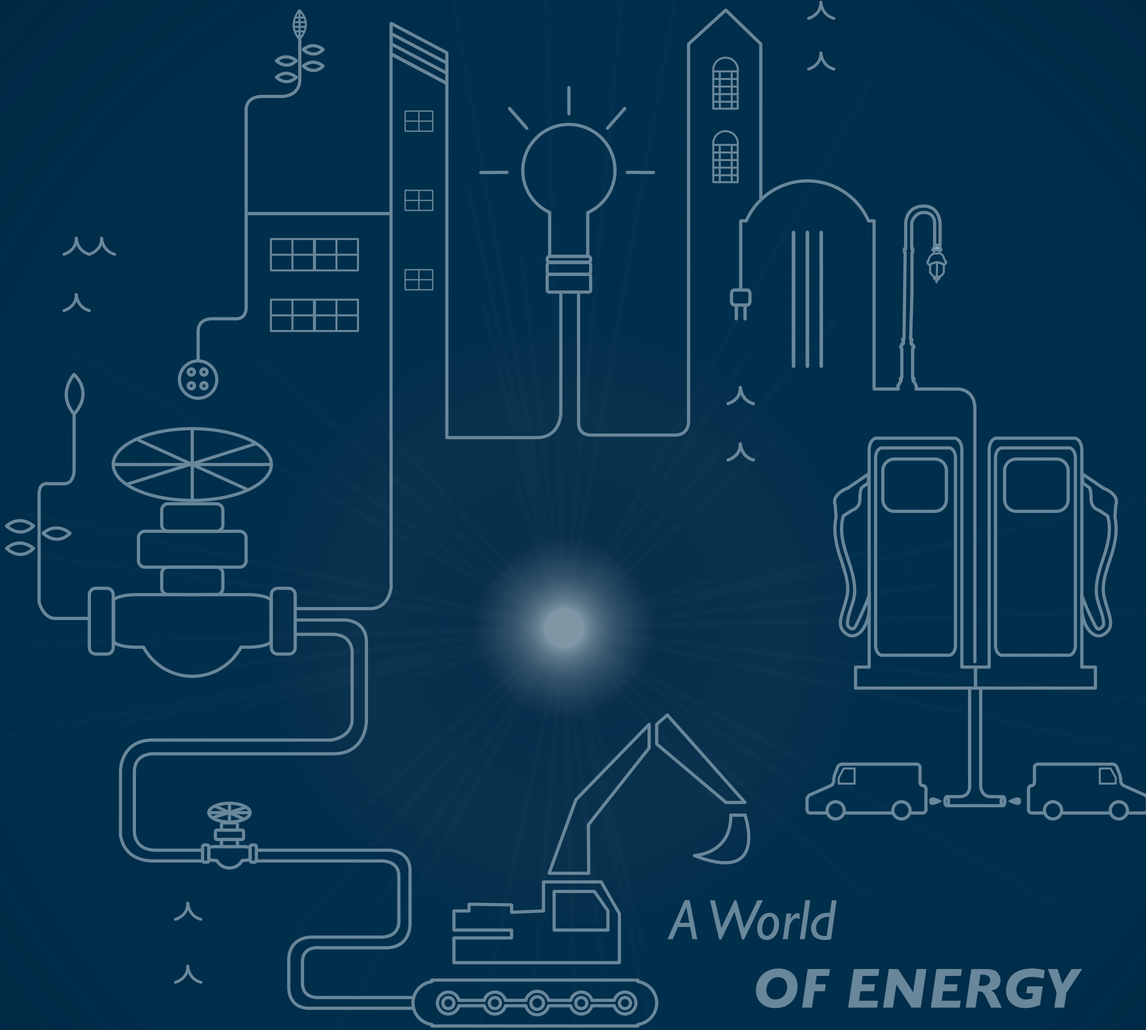


TAQA Arabia

ANNUAL REPORT 2014


A world of Energy

Key Financial Indicators

18 years of experience

TAQA Arabia is the largest private sector energy distribution company in Egypt with over 18 years of experience offering diversified sources of energy, investing and operating energy infrastructure including gas transmission and distribution, power generation and distribution, and marketing of petroleum products.

"Business does not operate as usual in this diverse region, where cultural norms often dictate the way businesses develop and impact their potential for growth. Longstanding relationships with key players in the public and private sectors have given TAQA Arabia the knowledge base and experience to know what partnerships to develop, when to invest, and which projects to add to our successful portfolio."

–Eng. Khaled Abu Bakr, TAQA Arabia Executive Chairman

"We create value by doing things nobody else can"

2.3BN
In Investments

23
Companies
established and incorporated

3,400
Employees

Connected natural gas to more than
600Thousand
Customers

37
Oil & Gas fuel Stations
in different parts of Egypt

Generation and Distribution of more than
1000Mkwhr
of Power over the past 5 years

Operating across
6
different Countries
in the Middle East and Africa

Executive Overview

Energy for the People

Energy is an integral part of everyday life. Over nearly two decades of operation we have learned that energy can boost prosperity and eradicate poverty.

" TAQA Arabia emerged from a vision to meet the region's diverse energy needs and become the top-ranking diversified energy distribution company in Egypt. Our strategy is based on capitalizing on the vast, untapped energy opportunities in Egypt as well as the Middle East and Africa. We seek to meet the region's increasing demand for energy, which is the result of rapid industrial development. We have undergone strategic expansion that has extended our operation to six different countries in the region. "

- Eng. Khaled Abu Bakr, TAQA Arabia Executive Chairman

Moving into the Future

TAQA is actively looking forward to the next stage of our success.

Our management is equipped with wide-ranging knowledge of the region and a calibre of leadership that exceeds that of our competitors. This positions TAQA Arabia to take advantage of markets in which it operates in four ways:

1. A key component of our tactical approach is our commitment to market innovation, which is an integral part of our medium- and long-term strategies. Innovation allows us to stay ahead of the competition and continually open new markets.
2. The increasing demand for energy across the Middle East and Africa, coupled with historical underinvestment in energy infrastructure, positions TAQA Arabia to fulfil the region's needs.
3. As regional governments promote more private initiatives, TAQA Arabia, with its firm foundation of strong historical performance and long-term contracts, has the first-move advantage to capitalize on these opportunities, thus maintaining our leading position in the market.
4. Supported by solid financials, we are well placed to capitalize on market opportunities while withstanding economic volatility, as evidenced by our average net income growth of 28% between 2007 and 2013.

Solution-Based strategy

Energy is the foundation of all life. It allows everything from biological cells to massive factories to grow and flourish. It is behind the heights of human advancement, helping us achieve greatness in countless ways. The drive to discover new and innovative ways to harness that power and turn our ideas into realities is at the root of our endeavour to make energy accessible to all.

Global trends are gradually shifting toward renewable energy sources like wind, solar, and bio-fuels. TAQA has entered the market of renewable energy development, offering companies and residents access to cleaner, more sustainable sources of power.

2014 Financial Results

" I am proud to announce that in 2014, we have achieved excellent results with a double digit growth rate year after year. Revenues escalated by a solid 46%, reaching a high of EGP 1,796.1 million, while net profits amounted to EGP 105.5 million, a 17% increase versus 2013. Our assets' net worth are EGP 2.3 million year and the goodwill arising from the acquisitions has reached EGP 393 million. Our short-term loans dropped by 32%, and the long-term loans have decreased by 31% versus the previous year. "

- Pakinam Kafafi, Chief Executive Officer

"TAQA Arabia's strategy is capitalizing on the vast, untapped energy opportunities in Egypt as well as the Middle East and Africa. We seek to meet the region's increasing demand for energy, which is the result of rapid industrial development."

- Eng. Khaled Abu Bakr, TAQA Arabia Executive Chairman

46% GROWTH IN REVENUES

105.5 **MILLION** EGP PROFITS

2.3 **BILLION** EGP TOTAL ASSETS

1.7 **BILLION** EGP REVENUES

At a Glance

In response to the growing demand for energy and the extensive resources in the Middle East and Africa, TAQA Arabia was established in 2006 to exploit the available resources and generate sufficient energy for under-served markets.

TAQA has since become the largest private energy distribution company in Egypt. With investments amounting to EGP 2.3 billion, TAQA Arabia has acquired 23 companies and is currently operating in six countries through four distinct business arms: gas, EPC, power, and oil marketing.

These four arms allow us to be a one-stop shop for energy distribution. The gas arm handles concessions, distribution and sales; the EPC arm covers engineering, procurement and construction; the power arm oversees electricity generation and renewable energy; and the oil marketing arm controls gas and conversion stations. This comprehensive coverage of multiple sectors of the energy industry has streamlined our operations, increased our efficiency, and yielded increasing returns for our shareholders, partners, customers, and governments.

TAQA Gas

TAQA Gas handles all downstream activity aspects, from the development to the operation of natural gas distribution networks in residential cities and industrial zones, via its four subsidiaries: City Gas, Repco Gas, Trans Gas, and Nile Valley Gas. It distributes a total of more than 5.4 billion cubic meters of natural gas to over 600,000 customers in 11 governorates. TAQA Gas also specializes in the technical assessment of projects prior to installation.

TAQA EPC

Operating in Egypt, Qatar, Iraq, and the UAE, TAQA EPC is the company's engineering, procurement, and construction arm. It is responsible for designing and building pipeline connections as well as connecting customers and clients to the national grid.

The construction division offers energy and infrastructure solutions to over one million domestic and international customers. TAQA EPC operates House Gas, the largest private gas construction company in Egypt.

TAQA EPC's engineering, design, and technical studies division is known as the Engineering Gulf of Suez Company (EGUSCO). EGUSCO is considered one of the leading engineering consultants in the Middle east & Africa for natural gas and liquefied-petroleum gas. It is the only private sector engineering solutions provider that caters to both public and private third-party clients.

TAQA Power

TAQA Power's backbone is Global Energy, a company established in 1999 and acquired by TAQA in 2006. The firm's scope of activities is extensive, encompassing engineering as well as electricity generation and distribution. Its clients include industrial, residential, commercial, oil, gas, and tourism firms across Egypt.

TAQA Power's electricity generation solutions are tailor-made to meet client needs and provide efficient power management, emergency power supplies, and distributed power transformation.

On the distribution end, TAQA Power utilizes its immense engineering strength, which includes construction, management, operation, and maintenance of medium (11, 22, and 33 kV) and low-voltage electricity distribution networks. The company's customized distribution networks ensure clients have safe and reliable electricity solutions.

In addition, this arm implements strategic planning and capital expenditure calculations for project infrastructure, covering services such as electricity, diesel, water, wastewater treatment, natural gas, district cooling, and provision of utilities for medium to large-scale development projects.

TAQA Oil Marketing

TAQA for Marketing Oil Products SAE, the oil marketing division of TAQA Arabia, was established in January 2008. It is the first privately owned Egyptian company licensed to market petroleum products, including fuels and lubricants, through a retail network of service stations under the TAQA brand name. TAQA Oil Marketing owns and operates 37 full service stations in Egypt.

The arm is also the sole distributor in Egypt for the leading global lubricants manufacturer Castrol, a BP company. TAQA Oil Marketing began local production of select Castrol products in the fourth quarter of 2009. Castrol lubricants are sold directly to end customers at TAQA stations and at exclusive Castrol-branded lubricant shops. The latter is a new concept; lubricant stores are operated under the Castrol brand and sell only Castrol products. Shops are located in several areas across the country, including suburbs in Cairo and Alexandria. The first two shops, located in Sohag and Salheya, opened their doors at the end of 2009.

Compressed Natural Gas

TAQA Oil Marketing offers natural gas conversions for vehicles through its affiliate Master Gas, which has been converting approximately 2,000 cars every year via six conversion centres nationwide.

Business Review

Gas Arm

EPC Arm

Power Arm

Oil Marketing Arm

Gas Arm

TAQA Gas

The growing demand for natural gas for residential and industrial projects has made it the fastest-growing sector of the global energy market. Consequently, TAQA Arabia has invested heavily in its gas arm, allowing it to become Egypt's market leader in gas distribution. The arm distributes natural gas to a notable number of residential and industrial clients through its four subsidiaries, City Gas, Repco Gas, Trans Gas, and Nile Valley Gas concessions.

Despite political and economic unrest in the region, TAQA Gas has increased the number of residential and industrial clients it serves and boosted its overall gas sales volumes. The gas arm contributed over 40% to gross profits in 2013, the highest percentage of any of the four arms.

OVER **5.4** billion CUBIC METERS ANNUALLY

thousand **600** CUSTOMERS

Gas Arm

Despite political and economic unrest in the region, TAQA Gas has increased the number of residential and industrial clients it serves and boosted its overall gas sales volumes.

Services

TAQA Gas' four subsidiaries specialize in all downstream activity aspects, including development, operation, and maintenance of gas networks in residential cities and industrial zones. They handle concession and maintenance operations, pressure reduction stations, high-pressure transmission pipelines, medium and low-pressure distribution networks, technical assistance, customer service, customer invoicing, gas marketing, and 24-hour emergency services. These operations include more than 530 pressure reduction stations, regulators with capacities of up to 210,000 cubic meters per hour, and a network of pipes stretching more than four million meters in length and ranging from two to 32 inches in diameter.

TAQA Gas also specializes in the technical assessment of projects, analysing design, performing qualitative risk analysis, and determining techno-economic feasibility and environmental impact.

Distribution

TAQA Gas distributes over 5.4 billion cubic meters of natural gas annually to a vast array of customers in 11 governorates. The arm's focal work is to build, operate, and maintain substations through which it distributes gas to surrounding localities.

Currently, the company performs collections, operations, and maintenance for over 600 thousand customers, with plans to serve 1.2 million clients by the end of 2017. The number of industrial users reached 165, including three fertilizer factories, three power stations, 14 CNG stations, and more than 70 touristic compounds and hotels.

2014 Highlights

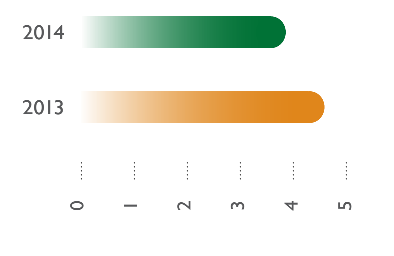
Due to the shortage in gas availability, sales to industrial clients saw a decrease from previous years. However, the gas arm succeeded in diversifying its income sources and offset the hit by increasing domestic connections and customer service activities by 20% versus 2013.

- Natural gas distribution dropped to 3.9 BCM in 2014, declining by 16% versus the previous year.
- Residential customers increased by 12% over 2013, reaching 644 thousand.
- Industrial connections escalated to 165, a growth of 11% over the previous year.
- TAQA Gas signed an agreement with Egas to connect 308,000 new domestic clients.
- The external network line construction has been completed, feeding gas to 54 hotels south of Hurghada.
- Egas approved 22 industrial customers, including a Hurghada power station extension.

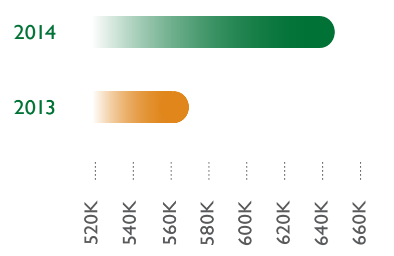
Gas Business Historical Results

	2013	2014
GAS SALES VOLUME BCM	4.64	3.90
No. of Operated Resdential Customers	572k	645k
No. of industrials Customers	148	165

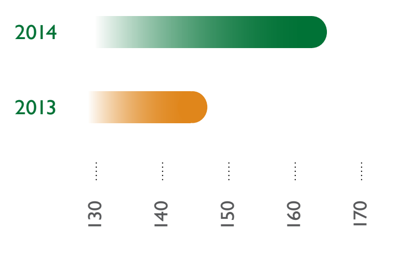
Gas sales volume BCM

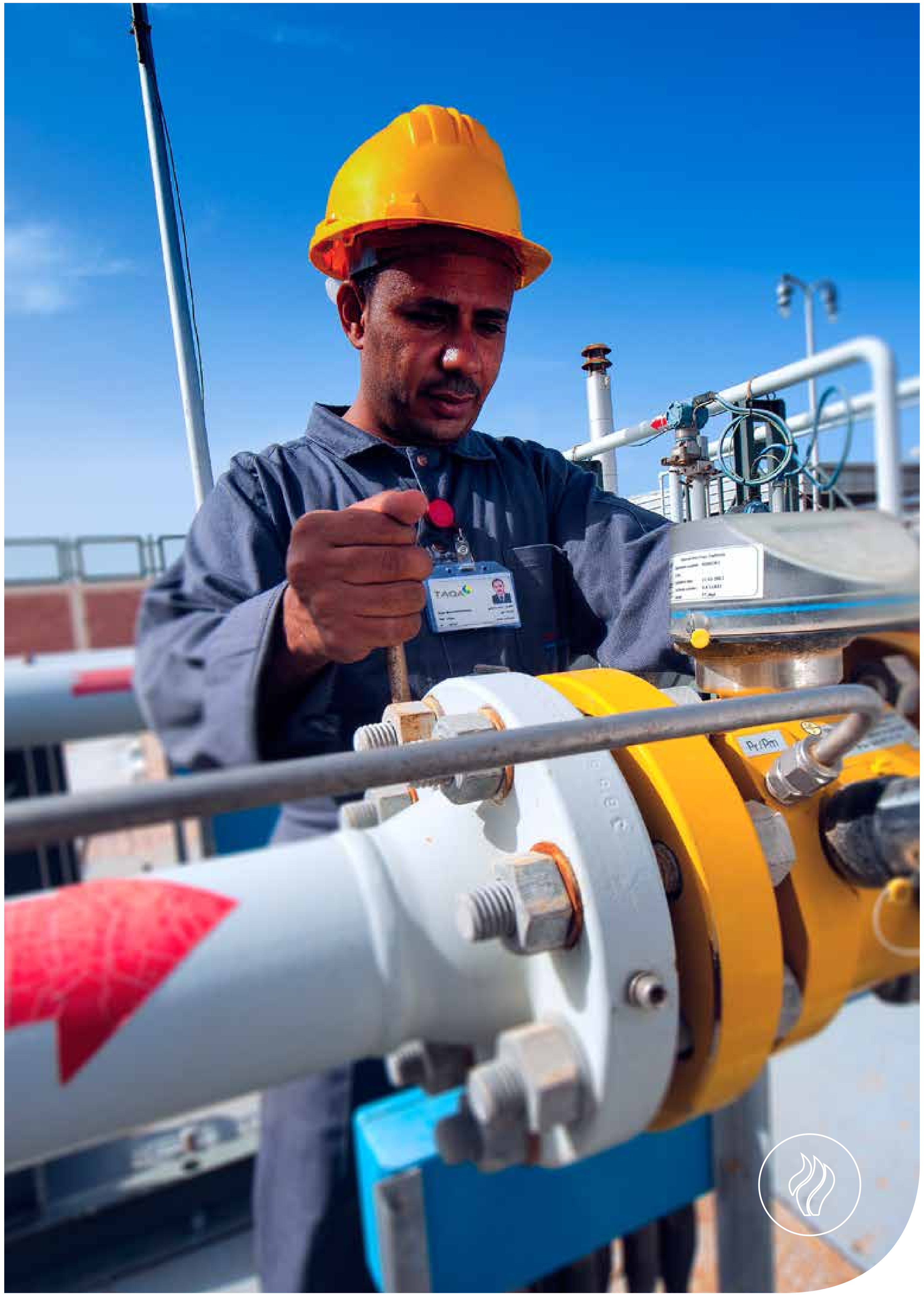


No.of Residintial customers



No.of Industrial customers





EPC Arm

TAQA EPC

TAQA EPC is the company's engineering, procurement and construction arm, and it guarantees fully-fledged services to new markets and clients. Our multi-utility facilities enable our engineers to offer clients proficient construction progress on site at the most competitive price in the market. The work managed by TAQA EPC has made it one of the leading engineering consulting firms in the Middle East and Africa for natural gas and liquefied petroleum gas pipelines.

TAQA EPC is a subcontractor for the group's Qatari, Iraqi, and Emirati operations, acting as a feeding industry to the remaining arms. Furthermore, it is the Middle East and Africa's premier expert in gas and utility solutions.

We plan to expand our investments in industrial projects, with projected revenues of 70 million EGP, all the while maintaining quality services to domestic customers. TAQA EPC has successfully met its targets to reduce the costs, risks, and obligations associated with domestic conversions.

TAQA Arabia E.P.C.

PROJECTED REVENUES OF **70** MILLION EGP IN 2015

60,000 DOMESTIC CONVERSIONS

EPC Arm

Our multi-utility facilities enable our engineers to offer clients proficient construction progress on site at the most competitive price in the market.

Construction Services

The construction division offers energy and infrastructure solutions to over one million domestic and international customers including public and private companies such as RMG Donkin, Emersons, Akfel Group, EDF Power Group Suez, and EBIC Fertilizer Group. Internal, multi-utility installations at resorts, hotels, and factories have also grown markedly in recent years.

We offer a wide range of construction services including gas and electricity connections, water sanitation, dual fuel supplies, water networks, pipelines, sewer construction, and telecom duct works. Our track record in the delivery of turnkey projects is excellent, and we provide a wide range of construction services through our multi-accredited teams.

TAQA EPC operates House Gas, the largest private gas construction company in Egypt. House Gas is ISO 9001:2008, OHSAS 18001:2007, and ISO 14001 certified, and it was the first private-sector company to operate in the contracting segment of the natural gas industry.

Engineering and Design Services

TAQA EPC's engineering, design, and technical studies division is known as the Engineering Gulf of Suez Company (EGUSCO). EGUSCO is considered one of the leading engineering consultants in the Middle east & Africa for natural gas and liquefied-petroleum gas.

Established in 2003, EGUSCO is the only private sector engineering solutions provider that caters to both public and private third-party clients. Its engineering and consultancy services cover gas pipeline engineering, route selection, optimization of pipeline systems, coating and protection standards, process design, contracting philosophy, execution plan, project schedule, security framework, strategic planning, cost forecasting, and draft tender packages. It also covers feasibility, marketing, planning studies, and business plan development, such as technical and economic audits and natural gas utilization consulting services.

EGUSCO's numerous projects in Egypt and the broader Middle east & Africa include Al Reem, Coconut and Yas Islands, three major industrial and residential projects in Abu Dhabi, the New Doha International Airport in Qatar, the Syria/Jordan Arab gas pipeline, and the complete domestic gas master plan for the Libyan ministry.

2014 Highlights

Engineering

- TAQA EPC improved its engineering and design competences for expanding the scope of work and introducing the liquefied natural gas (LNG) re-gasification facilities.

Procurement

- The procurement division continues to purchase using consignment stocking strategies, thereby decreasing stock levels and improving cash flow.

Construction

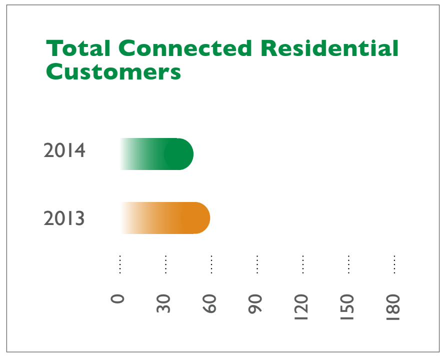
- The construction division delivered around 60,000 domestic conversions on behalf of TAQA Gas LDC's.

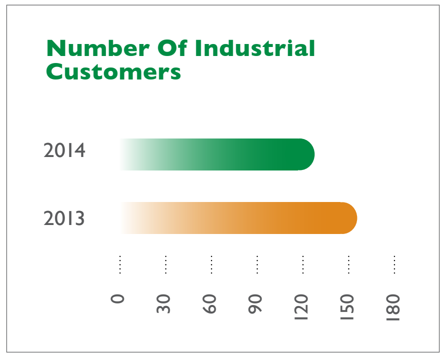
2015 Projections

- 60,039 domestic conversions are anticipated for the year 2015, with plans to reach 338,000 conversions in the following four years.
- Plans are in place to expand TAQA's multi-utility package by intensifying electrometrical projects.

EPC Business Historical Results

Description	2013	2014
Total Connected Residential Customers	59,713	54,846
Number Of Industrial Customers	154	128





Power Arm

TAQA Power

To meet the growing power supply deficit in the region's most dynamic markets, the power arm is equipped with wide-ranging engineering, generation, and distribution services. TAQA Power operates in Egypt and across the Middle East and Africa, providing a consistent level of excellence and commitment to service while tailoring its activities to the needs of the local environment.

The power arm provides custom packages to handle all operational requirements for integrated generation and distribution power systems, offering services ranging from financing, designing, and constructing to operating, billing, and collections. Our operations cover low, medium, and high-voltage power plants and distribution networks in Egypt. TAQA Power's list of clients has surpassed the 2,000 mark and includes major names such as Al Futtaim, Emaar Misr, Amer Group, Nabq, Travco, Sabour Group, Allam Group, and 6th of October Industrial Zone.

The arm's integrated power services include all utilities for medium to large-scale development projects, with a contracted capacity of 1,000 MW in the Middle East and Africa. This is enough to power residential projects, large real estate schemes, malls, touristic areas, and industrial cities.

TAQA Arabia Power

3,193
RESIDENTIAL AND INDUSTRIAL CUSTOMERS

ELECTRICITY GENERATION AND DISTRIBUTION VOLUMES

846 GW/H **in 2014**

Power Arm

Recently, the arm secured extra capacity from the South Cairo Distribution Company. It became the first licensed private company to distribute power in industrial zones after the completion of phase one of an industrial zone project worth EGP 6.6 million. The project involves powering a nine million square meter industrial zone in 6th of October City managed by five major private-sector developers.

In the last quarter of 2014, TAQA Power was awarded the ISO certification 9001. This was added to previously acquired certifications such as ISO 14001 in 2004 and 2008 and OHSAS 18001 in 2007.

The Egyptian Electricity Regulatory Licenses has renewed TAQA Power contract for electricity generation and distribution with defined geographical zones.

TAQA Power operates in Egypt and across the Middle East and Africa, providing a consistent level of excellence.

2014 Highlights

Business Growth

- Our residential and commercial base experienced 41% growth over the previous year, reaching 3,193 customers.
- Our industrial and touristic base increased by 9% over the previous year, reaching 174 customers.
- Electricity generation and distribution volumes jumped by 21%, reaching 590 GW/H in 2014 versus 489 GW/H in 2013.
- Revenues experienced a growth rate of 45% YOY, reaching EGP 389 million.
- Gross profits amounted to EGP 126 million, increasing 23% over 2013.

General

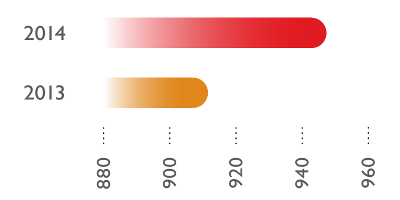
- Successfully continued the operation of Nabq Substation (66/22) in Sharm El-Sheikh, the first privately owned station providing energy via its own power facilities with a capacity of 120 MVA
- Smoothly operating the Futtaim-Cairo Festival City Mall, the biggest mixed use retail/ commercial/residential complex in Egypt
- Launched the distribution and metering system in Emaar Up Town Cairo, located in the heart of Cairo
- Supervised and endorsed internal distribution networks for the industrial park in 6th October, Emaar-Up Town Cairo, Futtaim Cairo Festival City, City Stars Nabq, and Nakhil New Cairo Concession (Porto Cairo Mall, Marina City, and Emeralds Mall)
- Successfully continued providing 24/7 power supply for:

- 98 hotels and touristic residential projects in Nabq touristic centre in Sharm El-Sheikh, Red Sea, Egypt with capacity of 100 MW
- Nine hotels in Taba Golden Coast touristic centre, Taba Gulf of Aqaba, Red Sea, Egypt with capacity of 11.6 MW
- 67 factories in 6th of October City, Egypt's new nine million square meter industrial park established by the Industrial Development Authority
- 3,193 residential and commercial customers in New Cairo Concessions:
  - 2,723 customers and two malls in Nakhil
  - 306 customers in Kattameya Residence
  - 159 customers in Swan Lake
  - Three customers in Porto Cairo
  - Five customers and a mall in Cairo Festival City
- Marina City and Royal Maxim, in addition to clubs (Wady Degla and Smash), schools, and institutes in New Cairo
- Emaar-Up Town, Mokattam, Cairo

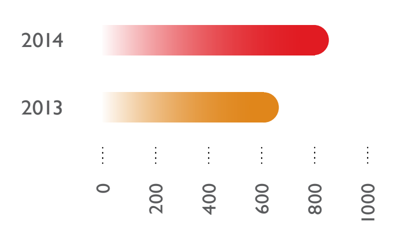
Power Business Historical Results

	2013	2014	Growth % (14 vs.13)
SOLD ELECTRICITY-MILLION KWHR	652	846	30%
No. of Touristic/Industrial Customers	159	174	9%
No. of Residential/ Commercial Customers	2260	3193	41%
Contracted Capacity MW	912.3	948.7	4%

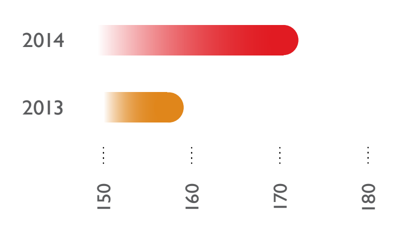
Contracted Capacity MW



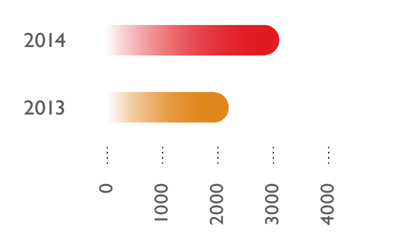
Sold Electricity-Million Kwhr



No. of Touristic/Industrial Customers



No. of Residential/ Commercial Customers



Oil Marketing Arm

TAQA Gas

TAQA Oil Marketing is the first privately owned Egyptian company licensed to market petroleum products, including fuels and lubricants, through a retail network of service stations under the TAQA brand name. The company focuses on servicing rural areas across Egypt, where the need for such stations is more pronounced.

The arm continues to invest in expanding its retail network despite ongoing challenges. It has successfully inaugurated four additional stations with a total investment of EGP 8.9 million, bringing the total number of outlets to 37 stations spanning 14 governorates.

CONVERTING APPROXIMATELY **2,000** CARS EVERY YEAR

37 STATIONS SPANNING 14 GOVERNORATES

Oil Marketing Arm

TAQA Oil Marketing is the first privately owned Egyptian company licensed to market petroleum products, including fuels and lubricants.

Established in 2008, TAQA Oil Marketing is Egypt's sole distributor of Castrol products, the leading global lubricant manufacturer. The products include an extensive range of manual and automatic transmission fluids, chain lubricants, and brake fluids.

Following TAQA's successful acquisition, start up, and operation of Suez Terminal in May of 2013, the latter continued to support the company's sales and financial results by achieving an annual service income of EGP 3.3 million.

In 2014, TAQA Oil Marketing upgraded the Suez Terminal at a total cost of EGP 8.5 million. This covered major improvements in the terminal, which is currently servicing approximately 28 TAQA customers and nine major oil marketing companies including COOP, NPCO Wataneya, Nile Petroleum, Libya Oil, and Emarat Misr.

2014 marks the sixth operating year for TAQA Oil Marketing in the Egyptian market. This year also saw increased political stability in the country, which put the wheels of the economy in motion following a period of stagnation caused by the unrest and turmoil of the preceding few years.

Compressed Natural Gas

TAQA Gas offers natural gas conversions for vehicles through its subsidiary Master Gas, which has been converting approximately 2,000 cars every year via six conversion centres nationwide. As the approved compressed natural gas (CNG) provider for several car manufacturers, Master Gas operates seven stations selling more than 22 million cubic meters of CNG.

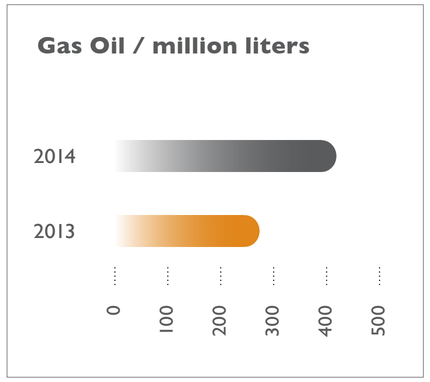
Converting vehicles reduces their emissions by up to 90%, improves engine life, lowers maintenance costs and reduces fuel costs by 60%, which has prompted private and government-owned companies and organizations to convert their vehicles fleets to natural gas.

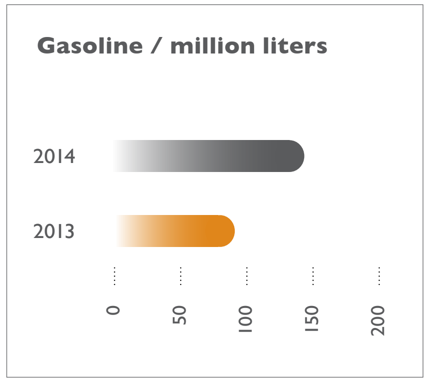
2014 Highlights

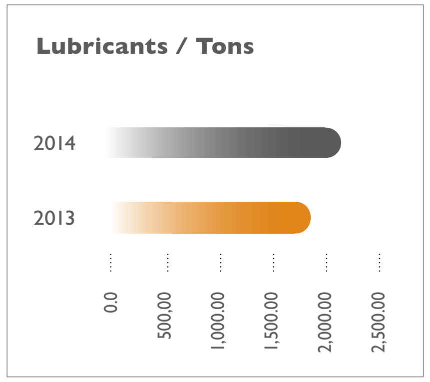
- Net Profit of EGP13.8 million with an incremental 69% against budget
- EGP 967.4 million of gross sales revenues, increasing revenues by almost 20% over budget
- Launching Gasoline 80 in the Suez Terminal, which increased the annual output to 718 million litres, an average increase of 60 million litres per month, with a growth rate of 122% over 2013
- Inaugurating four additional stations with a total investment of EGP 8.9 million.

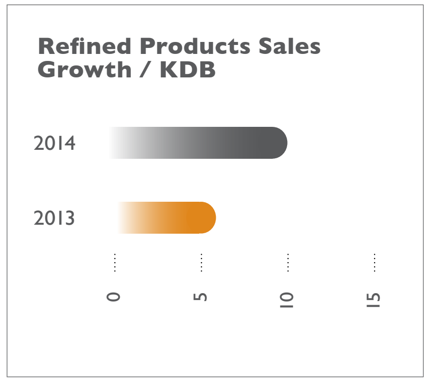
TAQA Oil Marketing Results 2014

	Unit	2013	2014	2014 vs. 2013
NUMBER OF STATIONS		26	30	115%
Gas Oil	Million liters	276.9	433.6	157%
Gasoline	Million liters	84.3	144.9	172%
Lubricants Tons	Tons	1,817.0	2,190.0	121%
Refined Products Sales Growth	KBD	6.22	9.97	









Capital Expenditure and Investment

During 2014, the government took important steps to address and overcome Egypt's energy challenges. Several new exploration agreements were announced in addition to an agreement to import liquefied natural gas. The government also signed contracts to connect 2.4 million households to natural gas over the coming three years. In July, oil product prices were increased for the first time since 2008, with a plan for full price liberalization over the coming five years. The electricity sector also witnessed important changes, including a prime ministerial decree that set the prices up to 2019 and the launch of the Feed-In-Tariff Program aiming to add 4.3 GW of solar and wind capacity by the private sector. With a clearer vision in place, the energy sector is poised to attract further private investment in the coming years.

Despite the operational challenges present in Egypt, TAQA Arabia maintained a steadfast commitment to pursuing investments, thereby guaranteeing predictable returns to its shareholders. While the company is seeking lucrative small and medium opportunities in the market, we are also undertaking mega-projects. During 2014, TAQA Power was pre-qualified to develop 200 MW of solar and wind projects under the Feed-In-Tariff Program, as well as the 200 MW Kom Ombo BOO solar and the 2,250 Beni Suef combined cycle natural gas BOO projects.

TAQA Gas

Despite difficult operating conditions, the gas arm connected 17 new industrial clients to natural gas in 2014. Meanwhile, 73,000 residential connections were completed during the year, bringing the total number of customers being provided operation and maintenance services up to 644,000.

TAQA Gas signed an agreement with the government to connect over 308,000 households over the coming three years.

TAQA EPC

TAQA EPC Arm acts as a feeding industry to the remaining arms and is responsible for designing and building pipeline connections as well as connecting customers and clients to the national grid.

TAQA Power

A new project concept has allowed TAQA Power to become the first private sector company in Egypt to be granted a license to deliver power in an industrial zone, confirming the company's pioneer status and first mover advantage within the industry. The project is being undertaken through a joint venture company, TAQA for Industrial Zones, and it covers a nine million square meter area in the 6th of October industrial zone which is managed by five major private sector developers. In order to serve the expanding power needs of its customers, the arm began construction of a 200 MW (2 x 100) substation. The company is currently providing power to over 80 clients and is expected to supply over 300 clients upon the full development of the industrial area.

TAQA Power signed a contract to supply 27 MW to ASEC Cement. The diesel-fired plant is TAQA's largest in operation and will provide power to ASEC's cement plant in Minya, which produces 1.5 million tons of cement per annum.

TAQA Marketing

In 2014, TAQA Marketing concluded renovations to upgrade its storage terminal in Suez to a state of the art facility. Upon completion of the facilities, four storage tanks and six loading positions began operations. The capacity of the storage terminal reached 14 million litres with a maximum annual throughput of 2,100 million litres.

Over the course of 2014, TAQA Marketing brought on stream four new service stations, bringing its total up to 37 stations across 14 governorates.

TAQA Gas

TAQA Gas signed an agreement with Egas to connect **308,000 new domestic clients**

TAQA EPC

Major expansions in industrial projects' investments, with projected revenues of **EGP 70 million**

TAQA Power

TAQA Power secured ERA's Board of Directors' decision to build its **220/22KV substation**

TAQA Marketing

Inaugurating four additional stations with a total investment of **EGP 8.9 million**

Renewable Energy

TAQA Arabia has acquired and incorporated 23 companies, many of which had more than 30 years of market experience.

TAQA Arabia Participates in KOM OMBO (20MWx10) in partnership with the French Neoen / February 2014

The Egyptian government has launched a bid for implementing 10 power plants with photovoltaic systems each 20 MW in the land allocated to New and Renewable Energy Authority (NREA) in Kom Ombo with BOO system and encouraged the investors to submit their prequalification documents to participate in the bid. The project is planned to be operating in 2017.

TAQA Arabia Company signed a cooperation agreement with the French Neoen Ltd. Company, a major corporation in the field of renewable energy. The agreement aims at coordinating efforts in renewable energy projects in Egypt. TAQA Arabia and Neoen JV has been qualified in the kom ombo (10*20MW) PV project and were ranked 3rd among 15 Qualified Bidders.

TAQA Arabia 250MW CSP feasibility Study

On the 26th of May 2010, TAQA Arabia signed a grant agreement with the United States Trade and Development Agency (USTDA). The agreement enables TAQA the usage of USD 603,790 to conduct a feasibility study for phase one (250MW) of CSP plant using the Molten Salt Storage technology.

Consequently, in June 2012, TAQA has contracted CH2MHill as a consultant for the study. The Feasibility study is progressing according to the plan. The final presentation and report submission ceremony will be held in Cairo during 2015.

TAQA Arabia participating in the Egyptian Feed-in Tariff Program / September 2014

In the third quarter of 2014, the Cabinet of Ministers approved the issuance of Feed-In Tariffs for electricity projects produced from renewable energy resources, such as Solar PV and Wind. The Egyptian Government announced its intention to secure 4,300 MW of Solar PV and Wind plants during the first regulatory period (2015-2017), through private developers.

- 300 MW for small Solar PV systems (up to 500kW)
- 2,000 MW of medium and large size of Solar PV plants (500kW<Project<50MW)
- 2,000 MW of medium and large size of Wind plants

TAQA Arabia has successfully received its pre-qualification Letters for 200MW renewable energy projects

Project Capacity & Type	Consortium
50MW (PV)	TAQA Arabia 100%
50MW (PV)	TAQA Arabia & Solar Reserve (USA) 50% - 50% SPV
50MW x 2 (wind)	TAQA Arabia & TERNA ENERGY (GREECE)

SOLAR RESERVE, a USA based company, is a leading global developer of utility-scale solar power projects with extensive international experience in PV projects.

TERNA ENERGY, based in Greece, is a company undertaking the Development, Construction, Financing, and Operation of renewable energy projects such as wind, hydro, solar, biomass, waste management.

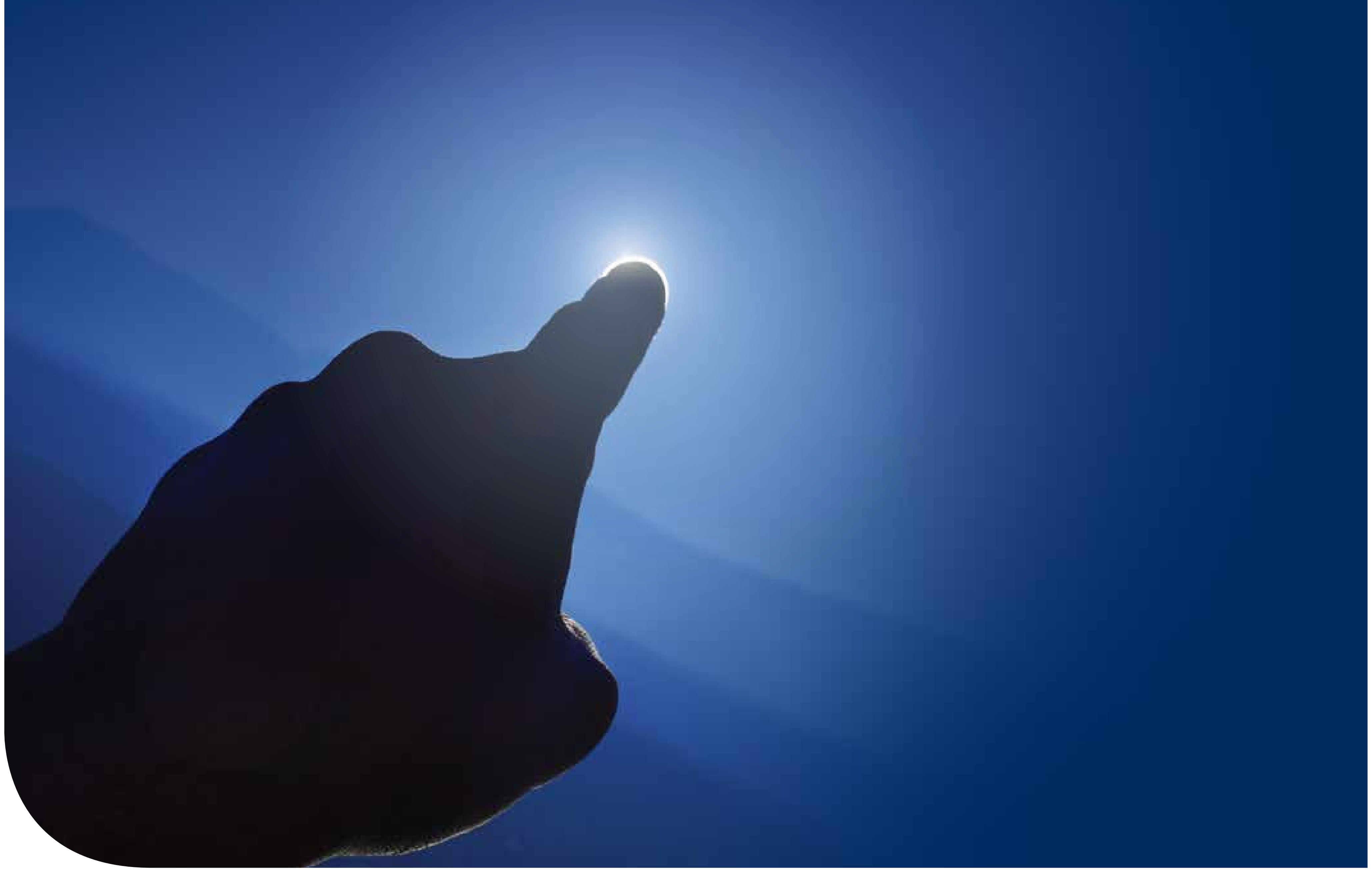
For its 100% 50MW PV project, TAQA Arabia has signed an MOU with NREA or the land availing, giving it access for the land provided by NREA near Aswan in the area of (BenBan). The company will enter into a power purchase agreement with EETC who will purchase the entire output of the plant and TAQA will lease the subject land from NREA through a usufruct agreement.

The total expected investment cost for a 50 MW PV plant is USD 75 million, for a 50 MW wind plant is USD 65 million. Development banks such as IFC and EBRD in collaboration with local banks are expected to finance the project.

TAQA Arabia is also in the process of establishing required SPV's for the remaining projects in order to sign similar MOUs with NREA.

Corporate Social Responsibility

TAQA Arabia is committed to community endeavours as part of its corporate social responsibility program. Our work includes building power stations, offering low-cost electricity for impoverished neighbourhoods, and providing jobs and training. We understand the importance of giving back and enriching the environment and communities in which we work.



The aim of Habitat's work in Egypt is to build and renovate homes for 10% of Egypt's impoverished citizens by 2023.

In 2012, we continued this tradition by contributing to Habitat for Humanity Egypt via a successful American Chamber of Commerce fundraising event. The aim of Habitat's work in Egypt is to build and renovate homes for 10% of Egypt's impoverished citizens by 2023. So far the foundation has built more than 20,000 homes for over 100,000 people who would otherwise be homeless.

TAQA Arabia also contributed to Dar Al Orman foundation; an organization that improves living conditions and development in villages struggling with severe poverty. We also continue to provide gas to mosques and churches and certain residential customers at reduced rates or entirely free of charge.

In order to boost public health, we have funded the building and equipping of an eye clinic in Suez that provides medical care to the community.

TAQA Arabia has also partnered with Injaz, a non-profit organization that promotes entrepreneurship in Egypt. The organization's Entrepreneurship Master Class program helps young people gain the entrepreneurial skills they need to start their own businesses. In addition, we contributed to the work of the Salesian Don Bosco Institute which provides technical and professional training to thousands of youths to give them the skills needed to find suitable employment and develop the human capital of Egypt.

Corporate Governance

TAQA Arabia emphasizes strong corporate governance and seeks to create efficient, streamlined processes from the top down.

The group understands that its employees comprise one of the central pillars in achieving these goals and meeting challenges as the company moves forward. In 2011, TAQA Arabia has established a Corporate Governance Department to identify and implement global standards and best practices to grow the company's undisputed market leadership around the world.

Health, Safety, and the Environment

An important part of our investment is used to safeguard the health of our employees and customers while minimizing the impact of our activities on the environment. Our QHSE departments ensure strict compliance with health, safety and environmental standards, aiming to achieve zero defective operations, zero accidents, and zero environmental hostility.

Human Resource Development

Human resources are our strongest and most valuable assets, and developing them is vital to the success of our company. Despite a challenging business and investment climate, we did not lay off any employees in 2011. Instead, we upped training programs in crisis management and related fields and continued our commitment to technical training across each business arm. TAQA Arabia also sponsored summer trips for more than 285 employees in 2011, covering between 80 and 90% of their expenses to help them enjoy a respite with their families.

Executive Management

KHALED ABU BAKR

EXECUTIVE CHAIRMAN

Eng. Abu Bakr, is a veteran entrepreneur of the energy industry, played a key role in the development of the gas and power private sector in Egypt and the region. Over the past 30 years he was instrumental in helping grow the sustainable role of the public and private sector in the Egyptian gas and energy sector. Eng. Abu Bakr, is the Co-founder of TAQA Arabia. Eng. Abu Bakr is the regional coordinator for Middle East and Africa in the international gas union, and chairman of the Egyptaian gas association, as well as being a board member of several business organizations in the field of industry's power, gas, and oil.

PAKINAM KAFAFI

CHIEF EXECUTIVE OFFICER

Pakinam Kafafi built her career at EFG-Hermes, where she rose to the position of Vice President of EFG-Hermes Investment Banking, and became a member of EFG-Hermes Group. In 2003, she held the position of Strategy and Investment General Manager at Gas & Energy Group (Genco). In 2006, Kafafi joined TAQA Arabia at the capacity of Investment Director to be soon promoted as the CEO, bringing to the company over 22 years of experience in the investment field. As the CEO, Kafafi oversees the strategic direction of the company and leads the operations.

Ms. Kafafi is an active and highly-respected member of the local business community and was the Co-Chair of the "Women in Business Committee" at the American Chamber of Commerce.

PETER MOFEED

CHIEF FINANCIAL OFFICER

Peter Mofeed benefits from a vast experience in the finance and investments, he held a multitude of positions in pretigious organizations, such as the Commercial International Bank (CIB) where he moved between the corporate and investment banking departments and finally was assigned the role of Vice President of CI Investment Banking, an advisory firm established by CIB. He also headed the finance department in Ezz Steel. Mofeed joined TAQA Arabia in 2010 as the Chief Financial Officer, his focus is to evaluate new projects and arrange the necessary financing for the Group's subsidiaries.

"Effective leadership is putting first things first. Effective management is discipline, carrying it out."
Stephen Covey

ARMS DIRECTORS

AMR ABU BAKR

TAQA EPC

With over twenty years of impressive success in the natural gas sector, running operational functions and leading large-scale projects, from inception to successful completion, Amr Abu Bakr escalated through various positions in a number of reputable companies such as Misr Hotels, Egypta Gas Co., EUGESCO and Nile Valley, until being appointed as the Technical Managing Director of TAQA EPC in 2013. Abu Bakr utilizes strong successful managerial experience in corporate operations, establishes quality, safety and financial operational standards to produce positive impact on overall performance of the organization.

TAREK EL HAWARY

TAQA GAS

With a strong technical background dating back to 1985, Tarek El Hawary started his career as a Site Engineer at Egypt Gas Co., he then moved to House Gas as a Project Manager, where he worked on network construction and customer conversions. In 2005, El Hawary joined City Gas, a subsidiary of TAQA Arabia, as a Deputy MD and then Managing Director for Technical Affairs. In this capacity, he supervised the work crew, resolved technical difficulties and made sure that quality and productivity were kept up to par.

HESHAM WAGDY

TAQA POWER

Privileged to build his professional career with the strongest players in the FMCG and Power Systems fields, Hesham Abdel Dayem is an influential leader, possessing a wealth of diversified experience from the top multinational, domestic and semi-governmental sectors. Before joining TAQA Arabia, Eng. Abdel Dayem was the Executive Director and Board Member of Industrial Modernization Centre (IMC), in addition to being a board member in a number of institutions and key committees related to the ministry of Trade and Industry. As a believer in human capital, Abdel Dayem transforms organizations through utilizing modern management practices to create positive and results oriented working environments.

MOHAMED NAFEA

TAQA OIL MARKETING

Throughout his 21 years of professional practice in oil marketing, Mohamed Nafea held various positions in Mobil Oil Egypt, Mobil Oil Morocco, and Exxon Mobil Egypt. Relying on a broad experience, Nafea was appointed as President and Fuels Marketing Manager of Mobil Oil Morocco and Retail Marketing Manager of Exxon Mobil Egypt, where he led the marketing and sales of fuels, convenience products and other back court offers through a retail chain of 409 outlets.

Financial Highlights

Financial Review

TAQA Arabia consolidated statement recorded a solid 17% profits growth year over year, realizing EGP 105.5 million of net profits in 2014. Minority Interests also have recorded an increase of 44%. TAQA Arabia's consolidated revenues increased by 46% versus 2013, registering EGP 1.495 billion, whereas sales costs augmented by 54% versus previous year, realizing EGP 301 million gross profit in 2014. The number of converted clients amplified with a difference of over 20,000 new clients, reaching a total of 73,222 converted clients in 2014.

Due to the lack of natural gas, TAQA Gas volume decreased by 20% versus 2013, recording a total of 3.7 billion cubic meters, however, the number of customers increased by 13% in 2014. In terms of revenues, TAQA Gas recorded a 5% growth year over year achieving EGP 439 million and contributed again with the highest profits, generating EGP 85 million, 66% from the consolidated profits.

2014 witnessed a boost on many levels for TAQA Power, from volume and clients' base to revenues and profits generation. The number of clients escalated by 41% to be 3,193 residential and 174 industrial customers, volumes grew by 21% amounting to 590 GW/H, revenues increased by 45% realizing EGP 389 million and profits augmented by 23% attaining EGP 31 million, 24% from the consolidated profits.

In 2014, TAQA EPC's focus was on expanding the engineering and designing capabilities in response to the growing scope of projects. Sales revenues dropped by 42% versus 2013, reaching EGP 110,983, while customers' base decreased by 8% to be 54,974 residential and industrial customers.

Generating more than 50% from the total consolidated revenues, TAQA Oil Marketing realized EGP 967 million, 79% growth year over year and 20% above budget. The Profits amounted to EGP 13.5 million, 10% from the consolidated profits and 69% above budget.

Income Statement Reporting TAQA Consolidated

	Act.2014	Act.2013	vs 2013	% of Growth
Local Gas Volume BCM	3.9	4.8	(0.9)	-19%
Converted Customers	73,222	52,676	20,546	39%
Local Volume KW - Hr	590.6	489.6	101.0	21%
Sales	1,796.1	1,227.6	568.4	46%
Cost of sales	(1,494.8)	(971.9)	(522.9)	54%
Gross profit	**301.3**	**255.7**	**45.6**	**18%**
Gross Profit/Sales	**17%**	**21%**	**-4%**	**-19%**
Administrative Expenses	(99.5)	(104.2)	4.7	-5%
Provisions	(22.9)	(3.4)	(19.6)	583%
Other income / (Expense)	3.2	6.6	(3.4)	-52%
EBITDA	**182.0**	**154.7**	**27.3**	**18%**
Impairment Gain/Loss	2.2	(9.9)	12.1	-
Othere Non Recurring items	(16.6)	(17.2)	0.6	-3%
Depreciation and Amortization	(35.1)	(34.4)	(0.7)	2%
EBIT	**132.5**	**93.2**	**39.3**	**42%**
FOREX	3.5	(1.4)	4.9	-
Interest Income / (Expense)	33.8	47.9	(14.1)	-29%
Profit Before Tax	**169.8**	**139.6**	**30.1**	**22%**
Deferred and income tax expense	(62.2)	(48.0)	(14.2)	30%
Profit From Continuing Operation	**107.6**	**91.7**	**15.9**	**17%**
Minority Interest	(2.1)	(1.5)	(0.7)	44%
Profit for the period	**105.5**	**90.2**	**15.3**	**17%**
Net Profit / Sales	**6%**	**7%**	**-1%**	**-20%**

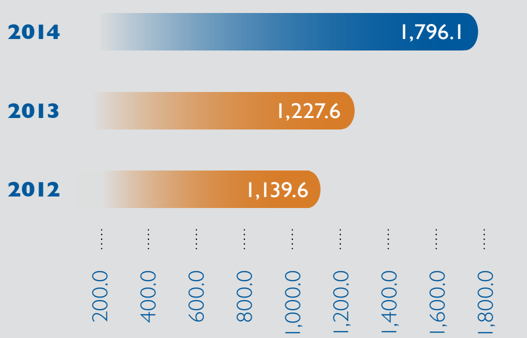
Income Statement Reporting TAQA Consolidated

In Million EGP	Local Gas			Regional Gas	Total			TAQA Others	TAQA Cons.
	EC	LDC	Total		Gas	Power	Marketing		
Sales	127.9	281.3	409.3	30.1	439.4	389.3	967.4	0.0	1,796.1
Cost of sales	(106.6)	(161.6)	(268.1)	(24.2)	(292.3)	(263.2)	(934.2)	(5.0)	(1,494.8)
Gross profit	**21.3**	**119.8**	**141.1**	**5.9**	**147.1**	**126.1**	**33.2**	**(5.0)**	**301.3**
Administrative expenses	(13.4)	(26.9)	(40.3)	(6.1)	(46.4)	(24.7)	(8.6)	(19.9)	(99.5)
Provision	(0.8)	(1.4)	(2.1)	0.0	(2.1)	(20.2)	(0.1)	(0.5)	(22.9)
Other income / (Expenses)	0.2	(0.1)	0.1	(1.4)	(1.3)	0.1	3.5	0.9	3.2
EBITDA	**7.4**	**91.4**	**98.8**	**(1.6)**	**97.2**	**81.4**	**28.0**	**(24.5)**	**182.0**
Impairment Gain/Loss	0.0	0.0	0.0	0.0	0.0	2.2	0.0	0.0	2.2
Othere Non Recurring items	(9.3)	(5.6)	(14.9)	0.7	(14.2)	(0.5)	(0.5)	(1.4)	(16.6)
Depreciation and amortization	(1.7)	(5.8)	(7.5)	(0.8)	(8.3)	(19.6)	(6.7)	(0.5)	(35.1)
EBIT	**(3.6)**	**80.0**	**76.4**	**(1.7)**	**74.7**	**63.5**	**20.8**	**(26.5)**	**132.5**
Interest Income / (Expense)	0.7	45.9	46.6	0.0	46.6	(10.5)	(2.1)	(0.1)	33.8
FOREX	(0.3)	(0.3)	(0.6)	0.2	(0.4)	0.2	(0.2)	3.9	3.5
Profit Before Tax	**(3.2)**	**125.6**	**122.4**	**(1.5)**	**120.9**	**53.2**	**18.4**	**(22.7)**	**169.8**
Deferred and income tax expense	0.1	(36.9)	(36.8)	0.0	(36.8)	(20.0)	(5.0)	(0.5)	(62.2)
Profit From Continuing Operation	**(3.1)**	**88.8**	**85.6**	**(1.5)**	**84.2**	**33.2**	**13.5**	**(23.2)**	**107.6**
Minority Interest	0.0	(0.3)	(0.3)	0.6	0.3	(2.5)	0.0	0.0	(2.1)
Profit for the period	**(3.1)**	**88.5**	**85.4**	**(0.9)**	**84.5**	**30.7**	**13.5**	**(23.2)**	**105.5**

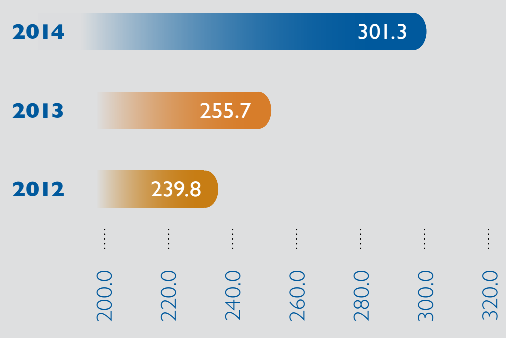
Financial Results

	2012	2013	2014
Revenue	**1,139.6**	**1,227.6**	**1,796.1**
% Growth		8%	46%
Gross Profit	**239.8**	**255.7**	**301.3**
% Growth		7%	18%
EBITDA	**145.0**	**154.7**	**182.0**
% Growth		7%	18%
NIAT	**114.6**	**90.2**	**105.5**
% Growth		-21%	17%

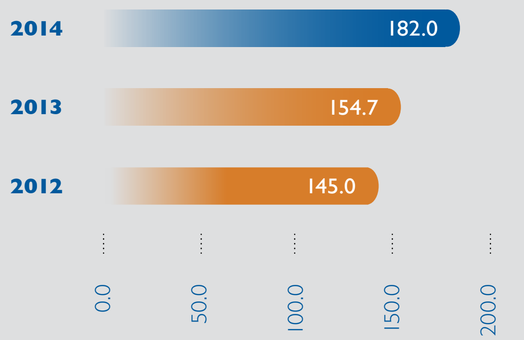
Revenue



Gross Profit



Ebitda



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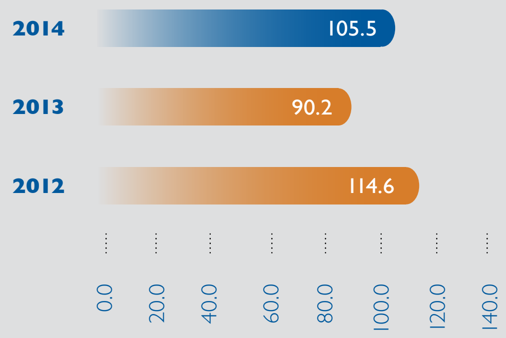
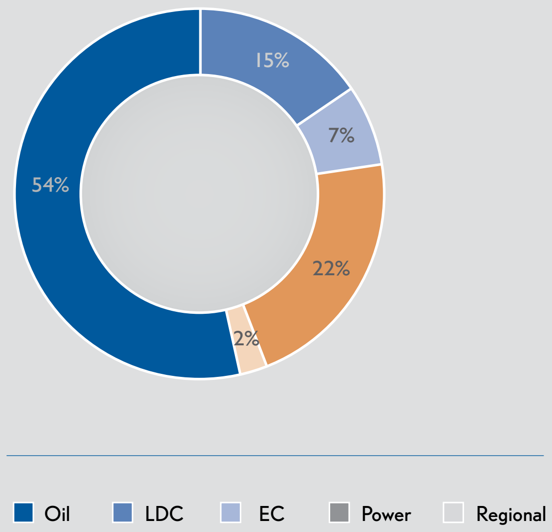


Revenue & Gross Profit

	Revenue	%	Gross profit	%
LDC	**281.3**	**16%**	**119.8**	**39%**
EC	127.9	7%	21.3	7%
Power	389.3	22%	126.1	41%
Regional	**30.1**	**2%**	**5.9**	**2%**
Oil	967.4	54%	33.2	11%
Gross profit	**1,796.1**		**306.3**	

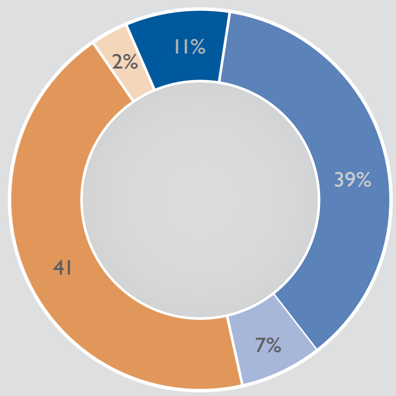
Revenue (egp)

1,796.1 million



GP (egp)

306.3 million



TAQA Arabia Company

(An Egyptian Joint Stock Company)

Consolidated financial statements for the financial year ended 31 December 2014 and auditor's report

AUDITOR'S REPORT

To: The Shareholders of TAQA Arabia Company (An Egyptian Joint Stock Company)

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of TAQA Arabia Company S.A.E, which comprise the consolidated statement of financial position as of 31 December 2014, and the consolidated statements of income, changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the consolidated financial statements

These consolidated financial statements are the responsibility of the Company's management. The management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Egyptian Accounting Standards and in the light of the prevailing Egyptian laws, management responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; management responsibility also includes 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 the Egyptian Standards on Auditing and in the light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated 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 consolidated 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 on the consolidated financial statements.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of TAQA Arabia Company as of 31 December 2014 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Egyptian Accounting Standards and the Egyptian laws and regulations relating to the preparation of these consolidated financial statements.

Hassan Bas

KPMG Hazem Hassan
Public Accountants and Consultants

Cairo, 1 February 2015

KPMG Hazem Hassan

TAQA Arabia Company (An Egyptian Joint Stock Company)

1. Consolidated statement of financial position as of 31 December 2014

In Egyptian Pound	Note No.	31/12/2014	31/12/2013
Non-current assets			
Property, plant and equipment	(5)	464 277 975	460 310 595
Projects under construction	(6)	31 376 355	27 216 079
Intangible assets	(7)	9 226 979	9 903 409
Goodwill	(8)	393 100 684	393 100 684
Trade and other receivables	(10)	30 035 450	46 261 079
Available for sale financial assets	(11)	2 316 541	2 316 541
Deferred tax assets	(23)	26 903	798 527
Total non-current assets		**930 360 887**	**939 906 914**
Current assets			
Inventories	(9)	93 219 164	85 790 510
Trade and other receivables	(10)	417 947 991	440 472 571
Due from related parties	(12)	26 194 738	120 685 407
Loan - notes receivables	(24)	213 680 773	-
Financial assets held for trading	(13)	73 211 917	213 221 842
Cash and cash equivalents	(14)	527 326 371	514 075 503
Assets held for sale	(19)	5 053 364	-
Total current assets		**1 356 634 318**	**1 374 245 833**
Current liabilities			
Bank facilities	(15)	89 946 418	81 661 005
Loans and borrowings	(16)	36 659 664	54 388 476
Trade and other payables	(17)	755 576 508	780 565 823
Provisions	(18)	26 531 824	10 171 230
Total current liabilities		**908 714 414**	**926 786 534**
Working capital		**447 919 904**	**447 459 299**
Total investments		**1 378 280 791**	**1 387 366 213**
These investments are financed as follows:			
Equity			
Share capital	(20)	676 176 900	676 176 900
Share premium		6 501 700	6 501 700
Reserves	(21)	52 658 354	51 519 116
Retained earnings		373 851 518	385 872 510
Equity attributable to owners of the company		**1 109 188 472**	**1 120 070 226**
Minority interest		31 920 938	19 942 517
Total equity		**1 141 109 410**	**1 140 012 743**
Non-current liabilities			
Loans and borrowings	(16)	66 274 004	95 511 026
Long term liabilities	(22)	120 457 453	106 922 390
Deferred tax liabilities	(23)	50 439 924	44 920 054
Total non-current liabilities		**237 171 381**	**247 353 470**
Total equity and non-current liabilities		**1 378 280 791**	**1 387 366 213**

* The notes on pages (5) to (25) are an integral part of these consolidated financial statements.

** Auditors report «attached».

Mr. Ahmed El-Rouby
Financial Controller

Mr. Khaled Elbeblawy
Managing Director for Financial Affairs

Mrs. Pakinam Kafafi
Managing Director

TAQA Arabia Company (An Egyptian Joint Stock Company)

2. Consolidated statement of income

for the financial year ended 31 December 2014

In Egyptian Pound	Note No.	2014	2013
Continuing operations			
Revenue	(25)	1 796 074 877	1 227 648 309
Cost of revenue	(26)	(1 526 243 383)	(1 002 169 362)
Gross profit		**269 831 494**	**225 478 947**
Administrative expenses	(27)	(112 862 367)	(111 338 654)
Other income		9 998 560	16 291 084
Reversal of impairment		2 242 363	-
Impairment losses of property, plant and equipment		-	(9 644 707)
Other expenses		(33 226 177)	(13 848 925)
Operating profit		**135 983 873**	**106 937 745**
Net finance income	(28)	33 800 268	44 581 291
Profit before tax		**169 784 141**	**151 519 036**
Current income tax		(55 880 752)	(39 779 483)
Deferred income tax		(6 313 548)	(8 067 416)
Profit from continuing operation		**107 589 841**	**103 672 137**
Loss from discontinued operation (net of tax)	(29)	-	(12 014 660)
Profit for the year		**107 589 841**	**91 657 477**
Profit attributable to:			
Owners of the company		105 468 754	90 187 498
Minority interest		2 121 087	1 469 979
Profit for the year		**107 589 841**	**91 657 477**

* The notes on pages (5) to (25) are an integral part of these consolidated financial statements.

TAQA Arabia Company (An Egyptian Joint Stock Company)

3. Consolidated statement of change in equity

for the financial year ended 31 December 2014

In Egyptian Pound	Share capital	Share premium	Legal reserve	Translation reserve	Other equity	Equity-settled share-based payment	Retained earnings	Equity-sattributable to owners of the company	Minority interest	Minority interest
Balances as of 31 December 2012	**676 176 900**	**-**	**10 455 451**	**22 301 349**	**(2 670 051)**	**32 508 500**	**283 564 136**	**1 022 336 285**	**219 693 098**	**1 242 029 383**
Transfer to retained earnings	-	-	-	-	-	(26 006 800)	26 006 800	-	-	-
Share options exercised	-	6 501 700	-	-	-	(6 501 700)	-	-	-	-
Dividends from subsidiaries	-	-	-	-	-	-	-	-	(491 949)	(491 949)
Board of directors and employees profit share	-	-	-	-	-	-	(13 885 924)	(13 885 924)	-	(13 885 924)
Minority share in capital increase in subsidiary	-	-	-	-	-	-	-	-	4 000 000	4 000 000
Disposal of investment in subsidiary	-	-	-	-	-	-	-	-	(206 936 121)	(206 936 121)
Profit for the year	-	-	-	-	-	-	90 187 498	90 187 498	1 469 979	91 657 477
Cumulative difference translation	-	-	-	21 432 367	-	-	-	21 432 367	2 207 510	23 639 877
Balances as of 31 December 2013	**676 176 900**	**6 501 700**	**10 455 451**	**43 733 716**	**(2 670 051)**	**-**	**385 872 510**	**1 120 070 226**	**19 942 517**	**1 140 012 743**
Transfer to legal reserve	-	-	2 754 000	-	-	-	(2 754 000)	-	-	-
Dividends	-	-	-	-	-	-	(89 098 000)	(89 098 000)	(223 041)	(89 321 041)
Board of directors and employees profit share	-	-	-	-	-	-	(25 637 746)	(25 637 746)	-	(25 637 746)
Minority share in capital increase in subsidiary	-	-	-	-	-	-	-	-	12 000 000	12 000 000
Profit for the year	-	-	-	-	-	-	105 468 754	105 468 754	2 121 087	107 589 841
Cumulative difference translation	-	-	-	(1 614 762)	-	-	-	(1 614 762)	(1 919 625)	(3 534 387)
Balances as of 31 December 2014	**676 176 900**	**6 501 700**	**13 209 451**	**42 118 954**	**(2 670 051)**		**373 851 518**	**1 109 188 472**	**31 920 938**	**1 141 109 410**

* The notes on pages (5) to (25) are an integral part of these consolidated financial statements.

TAQA Arabia Company (An Egyptian Joint Stock Company)

4. Consolidated statement of cash flows

for the financial year ended 31 December 2014

In Egyptian Pound	Note No.	2014	2013
Cash flows from operating activities			
Profit for the year		107 589 841	91 657 477
Adjustments for:			
Depreciation and amortization		27 701 424	34 064 092
Provisions no longer required		-	(2 669 973)
Inventories right down		945 558	856 955
Impairment in trade receivables		4 925 118	4 158 368
Provision formed		17 030 166	280 310
Loss from disposal of investment		-	(12 014 660)
Reversal of impairment / impairment losses of property plant and equipment		(2 242 363)	9 644 707
Deferred income tax		6 313 548	8 067 416
		162 263 292	**134 044 692**
Changes in:			
Inventories		(8 374 212)	1 504 218
Trade and other receivables		33 825 091	465 224
Related parties		94 490 669	(119 253 413)
Provision used and reclassification		(669 542)	-
Trade and other payables		(24 989 315)	102 074 315
Long term liabilities		13 535 063	10 726 240
Net cash from operating activities		**270 081 046**	**129 561 276**
Cash flows from investing activities			
Payments for purchase of fixed assets and projects under construction		(38 682 089)	(33 518 670)
Proceeds from sale of investment		-	181 110 308
Proceeds from sales of fixed assets		677 382	1 814 271
Payments for intangible assets		-	(4 500 000)
Loan - Notes receivables		(213 680 773)	-
Payments for investment available for sale		-	(1 284)
Net cash (used in) / from investing activities		**(251 685 480)**	**144 904 625**
Cash flows from financing activities			
Loans and borrowing		(46 965 834)	(75 591 491)
Bank facilities		8 285 413	72 935 933
Board of directors and employees profit share		(25 637 746)	(13 885 924)
Shareholders dividends		(89 321 041)	(491 949)
Minority share in capital increase in subsidiary		12 000 000	4 000 000
Net cash (used in) financing activities		**(141 639 208)**	**(13 033 431)**
Changes in cumulative translation difference		(3 515 415)	9 755 571
Cash and cash equivalents at the beginning of the year		727 297 345	456 109 304
Net changes in cash and cash equivalents		**(123 243 642)**	**261 432 470**
Cash and cash equivalents	(14)	**600 538 288**	**727 297 345**

* The notes on pages (5) to (25) are an integral part of these consolidated financial statements.

TAQA Arabia Company (An Egyptian Joint Stock Company)

5.Summarize notes to the consolidated financial statements

for the financial year ended 31 December 2014

1. Background and activities

- TAQA Arabia Company is an Egyptian Joint Stock Company established under the provisions of Law' No. 159 for 1981.
- The company's duration is 25 years starting from the date of registration in the commercial registry, renewable subject to the approval of the General Investment and Free Zones Authority.
- The registered office of the company is 2 Kasr El Dobara Sq., Garden City, Cairo, Egypt Eng. Khaled Abu Bakr is the group's Chairman
- The group is primarily involved in:
  - Construct, manage, operate and maintain natural gas transmission and distribution lines.
  - Construct, manage, operate and maintain power plants, electricity transformers and distribution networks.
  - Construct, manage, operate and maintain water desalination stations, refineries, water purification, distribution networks, transmission lines, as well as pumping stations, processing and purification, sewage and industrial drainage grid.
  - Distribute electricity, natural gas and water to the company or to third parties, subject to the provision of laws, regulations and decrees applicable licensing condition for the exercise of such activities.
- The consolidated financial statements of the company for the year comprise the company and its subsidiaries (together referred to as the "Group") and the group's interest in jointly controlled entities.
- The ultimate parent company for the group is Citadel Capital For Financial Consultancy S.A.E (Qalaa Holding)

2. List of subsidiaries

Set out below is a list of subsidiaries under direct control of the company:

Company name	Country	Ownership Interest	
		2014	2013
Gas and Energy Company (TAQA Gas) - SAE	Egypt	99.99%	99.99%
TAQA for Electricity ,Water and Cooling- SAE	Egypt	98.74 %	98.74 %
TAQA for Marketing Petroleum Products- SAE	Egypt	99.99 %	99.99 %
Gas and Energy Group Limited- LLC	B.V.I	99.99%	99.99%
Genco for Mechanical and Electricity Work-LLC	Qatar	99.99%	99.99%
Qatar Gas Group Limited -LLC	Qatar	45 %*	45 %*
Arab Company for Gas Services -LLC	Libya	49 %*	49 %*
Arabian Libyan Company for Energy-LLC	Libya	65%	65%

* TAQA Arabia Company has an effective control over these companies in accordance with the agreement with other shareholders.

3.Basis of preparation

i. statement of compliance

The consolidated financial statements have been prepared in accordance with Egyptian Accounting Standards ("EAS") and relevant Egyptian laws and regulations.

ii. Basis of measurement

The consolidated financial statements have been prepared on historical cost basis except for certain financial instruments, which are measured at fair value.

iii. Functional and presentation currency

The consolidated financial statements are presented in Egyptian Pound referred to as "Egyptian Pound" or "EGP", which is the group's functional currency.

iv. Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with Egyptian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

• Impairment loss on non-financial and financial assets.

• Provisions.

• Useful life of fixed assets.

• Construction contracts revenue

4. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.1 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the group. Control exists when the group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the group takes into consideration potential voting rights that currently are exercisable. The financial statements of subsidiaries are included in the consolidated Financial Statements from the date that control commences until the date that control ceases.

Minority interest

Minority interests, in the equity and results of the subsidiaries is shown as a separate item in equity in the consolidated financial statements and calculated as the minority proportion of the carrying amounts of the assets, liabilities and equity of the subsidiaries.

Changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for within equity.

Loss of control

Upon the loss of control, the group derecognizes the assets and liabilities of the subsidiary, any minority interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit or loss.

Transaction eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

4.2 Foreign currency

i. Foreign currency translation

Transactions in foreign currencies are translated into the respective functional currencies of the Group entities at the exchange rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the reporting date to the functional currencies at the exchange rate at that date. Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rate at that date of the transaction. Foreign currency differences arising on retranslation are recognized in income statement.

ii. Foreign operations

The financial statements of the Group entities are translated into the presentation currency as follows:

- The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Egyptian Pound at exchange rates at the reporting date.
- The income and expenses of foreign operations are translated to Egyptian Pound at average rates for the period.

Foreign currency differences are recognized in equity, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is non-wholly owned subsidiary, then the relevant portion of the translation difference is allocated to minority interests.

4.3 Financial instruments

i. Non-derivative financial assets

The group initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date, which is the date that the group becomes a party to the contractual provisions of the instrument.

The group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability.

Financial assets and liabilities are offset and net amount presented in the balance sheet when, and only when, the group has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets.

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the group manages such investments and makes purchases and sale decisions based on fair value in accordance with the group's documented risk management or investment strategy. Attributable transaction costs are recognized in income statement as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognized in income statement.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks & cash on hand , call deposits, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts that are repayable on demand.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, are recognized directly in equity and presented in the fair value reserve in equity. When an investment is derecognized, the gain or loss accumulated in equity is reclassified to income statement.

If the fair value cannot be measured reliable should be subsequently measured at its cost, in this case the financial assets subject to impairment testing.

ii. Non-derivative financial liabilities

The group initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade date, which is the date that the group becomes a party to the contractual provisions of the instrument.

The group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the group has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, bank overdrafts, and trade and other payables.

Bank overdrafts that are payable on demand and form an integral part of the group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

iii. Share capital

Ordinary share

Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

4.4 Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognized net within other income / other expenses in income statement.

ii. Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in income statement as incurred.

iii. Depreciation

Depreciation is based on the cost of an asset less its residual value. Depreciation is recognized in income statement on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives as follows:

Asset	Estimated useful lives in years
Buildings	20 -50
Buildings on lands leased from others	Contract period
Machinery & equipment	3 -5
Motor vehicles	3 -5
Furniture, office equipment & software	4 -10
Pipelines & stations equipment	15
Generators	20
Networks	25
Leasehold improvements	5-9

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

4.5 Projects under construction

Property and equipment under construction are recognized initially at cost. Cost includes all expenditures directly attributable to bringing the asset to a working condition for its intended use. Property and equipment under construction are transferred to property and equipment caption when they are completed and are ready for their intended use.

4.6 Construction contracts in progress

Construction contracts in progress represent the gross unbilled amount expected to be collected from customers for work performed to date. It is measured at cost plus profit recognized to date less progress billing and recognized losses. Cost includes all expenditures related directly to specific projects and an allocation of fixed and variable overheads incurred in the group's projects activities based on normal operating capacity.

Construction contracts in progress is presented in the balance sheet for all projects in which costs incurred plus recognized profits exceed progress billings. If progress billings exceed costs incurred plus recognized profits, then the difference is presented as deferred revenue in the balance sheet.

4.7 Intangible assets and goodwill

a. Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

b. Other intangible assets

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

Amortization

Amortization is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of future economic, benefits embedded in the asset.

4.8 Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the moving average principle and includes expenditure incurred in acquiring the inventories and bringing it to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on the normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost to completion and selling expenses.

4.9 Impairment

a. Financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognized in income statement. Any cumulative loss in respect of an available-for-sale financial asset recognized previously in equity is transferred to income statement.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost and financial assets that are debt securities, the reversal is recognized in income statement. For available-for-sale financial assets that are equity securities, the reversal is recognized directly in equity.

b. Non-financial assets

The carrying amounts of the group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognized in the income statement.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

4.10 Provisions

A provision is recognized if, as a result of a past event, the group has a present legal or constructive obligation, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

4.11 Revenues

Revenue are measured at the fair value of the consideration received or receivable and is recognized when it is probable that the economic benefits associated with the transaction will flow to the entities and the amount of the revenue can be measured reliably.

Construction contracts

Contracts revenues includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will results in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, contract revenue is recognized in income statement in proportion to the stage of completion of the contract. Contract expenses are recognized as incurred unless they create an asset related to future contract activity.

The stage of completion is assessed by reference to surveys of work performed. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognized immediately in income statement.

Minimum commission

The Company receives minimum guaranteed commission from Egyptian General Petroleum Corporation (EGPC) for operating, managing, and maintaining the gas transmission and distribution grid, annexes and for collecting payments from customers. The commission is calculated based on investment spent by the company, with a minimum guaranteed internal rate of return (IRR). Minimum Commission is recognized in the income statement when it accrues at the higher of the actual commission or minimum commission guaranteed by EGPC.

Gas sales revenues

For actual gas sales, the company remits the funds it collects to EGPC net of its actual commission, which is calculated as a percentage of gas consumption.

Cars conversion revenues

Revenue is recognized upon the completion of preparing cars to function using natural gas instead of Benzene upon issuing the invoice to the client.

Fueling revenues

Revenues is recognized when supplying cars with natural gas service is rendered.

Interest income

Interest income is recognized when incurred on accrual basis.

Other revenues

Other revenue is recognized on providing the service to the client.

4.12 Employees benefits

Employees' compulsory government social insurance share

The company contributes to the government social insurance share 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 group's liability is confined to the amount of its contribution. Contributions are charged to income statement using the accrual basis of accounting.

Share based payments

The share based payments are measured at fair value determined at the grant date, accounting for these shares and the net result of settlements are recorded in the shareholders' equity statements.

4.13 Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is measured using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4.14 Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property and biological assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognized in profit or loss. Gains are not recognized in excess of any cumulative impairment loss.

4.15 Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is subsidiary acquired exclusively with view to re-sale

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative income statement is re-presented as if the operation had been discontinued from the start of the comparative year.

5.Notes to the consolidated financial statements for the financial year ended 31 December 2014

5. Property, plant and equipment

In Egyptian Pound Cost	Buildings & land	Motor vehicles	Furniture, office equipments & software"	Pipelines &station equipments	Generators & networks & machinery	Leasehold improvements	Total
Balance as of 31 December 2013	**103754618**	**21 431 431**	**34 169 096**	**48 022 721**	**418 895 179**	**5 184 254**	**631 457 299**
Additions	12 050 257	1 073 790	2 774 077	7 345 586	11 240 825	37 278	**34 521 813**
Disposals	(15 000)	(3 234 246)	(1 013 081)	-	(607 417)	-	**(4 869 744)**
Reclassification to assets held for sale	(40 995)	-	(428 724)	-	(6 170 354)	-	**(6 640 073)**
Cumulative translation difference	-	(157 882)	(39 210)	-	-	-	**(197 092)**
Balance as of 31 December 2014	**115 748 880**	**19 113 093**	**35 462 158**	**55 368 307**	**423 358 233**	**5 221 532**	**654 272 203**
Accumulated depreciation and impairment							
Balance as of 31 December 2013	**13153901**	**16 617 143**	**25 748 567**	**15 904 292**	**96 339 600**	**3 383 201**	**171 146 704**
Depreciation	5 001 638	1 859 115	2 989 707	4 351 268	12 142 278	680 988	**27 024 994**
Accumulated depreciation of disposals	(1 537)	(3 149 046)	(787 073)	-	(254 706)	-	**(4 192 362)**
Reclassification to assets held for sale	(40 995)	-	(401 246)	-	(1 144 468)	-	**(1 586 709)**
Reversal of impairment	-	-	-	-	(2 242 363)	-	**(2 242 363)**
Cumulative translation difference	-	(122 063)	(33 973)	-	-	-	**(156 036)**
Balance as of 31 December 2014	**18 113 007**	**15 205 149**	**27 515 982**	**20 255 560**	**104 840 341**	**4 064 189**	**189 994 228**
Net carrying amount							
Balance as of 31 December 2014	**97 635 873**	**3 907 944**	**7 946 176**	**35 112 747**	**318 517 892**	**1 157 343**	**464 277 975**
Balance as of 31 December 2013	**90 600 717**	**4 814 288**	**8 420 529**	**32 118 429**	**322 555 579**	**1 801 053**	**460 310 595**

6. Projects under construction

In Egyptian Pound	31/12/2014	31/12/2013
Power stations	23 841 213	13 142 828
Gas and oil stations	7 535 142	13 220 320
Others	-	852 931
	31 376 355	**2716079**

7. Intangible assets

Intangible assets represented in the cost of software, licenses, trademarks and usufruct.

In Egyptian Pound	31/12/2014
Net carrying amount as of 1 January 2014	9 903 409
Amortization	(676 430)
Net carrying amount as of 31 December 2014	**9 226 979**

8. Goodwill

Goodwill arising on the acquisition of the following companies:

In Egyptian Pound	Cost	Impairment loss	Net book value
Gas and Energy Company (TAQA Gas)	197 610 943	-	197 610 943
House Gas (Subsidiary of TAQA Gas)	673 508	-	673 508
Master Gas (Subsidiary of TAQA Gas)	566 471	-	566 471
City Gas Company (Subsidiary of TAQA Gas)	12 364 500	-	12 364 500
Nile Valley Gas (Subsidiary of TAQA Gas)	98 690 816	-	98 690 816
Trans Gas (Subsidiary of TAQA Gas)	19 330 295	(13 681 532)	5 648 763
Repco Gas (Subsidiary of TAQA Gas)	5 982 761	-	5 982 761
Global Energy Company (Subsidiary of TAQA Electricity, Water and Cooling)	56 073 463	-	56 073 463
Qatar Gas Group – Qatar	15 489 459	-	15 489 459
Total	**406 782 216**	**(13 681 532)**	**393 100 684**

9. Inventories

In Egyptian Pound	31/12/2014	31/12/2013
Raw materials	64 244 508	59 530 655
Oil-Finished goods	15 314 491	10 437 676
Spare parts	21 447 793	22 632 975
Goods in transit	96 711	127 985
	101 103 503	**92 729 291**
Less:		
Write-down of inventory	(7 884 339)	(6 938 781)
	93 219 164	**85 790 510**

10. Trade and other receivables

a. Trade and other receivables – non-current assets

In Egyptian Pound	31/12/2014	31/12/2013
Trade receivables	29 786 624	48 921 753
Prepaid expenses	1 903 196	2 356 919
Other receivables	-	120 943
	31 689 820	**51 399 615**
Less:		
Impairment	(1 654 370)	(5 138 536)
	30 035 450	**46 261 079**

b. Trade and other receivables – current assets

In Egyptian Pound	31/12/2014	31/12/2013
Trade receivables and notes receivables	282 213 733	317 815 063
Staff loans	5 305 497	4 383 789
Deposits and security deposits	12 539 057	20 406 348
Prepayments and advance to suppliers	28 532 178	22 908 761
Other receivables	109 844 641	87 036 441
	438 435 106	**452 550 402**
Less:		
Impairment	(20 487 115)	(12 077 831)
	417 947 991	**440 472 571**

11. Available for sale financial assets

In Egyptian Pound	Ownership percentage	31/12/2014	31/12/2013
Charming Sharm	1 %	702 000	702 000
Med Grid	5%	1 614 541	1 614 541
		2 316 541	**2 316 541**

12. Related parties

Due from related parties

In Egyptian Pound	Relationship	31/12/2014	31/12/2013
Silverstone Capital Investments Ltd	Parent company	5 000 000	94 590 739
ASEC Company	Sister company	21 194 738	26 094 668
		26 194 738	**120 685 407**

- Transactions with Silverstone Capital Ltd represented in dividends with an amount of EGP (73 868 432), cash transfers with an amount of EGP 18 000 000, payment on their behalf with an amount EGP 34 958 415 and transfer to loan-notes receivables with an amount EGP (68 680 722).
- Transactions with ASEC Company represented in cash transfers against selling of investment in subsidiaries "Berber Company" which took place during year 2013.

13. Financial assets held for trading

The financial assets held for trading represented in funds in local banks. The activities for this funds are for investing cash in time deposits.

In Egyptian Pound	31/12/2014	31/12/2013
OSOUL fund – CIB	3 912 614	20 682 695
Money market funds – HSBC	69 299 303	192 539 147
	73 211 917	**213 221 842**

14. Cash and cash equivalents

In Egyptian Pound	31/12/2014	31/12/2013
Cash on hand and at banks	228 048 595	309 860 885
Treasury bills	226 496 515	146 151 495
Time deposit	72 781 261	58 063 123
Balance in statement of financial position	**527 326 371**	**514 075 503**
Financial assets held for trading - (Note No. 13)	73 211 917	213 221 842
Balance in statement of cash flows	**600 538 288**	**727 297 345**

15. Bank facilities

In Egyptian Pound	31/12/2014	31/12/2013
Global for Energy	15 015 002	14 575 796
TAQA Marketing	1 212 812	2 749 125
Genco group companies	73 703 024	64 262 862
QGG	15 580	73 222
	89 946 418	**81 661 005**

16. Loans and borrowings

The financial assets held for trading represented in funds in local banks. The activities for this funds are for investing cash in time deposits.

A. Short term

In Egyptian Pound	31/12/2014	31/12/2013
HSBC	31 921 154	28 916 003
Cairo bank	3 081 758	2 109 601
Arab bank	1 656 752	11 362 872
CIB	-	12 000 000
Total	**36 659 664**	**54 388 476**

B. Long term

In Egyptian Pound	31/12/2014	31/12/2013
HSBC	53 308 588	81 535 006
Cairo bank	12 965 416	12 365 958
Arab bank	-	1 610 062
Total	**66 274 004**	**95 511 026**

Terms and conditions of outstanding loans are as follows:

a. Global Energy:

Currency	Year of maturity	31/12/2014	31/12/2013
EGP	2014 / 2016	65 352 000	87 902 000
USD	2014 / 2018	1 656 752	12 972 932

Main terms and conditions:

- The company undertakes not to pledge, mortgage, or impose any liens / seniority over any assets in Nabq and Marsa alam centres
- The company executed a commercial pledge contract where by the company pledged its own branch in Ras Ghalib City. The pledge include all the company's tangible and intangible assets in addition to the power generation station in Scimitar project in Red Sea Governorate
- No distribution of dividends allowed
- Maintain certain financial ratios as stated in the contract.

b. TAQA Marketing:

Currency	Year of maturity	31/12/2014	31/12/2013
EGP	2014 - 2020	35 924 916	37 024 570

Main terms and conditions:

- The company made a proxy to the bank that is empowering to impose a commercial pledge on existing tangible and intangible assets which was financed by the loan.
- Maintain the direct or indirect controlling interest during the contract period and till the actual repayment.
- Cover any deficiency in the debt service ratio or increase in the investment costs or operating expenses by injecting cash in the form of capital increase.

c. TAQA Arabia

Currency	Year of maturity	31/12/2014	31/12/2013
EGP	2014	-	12 000 000

17. Trade and other payables

In Egyptian Pound	31/12/2014	31/12/2013
Accounts payable	419 703 643	529 121 242
Deposits from others	34 452 221	22 748 506
Accrued expenses	90 009 254	46 944 896
Other payables	159 818 502	130 870 473
Current tax accrual	51 592 888	50 880 706
	755 576 508	**780 565 823**

18. Provisions

In Egyptian Pound	31/12/2014	31/12/2013
Beginning balance	**10 171 230**	**12 560 893**
Reclassifications	(403 578)	-
Provisions formed	17 030 166	280 310
Provisions used	(265 994)	-
Provisions no longer required	-	(2 669 973)
Ending balance	**26 531 824**	**10 171 230**

This balance represented in provisions for expected claims from third parties related to the companies operation. There is no sufficient disclosure in accordance with the requirements of Egyptian Accounting Standards related to this balance, as management believes that it might have negative impact on the negotiation process with third parties. The management reviews this balance quarterly and recognize any expected claims recognized on the books based on the latest negotiations and agreements with third parties.

19. Assets held for sale

This balance represented in generators, networks, machinery, equipment, buildings and leasehold improvements related to South Valley project.

There is a commitment to a plan to sell these assets by Global Energy Company's management based on the Board of Director's resolution dated 27/3/2014.

The management is expecting to complete this sale within one year from the date of the Board of Director's resolution.

These assets measured at its carrying amount, which is lower than its fair value less cost to sell based on the fair value assessment of these assets.

20. Share capital

The authorized capital of the company is EGP 1 200 000 000, and the issued and paid capital 676 176 900 .All shares are ordinary shares, the holders of which are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the General Assembly Meetings of the company. All shares rank equally with regard to the Group's residual assets

21. Reserves

In Egyptian Pound	31/12/2014	31/12/2013
Legal reserve	13 209 451	10 455 451
Translation reserve	42 118 954	43 733 716
Other equity	(2 670 051)	(2 670 051)
	52 658 354	**51 519 116**

a. Legal reserve

According to the company's article of association. The company is required to set aside 5% of the annual net profit to form a legal reserve. The transfer to legal reserve cease once the reserve reach 50% of the issued share capital. The reserve is un-distributable, however, it can be used to increase the share capital or offset losses.

b. Other equity

This amount is represented in the excess of paid amount over book value of acquired shares due to the change in the group ownership interest in subsidiaries that don't result in a loss of control.

22. Long term liabilities

In Egyptian Pound	31/12/2014	31/12/2013
Gas consumption and meter deposits	103 587 328	99 190 061
Power consumption deposits	16 251 933	7 114 137
Other	618 192	618 192
	120 457 453	**106 922 390**

23. Deferred tax

In Egyptian Pound	Assets		Liabilities	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Fixed assets	26 903	798 527	50 439 924	44 920 054
	26 903	**798 527**	**50 439 924**	**44 920 054**

24. Loan – notes receivables

The General assembly meeting dated 9 October 2014 approves the investment in a financial instrument offered by Citadel Capital for International Investment Ltd. "subsidiary of the ultimate parent company"

The note bears an interest on its outstanding principal amount at a rate equal to the Mid-Corridor rate announced by the Central Bank of Egypt plus 3.25% per annum.

25. Revenue

In Egyptian Pound	2014	2013
Fuel and oil revenues	967 395 255	541 235 701
Electricity supplies revenues	365 757 764	253 960 127
Gas networks construction revenues	262 816 709	247 918 386
Sales commission	139 029 813	135 843 042
Gas cars conversion and gas sales revenue	14 726 294	12 383 798
Other	46 349 042	36 307 255
	1 796 074 877	**1 227 648 309**

26. Cost of revenue

In Egyptian Pound	2014	2013
Fuel and oil sales cost	918 393 172	512 782 022
Electricity consumption and networks cost	232 567 369	49 939 361
Gas networks construction cost	171 745 778	164 434 284
Salaries and wages	87 559 035	102 448 132
Gas cars conversion and gas sales cost	8 793 960	39 695 928
Other	107 184 069	132 869 635
	1 526 243 383	**1 002 169 362**

27. Administrative expenses

In Egyptian Pound	2014	2013
Salaries and wages	66 374 673	58 906 320
Depreciation	4 678 405	4 167 836
Other	41 809 289	48 264 498
	112 862 367	**111 338 654**

28. Related parties

In Egyptian Pound	2014	2013
Finance income	58 362 990	67 955 528
Finance expense	(24 562 722)	(23 374 237)
	33 800 268	**44 581 291**

29. Loss from discontinued operation

Investment in Berber for Electricity, Power Limited Company have been sold with an amount of USD 27 million USD during year 2013 to ASEC Cement Company S.A.S due to the restructuring of the group companies. This transaction resulted in loss of an amount of L.E 12 014 660.

30- Reportable Segment

The following summary describes the operations in each of the group's reportable segments:

In Egyptian million Pound	Gas sector		Power sector		Oil sector		Fin Eng		TAQA standalone		Total other operation sectors		Eliminations		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Revenue	439.39	417.14	389.29	269.28	967.39	541.23	9.25	4.74	0.00	0.00	9.25	4.74	(9.25)	(4.74)	1796.07	1227.65
Gross profit	141.28	135.01	107.90	83.48	26.74	9.99	3.16	1.73	0.00	0.00	3.16	1.73	(9.25)	(4.74)	269.83	225.47
Operating profit	74.34	75.74	63.72	34.18	20.53	4.06	-	-	35.16	28.31	35.16	28.31	(57.77)	(35.35)	135.98	106.94
Finance income	55.33	65.85	0.30	0.26	2.41	1.49	-	-	0.32	0.35	0.32	0.35	0.00	0.00	58.36	67.95
Finance expenses	(8.75)	(4.34)	(10.81)	(13.45)	(4.53)	(3.28)	-	-	(0.47)	(2.30)	(0.47)	(2.30)	0.00	0.00	(24.56)	(23.37)
Profit before income tax	120.92	137.30	53.19	21.00	18.42	2.20	-	-	35.02	26.37	35.02	26.37	(57.77)	(35.35)	169.78	151.52
Income tax	(36.77)	(32.00)	(20.02)	(15.15)	-	-	-	-	-	-	-	-	(5.40)	(0.70)	(62.19)	(47.85)
Discontinues operation	-	-	-	12.01	-	-	-	-	-	-	-	-	-	-	-	12.01
Net profit	84.48	104.43	30.73	5.23	13.46	1.52	0.13	0.21	35.02	26.37	35.15	26.58	(58.35)	(47.58)	105.47	90.18
Total segment assets	1237.39	1334.52	770.65	693.02	148.11	106.30	11.61	5.78	927.85	879.42	939.46	885.20	(808.62)	(704.89)	2286.99	2314.15
Total segment liabilities	773.75	875.94	289.01	256.54	97.28	70.73	9.16	3.47	191.57	80.41	200.73	83.88	(214.89)	(112.95)	1145.88	1174.14
Goodwill	338.67	338.67	56.07	56.07	-	-	-	-	-	-	-	-	(1.64)	(1.64)	393.10	393.10

The following geographical segments have been identified:

	Gross revenues		Total assets	
	2014	2013	2014	2013
Local	1,765.95	1,200.54	2,273.49	2,298.01
Region	30.12	27.11	13.50	16.14

31. Financial risk management

1. Risk management

The company has exposure to the following risks from its use of financial instruments:

• credit risk

• liquidity risk

• market risk.

The Board of Directors has overall responsibility for the establishment and oversight of the group risk management framework. The group risk management policies are established to identify and analyze the risks faced by the group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities.

The group, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

a. Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur financial loss. This risk is mainly resulting from the group's trade and other debtors

The carrying amount of financial assets represents the maximum credit exposure.

Trade and other receivables

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

The company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

Cash and cash equivalents

Credit risk related to Cash and cash equivalents - except cash on hand – is represented in risk that the other party will fail to repay the balances or fulfill agreed obligations due to his lack of liquidity. The Group controls that risk by dealing with credit and financial institutions that have high and stable credit ratings.

b. Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

The group ensures that the sufficient cash on demand to meet expected operational expenses for a suitable period, including the service of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

c. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

Currency risk

The Group is exposed to currency risk on transactions that are denominated in a currency other than the respective functional currencies of the Group, primarily the U.S. Dollars (USD) and Euro.

In respect of monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level through purchase or sale of the foreign currencies with current prices when that is necessary to face un-balanced short term.

2. Fair values for financial instruments

The financial instruments are represented in the balance of cash and cash equivalent, trade and other receivables, financial assets held for trading, due from / to related parties, loans and borrowings and trade and other payables

The fair value of these financial instruments does not materially differ from its book value.

32. Taxation

Corporate income tax

The company submits its tax return on the due dates.

Payroll tax

The company submits its tax return on the due dates .The company was submitted to inspection covering the period from inception until the end of 2008. The inspection has not resulted in any tax differences.

Withholding tax

The company applies withholding tax system and submits tax returns on the due dates.

• Law no. 44 for year 2014 issued on 4 June 2014. Provisions of this law impose a temporarily additional annual tax for three years starting from the current tax period by 5% on the excess of EGP 1 million from the tax base on the income of the regular persons or profits of legal entities according to the provisions of the Income Tax Law.

• A Presidential Decree-Law No. 53 for year 2014 issued on June 30, 2014 to amend certain provisions of the income tax law number 91 for year 2005. the most important amendments related to this law are as follows:

1- Impose tax on dividends

2- Impose tax on Capital Gains from sale of financial instruments and shares.

• Due to the absence of the Executive Regulations of the mentioned law, and the differences that may resulted from different interpretations of the law's provisions and articles. The company's management determine the impact of these amendments in light of its interpretation of the law enforcement articles. These results and values may differ upon the issuance of the Executive Regulations of this law.

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