EFG-HERMES MIDDLE EAST AND DEVELOPING AFRICA FUND LIMITED
BERMUDA

REVIEW REPORT AND CONDENSED INTERIM FINANCIAL INFORMATION FOR THE PERIOD ENDED DECEMBER 31, 2011

EFG-HERMES MIDDLE EAST AND DEVELOPING AFRICA FUND LIMITED
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Chairman	Mr. Mohamed Abdel-Halim
Deputy Chairman	Mr. Samuel Hayes
Directors	Mr. Amr El Sawaf Mr. Mark Taborsky Mr. Zaid Al Tunisi Mr. Kashif Siddiqui
Registered Office	6 Front Street, Hamilton HM11, Bermuda.
Principal Banker	HSBC Bank Middle East Limited
Investment Manager	EFG-Hermes Financial Management (Egypt) Limited
Administrator & Custodian	HSBC Bank Middle East Limited
Auditor	Deloitte & Touche, P.O. Box 421, Manama, Kingdom of Bahrain.

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REVIEW REPORT TO THE UNITHOLDERS

EFG-Hermes Middle East and Developing Africa Fund Limited
Bermuda.

Introduction

We have reviewed the accompanying condensed statement of financial position of EFG-Hermes Middle East and Developing Africa Fund Limited ("the Fund") as at December 31, 2011 and the related condensed statement of comprehensive income, condensed statement of changes in net assets and condensed statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information does not present fairly, in all material respects, the financial position of the Fund as at December 31, 2011, and of its financial performance and its cash flows for the six-month period then ended in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34").

Manama – Kingdom of Bahrain
April 8, 2012

Deloitte & Touche

EFG-HERMES MIDDLE EAST AND DEVELOPING AFRICA FUND LIMITED
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CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT DECEMBER 31, 2011

	Notes	December 31, 2011 USD	June 30, 2011 USD (Audited)
Assets			
Current assets			
Cash at banks		18,806,251	17,106,970
Financial assets at fair value through profit or loss	5	98,316,033	195,220,778
Other assets		5,905,818	24,940
Total assets		123,028,102	212,352,688
Liabilities			
Current liabilities			
Due to related parties	6.2	538,503	889,176
Accrued fees and other payables		3,752,408	6,791,197
Total liabilities		4,290,911	7,680,373
Net assets attributable to holders of redeemable shares		118,737,191	204,672,315
Analysis of net assets			
Capital	7	504,642,220	551,618,414
Net cumulative realised loss		(378,730,340)	(331,407,608)
Change in fair value of financial assets at fair value through profit or loss	5	(7,174,689)	(15,538,491)
Net Assets		118,737,191	204,672,315
Number of redeemable shares	7	6,802,980	9,194,308
Net asset value per share		17.45	22.26

The condensed interim financial information were approved and authorised for issue by the Directors on April 8, 2012 and signed on their behalf by:

Director

Director

The attached notes form part of this condensed interim financial information.

EFG-HERMES MIDDLE EAST AND DEVELOPING AFRICA FUND LIMITED
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CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2011

	Notes	Six-Month Period Ended December 31, 2011 USD	2010 USD
Revenue			
Interest income		85,266	4,340
Dividend income		903,238	918,583
Net realised (loss) / gain on financial assets at fair value through profit or loss		(46,594,492)	7,001,897
Net unrealised gain on financial assets at fair value through profit or loss		8,363,802	40,560,277
Net foreign exchange loss		(144,100)	(559,155)
Other operating (loss) / income		(72,243)	1,317
Total operating (loss) / income		(37,458,529)	47,927,259
Expenses			
Management fees	6	(1,042,207)	(1,966,900)
Performance fees	6	(1,940)	(4,888,250)
Administration fees		(118,710)	(183,065)
Custody fees		(118,710)	(315,938)
Registrar fees		(27,960)	(28,729)
Board of Directors' fees	6	(38,296)	(37,808)
Other expenses		(152,578)	(198,130)
Total operating expenses		(1,500,401)	(7,618,820)
(Loss) / profit for the period		(38,958,930)	40,308,439
(Decrease) / increase in net assets attributable to holders of redeemable shares		(38,958,930)	40,308,439

The attached notes form part of this condensed interim financial information.

EFG-HERMES MIDDLE EAST AND DEVELOPING AFRICA FUND LIMITED
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CONDENSED STATEMENT OF CHANGES IN NET ASSETS (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2011

	Six-Month Period Ended December 31,	
	2011 USD	2010 USD
Net assets attributable to holders of redeemable shares at the beginning of period	204,672,315	267,563,976
Issue of redeemable shares	14,118	4,871,014
Redemption of redeemable shares	(46,990,312)	(40,104,256)
(Decrease) / increase in net assets attributable to holders of shares	(38,958,930)	40,308,439
Net assets attributable to holders of redeemable shares at the end of period	118,737,191	272,639,173

The attached notes form part of this condensed interim financial information.

EFG-HERMES MIDDLE EAST AND DEVELOPING AFRICA FUND LIMITED
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CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2011

	Six-Month Period Ended December 31,	
	2011 USD	2010 USD
Cash flows from operating activities		
(Loss) / profit for the period	(38,958,930)	40,308,439
Adjustments for:		
Net loss / (gain) on financial assets at fair value through profit or loss	38,230,690	(47,562,174)
Interest income	(85,266)	(4,340)
Dividend income	(903,238)	(918,583)
	(1,716,744)	(8,176,658)
Changes in operating assets and liabilities:		
Increase in other assets	(5,880,883)	(419,859)
(Decrease) / increase in due to related parties	(350,673)	3,236,354
Decrease in accrued fees and other payables	(3,038,789)	(3,303)
	(10,987,089)	(5,363,466)
Purchase of financial assets at fair value through profit or loss	(105,401,559)	(209,152,707)
Proceeds from disposal of financial assets at fair value through profit or loss	164,075,619	244,972,460
Interest received	85,266	4,340
Dividend received	903,238	918,583
Net cash from operating activities	48,675,475	31,379,210
Cash flows from financing activities		
Proceeds from issue of redeemable shares	14,118	4,871,014
Payments on redemption of redeemable shares	(46,990,312)	(41,946,800)
Net cash used in financing activities	(46,976,194)	(37,075,786)
Net increase / (decrease) in cash and cash equivalents	1,699,281	(5,696,576)
Cash and cash equivalents at the beginning of the period	17,106,970	33,963,405
Cash and cash equivalents at the end of the period	18,806,251	28,266,829
Comprising:		
Cash at banks	18,806,251	28,266,829

The attached notes form part of this condensed interim financial information.

EFG-HERMES MIDDLE EAST AND DEVELOPING AFRICA FUND LIMITED BERMUDA

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE PERIOD ENDED DECEMBER 31, 2011

1. STATUS AND ACTIVITIES:

The EFG- Hermes Middle East and Developing Africa Fund ("the Fund") was incorporated in Bermuda as an exempted mutual fund company on June 30, 1998 with limited liability and unlimited duration. Its registration number is 25155.

The Fund's objective is to achieve long term capital appreciation through investment in equity and equity related securities in Middle East and Developing Africa; the Fund's shares are listed in Dubai Financial Market.

2. BASIS OF PREPARATION:

The condensed interim financial information has been prepared using accounting policies consistent with International Financial Reporting Standards and in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34").

The condensed interim financial information does not contain all information and disclosures required for full financial statements prepared in accordance with the International Financial Reporting Standards. For more details, please refer to the audited financial statements for the year ended June 30, 2011.

In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included. Operating results for the period are not necessarily indicative of the results that may be expected for the financial year ending June 30, 2012.

3. SIGNIFICANT ACCOUNTING POLICIES:

The condensed interim financial information has been prepared under the historical cost convention except for the valuation of securities designated at fair value through profit or loss.

The same accounting policies, presentation and methods of computation are followed in this condensed interim financial information as were applied in the preparation of the Fund's financial statements for the year ended June 30, 2011, except for the impact of the adoption of the Standards and Interpretations described below:

Standards affecting the disclosures and presentation in the current period

None of the revised Standards that have been adopted in the current period which are effective for annual periods beginning on or after July 1, 2011 have affected the disclosures and presentations in the financial information.

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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2011

4. JUDGEMENTS AND ESTIMATES:

The preparation of the condensed interim financial information requires management to make judgements, 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.

In preparing this condensed interim financial information, the significant judgements made by management in applying the Fund's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the financial statements as at and for the year ended June 30, 2011.

The fair values as at December 29, 2011 were used to value the financial assets at fair value through profit or loss and management believes that there is no significant differences in the fair values as at this date and December 31, 2011.

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS:

This caption is composed of the following:

December 31, 2011

	Cost USD	Fair value USD	Change in fair value USD
Shares:			
United Arab Emirates- AED	15,355,595	13,882,367	(1,473,228)
Egypt- EGP	12,333,602	7,525,177	(4,808,425)
Kuwait- KWD	3,468,092	2,983,479	(484,613)
Oman- OMR	5,436,858	3,559,607	(1,877,251)
Qatar- QAR	10,343,551	10,447,987	104,436
Total shares	46,937,698	38,398,617	(8,539,081)
Warrants:			
United Kingdom - USD	377,108	372,438	(4,670)
Luxembourg - USD	7,928,074	8,030,010	101,936
United States of America – USD	10,892,063	11,022,255	130,192
Netherlands - USD	5,503,866	5,760,157	256,291
Total warrants	24,701,111	25,184,860	483,749
Promissory Notes:			
United States of America – USD	31,902,837	32,897,251	994,414
Bonds:			
Egypt - EGP	1,949,076	1,835,305	(113,771)
Grand Total	105,490,722	98,316,033	(7,174,689)

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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE PERIOD ENDED DECEMBER 31, 2011

5. **FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: (CONTINUED)**

June 30, 2011
(Audited)

	Cost USD	Fair value USD	Change in fair value USD
Shares:			
United Arab Emirates- AED	20,897,773	20,503,630	(394,143)
Egypt- EGP	67,350,002	62,987,846	(4,362,156)
Jordan- JOD	18,867,774	7,060,770	(11,807,004)
Kuwait- KWD	15,619,622	15,770,660	151,038
Oman- OMR	14,474,167	12,863,263	(1,610,904)
Qatar- QAR	11,790,579	12,684,834	894,255
Total shares	148,999,917	131,871,003	(17,128,914)

	Cost USD	Fair value USD	Change in fair value USD
Warrants:			
United Kingdom - USD	9,823,608	10,697,753	874,145
Luxembourg - USD	2,909,157	2,645,485	(263,672)
United States of America - USD	35,250,735	35,252,280	1,545
Total warrants	47,983,500	48,595,518	612,018
Promissory Notes:			
United States of America - USD	13,775,852	14,754,257	978,405
Grand Total	210,759,269	195,220,778	(15,538,491)

(a) Investments in securities are classified as financial assets at fair value through profit or loss. These securities provide the fund with the opportunity to enhance the return on the investments through trading gains. The fair value of these securities are based on quoted market prices of the relevant exchanges. Certain markets and securities may be illiquid and published market prices may not necessarily represent realisable value. The Investment Manager manages market illiquidity by making sure that all new purchases of the Fund have an average daily traded value exceeding US$ 500,000 for the preceding six month period.

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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2011

6. RELATED PARTY TRANSACTIONS:

Transactions with companies in which the Investment Manager and its parent company, EFG Group have control, joint control and significant influence and transactions with key management personnel of the Fund are classified as transactions with related parties. These transactions are approved by the Directors.

6.1 The transactions with the related parties during the period are as follows:

Related Party	Nature of Transaction	Amount incurred Six-month period ended December 31, 2011 USD	2010 USD
EFG Hermes Financial Management (Egypt) Limited	Management fees	1,042,207	1,966,900
EFG Hermes Financial Management (Egypt) Limited	Performance fees	1,940	4,888,250
Directors	Directors' fees and other expenses	38,296	37,808

6.2 Balances with related parties:

Amount due from:	December 31, 2011 USD	June 30, 2011 USD (Audited)
Directors (included under other assets)	-	13,634

Amount due to:	December 31, 2011 USD	June 30, 2011 USD (Audited)
EFG-Hermes Financial Management (Egypt) Limited		
Management fee payable	468,997	787,053
Directors:		
Non-executive Directors' fees	44,520	82,123
Chairman fees	24,986	20,000
	538,503	889,176

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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2011

7. CAPITAL:

The capital of the Fund consists of redeemable shares with a par value of USD 0.01 per share, which do not carry voting rights. They are entitled to dividends and to a proportionate share of the Fund's net assets attributable to holders of redeemable shares.

All issued redeemable shares are fully paid. The Fund's capital is represented by these redeemable shares. Quantitative information about the Fund's capital is provided in the statement of changes in net assets attributable to holders of redeemable shares.

Each shares issued confers upon the shareholder an equal interest in the Fund, and is of equal value. A share does not confer any interests in any particular asset or investment of the Fund.

A Class Ordinary Shares which may be issued by the Fund shall be subject, at the discretion of the Investment Manager, to a Front End Charge.

In relation to C Class Ordinary Shares which may be issued, the Investment Manager is also entitled to receive from the Fund a distribution fee accruing monthly at an annual rate of 1 percent of the Net Asset Value attributable to C Class Ordinary Shares on each Valuation Day and payable quarterly in arrears.

Change in the number of redeemable shares outstanding can be reconciled as follows:

	No. of shares	
	December 31, 2011	June 30, 2011 (Audited)
Class A		
Opening balance	9,194,308	11,929,559
Subscriptions of redeemable shares	730	634,735
Redemptions of redeemable shares	(2,392,058)	(3,369,986)
Ending balance	6,802,980	9,194,308

	No. of shares	
	December 31, 2011	June 30, 2011 (Audited)
Class C		
Opening balance	-	6,209
Subscriptions of redeemable shares	-	-
Redemptions of redeemable shares	-	(6,209)
Ending balance	-	-
Grand Total	6,802,980	9,194,308

8. FAIR VALUE OF FINANCIAL INSTRUMENTS:

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's length transaction. Consequently, differences may arise between the carrying values and the fair value estimates.

The Directors believe that the fair values of financial instruments carried at amortised cost are not significantly different from the carrying values included in the financial statements.

8.1 Fair value measurements recognised in the statement of financial position

Financial instruments are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All financial assets at FVTPL are grouped within Level 1. Further, there were no transfers between Level 1, Level 2 and Level 3 during the period. There are no financial assets catergorised as "available-for-sale" as at the reporting date.

There are no financial liabilities at FVTPL at the reporting date.