

Board of Directors Statement on the
Independent Financial Advisor's Report

Cairo, June 29, 2014:

As per the Board of Directors resolution of 9 June 2014, HC Securities & Investment (an EFSA-certified financial advisor and hereinafter referred to as "HC Securities") was appointed as Independent Financial Advisor ("IFA") to produce a report on the fair value of EFG Hermes shares.

The Board mandated the IFA to produce this valuation in respect of a tender offer to acquire 114,696,900 shares representing 20% of the issued shares of EFG Hermes submitted on 20 June 2014 by New Egypt Investment Fund B.V., Beltone Financial Holding S.A.E. and Beltone Capital Holding for Financial Investments S.A.E. (hereinafter referred to as "the Consortium").

Despite having no legal obligation to appoint an IFA, the Board of Directors opted to do so in affirmation of its commitment to safeguard the rights and interests of all shareholders and in accordance with its commitment to transparency and integrity.

The Company's management has provided the IFA with relevant information pertaining to its future plans as well as historical financial statements and other data to assist the IFA in its task of offering a view on the current fair value of EFG Hermes' shares.

The conclusion of the IFA report was as follows:

"HC Securities and Investment, a company registered with the Egyptian Financial Supervisory Authority as an accredited financial advisor, was mandated by Board of Directors of EFG Hermes Holding Company to give an opinion regarding the non-mandatory tender offer presented by New Egypt Investment Fund BV, Beltone Financial Holding S.A.E. and Beltone Capital Holding S.A.E to acquire 20% of EFG Hermes Holding Company's shares.

To determine the fair value of EFG Hermes Holding Company share price, HC Securities and Investment has used:

(1) Sum of Parts Valuation methodology for the Investment Banking Activity and the Company's stake in Credit Libanais SAL

(2) Investment Banking Activities value was calculated based on a weighted average of the value driven from the Discounted Cash Flow valuation methodology and the value driven from the Comparable P/BV Trading Multiples in the local and regional markets.

(3) The value of Credit Libanais SAL was driven from the Comparable P/BV Trading Multiples and the Comparable P/BV Precedent Transaction Multiples in the Lebanese market.

Based on the study that was performed to determine the fair value of the share price of EFG Hermes Holding Company, the fair value of the share is 22.93 Egyptian Pound per Share making the voluntary tender offer price of 16.00 Egyptian Pound 30% lower than the fair value, accordingly we see that the offer price is below the fair market value of the share.

It's important to note that HC Securities and Investments conformed with all regulations and directives issued by the Egyptian Financial Supervisory Authority (EFSA) especially regulations related to the independence of the study.

Neither HC nor its respective subsidiaries, affiliates, directors, officers, agents, advisers or employees make any representation as to the accuracy or completeness of information contained."

The Board of Directors of EFG Hermes has received the fair value report prepared by the IFA, which concluded that the current fair value of EFG Hermes is EGP 22.93 per share.

As the tender offer was made at EGP 16.00 per share, the IFA report accordingly indicates that the tender offer is priced at c. 30% below the fair value of the Company's shares.

The Board of Directors of EFG Hermes Holding has accepted the IFA report and deemed its valuation fair and unbiased especially in light of the firm's first-quarter 2014 net profits of EGP 120 million and in an estimated three-fold increase in year-on-year earnings in the as-yet unaudited, un-reviewed financial results for the five months ending May 2014.

The Board reiterates that the decision to participate in the tender offer is a right of all shareholders but felt that the publication of the IFA report together with the Board's opinion will enable shareholders to base their decision on accurate and unbiased information.

For further information:

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