

The spillover effect of the GCC selling waves depressed the Egyptian market this month with Arab investors exiting the market to cover up margin calls in their home markets. Local retail investors followed suit while foreign investors were net buyers into large cap stocks which were the only positive movers during the month. Owing to your fund's heavy weights in large caps, the fund outperformed the HFI index, which shed 1.2% in November, by around 1% with NAV remaining almost flat at \$37.22.

Your fund's top holding, Orascom Telecom (OT), announced strong nine months results with total subscribers exceeding 46 million, a year-on-year growth of 83%. The Pakistani subsidiary, Mobilink, remained the highest contributor of net additions. EBITDA margins from GSM operators continued to show solid improvement, rising from 49.2% in second quarter 2006 to 51.3% in the third quarter of the year, despite a hefty drop of 10% q-o-q in global average revenue per user (ARPU). Consolidated net income stood at EGP 3.2 billion, a growth of 11% year-on-year. On a separate note, the global telecom player agreed to purchase an additional 1.2% stake in the Algerian GSM operator, Djezzy, for a total cash consideration of US\$ 61 million. The terms of the deal are identical to the one announced last month.

Global tourism and development player, Orascom Hotels & Development (OHD) announced the intention of acquiring 51% stake in Garana Touristic Group in a deal worth EGP 235 million to be financed through an equity swap transaction against OHD shares. Garana Touristic Group owns seven marine cruisers, a travel operator, two hotels in Hurghada and a ground transportation fleet. In line with the company's regional and local expansion strategy, OHD is currently finalizing negotiations with the Moroccan government to acquire a 17 million m<sup>2</sup> land plot on the Atlantic Ocean to develop a touristic resort. On the home front, the company is embarking on a massive budget housing project in 6<sup>th</sup> October city which is expected to benefit the company through the generation of business for its mortgage finance arm. Earlier this month, OHD announced impressive nine months 2006 results with net income growing by 230% to reach EGP 198 million. The results were inline with the manager's expectations and the stock experienced a price appreciation of 16%, adding a positive contribution of 0.7% to your NAV.

Another company that contributed positively to your fund's NAV is the white goods manufacturer, Olympic Group (OG). The company's solid operational performance was reflected in its nine months results with core business revenues increasing by 16% year-on-year and EBITDA margin expanding by 1% to record 19.4%. Net profit (excluding exceptional items) recorded a growth of 74% to reach EGP 175 million.

As anticipated, impressive corporate earnings continue to drive momentum and act as a cushion against exogenous negative factors. We continue to believe in the strong fundamentals of selective stocks that will reflect remarkable growth rates in the coming period owing to the improvement in the economic climate along and the anticipated reforms.

**Objective**

The principal objective of the fund is long term capital appreciation through investing in Egyptian equity and equity related securities.

**Fund Information**

NAV per share	USD 37.22
Launch Date	Sept 1996
Listing	Irish Stock Exchange
Structure	Open End
Management fees	1.75%
Incentive fees	None
Benchmark	None

**Investment Information**

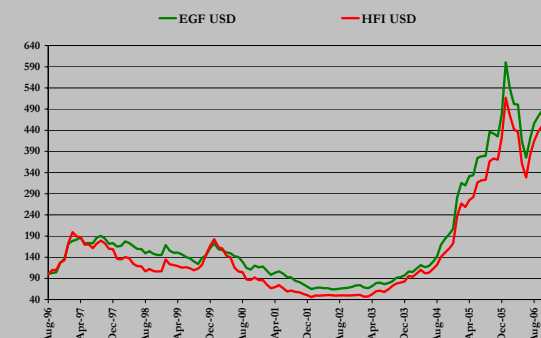
Minimum Subscription	USD 10,000
Subscription/Redemption	Monthly
Sedol	0-306-504
Reuters Code	LCFR13, RSJA55, CLSA51, WDRIFMEA1, ABNFUNDS15, MLSV
ISIN Code	BMG2948Y1093

**Fund Performance**

Trailing Returns	
YTD	1.3%
1 Month	-0.3%
3 Months	6.3%
1 Year	13.9%

Risk Overview	
No. Years ▲	7
No. Years ▼	3
Best Yr ▲	130.7%
Worst Yr ▼	-39.2%

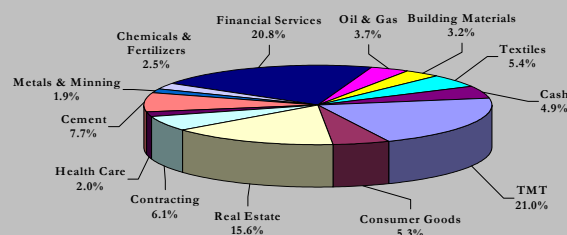
**EGF Relative Performance**



**Top 5 Holdings**

Holding	% Holding
Orascom Telecom	17.4%
Commercial International Bank	10.8%
SODIC	7.0%
Orascom Construction Industries	6.1%
EFG-Hermes	5.5%

**Asset Allocation**



This update does not constitute an offer of shares and should not be relied upon by any person acquiring or otherwise dealing in shares of the company. Subscription of shares in the company may only currently be made on the terms of the Placing Memorandum of the company. It should be noted that investment in the fund is only suitable for sophisticated investors who are aware of the risks of investing in The EFG-Hermes Egypt Fund Limited and should be regarded as long term. Please remember that past performance is not necessarily a guide to the future. Market and currency movements may cause the value of shares and the income from them to fluctuate and you may get back less than you invested when you decide to sell your share.

**ENQUIRIES:**

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