

United nation Global Compact
Misr Contracting Co.
Communication on Progress Report

Misr Contracting Company

Company Profile – April 2010



About Encon Group:

Encon is a group of companies established in 1979 to positively contribute to the housing dilemma in Egypt. The group developed over the past 3 decades to include activities in the following fields:

- Real estate investment & development for economic, medium, & luxurious housing
- General contracting
- Operation of commercial and sporting centers
- Manufacturing of building solutions
- Agriculture

About Misr Contracting Co.

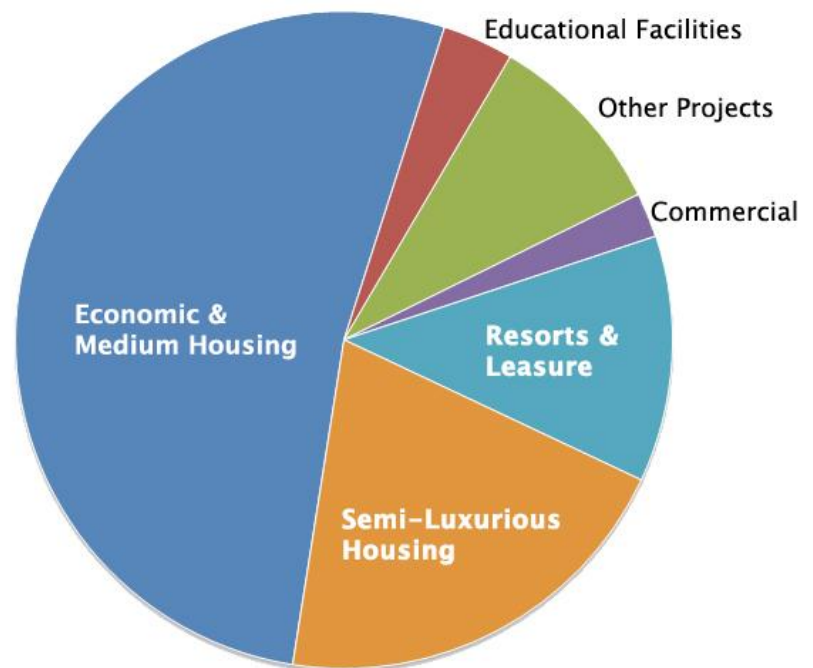
Misr Contracting Company was established in 1980 with the aim of specializing in general contracting for residential and commercial projects in Egypt. Over the course of its 30 years of operations, the company has successfully delivered more than 8000 housing units, educational facilities, commercial complexes, and beach resorts with over 250 million Egyptian Pounds worth of revenues.

The company increased its turnover by more than 10 folds in the past 4 years. Recent changes to the corporate governance, restructuring efforts, and adopting project management practices contributed significantly to the growth of the company.

Scope of Work

The company has successfully erected projects of various natures over its lifetime. The current works that fall within the scope of work are:

- Medium & Low Income Residential Projects
- Semi-Luxurious Residential Projects
- Educational Facilities
- Office Buildings & Commercial Projects



Objective

We understand that there is a need in Egypt for medium sized contractors that can deliver big results, efficiently, on time, with appropriate quality, and at the right price. We are therefore directing our efforts towards finding alternative solutions to the traditional building systems that can help develop the economic housing sector of the industry. We are determined to develop these solutions and utilize them efficiently.

Board of Directors

The company's board of directors has been putting its efforts into restructuring the company and increasing its capacity and efficiency. The board managed to increase the company's turnover from 3 million to 40 million in only 4 years. The members of the BOD are:

Eng. Mohamed El Sawy CEO

El Sawy is the son of the founder of the group of companies, which gave him the opportunity to learn the tricks of the trade early on. Refining his knowledge with a degree in construction project management, he managed to develop the company to comply with modern project management principals. His drive for positioning the company amongst Egypt's finest housing contractors reflected on the company's performance in a short time. El Sawy is on the board of directors of several other companies in real estate development, manufacturing, and

Eng. Nagwa Azmy Board Member

Azmy has developed the Encon group of companies for the last 23 years as CEO and Chairperson of the group. She is the CEO of two companies, a member of the board of directors of several companies, and works closely with a few NGOs. Her creativity, determination, and expertise in contracting contributed to the growth of the company over the past years.

Mr. Ahmed Farid

CFO

Farid helped develop and operate several businesses in Egypt and the Gulf area. His involvement in a unique variety of operations brought advanced financing principals to the company, contributing to the vast turnover increase over the last three years. Farid is the CFO for the group of companies, and assisted in several real estate and contracting policy-making taskforces over the years.

Eng. Abdel Shafy Taher

Board Member

Taher has over 40 years of experience in contracting and witnessed the erection of a wide range of project types. His experience extended to various locations in the MENA region, including Algeria, Libya, and the Gulf area. Taher became the managing director of the company at a young age. His ambitions and engineering knowledge add valuable substance to the development of the company.

Current Projects

The company is currently implementing several construction projects. These projects are:

Al Amal North & South Towers

Client: Police Projects Development Unit
Location: Maadi, Cairo
Type: Semi-Luxurious Housing

Contract Value: 26'000'000
Contract Year: 2007

Concrete Works for Khan Younis Building

Client: Engineering Construction Co
Location: Mohandesin, Cairo
Type: Luxurious Housing

Contract Value: 1'900'000
Contract Year: 2009

Zayed Residence

Client: Engineering Construction Co.
Location: Sheikh Zayed, Greater Cairo
Type: Medium Housing

Contract Value: 10'000'000
Contract Year: 2010

Al Sanabel Towers 3, 4, & 5

Client: Police Projects Development Unit
Location: Nasr City, Cairo
Type: Semi-Luxurious Housing

Contract Value: 59'000'000
Contract Year: 2009

Housing for MAC Workers

Client: MAC Carpets
Location: 10th of Ramadan City
Type: Economic Housing

Contract Value: 7'320'000
Contract Year: 2010

Total Contract Values

104'220'000

Previous Projects

Misr Contracting Co. has developed several projects over its 30 years of operations. Some of the most important projects are:

Al Marwa Residential Towers

Client: Cooperative Association for Egyptian Expats
Location: Heliopolis, Cairo
Type: Economic Housing

Contract Value: 25,000,000
Contract Year: 1979

Syndicate of Engineers Resort

Client: Cooperative Association for Engineers Housing
Location: North Coast, Marsa Matrouh
Type: Resort / Leisure

Contract Value: 5,789,842
Contract Year: 1982

First of May Residential City

Client: Misr Investment & Development Co.
Location: Nasr City, Cairo
Type: Economic Housing

Contract Value: 29,489,000
Contract Year: 1983

El Faysaleya Residential Complex

Client: Marwa Co. for Residential Development
Location: Haram, Giza
Type: Economic Housing

Contract Value: 12,000,000
Contract Year: 1984

31 Residential Buildings

Client: 10th of Ramadan Authority
Location: 10th of Ramadan City
Type: Economic Housing

Contract Value: 5,206,953
Contract Year: 1985

21 Residential Buildings

Client: General Authority for Housing & Development
Location: Helwan City
Type: Economic Housing

Contract Value: 2,790,383
Contract Year: 1985

Al Marwa Helwan Complex

Client: Engineering Construction Co.
Location: Helwan City
Type: Economic Housing

Contract Value: 7,200,000
Contract Year: 1987

Aseelah Resort

Client: Engineering Construction Co.
Location: Kabrit, Suez City
Type: Resort / Leisure

Contract Value: 7,000,000
Contract Year: 1987

Sarah Tower

Client: Engineering Construction Co.
Location: Heliopolis, Cairo
Type: Semi-Luxurious Housing

Contract Value: 5,000,000
Contract Year: 1989

960 Low Cost Residential Units

Client: Authority for Development of New Urban Complexes
Location: 1st complex, Greater Cairo
Type: Economic Housing

Contract Value: 18,000,000
Contract Year: 1990

Tayebat Al-Boushra Resort

Client: Engineering Construction Co.
Location: North Coast, Marsa Matrouh
Type: Resort / Leisure

Contract Value: 8,000,000
Contract Year: 1990

Al-Madyafa Residence and Hotel

Client: Misr Investment & Development Co.
Location: Downtown, Marsa Matrouh
Type: Resort / Leisure

Contract Value: 6,455,464
Contract Year: 1990

El Sharara Project's Infra-Structure Works

Client: El Sharara Cooperative Association
Location: 6th of October City
Type: Infra-Structure Works

Contract Value: 2,400,000
Contract Year: 1991

Student Housing

Client: Authority for Development of new urban complexes
Location: 10th of Ramadan City
Type: Economic Housing

Contract Value: 2,295,090
Contract Year: 1991

Al Amal Tower

Client: Armed Forces
Location: Heliopolis, Cairo
Type: Semi-Luxurious Housing

Contract Value: 17,000,000
Contract Year: 1994

Prison Cells

Client: Police General Authority
Location: El Natroun Valley, Marsah Matrouh
Type: Infra-Structure Works / Others

Contract Value: 2,500,000
Contract Year: 1994

Al-Marwa New Towers Phase 1

Client: Engineering Construction Co.
Location: Nasr City, Cairo
Type: Semi-Luxurious Housing

Contract Value: 10,100,000
Contract Year: 1996

Al-Marwa New Towers Phase 2

Client: Engineering Construction Co.
Location: Nasr City, Cairo
Type: Semi-Luxurious Housing

Contract Value: 14,000,000
Contract Year: 1998

Permanent Showroom

Client: 6th of October Association
Location: 6th of October City
Type: Commercial

Contract Value: 2,176,400
Contract Year: 2000

Completion of 17 Residential Buildings

Client: Misr Investment & Development Co.
Location: 5th Complex, Greater Cairo
Type: Commercial

Contract Value: 2,025,000
Contract Year: 2000

Commercial Complex

Client: Authority for 15th of May City
Location: 15th of May City
Type: Commercial

Contract Value: 2,770,000
Contract Year: 2001

25 Classroom School Completion

Client: Authority for Development of new urban complexes
 Location: 1st Complex, Greater Cairo
 Type: Educational Facility

Contract Value: 2,052,000
 Contract Year: 2001

Completion of buildings

Client: Authority for Development of new urban complexes
 Location: 1st Complex, Greater Cairo
 Type: Economic Housing

Contract Value: 2,000,000
 Contract Year: 2001

School Complex

Client: Authority for Development of new urban complexes
 Location: 1st Complex, Greater Cairo
 Type: Education Facility

Contract Value: 5,830,000
 Contract Year: 2005

Construction of Traffic Unit

Client: Misr Investment & Development Co.
 Location: Nasr City, Cairo
 Type: Infra-Structure Works / Others

Contract Value: 2,100,000
 Contract Year: 2005

Bandar Al-Obour 8 Residential buildings

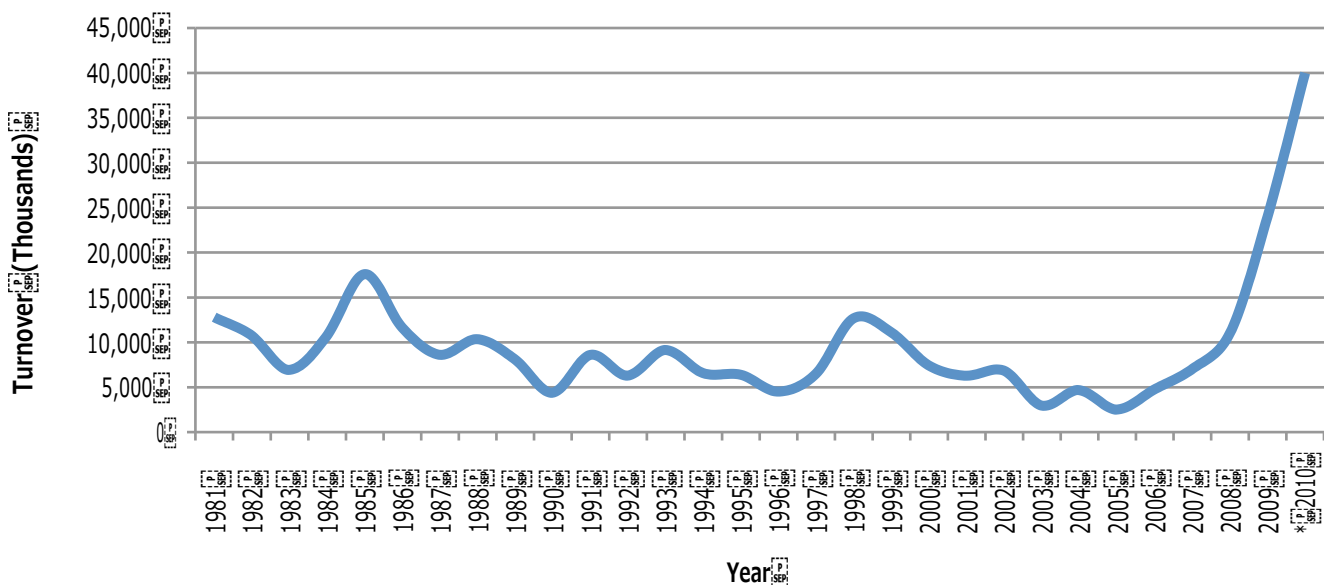
Client: Engineering Construction Co.
 Location: Obour City, Greater Cairo
 Type: Economic Housing

Contract Value: 12,000,000
 Contract Year: 2007

Various Smaller Projects 13,772,560

Total Executed Projects' Value 224,952,692

The following graph shows the development of the annual turnover of the company over the last 30 years. The 2010 value is based on in-hand contracts at present time.



Previous and Current Clients

The company has developed projects for several clients over its 30 years life span. Amongst those clients are:

- Engineering Construction Company
- Misr Investment and Development Company
- General Authority for Housing and Development
- Nasr City for Housing and Development
- Housing and Development Bank
- Police General Authority
- Police Projects Development Unit
- MAC Carpets Co.
- Cooperative Association for Egyptian Expats
- El Sharara Cooperative Association

Consultancy offices

The company dealt with several consultants. Some of these consultants are:

- Office of Dr. Ali Abdel Rahman
- Office of Dr. Medhat Dora (Space)
- Office of Dr. Mohamed Abdallah Eissa
- Office of Dr. Maher Abdel Salam
- Office of Dr. Raef Fahmy (AURA)
- Office of Dr. Ezzat Abu Omeira
- Misk Consultant Office
- Eng. Ahmed Azmy Consultancy office (Amar Consult)

Legal Status

Established with accordance to Law number 26 / 1980 as of 1/3/1980 and working under law 43 / 1974.

Paid in Capital: 3'000'000 LE

Tax Card Number (354 Investment Taxes) - issue date 1/4/1984 – Investment Tax Branch.

Commercial Registry Number: 201790 Cairo

Registration number in Egyptian Syndicate of Contractors: 579 – Second Category – General Contracting.

Sister Companies

Misr Contracting Company is part of a group of companies (Encon

Group). These companies are:

Engineering Construction Co.

Misr Investment & Development Co.

Misr Anshas for Agriculture & Food Production

Engineering Co. for Sports and Touristic Centers



Contact Details

Misr Contracting Co.

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Statement of continued support for the global compact :

Misr contracting company taking major steps since its foundation towards the development of individuals, community and society. the ten principals of corporate social responsibility is an integral part of our strategy , culture and day to day operation . Accordingly, we support and commit to the UN global compact and we aim to move forward to all its principals.

Misr contracting Company started its effort to implement the ten principles of United nation Global Compact as the following :

Human Rights

Principle no. 1:

Businesses should support and respect the protection of internationally proclaimed human rights.

Principle no. 2:

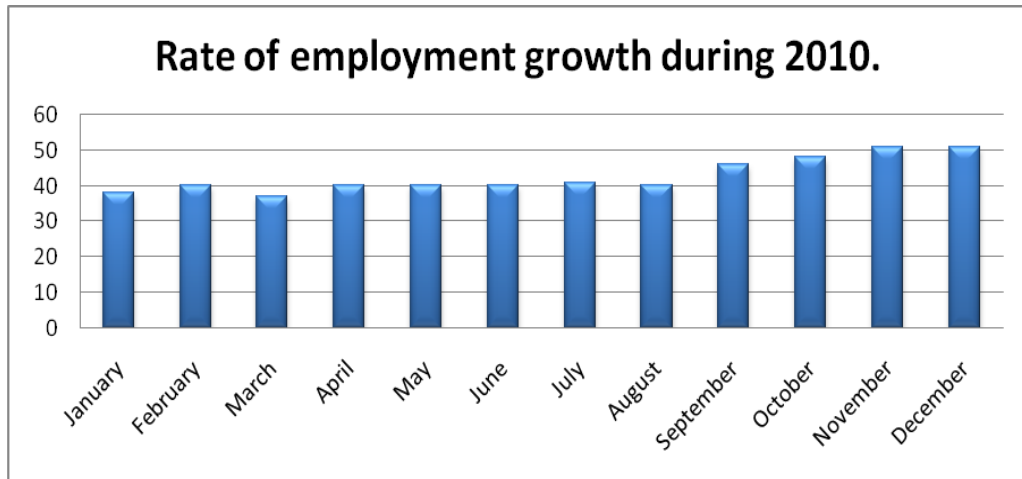
Business should make sure they are not complicit in human rights abuses

• Our Commitment or Policy

Misr contracting support and respect the protection of international human rights within our sphere of reference. We make sure our own operation is not complicit in human rights abuses. Our company is an equal opportunity company. We strongly support all candidates to apply and/or working in our team regardless: gender, religion, origin and shape.

• Communicating progress related to human rights field :

- Misr contracting company add human resource department to the staff who published a new Employees Guide and procedures for the employees to provide them with all information on working conditions, benefits, rights and duties, recruitment policy.
- Improve our work place by providing safety conditions in Head office and work sites by implementing occupational safety and health as by :
 - Put strict instruction to wear safety uniform and helmet for our engineers and our workers.
 - Medical and health care insurance for all employees
 - Fire fighting system.
- Imposition of sanctions and disciplinary sanctions for any type of sexual harassment.
- **Measurable Results or Outcomes**
- HR department is raising the employment as following chart :



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Labour Standards

Principle No. 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle No. 4

Businesses should eliminate all forms of forced and compulsory labour.

Principle No. 5

Businesses should uphold the effective abolition of child labour .

Principle No. 6

Businesses should eliminate discrimination in respect of employment and occupation.

- **Our Commitment or Policy**

- Misr contacting belief in labour rights is part and parcel of its business day to day practices whether inside or outside the institution. The continuous growth and profitability of the bank has made it possible to create job opportunities and increase year over year employment rate by 30%. Respecting employees working rights and believing in their valued contributions to the organization.

- **Communicating progress related to labour field**

- Uphold the elimination of discrimination in respect of employment and occupation, our company does not discriminate between its employees regarding their race , religion or gender .

recruitment:

- The Company institute policies and procedures for recruitment based on qualifications, skill and experience and the staff of human resource is recruiting with full impartial without nepotism, the nomination of applicant is depend on

job requirements, applicant qualifications including education, previous experience , skills and the ability to do the job .

- "job offer "is produced to the selected applicant by HR department contains : job title , Department or project , Salary , benefits .
- Employment contracts are stating the terms and conditions of service, all employees' rights: salary, social security and their duties. Signed by the new employee and CEO.
- The company is recognizing to reach 5 % of total staff in hire people with disabled.

Working hours :

- Company is committed to working hours set by Egyptian law, any extra hours is calculated as over time.
- Official Paid holidays: all Muslim and Christian Holidays are paid.

Maternity protection:

- The company provide paid Maternity leave of 90 days for employed women
- Nursing Mothers are allowed to leave the company one hour earlier than the regular schedule daily time.

Child labour :

- No child labour is allowed in our company (not less than 18 years old)and close this term the contracts with our subcontractors .

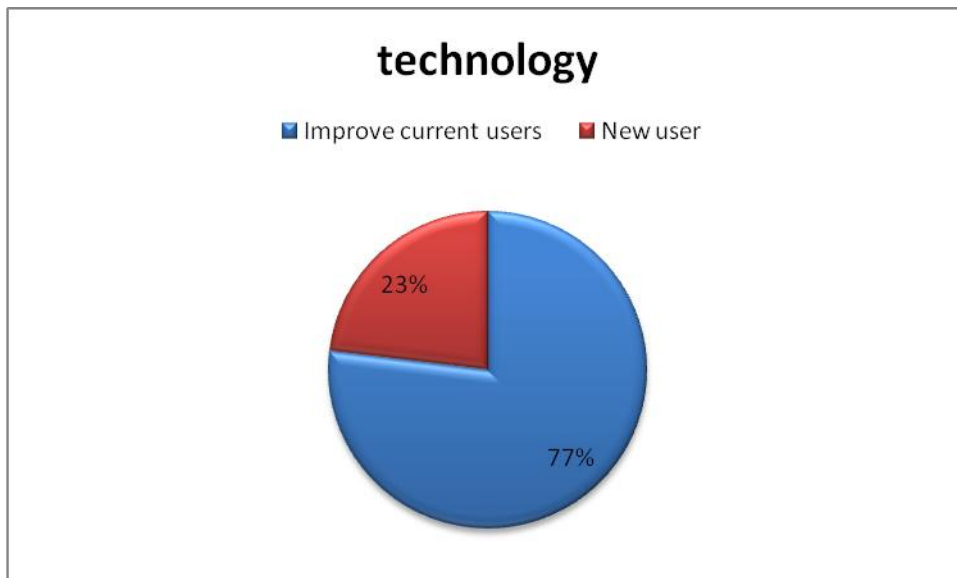
Performance appraisal:

- Our HR department created system to evaluate employees, first one after three months from hiring and the next one is annual appraisal.
- The performance appraisal process as a positive interaction and provide a permanent connection between the staff and their managers.
- Evaluate the performance is made by the employee direct manager on the appraisal form and is negotiated it with the employee and he can object to the evaluation, Human resource department active these evaluations by:
 - Fixed probationary employee.
 - granting of annual premium or extra incentive.
 - Training course to improve weakness points and gain more skills.

Training:

HR department prepare Annual training plan according to the performance assessment of the employees and Department manager plan to improve employees performance and to increase their knowledge and skills.

- Measurable Results or Outcomes:
- The outcomes of Training plan in the Technology courses are as follows

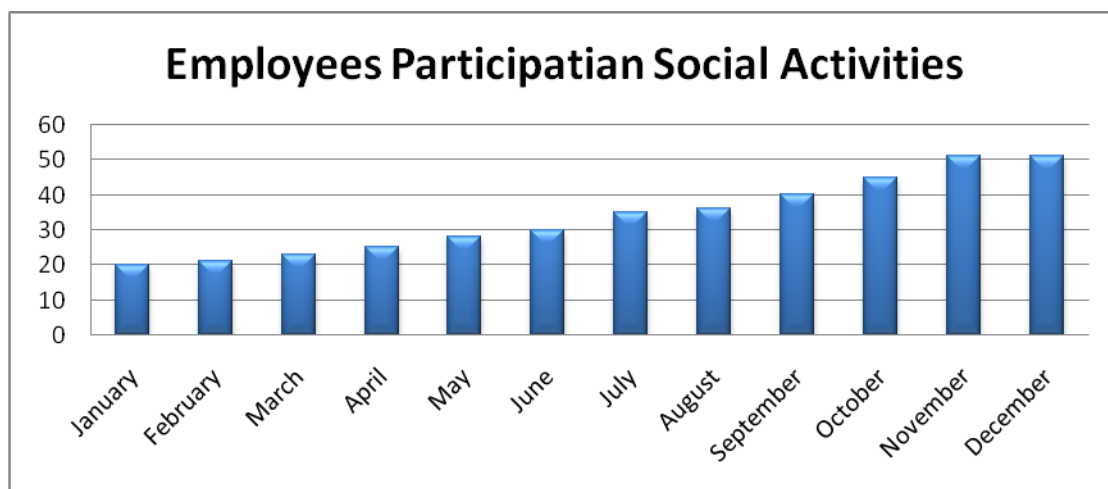


Employee suggestion system

The company seeks to guarantee freedom of individuals to participate in his opinion and creative ideas, through forming of a committee to study proposals and award winners.

Social activities:

Creat new social activities: Sport days and birthdays celebrations, which makes employees engaged each other to keep good relations among them and get some entertainment for the renewal of their activity.



Environment

Principle No. 7

Businesses should support a precautionary approach to environmental challenges.

Principle No. 8

Businesses should undertake initiatives to promote greater environmental responsibility.

Principle No. 9

Businesses should encourage the development and diffusion of environmentally friendly technologies.

- **Our Commitment or Policy**

Our company policy is ensuring workplace health and safety and preventing physical risks such as high temperature in workplace, noise and vibrations, high/low light, risky and dangerous emissions, static and dynamic electricity as well as explosions risks. Also the policy states the Company's commitment towards saving the energy in all its activities and projects.

- **Communicating progress related to Environment field**

- Employees are requested to consider saving the environment while performing their daily tasks, each within his/her work area, i.e., paper recycling, economical printing...etc.
- Company offices is no smoking area .

- **Measurable Results or Outcomes**

- Energy saving benefits have been achieved after using energy-saving bulbs when we renovated the company's headquarters .

Principle # 10

"Businesses should work against corruption in all its forms, including extortion and bribery."

- **Communicating progress related to Anti Corruption field**

- Our Company policy The company does not allow any kind of corruption and any type of bribery and is introducing anti-corruption policies and programs within our manual guide and operations i.e. any gift in prohibition list.

- **Measurable Results or Outcomes.**

As Misr contracting company is still a new member in the Global Compact and has recently begun modifying and tailoring its work policies and strategies to adapt with the 10 principles of the Global Compact, therefore, the company remains in the monitoring and evaluation process of all applied policies and actions in human rights, Labor, environment and anti corruptions areas with keeping the mentoring by next year, the company will be presenting more detailed statistics on achieved results using well-known measurement indices.