

Citadel Capital Company
(Egyptian Joint Stock Company)

Consolidated financial statements
for the year ended December 31, 2014
&
Auditor's report

kpmg **Hazem Hassan**
Public Accountants & Consultants

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Auditor's report
To the Board of Directors of Citadel Capital Company

We have audited the accompanying consolidated financial statements of Citadel Capital Company (Egyptian Joint Stock Company) and its subsidiaries, which comprise the consolidated balance sheet as at December 31, 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 financial statements

These consolidated financial statements are the responsibility of Company's management. Management is responsible for the preparation and fair presentation of these 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 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 financial statements are free from material misstatement.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Citadel Capital Company and its subsidiaries as at December 31, 2014 and of 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 financial statements.

KPMG Hazem Hassan

Cairo, 29 April , 2015

Citadel Capital Company
(Egyptian Joint Stock Company)
Consolidated balance sheet
as at December 31, 2014

	Note	31/12/2014 EGP	31/12/2013 EGP restated(*)
Assets			
Fixed assets (net)	(6)	5 836 564 267	6 519 350 576
Projects under construction (net)	(7)	11 841 308 885	9 922 300 819
Intangible assets (net)	(8)	1 892 728 739	1 822 712 538
Goodwill (net)	(9)	1 268 641 444	1 340 511 195
Biological assets (net)	(10)	189 042 811	181 875 553
Trade and other receivables (net)	(18)	382 740 694	407 684 953
Investment property (net)	(11)	373 068 956	384 313 065
Investments in associates	(12)	1 953 010 353	1 452 762 713
Available-for- sale investments (net)	(13)	51 904 260	51 147 347
Payments for investments (net)	(14)	101 213 486	209 732 380
Loans to related parties	(15)	134 176 156	330 752 704
Other investments and derivatives	(16)	183 337 194	745 204 908
Tax assets	(28)	332 158 336	240 151 724
Total non-current assets		24 539 895 581	23 608 500 475
Inventories (net)	(17)	977 977 183	1 020 337 848
Biological assets	(10)	21 379 458	22 527 906
Work in process		47 816 848	35 827 837
Investments at fair value through profit or loss	(19)	80 849 353	215 839 024
Due from related parties (net)	(20)	985 302 650	399 206 061
Trade and other receivables (net)	(18)	949 139 548	898 683 479
Debtors and other debit balances (net)	(21)	1 242 990 236	1 006 015 070
Cash and cash equivalents	(22)	2 182 089 378	2 113 505 433
Assets classified as held for sale	(23.1)	1 421 154 974	943 171 123
Total current assets		7 908 699 628	6 655 113 781
Total assets		32 448 595 209	30 263 614 256
Equity			
Share capital	(24)	8 000 000 000	4 358 125 000
Reserves		202 382 594	374 191 790
Retained loss		(4 695 705 965)	(3 290 126 407)
Net loss for the year		(879 593 450)	(374 655 290)
Total equity		2 627 083 179	1 067 535 093
Shareholders' credit balances	(25)	836 842 865	2 323 160 875
Total equity attributable to equity holders of the Company		3 463 926 044	3 390 695 968
Non - controlling interests		8 419 273 206	8 865 414 549
Total equity		11 883 199 250	12 256 110 517
Liabilities			
Long term loans	(26)	10 734 285 444	6 783 015 637
Long term liabilities	(27)	144 094 252	147 584 443
Loans from related parties	(26)	792 754 848	524 651 877
Deferred tax liabilities	(28)	744 276 298	822 344 825
Total non-current liabilities		12 415 410 842	8 277 596 782
Banks overdraft	(29)	688 968 212	834 349 310
Short term loans	(26)	2 158 940 557	2 297 627 407
Due to related parties	(30)	478 521 732	334 396 001
Trade and other payables	(31)	1 830 582 902	3 263 683 743
Creditors and other credit balances	(32)	1 059 785 483	1 495 894 324
Provisions	(33)	489 587 562	477 164 016
Financial guarantees contracts	(34)	23 401 707	-
Liabilities classified as held for sale	(23.2)	937 891 893	623 190 143
Tax authority		482 305 069	403 602 013
Total current liabilities		8 149 985 117	9 729 906 957
Total liabilities		20 565 395 959	18 007 503 739
Total equity and liabilities		32 448 595 209	30 263 614 256

*Note (54).

The accompanying notes on pages 5 to 109 are integral part of these consolidated financial statements and are to be read therewith.

Auditor's report "attached"

Chairman
Ahmed Heikal

Managing Director
Hisham Hussein El Khazindar

Chief Financial Officer
Moataz Farouk

Citadel Capital Company
(Egyptian Joint Stock Company)
Consolidated income statement
for the year ended December 31, 2014

	Note	For the year ended	
		12/31/2014	12/31/2013
Continuing operation		EGP	EGP
			restated(*)
Operating income	(37)	6 452 708 727	11 723 175
Operating costs	(38)	(5 327 635 484)	(9 658 300)
Gross profit		1 125 073 243	2 064 875
Advisory fee	(35.1)	9 913 660	102 451 433
Share of profit (loss) of equity accounted investees	(36)	211 086 112	(70 082 947)
Total operating profit		1 346 073 015	34 433 361
Administrative and general expenses	(39)	(1 165 984 771)	(226 798 212)
Other expenses	(40)	(97 099 079)	(136 686 298)
Net operating profit (loss)		82 989 165	(329 051 149)
Finance costs - net	(41)	(1 088 784 541)	(53 883 336)
Net loss before tax		(1 005 795 376)	(382 934 485)
Income tax	(42)	(117 580 780)	70 380
Net loss from continuing operation		(1 123 376 156)	(382 864 105)
Discontinued operations			
Net loss from discontinued operation (after tax)	(23.3)	(246 595 813)	(2 005 924)
Net loss for the year		(1 369 971 969)	(384 870 029)
Attributable to:			
Equity holders of the Company		(879 593 450)	(374 655 290)
Non - controlling interests		(490 378 519)	(10 214 739)
		(1 369 971 969)	(384 870 029)
Earnings per share	(43)	(0.84)	(0.57)

*Note (54).

The accompanying notes on pages 5 to 109 are integral part of these consolidated financial statements and are to be read therewith.

Citadel Capital Company
(Egyptian Joint Stock Company)
Consolidated statement of changes in equity
for the year ended December 31, 2014

Note	Share capital	Reserves						Retained	Net loss for	Shareholders'	Total	Non - controlling	Total equity
	Legal reserve	Fair value reserve -AFS	F.C. translation reserve	Company's share of changes in associates' equity	Share based payment reserve	Change in the fair value of hedge reserve-swap contract	loss	the year	credit balances		interests		
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance as at December 31, 2012	4 358 125 000	89 578 478	(638 202)	194 224 837	(75 700 218)	-	-	(2 022 909 901)	(691 740 235)	-	1 850 939 759	438 252 202	2 289 191 961
Carrying 2012 loss forward	-	-	-	-	-	-	-	(691 740 235)	691 740 235	-	-	-	-
Shareholders' credit balances	(25)	-	-	-	-	-	-	-	-	2 323 160 875	2 323 160 875	-	2 323 160 875
Exchange differences relating to foreign operations	(3.3)	-	-	165 987 826	-	-	-	-	-	-	165 987 826	(289 916 196)	(123 928 370)
Changes in the fair value of available -for- sale investments	(3.8.1)	-	-	694 479	-	-	-	-	-	-	694 479	-	694 479
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	-	8 560 942 261	8 560 942 261
Company's share in changes of associates equity	(3.1.4)	-	-	-	44 590	-	-	58 506 212	-	-	58 550 802	-	58 550 802
Net loss for the year ended December 31, 2013		-	-	-	-	-	-	-	(374 655 290)	-	(374 655 290)	(10 214 739)	(384 870 029)
Balance as at December 31, 2013 (previously issued) (*)	4 358 125 000	89 578 478	56 277	360 212 663	(75 655 628)	-	-	(2 656 143 924)	(374 655 290)	2 323 160 875	4 024 678 451	8 699 063 528	12 723 741 979
Impact of fair value adjustments on assets acquired and liabilities assumed	(54)	-	-	-	-	-	-	(633 982 483)	-	-	(633 982 483)	166 351 021	(467 631 462)
Balance as at December 31, 2013 (restated) (*)	4 358 125 000	89 578 478	56 277	360 212 663	(75 655 628)	-	-	(3 290 126 407)	(374 655 290)	2 323 160 875	3 390 695 968	8 865 414 549	12 256 110 517
Carrying 2013 loss forward	-	-	-	-	-	-	-	(395 940 412)	374 655 290	-	(21 285 122)	-	(21 285 122)
Shareholders' credit balances	(24,25)	-	-	-	-	-	-	-	-	2 154 214 550	2 154 214 550	-	2 154 214 550
Share capital issuance	(24,25)	3 641 875 000	-	-	-	-	-	-	-	(3 640 532 560)	1 342 440	-	1 342 440
Exchange differences relating to foreign operations	(3.3)	-	-	86 346 665	-	-	-	-	-	-	86 346 665	68 038 708	154 385 373
Changes in the fair value of available -for- sale investments	(3.8.1)	-	-	(637 297)	-	-	-	-	-	-	(637 297)	-	(637 297)
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	-	(23 801 532)	(23 801 532)
Acquisition of non - controlling interests without change in control	(3.1.3)	-	-	-	-	-	-	(982 755 332)	-	-	(982 755 332)	-	(982 755 332)
Share -based- payments	(3.31)	-	-	-	-	(220 212 254)	-	-	-	-	(220 212 254)	-	(220 212 254)
Change in the fair value of hedge reserve-swap contract		-	-	-	-	-	(37 306 310)	-	-	-	(37 306 310)	-	(37 306 310)
Company's share in changes of associates equity	(3-1-4)	-	-	-	-	-	-	(26 883 814)	-	-	(26 883 814)	-	(26 883 814)
Net loss for the year ended December 31, 2014		-	-	-	-	-	-	-	(879 593 450)	-	(879 593 450)	(490 378 519)	(1 369 971 969)
Balance as at December 31, 2014	8 000 000 000	89 578 478	(581 020)	446 559 328	(75 655 628)	(220 212 254)	(37 306 310)	(4 695 705 965)	(879 593 450)	836 842 865	3 463 926 044	8 419 273 206	11 883 199 250

* These adjustments resulted from acquisition of subsidiaries and determination of the fair value of the assets acquired and liabilities assumed as illustrated in note (54).

The accompanying notes on pages 5 to 109 are integral part of these consolidated financial statements and are to be read therewith.

Citadel Capital Company
(Egyptian Joint Stock Company)
Consolidated statement of cash flows
for the year ended December 31, 2014

	For the year ended	
	31/12/2014	31/12/2013
	EGP	EGP
		restated(*)
Cash flows from operating activities		
Net loss before tax	(1 005 795 376)	(382 934 485)
Adjustments to reconcile net loss to net cash used in operating activities:		
Net loss from the discontinued operations (after tax)	(246 595 813)	(2 005 924)
Gain from selling discontinued operations	(32 260 051)	-
Depreciation and amortization	378 542 696	18 205 328
Company's share of loss / profit of equity accounted investees	(203 928 011)	94 919 283
Net change in the fair value of investments at fair value through profit or loss	581 529	(741 836)
Gain on sale of investments at fair value through profit or loss	-	(584 927)
Foreign currencies translation differences	196 408 362	259 952 206
Losses (Gains) from foreign currencies exchange differences	182 305 265	(9 563 878)
Interest income	(17 729 114)	-
Loss on sale of fixed and biological assets	2 318 674	315 793
Gain from financial guarantee contracts	(1 845 159)	-
Interest expenses	826 120 017	21 377 240
Provisions formed	85 892 774	1 737 030
Impairment on assets	31 786 581	153 003 703
Inventory write down	-	2 743 580
Provisions no longer needed	(11 352 410)	(17 445 245)
Provision used	(10 834 931)	(2 837 229)
Income tax paid	247 390	-
Operating profit before changes in working capital	173 862 423	136 140 639
Change in working capital:		
Assets		
Inventories	29 033 099	1 851 220
Biological assets	108 516	628 989
Work in process	(12 036 811)	-
Investments at fair value through profit or loss	(2 445 632)	2 805 726
Due from related parties	(1 526 929 102)	3 486 404
Trade and other receivables	(32 580 934)	-
Debtors and other debit balances	(142 157 004)	24 224 040
Liabilities		
Due to related parties	960 047 789	(185 772 580)
Trade and other payables	(2 234 189 021)	(78 032 306)
Creditors, other credit balances and long term liabilities	381 223 320	(71 204 776)
Net cash used in operating activities	(2 406 063 357)	(165 872 644)
Cash flows from investing activities		
Payments for purchase of fixed assets and projects under construction	(2 827 646 722)	(32 546 535)
Proceeds from sale of fixed assets	40 802 096	572 527
Payments for purchase of biological assets	(56 391 977)	-
Proceeds from sale of biological assets	11 558 461	-
Payments for purchase of intangible assets	(275 433 088)	-
Proceeds from sale of assets classified as held for sale	1 243 955 963	-
Payments for purchase of investment property	(69 475)	-
Payments for loans to related parties	(25 493 200)	-
Proceeds from loans to related parties	371 070 965	-
Payments for investments	(37 454 151)	(3 300 000)
Payments for other investments	(79 511 535)	(114 187 324)
Proceeds from other investment	154 576 587	-
Interest received	36 743 698	-
Dividends received	51 707 611	-
Net cash used in investing activities	(1 391 584 767)	(149 461 332)
Cash flows from financing activities		
Proceeds from capital increase	1 342 440	-
Payments of shareholders' credit balances	(2 139 135)	-
Proceeds from loans	4 561 043 910	232 121 730
Payments for loans	(1 047 643 792)	(8 864 050)
Proceeds from banks overdraft	35 856 103	7 044 079
Proceeds from non-controlling interests	799 384 734	49 471 664
Interest paid	(284 346 074)	-
Dividends paid	(21 285 122)	-
Net cash provided from financing activities	4 042 213 064	279 773 423
Net changes in cash and cash equivalents during the year	244 564 940	(35 560 553)
Disposal of subsidiaries	(57 868 617)	-
Acquisition of subsidiaries	19 112 256	1 884 289 145
Cash and cash equivalents at the beginning of the year - note (22)	1 976 280 799	264 776 841
Cash and cash equivalents at the end of the year - note (22)	2 182 089 378	2 113 505 433

*Note (54).

The accompanying notes on pages 5 to 109 are integral part of these consolidated financial statements and are to be read therewith.

1. Company background

1.1 Legal status and activity

Citadel Capital Company - an Egyptian Joint Stock Company - was founded in accordance with the applicable Egyptian laws and in pursuance to law no. (159) of 1981 and its executive regulations. The Company has been registered in the commercial register at Giza under number 11121 on April 13, 2004.

1.2 Purposes of the company

- The Company's basic activity extends to the region of the Middle East and north East Africa, especially Egypt, Algeria, Libya, Syria and Sudan. The purpose of the Company is represented as follows:
 - Providing consultancy in financial and financing fields for different companies and preparing and presenting the feasibility studies in the economical, technological, engineering, marketing, financing, management, borrowing contracts arrangements fields and financing studies in addition to preparing and presenting studies and consultancy regarding projects' promotion and offering the necessary technical support in different fields except legal consultancy.
 - Working as an agent in contracting and negotiation in different fields and steps especially negotiation in the management contracts, participation and technical support.
 - Managing, executing and restructuring of projects.
- On October 20, 2013 the extra ordinary general assembly has agreed on amending the statute of the Company in accordance with the Capital Market Law and its executive regulations on the basis that the Company is involved in establishing other companies and participating in the capital increases of other companies pursuant to the provision of article no. (27) of the Capital Market Law and article no.(122) of its executive regulations, provided that required legal procedures for amending the statute of the company will take place after completing the required legal procedures for the aforementioned capital increase.
- The company will be known as "Qalaa Holdings" in the English language. Qalaa has been the firm's Arabic name since it was founded in 2004. Subsequently to the successful completion of the capital increase to EGP 8 billion, the company has transformed its business

model from being a private equity company to an investment company with a focus on business segments of energy, cement, agrifoods, transportation & logistics, and mining. The required procedures to amend the Company's commercial register are taking place.

1.3 Registered headquarters

The address of the Company's registered office is 3 El Yemen St., Dokki - Giza.

1.4 Frame work

The consolidated financial statements of the Company for the year ended December 31, 2014 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in associates.

2. Basis of preparation

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with the Egyptian Accounting Standards and applicable laws and regulations.

The financial statements were approved by the Board of Directors on 29, April , 2015.

2.2 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except assets and liabilities which are measured at fair value as follows:

- Financial instruments at fair value through the profit or loss.
- Available-for-sale financial assets.
- Derivative financial instruments.

The methods used to measure the fair value are discussed in note (4).

2.3 Functional and presentation currency

These consolidated financial statements are presented in Egyptian Pound, which is the Company's functional currency.

2.4 Use of estimate and judgements

The preparation of 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, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are readily apparent from other sources. Actual results may differ from these estimates.

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

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note (12) measurements of the recoverable amounts of investments in associates.
- Note (28) deferred tax.
- Note (33) provisions.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities. Certain comparative amounts are reclassified to conform with the current presentation of financial statements.

3.1 Basis of consolidation

3.1.1 Subsidiaries

- The consolidated financial statements include all subsidiaries that are controlled by the parent company and which the management intends to continue to control. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are

included in the consolidated financial statements from the date that control commences until the date that control ceases.

- Intragroup balances and transactions, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. EAS 24 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
- Non - controlling interests shall be presented in the consolidated balance sheet within equity, separately from the parent shareholder's equity. Non - controlling interests in the profit or loss of the group shall also be separately disclosed.
- A parent loses control when it loses the power to govern the financial and operating policies of an investee so as to obtain benefit from its activities.

3.1.2 Loss exceeding non-controlling

Losses that exceed the non - controlling in the equity of a subsidiary may create a debit balance on non - controlling only if the minority has a binding obligation to fund the losses and is able to contribute an additional investment to cover the losses .If this is not the case then the losses are attributable to the parent's interest. If the subsidiary subsequently reports profits, then these profits are allocated to parent until the share of losses absorbed previously by the parent has been recovered.

3.1.3 Acquisitions from non- controlling interests and entities under common control

Business combinations arising from transfers of interests from non-controlling interests or in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established; for this purpose comparatives are restated when practical. The assets and liabilities acquired are recognized at the carrying

amounts recognized previously in the Group's controlling shareholder's consolidated financial statements. The components of equity of the acquired entity are added to the same components within the Group equity except share capital. Cash paid in excess or less than the nominal value of the acquired shares from minority is recorded as notional capital distribution in lower value than nominal share from acquisition of minority interest within the shareholders' equity of the group financial statements.

3.1.4 Associates

Investments in associates are stated at equity method. Under the equity method the investment in associates is initially recognized at cost and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the associates after the date of acquisition. Distributions received from associates reduce the carrying amount of the investment.

Losses of an associate in excess of the Company's interest in that associate (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate) are not recognized, unless the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of the acquisition over the Company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognized at the date of acquisition is recognized as goodwill, the goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment.

Unrealized gains or losses from transactions with associates are eliminated against the investment to the extent of the group's interest in the associate.

3.2 Foreign currency transactions

The Company maintains its accounts in Egyptian pounds. Transactions denominated in foreign currencies are translated at foreign exchange rates ruling at the date of transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated at the foreign exchange rates ruling at that date. The foreign currency exchange differences arising on the translation at the reporting date are recognized in the income statement.

3.3 Foreign operations

As at the reporting date the assets and liabilities of these consolidated subsidiaries are translated to Egyptian Pound at the rates ruling as at the reporting date, and the shareholders' equity accounts are translated at historical rates, where as the income statement items are translated at the average exchange rates ruling during the year of the consolidated financial statements. Currency translation differences are recorded in the shareholders' equity section of the financial position as foreign currency translation reserve.

3.4 Recognition and disposals of the financial assets and liabilities

3.4.1 Recognition

The Group initially recognises deposits, receivables and debt instruments by fair value on the date that they are originated. All other financial assets and liabilities (including assets and liabilities designated as at fair value through profit or loss) are recognised when the Group becomes a party to the contractual provisions of the instrument.

3.4.2 Disposals

The Group derecognises 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 in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

When an entity retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), the entity treats the transaction as a transfer of a financial asset if, and only if, all of the following three conditions are met:

- (a) The entity has no obligation to pay amounts to the eventual recipients unless it collects equivalent amounts

from the original asset. Short-term advances by the entity with the right of full recovery of the amount lent plus accrued interest at market rates do not violate this condition.

- (b) The entity is prohibited by the terms of the transfer contract from selling or pledging the original asset other than as security to the eventual recipients for the obligation to pay them cash flows.
- (c) The entity has an obligation to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the entity is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents during the settlement period from the collection date to the date of required remittance to the eventual recipients, and interest earned on such investments is passed to the eventual recipients.

3.5 Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks. Derivatives are recognized initially at fair value; attributable transaction costs are recognized in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below:

- Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized directly in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognized in profit or loss.
- If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in equity remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognized in equity is transferred to the carrying amount of the asset when it is recognized. In other cases the amount recognized in equity is transferred to profit or loss in the same period that the hedged item affects profit or loss.

- Changes in the fair value of a derivative hedging instrument designated as a fair value hedge are recognized in profit or loss. The hedged item also is stated at fair value in respect of the risk being hedged, with any gain or loss being recognized in profit or loss with an adjustment to the carrying amount of the hedged item.

3.6 Lending

Loans are stated at cost less any impairment losses in its value and the Company revaluates the loans at each balance sheet date, in case of impairment in the redeemable value of the loan less than its book value the loan is impaired by the value of impairment loss and recognized in income statement.

3.7 Cash and cash equivalents

For the purpose of preparing cash flow statement, cash and cash equivalents are represented in balances with original maturities of three months or less- (note 22).

3.8 Investments

3.8.1 Available-for-sale financial investments

Available-for-sale investments are valued at fair value, with any resultant gain or loss being recognized in equity, except for impairment losses which is recognized in the income statement. When these investments are derecognized, the cumulative gain or loss previously recognized directly in equity is recognized in the income statement. The fair value of investments available-for-sale identifies, based on quoted price of the exchange market at the balance sheet date, investments that are not quoted, and whose fair value cannot be measured reliably are valued by an accepted valuation techniques including the use of new objective techniques or discounted cash flow analysis or option pricing models or other valuation techniques – if the company cannot estimate the fair value, it can be stated at cost less impairment loss.

3.8.2 Financial assets at fair value through profit or loss

An instrument is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition, upon initial recognition attributable transaction costs are recognised in profit or loss when incurred, financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

3.8.3 Other

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

3.9 Share capital

Ordinary shares are classified as equity, incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

3.10 Fixed assets depreciation

Fixed assets are stated at historical cost and presented in the balance sheet net of accumulated depreciation and impairment (note 3.18), and are depreciated using the straight line method and recognized in income statement over the estimated productive life for each type of asset. The following are the estimated productive lives, for each class of assets, for depreciation calculation purposes:

Assets depreciation	Estimated useful life
- Buildings & Constructions	5 -50 years –contract period
- Lease hold improvements	3 -10 years
- Machinery, Equipments & tools	4 -14 years
- Furniture & Fixtures	4 -16 years
- Computers	2 -4 years
- Transportation means	4 -5 years
- Barges	5 -20 years

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately, including major inspection and overhaul expenditure, is capitalized. Other subsequent expenditure is capitalized only when it increases the future economic

benefits embodied in the property and equipment, all other expenditure is recognized in the income statement as an expense as incurred.

3.11 Gains and losses from disposal of fixed assets

Gains and losses from disposal of fixed assets are determined by comparing net disposal proceeds of assets to its net book value, resulted gain and losses are recorded in the income statement.

3.12 Projects under construction

Projects 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, projects under construction are presented in the consolidated balance sheet at cost less accumulated impairment losses.

3.13 Work in process

Work in process represents the cost of work not invoiced to the customer for contract work performed to date.

Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

3.14 Investment property

3.14.1 Recognition and initial measurement

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured using the cost model on initial recognition and subsequently assessed for impairment with any change therein recognized in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property, the cost of self-constructed investment property includes the cost of materials

and direct labor, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalized borrowing costs.

When the use of investment property changes such that it is reclassified to property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting, thus if the company applies fair value method. In case that the company applies cost model, the investment property is reclassified to property, plant and equipment by its carrying value without changing the cost of property.

3.14.2 Cost incurred after initial recognition

Replacement cost of one of the asset component is recognized in the investment property cost after excluding the cost of the replaced assets.

The replacements give rise to future economic benefits that can be reliably measured. Other expenditure that not qualify for recognition should be charged to profit or loss as incurred.

3.15 Assets held for sale

Assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use is 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 re-measurement are recognized in profit or loss gains are not recognized in excess of any cumulative impairment loss, once classified as held for sale, intangible assets and

property, plant and equipment are no longer amortized or depreciated, and any equity accounted investee is no longer equity accounted.

3.16 Discontinued operations

Discontinued operations represents a separate major line of business or geographical area of operations, part of a single co-ordinated plan to dispose of a separate major lines of business or geographical area of operations or is a subsidiary acquired exclusively with a view to re-sale. Classifications as a discontinued operations occurs at the earlier of disposal or when the operations meets the criteria to be classified as held-for-sale, When an operation is classified as a discontinued operation, the comparative statements of profit or loss and cash flows are represented as if the operation had been discontinued from the start of the comparative year.

3.17 Intangible assets

3.17.1 Goodwill

Goodwill (negative goodwill) arises on the acquisition of subsidiaries, associates and joint ventures. Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired entity. When the excess is negative (negative goodwill), it is recognised immediately in profit or loss.

Goodwill is measured at cost less accumulated impairment losses. In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment.

3.17.2 Other intangible assets

Other intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

3.17.3 Subsequent expenditures

Subsequent expenditure is capitalised 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, is recognised in profit or loss as incurred.

3.17.4 Amortization

Amortisation is recognised 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. The estimated useful lives for intangible assets range between 3:20 years.

3.18 Impairment

3.18.1 Financial assets

- A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired, 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 amortised 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 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 recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss.
- An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss, for available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

3.18.2 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.
- If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.
- 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. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.
- An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. 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 amortisation, if no impairment loss had been recognised.

3.19 Trade and other receivables

Non-interest bearing short-term trade and other receivables are stated at cost less impairment losses. An impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss relating to trade receivables is recognised in the income statement. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the income statement.

3.20 Biological assets

Biological assets and agricultural products are measured at fair value less estimated costs to sell, with any change therein recognised in profit or loss. The following is the measurement of the biological assets:

Corn, cotton and sunflowers	fair value less cost to sell
Fruitful fruit gardens and orchards	3- 50 years
Pregnant heifer, dry and dairy cows	56 months

3.21 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.

3.22 Trade and other payables

Short-term trade and other payables are stated at cost.

3.23 Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of a past event and it is probable that a flow of economic benefits will be required to settle the obligation. If the effect is material, 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 where appropriate, the risks specific to the liability. Provisions are reviewed at the reporting date and amended (when necessary) to represent the best current estimate.

3.24 Contracts financial guarantees

Financial guarantee contracts are those contracts issued by the company to ensure given loans to customers from third parties, which require the company to do certain repayments to compensate the beneficiary for the loss incurred due to the failure of a debtor when repayable in accordance with the terms of a debt instrument, and provide those financial guarantees to banks and financial institutions and others on behalf of the company's customers.

The initial recognition of financial guarantees in the financial statements at fair value at the date of grant of security which is equal to the warranty fees. Later, it is measured by the company's commitment under the guarantee on the basis of the amount of the initial measurement less depreciation calculated for the recognition of guarantee fees in the income statement on a straight-line basis over the life of the warranty or the best estimate of payments required to settle any financial obligation arising from financial guarantee at the balance sheet date, whichever is higher. And those estimates are determined according to the experience in similar transactions and historical losses enhanced by virtue of the administration. Any increase in liabilities resulting from the financial guarantee is included at the income statement under general and administrative expenses.

3.25 Interest bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, Interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest rate basis.

3.26 Legal reserve

The company's Statutes provides for deduction of a sum equal to 5% of the annual net profit for formation of the legal reserve. Such deduction will be ceased when the total reserve reaches an amount equal to half of the company's issued capital and when the reserve falls below this limit, it shall be necessary to resume the deduction.

3.27 Dividends

Dividends are recognised as a liability in the year in which they are declared.

3.28 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 or substantially 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 based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially 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.

3.29 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

3.30 Employees benefits**3.30.1 Pensions**

The Group contributes to the government social insurance system for the benefit of its personnel in accordance with the social insurance law. Under this law employees and employers contribute to the system a fixed percentage of the employees' salaries basis. The Group's liability is confined to such contributions amount. Contributions are charged to the income statement using the accrual basis of accounting.

3.30.2 Other short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.31 Share – based payments

For Equity-settled share-based payment transactions, the entity shall measure the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the entity cannot estimate reliably the fair value of the goods or services received, the entity shall measure their

value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

The entity shall settle the grant of equity instruments during the vesting period with the amount that would otherwise have been recognized for services received. The entity accounted for any settlements as a deduction from equity based on the final share price when the options are exercised.

3.32 Revenue

Revenues comprise the fair value of the consideration received or receivable for services in the ordinary course of the Company's activities. Revenue is shown net of sales tax, rebates, and discounts.

The Company recognizes revenues when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction, and the specifics of each arrangement.

3.32.1 Gain (loss) on sale of investments

Gain (loss) resulted from sale of investments are recognized on transaction date and measured by the difference between cost and selling price less selling commission and expenses.

3.32.2 Services

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

3.32.3 Commissions

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

3.32.4 Dividend income

Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, dividend income is reported in other income caption in the income statement.

3.32.5 Interest income

Interest income is recognized on time proportion basis to take into account effective yield on the asset.

3.32.6 Management fee

Management fee is recognized upon rendering the service.

3.32.7 Advisory fee

Advisory fee is calculated based on agreed percentage in accordance with contract term with companies upon rendering the service.

3.32.8 Sale of goods

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, and the amount of revenue can be measured reliably.

3.32.9 Construction contracts

Contract revenue 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 result in revenue and can be measured reliably.

As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognized in profit or loss in proportion to the stage of completion of the contract. The stage of completion is assessed by survey 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 profit or loss.

3.32.10 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.

3.32.11 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.

3.32.12 Fuelling revenues

Revenues is recognized when supplying ships with fuel.

3.32.13 Natural gas revenues

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

3.32.14 Financial guarantees contracts revenues

- The main revenue for the company is represented in the commissions, which is the difference between the return on the funding given to the micro-projects and the company's bank dues by deducting the revenue from the services directly from the amounts to be collected from the owners of the projects.
- Recognition of the benefits and commissions resulting from performing the service according to the accrual basis as soon as the performance of the service to the client only if those revenues more than cover the financial year are recognized on a time proportion basis.

- Administrative commission of 3% of the value of the loan granted to customers are collected and that when hiring and are consumed on the duration of the loan.
- Interest of deposits are recognized according to the accrual basis of the temporal distribution throughout the year until the maturity date.
- Commission to delay for the payment of premiums is collected at rates to be agreed upon within the contracts and are recognized as soon as customers delayed payment on the basis of extended delay.

3.33 Borrowing costs

Borrowing costs are recognized as expenses in the profit or loss when incurred, with the exception of borrowing cost directly attributable to the construction and acquisition of new assets which is capitalized as part of the relevant assets cost and depreciated over assets' estimated useful lives. This capitalization ceases once the assets become in operational condition and ready for use.

3.34 Financial lease

Financial lease are classified as operating leases. Payment made under operating leases are recognized (after any deductions) in the profit or loss on a straight-line basis over the term of the lease. Maintenance cost included in the lease cost under the financing lease is recognized in the profit or loss as an expense for the year of occurrence.

3.35 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 company's liability is confined to the amount of its contribution. Contributions are charged to income statement using the accrual basis of accounting.

3.36 Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment) or in providing products

or services within a particular economic environment (geographical segment), which is subjected to risks and rewards that are different from those of other segments. The Group's primary format for segment reporting is based on business segment.

4. Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

4.1 Intangible assets

Intangible assets are stated at historical cost and amortised over a period from 3 to 20 years.

Other intangible assets that have finite useful lives are measured at cost less accumulated impairment loss.

4.2 Investment in equity and debt securities

The fair value of financial assets at fair value through profit or loss, held-to-maturity investments and available-for-sale financial assets is determined by reference to their quoted bid price at the reporting date. The fair value of held-to-maturity investments is determined for disclosure purposes only.

4.3 Trade and other receivables

The fair value of trade and other receivables, excluding construction work in progress, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

4.4 Non-derivatives financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

4.5 Inventories

The fair value of inventories acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2014

5. Acquisition of subsidiaries

The Company has acquired the following companies during December, 2013:

1. National Development and Trading Group.
2. Orient Investment Properties Ltd. Group.
3. Citadel Capital Transportation Opportunities Ltd. Group -BVI.
4. Ledmore Holdings Ltd.
5. Falcon for Agriculture Investments Ltd. Group -BVI.
6. Mena Home Furnishings Malls Ltd. Group - BVI.
7. KU Railways Holdings Limited Group.
8. Silverstone Capital Investment Ltd. Group.
9. United Foundries Group.

December 31, 2013	National Development and Trading Co.	Orient Investment Properties	Citadel Capital Transportation Opportunities	Ledmore Holdings Ltd.	Falcon for Agriculture Investments Ltd.	Mena Home Furnishings Malls Ltd.	KU Railways Holdings Ltd.	Silverstone Capital Investments Ltd.	United Foundries Group	Total
Book value	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cash and cash equivalents	188 721 260	1 081 126 990	2 784 723	5 100 331	45 067 742	2 442 741	41 637 168	513 942 325	3 465 865	1 884 289 145
Investments at fair value through profit or loss	53 289	--	--	461 642	3 727	--	--	212 961 014	--	213 479 672
Inventories	539 007 772	--	8 743 047	--	203 170 998	12 993 408	135 343 741	85 685 564	29 149 303	1 014 093 833
Contracts in progress	--	--	--	--	--	--	--	19 075 513	--	19 075 513
Trade and other receivables	182 716 731	--	37 856 888	--	114 304 243	5 205 375	148 405 959	419 474 802	35 678 016	943 642 014

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2014

December 31, 2013	National Development and Trading Co.	Orient Investment Properties	Citadel Capital Transportation Opportunities	Ledmore Holdings Ltd.	Falcon for Agriculture Investments Ltd.	Mena Home Furnishings Malls Ltd.	KU Railways Holdings Ltd.	Silverstone Capital Investments Ltd.	United Foundries Group	Total
Book value	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Debtors and other debit										
balances	517 043 632	6 001 601	35 388 379	22 694	67 942 739	3 249 794	211 921 471	47 640 546	31 928 823	921 139 679
Due from related parties	29 084 721	--	--	195 160	138 044 616	2 038 882	864 127	128 626 321	1 110 281	299 964 108
Assets held for sale	108 027 311	--	--	--	--	--	--	--	227 541 298	335 568 609
Work in process	13 652 899	--	--	--	--	--	3 099 425	--	--	16 752 324
Biological assets	--	--	--	--	203 326 531	--	--	--	--	203 326 531
Fixed assets	3 364 284 023	280 518 589	580 443 771	423 583	1 544 404 925	4 415 853	28 846 686	480 843 306	141 324 638	6 425 505 374
Projects under										
constructions	1 621 330 753	7 746 877 650	54 192 357	105 895 794	64 894 302	188 729 983	--	27 182 786	--	9 809 103 625
Investments in										
subsidiaries and										
associates	543 044 516	--	3 268 789	--	--	29 023	--	--	--	546 342 328
Investment property	--	--	--	--	3 390 003	356 923 062	--	--	--	360 313 065
Deferred tax assets	19 024 308	--	--	--	48 304 515	--	--	211 912	--	67 540 735
Available-for- sale										
investments	116 300	--	--	--	--	1 152	--	2 313 706	--	2 431 158
Payments for										
investments	2 346 428	--	--	--	--	--	--	--	--	2 346 428
Restricted cash	--	561 043 660	--	--	11 089 440	--	--	--	--	572 133 100
Intangible assets	625 494 178	--	586 479	--	131 174 737	--	485 649 853	579 807 291	--	1 822 712 538
Other investments	8 893 602	342 858 555	--	--	209 963	--	--	--	--	351 962 120

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2014

December 31, 2013	National Development and Trading Co.	Orient Investment Properties	Citadel Capital Transportation Opportunities	Ledmore Holdings Ltd.	Falcon for Agriculture Investments Ltd.	Mena Home Furnishings Malls Ltd.	KU Railways Holdings Ltd.	Silverstone Capital Investments Ltd.	United Foundries Group	Total
Book value	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Derivatives swap										
contracts	--	163 968 243	--	--	--	--	--	--	--	163 968 243
Banks- overdraft	(342 614 856)	--	--	--	(329 064 569)	(18 918)	(10 660 354)	(81 561 115)	(63 385 419)	(827 305 231)
Current portion of long										
term loans	(358 784 065)	--	(224 022 575)	--	(353 160 604)	(75 579 265)	(44 373 735)	(54 321 941)	(9 965 899)	(1 120 208 084)
Due to related parties	(283 337 795)	(8 347 730)	(154 454 676)	(5 002 997)	(309 087 190)	(159 830 879)	(2 535 578)	(6 877 616)	(59 078 135)	(988 552 596)
Trade and other payables	(398 619 496)	(2 148 384 126)	(20 847 094)	--	(242 384 337)	(28 628 936)	(167 468 315)	(203 690 027)	(14 290 955)	(3 224 313 286)
Creditors and other										
credit balances	(764 691 018)	(67 844 690)	(37 569 558)	(636 572)	(88 054 658)	(52 704 109)	(161 989 372)	(598 590 650)	(27 794 992)	(1 799 875 619)
Provisions	(208 920 375)	--	(6 966 913)	--	(49 312 684)	(3 145 000)	--	(10 158 786)	(2 620 927)	(281 124 685)
Liabilities held for sale	(416 981 070)	--	--	--	--	--	--	--	(206 209 073)	(623 190 143)
Loans from related										
parties	(1 053 696 138)	--	--	--	--	--	--	--	(185 273 116)	(1 238 969 254)
Long term loans	(2 113 350 554)	(1 629 496 538)	(132 112 914)	--	(135 552 156)	(108 556 972)	(775 702 143)	(95 394 186)	(1 116 652)	(4 991 282 115)
Long term liabilities	(3 593 754)	--	(3 267 838)	(17 339 160)	(5 804 616)	--	--	(106 791 589)	--	(136 796 957)
Deferred tax liabilities	(158 005 638)	(41 164 395)	--	--	(256 509 864)	(225 786)	34 727 562	(221 583 010)	(7 761 533)	(650 522 664)
Net book Value	1 660 246 964	6 287 157 809	144 022 865	89 120 475	806 397 803	147 339 408	(72 233 505)	1 138 796 166	(107 298 477)	10 093 549 508
Non – controlling										
interests	(2 096 393 257)	(3 343 288 155)	(82 832 301)	(23 691 369)	--	(4 791 529)	--	(262 972 833)	--	(5 813 969 444)
Net book Value after	(436 146 293)	2 943 869 654	61 190 564	65 429 106	806 397 803	142 547 879	(72 233 505)	875 823 333	(107 298 477)	4 279 580 064

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2014

December 31, 2013	National Development and Trading Co.	Orient Investment Properties	Citadel Capital Transportation Opportunities	Ledmore Holdings Ltd.	Falcon for Agriculture Investments Ltd.	Mena Home Furnishings Malls Ltd.	KU Railways Holdings Ltd.	Silverstone Capital Investments Ltd.	United Foundries Group	Total
Book value	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
non-controlling interests										
Acquisition of additional interest	167 587 562	197 064 569	113 377 892	24 559 321	446 344 673	108 917 089	348 317 108	365 241 077	92 075 704	1 863 484 995
Investment before acquisition of additional share	(27 355 082)	885 376 524	103 165 131	64 217 588	368 650 274	72 875 333	224 106 209	277 393 188	(11 595 867)	1 956 833 298
Total consideration paid	140 232 480	1 082 441 093	216 543 023	88 776 909	814 994 947	181 792 422	572 423 317	642 634 265	80 479 837	3 820 318 293
Goodwill *	391 097 410	--	179 739 380	42 086 170	475 578 225	101 542 605	--	13 517 727	136 949 678	1 340 511 195

*Note (9).

- The financial statements of the acquired companies in December 31, 2013 have been consolidated based on the book value of the identifiable assets acquired and the liabilities assumed, The Company has a grace period of 12 months (ending December 2014) to determine the fair value of the identifiable assets acquired and the liabilities assumed according to the Egyptian Accounting Standards. The Group has prepared the Purchase Price Allocation (PPA) study including the required fair value adjustments for assets and liabilities as shown in (Note 54).

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2014

6. Fixed assets (net)

	Land	Buildings	Lease hold improvements	Machinery , equipment and tools	Furniture & fixtures	Computer equipment	Transportation means and barges	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost as at 1/1/2014 (restated)****	1 517 346 037	1 525 217 983	84 351 113	4 542 782 786	271 423 935	27 833 579	517 541 186	8 486 496 619
Adjustments on the beginning balance	3 308 200	(3 308 200)	--	--	--	--	--	--
Acquisition of subsidiaries ***	31 281 840	6 205 682	18 947 770	51 763 295	8 649 130	13 043 548	37 921 616	167 812 881
Additions	1 642 870	71 259 367	119 720	173 997 345	19 170 261	980 264	11 074 648	278 244 475
Transferred to assets held for sale**	(67 068 057)	(60 327 669)	--	(310 342 570)	(19 962 708)	--	(46 900 834)	(504 601 838)
Transferred to associates ****	(53 390 851)	(192 050 137)	--	(796 559 735)	(9 347 746)	--	(12 090 400)	(1 063 438 869)
Disposals	(3 834 660)	(5 473 402)	--	(5 149 082)	(16 670 223)	(6 792)	(6 873 186)	(38 007 345)
Foreign currency translation differences	(15 796 459)	76 802 540	1 318 105	102 112 600	8 502 263	80 623	21 142 230	194 161 902
Cost as at 31/12/2014	1 413 488 920	1 418 326 164	104 736 708	3 758 604 639	261 764 912	41 931 222	521 815 260	7 520 667 825
Accumulated depreciation and impairment as at 1/1/2014	312 936	326 563 975	14 071 728	1 261 246 002	207 601 561	22 124 714	135 225 127	1 967 146 043
Adjustments on the beginning balance	--	9 917	--	--	(9 917)	--	877 421	877 421
Impairment for the year****	--	--	--	2 260 946	49 850	--	--	2 310 796
Acquisition of subsidiaries ***	--	694 299	14 009 056	18 424 902	6 570 331	8 267 968	19 257 864	67 224 420
Depreciation for the year*	38 252	52 724 461	5 460 542	183 980 208	19 326 135	3 144 564	31 028 880	295 703 042
Transferred to assets held for sale**	--	(23 077 336)	--	(169 231 279)	(18 220 764)	--	(24 795 421)	(235 324 800)
Transferred to associates ****	--	(140 545 655)	--	(379 234 061)	(7 061 772)	--	(5 176 025)	(532 017 513)

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2014

	Land	Buildings	Lease hold improvements	Machinery , equipment and tools	Furniture & fixtures	Computer equipment	Transportation means and barges	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Accumulated depreciation of disposals	(42 027)	(1 771 633)	--	(3 561 627)	(15 088 298)	(5 322)	(6 668 636)	(27 137 543)
Foreign currency translation differences	(5 263)	26 458 802	(64 556)	88 635 144	10 998 105	384 808	18 914 652	145 321 692
Accumulated depreciation as at								
31/12/2014	303 898	241 056 830	33 476 770	1 002 520 235	204 165 231	33 916 732	168 663 862	1 684 103 558
Carrying amounts								
At 31/12/2014	1 413 185 022	1 177 269 334	71 259 938	2 756 084 404	57 599 681	8 014 490	353 151 398	5 836 564 267
At 31/12/2013 (restated)****	1 517 033 101	1 198 654 008	70 279 385	3 281 536 784	63 822 374	5 708 865	382 316 059	6 519 350 576

* Administrative depreciation for the year has been recognized in administrative and general expenses – note (39) and operating depreciation has been recognized in operating cost - note (38).

** Note (23.1).

*** Note (12).

**** Note (54).

***** Note (40).

***** Investment in Soiete Des Ciments De Zahana has been transferred from a subsidiary in National Development and Trading Company to associate and accounted for using the equity method during 2014 (Note 12).

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2014
7. Projects under construction (net)

Projects under construction balance represented in the following:

	31/12/2014	31/12/2013
	EGP	EGP
		(restated)
Balance at the beginning of the year	10 005 697 279	127 421 364
Acquisition of subsidiaries **/**	282 525	9 892 500 085
Disposals	(11 051 997)	--
Transfer to assets held for sale *	(991 678 027)	--
Transfer to associates **	(346 748 317)	--
Additions during the year	3 168 018 313	23 187 904
Transferred to fixed assets	(94 724 786)	(48 168 308)
Foreign currency translation differences	197 433 879	10 756 234
Balance	11 927 228 869	10 005 697 279
Accumulated impairment	(85 919 984)	(83 396 460)
Net	11 841 308 885	9 922 300 819

* Note (23.1).

** Note (12).

*** Note (54).

8. Intangible assets (net)

	Note	31/12/2014	31/12/2013
		EGP	EGP
			(restated)
Software	(8-1)	16 028 294	24 348 107
Concession	(8-2)	731 295 765	473 545 952
Other intangible assets	(8-3)	199 725 693	379 139 492
Trade name ***	(8-4)	484 041 987	484 041 987
Customer contracts ***	(8-5)	461 637 000	461 637 000
Balance		1 892 728 739	1 822 712 538

Citadel Capital Company**Notes to the consolidated financial statements for the year ended December 31, 2014****8-1 Software**

	31/12/2014	31/12/2013
	EGP	EGP
Cost at the beginning of the year	52 395 079	--
Additions	675 155	--
Acquisition of subsidiaries *	--	52 395 079
Transferred to assets held for sale **	(1 033 811)	--
Foreign currency translation differences	(194 650)	--
Cost at the end of the year	<u>51 841 773</u>	<u>52 395 079</u>
Accumulated amortization at the beginning of the year	(28 046 972)	--
Acquisition of subsidiaries *	--	(28 046 972)
Amortization for the year	(8 284 742)	--
Foreign currency translation differences	518 235	--
Accumulated amortization at the end of the year	<u>(35 813 479)</u>	<u>(28 046 972)</u>
Net	<u>16 028 294</u>	<u>24 348 107</u>

8-2 Concession

	31/12/2014	31/12/2013
	EGP	EGP
Cost at the beginning of the year	530 663 790	--
Acquisition of subsidiaries *	--	530 663 790
Additions	275 370 716	--
Foreign currency translation differences	23 287 487	--
Cost at the end of the year	<u>829 321 993</u>	<u>530 663 790</u>
Accumulated amortization at the beginning of the year	(57 117 838)	--
Acquisition of subsidiaries *	--	(57 117 838)
Amortization for the year	(40 949 875)	--
Foreign currency translation differences	41 485	--
Accumulated amortization at the end of the year	<u>(98 026 228)</u>	<u>(57 117 838)</u>
Net	<u>731 295 765</u>	<u>473 545 952</u>

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2014
8-3 Other intangible assets

	31/12/2014	31/12/2013
	EGP	EGP
License fees for constructing cement plant – Minya	200 650 015	200 650 015
Waiving of the license to establish a black cement factory for ASEC Syria according to contractual agreement at January 2005	4 024 407	4 992 302
Compensation paid for project workers	903 563	1 120 875
Cost of quarries exploration rights	--	198 310 297
Total	205 577 985	405 073 489
Accumulated amortization	(5 852 292)	(25 933 997)
Net	199 725 693	379 139 492

8-4 Trade name ***

	31/12/2014	31/12/2013
	EGP	EGP
		(restated)
Silverstone Capital Investment Ltd. Group	108 279 000	108 279 000
Falcon for Agricultural Investments Ltd	129 485 000	129 485 000
National Development and trading Company	246 277 987	246 277 987
Total	484 041 987	484 041 987

8-5 Customer contracts ***

	31/12/2014	31/12/2013
	EGP	EGP
		(restated)
Global for Energy (Distribution)	92 709 000	92 709 000
Global for Energy (Generation)	76 357 000	76 357 000
Gas & Energy Company (Genco Group)	292 571 000	292 571 000
Total	461 637 000	461 637 000

* Note (5).

** Note (23.1).

*** Note (54).

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2014

9. Goodwill (net)							
	Balance as at 1/1/2014 (restated)*/**	Foreign currency translation differences	Impairment during the year ***	Acquisition of subsidiaries**	Transferred to investment in associates*****	Disposal of subsidiaries	Balance as at 31/12/2014
	EGP	EGP	EGP	EGP	EGP	EGP	EGP
National Development and Trading Group	391 097 410	--	--	--	(98 996 012)	--	292 101 398
Citadel Capital Transportation Opportunities Ltd.- Group – BVI	179 739 380	--	--	--	--	--	179 739 380
Ledmore Holdings Ltd. Falcon for Agriculture Investments Ltd.- Group - BVI	42 086 170	1 286 091	--	--	--	--	43 372 261
Mena Home Furnishings Malls Ltd. - Group – BVI	475 578 225	5 096 102	(3 608 587)	--	--	--	477 065 740
United Foundries Group Silverstone Capital Investment Ltd. Group	101 542 605	--	--	--	--	--	101 542 605
Tawazon for Solid Waste Management (Tawazon) Group	136 949 678	--	--	--	--	(8 258 656)	128 691 022
Balance	13 517 727	--	--	--	--	--	13 517 727
	--	--	--	32 611 311	--	--	32 611 311
	<u>1 340 511 195</u>	<u>6 382 193</u>	<u>(3 608 587)</u>	<u>32 611 311</u>	<u>(98 996 012)</u>	<u>(8 258 656)</u>	<u>1 268 641 444</u>

*Note (5).

**Note (12).

***Note (40).

**** Note (54).

***** Investment in Soiete Des Ciments De Zahana has been transferred from a subsidiary in National Development and Trading Company to associate and accounted for using the equity method during 2014 (Note 12).

10. Biological assets (net)

		31/12/2014	31/12/2013
		EGP	EGP
Non-current assets			
Fruitful fruit gardens and orchards	(10.1)	4 636 682	6 468 004
Fruitless fruit gardens and orchards	(10.2)	8 160 938	3 970 554
Pregnant heifer, dry and dairy cows	(10.3)	98 708 803	104 890 501
Heifers	(10.4)	77 536 388	66 546 494
		<u>189 042 811</u>	<u>181 875 553</u>
Current assets			
Plants (cotton , corn , sun flower)		1 001 000	1 076 928
Others		20 378 458	21 450 978
		<u>21 379 458</u>	<u>22 527 906</u>
Balance		<u>210 422 269</u>	<u>204 403 459</u>

		31/12/2014	31/12/2013
		EGP	EGP
10.1 Fruitful fruit gardens and orchards			
Costs			
Balance at the beginning of the year		10 396 162	10 914 854
Transferred from fruitless fruit gardens and orchards		--	2 440 972
Disposals		(1 695 087)	(1 960 305)
Foreign currency translation differences		(19 738)	(999 359)
		<u>8 681 337</u>	<u>10 396 162</u>
Accumulated depreciation			
Balance at the beginning of the year		3 928 158	5 309 550
Depreciation for the year		1 509 595	958 883
Disposals		(1 372 270)	(1 800 537)
Foreign currency translation differences		(20 828)	(539 738)
Balance		<u>4 044 655</u>	<u>3 928 158</u>
Net		<u>4 636 682</u>	<u>6 468 004</u>

10.2 Fruitless fruit gardens and orchards	31/12/2014	31/12/2013
	EGP	EGP
Costs		
Balance at the beginning of the year	3 970 554	3 125 750
Additions	4 127 926	3 560 056
Transferred to fruitful fruit gardens and orchards	--	(2 440 972)
Foreign currency translation differences	62 458	(274 280)
Balance	<u>8 160 938</u>	<u>3 970 554</u>

10.3 Pregnant heifer, dry and dairy cows	31/12/2014	31/12/2013
	EGP	EGP
Costs		
Balance at the beginning of the year	156 675 907	134 317 421
Transferred from heifers	40 043 990	36 156 199
Disposals	(36 995 983)	(1 569 390)
Foreign currency translation differences	--	(12 228 323)
	<u>159 723 914</u>	<u>156 675 907</u>
Accumulated depreciation		
Balance at the beginning of the year	51 785 406	50 373 981
Depreciation for the year	19 915 003	18 892 820
Disposals	(10 791 553)	(12 087 039)
Foreign currency translation differences	106 255	(5 394 356)
	<u>61 015 111</u>	<u>51 785 406</u>
Balance	<u><u>98 708 803</u></u>	<u><u>104 890 501</u></u>

10.4 Heifers	31/12/2014	31/12/2013
	EGP	EGP
Costs		
Balance at the beginning of the year	66 546 494	61 195 110
Additions	52 188 099	47 968 902
Transferred to pregnant heifer, dry and dairy cows	(40 043 990)	(36 156 199)
Disposals	(1 761 989)	(1 509 589)
Foreign currency translation differences	607 774	(4 951 730)
Balance	<u><u>77 536 388</u></u>	<u><u>66 546 494</u></u>

11. Investment property (net)

	Land EGP	Buildings EGP	Others EGP	Total EGP
Cost as at 1/1/2014	247 130 432	135 813 531	39 107 733	422 051 696
Additions during the year	--	821 683	69 475	891 158
Foreign currency translation differences	--	9 570	810	10 380
Cost as at 31/12/2014	247 130 432	136 644 784	39 178 018	422 953 234
Accumulated depreciation at 1/1/2014	--	25 883 417	11 855 214	37 738 631
Depreciation during the year	--	8 097 087	4 083 352	12 180 439
Foreign currency translation differences	--	(23 131)	(11 661)	(34 792)
Accumulated depreciation as at 31/12/2014	--	33 957 373	15 926 905	49 884 278
Net cost as at 31/12/2014	247 130 432	102 687 411	23 251 113	373 068 956
Net cost as at 31/12/2013	247 130 432	109 930 114	27 252 519	384 313 065

12. Investments in associates

12.1 The Group investments in associates are represented in:

	Percentage		Carrying amount	
	2014	2013	31/12/2014	31/12/2013
	%	%	EGP	EGP
				(restated)
El Kateb for Marketing & Distribution Co.	48.88	48.88	1 821 981	2 280 629
Pharos Holding Co. *****	--	53.00	--	89 572 029
ElSharq Book Stores Co.	40.00	40.00	14 142 334	14 474 418
ASEC Company for Mining (ASCOM)	39.22	39.22	96 801 485	101 391 608
Dar El-Sherouk Ltd. *	58.51	58.51	132 221 959	139 202 752
Tawazon for Solid Waste Management (Tawazon)***	--	25.48	--	20 044 615
Mena Glass Ltd. *****	47.64	42.49	405 433 456	286 248 091
Tanmeyah Company S.A.E **	--	51.00	--	5 722 364
Grandview Investment Holding	48.02	34.88	357 866 588	247 624 370
Green Point for Import and Trade S.A.E.	--	50.00	--	29 022
Soiete Des Ciments De Zahana ****	35.00	--	371 910 791	--
Ostool for Land Transportation S.A.E.	45.00	45.00	6 218 334	3 268 788
Misr Cement Qena *****	27.55	27.55	566 593 425	542 904 027
Balance			1 953 010 353	1 452 762 713

- * The Company does not consolidate this company as the control does not exist as the Company has no power to govern the financial and operational policies of this company according to the shareholders' signed agreements.

- ** On January 1, 2014 a call option with 4% from shares of Tanmeyah Company S.A.E that was granted to third party from Financial Unlimited for Financial Consulting one of the subsidiaries with 99.88% indirectly (the parent company of Tanmeyah Company S.A.E) has been cancelled, and thus Tanmeyah Company S.A.E became a subsidiary.

- *** On April 1, 2014 The Company has been consolidated due to existence of control whereby the Group has the power to cast the majority of votes of board of directors and the power to govern the financial and operating policies of these Companies.

- **** Investment has been transferred from a subsidiary in National Development and Trading Company to associate and accounted for using the equity method during 2014.

- ***** As per the Company's plan to sell its shares in Pharos Holding Company, the investment has been classified as held –for- sale with an amount EGP 38 285 566 on February 3, 2015 .The Company announced that it has signed an agreement to sell its entire share interest of 80% (direct / indirect) in Pharos Holding Co. with a total sale price of approximately EGP 40 million (Note 23-1-2).

- ***** Note no. (54).

12.2 Summary of significant financial statements of associates

	Current assets EGP	Non-current assets EGP	Total assets EGP	Current liabilities EGP	Non-current liabilities EGP	Total liabilities EGP	Revenues EGP	Expenses EGP
31/12/2014								
El Kateb for Marketing & Distribution Co.	11 003 494	9 624 711	20 628 205	10 140 051	230 882	10 370 933	11 159 421	12 097 735
Elsharq Book Stores Co.	10 971 717	4 165 178	15 136 895	5 109 535	350 141	5 459 676	23 230 353	24 006 900
ASEC Company for Mining (ASCOM)	269 900 342	852 435 885	1 122 336 227	677 056 267	198 289 607	875 345 874	700 839 373	705 673 983
Dar El-Sherouk Ltd.	114 277 819	120 487 230	234 765 049	76 858 237	4 553 105	81 411 342	40 450 206	46 484 878
Misr Cement (Qena)	629 183 752	503 846 095	1 133 029 847	349 435 511	55 522 845	404 958 356	1 046 913 375	671 834 599
Mena Glass Ltd.	307 330 867	557 585 507	864 916 374	67 890 659	--	67 890 659	207 339 778	61 041 606
Grandview Investment Holding	855 686 525	887 690 783	1 743 377 308	681 283 231	281 526 974	962 810 205	1 110 119 003	1 100 336 066

- Note no. (36).

13. Available-for-sale investments (net)

	31/12/2014	31/12/2013
	EGP	EGP
Logria Holding Ltd. *	464 750 000	451 100 000
Golden Crescent Investment Ltd. *	453 077 625	439 770 450
EFG Capital Partners Fund II & III	23 705 289	23 705 289
Sphinx Turnaround	25 720 545	24 965 116
Modern Company for Isolating Materials	43 396	43 396
MEFEK Co. *	872 388	872 388
ASEC Automation Co.- Free Zone	116 300	116 300
Med Grid	1 614 543	1 614 541
Ecligo Design Ltd.	1 187	1 152
Sharming Sharm	702 000	699 165
Medcom National Company	1 000	1 000
Underscore International Holdings **	--	694
Valencia Regional Investment Ltd. **	--	694
Total	970 604 273	942 890 185
Accumulated impairment *	(918 700 013)	(891 742 838)
Net	51 904 260	51 147 347

* Accumulated impairment in available-for-sale investments of the Company is represented in:

	Balance as at 1/1/2014	Foreign currency translation differences	Balance as at 31/12/2014
	EGP	EGP	EGP
Logria Holding Ltd.	451 100 000	13 650 000	464 750 000
Golden Crescent Investment Ltd.	439 770 450	13 307 175	453 077 625
MEFEK Co.	872 388	--	872 388
Balance	891 742 838	26 957 175	918 700 013

** Note no. (47)

14. Payments for investments (net)

	31/12/2014	31/12/2013
	EGP	EGP
		(restated)

Nile Valley Petroleum Ltd.	53 513 646	42 132 740
Mena Joint Investment Fund ***	--	64 811 100
Africa Joint Investment Fund ***	--	99 438 574
ASCOM Emirates for Mining *	39 632 529	38 468 489
Citadel Capital Al Qalaa - Saudi Arabia	1 033 904	1 003 538
Medcom National Development and Trading Co.	914 019	914 019
National Development and Trading Co. (IRAQ)		
Ltd. *	300 514	300 514
ASA International Co.	1 432 409	1 432 409
Golden Crescent Investment Ltd.	1 787 500	--
Others**	42 532 008	--
Total	141 146 529	248 501 383
Accumulated impairment *	(39 933 043)	(38 769 003)
Net	101 213 486	209 732 380

** Represent payments for investments in strategically and specialized sectors as energy, mining, cement and nutrition.

*** Note (47).

***** Note (54).

15. Loans to related parties

	31/12/2014	31/12/2013
	EGP	EGP
Underscore International Holdings Ltd.*	--	104 100 000
Valencia Regional Investment Ltd.*	--	79 810 000
Safari Rail Company Ltd.	--	41 640 000
Bomi Holdings Ltd.	134 176 156	105 202 704
Balance	134 176 156	330 752 704

* Note (47)

16. Other investments and derivatives

	Note	31/12/2014	31/12/2013
		EGP	EGP
Restricted cash	(16-1)	433 068 758	572 133 100
Derivatives swap contracts	(16-2)	(258 015 765)	163 968 243
Others	(16-3)	8 284 201	9 103 565
Balance		<u>183 337 194</u>	<u>745 204 908</u>

16-1 Restricted cash as at December 31, 2014 includes an amount of EGP 421 979 315 (equivalent to US.\$ 59 018 086) against an amount of EGP 561 043 660 as at December 31, 2013 (equivalent to US.\$ 80 842 026) which represents the amount deposited at the bank under capital increase of Orient Investment Properties Ltd. (one of the subsidiaries)

16-2 Egyptian Refining Company (one of the subsidiaries) has entered into five interest rate swap transactions with the following parties;

- Societe General Corporate & Investment Banking.
- HSBC Bank Middle East Limited.
- KFW IPEX-Bank GMBH.
- Mitsubishi UFJ Securities International PLC.
- Standard Chartered Bank.

The main terms of the transactions are as follows;

Trade date: June 25, 2012.

Effective date: July 3, 2012.

Termination date: December 20, 2024.

Fixed portion rate paid by the company is 2.3475%.

Floating rate paid by bank is USD – LIBOR – BBA 6 months.

Payment date: Semi – annually on 20 the commencing December 20, 2012.

Maximum notional amount covered under these transactions are;

- US.\$ 789 445 078 by Standard Chartered Bank.
- US.\$ 450 970 501 by Societe General Corporate & Investment Banking.
- US.\$ 435 971 044 by HSBC Bank Middle East Limited.
- US.\$ 107 759 253 by KFW IPEX – Bank GMBH.
- US.\$ 189 466 819 by Mitsubishi UFJ Securities International PLC.

As at December 31, 2014 the balance related to the change in the fair value of cash flow hedges related to hedged transactions is amounting to EGP 258 015 765 (equivalent to US.\$ 36 086 121) against EGP 163 968 243 (equivalent to US.\$ 23 626 548) as follows:

	31/12/2014	31/12/2013
Contract	EGP	EGP
Societe General Corporate & Investment Banking	(55 266 998)	41 654 241
HSBC Bank Middle East Limited	(54 342 438)	38 610 405
KFW IPEX – Bank GMBH	(14 718 468)	9 934 513
Mitsubishi UFJ Securities International PLC	(25 879 246)	14 301 508
Standard Chartered Bank	(107 808 615)	59 467 576
Balance	<u>(258 015 765)</u>	<u>163 968 243</u>

16-3 Other investments includes an amount of EGP 7 148 608 as at December 31, 2014 represents a deposits at Syria Central Bank as a guarantee for the seriousness of constructing ASEC Syria Cement Capital Factory and will be refunded at the beginning of production process against an amount of EGP 7 904 058 at December 31, 2013.

17. Inventories (net)

	31/12/2014	31/12/2013
	EGP	EGP
Spare parts	385 234 567	487 438 707
Raw materials	229 448 582	218 959 278
Work in process	155 908 058	112 525 320
Finished goods	139 097 983	63 963 129
Goods in-transit	4 595 026	68 619 418
Packing materials	13 605 735	39 171 838
Oil and lubricants	11 992 645	39 484 860
Others	61 608 208	29 118 988
Total	<u>1 001 490 804</u>	<u>1 059 281 538</u>
Inventories write-down	<u>(23 513 621)</u>	<u>(38 943 690)</u>
Net	<u>977 977 183</u>	<u>1 020 337 848</u>

18. Trade and other receivables (net)

	31/12/2014	31/12/2013
	EGP	EGP
		(restated)
Non-current		
Accounts receivables	29 786 621	48 861 910
Egyptian General Petroleum Corp.*	352 705 246	342 858 555
Others **	1 903 194	21 096 743
Total	<u>384 395 061</u>	<u>412 817 208</u>
Accumulated impairment	<u>(1 654 367)</u>	<u>(5 132 255)</u>
Net	<u>382 740 694</u>	<u>407 684 953</u>

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2014

	31/12/2014	31/12/2013
	EGP	EGP
Current		
Accounts receivables	1 002 654 080	966 003 137
Notes receivables	32 761 997	38 098 186
Total	1 035 416 077	1 004 101 323
Accumulated impairment	(86 276 529)	(105 417 844)
Net	949 139 548	898 683 479
Balance	1 331 880 242	1 306 368 432

* The balance represents the amount paid on behalf of Egyptian General Petroleum Corp. in the share capital increase of Egyptian Refining Company – S.A.E. – Private Free Zone Company - one of the subsidiaries.

** Note (54).

19. Investments at fair value through profit or loss

	31/12/2014	31/12/2013
	EGP	EGP
Modern Shorouk for Printing Co.	1 665 120	2 412 642
Osoul investment fund certificates – CIB	6 404 041	21 119 038
HSBC investment fund certificates	69 299 302	192 303 617
Others	3 480 890	3 727
Balance	80 849 353	215 839 024

20. Due from related parties (net)

	Nature of transaction		31/12/2014	31/12/2013
	Advisory fee	Finance		
	EGP	EGP	EGP	EGP
Logria Holding Ltd. *	41 158 496	2 280 457	43 438 953	40 410 725
Golden Crescent Investment Ltd.	27 279 037	--	27 279 037	26 477 835
Mena Joint Investment Fund *****	--	--	--	1 349 691
Africa Joint Investment Fund *****	--	--	--	2 265 986
Africa JIF HOLD CO III *****	--	--	--	6 017 821
Africa JIF HOLD CO I *****	--	--	--	1 446 151
Mena JIF HOLD CO I *****	--	--	--	1 712 142
ASEC Company for Mining (ASCOM)	--	156 639 616	156 639 616	115 352 473
Golden Crescent Finco Ltd. *	--	208 834 061	208 834 061	200 988 216
Emerald Financial Services Ltd. *	--	217 186 398	217 186 398	189 425 614
Nile Valley Petroleum Ltd.	--	154 163 731	154 163 731	149 757 559

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2014

	Nature of transaction		31/12/2014	31/12/2013
	Advisory fee	Finance		
	EGP	EGP	EGP	EGP
Tawazon for Solid Waste Management (Tawazon) ***	--	--	--	1 194 166
Citadel Capital East Africa	--	27 027	27 027	26 233
Citadel Capital – ALQALAA Saudi Arabia	--	701 050	701 050	689 038
Valencia Regional Investments Ltd. ****	--	--	--	318 178
El Kateb for Marketing & Distribution Co. Nahda	--	1 001 673	1 001 673	1 001 676
Egyptian Company for international Publication	--	4 610 685	4 610 685	4 475 266
Underscore International Holdings Ltd. ****	--	15 782 855	15 782 855	11 152 855
Ecligo	--	--	--	59 753
Soite Des Ciments De Zahana	--	1 999 997	1 999 997	1 999 997
Egyptian Company for Food Preparation	--	7 994 001	7 994 001	--
ASEC Electrical Repairs Co. (REPELCO)	--	--	--	1 000 000
Egyptian Polypropylene Bags Co. (EPBC)	--	526 233	526 233	526 233
ASA International Co.	--	20 000	20 000	20 000
Haider	--	7 054 886	7 054 886	7 119 461
FL Smith	--	233 635	233 635	79 694
Nile Barges	--	13 751 406	13 751 406	13 751 406
Scimitar Production Egypt Ltd.	--	--	--	81 892
Others *	1 966 529	--	1 966 529	823 882
Total	--	23 210 435	23 210 435	51 827 753
Accumulated impairment *			886 422 208	831 351 696
Net			(468 180 044)	(432 145 635)
Due from shareholders:			418 242 164	399 206 061
Benu One Ltd.	--	530 149 998	530 149 998	--
Fenix One Ltd.	--	26 300 002	26 300 002	--
Others	--	10 610 486	10 610 486	--
Total			567 060 486	--
Balance			985 302 650	399 206 061

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2014

* Impairment in due from related parties is represented in:

	Balance as at 1/1/2014	Formed during the year **	Reversal during the year **	Used during the year	Foreign currency translation Differences	Balance as at 31/12/2014
	EGP	EGP	EGP	EGP	EGP	EGP
Logria Holding Ltd.	40 410 725	--	--	--	1 222 624	41 633 349
Golden Crescent Finco Ltd.	200 988 216	1 743 762	--	--	6 102 083	208 834 061
Emerald Financial Services Ltd.	189 425 614	21 775 298	--	--	5 985 486	217 186 398
Others	<u>1 321 080</u>	<u>81 440</u>	<u>(794 844)</u>	<u>(81 440)</u>	<u>--</u>	<u>526 236</u>
Balance	<u><u>432 145 635</u></u>	<u><u>23 600 500</u></u>	<u><u>(794 844)</u></u>	<u><u>(81 440)</u></u>	<u><u>13 310 193</u></u>	<u><u>468 180 044</u></u>

** Note (40).

*** Note (12).

**** Note (47).

21. Debtors and other debit balances (net)

	31/12/2014	31/12/2013
	EGP	EGP
		(restated)
Prepaid expenses	28 998 457	18 131 468
Deposits with others	147 863 842	48 692 818
Advances to suppliers	308 190 636	304 458 220
Letters of guarantee margin ***	77 515 369	40 718 775
Imprest	24 241 815	32 777 647
Accrued revenue	32 077 269	38 776 801
Prepaid interest *	7 758 980	16 369 829
Refundable deposits	7 591 741	5 261 505
Amounts due from sale of investments	28 660 000	27 814 000
Operation retention	92 971 145	123 607 359
Advances to contractors	49 169 794	31 494 420
Prepayments for purchase of fixed assets	12 582 970	27 582 970
Tax Authority	148 930 014	198 898 864
Custom Authority	3 045 328	2 979 394
Letters of credit	2 990 878	16 918 967
Gas consumption deposits	79 102 409	--
Receivables-sale of investment **	126 958 906	--
Debit balances under settlement	14 659 406	46 925 550
Sundry debit balances	95 570 054	83 699 730
Total	<u>1 288 879 013</u>	<u>1 065 108 317</u>
Accumulated impairment	<u>(45 888 777)</u>	<u>(59 093 247)</u>
Balance	<u>1 242 990 236</u>	<u>1 006 015 070</u>

* Prepaid interest item represents the interest on the loan obtained from Arab International Bank to the International Company for Refinery Consultancy (one of the subsidiaries – 100%) as the Company has settled the interest in advance according to the signed contract with the bank dated November 4, 2012.

** Note (23-3-4)

*** Note (54).

22. Cash and cash equivalents

	31/12/2014	31/12/2013
	EGP	EGP
		(restated)*
Cash on hand	11 217 325	3 574 137
Banks - current accounts	1 742 773 759	2 013 558 116
Banks - time deposits	185 718 380	92 272 042
Cheques under collection	13 783 401	2 001 138
Bank certificates	2 100 000	2 100 000
Treasury bills	226 496 513	--
Cash and cash equivalent as presented in the balance sheet	2 182 089 378	2 113 505 433
Effect of foreign exchange differences	--	(137 224 634)
Adjusted cash and cash equivalents	<u>2 182 089 378</u>	<u>1 976 280 799</u>

* Note (54).

23. Disposal group held –for- sale

- National Development and trading Company's management decided on December 24, 2012 to sell its share in ESACO for Manufacturing Engineering and Construction (subsidiary 70%).
- ASEC Cement Company's board of directors decided on May 4, 2014 to sell the following companies:
ASEC Algeria Cement Company (ASEC CIMENT)
- The Board of Directors of United Foundries decided on December 10, 2012 to sell its entire share interest in Al Amreya Metal Company and Alexandria for Car Foundries without prejudice to any conditions with lending banks and reclassify the investments in those companies as held - for- sale. On November 23, 2014 United Foundries Company's Extraordinary General Assembly decided to sell its entire share interest in Alexandria for Car Foundries and Amreya Metal Company and sold its entire share interest on December 11, 2014 according to the signed sale agreement (Note 23-4).
- Silverstone Capital Investment Ltd. the Board of Directors' of decided on March 27, 2014 to sell part of Global Energy Company assets. These assets are represented in generators, networks, machinery, equipment, buildings and leasehold improvements related to South Valley project.
- Falcon for Agriculture Investments Ltd. BVI Company decided to sell its shares in the following companies:
 1. El-Eguizy International for Economic Development

2. Misr October Company for Food Products
3. Up-date Company for Food Products
4. Nile for Food Products “Enjoy”

According to the following general assembly decisions:

- Ordinary general assembly of National Company for Investments and Agriculture (Gozour) - Subsidiary of Falcon for Agriculture Investments Ltd. BVI- that was held at February 23, 2014 decided to sell its investment at El-Eguizy International for Economic Development Company.
- Ordinary general assembly of National Company for Investments and Agriculture (Gozour) -Subsidiary of Falcon for Agriculture Investments Ltd. BVI- that was held at March 30, 2014 decided to sell its investment at the following companies:
 - Misr October Company for Food Products
 - Up-date Company for Food Products
- Ordinary general assembly of Misr October Company for Food Products-Subsidiary of Falcon for Agriculture Investments Ltd. BVI- that was held at March 30, 2014 decided to sell its investment at Nile for Food Products “Enjoy” Company.
- On June 26, 2014 Citadel Capital for International Investments Ltd. Company (subsidiary -100%) signed contract to sell its shares in Sphinx Glass Ltd. and the ownership was transferred as at August 24, 2014.

23.1 Assets classified as held for sale as at December 31, 2014 are represented in the following:

	EGP
Assets classified as held for sale (Investments in subsidiaries) (23.1.1)	1 382 869 408
Assets classified as held for sale (Investments in associates) (23.1.2)	38 285 566
Balance	1 421 154 974

23.1.1 Assets classified as held for sale (investments in subsidiaries):

	Esaco for Manufacturing and Engineering	ASEC Algeria Cement Company	Assets of Global Energy	Falcon for Agriculture Investments Ltd. Subsidiaries	Total
	EGP	EGP	EGP	EGP	EGP
Fixed assets (net)	48 057 978	6 147 559	5 053 363	258 076 116	317 335 016
Intangible assets	--	--	--	1 033 811	1 033 811
Projects under construction	--	989 620 664	--	2 057 363	991 678 027
Inventories	6 151 599	--	--	150 944	6 302 543
Trade and other receivables (net)	3 006 930	--	--	--	3 006 930
Debtors and other debit balances	5 940 631	16 420 029	--	2 505 081	24 865 741
Due from related parties	22 121 192	5 629 204	--	1 327 755	29 078 151
Cash and cash equivalents	842 034	1 465 794	--	7 261 361	9 569 189
Balance	86 120 364	1 019 283 250	5 053 363	272 412 431	1 382 869 408

23.1.2 The group decided to sell its entire share interest in Pharos Holding Co. (associate) and classified its investment as held -for- sale with an amount of EGP 38 285 566 as at December 31, 2014. On February 3, 2015 the Group announced that it has signed an agreement to sell its entire share percentage of 80% (direct / indirect) in Pharos Holding Co. with total sale price of approximately EGP 40 million.

23.2 Liabilities classified as held for sale as at December 31, 2014 are represented in the following:

	Esaco for Manufacturing and Engineering	ASEC Algeria Cement Company	Falcon for Agriculture Investments Ltd. Subsidiaries	Total
	EGP	EGP	EGP	EGP
Provisions	12 446 000	--	31 190 095	43 636 095
Bank's overdraft	202 437	--	--	202 437
Trade and other payables	57 049 567	--	135 733 884	192 783 451
Due to related parties	11 207 644	3 777 151	1 345 730	16 330 525
Creditors and other credit balances	34 368 710	70 443 448	--	104 812 158
Borrowings	309 679 152	--	261 020 367	570 699 519
Deferred tax	7 081 743	--	2 345 965	9 427 708
Balance	432 035 253	74 220 599	431 636 041	937 891 893

23.3 Net loss from discontinued operations

	For the year ended	
	31/12/2014	31/12/2013
	EGP	EGP
		(restated)
Losses from discontinued operations (23.3.1)*	(278 855 864)	(2 005 924)
Losses from sale of discontinued operations		
(Investment in associates) (23.3.2)	(25 381 815)	--
Gains from sale of discontinued operations		
(Investment in subsidiaries) (23.3.3)	57 641 866	--
Net	<u>(246 595 813)</u>	<u>(2 005 924)</u>

* Note (54).

23.3.1 Loss from discontinued operations

	Esaco for Manufacturing and Engeneering	Amreya Metal Company	Alexandria for Car Foundries	Falcon for Agriculture Investments Ltd. Subsidiaries	Pharos Holding Co.	Sphinx Glass Ltd. BVI	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Results of discontinued operations :-							
Operating income	19 665 419	24 769 374	1 419 662	16 718 307	--	--	62 572 762
Operating costs	(17 608 134)	(31 958 357)	(33 238 255)	(148 281 288)	--	--	(231 086 034)
Advisory fee	--	--	--	--	--	624 165	624 165
Share of (loss) profit of equity accounted investees	--	--	--	--	(42 563 698)	8 649 083	(33 914 615)
Profit (loss) from operating activities	2 057 285	(7 188 983)	(31 818 593)	(131 562 981)	(42 563 698)	9 273 248	(201 803 722)
Finance expenses	(18 824 514)	(2 220 153)	(22 748 621)	(24 232 981)	--	--	(68 026 269)
General and administrative expenses	(9 893 059)	--	--	--	--	--	(9 893 059)
Other income	833 126	--	--	--	--	--	833 126
Deferred tax	--	34 060	--	--	--	--	34 060
Net (loss) profit for the year	(25 827 162)	(9 375 076)	(54 567 214)	(155 795 962)	(42 563 698)	9 273 248	(278 855 864)

23.3.2 Loss from sale of discontinued operations (Investment in associates)

For the year ended

31/12/2014

	Selling price	Book value	Net
	EGP	EGP	EGP
Sudanese Egyptian Bank	152 900 000	(200 072 497)	(47 172 497)
Sphinx Glass Ltd.	384 481 934	(362 691 252)	21 790 682
Total	<u>537 381 934</u>	<u>(562 763 749)</u>	<u>(25 381 815)</u>

23.3.3 Gains from discontinued operations (Investment in subsidiaries)

(1) Assets from discontinued operations (Investment in subsidiaries):

	Amreya Metal	Alexandria for	Total
	Company	Car Foundries	
	EGP	EGP	EGP
Fixed assets (net)	34 807 883	120 556 961	155 364 844
Projects under construction	--	60 602 740	60 602 740
Inventories	2 760 325	16 483 985	19 244 310
Trade and other receivables (net)	5 040 242	838 292	5 878 534
Debtors and other debit balances	8 902 146	14 896 627	23 798 773
Cash and cash equivalents	51 433	21 143	72 576
Goodwill	1 792 628	13 899 659	15 692 287
Foreign currency translation			
Differences	--	12 754 284	12 754 284
Balance	<u>53 354 657</u>	<u>240 053 691</u>	<u>293 408 348</u>

(2) Liabilities from discontinued operations (Investment in subsidiaries):

	Amreya Metal	Alexandria for	Total
	Company	Car Foundries	
	EGP	EGP	EGP
Provisions	8 466 778	2 405 083	10 871 861
Bank's overdraft	485 051	91 588 334	92 073 385
Current portion of long term loans	1 237 916	2 378 965	3 616 881
Trade and other payables	22 604 659	21 193 428	43 798 087
Creditors and other credit balances	16 316 140	56 616 044	72 932 184
Deferred tax	798 910	--	798 910
Balance	<u>49 909 454</u>	<u>174 181 854</u>	<u>224 091 308</u>

(3) Gains from discontinued operations (Investment in subsidiaries)

	For the year ended 31/12/2014		
	Amreya Metal Company EGP	Alexandria for Car Foundries EGP	Total EGP
Assets held for sale (net) (1-2)	3 445 203	65 871 837	69 317 040
<u>Less</u>			
Fair value to cash consideration (4)	11 060 000	115 898 906	126 958 906
Net	7 614 797	50 027 069	57 641 866

(4) Receivables sale of current assets held for sale

Alexandria for Car Foundries	Amreya Metal Company EGP	Euro	EGP	Total EGP
Total value of sale				
current assets held for sale	20 000 000	27 000 000	234 576 000	254 576 000
<u>Less</u>				
Effect of fair value	8 940 000	13 660 000	118 677 094	127 617 094
Fair value as at December 31, 2014	11 060 000	13 340 000	115 898 906	126 958 906

24. Share capital

- The Company's authorized capital is EGP 6 Billion and the issued and paid-in capital is EGP 4 358 125 000 represents 871 625 000 shares distributed to 653 718 750 ordinary shares and 217 906 250 preferred shares with par value EGP 5 per share.
- The Company's extra-ordinary general assembly meeting held on October 20, 2013 approved the increase of the authorized capital from EGP 6 billion to EGP 9 billion and the increase of the issued capital from EGP 4 358 125 000 to EGP 8 billion, with an increase of EGP 3 641 875 000 by issuing 728 375 000 new shares at par value of EGP 5 per share, distributed over 182 093 750 preferred shares and 546 281 250 ordinary shares, without issuance costs. The purpose of this capital increase is to finance the acquisition of additional shares in its related companies, financing the Company's share contribution in the capital increases of some of its related companies and entering into new investments and settlement of

some of Company's liabilities. The Board of Directors approved in its meeting held on February 13, 2014 to cover the subscription of the unsubscribed Company's shares in the capital increase through offsetting the shareholders' credit balances that are payable by the Company (note 25) against the subscription price of the shares. The commercial register has been updated with the increase on April 16, 2014.

- The preferred share has the advantage of triple voting right comparing with ordinary share on the decisions of the Company's extraordinary and ordinary general assembly meetings according to the decision of the Company's extraordinary general assembly meeting held on May 12, 2008 and also paragraph no.(3) of article no.(18) of the Company's article of associations. Those preferred shares are owned by Citadel Capital Partners Ltd. the principle shareholder of the Company.

The shareholders' structure -after increase- is represented as follows:

Shareholders' name	Percentage %	No. of Shares	Value in EGP
Citadel Capital Partners Ltd.	27.60	441 557 022	2 207 785 110
Emirates International Investments Company	10.01	160 229 693	801 148 465
Others	62.39	998 213 285	4 991 066 425
	<u>100</u>	<u>1 600 000 000</u>	<u>8 000 000 000</u>

- On February 19, 2015 the Board of Directors decided to call an extra-ordinary general assembly of the Company to consider the approval of the increase of the Company's authorized capital from EGP 9 billion to EGP 10 billion as well as the increase of the Company's issued share capital from EGP 8 billion up to EGP 9.7 billion funded through the shareholders' credit balances owed to the existing shareholders with an amount of EGP 966 million in addition to the cash participation with an amount of EGP 734 million through issuance of an additional new shares equal to 340 million shares (255 million ordinary shares and 85 million preferred shares) The capital increase will take place at the par value of EGP 5 per share with total value of EGP 1.7 billion without issuance costs.
- The Company's extra-ordinary general assembly meeting held on March 25, 2014 approved the increase of the authorized capital from EGP 9 billion to EGP 10 billion and amendment of article 6 of the Statute and the increase of the issued capital from EGP 8 billion to EGP 9.7 billion, with an increase of EGP 1.7 billion in cash allowing the use of credit balances payable to existing shareholders after

obtaining a confirmation from the economical performance sector of the General Authority for Investment and Free zone on these liabilities by issuing 340 million new shares at par value of EGP 5 per share, consisting of 85 million preferred shares and 255 million ordinary shares, without issuance costs. The purpose of this capital increase is to use the proceeds of this increase as determined in details in the disclosure form prepared according to article no. 48 of the EGX listing rules which have been submitted to the Egyptian stock exchange and approved by the board of directors in its meeting held on February 19, 2015.

- Existing shareholders were invited - in accordance with the terms of the subscription rights - to subscribe in the capital increase on a pro-rata basis to their shareholdings before the increase and the shareholders in each class of shares shall have the right to subscribe to the same class of shares they currently hold on a pro-rata basis before the increase, provided that all shareholders of the same class have the same rights according to the article 29 of the Statute of the Company and allowing the use of the credit balances payable to existing shareholders at the date of the decision and to the extent of their share percentages before the increase according to the priority rights issued by the law.

25. Shareholders' credit balances

Shareholders' credit balances represent the amounts payable to the shareholders resulting from:

- The Company has purchased extra ownership share percentages in some of its subsidiaries and associates companies from those shareholders through Citadel Capital for International Investments Ltd. (subsidiary 100%).
- Consultancy fee to the Company and its subsidiaries.

Shareholders' credit balances as at December 31, 2014 are represented in the following:-

Shareholders' name and description	31/12/2014	31/12/2013
	EGP	EGP
(1) Shareholders' credit balances to be settled in cash		
Magdy Mohamed Mustafa Saleh	8 291 345	11 421 744
Khaled Abd EL Hamed Ali Abou Bakr	5 756 696	6 958 133
Tamer Abd EL Hamed Abou Bakr	5 004 561	6 625 696
Karnation Limited	3 427 599	4 537 908
Abdel Khalek Mohamed Mohamed Ayad	1 474 000	1 951 476
Others	1 140 319	2 073 475
Total shareholders' credit balances (1)	25 094 520	33 568 432

Shareholders' name and description	31/12/2014	31/12/2013
	EGP	EGP
(2) Shareholders' credit balances to be settled through issuance of share capital increase		
(2-A) Against share percentages in investee companies		
Citadel Capital Partners Ltd.	135 270 985	547 233 410
Emirates International Investment Company LLC	--	596 548 465
DH Investors Limited	--	343 000 000
Mansour and Maghraby for Investment and Developmen S.A.E	--	155 135 015
Grouped Holdings Ltd	--	130 000 000
Mamdouh Mohamed Fathy Abbas	--	69 300 000
Kareem Sedky Sedky Mohamed EL Serafy	--	58 771 265
Magdy Mohamed Mustafa Saleh	--	31 312 775
Ledville Holdings Limited	--	39 487 820
Tamer Abd EL Hamed Abou Bakr	20 991 510	25 699 500
Khaled Abd EL Hamed Ali Abou Bakr	4 685 450	18 977 320
Karnation Limited	3 319 680	13 710 395
Ahmed Mokhtar Mohamed El Rashidi	--	26 698 000
Partex Trading Corp.	--	24 750 000
Mohamed Mokhtar Mohamed EL Rashidi	--	23 387 000
Adena Commercial Corp.	--	18 937 500
Power investment Europe	--	10 400 000
MZ Investments S.A.E.	--	9 996 393
Garth investing Limited	--	9 090 000
Hassan Mohamed Hassan Darwish	--	8 106 120
Abdel Khalek Mohamed Mohamed Ayad	2 211 650	5 896 000
Ahmed Moheb Mahmoud El Mehelmy	--	7 575 000
Hossam Hussien Nagy Aly Saad	--	6 999 995
Ahmed Ibrahim Wagih El Shamy	--	5 531 280
Ansan Wikfs Investments	31 120 405	--
Marwan Ahmed Hassan Gaber	7 947 045	--
Shady Ahmed Hassan Gaber	5 089 215	--
Mosafa Ahmed Hassan Gaber	5 089 215	--
Mariam Ahmed Hassan Gaber	4 457 080	--
Salma Ahmed Hassan Gaber	4 457 080	--

Shareholders' name and description	31/12/2014	31/12/2013
	EGP	EGP
Jana Ahmed Hassan Gaber	4 457 080	--
Aidaroos Hassan Omar Al Esayi	27 119 395	--
Yacoub Youssef Mohamed	12 450 290	--
Raya Holding Company for Technology and Communication	20 831 250	--
DEG DEUTSCHE INVESTITONS UND ENTWICKLUNGSGESLLSCHAFT MBH	77 000 000	--
SJC Egypt Refining LLC	179 956 810	--
International Finance Corporation	166 684 520	--
Others	23 133 505	103 049 190
Total shareholders' credit balances (2-A)	736 272 165	2 289 592 443
(2-B) Against consultancy fee for the Company and its subsidiaries		
Adena Commercial Corp.	69 110 000	--
Osler Hoskin & Harconrt LLP	6 366 180	--
Total shareholders' credit balances (2-B)	75 476 180	--
Total shareholders' credit balances (2)	811 748 345	2 289 592 443
Balance (1+2)	836 842 865	2 323 160 875

- EGP 3 640 532 560 has been used during the year to increase the share capital - note (24).

26. Loans

Borrowing company	Lender Bank/Company	Interest rate	Maturity date	Outstanding balance	Current	Non -current	Guarantees
Royal Food Company	Misr Bank	EGP:2.75% plus Corridor	2016	51 004 511	26 457 756	24 546 755	<ul style="list-style-type: none"> – Pledge over El Rashidi El Mizan assets. – Pledge over El Rashidi El Mizan shares. – Open a cash reserve account with the Misr Bank with the value of the first installment of the loan and its interest and to remain restricted until the end of the loan.
Dina for Agriculture Investments	<ul style="list-style-type: none"> –Ahly United Bank –United Bank –Egyptian Real Estate Bank. 	EGP: Average 3.625% plus Corridor	2014-2018	130 919 768	62 786 415	68 133 353	<ul style="list-style-type: none"> – Pledge over all the company's assets and real estate first rank Pledge on 7 172 feddan of company's land.
El Rashidi for Integrated Solutions	Islamic Development Bank	4% annually	2016	4 722 480	878 602	3 843 878	<ul style="list-style-type: none"> – Commercial and real estate mortgage over the company's assets and revenues in the favour of the banks.
Arab Company for Services and Trade	Credit Agricole	4% annually	2014	2 460 644	2 460 644	--	Partially mortgage on the company's assets.

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2014

Borrowing company	Lender Bank/Company	Interest rate	Maturity date	Outstanding balance	Current	Non -current	Guarantees
National Development and Trading Company	National Societe General Bank	12.5%	September 2016	186 581 727	--	186 581 727	Partially pledging shares of ASEC Cement Company
National Development and Trading Company	Arab Investment Bank	12%	December 2017	101 745 691	--	101 745 691	Partially pledge of ASEC Cement Co. shares, ASEC Engineering shares, ASENPRO shares and ESACO shares to the bank.
National Development and Trading Company	Industrial Development and Workers Bank of Egypt	11.5%	December 2017	202 542 361	--	202 542 361	Mortgage of ASEC Cement Co. shares, ASEC Engineering shares, ASENPRO shares and ESACO shares to the bank.
National Development and Trading Company	Misr Iran Development Bank	2.50% plus corridor rate	December 2018	133 253 094	--	133 253 094	Pledging 33.3 million shares of subsidiaries with a value not less than 333% from the total amount of credit facility, also shares custody should be by the bank and dividends to be collected under the cognition of the bank.
Arab Swiss Engineering Co. (ASEC)	Ahli United Bank	2.25% Plus corridor for current	November 2018	132 818 574	32 818 574	100 000 000	Assignment of South Valley Cement Co. management

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2014

Borrowing company	Lender Bank/Company	Interest rate	Maturity date	Outstanding balance	Current	Non -current	Guarantees
		3.25% plus corridor for non-current					contract.
Arab Swiss Engineering Co. (ASEC)	Al Baraka Bank Egypt	11.5%	April 2013	45 698 456	45 000 000	698 456	Assignment of Sinai White for Technology management contract.
ASEC for Manufacturing and Industries Project Co. (ARESCO)	National Bank of Egypt	11%	June 2013	7 560 000	7 560 000	--	Commercial mortgage of ASEC for Manufacturing and Industrial Projects financed assets.
ASEC Cement Company	Arab African International Bank	11.25%	May 2016	364 252 591	20 000 000	344 252 591	Pledging 8 232 055 shares of Qena Cement Co.
ASEC Cement Company	Arab African International Bank	11.5%	September 2019	1 089 343 999	271 332 650	818 011 349	Commercial and real estate mortgage of assets for the favor of the bank.
ASEC Cement Company	Sudanese Egyptian bank	11%	2015	58 773 963	38 804 271	19 969 692	Murabha contracts.
ASEC Cement Company	Commercial International Bank	11%	2015	3 995 318	3 995 318	--	Management contract.
Global Energy	HSBC Arab Bank	EGP: 2.25% plus average Corridor US.\$: 1.3% plus	2014-2016 2014-2018	67 008 752	27 006 752	40 002 000	– The amount of capital injected parallel to the premiums payable in the event

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2014

Borrowing company	Lender Bank/Company	Interest rate	Maturity date	Outstanding balance	Current	Non -current	Guarantees
		Libor					<p>that the net profit + depreciation + cash inadequate to pay the premiums due.</p> <p>– No change in the company shall take place without written consent from the bank</p> <p>– The company undertakes not to pledge, mortgage, or impose any liens / seniority over any assets in Sham El Sheikh Project.</p> <p>– The company executed a commercial pledge contract with Arab Bank. The pledge include all the Group's tangible and intangible assets in addition to the power generation station in Scimitar project in Red Sea Governorate.</p>

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2014

Borrowing company	Lender Bank/Company	Interest rate	Maturity date	Outstanding balance	Current	Non -current	Guarantees
Taqa Marketing	HSBC Cairo Bank	EGP: 3% plus corridor	2014-2018 2014-2020	35 924 916	9 652 912	26 272 004	<ul style="list-style-type: none"> – 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.
Egyptian Refining Company – S.A.E.	Japan Bank for International Cooperation (JBIC)	US.\$: Libor for such interest period Plus 4.10%	2017-2029	1 042 849 429	--	1 042 849 429	<ul style="list-style-type: none"> – Egyptian Refining Company shall deliver to each lender original, signed, undated and blank promissory notes.

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2014

Borrowing company	Lender	Interest rate	Maturity date	Outstanding balance	Current	Non -current	Guarantees
	Bank/Company						
Egyptian Refining Company – S.A.E.	Group of Commercial Banks (NEXI – Covered Lenders)	US.\$: Libor for period Plus 1.75% per annum	2017-2029	690 495 713	--	690 495 713	– Egyptian Refining Company has signed a general irrevocable power of attorney dated August 10, 2010 to the benefits of Commercial International Bank ‘‘CIB’’ at his capacity as the Egyptian Security Agent of the term loan facility.
Egyptian Refining Company – S.A.E.	Export – Import Bank of Korea (KEXIM)	US.\$: Libor for such interest period plus 3.6% per annum up to the project completion. 4% per annum from the project completion to the end of the 5th year. 4.6% per annum for any time thereafter.	2017-2029	1 098 514 853	--	1 098 514 853	

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2014

Borrowing company	Lender	Interest rate	Maturity date	Outstanding balance	Current	Non -current	Guarantees
	Bank/Company						
Egyptian Refining Company – S.A.E.	Financial Institutions (KEXIM Initial Guaranteed facility lenders)	US.\$; Libor for such interest period plus 1.95 % per annum plus Mandatory cost*	2017-2029	479 798 669	--	479 798 669	
Egyptian Refining Company – S.A.E.	European Investment Bank (EIB)	Libor for such interest period Plus or minus the spread of the related tranche as determined by the bank (1.5% for the current period) Plus Mandatory cost*	2017-2029	2 170 011 415	--	2 170 011 415	

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2014

Borrowing company	Lender	Interest rate	Maturity date	Outstanding balance	Current	Non -current	Guarantees
	Bank/Company						
Egyptian Refining Company – S.A.E.	African Development Bank (AFDB)	Fixed interest rate: 3.30 % per annum Plus Base rate calculated by the bank as set in the agreement Or Variable interest rate: LIBOR for such interest period Plus 3.30 % per annum	2017-2029	1 130 231 960	--	1 130 231 960	
Egyptian Refining Company – S.A.E.	African Development Bank (AFDB)	Fixed interest rate: -5% per annum -Plus base rate Or Variable interest rate: LIBOR for such interest period plus 5 % per annum	2017-2025	204 856 001	--	204 856 001	– Egyptian Refining Company shall deliver to AFDB an original, signed, undated and blank promissory notes. – Egyptian Refining Company shall not make any distribution or other payment to the shareholders (or their

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2014

Borrowing company	Lender Bank/Company	Interest rate	Maturity date	Outstanding balance	Current	Non -current	Guarantees
							affiliates) in respect of equity funding or shareholders loans until all amounts due and payable under the loan have been paid in full.
Egyptian Refining Company – S.A.E.	MITSUE & Co. Ltd.	- US\$ 6 months Libor - Plus 3 % per annum	2020	78 038 482	--	78 038 482	
Less: Deferred borrowing cost *							
Egyptian Refining Company – S.A.E.				(1 409 226 762)	--	(1 409 226 762)	
United Foundries Company	Export Development Bank of Egypt and Piraeus Bank	Euro: 2% plus 3months Libor EGP : 8.5% 3 months EGP: 3.25% annually over lending price announced by Central Bank	2015	3 679 854	3 679 854	--	– Irrevocable power of attorney to the bank to finalize mortgage covering 150% of the loan value. – Open account at the bank and make monthly deposits to face liability due to the bank. – An insurance policy at the

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2014

Borrowing company	Lender Bank/Company	Interest rate	Maturity date	Outstanding balance	Current	Non -current	Guarantees
							<p>Misr Insurance Company on all physical assets financed by bank loan with value not less than 110 % of the loan balance.</p> <p>– Company undertakes no obligation to pay any dividends or distributions to shareholders for any fiscal year unless the payments were due from the Principal and earnings, commissions and fees payable without prejudice to the financial ratios required under the loan contract Piraeus Bank.</p> <p>– The company committed and undertakes a final irrevocable pledge not to increase the leverage of the company for a ratio of 1 : 1.5 for the duration of this contract.</p>

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2014

Borrowing company	Lender Bank/Company	Interest rate	Maturity date	Outstanding balance	Current	Non -current	Guarantees
							<ul style="list-style-type: none"> – The company committed and undertakes a final pledge is irrevocable not borrowing from any other bank without obtaining the prior written consent of the Bank.
Bonian for Trade and Development	Syndicated bank loan from a group of banks: Commercial International Bank, Egypt Real Estate Bank, Arab Investment Bank and Audi Bank	EGP :2.75% Over deposit price of the Egyptian central bank	2012-2017	209 354 167	20 978 522	188 375 645	<ul style="list-style-type: none"> – First rank mortgage for all property and real estate on the project land. – Commercial mortgage on all physical assets, moral, and waive all rights in relation to insurance against all risks on all assets except land project.
Citadel Capital S.A.E	Citi Bank (syndication loan manager) (Arab African International Bank, Arab International Bank, Banque du	US\$: First tranche: (4.25 %+Libor rate). Second tranche: 3.9% plus Libor Third Tranche: 3.9% plus Libor	2012-2022	1 932 884 003	1 086 800 651	846 083 352	<ul style="list-style-type: none"> – First degree lien contract of the shares owned by the Company in National Development and Trading Company. – First degree lien contract of the shares owned by the

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2014

Borrowing company	Lender	Interest rate	Maturity date	Outstanding balance	Current	Non -current	Guarantees
	Bank/Company						
	caire, Misr Bank, and Piraeus Bank)						<p>Company in International Company for Mining Consulting.</p> <p>– First degree lien contract of the shares owned by the Company in United Foundries Company.</p> <p>– First degree lien contract of the shares of Citadel Capital Ltd. (One of the subsidiaries of Citadel Capital Holding for Financial Investments-Free Zone).</p> <p>– First degree lien contract of Citadel Capital Ltd. (One of the subsidiaries of Citadel Capital Holding for Financial Investments-Free Zone) investments on the following companies:</p> <p>– Orient Investments Properties Ltd.</p>

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2014

Borrowing company	Lender Bank/Company	Interest rate	Maturity date	Outstanding balance	Current	Non -current	Guarantees
							<ul style="list-style-type: none"> - Logria Holding Ltd. - Golden Crescent Investments Ltd. - Falcon Agriculture Investments Ltd. - Silverstone Capital Investment Ltd. - Mena Glass Ltd. - Mena Home Furnishings Mall. - Valencia Trading Holding Ltd. - Andalusia Trading Investments Ltd. - Citadel Capital Transportation Opportunities Ltd. - Lotus Alliance Limited. - Citadel Capital Financing Corp. - Grandview Investment Holding

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2014

Borrowing company	Lender Bank/Company	Interest rate	Maturity date	Outstanding balance	Current	Non -current	Guarantees
							<ul style="list-style-type: none"> – Africa Railways Holding – Citadel Capital for Promotion Company
International for Refinery Consultation	Arab International Bank	US\$.5.2% Annually	2016	191 395 690	--	191 395 690	Letter of guarantee from Standard chartered Bank of Korea Limited with the amount due to Arab International Bank.
National Company for Refining Consultation	Arab International Bank	U\$.\$: 15 608 926 Interest to be paid upon maturity	2015	447 406 474	--	447 406 474	The loan is guaranteed by pledging the Company's (50 million) share in Orient Investments Properties Ltd. in favour of the bank.
Sabina for Integrated Solutions	Khartoum Bank – Sudan	US.\$: Murabha		41 021 087	15 956 798	25 064 289	Possessory pledge for machinery and equipment.
National Company for Multimodal Transport S.A.E.	Arab African International Bank of Alexandria and Misr Bank (syndicated loan)	EGP: corridor Average accrued every 6 months	2012-2016	405 556 749	274 280 315	131 276 434	<ul style="list-style-type: none"> – Open the Revenue Account with the Loan Agent (Misr Bank). – Conclude a first degree pledge the Revenue Account. – Conclude first degree mortgage over all present and

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2014

Borrowing company	Lender Bank/Company	Interest rate	Maturity date	Outstanding balance	Current	Non -current	Guarantees
							<p>future tangible and intangible assets.</p> <p>– An undertaking to provide the Security Agent with the operational insurance policies over the New Barges within 15 days from the expiry date of the construction insurance policy.</p> <p>– Assign the Borrower's rights under the insurance policies covering operating Barges, for the full replacement value against all insurable risks for which it would be prudent to insure for ("Adequate Insurance") to be endorsed in favor of the Security Agent (Arab African International Bank) for itself and on behalf of the Banks.</p>

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2014

Borrowing company	Lender Bank/Company	Interest rate	Maturity date	Outstanding balance	Current	Non -current	Guarantees
							Assign all borrower's compensation rights under the insurance policies covering the Borrower's New Barges during construction year, in favor of the Security Agent (Arab African International Bank) for itself and on behalf of the Banks.
							Assign the proceeds (one year or more) from long term transportation service contracts signed with the borrower's customers in favor of the Security Agent (Arab African International Bank).
							Assign the borrower's rights of any damages arising under the Material Project Contracts and related banks' guarantees

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2014

Borrowing company	Lender Bank/Company	Interest rate	Maturity date	Outstanding balance	Current	Non -current	Guarantees
							under such contracts in favour of the Security Agent (Arab African International Bank) for itself and on behalf of the banks.
KU Railways Holding Limited	International Finance Corporation	US.\$ Effective interest rate for year 2013 14%	2017-2021	195 501 993	24 301 027	171 200 966	
KU Railways Holding Limited	International Finance Corporation	US.\$ fixed interest rate: basic lending rate plus 6.25% or variable rate: Libor for six months plus 6.25%	2017-2026	162 574 884	5 274 884	157 300 000	
KU Railways Holding Limited	Africa Development Bank	US.\$ Libor plus 6.25%	2017-2021	295 505 689	9 505 689	286 000 000	
KU Railways Holding Limited	FMO	US.\$ Libor plus 6.25%	2017-2026	221 604 319	7 104 319	214 500 000	
KU Railways Holding Limited	International Finance Corporation	US. \$ Libor plus (5.5% or 6.25%)	2017-2021	148 861 899	5 862 364	142 999 535	

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2014

Borrowing company	Lender	Interest rate	Maturity date	Outstanding balance	Current	Non -current	Guarantees
Bank/Company							
KU Railways Holding Limited	Equity Bank	US.\$ Interest rate for treasury bills of Kenya 91 days plus 4% or 14% which is bigger	2017-2021	145 570 847	9 094 843	136 476 004	
KU Railways Holding Limited	KFW	US.\$ Libor plus (5.5% or 6.25%)	2017-2026	234 932 062	6 132 062	228 800 000	
Less: prepaid fee *							
KU Railways Holding Limited				(48 948 592)	(5 011 642)	(43 936 950)	
KU Railways Holding Limited	Equity Bank			64 290 240	8 368 946	55 921 294	
	EARH Loan						
Trimstone Assets Holdings Ltd.	Arab International Bank	US.\$ 5% plus six months Libor	2013-2014	137 858 031	137 858 031	--	<ul style="list-style-type: none"> – Includes a first degree pledge over all shares owned by the borrower of “TAQA Arabia” covering 115% of the value of the existing liability in favour of (Arab International Bank). – Includes a first degree pledge over shares of “Citadel Capital for financial consultancy” S.A.E (the ultimate parent

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2014

Borrowing company	Lender Bank/Company	Interest rate	Maturity date	Outstanding balance	Current	Non -current	Guarantees
							company) covering 35% of the value of the existing liability in favour of (Arab International Bank).
				12 893 226 001	2 158 940 557	10 734 285 444	
Due to related parties :							
National Development and Trading Company	Financial Holdings International	11.5% per annum compound interest		555 531 576	--	555 531 576	
National Development and Trading Company	Al Olayan Saudi Investments Ltd	11.5% per annum compound interest		181 130 022	--	181 130 022	
National Development and Trading Company	Vigenar Company	11.5% per annum compound interest		11 674 657	--	11 674 657	
United Foundries	Financial Holdings International	11.5% per annum compound interest		44 418 593	--	44 418 593	
				792 754 848	--	792 754 848	
				13 685 980 849	2 158 940 557	11 527 040 292	

* This balance represents the necessary financing cost incurred by Egyptian Refining Company S.A.E to obtain the credit facility and loans required to finance its project. It will be amortized over the loan life using the effective interest rate.

27. Long term liabilities

	31/12/2014	31/12/2013
	EGP	EGP
Creditors-purchase of investments *	10 787 486	10 787 486
Port –Said ports authority	--	13 509 550
End of service benefits	2 660 057	9 634 226
Deposits from others (27.1)	122 072 451	106 791 589
Social Insurance authority	8 574 258	3 593 754
Others	--	3 267 838
Balance	<u>144 094 252</u>	<u>147 584 443</u>

* This balance represents the amount due from Tanweer for Marketing and Distribution Company (Tanweer) (subsidiary - 99.88%) for purchasing investment in Dar El-Sherouk Ltd.-BVI- in the favour of the shareholders of the mentioned company.

27.1 Deposits from others

	31/12/2014	31/12/2013
	EGP	EGP
Meters deposits	--	6 996 479
Gas consumption deposits	103 587 327	91 925 488
Power consumption deposits	16 251 936	4 299 900
Others	2 233 188	3 569 722
Balance	<u>122 072 451</u>	<u>106 791 589</u>

28. Deferred tax assets (liabilities)

	31/12/2014		31/12/2013	
	Asset	Liability	Asset	Liability
	EGP	EGP	EGP	EGP
	(restated)			
Fixed assets *	--	(219 433 446)	--	(228 305 706)
Intangible assets *	--	(283 703 696)	--	(283 703 696)
Project under construction *	--	(29 170 667)	--	(29 170 667)
Investment in associates *	4 711 077	--	4 711 077	--
Hedge reserve-swap contract	64 503 940	--	--	(40 992 061)
Provisions	10 416 378	--	8 341 317	--
Deferred tax liabilities related to Berber for electricity Ltd. Co.	--	(16 937 938)	--	(14 639 683)
Deferred tax liabilities related to Zahana Co.	--	--	--	(44 889 655)
Deferred tax liabilities related to Asec Ready Mix	--	(57 565)	--	(2 743 029)
Tax losses	252 526 941	--	227 099 330	--
Deferred tax liabilities related to KU Railways Holdings Ltd.	--	(27 176 914)	--	(26 378 711)
Others	--	(167 796 072)	--	(151 521 617)
Total deferred tax assets and liabilities	<u>332 158 336</u>	<u>(744 276 298)</u>	<u>240 151 724</u>	<u>(822 344 825)</u>

- The Parent Company has carried-forward tax losses from previous years which were not recognized because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefore.

* Note (54).

29. Banks overdraft

	31/12/2014	31/12/2013
	EGP	EGP
Wafra Agriculture S.A.E	7 257 229	7 044 079
Mena Home Furnishings Mall Ltd.	--	18 918
Silverstone Capital Investments Ltd.	89 946 421	81 561 115
United Foundries Company	63 304 947	63 385 419
Falcon Agriculture Investments Ltd.	288 460 658	329 064 569
KU Railways Holdings Ltd.	126 582 096	10 660 354
National Development and Trading Company	96 833 495	342 614 856
Tawazon for Solid Waste Management (Tawazon)	16 583 366	--
Balance	<u>688 968 212</u>	<u>834 349 310</u>

30. Due to related parties

	Nature of transaction		31/12/2014	31/12/2013
	Advisory fee	Finance		
	EGP	EGP	EGP	EGP
				(restated)
Citadel Capital Partners Ltd.*	--	4 174 167	4 174 167	110 770 360
Mena Glass Ltd.	(16 237 649)	275 481 506	259 243 857	26 433 469
Pharos Holding Co.	--	3 220 861	3 220 861	3 220 861
ASCOM for Carbonate and Chemicals Manufacturing Co.	--	9 438 055	9 438 055	16 450 410
Erco Group	--	--	--	43 421 617
ASEC Automation Europe Co.	--	161 007	161 007	161 007
ASEC Automation Co.-Free Zone	--	19 798	19 798	3 798
National Sudanese Pension Fund	--	3 297 052	3 297 052	30 957 127
Medcom	--	1 054 753	1 054 753	1 054 753
Misr Cement Qena	--	4 931 562	4 931 562	6 140 951
Grandview Investment Holding	--	1 319 711	1 319 711	9 191 558
Egus Co.	--	--	--	47 935

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2014

	Nature of transaction		31/12/2014	31/12/2013
	Advisory fee	Finance		
	EGP	EGP	EGP	EGP
				(restated)
Genco Group Co.	--	--	--	177 116
City Gas Co.	--	--	--	571 093
Egyptian Gulf Bank	--	5 193 398	5 193 398	--
Kimonix Egypt for Consultancy Libya	--	2 518 501	2 518 501	--
Others	--	5 862 848	5 862 848	25 467 309
Total			<u>300 435 570</u>	<u>274 069 364</u>
Due to shareholders:				
GROUPED HOLDINGS LTD	--	67 999 996	67 999 996	--
Ledville Holdings Limited	--	32 007 862	32 007 862	--
Financial Holding International **	65 152 817	(568 081)	64 584 736	60 326 637
Others	--	13 493 568	13 493 568	--
Total			<u>178 086 162</u>	<u>60 326 637</u>
Balance			<u>478 521 732</u>	<u>334 396 001</u>

* The main shareholder of the Company – 27.60%.

** Note (54).

31. Trade and other payables

	31/12/2014	31/12/2013
	EGP	EGP
Suppliers	1 634 694 483	3 088 588 621
Notes payables	<u>195 888 419</u>	<u>175 095 122</u>
Balance	<u>1 830 582 902</u>	<u>3 263 683 743</u>

32. Creditors and other credit balances

	31/12/2014	31/12/2013
	EGP	EGP
		(restated)
Accrued expenses *	433 801 621	497 485 784
Accrued interest	53 947 843	146 666 345
National Authority for Social Insurance	16 786 066	21 011 584
Advances from customers	102 620 679	119 970 642
Egyptian Natural Gas Holding Company (EGAS)	--	457 862 357
Refundable deposits	9 222 127	1 068 177

	31/12/2014	31/12/2013
	EGP	EGP
		(restated)
Unearned revenues	47 953 686	13 463 938
Subcontractors	4 079 222	7 066 001
Creditors – purchase of fixed assets	7 758 065	18 263 533
Deposits from others	60 911 054	56 542 534
Dividend payable – previous years	23 308 237	38 323 581
Sundry credit balances	299 396 883	118 169 848
Balance	<u>1 059 785 483</u>	<u>1 495 894 324</u>

* Note (54).

33. Provisions

	Expected claims Provision EGP	Employee benefit provision EGP	Other provisions EGP	Total EGP
Balance at the beginning of the year	415 816 271	39 150 391	22 197 354	477 164 016
Adjustments on the beginning balance	(13 257 798)	(39 150 391)	--	(52 408 189)
Acquisition of subsidiaries **	32 547 722	--	--	32 547 722
Transferred to liabilities held for sale ***	(31 190 095)	--	--	(31 190 095)
Provisions formed during the year	84 847 638	--	1 045 136	85 892 774
Foreign currency translation differences	819 807	--	(1 051 132)	(231 325)
Provisions used during the year	(10 584 931)	--	(250 000)	(10 834 931)
Provisions no longer needed *	(889 019)	--	(10 463 391)	(11 352 410)
Balance	<u>478 109 595</u>	<u>--</u>	<u>11 477 967</u>	<u>489 587 562</u>

- Expected claims provision related to expected claims were made by some external parties in connection with the Company's operations. The information usually required by Accounting Standards is not disclosed because the management believes that it would seriously prejudice the outcome of the negotiation with that external party. The management are reviewing the provision annually and the amount provided is adjusted based on latest development, discussions and agreements with the external party.

* Provisions no longer needed has been recognized during the year with an amount of EGP 7 788 617 were included in operation cost and it represents the provision of completion the contracts of ASEC Automation.

** Note no. (12)

*** Note no. (23.2)

34. Financial guarantees contracts

The balance as at December 31, 2014 with amount of EGP 23 401 707 represent losses from contracts for financial guarantees granted to Egyptian Gulf Bank to guarantee the non-performing balances to the portfolio of customers' projects.

35. Related party transactions

35.1 Advisory fee

Advisory fee item presented in the income statement is represented in the advisory services provided to related parties according to signed contracts as follows:

	For the year ended	
	31/12/2014	31/12/2013
	EGP	EGP
Mena Glass Ltd.	2 809 265	4 134 178
Mena Home Furnishings Mall*	--	4 110 610
Citadel Capital Transportation Opportunities Ltd.*	--	937 399
Falcon Agriculture Investments Ltd.*	--	17 341 004
ASEC Cement Company*	--	12 032 655
Silverstone Capital Investment Ltd.*	--	3 879 290
Citadel Capital Transportation Opportunities II Ltd.*	--	5 613 782
Africa Joint Investment Fund	--	3 223 932
Mena Joint Investment Fund	--	1 853 629
Africa JIF HOLD CO I	--	489 709
Africa JIF HOLD CO III	--	1 388 393
Mena JIF HOLD CO I	--	489 709
Ledmore Holdings Ltd.*	--	875 144
Sphinx Glass Ltd.	--	4 939 125
Crondall Holding Ltd. *	--	6 369 726
Scimitar Production Egypt Ltd.	7 104 395	34 773 148
Total	9 913 660	102 451 433

- The Company did not recognize advisory fees with an amount EGP 11 205 938 and EGP 2 074 955 for the year ended December 31, 2014 (against EGP 43 327 784 and EGP 8 022 800 for the year ended December 31, 2013) related to Logria Holding Ltd. and Golden Crescent Investments Ltd. in accordance with the signed contracts due to inadequate assurance concerning the revenue recognition and collection conditions.
- * These companies have been acquired at December 31, 2013.

35.2 Interest income

Interest income included in financing cost note no.(41) includes an amount of EGP 4 476 605 represents accrued interest income according to signed contracts from other related parties as follows:

	For the year ended	
	31/12/2014	31/12/2013
	EGP	EGP
National Company for Trading and Development *	--	26 821 686
United Foundries Company *	--	8 438 010
Mena Home Furnishings Mall *	--	5 999 484
Citadel Capital Transportation Opportunities Ltd.*	--	4 248 053
Grandview Investment Holding	--	2 912 675
ASEC Company for Mining (ASCOM)	4 476 605	3 996 817
Falcon Agriculture Investments Ltd.*	--	15 229 408
Asec Cement Company	--	(430 852)
Total	4 476 605	67 215 281

- * These companies have been acquired at December 31, 2013.

36. Share of profit (loss) of equity accounted investees:

	For the year ended	
	31/12/2014	31/12/2013
	EGP	EGP
		(restated)***
El Kateb for Marketing & Distribution Co.	(458 648)	(1 454 156)
Elsharq Book Stores Co.	(310 619)	(780 948)
ASEC Company for Mining (ASCOM)	(1 896 230)	(19 114 360)
Silverstone Capital Investments Ltd.*	--	26 027 419
Dar El-Sherouk Ltd.	(3 530 886)	(526 456)
Crondall Holdings Ltd.*	--	11 223 204
Misr Cement (Qena)	103 334 203	--

	For the year ended	
	31/12/2014	31/12/2013
	EGP	EGP
		(restated)***
Societe Des Ciments De Zahana	36 287 432	--
Mena Glass Ltd.	69 695 696	(7 485 501)
Tanmeyah Company S.A.E **	--	2 570 386
Mena Home Furnishings Mall *	--	(19 299 419)
Citadel Capital Transportation Opportunities Ltd.*	--	(52 733 386)
Ostool for land Transportation S.A.E.	2 957 992	--
Tawazon for Solid Waste Management (Tawazon)**	309 494	(4 619 256)
Grandview Investment Holding	4 697 678	--
Ledmore Holdings Ltd.*	--	(3 890 474)
Total	211 086 112	(70 082 947)

* These companies have been acquired at December 31, 2013.

** These companies have been acquired during year 2014.

*** Note (54).

37. Operating income

	For the year ended	
	31/12/2014	31/12/2013
	EGP	EGP
		(restated)
Agriculture food sector *	1 011 726 554	11 723 175
Energy sector	1 928 344 500	--
Transportation and logistics sector	667 195 235	--
Cement sector	2 606 090 813	--
Metallurgy sector	136 947 691	--
Specialist real estate sector	10 350 557	--
Financial Services sector	92 053 377	--
Total	6 452 708 727	11 723 175

* Note (54).

38. Operating costs

	For the year ended	
	31/12/2014	31/12/2013
	EGP	EGP
		(restated)
Agriculture food industries *	764 219 726	9 658 300
Energy sector	1 637 618 967	--
Transportation and logistics	713 875 093	--
Cement sector	2 072 591 808	--
Metallurgy	116 787 119	--
Specialist real estate sector	22 542 771	--
Total	5 327 635 484	9 658 300

* Note (54).

39. Administrative and general expenses

	For the year ended	
	31/12/2014	31/12/2013
	EGP	EGP
Wages, salaries and similar items	423 341 605	78 737 471
Bonus	31 149 029	--
Consultancy */**	200 153 554	67 276 837
Advertising and public relations	10 406 827	5 955 723
Selling and marketing expense	109 341 299	--
Travel, accommodation and transportations	17 744 883	8 153 824
Rent	20 253 802	--
Depreciation and amortization	84 577 525	--
Management fee ***	--	1 165 600
Others	269 016 247	65 508 757
Total	1 165 984 771	226 798 212

* Consultancy expenses include an amount of US.\$ 1 679 030 (equivalent to EGP 11 866 867) for the year ended December 31, 2014 against US.\$ 3 295 428 (equivalent to EGP 22 578 674) for the year ended December 31, 2013 represents the advisory fees due according to the signed contract with Financial Holding International Co. (one of the group shareholders).

** Consultancy expenses include an amount of US.\$ 2 500 000 (equivalent to EGP 17 669 230) for the year ended December 31, 2014 represents the

advisory fees paid according to the signed contract with Rashed Abdul Rahman Al Rashed and Sons co.

*** The Company's extraordinary general assembly meeting held on May 12, 2008 approved the management contract with Citadel Capital Partners Ltd. (the principal shareholder of – 27.60%) which states that Citadel Capital Partners Ltd. provides management duties for fees based on 10% of the net annual profit available for distribution. This agreement shall remain in effect as long as Citadel Capital Partners owns 15% or more preferred shares.

40. Other expenses

	Note	For the year ended	
		31/12/2014	31/12/2013
		EGP	EGP
Gain on sale of investments at fair value through profit and loss		--	(584 927)
(Gain) loss on sale of fixed assets		(13 590 793)	315 793
Loss on sale of biological assets		15 909 467	--
Impairment on available -for- sale investments		--	14 142 705
Impairment on due from related parties	(20)	22 805 656	138 860 998
Impairment on trade and other receivables		2 847 096	--
Impairment on fixed assets	(6)	2 310 796	--
Impairment on debtors and other debit balances		214 446	--
Provisions formed	(33)	85 892 774	1 737 030
Net change in the fair value of investments at fair value through profit and loss		581 529	(741 836)
Provisions no longer needed	(33)	(3 563 793)	(17 445 245)
Other income		(44 165 921)	(2 571 552)
Inventories write-down		--	2 743 580
Gain on financial guarantees contracts		(1 845 159)	--
Impairment on goodwill	(9)	3 608 587	--
Other expenses		26 094 394	229 752
Total		97 099 079	136 686 298

41. Finance costs (net)

	For the year ended	
	31/12/2014	31/12/2013
	EGP	EGP
		(restated)
Interest income - note no. (35.2) *	76 345 716	87 860 381
Interest expenses - note no.(26)	(982 824 992)	(151 307 595)
Foreign currency exchange differences	(182 305 265)	9 563 878
Net	(1 088 784 541)	(53 883 336)

* Note (54).

42. Income tax

	For the year ended	
	31/12/2014	31/12/2013
	EGP	EGP
Current income tax	(129 991 411)	(25 357)
Deferred tax	12 410 631	95 737
Net	<u>(117 580 780)</u>	<u>70 380</u>

43. Earnings per share

	For the year ended	
	31/12/2014	31/12/2013
	EGP	EGP
Net loss for the year	<u>(1 369 971 969)</u>	<u>(384 870 029)</u>
Net loss for equity holders of the parent Company	<u>(879 593 450)</u>	<u>(374 655 290)</u>
Weighted average number of shares	1 041 353 938	653 718 750
Earnings per share	<u>(0.84)</u>	<u>(0.57)</u>

44. Finance income (expenses) recognised in equity

	For the year ended	
	31/12/2014	31/12/2013
	EGP	EGP
Foreign currency translation differences	154 385 373	(123 928 370)
Net change in the fair value of available-for-sale investment	<u>(637 297)</u>	<u>694 479</u>
Total finance income (expenses) recognised in equity (after tax)	<u>153 748 076</u>	<u>(123 233 891)</u>
Attributable to:		
Equity holders of the Company	85 709 368	166 682 305
Non - controlling interests	<u>68 038 708</u>	<u>(289 916 196)</u>
	<u>153 748 076</u>	<u>(123 233 891)</u>

45. Business segments

Segment information is presented in respect of the Group's business segments. The primary format, business segment, is based on the Group's management and internal reporting structure.

Assets and liabilities include items directly attributable to a segment.

The table below depends on sales analysis, cost of sales, assets and liabilities based on the type of business activities and services that are distinguishable component.

For the year ended December 31, 2014									
	Agriculture food industries	Energy	Transportation and logistics	Cement	Metallurgy	Speciality real estate	Financial service	Eliminations	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Operating income	1 011 726 554	1 928 344 500	667 195 235	2 606 090 813	136 947 691	10 350 557	92 053 377	--	6 452 708 727
Operating cost	(764 219 726)	(1 637 618 967)	(713 875 093)	(2 072 591 808)	(116 787 119)	(22 542 771)	--	--	(5 327 635 484)
Gross profit (loss)	247 506 828	290 725 533	(46 679 858)	533 499 005	20 160 572	(12 192 214)	92 053 377	--	1 125 073 243
Net loss for equity holders of the Company	(207 964 681)	(46 865 620)	(407 354 952)	(315 549 404)	(297 074 945)	(62 114 800)	(281 585 653)	738 916 605	(879 593 450)
Current assets	645 150 706	2 564 701 121	950 435 086	2 499 186 779	217 267 752	22 704 560	7 146 970 048	(6 137 716 424)	7 908 699 628
Non- current assets	1 663 351 097	13 567 122 901	4 300 049 428	4 070 997 627	67 589 103	561 295 892	22 076 352 361	(21 766 862 828)	24 539 895 581
Total assets	2 308 501 803	16 131 824 022	5 250 484 514	6 570 184 406	284 856 855	584 000 452	29 223 322 409	(27 904 579 252)	32 448 595 209
Current liabilities	2 069 415 820	1 774 699 672	1 201 526 398	2 313 588 971	173 547 691	294 008 501	6 001 580 487	(5 678 382 423)	8 149 985 117
Non-current liabilities	150 122 271	5 990 011 601	1 519 528 088	3 156 273 716	225 375 104	188 375 644	1 678 227 123	(492 502 705)	12 415 410 842
Owners' equity	88 963 712	8 367 112 749	2 529 430 028	1 100 321 719	(114 065 940)	101 616 307	21 543 514 799	(21 733 694 124)	11 883 199 250
Total liabilities and equity	2 308 501 803	16 131 824 022	5 250 484 514	6 570 184 406	284 856 855	584 000 452	29 223 322 409	(27 904 579 252)	32 448 595 209

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	Agriculture food industries	Energy	Transportation and logistics	Cement	Metallurgy	Speciality real estate	Financial service	Eliminations	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Current assets	610 537 846	2 474 110 016	667 001 233	1 578 307 615	406 265 552	25 930 200	4 571 087 649	(3 678 126 330)	6 655 113 781
Non- current assets	1 692 542 268	10 182 047 899	2 926 704 342	6 013 960 154	79 624 961	574 712 519	18 101 512 510	(15 962 604 178)	23 608 500 475
Total assets	2 303 080 114	12 656 157 915	3 593 705 575	7 592 267 769	485 890 513	600 642 719	22 672 600 159	(19 640 730 508)	30 263 614 256
Current liabilities	1 858 367 094	3 185 416 250	877 414 554	2 773 948 675	383 345 400	319 907 107	4 764 784 945	(4 433 277 068)	9 729 906 957
Non-current liabilities	202 804 344	1 934 253 424	876 355 333	3 215 061 353	207 860 142	108 782 758	1 768 907 712	(36 428 284)	8 277 596 782
Owners' equity	241 908 676	7 536 488 241	1 839 935 688	1 603 257 741	(105 315 029)	171 952 854	16 138 907 502	(15 171 025 156)	12 256 110 517
Total liabilities and equity	2 303 080 114	12 656 157 915	3 593 705 575	7 592 267 769	485 890 513	600 642 719	22 672 600 159	(19 640 730 508)	30 263 614 256

Agriculture food industries

- Wafra Agriculture S.A.E.
- Falcon for Agriculture Investments Group

Energy sector

- Silverstone Capital Investments Ltd. Group
- Orient Investment Properties Ltd. Group
- Ledmore Holdings Ltd.
- Tawazon for Solid Waste Management (Tawazon)
- Qalaa Energy Ltd.

Transportation and logistics

- Africa Railways Holding
- Africa Railways Limited
- Citadel Capital Transportation Opportunities Ltd. Group
- KU Railways Holding Limited
- Ambience Ventures Ltd.

Cement sector

- National Development and Trading Group

Metallurgy

- United Foundries Group

Specialist real estate sector

- Mena Home Furnishings Malls Ltd Group.

Financial Services sector

- Citadel Capital S.A.E.
- Citadel Capital Ltd.
- Sequoia Williw Investments Ltd.
- Arab Company for Financial investments
- Lotus Alliance Limited
- Citadel Capital Holding for Financial Investments–Free Zone
- Citadel Capital for International Investments Ltd
- International for Mining Consultation
- International for refinery Consultation
- Tanweer for Marketing and Distribution Company (Tanweer)

- Financial Unlimited for Financial Consulting
- Citadel Company for Investment Promotion
- National Company for Touristic and Property Investment
- United for Petroleum Refining Consultation
- Specialized for Refining Consulting
- Specialized for Real Estate Company
- National Company for Refining Consultation
- Citadel Capital Algeria
- Valencia Trading Holding Ltd.
- Andalusia Trading Investments
- Citadel Capital Financing Corp.
- Brennan Solutions Ltd.
- Mena Enterprises Ltd.
- Alcott Bedford Investments Ltd.
- Eco-Logic Ltd.
- Alder Burke Investments Ltd.
- Black Anchor Holdings Ltd.
- Cobalt Mendoza
- Africa Railways Investments Ltd.
- Darley Dale Investments Ltd.
- Citadel Capital Joint Investment Fund Management Limited
- Mena Joint Investment Fund
- Trimestone Assets Holding Limited – BVI
- Cardinal Vine Investments Ltd.
- Global Service Realty Ltd.
- Crondall Holdings Ltd.
- Tanmeyah Company S.A.E
- Mena Joint Investment Fund
- Africa Joint Investment Fund
- Underscore International Holdings Ltd.
- Valencia Regional Investment Ltd
- Sphinx Egypt for Financial Consulting Company

46. Tax status

Corporate tax

The Company submitted its tax returns on regular basis for the years from 2005 to 2013 according to tax law No. 91/2005. The Company's books have not been inspected yet.

Salaries tax

The Company deducts the salaries tax according to tax law no. 91 / 2005 and the Company's books inspected for the period from launch till the date of 31/12/2009 but the authority did not inform the Company with results yet. And the years from 2010/2013 have not been inspected yet.

Stamp tax

The Company was inspected till July 31, 2006 and paid all the accrued amounts according to the Internal Committee decision and for the period from August 1, 2006 to December 31, 2012 has been inspected and the dispute has transferred to Internal Committee in the Authority And the year 2013 has not been inspected yet.

Withholding tax

The Company applies the withholding tax provisions on its transactions with private sector according to tax law No. 91/2005 and no tax inspection for withholding tax has taken place yet.

- On June 4, 2014 a new law No. 44/2014 has imposed a 5% temporary additional annual tax on amounts exceed EGP 1 million from the tax base on the income of natural persons or the profits of Corporate Buddies in accordance with income tax law , and it has been proven and collected in accordance with this provisions . This law will start working from June 5, 2014.
- On June 30, 2014 a Presidential Decree has issued law No. 53 for the year 2014, this law has amended some articles of the law on Income Tax promulgated by law No. 91/2005 the most important of these amended rules are :
 - 1- Impose taxes on dividends.
 - 2- Impose taxes on capital gains resulted from selling shares and securities.

On April 6, 2015 Ministry Decree No. 172 for the year 2015 was issued, amending the provisions of the executive regulations of the income tax law issued by the Decree of the Minister of Finance No.991/2005.

47. Group entities

Company's name	Country of incorporation	Ownership interest	
		Direct %	Indirect %
Citadel Capital Holding for Financial Investments–Free Zone	Arab Republic of Egypt–Free Zone	99.99	--
Citadel Capital for International Investments Ltd.	British Virgin Island	100.00	--
International for Mining Consultation	Arab Republic of Egypt	99.99	--
International for Refinery Consultation	Arab Republic of Egypt	--	99.99
Arab Company for Financial Investments	Arab Republic of Egypt	--	94.00
Tanweer for Marketing and Distribution Company (Tanweer)	Arab Republic of Egypt	--	99.88
Financial Unlimited for Financial Consulting	Arab Republic of Egypt	--	99.88
Citadel Company for Investment Promotion	Arab Republic of Egypt	--	99.90
National Company for Touristic and Property Investment	Arab Republic of Egypt	--	99.88
United for Petroleum Refining Consultation	Arab Republic of Egypt	--	99.99
Specialized for Refining Consulting	Arab Republic of Egypt	--	99.99
Specialized for Real Estate Company	Arab Republic of Egypt	--	99.99
National Company for Refining Consultation	Arab Republic of Egypt	--	99.99
Citadel Capital Algeria	Republic of Algeria	--	99.99
Citadel Capital Ltd.	British Virgin Island	--	100.00
Valencia Trading Holding Ltd.	British Virgin Island	--	100.00
Andalusia Trading Investments	British Virgin Island	--	100.00
Lotus Alliance Limited	British Virgin Island	--	85.70
Citadel Capital Financing Corp.	British Virgin Island	--	100.00
Ambience Ventures Ltd.	British Virgin Island	--	100.00
Africa Railways Limited *	British Virgin Island	--	39.01
Sequoia Williwow Investments Ltd.	British Virgin Island	--	100.00
Brennan Solutions Ltd.	British Virgin Island	--	100.00
Mena Enterprises Ltd.	British Virgin Island	--	100.00
Alcott Bedford Investments Ltd.	British Virgin Island	--	100.00
Eco-Logic Ltd.	British Virgin Island	--	100.00
Alder Burke Investments Ltd.	British Virgin Island	--	100.00
Black Anchor Holdings Ltd.	British Virgin Island	--	100.00
Cobalt Mendoza	British Virgin Island	--	100.00
Africa Railways Investments Ltd.	British Virgin Island	--	100.00

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2014

Company's name	Country of incorporation	Ownership interest	
		Direct	Indirect
		%	%
Darley Dale Investments Ltd.	British Virgin Island	--	100.00
Africa Railways Holding	Republic of Mauritius	--	66.24
Citadel Capital Joint Investment Fund Management Limited	Republic of Mauritius	--	100.00
Mena Joint Investment Fund	Luxembourg	--	100.00
Wafra Agriculture S.A.E	Arab Republic of Egypt	--	99.99
Valencia Assets Holding Ltd.	British Virgin Island	--	100.00
Sabina for Integrated Solutions	Sudan	--	96.00
Concord Agriculture	South Sudan	--	96.00
Trimestone Assets Holding Limited – BVI	British Virgin Island	--	100.00
Cardinal Vine Investments Ltd.	British Virgin Island	--	100.00
Global Services Realty	British Virgin Island	--	100.00
Silverstone Capital Investments Ltd.	British Virgin Island	--	61.56
Taqa Arabia Company	Arab Republic of Egypt	--	93.50
Gas and Energy Company (GENCO Group) – SAE	Arab Republic of Egypt	--	99.99
Taqa for Electricity ,Water and Cooling-SAE	Arab Republic of Egypt	--	98.74
Taqa for Marketing Petroleum Products-SAE	Arab Republic of Egypt	--	99.99
Gas and Energy Group Limited	British Virgin Island	--	99.99
Genco for Mechanical and Electricity Work	Qatar	--	99.99
Qatar Gas Group Limited *	Qatar	--	45.00
Arab Company for Gas Services *	Libya	--	49.00
Arabian Libyan Company for Energy	Libya	--	65.00
National Development and trading Company	Arab Republic of Egypt	47.65	21.63
Arab Swiss Engineering Co. (ASEC)	Arab Republic of Egypt	--	99.97
ASEC for Manufacturing and Industries Project Co. (ARESCO)	Arab Republic of Egypt	--	99.80
ASEC Cement Co.	Arab Republic of Egypt	--	65.57
ASEC Environmental Protection Co. (ASENPRO)	Arab Republic of Egypt	--	63.01
ASEC Automation Co.	Arab Republic of Egypt	--	53.64
ESACO for Manufacturing Engineering and Construction	Arab Republic of Egypt	--	70.00

Company's name	Country of incorporation	Ownership interest	
		Direct	Indirect
		%	%
Grandiose Services Ltd.	British Virgin Island	--	100.00
ASEC Integrated – Sudan	Sudan	--	99.90
Al Takamoul for Cement Ltd. Co.	Arab Republic of Egypt	--	51.00
ASEC Algeria Cement Co.	Algeria	--	60.89
ASEC Syria Cement Co.	Syria	--	99.99
Dejalfa Offshore	British Virgin Island	--	54.53
ASEC Trading Company	Arab Republic of Egypt	--	99.88
ASEC Ready Mix	Arab Republic of Egypt	--	54.12
ASEC Minya Cement Company *	Arab Republic of Egypt	--	45.12
Berber for Electricity – limited	Sudan	--	51.00
United Foundries Company	Arab Republic of Egypt	29.29	38.17
Ledmore Holdings Ltd.	British Virgin Island	--	75.37
National Company for Marine Petroleum Services “PETROMAR”	Arab Republic of Egypt-FZ	--	93.24
Mashreq Petroleum Company	Arab Republic of Egypt	--	93.25
El Dawlia for Bunkering Services	Arab Republic of Egypt	--	70.00
Mena Home Furnishings Malls Ltd.	British Virgin Island	--	60.18
Bonian for Trade and Development	Arab Republic of Egypt	--	99.99
Bright Living	Arab Republic of Egypt	--	56.17
Investment Company for Modern Furniture	Arab Republic of Egypt	--	99.88
Citadel Capital Transportation Opportunities Ltd.	British Virgin Island	--	67.55
Nile Logistics S.A.E.	Arab Republic of Egypt	--	99.99
Citadel Capital Transportation Opportunities II Ltd- Malta	Republic of Mauritius	--	81.62
National Company for Multimodal Transport S.A.E.	Arab Republic of Egypt	--	99.88
National Company for River Transportation - Nile Cargo S.A.E.	Arab Republic of Egypt	--	99.99
National Company for River Ports Management S.A.E.	Arab Republic of Egypt	--	99.88
National Company for Maritime Clearance S.A.E.	Arab Republic of Egypt	--	99.98
EL -Orouba Company for Land Transportation S.A.E.	Arab Republic of Egypt	--	99.98

Company's name	Country of incorporation	Ownership interest	
		Direct %	Indirect %
NMT for Trading S.A.E	Arab Republic of Egypt	--	99.99
National Company for Marina Ports Management	Arab Republic of Egypt	--	99.90
NRTC Integrated Solutions Co Ltd.	Sudan	--	99.00
Nile barges for River transport Co Ltd.	Sudan	--	99.00
Regional River Investment Ltd	British Virgin Island	--	100.00
Falcon for Agriculture Investments *	British Virgin Island	--	45.59
National Company for Investments and Agriculture	Arab Republic of Egypt	--	99.99
National Company for Food products	Arab Republic of Egypt	--	99.99
Dina Company for Agriculture and Investments	Arab Republic of Egypt	--	99.99
Dina for Auto Services	Arab Republic of Egypt	--	99.00
Arab Company for Services and Trade	Arab Republic of Egypt	--	99.67
National Company for Agriculture Products	Arab Republic of Egypt	--	99.88
El-Eguizy International for Economic Development	Arab Republic of Egypt	--	99.95
National Company for Integrated Food	Arab Republic of Egypt	--	99.99
Misr October Company for Food Products	Arab Republic of Egypt	--	99.99
Royal Food Company	Arab Republic of Egypt	--	99.99
Up-Date Company for Food Products	Arab Republic of Egypt	--	85.00
El Rashidi El Mizan	Arab Republic of Egypt	--	99.99
Nile for Food Products "Enjoy"	Arab Republic of Egypt	--	99.99
Investments Company for Dairy Products	Arab Republic of Egypt	--	99.99
El Rashidi Company for Integrated Solutions	Arab Republic of Egypt	--	99.99
Tiba Farms for Agriculture Developments	Arab Republic of Egypt	--	95.88
Dina for Agriculture Development	Arab Republic of Egypt	--	100.00
National Company for Dairy Exchange	Arab Republic of Egypt	--	100.00
Mena Development Limited	British Virgin Island	--	100.00
Everys Holdings Limited	British Virgin Island	--	100.00
Orient Investment Properties Ltd.*	British Virgin Island	--	42.01
Arab Refining Company – S.A.E.	Arab Republic of Egypt	--	63.32
Egyptian Refining Company – S.A.E.– Free Zone *	Arab Republic of Egypt	--	48.25
National Refining Company – S.A.E.	Arab Republic of Egypt	--	63.32

Company's name	Country of incorporation	Ownership interest	
		Direct %	Indirect %
KU Railways Holding Limited-KURH	Kenya	--	85.00
E A Rail & Handling Logistics Co. Limited	Republic of Mauritius	--	100.00
East African Rail And Handling Logistics Limited	Kenya	--	100.00
RVR Investments (Pty) Ltd.	Republic of Mauritius	--	100.00
Crondall Holdings Ltd.	British Virgin Island	--	94.53
Capella Management Investments Inc. Company	British Virgin Island	--	100.00
Lotus Management Investment Ltd. Company	British Virgin Island	--	100.00
Cordoba Investment Services Inc. Company	British Virgin Island	--	100.00
Tanmeyah Company S.A.E	Arab Republic of Egypt	--	70.00
Tawazon for Solid Waste Management (Tawazon)	Arab Republic of Egypt	--	66.67
Egyptian Company for Solid Waste Recycling (ECARU)	Arab Republic of Egypt	--	75.63
Engineering Tasks Group (ENTAG)	Arab Republic of Egypt	--	75.73
Qalaa Energy Ltd.	British Virgin Island	--	100.00
Mena Joint Investment Fund**	Luxembourg	--	73.25
Africa Joint Investment Fund*	Republic of Mauritius	--	31.00
Underscore International Holdings Ltd.**	British Virgin Island	--	100.00
Valencia Regional Investment Ltd.**	British Virgin Island	--	100.00
Sphinx Egypt for Financial Consulting Company **	Arab Republic of Egypt	--	69.88

* The Group has the right to appoint the majority of the board of director's members which enables the Group to control the financial and operational policies. Consequently, these Companies have been consolidated.

** In December 2014 the company has increased its ownership interest in these companies and as a result the group has consolidated these companies and the mutual transactions between the group entities are eliminated in full with balances resulting from it. Also, the unrealized gains or losses from transactions with the group entities are eliminated taking into consideration that losses may indicate impairment in the exchanged assets that require recognition in the consolidated financial statements.

48. Employees Stock Option Plan

The Company's extraordinary meeting held on February 20, 2008 approved to add a new article to the Company Article of Association to adopt a plan or more to motivate employees, managers and executive board of directors – Employees stock option plan (ESOP) in accordance with decision no. 282 for 2005 which modified executive regulation for the law no. 159 / 1981.

On June 22, 2008 the Capital Market Authority approved the ESOP plan and the Company does not start to apply it yet.

49. Contingent liabilities

The Company guarantees some related parties against loans and facilities obtained by those parties from banks.

50. Financial instruments and management of related risks

The Group's financial instruments are represented in the financial assets and liabilities. Financial assets include cash and cash equivalents, other investments, and trade and other receivables while financial liabilities include; loans and borrowing and trade and other payables. Note no. (3) include significant accounting policies for the recognition and measurement of the important financial instruments and related revenues and expenses. The following are the significant risks related to those financial instruments and the policies and procedures followed by the company to reduce the effect of these risks:

50.1 Credit risk

Credit risk is the risk that one party will fail to discharge his obligation and cause the other party to incur financial loss. The financial assets representing amounts due from customers. Strict credit control is maintained and further appropriate level of impairment loss is made. The credit risk on financial instrument by ensuring that investments are made only after careful credit evaluation for these assets.

50.2 Liquidity risk

Liquidity risk is represented in the factors, which may affect the Company's ability to pay part of or full amount of its liabilities. According to the Company's policy, sufficient cash balances are retained to meet the Company's current liabilities which minimize the liquidity risk.

50.3 Financial instruments' fair value

According to the valuation bases used to evaluate the assets and liabilities of the Company which have been stated in the accompanying notes to the balance sheet, the financial instruments' fair value does not substantially deviate from their book values at the balance sheet date.

50.4 Market risk

A- Foreign currencies risk

- The foreign currencies exchange risk represents the risk of fluctuation in exchange rates, which in turn affects the Company's cash inflows and outflows as well as the value of its assets and liabilities in foreign currencies.
- As disclosed in note no. (3.2) the Company has used the prevailing exchange rates to revalue monetary assets and liabilities at the balance sheet date.

B- Interest rate risk

The Company's income and operating cash flows are substantially independent of changes in market interest rates. As the market dictates, the Company sometimes borrows at variable rates leaving certain exposure to changes in interest rate risk.

C- Price risk

The Company is exposed to market price risk on equity instrument and according to the company's investment policy, the following procedures are undertaken to reduce the effect of this risk.

- Performing the necessary studies before investment decision in order to verify that investment is made in potential securities.
- Diversification of investments in different sectors and industries.
- Performing continuous studies required to follow up the company's investments and their development.

50.5 Capital risk

The Company's objectives when managing capital are to safeguard the management's ability to continue as a going concern in order to provide returns to the benefits to the Company's shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, management may adjust the amount of distribution paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

51. Capital Commitments

The capital commitments as at December 31, 2014 represented in the following:

51.1 Asec Algeria Cement Company (Asec Cement)

Contractor	Contract amount	Not completed part	Contract currency	Not completed part	
				31/12/2014 EGP	31/12/2013 EGP
FLSmidth Denmark Company	57 000 000	57 000 000	Euro	483 426 060	547 023 300
SARL MHDA	12 500 000	34 603	US dollar	224 873	245 291
ASEC for Mining Company (Ascom)	763 160	30 220	Euro	256 301	279 572
Energys Company	23 699 815	3 683 591	US dollar	23 938 448	26 112 000
Energys Company	9 015 848	3 755 669	US dollar	24 406 859	26 622 942
TCB Company	2 909 211	1 292 646	EGP	1 194 213	1 302 644
CTC Company	39 500 000	14 188 400	DZD	1 156 355	1 261 349
Cetim Company	122 850 000	89 337 500	DZD	7 281 006	7 942 104
				<u>541 884 115</u>	<u>610 789 202</u>

51.2 ASEC Minya Cement Company (formally Arab National Cement Company)

Contractor	Contract amount	Not completed part	Contract currency	Not completed part	
				31/12/2014 EGP	31/12/2013 EGP
Matcom Engineering Construction & Trading Company	2 040 000	309 075	EGP	309 075	309 075
Matcom Engineering Construction & Trading Company	2 050 150	253 016	EGP	253 016	253 016
Veolia Water System	9 335 000	522 731	EGP	--	522 731
Veolia Water System	1 512 107	1 512 107	EGP	1 512 107	--
Elject	28 401 505	21 288 978	EGP	24 131 928	25 558 555
				<u>26 206 126</u>	<u>26 643 377</u>

51.3 ASEC for Manufacturing and Industries project Co. (ARESCO)

	Contract amount 31/12/2014 EGP	Contract amount 31/12/2013 EGP
Work shop (1)	675 000	675 000
Work shop (7)	3 285 000	3 285 000
Work shop (9)	370 000	370 000
Self-extinguishing system in the factory	100 350	100 350
Legal consultancy fees	2 400 000	2 400 000
Total	6 830 350	6 830 350

52. Contingent liabilities

The contingent liabilities as at December 31, 2014 are represented in the following:

52.1 ASEC Automation Co. (ASA)

	31/12/2014 EGP	31/12/2013 EGP
Letters of guarantee	25 036 060	37 336 864

52.2 ASEC Environmental Protection Co. (ASENPRO)

	31/12/2014 EGP	31/12/2013 EGP
Letters of guarantee	1 001 249	1 122 570

52.3 Arab Swiss Engineering Co. (ASEC)

	31/12/2014			31/12/2013		
	EURO	US. \$	EGP	EURO	US. \$	EGP
Letters of guarantee	36 037	30 000	79 640 420	44 352	89 875	57 748 117

52.4 ASEC for Manufacturing and Industries project Co. (ARESCO)

	31/12/2014			31/12/2013		
	EURO	US. \$	EGP	EURO	US. \$	EGP
Letters of guarantee	5 749 077	--	29 688 296	8 002 533	926 645	62 471 634

52.5 ASEC Cement Co.

ASEC Minya cement Company (formally Arab National Cement Company).

Contingent liabilities as at December 31, 2014 as follows:-

- Euro 9 000 000 that equivalent to EGP 81 844 200 that represents letter of guarantee issued by the company from Arab African international bank and in favor of FL Smith.
- Euro 5 000 that equivalent to EGP 45 469 that represents letter of credit issued by the company from Arab African international bank and in favor of Pietro Fiorentini.
- EGP 12 000 000 that represents letter of guarantee issued by the company from Arab African international bank and in favor of Mantrac.

52.6 United Foundries Company

	31/12/2014			31/12/2013		
	EGP	EURO	US. \$	EGP	EURO	US.\$
Letters of guarantee (outstanding)	--	--	--	333 264	146 100	--
Letters of guarantee (cover)	--	--	--	27 329	19 900	--
Letters of credit (outstanding)	389 766	--	--	3 136 901	--	--
Letters of credit (cover)	19 488	--	--	35 613	--	--

53. Subsequent events

53-1 Investments:

The Company has purchased financial investments from shareholders of the Company through the Company and its 100% owned subsidiary, Citadel Capital for International Investments Ltd. for the purpose of increasing the Company's ownership share percentages in some investee companies. The value of the investments purchased during the subsequent period to the balance sheet date is EGP 155 217 975 against EGP 736 272 165 during year 2014.

53-2 Shareholders' credit balances

The value of the credit balances owed to the shareholders in consideration for the purchase of the above-mentioned investments during the year is EGP 1 55 217 975 and represented as follows:

	EGP
Commercial International Bank Egypt – CIB	149 791 940
Petroleum Service and Investments Company - PICO	676 820
Kareem Ahmed Gamal Eldin Elbrolosy	906 685
Citadel Capital Partners Ltd.	388 580
Ahmed Ali Hassan Al Mofty	1 423 390
Khalid Abdel Latif Ahmed Fozan	589 840
Ayman Ali Hassan Al Mofty	1 440 720
Total	<u><u>155 217 975</u></u>

54. Comparative figures

A. The following table summarizes the adjustments on the consolidated balance sheet as at December 31, 2013 and the consolidated income statement for the financial year then ended resulting from the acquisition of subsidiaries. The Group has prepared the Purchase Price Allocation (PPA) study including the required fair value adjustments for the assets acquired and the liabilities assumed as shown in (Note 5). In addition certain comparative figures have been reclassified to conform with the current year presentation.

	Balance as at 31/12/2013 (as previously reported) EGP	Reclassification and restates EGP	Balance as at 31/12/2013 (as restated) EGP
Balance sheet			
Fixed assets (net)	5 903 051 372	616 299 204	6 519 350 576
Projects under construction (net)	9 825 065 263	97 235 556	9 922 300 819
Intangible assets (net)	877 033 551	945 678 987	1 822 712 538
Goodwill (net)	2 984 514 318	(1 644 003 123)	1 340 511 195
Trade and other receivables (net)- Non-current	389 063 042	18 621 911	407 684 953
Investments in associates	1 814 296 640	(361 533 927)	1 452 762 713
Payments for investments (net)	228 354 291	(18 621 911)	209 732 380
Deferred tax assets	--	240 151 724	240 151 724

	Balance as at 31/12/2013 (as previously reported) EGP	Reclassification and restates EGP	Balance as at 31/12/2013 (as restated) EGP
Balance sheet			
Debtors and other debit balances (net)	969 589 300	36 425 770	1 006 015 070
Cash and cash equivalents	2 149 931 203	(36 425 770)	2 113 505 433
Available-for- sale investments	613 033 072	330 138 051	943 171 123
Total Change in assets		223 966 472	
Deferred tax liabilities	130 746 891	691 597 934	822 344 825
Due to related parties	274 069 364	60 326 637	334 396 001
Creditors and other credit balances	1 959 822 974	(463 928 650)	1 495 894 324
Tax Authority	--	403 602 013	403 602 013
Total Change in liabilities		691 597 934	
Retained loss	(2 656 143 924)	(633 982 483)	(3 290 126 407)
Non - controlling interests	8 699 063 528	166 351 021	8 865 414 594
Total change in shareholder's equity		(467 631 462)	
	Total as at 31/12/2013 (as previously reported) EGP	Reclassification and restates EGP	Total as at 31/12/2013 (as restated) EGP
Income statement			
Share of profit (loss) of equity accounted investees	(71 883 172)	1 800 225	(70 082 947)
Finance cost (net)	(54 089 035)	205 699	(53 883 336)
Net loss from discontinued operation	--	(2 005 924)	(2 005 924)
Net results of other operations	2 064 875	(2 064 875)	--
Operating income	--	11 723 175	11 723 175
Operating costs	--	(9 658 300)	(9 658 300)
Total change in income statement		--	

- B. Comparative figures of consolidated statements of income, changes in equity, and cash flows for the comparative year ended December 31, 2013 do not present the consolidated operating results and cash flows for subsidiaries which were acquired during December 2013 in addition to the subsidiaries which were acquired during the year ended December 31, 2014 (Note 5,12).