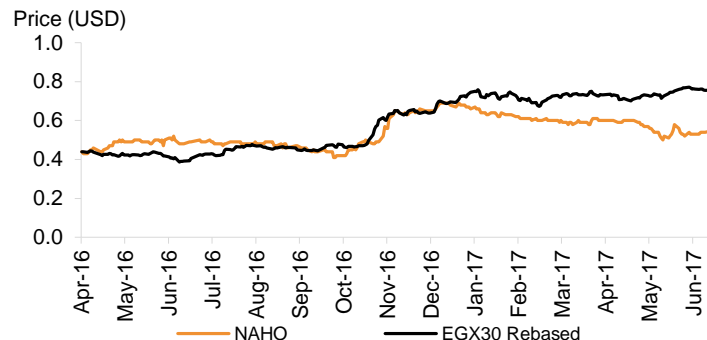
Total Assets as of 30-June-2017

On a standalone basis, NAEEM reported operating revenues of USD 2.8Mn in Q2-17, up 865% and 290% Q-o-Q and Y-o-Y, respectively, with dividends income being the main contributor. Net Income recorded USD 1.6Mn in 1H-17 compared to a loss of USD 0.9Mn in 1H-16.

Company Snapshot

Ticker:	NAHO EY
Mkt Cap (USD Mn):	156.1
Shares Outstanding (Mn):	283.89
Share Price (USD):	0.55
Q2-17 Share Perf:	-5.2%

*As of June 28th 2017



This earning release may contain certain forward looking statements including investment banking pipeline, market shares, investments' exists, future banking performance, economic and financial conditions including in particular the likelihood of a project's success or a business acquisition/expansion. All prospective investors must make their own investigation and evaluation of the investment opportunities stated in this document. Forward-looking statements can be identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "intends", "anticipates", "should" or comparable terminology. Such statements are subject to uncertainties and should not be taken as representations. NAEEM will not be held accountable to the outcome of any forward looking statement.

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NAEEM HOLDING
FOR INVESTMENT
Asset Management | Investment Banking
Brokerage | Investments**Investor Relations Contact****Iman A. Sadek, MA, MBA***Head of Investor Relations*Smart Village – Building B16- Phase 1, Km 28
Cairo Alexandria Desert Road 6th of October City
– Giza

(P.O. 12577, Egypt) Box:61

Tel: +2 0235316100 Ext: 6113

Direct: +2 0235316113

Fax: +2 0235316101

Listing Symbols

Reuters Code: NAHO.CA

Bloomberg Code: NAHO EY