CITADEL CAPITAL
القلعة

Local Insight
Regional Footprint
World-Class Expertise

ANNUAL REPORT 2010

Citadel Capital at a Glance

More than
US$ 8.7 BILLION
in investments under control

US$ 2.2 BILLION
in returns to shareholders and co-investors since 2004

19 PLATFORM COMPANIES
covering 15 industries including:
Agriculture and Consumer Foods
Cement
Energy Distribution
Engineering and Construction
Financial Services
Glass Manufacturing
Media
Metallurgy
Mining
Petroleum Refining
Specialty Real Estate
Transportation and Logistics
Upstream Oil and Gas
Multisector Holdings

14 COUNTRIES
from Egypt to Kenya and Algeria to Pakistan

Citadel Capital is the leading private equity firm in the Middle East and Africa with 19 Opportunity-Specific Funds controlling investments of more than US$ 8.7 billion in 15 industries spanning 14 countries

Annual Report 2010

Contents

Cover: First commercial wheat harvest of 3,000 feddans at Wafra Platform Company Sabina in Sudan reported June 2010.

Citadel Capital at a Glance

$8.7 bn

in investments under control
as of year-end 2010

$2.2 bn

in cash returns to shareholders and LPs
on investments of $650 mn

19

Opportunity-Specific Funds
as of year-end 2010

$364 mn

in new AUM
added in 2010

7

greenfield investments began operations
in 2010

Egypt, The River Nile
© Marcello Bertinetti/White Star Archive

14

countries, spanning the Middle East and Africa

15

industries
from cement to agriculture, financial services to energy distribution

#1

private equity firm in Africa
by PE funds under management, 2006-11

$97 mn

new principal investments
in 2010

$1.30

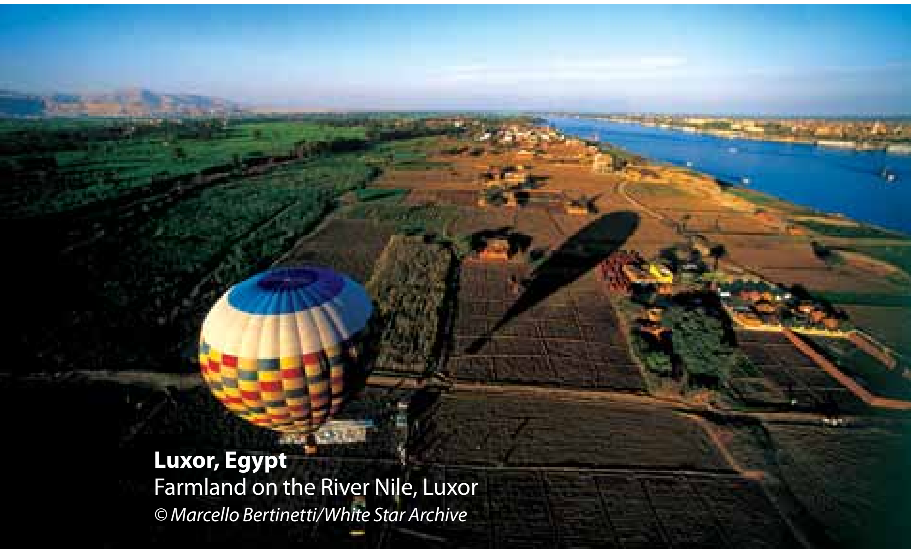
portfolio net asset value per share
as at year-end 2010

Of Challenges and Opportunities

Recent events in Egypt and beyond fortell a year similar to 2009: Delayed exits and the consolidation of our base as we prepare for the next wave of investments and realizations

Heading into the year, we had great expectations of 2011: Final close on Egyptian Refining Company (ERC), which is building a US$ 3.7 billion greenfield refinery in the Greater Cairo Area; second and final closes on the MENA and Africa Joint Investment Funds (JIFs); the IPO of TAQA Arabia (our energy distribution platform) and possibly one other investment; a full year of operations from seven newly operational greenfields — all of this was in the offing. Much of that changed when a core group of young Egyptian activists surprised even themselves by bringing about the downfall of an aging and stagnant 30-year-old political and security regime in the 18 days spanning 25 January through 11 February.

Now, more than four months into this post-Revolutionary period, our outlook for the year is rather different. We are heartened by a clear show of political support for ERC from Egypt's Prime Minister and key members of his cabinet.



Luxor, Egypt
Farmland on the River Nile, Luxor
© Marcello Bertinetti/White Star Archive

We are moreover pleased to report that US$ 2.6 billion in debt financing guaranteed by leading development finance institutions and export credit agencies remains in place. That said, equity closure will be delayed, while the IPOs we had hoped to bring to market this year will await a recovery of equity markets. We continue to target a US$ 500 million final close on our JIFs, but anticipate a delay until 2012.

Macro Outlook

Going forward, we see the risk of turbulence, low growth and challenges for corporations of all descriptions in 2011-12 — and, toward the end of that timeframe, substantial opportunities, too. While the recent constitutional referendum was an important step in Egypt's transition to democracy, the result has also underscored the need for intellectuals and members of the business community to advance a viable policy agenda to address the challenges the country will face in the coming years. Many of these challenges are not new, but we do have an opportunity to now address them more rapidly than at any time in the past. They include:

- Policymakers will face fiscal pressure from a widening budget deficit. High global commodities prices (and hence higher subsidies), the need for stimulus spending, as well as higher salaries, will translate into a rising budget deficit in the current and coming state fiscal years. Lower tax revenues will also widen the deficit, while commodity subsidies alone will cost the state purse at least EGP 80 billion in 2011.

- The Egyptian pound and national foreign currency reserves will remain under pressure through year's end — particularly as foreign currency receipts from tourism and remittances ease and FDI dips — benefitting most of our platforms (particularly producers of commodities and exporters).

- While the move may be delayed in the short term, restructuring of commodity subsidies will become an imperative in the medium term as the budget deficit widens under pressure from rising prices and will likely occur at a more rapid pace than previously expected.

- Amid slower growth (and possibly an economic contraction) this year, we will see reduced spending by corporations, particularly in the vital construction sector.

- Egypt will face rising unemployment as a result of the economic slowdown and the return of at least 1 million citizens who had been employed in Libya and, to a lesser extent, the GCC.

- Labor action will remain a hallmark of our landscape into the new year, putting pressure on salary budgets, in respect of which we note that the average monthly wage paid by Citadel Capital's platform and portfolio companies is EGP 3,280, already above the EGP 1,200 labor activists are asking the Government of Egypt to impose as a monthly minimum wage. Indeed, all of Citadel Capital's platform and portfolio companies had adopted EGP 1,200 as their minimum wage by 1 January 2011. Citadel Capital employs more than 40,000 employees at its platform and portfolio companies.

Moreover, the private sector will face reputational challenges in the coming period due to the inappropriately close ties some corporations had to both the former regime and to the family of the now-former president. In this context, I note once more that neither the former president nor any member of his family is an investor in Citadel Capital, nor do we manage funds on their behalves. We have not purchased land from the Government of Egypt, nor have we purchased any of our platform or portfolio companies from

the state. Moreover, all of Citadel Capital's business dealings with the Government of Egypt have been at market prices through platform and portfolio companies that either buy or sell goods or services.

Furthermore, Citadel Capital has always maintained a staunchly apolitical stance. No member of the Firm or its senior management was a member of the National Democratic Party (NDP, the former ruling party), nor has the Firm ever donated funds to the NDP.

In this context, we again note that Citadel Capital did not acquire Helwan Portland Cement Company (HPCC) as part of the state-run privatization process, but rather from private-sector investors. HPCC was privatized and sold to Arab Swiss Engineering Company in 2001. Citadel Capital acquired the 50% stake in Arab Swiss Engineering held by the heirs of Omar Gemei in 2004 and subsequently purchased the balance of the company's equity from national and international cement companies. The Firm spun-off HPCC and exited the investment in 2005 via sale to Suez Cement, the local arm of Italcementi.

Crisis Response

Since the earliest days of the Egyptian Revolution, the senior management of Citadel Capital has met daily to guide the Firm's response to the crisis. A detailed report on the actions we have taken — from cost control and cash preservation measures at the Firm level to a hands-on approach to guidance of our platform and portfolio companies, from communication

Narrowing execution risk after the launch of seven greenfields in 2010 provides a shock-absorber to help our investments weather the challenges of 2011

with our co-investors, LPs and bankers to the postponement of new transactions — appears in the Management Discussion and Analysis section of this Annual Report.

Citadel Capital was among the first major Egyptian corporations to hold an investor conference call during the crisis to keep our investors, limited partners and the analysts who cover our shares up-to-date with developments on the ground and our response. Moreover, we have continued to engage in dialogue with investors, limited partners, lenders, and government officials that leaves us optimistic that we will enjoy the support we need in the coming period.

2010 Results

In the wake of the Egyptian Revolution and ongoing regional turmoil, it is tempting to dismiss our 2010 results as comparatively unimportant. This would be a mistake: As we face the challenges of the coming 12-18 months, Citadel Capital will draw not just on a healthy balance sheet whose liquidity will be protected by cost-saving measures, but also on the narrowing of execution risk we delivered in 2010 as seven greenfields came into operation, key turnarounds were completed, and the management team at the platform / portfolio level fine-tuned. These achievements will together provide a substantial shock absorber as the economic fallout from the Revolution is felt.

The same inherent conservatism that saw us focus last year on building and nurturing rather than on new acquisitions carried over into our decision at year's end to write-down our investments in NOPC / Rally and NPC (the latter as a result of its equity stake in NOPC / Rally Energy) even as these continue as operational companies that are actively seeking technical solutions to bring their reserves into production.

Going forward, we will draw on long-standing relationships not just with core regional co-investors, but with the sophisticated international institutional investors and national and global bankers who have given us their support since the earliest days of the Great Recession. Near-

Giza, Egypt
The Great Pyramids of Giza
© Marcello Bertinetti / White Star Achive

term fundraising momentum will surely taper off in an environment that will see players across our industry challenged, but these key partnerships will allow us to rapidly react to any economic upswing and to the substantial opportunities for distressed investing that may appear starting next year.

In sum, we believe 2011 will very much resemble 2009: A year marked by a lack of exits during which we consolidate our base and grow our investments ahead of what we hope will be not just profitable exits in the medium term, but also a re-stocking of our investment pipeline with new opportunities.

Ahmed Heikal
Chairman and Founder

Executive Committee

Dr. Ahmed Heikal

Founder and Chairman
Experience: 23 years
Background: EFG Hermes, Founoon

Hisham El-Khazindar

Co-Founder and Managing Director
Experience: 13 years
Background: EFG Hermes, Goldman Sachs

Karim Sadek

Managing Director
Experience: 16 years
Background: Arab Bank, CIB

Ahmed El Houssieny

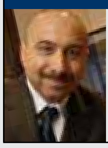
Managing Director
Experience: 15 years
Background: Citi, Barclays

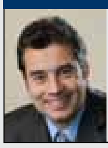
Marwan Elaraby

Managing Director
Experience: 15 years
Background: EFG Hermes, Shearman & Sterling

Ahmed El Shamy

Managing Director and CFO
Experience: 18 years
Background: P&G, Al Ahram Beverages

Tarek Salah

Managing Director
Experience: 29 years
Background: Arab Consulting Engineers

Mohamed Abdellah

Managing Director
Experience: 23 years
Background: EFG Hermes, Commrecial International Bank

Sherif El Prince

Managing Director
Experience: 14 years
Background: EFG Hermes, Vodafone

Aladdin El-Afifi

Managing Director
Experience: 10 years
Background:GS, EFG Hermes, HC Securities

Stephen Murphy

Managing Director
Experience: 28 years
Background: Citi, Salomon Brothers, E*TRADE International

Bassem Azab

Managing Director
Experience: 16 years
Background: Citi, EFG-Hermes, Beltone

Amr El-Barbary

Managing Director
Experience: 11 years
Background: Citi, Deutsche Bank

Principals (8)
Ahmed El Sharkawy
Mostafa Sowelem
Karim Badr
Raouf Tawfik
Tarek Hayaly
Alaa El Fas
Mohsen Mansour
Amr El Sadek

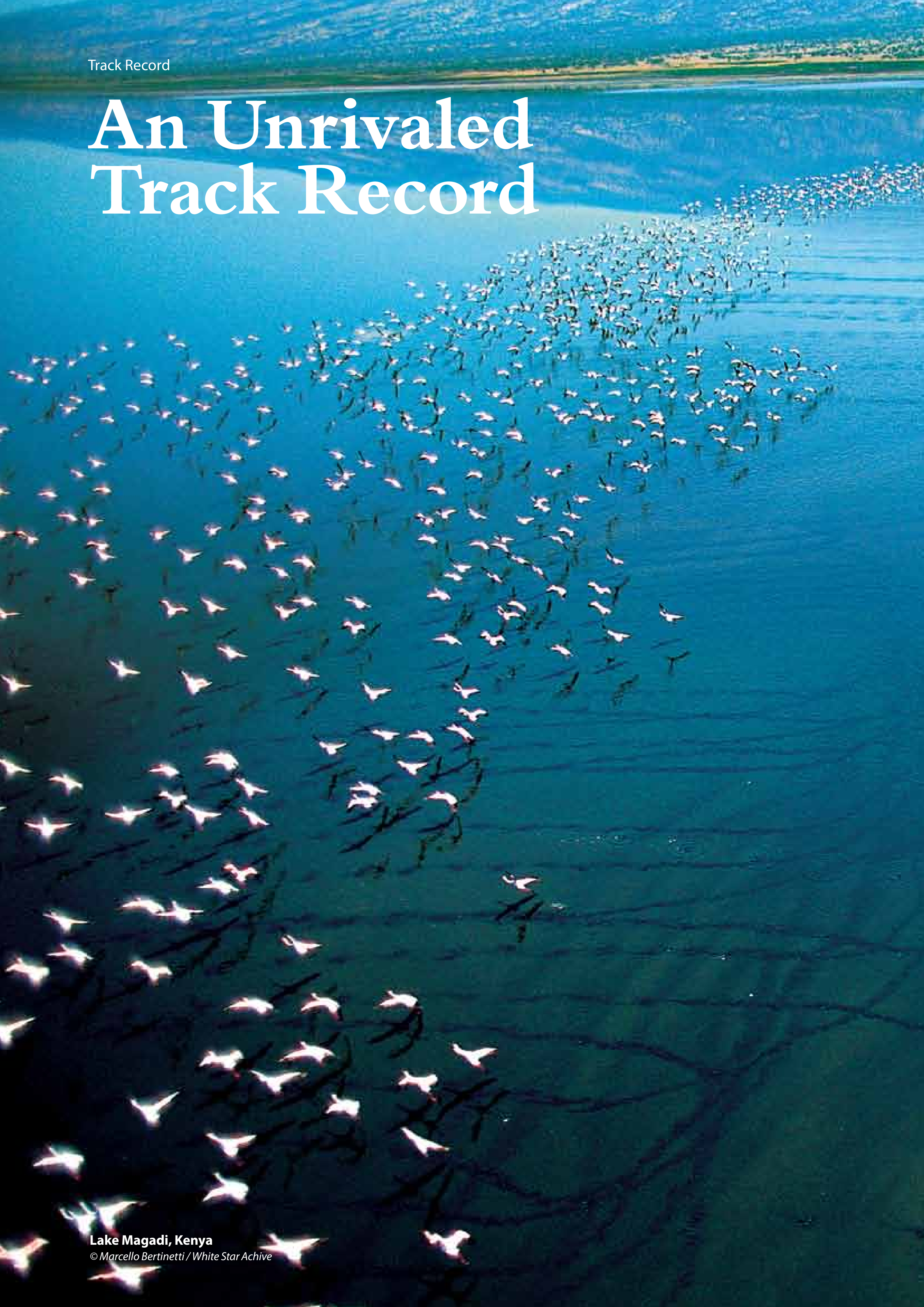
Vice Presidents (3)
Dena Sarrouf
Youssef Allam
Ahmed Saghir

Associates (10)
May El Kasaby
Rana Abdel Latif
Hassan Massoud
Salma Mansour
Omar el-Alfy
Sandra Rashed
Ali Galal Yousef
Nazim Meziane
Christos Argyriou
Omar El Imam

Analysts (8)
Ingy El Khoraibie
Laila Hassan
Mohamed Sarhan
Yasmine El Bialy
Randa El Borollossy
Mohamed Ata
Hashem Sabry
Khaled Badr

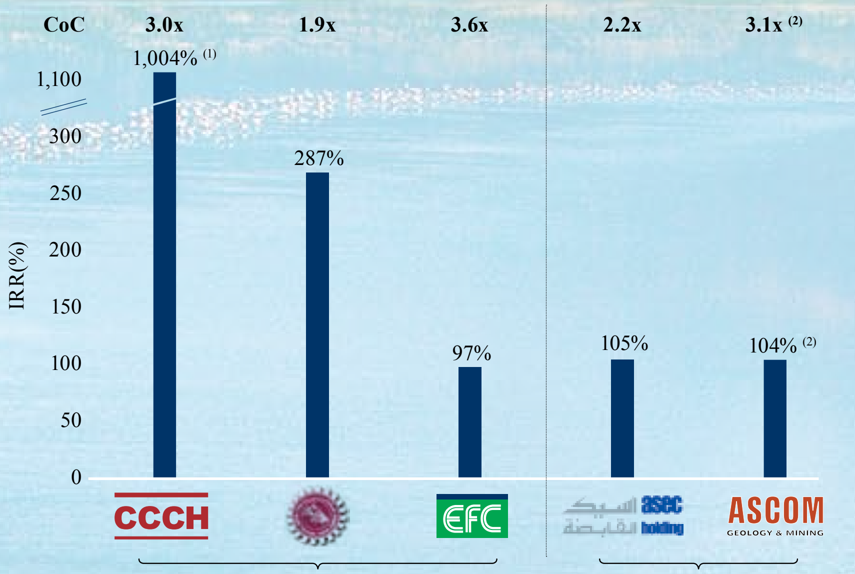
- Origination and Execution
- Project Management
- Human Resources
- Information Technology
- Corporate Communications
- Equity Raising
- Investor Relations
- Risk Management
- Internal Legal Counsel
- Finance and Accounting
- Debt Raising

An Unrivaled Track Record



Lake Magadi, Kenya
© Marcello Bertinetti / White Star Achive

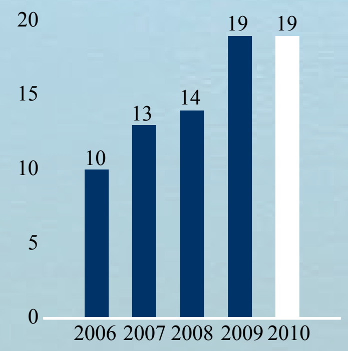
PROVEN ABILITY TO MAKE EXITS



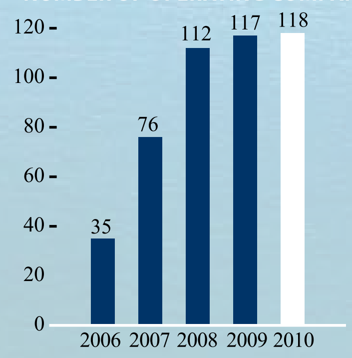
- **Generated US$ 2.2 billion in realized value from 5 successful exits**
- Full exits:
  - 3 investments
  - Value of US$ 1.8 billion
  - IRR of 167%
  - Cash on cash of 3.0x
- Partial exits:
  - 2 investments
  - Value of US$ 410 million
  - IRR of 105%
  - Cash on cash of 2.1x

(1) The high IRR is due to the short duration of the holding period for this investment.
(2) Multiple of investment and IRR based on market values as at 31 December 2010.

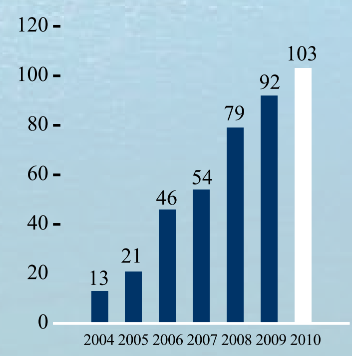
NUMBER OF PLATFORM COMPANIES



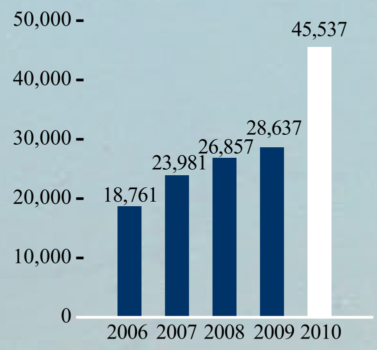
NUMBER OF OPERATING COMPANIES



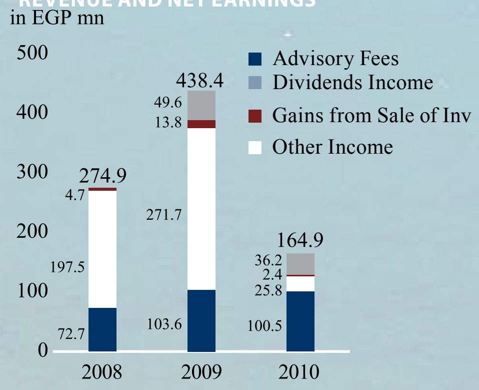
CITADEL CAPITAL HEADCOUNT



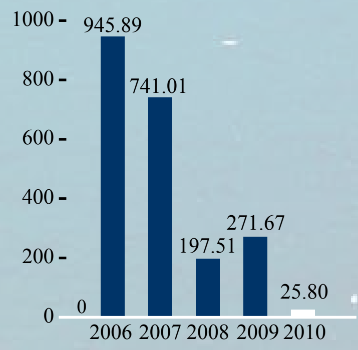
EMPLOYEES AT OPERATING COMPANIES



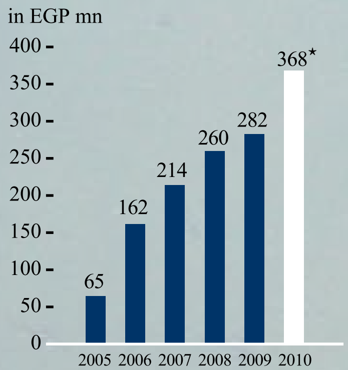
REVENUE AND NET EARNINGS



CAPITAL GAINS

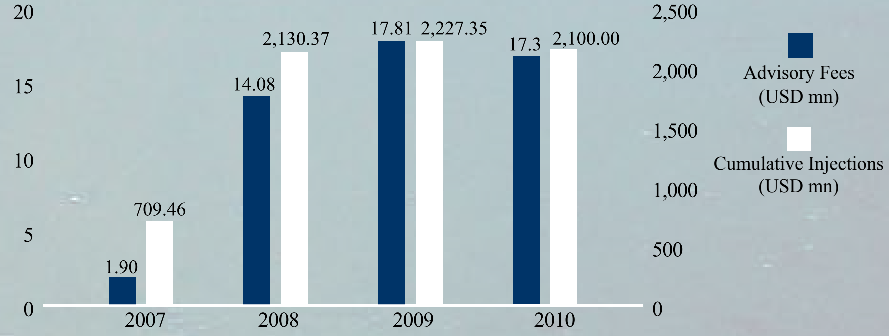


TOTAL TAXES PAID BY PORTFOLIO COMPANIES



*Approximate value.

ADVISORY FEES VS FEE-EARNING AUM



Africa's Largest Private Equity Firm

Citadel Capital offers shareholders and limited partners alike unrivaled exposure to leading growth drivers across North and East Africa and the Middle East

Citadel Capital (CCAP.CA on the Egyptian Exchange), is the leading private equity firm in the Middle East and Africa. Citadel Capital's 19 Opportunity-Specific Funds control Platform Companies with investments of more than US$ 8.7 billion spanning 14 countries and 15 industries including energy, mining, agrifoods, cement, finance, transportation and retail.

Citadel Capital focuses on opportunities in the Middle East and Africa. In addition to its Cairo headquarters, the Firm has an office in Algiers and opened in 2010 an office in Nairobi, Kenya, as part of its expansion into East Africa with its acquisition of a controlling interest in Rift Valley Railways, the national rail operator of Kenya and Uganda.

Outsanding Returns

Since it began operations in 2004, the Firm has raised and invested equity of more than US$ 4.7 billion, including over US$ 897.6 million of its own capital. In the same period, Citadel Capital has generated more than US$ 2.2 billion in cash proceeds from five successful exits (three full and two partial) on investments of US$ 650 million, more than any other private equity firm in the region.

Flexible Fundraising Approach

To date, Citadel Capital has raised 19 Opportunity-Specific Funds (OSFs) that control platform investments in industries including energy, cement, specialty real estate, mining, finance, agribusiness, glass manufacturing, transportation, metallurgy and solid waste management.

The Firm accounted for c.27.5% of all private equity funds raised for investment in MENA in 2010, according to figures from the Emerging Markets Private Equity Association.

Citadel Capital has completed a total of 54 acquisitions and new company formations and pursues control investments across the deal-type spectrum, including

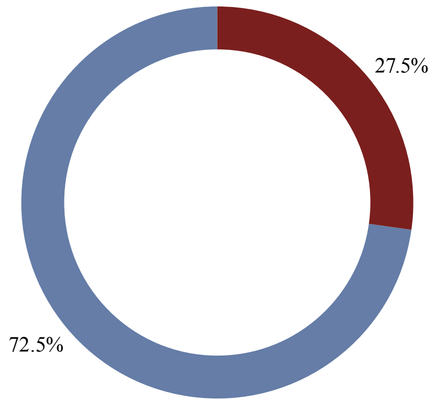
Victoria Falls, Zambia and Zimbabwe
© Antonio Antini / White Star Achive

turnarounds, buyouts, consolidations / industry roll-ups and greenfields.

While Citadel Capital continues to raise funds primarily via OSFs, it announced a US$ 140 million joint first close in 3Q10 for the MENA and Africa Joint Investment Funds. The sister funds are Citadel Capital's first "standing" funds and target a combined final close of US$ 500 million.

Anchor LPs in the JIFs include the International Finance Corporation (IFC), the African Development Bank (AfDB), the Netherlands Development Finance Company (FMO), Société de Promotion et de Participation Pour la Coopération Economique (Proparco), Deutsche Investitions–und Entwicklungsgesellschaft mbH (DEG), and the European Investment Bank (EIB). The funds will invest US$ 2 for every US$ 1 Citadel Capital invests in its own transactions.

Citadel Capital share of PE fundraising for investment in MENA (2010)



A Proven Team

In addition to founder Ahmed Heikal and co-founder Hisham El-Khazindar, the firm's executive committee includes managing directors Karim Sadek, Ahmed El Houssieny, Marwan Elaraby and Ahmed El Shamy. The firm employs 69 professionals, including a 43-strong team of investment professionals. The vast majority of senior staff are from the region and enjoy the benefits of both having long relationships with key players in the MENA business community and substantial international exposure.

Ranked Largest Firm in Africa

A founding member of the Egyptian Private Equity Association (EPEA), Citadel Capital has been ranked three years running as the largest private equity firm in Africa by Private Equity International on the PEI 300. The Firm is the ninety-third largest globally and made its debut this year on PEI's "Emerging Market Top 10." PEI's ranking is based on private equity funds raised in a trailing five-year period.

Multiple Revenue Streams

Citadel Capital generates revenue in two ways: Through dividends and capital gains on its principal investments as well as through fees earned as an asset manager. Asset management fees include a carried interest over a hard hurdle on capital gains Citadel Capital makes for limited partners in its OSFs as well as advisory fees on the equity it has under control. Advisory fees cover in part the cost of services the Firm provides to platform companies, such as strategic input, debt financing expertise, project management and the recruitment of senior staff.

Publicly Traded

Citadel Capital shares have traded on the Egyptian Exchange under the symbol CCAP.CA since December 2009. In addition to leading regional research houses, Citadel Capital shares are covered by Credit Suisse and Deutschebank.

Earning Shareholder Trust

Citadel Capital's shareholders and the limited partners in its OSFs include leading investors and family offices from Egypt, the Gulf Cooperation Council and North Africa as well as a growing base of international institutional investors. The Firm's leading shareholders as at 27 April 2011 included:

- Citadel Capital Partners (the vehicle through which the Firm's Executive Committee holds its equity), at 39%
- Board Members other than Citadel Capital Partners at 18%
- Investors owning more than 1% at 14%
- Others at a total of 29%

Replete with Growth Opportunities

Greater democracy in the MENA region will enhance the global competitiveness of key economies underpinned by large, fast-growing consumer markets and a value-add approach to exports

Citadel Capital invests across the Middle East and Africa. To begin with, the dynamic Middle East and North Africa (MENA) region offers unique investment opportunities for those with the local insight to identify them and the world-class expertise to capitalize on them. With a population of 322 million, the MENA region is the third-largest in the world: twice as large as Russia and more than four times larger than the United Kingdom. More than 60% of the population is under the age of 30, further supporting the region's attractive demographics.

Events across the region in 2010 have not reshaped MENA's compelling fundamentals, which include energy earnings flowing into the GCC and around the region; strong sovereign fiscal positions in our key markets; economic diversification and infrastructure spending programs announced by many regional governments; government legislative and fiscal support for private sector development; a sound regional banking system; a fast-growing and essentially un-leveraged consumer class; and the continuing shift of energy-intensive industries from Southern Europe to North Africa.

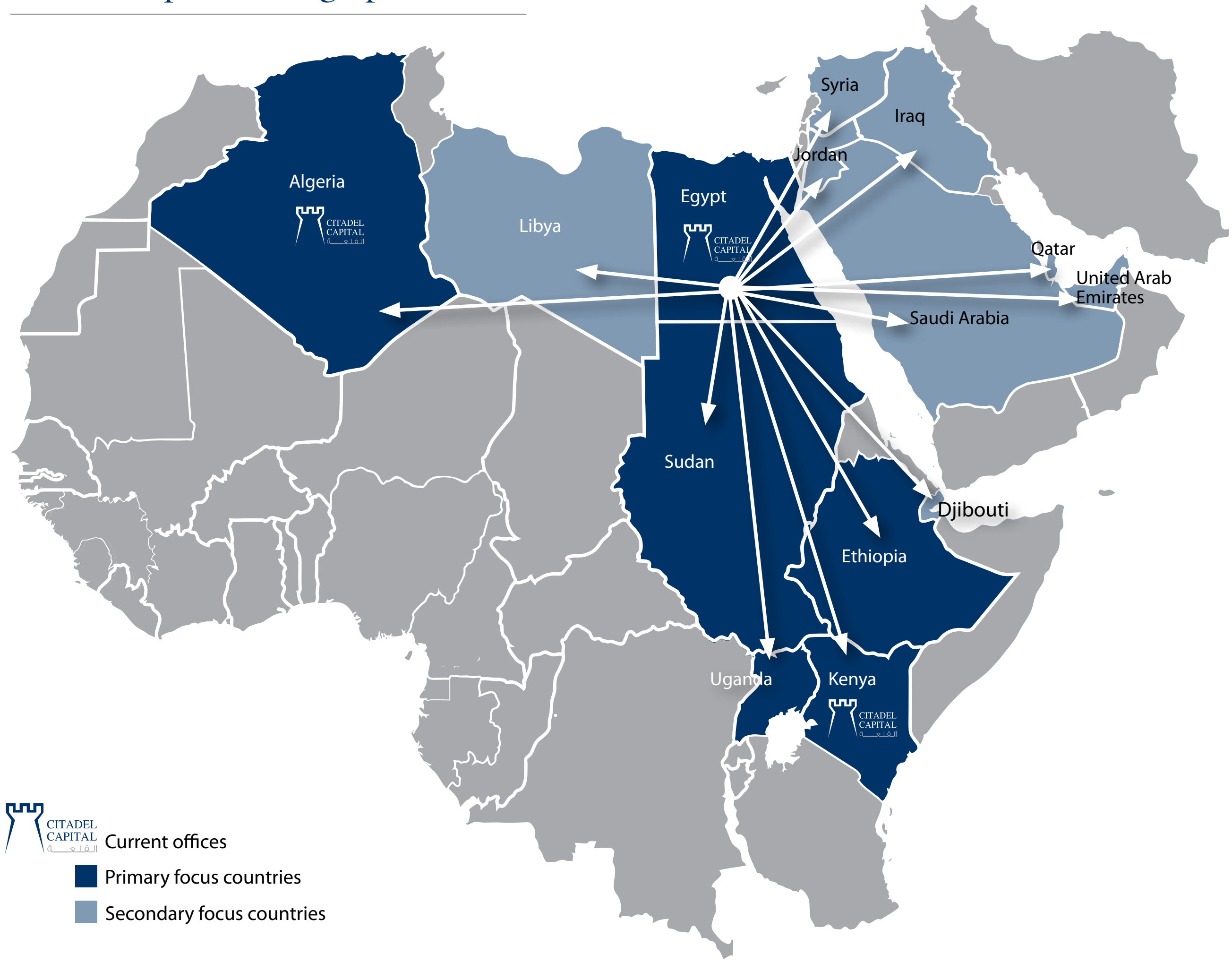
Indeed, the global competitiveness of the MENA countries — particularly Egypt, the region's most diverse economy and a natural global export and manufacturing hub — will only rise as long-term political risk is mitigated by the emergence of greater democracy even at the price of slower short-term growth.

Further to the south, the African continent is home to some 54 countries and is more than three times the size of the United States. Africa, with the world's fastest growing population, crossed the 1 billion mark in 2010 and presently accounts for approximately 15% of the world population, while its 2010 GDP of approximately USD 1.7 trillion totaled just 2.75% of global production.

While much of the world looks at Africa as a pure "commodities play" —

Namib-Naukluft National Park
Namibia
© Marcello Bertinetti / White Star Achive

Citadel Capital's Geographic Focus



leveraging high global commodity prices against relatively accessible untapped natural resources across the continent — Citadel Capital believes African investors must themselves take the lead on large-scale infrastructure and industry investments that will catalyze economic development and have a multiplier effect across regional economies.

As in the Middle East, the Firm sees substantial opportunities presented by the strong growth of the continent's consumer base — which is leading to increased consumption and which will translate into stronger demand for consumer finance — as well as by a "value-added" approach to management of the continent's natural resource wealth, which will prioritize higher-value exports as opposed to pure sales of commodities.

The International Monetary Fund (IMF) estimates that world growth stood at 5% in 2010, while Africa's GDP grew just below the world total at 4.7% and G7 economies expanded at 2.8%.

By 2015, Africa as a whole is projected to see annual growth of 5.5%, growing faster than the world, at 4.7%, and well above G7 economies, which are expected to expand at 2.2%.

At a disaggregated level, Africa is home to a majority of the world's fastest growing economies. Over the past decade the simple unweighted average of countries' growth rates was virtually identical in Africa and Asia, IMF data suggests, and over the five years from 2010 to 2015 Africa is likely to take the lead. Put simply, the average African economy will outpace its Asian counterpart.

This unique combination of growth and liberalization creates a range of attractive investment opportunities not available in more mature economies.

The Best of Both Worlds

Citadel Capital's business model is a hybrid, incorporating aspects of a traditional investment firm with characteristics of a private equity asset manager

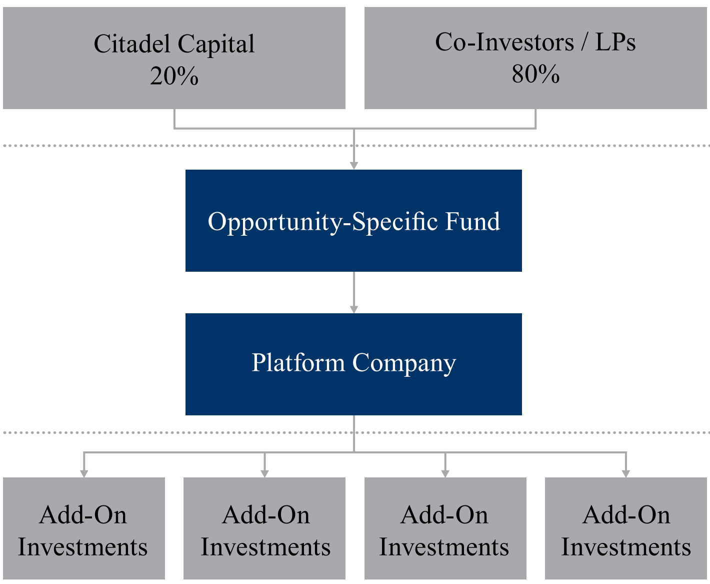
Citadel Capital acquires or creates national champions that serve as platforms for regional expansion in specific industries. For each deal, the firm raises an Opportunity-Specific Fund (OSF). To date, Citadel Capital has raised 19 OSFs that control Platform Companies in 15 industries with investments of more than US$ 8.7 billion. The Firm has long pursued an incremental approach to investment that has served it well during the challenging global economic climate that has prevailed since 2008-09.

Citadel Capital is a control investor and is majority owned by its senior management and staff. It is also a principal investor in its own transactions, with equity of more than US$ 750 million committed to its own deals. The Firm's investment footprint spans the Middle East and Africa, with a particular emphasis on opportunities in North and East Africa.

Citadel Capital deploys a hybrid business model that incorporates aspects of a traditional investment firm with characteristics of an asset manager. As a principal investor, Citadel Capital contributes 10-20% of the equity in each of its funds, with the balance being third-party money from leading MENA and global limited partners.

As a result, the Firm generates revenues from two different streams: Through

TYPICAL TRANSACTION STRUCTURE

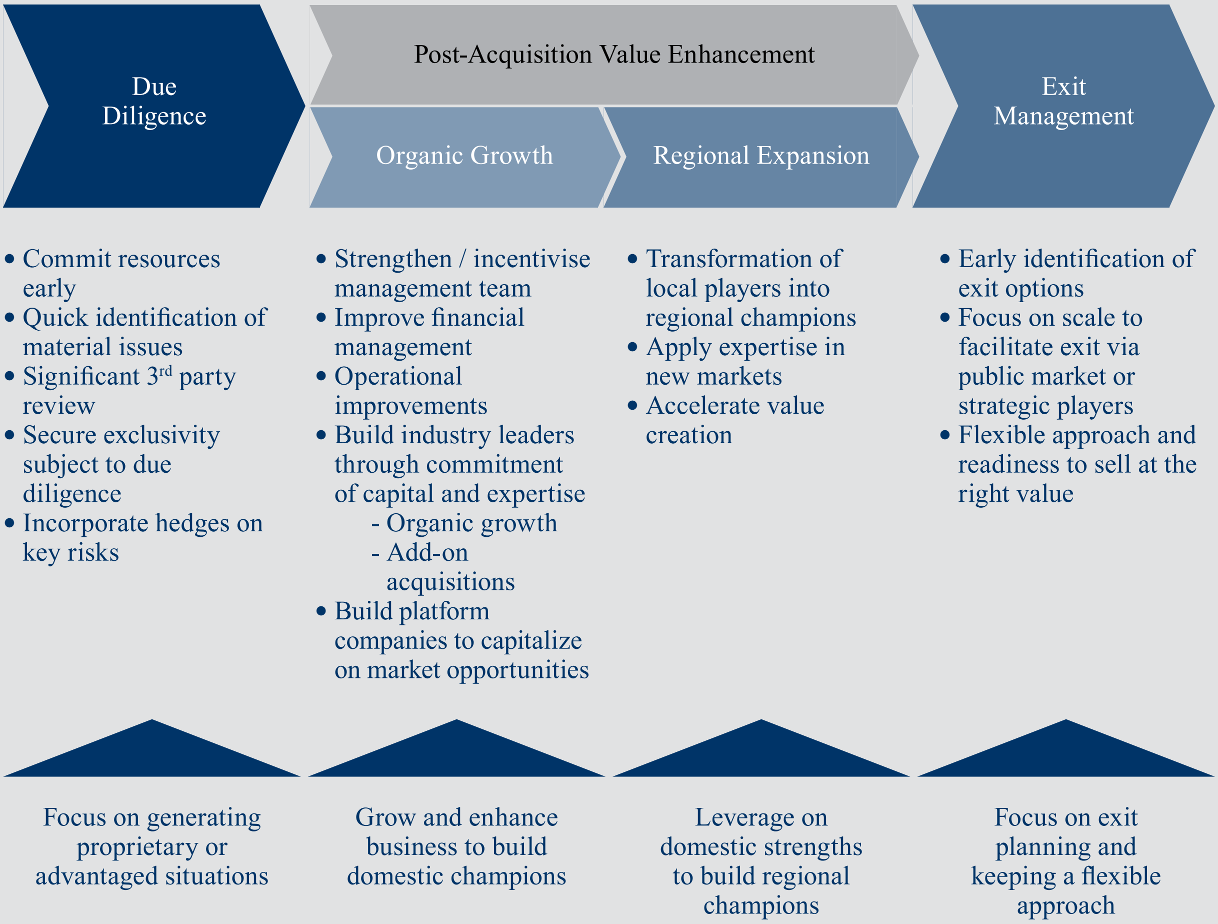


- Citadel Capital is an investor as well as an asset manager, typically taking a 20% equity stake or a minimum of 10% stake in its investments

- Opportunity-Specific Funds set up on a deal-by-deal, industry-by-industry basis
- Control of OSFs through shareholder agreements
- Platform Company established / acquired to act as holding company
- Acts as a basis for follow-on investments (horizontal and vertical)

- Add-ons to capture the full value chain
- Strategic vision to build regional leaders in a variety of industries

DISCIPLINED INVESTMENT PROCESS



capital gains on its principal investments as well as from the asset management side of the business, where the Firm earns an advisory fee on assets under management as well as a carried interest over a hard hurdle on the capital gains it makes for the LPs in its Opportunity-Specific Funds.

Among the industries on which the Firm currently focuses are cement, mining, energy, food, transportation and logistics, and metallurgy.

Acquisition Types

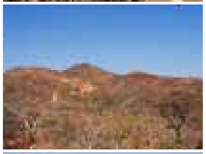
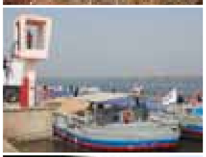
Citadel Capital takes a flexible approach to the structures it uses to pursue investments across the region, giving it more latitude to invest throughout the business cycle relative to traditional buyout firms. The common theme running through all of its investments is the Firm's commitment to raising OSFs that create and control platforms for regional growth.

The Firm's willingness to pursue an incremental approach to building its platform investments (and its continued ability to raise debt) has allowed it to capitalize on opportunistic investments despite global economic conditions in the past two years.

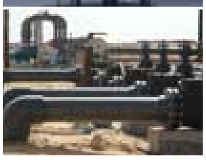
Citadel Capital creates value for the firm and its co-investors by pursuing opportunities through leveraged buyouts (e.g. Egyptian Fertilizers Company [EFC]), distressed investments (ASEC Holding, Elmisrieen), consolidation plays / industry roll-ups (TAQA Arabia, Gozour) and greenfield investments (Nile Logistics, Egyptian Refining Company).

A Year of Narrowing Risk

A sharp focus on narrowing execution risk saw the launch of seven greenfields in 2010 as the Firm simultaneously established a permanent presence in East Africa



January 2010 The power arm of TAQA Arabia, Global Energy, concludes an agreement to launch an electrical power plant in Sudan in partnership with ASEC Cement and the Sudanese Pension Fund. The joint-venture, Berber for Electrical Power, has a total installed capacity of 42 megawatts and since becoming operational in May 2010, has provided all the electricity needs for Takamol, ASEC Cement's 1.6 million-ton-per-annum greenfield cement plant in Sudan.

February 2010 Dina Farms concludes a deal to import an additional 850 Holstein heifers from the United States and was expected to take receipt of the new cows by mid-year. The total herd of milk-producing cows at Dina Farms is expected to reach 10,000 by 2012.

February 2010 The National River Port Management Company (NRPMC) announces the start of a five-year contract to transport up to 2 million tons of wheat annually along the River Nile for Egypt's General Company for Silos and Storage (GCSS).

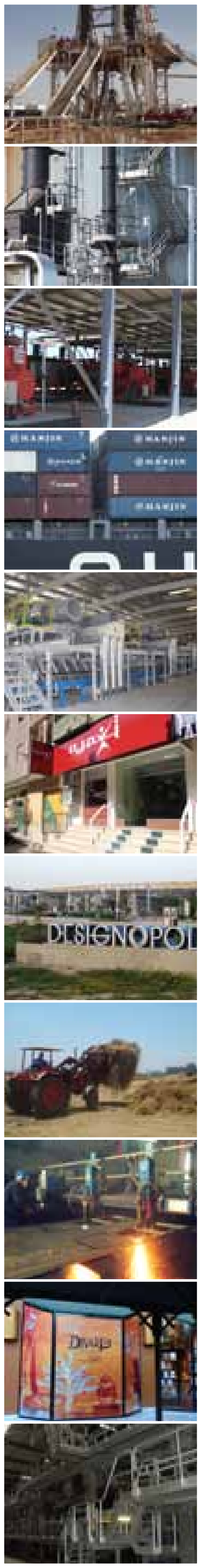
February 2010 ASEC Holding raises its participation in ASEC Cement to 61.04% in a deal worth US$ 80 million in cash and shares. By acquiring the additional 9.48% stake, ASEC Holding will increase its exposure to the key Portfolio Company, one of the region's leading independent cement producers.

March 2010 Fledgling rail operator Nile Vally Railways (NVR) takes its first step in the promising Sudanese market via a right-of-way agreement signed with the Sudanese Railway Corporation. The agreement will allow NVR to offer cargo transport services on Sudanese Railway Corporation's rail lines under a revenue-sharing agreement.

March 2010 Bonyan for Development and Trade finalizes arrangements for an EGP 185 million syndicated loan for the completion of Designopolis, the first furniture and home accessories mega-mall in the Middle East and North Africa.

April 2010 Sphinx Glass begins operations at its EGP 1.1 billion, 600-ton-per-day, state-of-the-art float glass production facility. As the most technologically advanced facility of its kind in Egypt, Sphinx Glass supplies high-quality float glass for the local market and for export to the Middle East and Africa.

May 2010 ASEC Ready Mix launches operations at three locations in Upper Egypt, a significantly under-served market set to grow substantially with expanded state and private spending on infrastructure.



July 2010 ASEC for Manufacturing and Industrial Projects (ARESCO), a turnkey contractor serving the cement, energy, petrochemicals, petroleum and general industrial sectors, signs a US$ 130 million contract to construct a new cement plant for the Building Materials Industry Company (BMIC) in the Upper Egyptian governorate of Assiut.

August 2010 After acquiring a minority stake in Rift Valley Railways (RVRI), the national railway of Kenya and Uganda, in 2009, Citadel Capital assumes a majority interest in August 2010 and has since spearheaded a US$ 287 million turnaround program that has seen efficiency improve, accident rates fall and better synchronization of freight and passenger schedules.

August 2010 Citadel Capital announces the signing of US$ 2.6 billion in debt financing for the US$ 3.7 billion greenfield refinery being built by the Egyptian Refining Company (ERC). The debt financing package includes US$ 2.35 billion of senior debt and US$ 225 million of subordinated debt.

August 2010 ASEC Company for Mining (ASCOM) reports material progress at its gold concessions in Ethiopia, Sudan and Algeria. In March 2011, ASCOM received positive preliminary reports of substantial gold mineralization at 17 drill sites.

August 2010 Nile Cargo takes delivery of the first two of over 100 custom-designed, environmentally friendly river barge units, constructed by Alexandria Shipyard. A further two vessels follow in March 2011. The new vessels augment the company's existing fleet of 31 reconditioned barges.

September 2010 Dina Farms, Egypt's largest integrated commercial farm, launches a new chain of retail stores that are bringing high-quality dairy products, produce and meats to consumers nation-wide. The company operates six stores located in five districts across the country. Dina Farms aims to grow its nationwide chain of neighborhood stores to 20 branches within the next two years.

October 2010 Citadel Capital co-founds the Egyptian Private Equity Association (EPEA). Local business leaders gathered for the group's inauguration in Cairo which witnessed an address by the global private equity chieftain David Rubenstein. Citadel Capital expects EPEA to serve as a unique platform for the exchange of information on industry best practices.

October 2010 Tanmeyah, the microfinance Portfolio Company of Finance Unlimited, announces its expansion plan to cover the very-small-enterprise credit market, which targets loan sizes in the EGP 40,000 to EGP 100,000 range against the micro-enterprise loan range of EGP 1,000 to EGP 30,000.

November 2010 ASEC Cement inaugurates Takamol, its greenfield cement plant located some 320 kilometers north of the Sudanese capital of Khartoum. Operational since summer of 2010, the plant will produce 1.6 million tons of cement a year.

November 2010 Gozour announces the appointment of Mohammed El-Rashidi as Chairman of the Group and Hatem Noweir as Group Chief Executive Officer. Noweir's main task is to drive strategic planning and the integration of Gozour assets.

Local Insight, World-Class Expertise

Citadel Capital's senior management team is collectively the firm's largest shareholder

Ahmed Heikal | Chairman and Founder

Prior to founding Citadel Capital, Mr. Heikal was an executive board member and Managing Director of EFG Hermes, which he helped transform from a small financial consultancy into the leading investment bank in the Arab world. He was head of asset management (1994-95), head of securities (1997-99), head of investment banking (1996-97) and head of private equity (1999-2001). There, he spearheaded highly successful private equity investments, one leading to the creation of Egypt's leading IT company and another to the nation's largest natural gas distribution company. He also raised three rounds of finance for regional mobile telecoms operator Orascom Telecom and led the IPOs of Orascom Construction Industries and Orascom Hotels, among other traansactions. Mr. Heikal holds a Master's degree and a PhD in Industrial Engineering and Engineering Management from Stanford University.

Hisham El-Khazindar | Managing Director and Co-Founder

Prior to co-founding Citadel Capital, Mr. El-Khazindar was Executive Director of Investment Banking at EFG Hermes, where he advised on key transactions, and where he started his career in 1996. In 1999-2000, he was on secondment to Goldman Sachs in London, advising firms on strategic options and M&A transactions. Mr. El-Khazindar sits on the boards of leading companies including ASEC Holding and El Sewedy Cables. He was Chairman of the Capital Markets and Investment Committee at the American Chamber of Commerce in Egypt, was a member of US-Egyptian Business Council. He is a member of the Advisory Committee of EMPEA, is a founding member of EPEA, a board member of the Egyptian Capital Markets Association, and a member of the board of advisors of AUC's School of Business. He holds a BA in Economics from the American University in Cairo (1996) and an MBA from Harvard Business School (2003).

Karim Sadek | Managing Director

Prior to joining Citadel Capital, Mr. Sadek was Managing Director of the Arab Investment Company (ABIC), one of the largest private-equity firms in Egypt. During his tenure, Mr. Sadek returned a substantial part of the firm's total investments (valued at over EGP 500 million [US$ 90.91 million]) to ABIC's shareholders in the form of dividends and share buybacks. Mr. Sadek holds a Master's in International Securities, Investment and Banking from the Business School for Financial Markets at the University of Reading in the United Kingdom. He has extensive experience in corporate banking and credit risk assessment through his work both at the Commercial International Bank (CIB) and Arab Bank.

Ahmed El Houssieny | Managing Director

Mr. El Houssieny joined Citadel Capital in 2005 after serving as Director of Investment Banking at Barclays Bank Egypt. Mr. El Houssieny was also an executive committee member personally responsible for setting the bank's strategic direction and evaluating non-organic growth options. Previously, Mr. El Houssieny worked with Citigroup Investment Bank's North West Africa Team, where he spearheaded the origination, structuring and execution of complex corporate financing solutions for large businesses and financial institutions. He holds a BA in Political Science and Business Administration from the American University in Cairo and an MBA, with distinction, from the Maastricht School of Management.

Marwan Elaraby | Managing Director

Prior to joining Citadel Capital in 2005, Mr. Elaraby was a partner at Shearman & Sterling LLP in New York, one of the leading global law firms, focusing on high-yield and leveraged acquisition finance as well as oil & gas transactions. Mr Elaraby was earlier an executive director at EFG Hermes, the premier regional investment bank, where he worked as an investment banker advising clients on numerous capital markets and M&A transactions. Mr Elaraby studied Economics at the American University in Cairo and Yale University and also holds a Juris Doctor from Columbia University School of Law.

Ahmed El Shamy | Managing Director and Chief Financial Officer

Prior to joining Citadel Capital, Mr. El Shamy previously served as Founder and Chief Financial Officer of Fayrouz International (FI), where he was responsible for all finance, accounting and information technology functions as well as working with Fayrouz International's president to develop new business. Before starting up FI, Mr. El Shamy was Chief Financial Officer for Al-Ahram Beverages Company (ABC), where he led the development of systems and financial reporting, transforming ABC from manual public-sector standards and systems to automated systems compliant with International Accounting Standards and ultimately with Heineken reporting standards. Mr. El Shamy holds a BA from Helwan University's Faculty of Commerce.

A Proven Team

The Firm's managing directors combine outstanding local and regional insights with global best practices

Tarek Salah El-Din Atteya | Managing Director for Greenfield Projects
Mr. Atteya joined Citadel Capital in 2007. Mr. Atteya worked with Arab Consulting Engineers in the Project Management Department, where he managed projects including the US$ 750 million CityStars multi-purpose real estate development and a US$ 107 million float glass factory in Tenth of Ramadan City. He holds a BSc in Engineering from Cairo University and an MBA from the Arab Academy for Technology and Maritime Transport in Cairo.

Mr. Atteya is presently on secondement to ARESCO, a platform company of ASEC Holding, where he is serving as managing director and chief executive officer.

Stephen A. Murphy | Managing Director
Prior to joining the firm in 2008, Mr. Murphy was head of private placements at Citigroup Global Markets. With more than 20 years of experience in private equity fundraising and investment banking, Mr. Murphy held a range of positions with Salomon Brothers / Salomon Smith Barney in New York, Tokyo and London starting in 1985. Originally a mergers and acquisitions specialist who headed Salomon's European M&A practice in the early 1990s, Mr. Murphy's career has covered a wide range of advisory as well as public and private fundraising activities. He executed Salomon's first lead-managed IPO in Europe and has handled yankee and convertible bond funding and private placements for both general partners and private companies. Before re-joining Citigroup in 2001, he held the post of Managing Director of E*Trade International Capital, where he was, among other things, responsible for setting up the company's online distribution of equity offerings via its web portal.

Alaa El-Afifi | Managing Director
Prior to joining Citadel Capital in 2006, Mr. El-Afifi was part of the UK Mergers and Acquisitions and the Industrials and Natural Resources teams at Goldman Sachs & Co in London. There, he worked on a number of high-profile investment banking deals and advised clients including Mittal Steel, Petroplus, Saint-Gobain, BP, Shell, BG, InterGen, MOL, SAS, ICI and Odeon Cinemas on mergers and acquisitions, equity and debt market strategies and raid-defense activities. He started his career as an investment banker at EFG Hermes, the leading investment bank in the region. Mr. El-Afifi is a Chartered Financial Analyst (CFA) who holds a BA in Economics and Business Administration from the American University in Cairo and an MBA from the Wharton School of Business, with a concentration in Finance, Strategic and Entrepreneurial Management.

Shereef El Prince | Managing Director
Prior to joining Citadel Capital in 2006, Mr. El Prince served as Senior Manager of Strategic Planning and Investor Relations at Vodafone Egypt, where he helped grow market capitalization to US$ 4 billion from US$ 1.5 billion. Previously, he was Vice President of Investment Banking at EFG Hermes, where he managed and coordinated a number of merger & acquisition transactions including the valuation analysis for Heineken's US$ 287 million acquisition of a strategic share in Al-Ahram Beverages. He also led the US$ 1.6 billion listing of Vodafone Egypt on the Cairo and Alexandria Stock Exchange and helped coordinate a US$ 368 million listing of Orascom Telecom Global Depository Receipts on the London Stock Exchange. Mr. El Prince holds a BA in Economics from the American University in Cairo

Bassem Azab | Managing Director
Bassem Azab joined Citadel Capital in 2009 as a Managing Director and today manages equity placements across the Arab world. Azab was formerly Managing Director at Beltone Financial's brokerage group, where he led Gulf Cooperation Council and MENA coverage. He previously served as Head of High Net Worth and Arab Institutions at EFG Hermes, the Arab world's leading investment bank. He began his career in finance with the former Egyptian American Bank (today Crédit Agricole Egypt) and Citibank-Egypt, where he worked in corporate finance.

Amr El-Barbary | Managing Director
Amr El-Barbary joined Citadel Capital as a Managing Director in 2009 after a career that spanned principal finance, corporate finance, and derivatives trading and structuring at Deutsche Bank and Citigroup. Prior to Citadel Capital, Mr. El-Barbary was part of the Emerging Markets Trading and Special Situations division at Deutsche Bank focusing on opportunities in MENA and Africa. Born in Egypt, he completed his Bachelor's in Mechanical Engineering at the American University in Cairo with a stint at Pennsylvania State University.

Mohamed Abdellah | Managing Director
Before joining Citadel Capital in 2005, Mr. Abdellah was with the high net worth desk at EFG-Hermes' Brokerage arm. Earlier, at the Commercial International Bank (CIB)'s Credit Department, he handled the textiles and paper sector with a utilized portfolio of LE 500 million. Mr. Abdellah holds a BA in Accounting from Cairo University's Faculty of Commerce.

Safeguarding Shareholder Interests

Citadel Capital's Board of Directors is composed of majority non-executive members who provide management with oversight and a solid regional perspective

In addition to the firm's Founder, Co-Founder and the four other Managing Directors on the Executive Committee, Citadel Capital's Board of Directors now includes seven non-executive members nominated by the Firm's shareholders.

Chairman and Founder
Ahmed Heikal

Non-Executive Members
Alaa Arafa
(Joined 2009)

Hisham Abdel Ahmid
Emirates International Investments Company
(Joined 2009)

Sari Mouris
Olayan Financing (Joined 2010)

Karim El-Sirafy
Power Investments (Joined 2010)

Sheikh Tariq Al Qassimi
(Joined 2009)

Madgy El Dessouky
Cape Collard Investments (Joined 2010)

Sheikh Mohamed bin Sehim Al Thani
(Joined 2009)

Executive Members
Hisham El-Khazindar
Managing Director and Co-Founder

Karim Sadek
Managing Director

Ahmed El Houssieny
Managing Director

Marwan Elaraby
Managing Director

Ahmed El Shamy
Managing Director and Chief Financial Officer

Tanzania
Serengeti National Park
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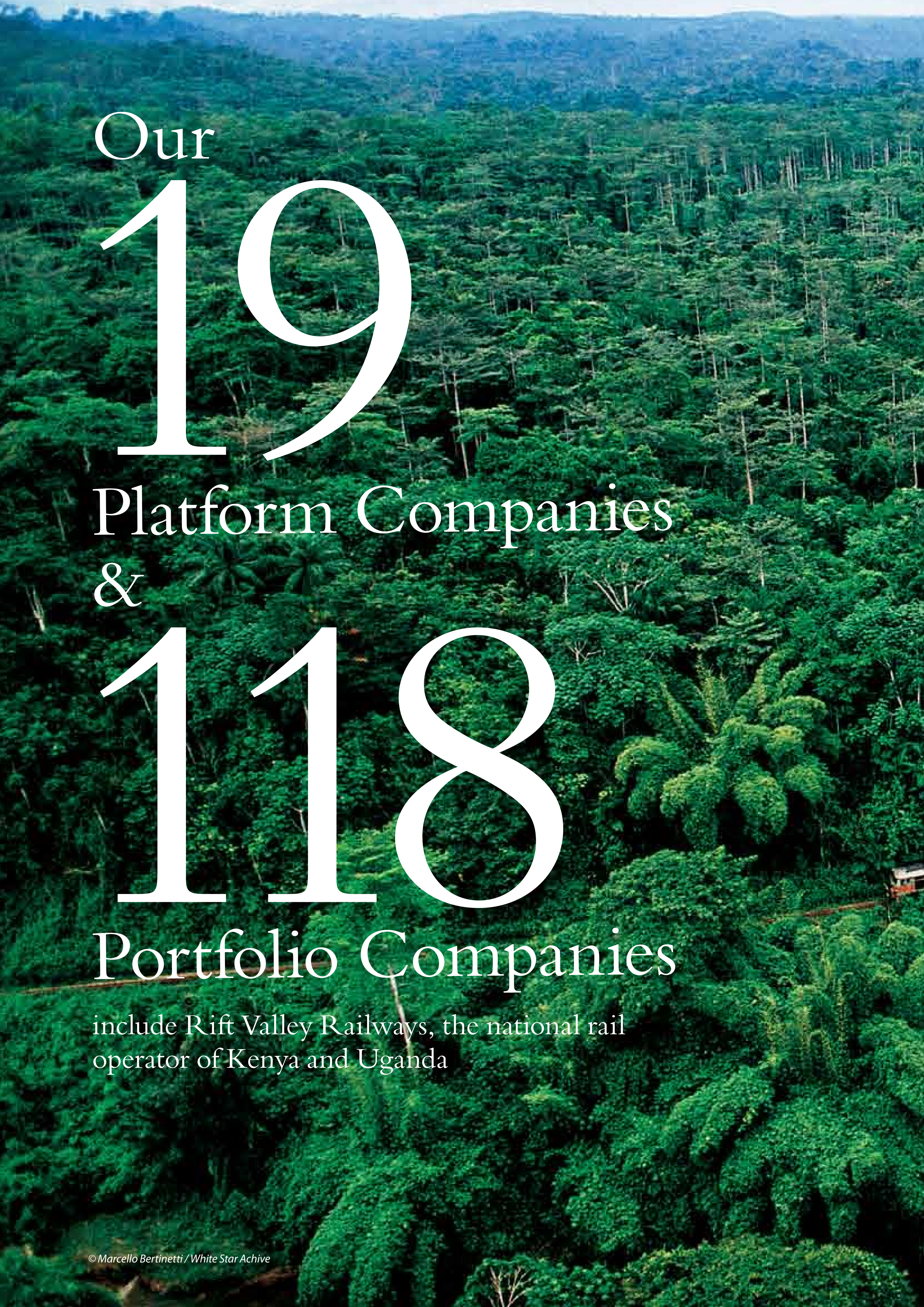
2010
another banner year for
Citadel Capital

PEI 300 2010	Largest Firm in Africa
African BUSINESS	African Business of the Year
emeafinance Europe • Middle East • Africa	Best Private Equity House in Africa
Private Equity World AWARDS MENA	Best Private Equity House
global investor isf	Private Equity House of the Year
africainvestor	Oil and Gas Deal of the Year
InfrastructureInvestor	African Infrastructure Deal of the Year
MENA Investors Summit	Best Private Equity House
GTM/EGX AWARDS 09	Best Private Equity Firm in Egypt Best Managing Director

Citadel Capital S.A.E. (CCAP.CA on the Egyptian Exchange) is the leading private equity firm in the Middle East and Africa. Citadel Capital focuses on building regional platforms in select industries through acquisitions, turnarounds, and greenfields executed via Opportunity-Specific Funds. The firm's 19 OSFs now control Platform Companies with investments worth more than US$ 8.7 billion in 14 countries spanning 15 industries, including mining, cement, transportation, food and energy. Since 2004, Citadel Capital has generated more than US$ 2.2 billion in cash returns to its co-investors and shareholders on investments of US$ 650 million, more than any other private equity firm in the region.

CITADEL CAPITAL
القلعة

www.citadelcapital.com



Our 19 Platform Companies & 118 Portfolio Companies

include Rift Valley Railways, the national rail operator of Kenya and Uganda

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ASEC Holding

Industry:
Engineering, Construction and Cement

Investment date:
December 2004

Investment type:
Distressed and Greenfield

Citadel Capital ownership:
48.5%

ASEC Holding (ASEC) is a leading regional cement, engineering and construction group with operations spanning the Middle East and Africa. With over 30 years of experience, ASEC's portfolio of services includes plant design and engineering, technical management, automation and construction. Portfolio Company ASEC Cement is emerging as a leading regional cement producer that plans to control 10 million tons per annum (MTPA) of cement by 2015 in attractive, key markets in the MENA region, including Egypt, Sudan and Algeria.

Other ASEC Holding companies — ASEC Engineering, ESACO, ARESCO, ASEC Automation and ASENPRO — provide full-spectrum turnkey contracting solutions including technical management and environmental protection services.

While the bulk of ASEC Holding's services cater to the cement sector, the group is rapidly diversifying its client base with large industrial clients such as steel producers and power plants among others.

OPERATIONAL UPDATE

ASEC Cement owns three assets in Egypt, including a significant minority stake in Misr Qena Cement Co., the Arab National Cement Company (a 2 MTPA plant under construction in Minya) and a Ready Mix operation in Upper Egypt. The company has entered other markets including Algeria and Sudan, and is well on its way to becoming a substantial regional player controlling the production of 10 MTPA of cement by 2015.

In Algeria, where demand for cement outstrips the country's production capacity, ASEC Cement has established a strong presence by acquiring a 35% stake and management control of Algeria's government-owned Zahana Cement Company and continues building a US$ 371 million, 1.4 MTPA greenfield cement plant in the central region of Djelfa in two phases. The second phase of the project will commence as soon as phase one is complete, adding 1.8 MPTA of capacity. Construction at Djelfa is now underway, with the project set for completion in 2014. Prominent partners in the Djelfa project include the Hayel Saeed Group and the Danish International Investments Funds, while the Banque Exterior d'Algerie has provided a US$ 180 million bank loan to finance the plant. The Djelfa plant will not only create 470 direct and approximately 700 indirect jobs when complete, it will also accelerate the development of surrounding infrastructure in the underdeveloped region.

ASEC Cement's 1.6 MTPA Takamol plant in Sudan began operations in August 2010. Takamol primarily serves Sudan's sizable local market and today stands as the most technologically advanced cement plant in the country. In its first six months of operation Takamol produced approximately 500,000 tons of clinker and cement.

Porfolio Company Arab National Cement Company (ANCC) obtained a US$ 185 million syndicated loan in October 2010 to finance the construction of its 5,000 ton-per-day greenfield cement plant in Egypt's Minya governorate. With a total investment cost of US$ 335 million, the ANCC plant will be completed by the first half of 2013, in time to meet the projected spike in demand that will occur as several key infrastructure projects launch in Upper Egypt.

in Egypt, Portfolio Company ASEC Ready Mix began operations during the summer of 2010 with two batching plants, one in Qena and the other in Assiut. For the remainder of 2010, sales steadily picked up month after month, although projections for 2011 are uncertain given the prevailing situation in the country.

Lastly, ASEC Cement also owns licenses

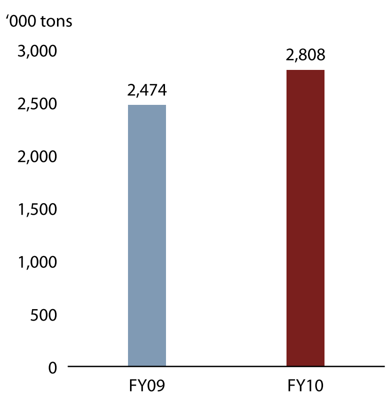
to build and operate 2.0 MPTA plants in both Syria and the northern part of Iraq, Kurdistan. To continue its expansion into new markets, ASEC Cement is also exploring the Ethiopian market and evaluating other new opportunities in Sub-Saharan Africa.

In 2010, ASEC Engineering managed seven cement plants in Egypt with a total production capacity of 12 MPTA, equivalent to 24% of total cement capacity in Egypt. In addition, it expanded its operation regionally to service Qatrana cement plant in Jordan, Takamol and El-Salam cement plants in Sudan and Djelfa cement plant in Algeria.

ARESCO has turned net profits from operations since 3Q10 and has substantially reduced its debt. The company announced in 3Q10 that it had signed a US$130 million contract to construct a new cment plant for the Building Materials Industry Company (BMIC) in the Upper Egyptian governorate of Assuit. The company has also signed for another mega project at El Minya cement plant, in addition to smaller projects in other industrial sectors, namely power generation.

ESACO, a civil contractor and steel fabrication firm, won six large-scale civil and mechanical production contracts throughout Egypt, Libya and Uruguay in 2010.

ASEC Holding Cement Dispatches



ASEC Holding is a key Citadel Capital Platform Company, controlling investments that span the region. Portfolio Companies include ASEC Cement, ARESCO, ASEC Engineering and Management, ASEC Automation, ESACO and ASENPRO.

ASEC Company for Mining (ASCOM)

ASCOM
GEOLOGY & MINING

Industry:
Mining

Investment date:
December 2004 (Spun-off December 2006 from ASEC Holding)

Investment type:
Consolidation and Greenfield

Citadel Capital ownership:
39.2%

Founded in 1999 as the geology arm of Arab Swiss Engineering Company (ASEC), ASCOM has been historically involved in quarrying limestone and clay for major cement companies in Egypt. After ASEC was acquired by Citadel Capital in 2004, ASCOM was identified as a company with strong growth potential and was spun off as a separate entity in February 2007, allowing ASCOM's scope and vision to expand significantly.

ASCOM today continues to lead in the field of geology and mining within North and East Africa, the Gulf and the Levant regions offering the market a unique interface between science and field applications. In addition to research and development activities related to its mining assets, ASCOM has also moved up the value chain within the industrial minerals sector with the production of calcium carbonate and glasswool.

ASCOM's operations can be summarized as follows:

- Quarry management with a focus on complete outsourcing solutions for cement plant quarries operating in Egypt and Sudan.
- The mining of building materials, particularly aggregates with operations in Egypt, Algeria and the UAE.
- The mining of precious metals particularly gold, with ongoing exploration projects in Ethiopia and Sudan as well as exploration and production in Algeria.
- The manufacturing of industrial minerals, namely calcium carbonate, glasswool and rockwool in Egypt.

ASCOM (ASCM.CA on the Egyptian Exchange) has a paid in capital of US$ 60 million. In just three years the company has expanded from one legal entity to 15 companies with a presence in five countries employing approximately 1,100 people.

OPERATIONAL UPDATE

ASCOM has grown to become the largest specialized company in the quarry management sector within the MENA region. Over past decade, ASCOM has developed its unique expertise in this field, particularly within the cement industry. ASCOM manages the bulk of the large cement quarries in Egypt and Sudan, mining over 35 million tons per annum.

In the building materials sector, ASCOM has gone from being a service provider to holding concessions for mining aggregates, silica sand, gravel and other basic raw materials. The aim was to expand beyond the domain of the cement industry. Today, ASCOM operates a number of small quarries in Egypt and has two fully specialized companies operating in the aggregates market in the UAE and Algeria.

ASCOM established ASCOM Precious Metals Mining (APM) as a logical progression to consolidate all exploration operations of precious metals mining under one entity. After years of hard work, the company recently announced strong positive results in their exploration fields in Western Ethiopia. The company currently has five concessions in Ethiopia.

The company has also started fieldwork on its recently acquired concessions in Sudan's Blue Nile State. APM's Ethiopian and Sudanese concessions are both located within the Arabian-Nubian Shield, an under-explored area that is highly promising for its gold and gold-plus-base-metal mineralization.

APM is working on all concessions with a primary focus at present on the

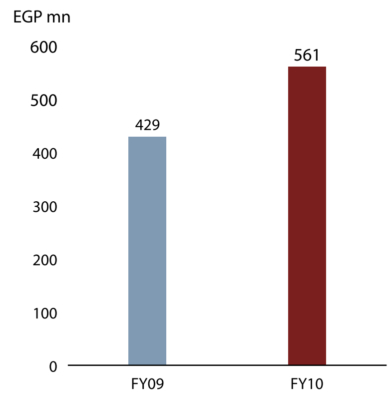
concessions in Asosa, an 800-square-kilometer area in Western Ethiopia, specifically the Dish Mountain and Abetslo concessions, where results have identified two well-defined gold and gold-plus-metal targets showing tonnage and grade potential to suggest an economic discovery is possible. A drilling phase began in October 2010 and surveys are ongoing in Sudan.

Further to the West, ASCOM holds a 27% stake in GMA Resources, a UK-listed gold exploration and production company that owns 52% of a promising exploration and production operation in southern Algeria, which produced 23,000 ounces of gold in 2010. GMA has initiated an aggressive exploration program with the aim of securing a minimum of two years of feedstock in order to maintain current production levels while also identifying new larger tonnage and lower grade reserves to expand the business.

ASCOM's first manufacturing plant, the Minya Technical Calcium Carbonate plant, was commissioned in 2009. The 180,000 tons per year milling plant specializes in the production of calcium carbonate, a material with vast applications in the fields of plastics, paper, paint and chemicals. ASCOM holds a number of concessions for high-quality calcium carbonate in Upper Egypt within close proximity to the plant.

The plant is making steady progress and has made full use of its production capacity in the second half of 2010, a strong achievement

ASCOM Revenues



ASCOM is a regional geological and mining services company with three primary business lines: 1) geological investigations and the management of quarry operations for the cement industry; 2) manufacturing of industrial minerals; and 3) exploration for precious metals with a primary focus on gold.

for a newly operational greenfield. A project to double its capacity at a price equal to 30% of the original investment cost is currently underway. The majority of this new capacity would be in the fine to superfine products enabling growth into the high value and high growth export markets.

ASCOM is also working on completing the erection of its glasswool and rockwool plant in Egypt. The plant is expected to start operations by the end of 2011 with a capacity of 50,000 tons per year.

Both plants are focused on export markets and are accordingly established as free zone companies allowing them to take advantage of low tax and customs regulations.

Nile Logistics

Industry:
Transportation and Logistics

Investment date:
September 2006

Investment type:
Greenfield

Citadel Capital ownership:
30.3%

Nile Logistics is Citadel Capital's Platform Company in the logistics, river transport and port management sector with operations in Egypt and Sudan. Nile Logistics is home to four complementary portfolio companies that pursue business opportunities within the regional transportation and logistics sector. With a well-developed portfolio of services, Nile Logistics provides seamless door-to-door service for industrial and agricultural producers and traders in Egypt and Sudan, and also offers indirect services in Uganda, Ethiopia and Kenya. The four companies under Nile Logistics are: Nile Cargo, National River Port Management Company (NRPMC), Keer Marine, and Ostool Trucking Company.

Nile Cargo builds and operates a fleet of fuel efficient, environmentally friendly river barges with a geographical coverage that spans river transport routes from northern to southern Egypt. NRPMC owns and operates a network of river ports at strategic locations along Egypt's navigable waterways to load and unload dry bulk materials and containers, providing services to Nile Cargo as well as to third parties.

Keer Marine, Nile Logistics' arm in the underserved Sudanese market, operates a fleet of barges as well as ports connecting the north and south of Sudan. In addition, Nile Cargo also owns a 45% minority stake in Ostool Trucking Company, an acquisition that complements the company's existing assets.

OPERATIONAL UPDATE

Nile Cargo took delivery of its first two state-of-the-art, custom-designed, environmentally friendly river barges in August 2010. The new 100-meter barges were designed by leading national and international consultants and constructed by the Alexandria Shipyard to meet the highest global standards in river transportation. The company took receipt of two additional vessels in March 2011,

Keer Marine
Barge, Sudan

NRPMC Tanash Port,
Greater Cairo Area, Egypt

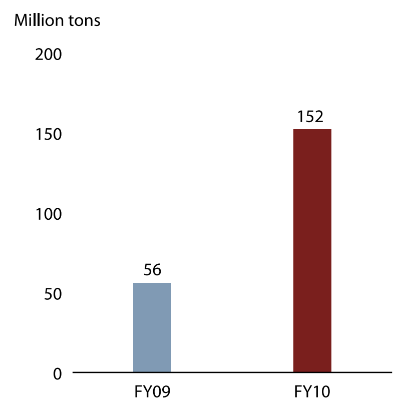
bringing its total fleet up to 35 operating barges. A further 11 barges are expected to be completed by the Alexandria Shipyard over the coming year. Six additional barges are in the process of being constructed by the Arab Contractors Shipyard in Helwan, south of Cairo. The company plans to contract European shipyards to undertake the construction on the remainder of Nile Cargo's fleet, which will ultimately reach a total of 135 vessels. Nile Cargo's fleet currently transports both bulk goods and containers, for a varied list of clients.

River ports operator NRPMC began official operations at its Tanash Port in the Greater Cairo Area in 1Q10. The inauguration of the Port coincided with the start of a strategic five-year contract to transport up to 2 million tons of wheat annually along the River Nile for the General Authority for Supply Commodities (GASC).

The 27,500-square-meter port currently handles bulk goods such as grains, metals and aggregates as well as containers. As NRPMC continues to develop, Tanash Port will serve as a hub for additional logistics services and will join a network of similar facilities along Egypt's navigable waterways stretching from Alexandria to Upper Egypt. Going forward, the company will focus on developing smaller ports as a part of a larger nationwide network stretching into Upper Egypt, namely Beni Suef, Minya, and Aswan.

Keer Marine was acquired by Nile Logistics in a deal that included the purchase of multipurpose river barges and pushers. The company also owns a fleet of five convoys and a port in Kosti 300 kilometers south of Khartoum. Keer Marine currently operates the river route between Kosti and Juba, transporting bulk goods and petroleum products. In response to increasing demand for the transport of goods and petroleum products between North and South Sudan, the company's management intends to further expand its fleet over the coming few years to reach 10 convoys.

Ton-Kilometers



Nile Logistics is a key provider of alternative transportation options for Egypt's and Sudan's industrial and agricultural producers and traders. The company offers indirect services in Uganda, Ethiopia and Kenya.

Africa Railways

Industry:
Transportation and Logistics

Investment date:
December 2009

Investment type:
Consolidation

Citadel Capital ownership:
20.0%

Africa Railways is Citadel Capital's Platform Company for investments in the African railway sector. Africa Railways' primary investment at present is a 51% stake in Rift Valley Railways Investments (RVRI), which holds a 21-year concession to operate 2,352 kilometers of track linking the Indian Ocean port of Mombasa to the interiors of Kenya and Uganda, including the Ugandan capital of Kampala.

Transport prices in East Africa are among the highest in the world, studies find, with transport to Uganda from Kenya sometimes costing more than US$ 0.13 per ton / kilometer (the standard industry metric) due in large part to heavy reliance on trucking. A lack of operating capacity has resulted in rail capturing less than 10% of East Africa's transport market.

An efficient rail network could, in time, bring East African transport costs down by as much as 35% due to the operational and fuel efficiency of shipping by rail. In the full year of operations ending June 2010 RVRI hauled approximately 1.5 million tons out of an existing market of 16 million tons being handled in Mombasa Port. The goal is to see that figure grow to 5 million tons per year by 2015.

Africa Railways has further signed a right-of-way agreement with the Sudanese Railway Corporation, the first step in fledgling rail operator Nile Valley Railways' entry into the promising Sudanese market. The agreement will allow Nile Valley Railways (NVR) to proceed with the purchase of rolling stock, including wagons and locomotives, that will run on existing infrastructure in which the Sudanese Rail Corporation is making substantial investments. NVR will offer cargo transport services on Sudanese Railway Corporation's rail lines under a revenue-sharing agreement.

Sudanese Railway Corporation operates more than 4,500 kilometers of track linking the key coastal city of Port Sudan to Khartoum, Wadi Helfa on Egyptian border to South Sudan. A rehabilitated line reopened in 2011 now links Babanusa in central Sudan with the southern town of Wau.

OPERATIONAL UPDATE

Citadel Capital and RVRI worked throughout 2010 to develop and begin implementing a sustainable business and investment plan that includes a US$ 287 million, five-year capex program to rehabilitate infrastructure and rolling stock. Citadel Capital is also working to strengthen RVRI's management team and has contracted leading global rail consultant group América Latina Logística (ALL), to bring in international best practices.

Under the terms of the agreement, ALL will provide key support to RVRI's rehabilitation and investment program, the first phase of which began in November 2010. ALL will provide RVRI with key management and operational staff and will oversee the transfer of its proven technologies.

The Latin American consultants will also provide access to proprietary technologies developed by ALL, including proven rail management software systems. ALL's compensation is directly linked to specific operational and financial goals at RVRI.

Under the three-point rehabilitation program, RVRI will begin tackling the problem of derailments by replacing worn-out rails in key areas while kick-starting a comprehensive program to address back-due maintenance on locomotives to improve reliability and enhance hauling capacity.

In April 2011, two quarters into the new management team's tenure, RVRI announced significant improvements in the overall efficiency of its operations. The company reported fewer accidents, faster turnaround times and higher volumes just

weeks after announcing new routes for passenger train services to meet increasing commuter demand and a new competitive pricing system for freight that reflects recent spikes in the global price of oil.

Managerial changes at the regional GM levels have already placed new emphasis on operational efficiency in vital areas such as loading, unloading and safety. The enhanced communication and coordination between the operational and commercial divisions has led to solid gains on turnaround times and fewer accidents.

Turnaround times for covered wagons and tank wagons between Mombasa and Nairobi have improved by 26% and 12%, respectively. It now takes 5.5 and 5.7 days respectively for these two types of wagons to move from Mombasa to Nairobi. Turnaround times for flats dropped to 3.2 days in March 2011.

Similar improvements in time have also been achieved on the route between Mombasa and Kampala: covered wagons, flats, and tanks improved by 10%, 13% and 9% respectively. Turnaround times for these three types of wagons now stand at 24.4, 24.6 and 24 days, respectively.

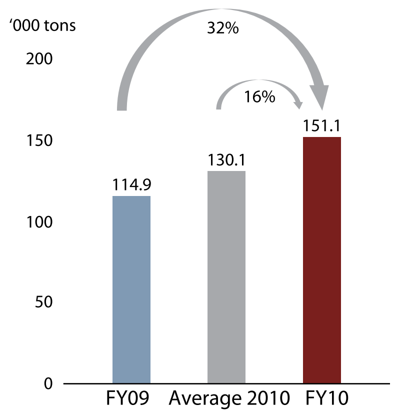
The faster turnaround times have also helped RVRI to increase its volume of cargo by 8% to reach an average of 425,000 tons in each of the past two quarters, up from 400,000 tons per quarter a year earlier.

The overall number of accidents on all RVRI routes has gone down by 17% as a direct result of a safety-linked bonus scheme.

In addition to increasing the daily frequency of passenger trains by a steep 125% as of April 2011, RVRI has launched an important new route from Nairobi CBD to Athi River that includes a stop at Kitengela.

The new services will run during peak hours, offering commuters greater transport choice and greater flexibility within Nairobi.

Freight Volumes



Africa Railways is Citadel Capital's greenfield investment focused on Africa's railway transportation infrastructure. Africa Railways operates in Kenya, Uganda and Sudan.

Gozour

Industry:
Agriculture and Consumer Foods

Investment date:
September 2007

Investment type:
Consolidation

Citadel Capital ownership:
20.0%

Gozour is a regional multi-category integrated agri-foods platform. The group includes three primary lines of business: agriculture, dairy, and dry consumer foods. Gozour Portfolio Companies include Dina Farms, Rashidi El-Mizan, Enjoy, Elmisrieen, El-Aguizy International and Mom's Foods in Egypt as well as confectioner Al-Musharraf in Sudan, which owns biscuit and halawa factories and a flour mill.

In Egypt and the region, investment in the agri-foods sector is heavily fragmented. There are very few professionally managed, large-scale investments, which has left the arena wide open for well-financed players to introduce new levels of specialization and economies of scale to the market.

OPERATIONAL UPDATE

Dina Farms is Egypt's largest private farm with 10,000 feddans and the country's leading producer of fresh milk with an annual capacity of 64,000 tons (projected to rise to 73,000 tons per annum in 2012) and more than 13,000 head of cattle (of which 6,000 are milking cows). It is a key supplier of diverse fruit and vegetable products both locally and regionally. Dina provides milk to leading local producers of processed dairy products. In 2010, Dina Farms successfully launched a premium line of fresh milk products (centered around a new PET fresh pasteurized milk plant inaugurated in February 2010) and opened six retail outlets in the Greater Cairo Area with plans to grow to 12 outlets by 2012. The milk plant completed the doubling of its capacity at year's end, which allowed it to add new SKUs to its existing product range. In January 2011, Dina Farms launched the single serve pack in addition to its leading 1-liter flagship pack. Yogurt production at Dina Farms has risen to 35,000 cups per day from 300 cups per day.

Dina Farms
Retail Store, Mohandiseen, Giza, Egypt

Rashidi El-Mizan
Quality control inspection, Cairo plant, Egypt

Confectioner Rashidi El-Mizan continued to lead the market in the halawa and tahina segments with market shares north of 60% and 80%, respectively, as well as a number-two position in the national jams market one year since the launch of that product line. In 2010 management was also able to rehabilitate the Musharaf plant in Sudan. Musharaf resumed commercial operations in March 2010 and is now the leading halawa brand in Sudan.

Elmisrieen is a popular manufacturer of a variety of cheese products that enjoy strong brand equity on the Egyptian market. The company executed its first TV campaign after being off air for more than 10 years, in addition to giving a facelift to the brand's logo. This relaunch helped Elmisrieen to grow sales by more than 30%, with an improvement in profitability. Further growth is expected in 2011, despite the market slowdown.

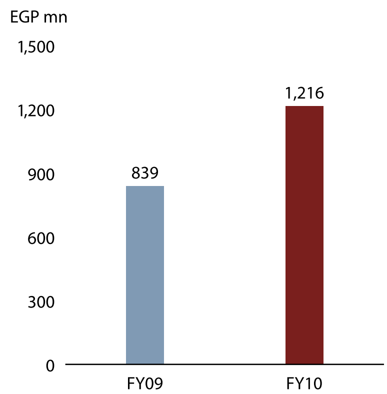
Nile Company for Food Products (Enjoy), Egypt's second-largest brand of dairy and juice products, which was acquired by Gozour in 2009, has successfully managed grow its top line by more than 25% and recorded a positive bottom line indicating that the turnaround of the company is proceeding comfortably. Management is focusing in 2011 on upgrading Enjoy's production facility and insuring that the plant operates efficiently. Management is also working on optimizing Enjoy's existing portfolio of products, with the aim on focusing on the most profitable and discontinuing products with low gross profit.

Gozour announced in November the appointment of Mohammed El-Rashidi as Chairman of the Group and the appointment of Hatem Noweir as Group Chief Executive Officer. Noweir's main task is to drive strategic planning and the integration of Gozour assets with a view to realizing substantial operational and market efficiencies.

These efficiencies will be particularly important given the challenges now facing the industry as a result of the broader economic slowdown, although Management's view is that the slowdown in sales of essential foodstuffs such as milk, cheese, produce and meat will be substantially less marked than the broader economic contraction.

As Citadel Capital builds Gozour into the first made-in-Egypt regional foods group, it remains on the lookout for further acquisitions and investment in all three lines of business.

Gozour Revenues



Gozour's portfolio spans the regional food sector, with a portfolio ranging from agricultural operations to manufacture of consumer foods.

Wafra

WAFRA

Industry:
Agriculture and Consumer Foods

Investment date:
September 2007

Investment type:
Consolidation

Citadel Capital ownership:
37.5%

Wafra is Citadel Capital's Platform Company for agricultural production in Sudan and includes the rights to more than 500,000 feddans of land through investments held under Portfolio Companies Sabina (254,000 feddans in northern Sudan) and Concord, previously known as Sudanese Egyptian Agricultural Crops Company - SEAC (250,000 feddans in southern Sudan).

These projects will engage in large-scale cultivation of cash crops including grain sorghum, maize, sunflower, rice and various grain legumes and together comprise one of the largest agricultural projects in Sudan.

Wafra continues to explore complementary regional development initiatives and expects to develop into a significant player in the agriculture sector.

OPERATIONAL UPDATE

Citadel Capital created Sabina in September 2008 as a Portfolio Company for investment in Sudanese agricultural production. Sabina holds Citadel Capital's agricultural investment near Kosti, where it has obtained a 30-year lease, renewable for similar periods, on a 254,000-feddan plot of fertile land, 37 kilometers of which are located directly on the Nile. Sabina's holdings are located in Sudan's White Nile State, which lies approximately 300 kilometers south of Khartoum. Part of the land has been designated specifically for the cultivation of sugar cane and the rest will be used for various cash crops.

Concord, a second Wafra Portfolio Company, was formed in early 2009 under a contract for 250,000 feddans of land in southern Sudan. The plot is in close proximity to a river port owned by Keer Marine, Citadel Capital's Portfolio Company in the Sudanese river transportation and logistics sector. Concord holds approximately 250,000 feddans of agricultural land near the city of Bentiu in South Sudan's Unity State (Welayet Al-

Wafra
First commercial harvest, 2010, Sudan

Wafra
Mid-season inspection, Sudan

Wehda). The land is located approximately 600 kilometers north of the South Sudan capital of Juba.

In 2009, Citadel Capital engaged industry expert Peter Schuurs, who had previously served in both Botswana and Sudan, to lead Concord. At Sabina, the team is lead by Kim Packer, a veteran in large-scale agriculture.

By the end of 2010 Sabina, had completed the development and cultivation of wheat of over 2,000 acres. In April 2011, the company successfully completed it's first harvest, with local prices ranging from 25%-30% higher than international prices of wheat. SEAC will be ready to seed 4,000 acres of land by the onset of the rainy season in mid-2011; the entire area will be planted with maize for sale in the local market.

Wafra Portfolio Companies Sabina and SEAC focus on large-scale cultivation of cash crops in Sudan for consumption on the local market.

National Petroleum Company

Industry:
Upstream
Oil & Gas

Investment date:
December 2005

Investment type:
Consolidation

Citadel Capital ownership:
15.0%

The National Petroleum Company (NPC) is an upstream oil and gas exploration and production Platform Company with a MENA footprint. In 2006, NPC acquired 100% of Petzed Project Management and Investments Ltd. (Petzed), with a majority ownership stake in the productive Shukheir Offshore Concession, which consists of the Gamma and Shukheir Bay fields located in the Gulf of Suez. In addition to the Shukheir Offshore Concession, Petzed currently holds 100% of the contractor's share in two exploration concessions; East Kheir, under ratification by Egypt's People's Assembly, and North El Maghara. Petzed also holds 100% of the contractor's share in the exploration / development concession of South Abou Zenima that includes the Muzhil discovery.

Moreover, NPC also holds shares in Nile Valley Petroleum Limited, which owns participating interests in three exploration blocks in Sudan, and in National Oil Petroleum Company, which has a heavy oil asset in Egypt and a gas field in Pakistan.

OPERATIONAL HISTORY

Based on local, regional and global supply gaps in the energy sector, Citadel Capital saw a compelling opportunity to create a large-scale oil and gas exploration and production company that would consolidate small independent operators and assets in Egypt and the region.

Through Petzed, NPC's concessions cover approximately 3,294 square kilometers in the Gulf of Suez and Northern Sinai.

With a combination of exploration and production assets — as well as assets such as SAZ that are classified as production under development — NPC has balanced

exploration and risk with a number of mitigating factors.

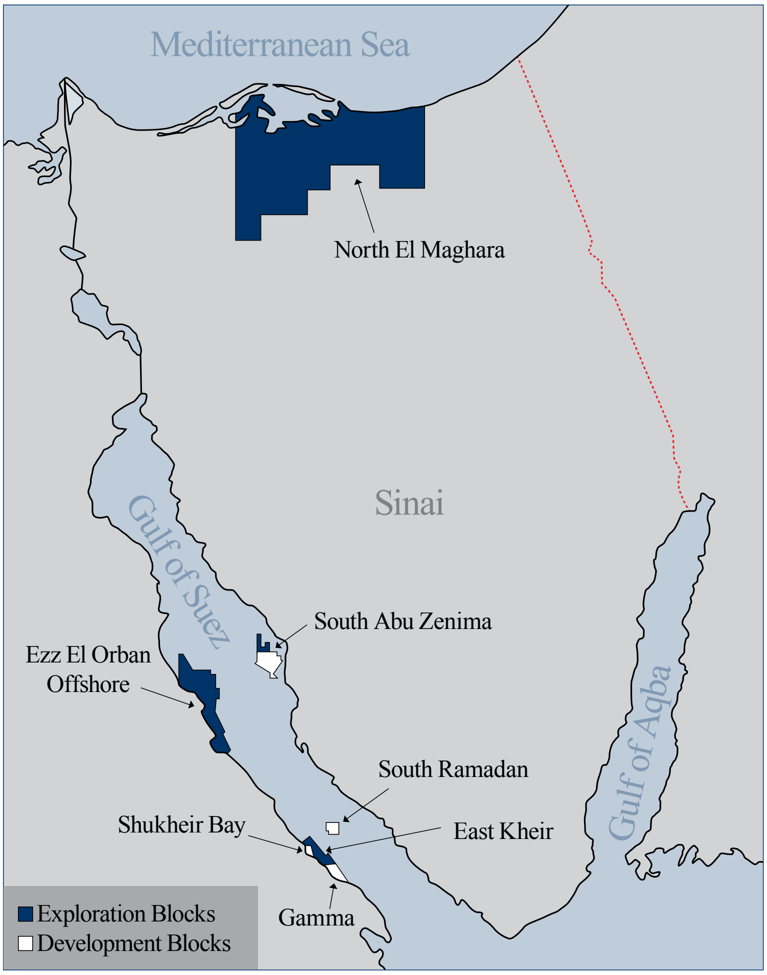
Based on the Ryder Scott Company reserves report audited in December of 2009, the Muzhil field's 2P reserves consist of 8.5 million barrels of oil. Production from the Muzhil field is expected to commence in 2Q12 and reach 6,116 barrels of oil per day by 3Q12.

Within SAZ, significant upside potential also lies primarily in the EE84-2 field, adjacent to the Muzhil field. According to the RS resource report audited in March of 2010, P50 recoverable resources in SAZ are estimated at 91 mmbo.

In November 2010, SHB-6 well was drilled in the Shukheir Bay field of the Shukheir Offshore Concession. Production of SHB-6 stabilized during December 2010 to reach an average daily production rate of 756 BOPD. As such, NPC's average daily production reached 1,923 BOPD during December 2010.

CITADEL CAPITAL WRITE DOWN

Citadel Capital has written-down its equity investment in NPC by 50%. This does not reflect technical difficulties at NPC, but rather at NOPC / Rally Energy, in which NPC has an equity stake.



NOPC / Rally Energy

RALLY ENERGY CORP.

Industry:
Heavy Oil

Investment date:
September 2007

Investment type:
Consolidation

Citadel Capital ownership:
10.4%

The National Oil Production Company (NOPC) is a Cairo-based upstream oil and gas exploration and production company. In 2007, NOPC acquired 100% of Canada's Calgary-based Rally Energy for US$ 868 million. Rally has a 100% operating interest in the Issaran heavy oil field, an onshore asset in the Gulf of Suez, Egypt. Rally also holds a 30% stake in the Safed Koh block in Pakistan's Punjab Province, where it is participating in the development of a natural gas discovery. NOPC / Rally is a Citadel Capital Platform Company with a paid-up capital of US$ 626 million.

OPERATIONAL HISTORY

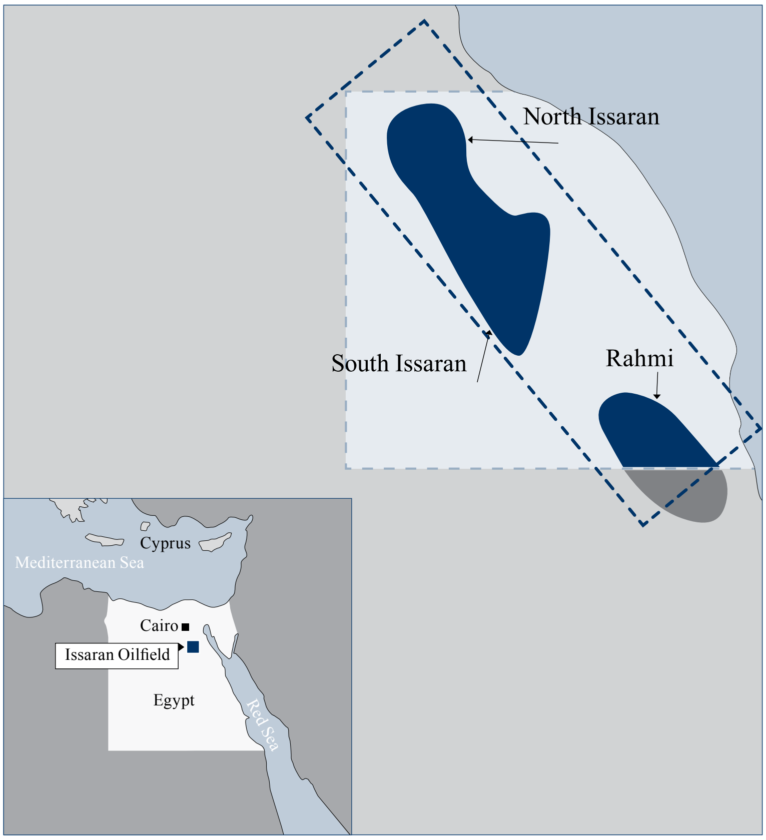
Since acquiring Rally Energy, Citadel Capital has recruited a management team in NOPC / Rally that has tripled the reserves base and uncovered a substantial volume of Original Oil in Place (last estimated at c. 2.5 Billion BBLS) of the asset. However NOPC / Rally had faced technical and operational difficulties in developing the production of its Issaran field to levels assumed under both the debt and equity cases envisaged at the time of the acquisition of Rally Energy. This has rendered a situation where the NOPC / Rally group is over leveraged under its current production performance.

NOPC / Rally's management has identified a development plan for the Issaran field designed to increase and sustain production while piloting various oil recovery techniques in multiple locations in the field. When proven successful the development plan will be rolled out to

achieve sustainable increased levels of production from the current producing areas. This will in turn enhance field value and could be later applied to the untapped Western and Eastern flanks of the Issaran field achieving further enhancements in value. In the meantime, NOPC is focusing on discussions with its lenders around ways to manage its debt position and achieve a more balanced leverage position for the group.

CITADEL CAPITAL WRITE DOWN

Citadel Capital has made the decision to mark down its equity and debt investments in NOPC / Rally group to a value of zero for prudence purposes as NOPC / Rally is currently having difficulties in managing its debt burden and the current marketable value LHL's asset is estimated at less than the total value of the senior and mezzanine facilities. Citadel Capital will revise its valuation of its NOPC / Rally group equity and debt investments if significant success in both debt discussions and field development is achieved.



Nile Valley Petroleum Ltd.

Industry:
Upstream
Oil & Gas

Investment date:
June 2008

Investment type:
Acquisition

Citadel Capital ownership:
15.0%

Nile Valley Petroleum Limited (NVPL) is Citadel Capital's Sudanese oil and gas exploration and production Platform Company. In June 2008, NVPL acquired participating interests in three highly promising blocks (Blocks A, 9 and 11) and is currently engaged in the exploration of all three assets. The three blocks cover a total area of 263,718 square kilometers.

OPERATIONAL UPDATE

As of year end 2010, NVPL held a 78% participating interest in Block A, located in Sudan's southern region. In addition, NVPL held a 71% participating interest in each of Blocks 9 and 11, both located in Sudan's central region.

Block A is optimally located at the junction of the Muglad and Melut basins. Both basins are considered to be among the world class hydrocarbon mature basins and contain the majority of Sudan discovered oil fields.

To the west of Block A, and along the south extension of Muglad basin, are Blocks 1 & 5A which consist of several discovered oil fields. The Panour-N1 well is the most recent discovery in Block 5A which is located about 17 kilometers to the west of the Block A boundary.

Blocks 9 and 11 lie in the fairly unexplored northern part of the country. Six prospective basins, including Khartoum Basin, have been identified by gravity and seismic profiles in Block 9. In 2009, a gas discovery was made in Block 8, located 100 kilometers to the southeast of Block 9, which is on trend with the Khartoum Basin.

Block 11 also consists of several basins that represent the northwest extension of the Melut basin. In 2009, a discovery well in Block 7 was located about 95 kilometers to the southeast of the Block.

In April 2011, NVPL successfully farmed out 30% of its participating interest in Blocks 9 and 11.

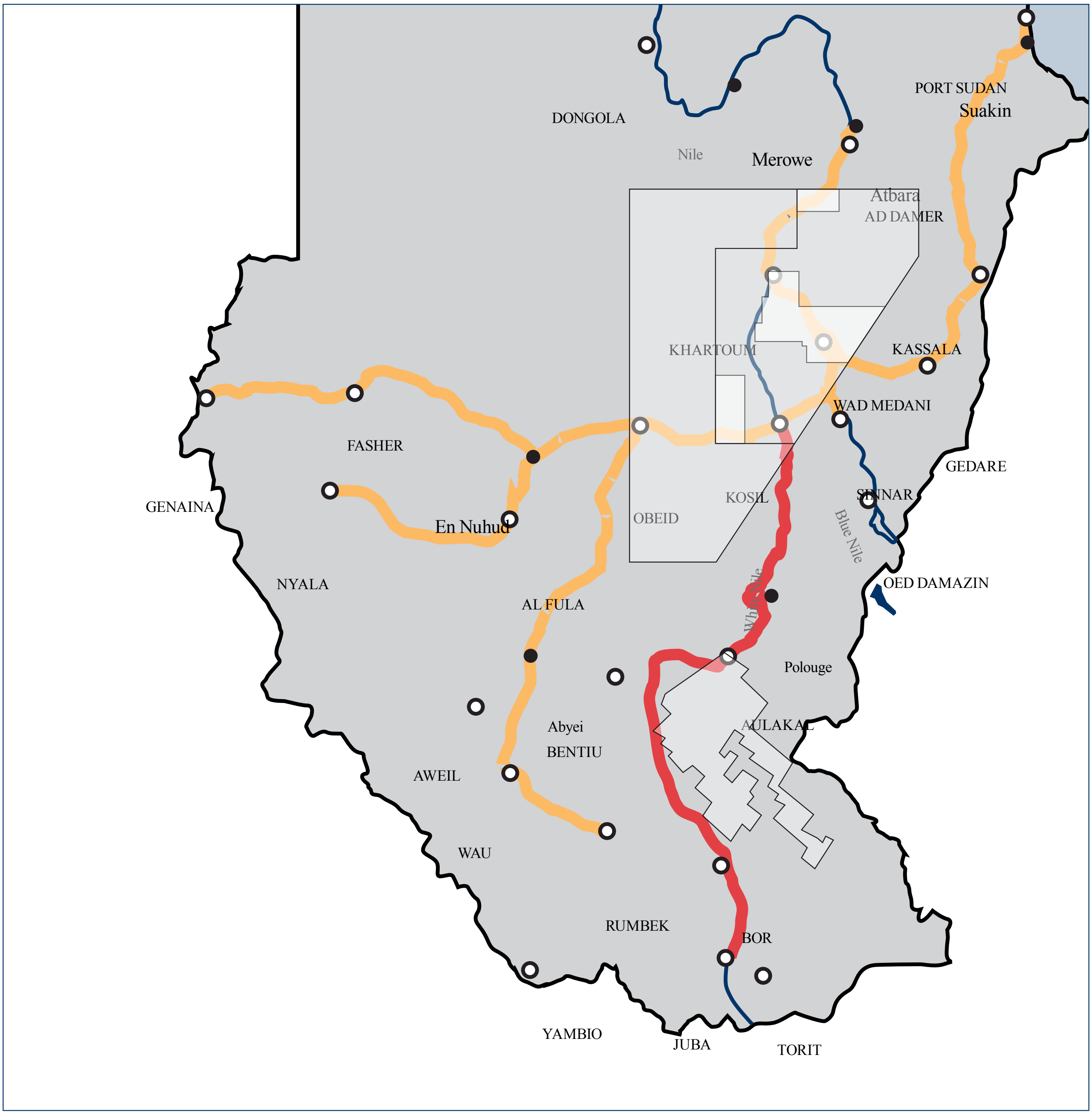
Under the terms of an agreement reached in May 2011, Sudapet, the state-owned Sudanese oil company, will increase its participating interest in Blocks 9 and 11 to 59% from 29%, paying US$ 10 million for the additional interest. At the same time, NVPL will reduce its participating interest to 41%. Under this agreement, NVPL will be entitled to recover all of the recoverable cost pool — US$ 73 million — for Blocks 9 and 11.

As lead shareholder, Citadel Capital has been funding NVPL's monthly running costs, including salaries, accrued payables and state entitlements, for some time.

The US$ 10 million consideration will be used to meet NVPL's obligations to fund a budgeted work program mainly in the two blocks.

NVPL's interest in its southern Sudanese concession remains unchanged at 78%. The two northern plots are together approximately one-and-a-half-times as large as Egypt's offshore Gulf of Suez zone, while the southern block (unaffected by this transaction) is nearly three times as large as the Gulf of Suez offshore area.

Sudapak Operating Company, a joint venture between the contractors, is operating all three Blocks.



Egyptian Refining Co.

Industry:
Petroleum Refining

Investment date:
June 2007

Investment type:
Greenfield

Citadel Capital ownership:
13.1%

The Egyptian Refining Company (ERC) is building a state-of-the-art US$ 3.7 billion greenfield second-stage oil refinery in the Greater Cairo Area, which will produce over 4 million tons of refined products, including over 2 million tons of EURO V diesel, the cleanest fuel of its type in the world. ERC's production of liquid products will be sold to the Egyptian General Petroleum Corporation (EGPC) under a 25-year offtake agreement at international prices.

OPERATIONAL UPDATE

One of the largest private-sector industrial development projects in Africa, ERC is a partnership between Citadel Capital and its co-investors and EGPC, which owns approximately 25% of the project.

Despite rising demand due to Egypt's rapid economic growth, most of Egypt's refineries are aging and are only capable of producing heavy, lower-value products. The country must currently import diesel to bridge the gap between domestic demand and domestic production. EGPC's Cairo Oil Refinery Company (CORC), the nation's largest refinery with 20% of Egypt's current refining capacity, will provide ERC with fuel oil as feedstock.

ERC will generate some US$ 200 million annually in import related savings to EGPC and fees paid by ERC to EGPC. Savings to EGPC include transportation costs of imported refined products while revenues include storage and processing fees paid by ERC to EGPC companies.

ERC will improve the environmental impact of products produced by the existing CORC units by preventing approximately 93,000 tons of sulfur from being released into the atmosphere of Greater Cairo. ERC will also invest in improvements to CORC's environmental performance, particularly the emission of greenhouse gases.

An estimated 10,000 workers are to be employed during the construction phase of the project; 700 permanent jobs will open by the time the refinery is operational.

Regulatory and environmental approvals for the project have been obtained and ERC has signed a lump-sum turnkey contract with GS Engineering & Construction / Mitsui & Co.

In August 2010, ERC signed a US$ 2.35 billion senior financing package provided by Export Credit Agencies and Development Financial Institutions including the Japan Bank for International Cooperation (JBIC), Nippon Export and Investment Insurance (NEXI), the Export-Import Bank of Korea (KEXIM), the European Investment Bank (EIB) and the African Development Bank (AfDB). In addition, ERC signed US$ 225 million of subordinated debt with Mitsui & Co. and AfDB.

ERC expects to begin construction in 2011 and be fully operational by the end of 2015.

Egyptian Refining Company
Local community meetings and training (all photos)

TAQA Arabia

Industry:
Energy Distribution

Investment date:
June 2006

Investment type:
Industry Roll-Up

Citadel Capital ownership:
34.8%

TAQA Arabia is the parent company of a full-service energy distribution group with a focus on gas and electricity distribution and fuels marketing. From its base in Egypt, TAQA Arabia has expanded into the UAE, Qatar, Sudan and Libya.

Rapid industrial growth in Egypt and the region has provided an opportunity for TAQA Arabia to satisfy unmet industrial demand for energy. As governments deregulate their energy sectors and reduce subsidies, there are ample opportunities for an experienced and well-financed group such as TAQA Arabia to become a market leader.

OPERATIONAL UPDATE

TAQA Arabia's gas distribution arm has licenses for natural gas distribution in four concessions representing 11 Egyptian governorates, where it currently distributes approximately 4.7 billion cubic meters of natural gas per year, primarily to industrial users. In 2010 TAQA Arabia's construction arm successfully connected 315,000 Egyptian households to the national gas grid, in addition to the 750,000 that were previously connected. The gas distribution arm also has operations in the UAE, and Qatar.

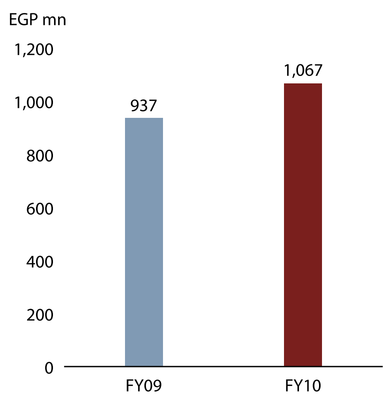
TAQA Arabia also owns Global Energy, a private-sector Egyptian company with a license to generate and distribute electricity. TAQA Arabia plans to grow the company so that it may supply the unmet Egyptian and regional industrial demand for electricity.

In the second quarter of 2010, TAQA Arabia and ASEC Cement, in partnership with the Sudanese Pension Fund, began

operating Berber for Electrical Power, a captive 42 MW power plant that provides all of the electricity needs for Takamol, ASEC Cement's 1.6 million-ton-per-annum greenfield cement plant in Sudan, under a 20-year off take agreement. The US$ 67 million power generation facility is 51% owned by Global Energy which brings in its technical knowhow and management expertise as a licensed company for power generation and distribution. Going forward Global Energy will continue to look for attractive regional investment opportunities.

TAQA Arabia has also made a small strategic foray into the oil marketing and fuel products distribution business to meet the complete energy needs of its industrial customers. In 2010 TAQA Arabia continued to roll out its TAQA Arabia-branded retail filling stations. With the first stations launched in 2009 in Bheira, Assiut, Sharkeya, Kafr El Sheikh and Ismailia, the company now has a total of 14 stations in operation. TAQA Arabia is the exclusive distributor for Castrol products in Egypt.

TAQA Arabia Revenues



TAQA Arabia is a key player in the regional energy distribution sector, with portfolio companies operating across the spectrum from gas assets, to power assets and owned consumer outlets.

Mashreq Petroleum

Industry:
Energy Distribution

Investment date:
March 2007

Investment type:
Greenfield

Citadel Capital ownership:
27.3%

Mashreq was acquired by TAQA Arabia, Citadel Capital's full-service regional energy distribution platform in 2007. Its asset was a lease for a strategic 210,000 square meter plot of land in East Port Said near the entrance to the Suez Canal in 2007. Since that time the company has been working to develop a one-of-a-kind Egyptian bunkering facility.

In the first quarter of 2009, Mashreq was spun off as a distinct Platform Company, reducing TAQA Arabia's capital by US$ 25 million.

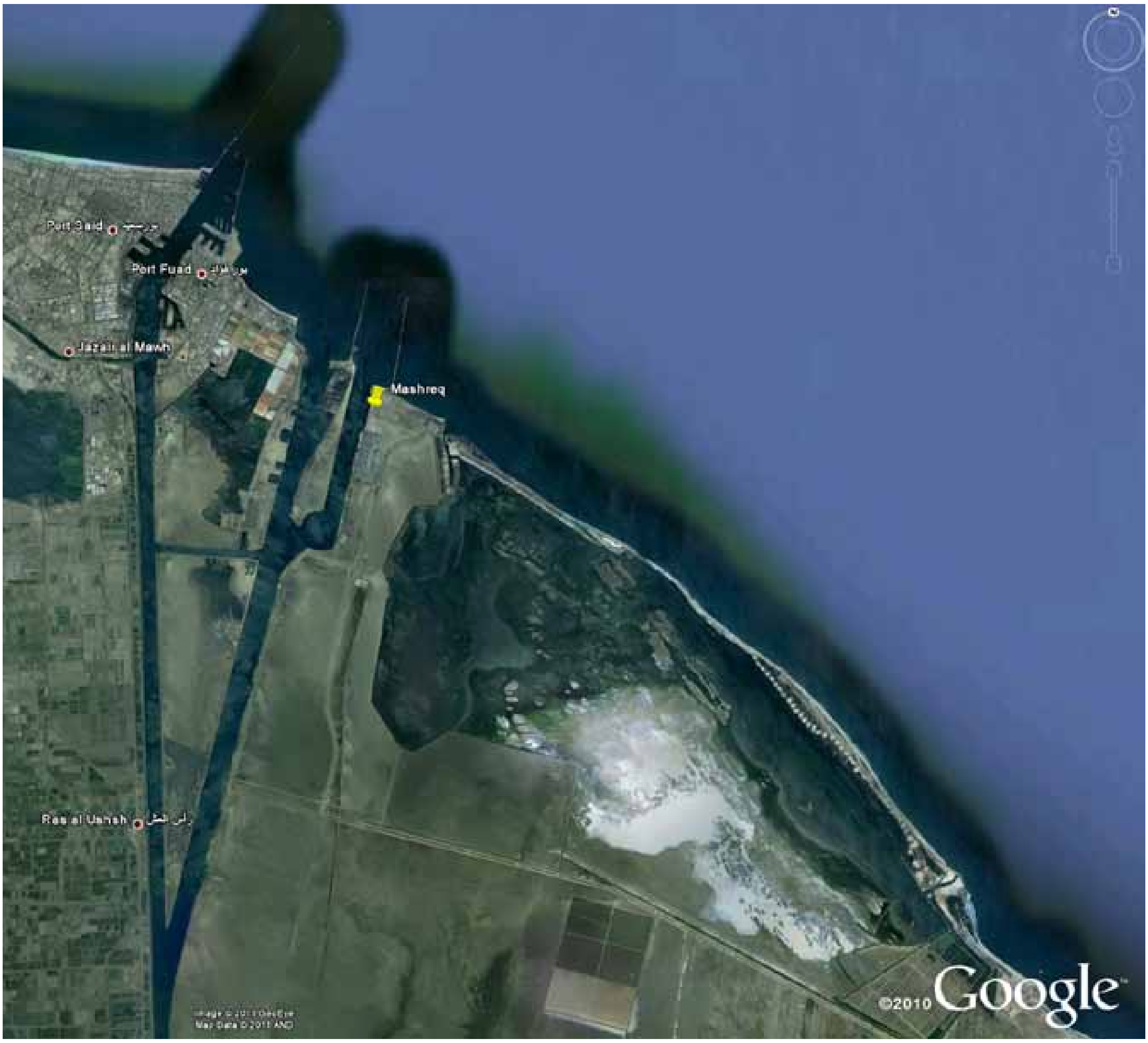
OPERATIONAL UPDATE

Mashreq has obtained the necessary permits from the Port Said Port Authority and completed much of the infrastructure preparations necessary for the launch of the project, including dredging, shore protection and site leveling, as well as engineering and design of the tank farm, layout and marine engineering. Full-scale construction work will only commence once the appropriate financing package is in place.

To date, Egypt has not been getting the maximum benefit from its strategic location on the Suez Canal. With Mashreq, Egypt will be able to capitalize on the heavy traffic that transits the Canal each year. The land that Mashreq holds is also conveniently located within close proximity to Maersk's Suez Canal container terminal, giving it even greater access to vessels as they load and unload cargo.

As ships are waiting for their convoys to pass through the Canal, Mashreq will be able to provide them with fuel as well as other services.

Mashreq will be the first project of its kind in Egypt.


Port Said
Port Fuad
Jazair al Mawh
Mashreq
Ras al Ushsh
©2010 Google


Mashreq, a Citadel Capital Platform Company

GlassWorks

Industry:
Glass Manufacturing

Investment date:
September 2007

Investment type:
Roll-up and Greenfield

Citadel Capital ownership:
21.0%

GlassWorks is a platform for glass investments in the Middle East and Africa. GlassWorks currently owns a 33% stake in Misr Glass Manufacturing S.A.E. (MGM), a leading manufacturer and exporter of glass containers in the Middle East and North Africa, and a 51% stake in Sphinx Glass, a state-of-the-art, EGP 1.1 billion (US$ 200 million) greenfield float glass facility in Egypt.

The investment in glass manufacturing capitalizes on Egypt's low energy costs, abundance of high-quality raw materials and large supply of labor, all of which are key elements in the production of both float and container glass products. GlassWorks' subsidiaries will supply both domestic and export markets for float and container glass. With a manufacturing base in Egypt and a geographic location that easily supports exports, GlassWorks is perfectly suited to become one of the region's largest producers and exporters of glass products.

OPERATIONAL UPDATE

MGM was a state-owned company that was acquired by El-Zayat Group in 2004. In the years since, the company has emerged as Egypt's leading manufacturer of glass containers and has, to date, invested approximately US$ 76 million to upgrade its technology base and expand capacity. New operational improvements and investments combined with the unique expertise the management team at MGM have resulted in an increase in production capacity from 36,000 tons in 2004 to 104,000 tons in 2011.

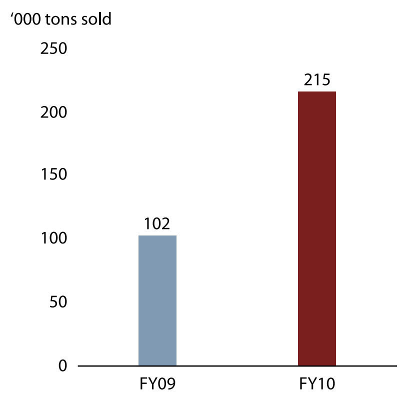
Sphinx Glass, a 600-ton-per-day, 220,000-square-meter float glass production facility located in Sadat City, within close proximity to Egypt's two largest cities, Cairo and Alexandria, began full operations in April 2010. The new factory was designed by world-renowned float glass technology provider PPG Industries and built by leading Italian contractor Ianua S.p.A., one of the world's top contractors and service providers in the float glass industry. With a production capacity of 200,000 tons of glass per annum, Sphinx Glass is one of the most technologically advanced facilities of its kind in Egypt. The factory has been designed to produce clear, tinted and coated glass. The plant targets both domestic demand and high value exports, capitalizing on Egypt's abundant raw materials and competitive skilled-labor and energy pricing. Natural gas, the plant's main source of energy, is locally secured with an on-site hydrogen and nitrogen supply plant.

In 2011-12, Sphinx Glass expects to invert its sales mix from 70% domestic, 30% export to 40% domestic, 60% export. In seeking export markets, Sphinx Glass will look beyond Europe, which is largely saturated with both domestic capacity and Chinese exports, in favor of new markets in Africa and Latin America.

In 2010, revenues and EBITDA at GlassWorks grew by 11.5% and 11.1% respectively from the previous year despite the tough economic climate in which the business has been operating. Furthermore, the company maintained strong EBITDA and net income margins of 48% and 24% respectively in 2010.

GlassWorks Tons Sold

GlassWorks is Citadel Capital's platform for investments in the currently under-served glass market in the Middle East and Africa.



Sphinx Glass Factory,
Egypt

Misr Glass Manufacturing Factory,
Egypt

Finance Unlimited

Industry:
Financial Services

Investment date:
September 2006

Investment type:
Greenfield

Citadel Capital ownership:
100%

Finance Unlimited is Citadel Capital's fully owned Platform Company for financial services. The company currently holds majority stakes in three key investments and plans to broaden its interests across the full spectrum of financial services in frontier markets in the Middle East and Africa.

Finance Unlimited's current holdings are: Tanmeyah Micro Enterprise Services, (a greenfield microcredit lender), Pharos Financial Holdings (a leading Cairo-based integrated investment banking firm) and Sudanese Egyptian Bank (an Islamic commercial bank in Sudan with a primary focus on financing trade between Egypt and Sudan). Finance Unlimited also owns a small cap private equity management company, Sphinx Egypt, through Pharos Financial Holdings.

Tanmeyah Micro Enterprise Services is 51% owned by Finance Unlimited in partnership with an Egyptian commercial bank and its expert management team. With a paid-in capital of EGP 35 million, Tanmeyah is one of the fastest growing micro lenders in Egypt with roughly 65,000 customers, 92 branches nationwide and a loan portfolio in excess of EGP 170 million.

Pharos Financial Holdings, Egypt

Pharos Financial Holding is 53% owned by Finance Unlimited in partnership with its management team and international investors. The firm has operations in brokerage, investment banking and asset management and a paid-in capital of EGP 223 million. Pharos has been consistently rated as a top-10 brokerage firm in Egypt and has most recently climbed up to fourth place in the Egyptian Exchange (EGX) rankings. With EGP 1 billion in assets under management and a major investment banking deal in the pipeline, Pharos is also actively pursuing regional expansion at a MENA level.

The Sudanese Egyptian Bank is a northern Sudanese Islamic commercial bank with an estimated net worth of US$ 30 million. The bank holds a loan portfolio of SDG 130 million, deposits of SDG 350 million and has a capital adequacy ratio in excess of 40%. By successfully leveraging local corporate relations primarily in trade transactions between Egypt and Sudan, the bank has shown promising signs of success in retail banking and has now grown its network to eight branches across the country.

Finance Unlimited is constantly seeking new growth opportunities with both expansions and greenfields in sectors where the company has proven expertise. The company is also broadening its financial services footprint in areas such as insurance, consumer finance and commercial banking.

OPERATIONAL UPDATE

Tanmeyah Micro Enterprise Services has expanded its branch network to 92 as of year-end 2010, up from 48 branches at the end of 2009 and grown its loan portfolio to approximately EGP 150 million servicing 64,843 clients, more than double the client

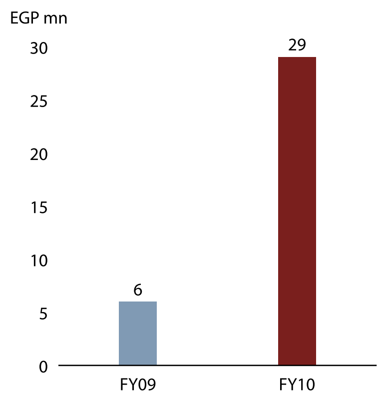
Tanmeyah Branch,
Egypt

base from a year earlier. In October 2010 Tanmeyah announced expansion into the very-small-enterprise credit market, which targets loan sizes in the EGP 40,000 to EGP 100,000 range versus the average micro-enterprise loan range of EGP 1,000 to EGP 30,000.

In 2010, Pharos' brokerage market share reached 6.2%, ranking it among the top three brokerages in Egypt. Assets under management more than doubled from EGP 470 million in 2009 to EGP 1 billion in 2010. The company's stellar performance resulted in a net income of EGP 15.79 million.

Despite a difficult political climate, Sudanese Egyptian Bank recorded record earnings of USD 5.1 million.

Finance Unlimited Net Profits



Finance Unlimited operates across the financial industry, with a portfolio that includes a greenfield microcredit lender, an investment banking firm, a commercial bank, and a small cap private equity company.

Bonyan Development and Trade

BONYAN
DEVELOPMENT AND TRADE

Industry:
Specialty Real Estate

Investment date:
August 2007

Investment type:
Greenfield

Citadel Capital ownership:
32.1%

Bonyan for Development and Trade is a specialty real estate developer operating in Egypt. The company builds state-of-the-art commercial real estate projects, namely design, furniture and home accessories malls under its Designopolis brand. The Sixth of October City Designopolis in Western Cairo now includes over 200 retail establishments representing 100 world-class brands. Bonyan plans to develop a second property in New Cairo.

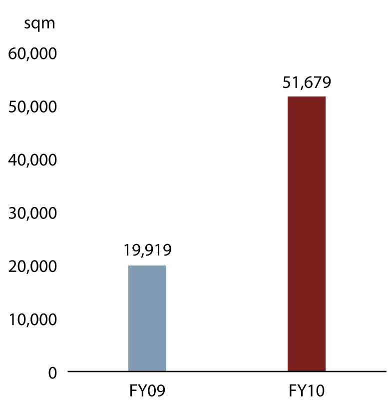
Bonyan also operates the malls it owns, with tenants including leading names in the national and global home furnishings and accessories market.

The malls will showcase a wide range of brands under one roof to capitalize on the highly fragmented industry that now serves Cairo's real estate sector. The concept also addresses the increasingly sophisticated demand patterns of a new generation of homeowners who expect to purchase global brands close to home.

In Egypt alone, there are 635 million square meters of land currently being developed into new communities in east and west Cairo.

Bonyan Lease Area

Bonyan's flagship project is the design, furniture and home accessories mall Designopolis.



OPERATIONAL UPDATE

In September 2007, Bonyan purchased a 116,000 square meter plot of land from the Sixth of October Development Company (SODIC) to be developed into its flagship mall. The facility includes retail space and offices as well as designated areas for galleries, food outlets, special events and seminars. Bonyan began regular operations of Designopolis in the fourth quarter of 2009 and fully launched phase one of the project in June 2010.

The first phase of the 116,824 square-meter open-air mall is fully leased with an impressive list of tenants that include major local and international retailers, architectural and interior design consultancies and art galleries. Designopolis was designed by the renowned architectural firm Skidmore, Owings and Merrill, and will be Egypt's first Leadership in Energy and Environmental Design (LEED) certified construction project. When complete the mall will house a total of 300 outlets and will include attractions such as an auction house, exhibition hall, interior design school, amphitheater and public design library.

Bonyan continues steady development on Designopolis' second and third phases. The second phase will include an additional 42 shops and phase 3 ("Gallery Level") will have the flexibility of providing smaller retail spaces and will therefore be able to accommodate approximately 150 shops. The launch of both phases 2 and 3 is set for 2012.

In 1Q10 Bonyan announced that its EGP 185 million syndicated loan facility had closed. The company will continue to invest in commercial real estate concepts backed by powerful demographic factors in Egypt and the region. Bonyan is currently studying opportunities in Saudi Arabia, Qatar and the UAE, where rapid growth in the real estate sector has created strong demand patterns.


BoConcept

Tawazon

Industry:
Solid Waste Management

Investment date:
November 2009

Investment type:
Consolidation

Citadel Capital ownership:
33.3%

Tawazon is Citadel Capital's Platform Company for investment in the regional solid waste management industry. The sector is rapidly developing throughout the region with a limited number of large companies and often inefficient and incomplete operations translating into significant pockets of unserved demand.

This platform investment holds two companies: Egyptian Company for Solid Waste Management (ECARU), a solid waste management service provider, and the Engineering Tasks Group (ENTAG), a solid waste management engineering and contracting company. Together, these two companies form a leading waste management enterprise with extensive operations in Egypt as well as international exposure to Oman, Malaysia, Sudan, Libya, Saudi Arabia and Syria.

OPERATIONAL UPDATE

Established in 1997, ECARU specializes in both municipal and agricultural waste management. The company was granted a contract to receive, sort, treat and landfill up to 1,500 tons of municipal solid waste per day for a flat annual tipping fee. After ECARU receives the MSW, it separates the recyclables (such as glass and plastic) for resale, uses organic material in the waste to produce low quality compost and finally landfills the rejected waste.

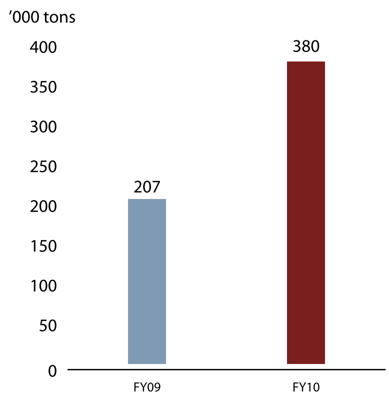
ECARU also has contracts to collect and process up to 525,506 tons of agricultural solid waste in return for service fees. ECARU processes and converts the waste collected into higher value products such as compost, animal fodder (where it has pioneered a technology to produce pre-digested food to be used as food substitute for feed stock) as well as compressed and ground agricultural products to be used as fuel substitutes.

ECARU was one of the first Egyptian organizations to sign a greenhouse gas emission reduction purchase agreement with the World Bank in the summer of 2008, agreeing to sell 325,480 tons of carbon dioxide equivalent greenhouse gas emission reductions to the Carbon Fund for Europe. The company is one of only

a handful of similar UN-backed clean development mechanism projects operating in Egypt to date. ECARU is currently in the validation period, where the company is actively providing the necessary information to ensure that the process moves as swiftly and as quickly as possible.

ECARU's sister-company ENTAG, established in 1995, is a regional leader in the turn-key engineering and construction of solid waste handling and sorting facilities and the fabrication and assembly of equipment. It is specialized in designing, manufacturing and erecting solid waste management systems. ENTAG's equipment is partly procured from the world's leading waste management equipment producers and partly designed and manufactured locally in Egypt. The company has thus far completed more than 61 sorting and composting plants in Egypt and another 13 plants in Saudi Arabia, Malaysia, Libya, and Sudan. ENTAG's services are the "door opener" for ECARU, which can then properly manage the facilities built by ENTAG.

Agricultural Waste Collected



Tawazon is Citadel Capital's platform investment for the region's rapidly developing solid wast management industry.

United Foundries

Industry:
Metallurgy

Investment date:
Spun-off from ASEC Holding December 2008

Investment type:
Consolidation

Citadel Capital ownership:
30.0%

United Foundries (UCF) is Citadel Capital's Platform Company in the metallurgy and foundry sectors with a combined production capacity of 54,000 tons of molted metal per year. Originally a part of ASEC Holding, United Foundries was spun off as its own entity in late 2008 and includes Portfolio Company assets Amreya Metal Company (91% stake) and Alexandria Automotive Casting (100%). United is a specialist in the manufacture of grinding media and castings for a full range of industrial applications.

UCF derives more than half of its revenues from export sales and has a production capacity nearly four-times larger than its nearest challenger in the Egyptian market. Today, United Foundries has strategic relationships with major global cement producers including Italcementi, Cemex, Lafarge and Holcim. Citadel Capital and its co-investors have committed more than EGP 103 million to an expansion program that has seen United Foundries expand its production capacity to 30,000 tons per year from 7,000 tons in 2006.

Alexandria Auto Casting was established 2001 as a free zone with the primary objective of producing high performance automotive cast parts. The company is undergoing a capacity increase to reach 30,000 tons per annum by the third quarter of 2011 from the 20,000 tons that are currently being produced. Further expansion projects that require minimal capex are also under study. The company exports 100% of its production to a number of international automotive producers such as BMW, Continental, and Brembo.

Amreya Metal Company was established in 1979 to produce metal casting products with a specialization in the production of grey and ductile iron castings. Within a period of 12 months, the company plans to triple its production capacity to 12,000 tons per annum. The foundry is also engaged in the casting, machining and assembly of automotive parts serving a diversified customer base that includes pump and valve manufacturers as well as local automotive assemblers.

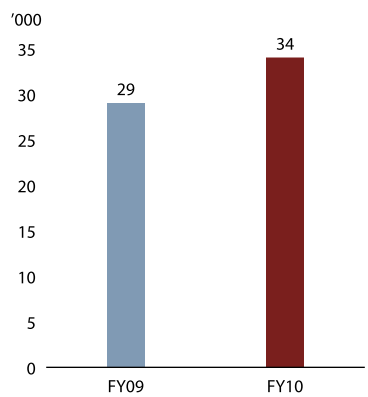
OPERATIONAL UPDATE

UCF signed an EGP 40 million loan agreement to fund a new 15,000-tons-per-annum project that will see the company become the only producer of large castings in Egypt (up to 5 tons per casting). The new project will enable UCF to diversify its product base to include items such as grinding media for vertical cement mills and windmill castings.

Managerial changes took place at both AAC and AMC in 2010 with the appointment of UCF Chief Executive Officer Salwa Abdel-Fattah as managing director of AAC and Group Chief Financial Officer Madani Hozaien as managing director of AMC. The new management team has focused on initiating a strict maintenance plan to ensure that there are minimal stoppages in production. Overall, efforts to improve efficiency and reduce costs have already shown promising results.

More than 60% of United Foundries' output is for export markets — including 100% of Portfolio Company AAC's production — leaving management optimistic about the company's prospects in 2011. Devaluation of the Egyptian pound in 1Q11 will be supportive of the company's financial performance despite disruptions caused by the Revolution.

Tons Sold 2009 vs 2010



UCF is a specialist in the manufacture of grinding media and castings for a full range of industrial applications.

Tanweer

Industry:
Media and Retail

Investment date:
April 2007

Investment type:
Consolidation

Citadel Capital ownership:
100%

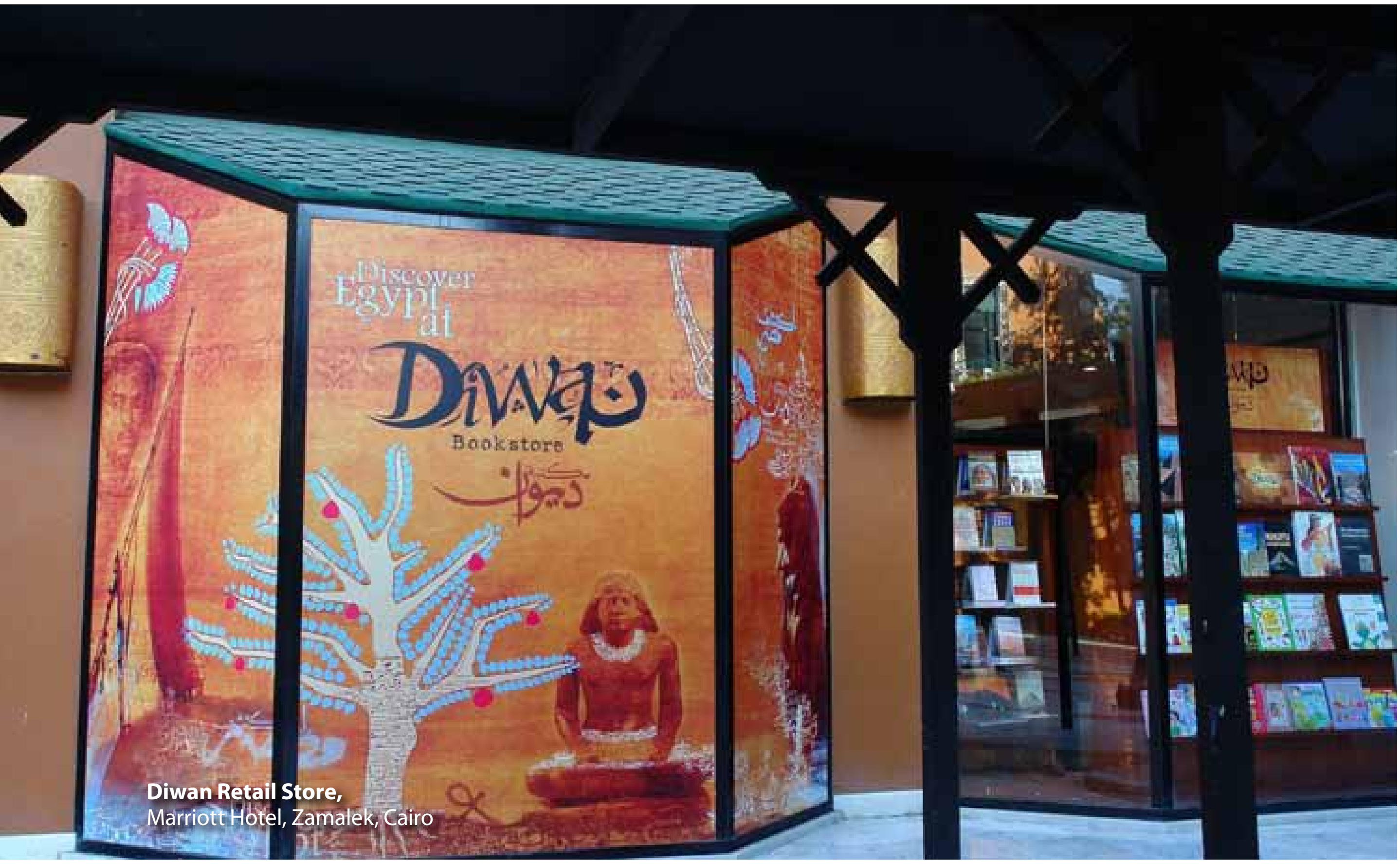
Tanweer is Citadel Capital's investment vehicle in the media and retail sector. It owns a number of investments in leading regional companies, namely the publishing house Dar El-Shorouk, book retailer Diwan and *Al-Mal* newspaper.

Founded in 1968, Dar El-Shorouk is one of the most prominent publishing houses in the Arab world. It owns copyrights to more than 4,500 titles and is the most award winning publisher in the region.

The publishing house has the exclusive Arab world rights to best-selling authors including the works of Egyptian Nobel laureates Naguib Mahfouz and Ahmed Zewail. It also owns the license to print and publish Oxford Educational books. In addition, Dar El-Shorouk owns 10 retail bookstores, a TV production arm and has recently expanded into production of television programs and series.

Diwan has emerged as Egypt's premiere chain of boutique bookstores since it opened in 2002. Today, the company has eight branches, mostly in Cairo and Alexandria and has plans for both national and regional expansion as it forges partnerships with writers, publishers and cultural centers. Diwan also has distribution rights to five international music labels and distributes music CDs to local retailers.

Al-Mal newspaper is a specialized newspaper with in-depth coverage of local



Diwan Retail Store,
Marriott Hotel, Zamalek, Cairo

Dar El-Sherouk, Egypt

banking, financial markets, and several industrial and commercial businesses.

OPERATIONAL UPDATE

In 2010 El Shorouk expanded their visual production to include sitcoms and TV series; their first production *Ayza Atgawez* achieved a very high viewership rate during last Ramadan. Management intends to grow that line of business further over the coming period.

Diwan applied a successful cost-cutting plan that touched on all aspects of the business and focused on improving its overall team efficiency and productivity. The initiative undertaken by Diwan's management yielded very positive financial results.

On a similar note, *Al Mal* implemented an ambitious restructuring plan during 2009, and 2010 saw it become a profitable operation.

With a publishing house, a newspaper, and a series of retail outlets, Tanweer is Citadel Capital's platform in the media and retail sector.

Grandview

Industry:
Multi-sector

Investment date:
May 2005

Investment type:
Consolidation, buyouts

Citadel Capital ownership:
13.0%

Grandview Investments Holdings Corp. (Grandview) is an investment company established by Citadel Capital and co-investors to invest in mid-cap companies in the Middle East and North Africa region with a focus on Egypt. It has invested in key industries including packaging and building materials. Grandview targets companies with an enterprise value of less than US$ 60 million. Grandview is managed by Sphinx Capital, a private equity management company.

Grandview has an initial paid-in capital of US$ 95 million and has invested approximately 110% of its committed capital in highly successful transactions in key industries. Grandview targets mid-sized companies that are primarily focused on serving the Egyptian market. Citadel Capital's internal valuation of Grandview's portfolio already shows a substantial appreciation in value against acquisition cost.

All of Grandview's portfolio companies have shown strong resilience during both the 2009-2010 economic crisis and the political upheaval that took place in Egypt in early 2010. With several primary and secondary M&A transactions in the pipeline, Grandview aims to create shareholder liquidity while remaining firmly committed to capital growth within the Platform Company.

Grandview's diversified portfolio of investments will mitigate the negative short-term impact of an economic slowdown. Portfolio stakes have been revalued accordingly to reflect bearish market conditions, both on the marketability of the assets held and the performance of each company. As a result net asset value has dropped by 15% to stand at US$ 156 million down from US$ 179 million in 2009. Gross IRR stood at 18% while total return stood at 74%.

OPERATIONAL UPDATE

All of Grandview's funds are managed by

Spuntex Plant
Egypt

Uniboard Plant
Egypt

Sphinx Egypt, a dedicated private equity management company formed by Citadel Capital and Marianne Ghali (who also manages the American University in Cairo's Educational Endowment Fund) to leverage the knowledge and expertise gained by Citadel Capital in larger investments.

The firm targets the acquisition of controlling interests in mid-sized industrial companies with proven management, stable cash flows and strong potential for expansion and exports. The firm has a broad outlook on opportunities, being equally interested in pursuing distressed assets.

Grandview's current portfolio includes investments in a broad variety of sectors including printing and packaging, specialty building materials, oil services, textiles and electrical cables as well as restaurants and hospitality.

Post-acquisition, Sphinx Egypt maintains a close working relationship with its Portfolio Companies, assisting them with financial engineering and strategic repositioning as well as investment and divestment strategies.

Grandview invests in mid-cap companies in the Middle East and North Africa, with a particular focus on Egypt. It has invested in key industries including the hospitality and packaging & building materials sectors.

Africa & MENA Joint Investment Funds

The MENA and Africa Joint Investment Funds are both sister funds and Citadel Capital's first permanent / standard institutional funds. While Citadel Capital will continue to raise equity primarily on a deal-by-deal basis through its traditional Opportunity-Specific Funds — preferred by the Firm's core GCC-based co-investors — standard institutional funds such as the MENA and Africa JIFs provide international institutional investors the opportunity to participate in the Firm's transactions within a legal framework and decision-making timeframe that suits their mandate.

OPERATIONAL UPDATE

The MENA and Africa Joint Investment Funds reached a US$ 140 million combined first close in the third quarter of 2011.

Notably, equity committed to the MENA and Africa JIFs earns 1% on committed capital, calculated from the first-close date throughout the four-year investment period for the Funds.

Limited partners in the JIFs will automatically invest US$ 2 for every US$ 1 that Citadel Capital will invest in compliant opportunities.

Anchor limited partners in the joint investment funds include:

- International Finance Corporation (IFC)
- African Development Bank (AfDB)
- Netherlands Development Finance Company (FMO)
- Société de Promotion et de Participation Pour la Coopération Economique (Proparco)
- Deutsche Investitions–und Entwicklungsgesellschaft mbH (DEG)
- European Investment Bank (EIB)

Strong institutional interest in the MENA and Africa Joint Investment Funds was a substantial momentum driver for the US$ 363.6 in new assets under management the Firm added in FY2010, accounting for

Tawazon
Agricultural waste cleanup, Egypt

Rift Valley Railways
Locomotive in station, Kenya

c.27.5% of all private equity funds raised for investment in the Middle East and Africa last year.

That said, management expects a substantial slowdown in fundraising momentum this year as a result of ongoing regional unrest. Accordingly, second close on the MENA and Africa Joint Investment Funds originally targeted for 1Q/2Q11 and a final close in 4Q11 will be delayed until 2012.

Management is in regular contact with anchor investors in the Funds, who have also become substantial co-investors alongside Citadel Capital in both new and existing Opportunity-Specific Funds. Citadel Capital expects the existing LPs will honor their commitments to 25 January 2011, but that the JIFs will see slower fundraising momentum in 2011, in line with expected industry trends.

In 2010, LPs made substantial new investments via the JIFs in Platform Companies including the Egyptian Refining Company (US$ 40.0 million in total, split as US$ 20.0 million from each JIF), Africa Railways (US$ 20.0 million from the Africa JIF), and US$ 9.3 million in solid waste management play Tawazon (split as US$ 4.7 from each JIF).

Undrawn equity of US$ 104.6 million[2] in the Africa and MENA JIFs will continue to be drawn down on an as-needed basis in 2011.

[2] The two sister funds were obliged to return US$ 20.0 million to their respective limited partners. These funds were earmarked for the funds' investment in the Egyptian Refining Company, but due to Egypt's January 2011 Revolution, the project's equity closing was delayed, subsequently delaying the project.

Masia Farmers,
Tanzania
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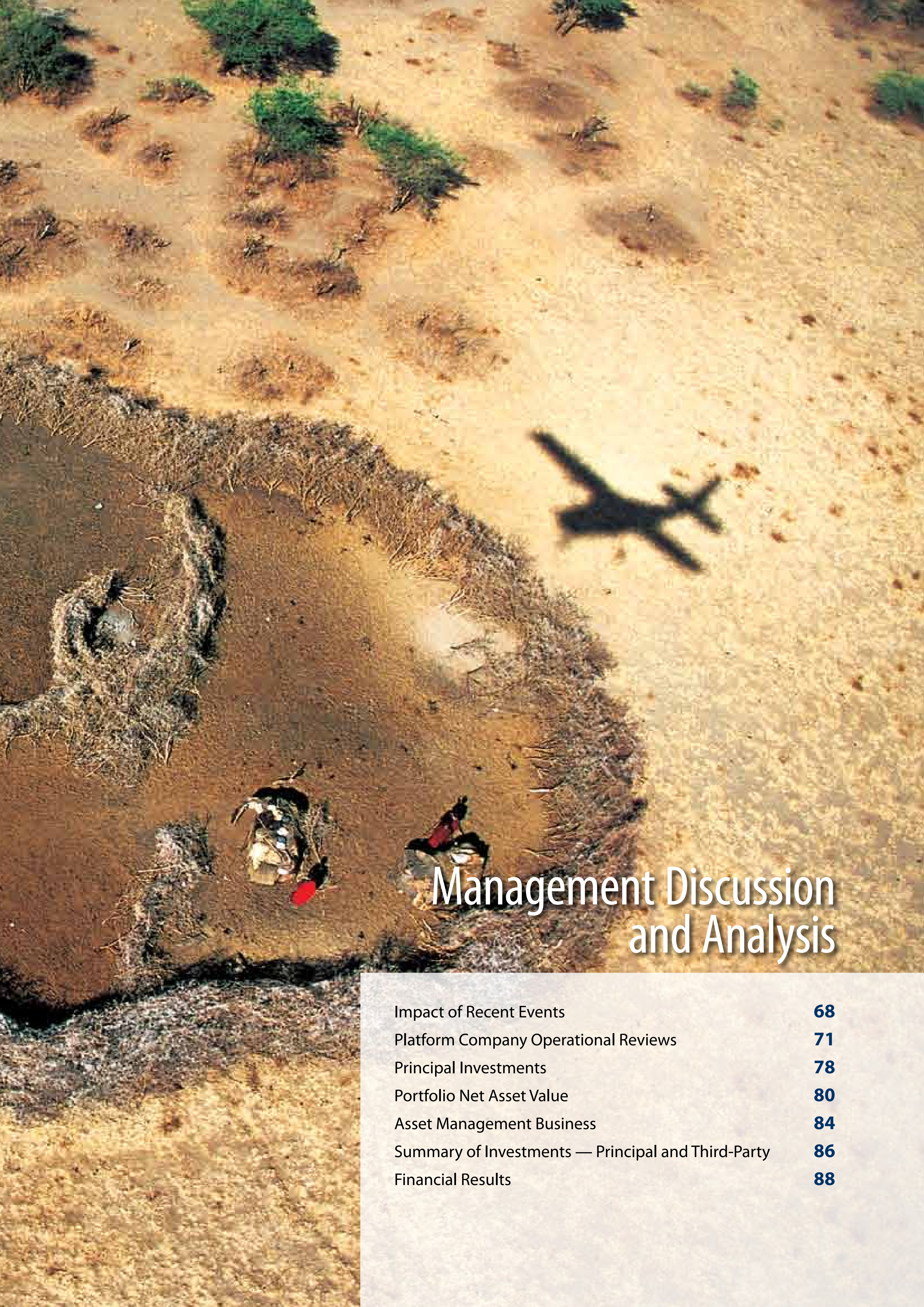


Management Discussion and Analysis

Impact of Recent Events

Events across the MENA region in 1Q11 will have a substantial effect on Citadel Capital's plans for the year, delaying exits and slowing fundraising while presenting unique new opportunities

Recent events in Egypt and the wider Middle East and North Africa region have presented particular challenges to corporations of all sizes. As discussed during a shareholder call held on 3 February 2010, Management again notes that Citadel Capital's team is entirely intact — at the Firm, platform and portfolio company levels — following the Egyptian Revolution. No staff member came to harm of any form during recent events in Egypt or beyond.

Neither the Firm nor its platform and portfolio companies suffered physical damage to assets, with the only exception being approximately EGP 10,000 in vandalism to a single Dina Farms retail outlet, where a storefront was attacked and the point-of-sales machinery looted at the height of civil unrest. The Firm's management team and senior staff remained in Cairo throughout the period of unrest and held daily crisis-response meetings.

a) Crisis Response

In light of the expected short- and medium-term economic impact of the Revolution, Management has implemented a crisis response program that has prioritized:

- A review of all platform and portfolio company business plans for 2011 and beyond in light of prevailing economic conditions and with a view to cash management / preservation through careful working capital management, cost cutting and synergies. The start of operations at seven greenfield operations and the completion of a notable turnaround at a previously loss-making portfolio company sets the Firm's portfolio of 19 Platform Companies and 118 Portfolio Companies on a track that will help them weather the economic fallout from the Egyptian Revolution.

- No new acquisitions or greenfields in 2011. Transactions at the platform and portfolio company level are limited to select expansions that are already in progress. These are projects for which funding is in place — and which will rapidly turn cashflow-positive. Management will continue to screen for potentially lucrative opportunities for distressed investments that may be brought into the pipeline for execution when the fundraising environment improves, but notes that this will not be a priority in the near term.

- Cost-cutting and capital preservation at the Citadel Capital level. This is in light of the postponement of exits and a very conservative outlook on new fundraising. Management has implemented a program of cuts to compensation for senior staff, salary deferrals for all staff (ranging from 5-37%), and reduced expenditures on cost centers including travel, communications and advertising (see "Financial Results" for a breakdown of the Firm's FY10 OPEX).

- While it is Management's view that exits will be postponed in the medium term, the Firm will consider divesting smaller investments at reasonable multiples should it be presented with an opportunity to generate acceptable returns for co-investors and inject new cash into the business.

- Although not directly related to the crisis, we believe that the current regional circumstances make this an appropriate moment to adopt a more conservative outlook on NOPC / Rally Energy (which faces technical challenges bringing reserves into production) and NPC (the latter owing to its equity investment in NOPC / Rally). As a result, we have written down our investment in NPC by 50% and completely written off our investment in NOPC / Rally.

b) Short-Term Impact
The short-term effects of recent events were reasonably limited and include:

- Lost sales and missed business opportunities during the 10 days during which Citadel Capital and its platform investments — like the rest of the nation — suspended regular business operations for safety and communications reasons.

- Now-resolved labor action resulted in lost sales and a slight uptick in cost structure at a handful of portfolio companies in the early post-Revolutionary period. Management notes that the lowest wage paid by a portfolio company pre-Revolution stood at EGP 1,200 per month. Accordingly, workers' pay demands were modest compared with many instances nationwide and labor accordingly tended to focus more on "soft demands" and perquisites than on salary rises.

- The IPO of TAQA Arabia has been postponed. The delay of the cash infusion from the IPO will accordingly see this Platform Company amend its expansion plans for the year (details below).

- The close of the US$ 1.1 billion equity package for the Egyptian Refining Company (ERC) scheduled to take place during the last week of January 2011 has been delayed. After extensive consultations with lenders and guarantors, Management confirms that US$ 2.6 billion in debt financing for the US$ 3.7 billion greenfield oil refinery remains firmly in place. While the interim government has publicly signaled support for the project, finalization of the equity component — which included equity investments from state-backed entities — will be delayed.

- Second close on the MENA and Africa Joint Investment Funds (which achieved a combined US$ 140 million first close in 3Q10 and had targeted a second close in 1Q/2Q11 and a final close in 4Q11) will be delayed until 2012. Management is in regular contact with anchor investors in the Funds and in the Egyptian Refining Company, who are predominantly sophisticated international institutional investors including development finance institutions (DFIs). Citadel Capital accordingly believes existing LPs will honor their commitments to 25 January 2011, but that the JIFs will see slower fundraising momentum in 2011, in line with expected industry trends.

  Anchor LPs in the JIFs include the International Finance Corporation (IFC), the African Development Bank (AfDB), the Netherlands Development Finance Company (FMO), Société de Promotion et de Participation Pour la Coopération Economique (Proparco), Deutsche Investitions–und Entwicklungsgesellschaft mbH (DEG), and the European Investment Bank.

  Drawdown of equity committed to the funds will continue on a gradual basis going forward; Management is targeting a US$ 500 million combined final close for the sister funds, which comprise Citadel Capital's first "standing" funds.

c) Medium-Term Outlook
Citadel Capital has adopted a conservative medium-term outlook that is reflected in its portfolio net asset valuation (PNAV). Key components of this outlook include:

- Fundraising will be slower into 2012. Although new opportunities to tap pools of liquidity among DFIs will likely arise in 2011-12 — in respect of which Management notes high DFI appetite for the types of projects in which Citadel Capital invests across its 14-country footprint — perceptions of political risk and the prospect of continued unrest in GCC markets will see new commitments take additional time to close.

- Lending will be impaired as banks adopt more conservative positions, limiting debt financing for expansion of existing businesses as well as for acquisitions and greenfields.

- The construction sector in Egypt — and potentially other MENA markets — will be impaired by a general economic slowdown that comes in the context of high global commodities prices. This will have a noticeable impact on local sales of platform companies including ASEC Holding, Bonyan's Designopolis and GlassWorks' Sphinx Glass float glass plant in particular.

- Appetite for basic commodities and foodstuffs will likely increase across the Firm's footprint (even as subsidies remain in effect in markets including Egypt), benefitting platform companies including Wafra, Gozour, the National Petroleum Company, ASEC Holding and ASCOM, among others.

- Companies with dollar-linked revenue streams will similarly benefit from devaluation of the Egyptian pound, potentially benefitting platform companies including ASEC Holding, ASEC Cement, ASCOM, Africa Railways, GlassWorks and the Firm's petroleum assets.

- Exporters will perform better than companies exclusively serving Egypt's large domestic market, particularly given current forecasts for devaluation of the Egyptian pound through year's end. This may benefit platform companies including United Foundries, GlassWorks, ASCOM, and Gozour (to an extent), among others. Downside risks include the challenges of (a) exploring new export markets amid rising global competition in some sectors and (b) low growth expectations of natural export markets in the GCC.

- Removal of subsidies will benefit platform investments including Nile Logistics, TAQA Arabia and Tawazon.

d) Long-Term Outlook

While the medium-term outlook is mixed at best, Citadel Capital maintains that any increase in meaningful democracy across the region will translate into more stable, faster-growing markets.

Impact of Macro Trends on Citadel Capital Platform Companies

Platforms	Fuel Subsidies Removal	Exporters	USD Linked Revenues / Commodities	Comments
ASEC Holding			✓	Cement business is USD linked
ASCOM Geology & Mining		✓		Regional leaders in juice exports
National Petroleum Company		✓		Oil producer
Nile Valley Petroleum		✓	✓	Oil exploration
Egyptian Refining Company		✓	✓	USD-based off-take agreement
GlassWorks		✓		Exports most of Sphinx Glass production
Tawazon	✓		✓	Has USD contracts
United Foundries Company		✓		Exports most of its production
Nile Logistics	✓			Lowest-cost mass transportation for bulk
TAQA Arabia	✓			Facilitating switch to cheaper natural gas

Platform Company Operational Reviews

The delivery of seven greenfields, a turnaround at a key portfolio company and ongoing operational fine-tuning provide a bolster against the fallout from recent events across MENA

Citadel Capital's operational emphasis in the year just ended was on minimizing execution risk across its portfolio. With business plans appropriately funded, the Firm prioritized bringing greenfield projects into operation while laying the groundwork for further expansion at select platform and portfolio companies. Also in 2010, Citadel Capital drew more than a year of exploratory work to a close as it executed its first investment in East Africa and opened a permanent office in Nairobi staffed by a Managing Director and private equity professionals.

This emphasis on both operational results and the geographic diversification of investments provides a cushion that will help absorb the impact of political unrest across the Middle East and North Africa in general and that of the Egyptian Revolution in particular.

a) Delivery of Greenfield Operations

Citadel Capital reported the start of operations at seven greenfield investments in 2010, a development that had a pronounced effect on the Firm's consolidated financials in 3Q10 and 4Q10. Notably, the majority of these projects carry revenue streams that are export-based and / or dollar-linked. This fact will stand the Firm in good stead in what will surely prove a challenging year for all Egypt-based companies, even as select companies below will face some headwinds this year. Details of greenfield launches follow.

b) Glass Manufacturing

Sphinx Glass, the Firm's EGP 1.1 billion greenfield, 600-ton-per-day float glass facility under the GlassWorks platform, began operations in April 2010. The plant targets both domestic demand and high-value exports, capitalizing on Egypt's abundant raw materials and competitive skilled-labor and energy pricing. In 2011-12, Sphinx Glass expects to invert its sales mix from 70% domestic, 30% export to 40% domestic, 60% export. In seeking export markets, Sphinx Glass will look beyond Europe — which is largely saturated with both domestic capacity and Chinese exports — in favor of new markets in Africa and Latin America. Notable in this respect is that prospects for export to MENA remain unclear in light of the potential economic impact of continuing political unrest. For more information on the state-of-the-art plant, click here.

c) Transportation and Logistics

Nile Logistics is Citadel Capital's platform company in logistics, river transport and port management with operations in Egypt and Sudan. River transport represents less than 1% of freight transport in Egypt, a stark underutilization compared with countries including Holland and Germany where river transport represents a major share of total national transportation.

Citadel Capital has established four complementary companies under Platform Company Nile Logistics to provide seamless door-to-door service for industrial and agricultural producers and traders. Nile Logistics' four portfolio companies include Nile Cargo, National River Ports Management Company, Keer Marine (Sudan) and a minority stake of 45% in Ostool Trucking Company, which complements this logistics play.

Nile Cargo took delivery in August 2010 of the first two of over 100 custom-designed,

The Firm's expansion into East Africa was solidified in 2010 as Citadel Capital took a majority stake in Rift Valley Railways and opened a permanent office in Nairobi

environmentally friendly river barge units, constructed by Alexandria Shipyard. A further two vessels followed in March 2011. The four new vessels augmented the company's existing fleet of 31 reconditioned barges; another 11 barges are expected from Alexandria Shipyard in the coming 9-12 months. Additionally, six barges are being built by Arab Contractors Shipyard in Helwan, south of Cairo. To complete Nile cargo's fleet, European shipyards will be contracted for construction.

Going forward, the widening of the budget deficit will likely put pressure on the Government of Egypt to remove diesel subsidies, although for the time-being, Management anticipates a slower-than-expected removal of those subsidies by state officials. The removal of subsidies will increase river transportation's cost advantage for end clients.

River ports operator NRPMC began official operations, at its Tanash Port in the Greater Cairo Area, in 1Q10. On location, the port handles bulk goods including grains, metals, aggregates as well as containers. Tanash Port will serve as a hub for additional logistics services and will join a string of facilities along Egypt's navigable waterways stretching from Alexandria to Upper Egypt as NRPMC continues to develop.

Meanwhile, Keer Marine — which operates a fleet of five convoys and a port in Kosti, 300 km south of Khartoum — will expand its fleet over the short-to-medium term to 10 convoys to satisfy the demand for transportation of goods and petroleum products between North and South Sudan.

d) Expansion into East Africa

After acquiring a minority stake in Rift Valley Railways, the operator of the national railways of Kenya and Uganda, in 2009, Citadel Capital assumed a majority interest in August 2010 and has since spearheaded a US$ 287 million turnaround program. Rift Valley Railways is now a Portfolio Company of Africa Railways Ltd., which will serve as a platform for expansion in the African rail sector.

The 51% stake gives the Firm management control of RVRI, which has a 21-year concession to operate a century-old rail line with some 2,352 kilometers of track linking the Indian Ocean port of Mombasa in Kenya with the interiors of both Kenya and Uganda, including the capital city of Kampala. In November 2010, the company signed a management and technical services agreement with leading global rail group América Latina Logística (ALL). Under the terms of the agreement, ALL will provide key support to RVRI's five-year, three-point rehabilitation and investment program designed to deliver long-term improvements in the safety and efficiency of rail operations across Kenya and Uganda. The company has also engaged new management including a new Chief Operating Officer, Chief Financial Officer and Sales and Marketing Director.

The first 24-month phase of the program began in November 2010 and has so-far seen RVRI implement a number of key strategic changes that include a sliding scale for freight rates that directly couples tariffs to fuel prices, regular services along new passenger routes, and a movement schedule that strikes a more equitable balance between freight and passenger needs.

Across its core African footprint, Citadel Capital sees transport costs being a major impediment to economic growth: High costs and systemic inefficiency greatly reduce the competitiveness of African businesses, as East African Community reports clearly underline.

Transport prices in East Africa are among the highest in the world, studies find, with transport to Uganda from Kenya presently costing more than US$ 0.13 per ton/

kilometer (the standard industry metric) due in large part to heavy reliance on trucking. A lack of operating capacity has resulted in rail capturing less than 10% of East Africa's transport market.

An efficient rail network could, in time, bring East African transport costs down by as much as 35% due to the operational and fuel efficiency of shipping by rail. RVRI today hauls just over 1 million tons per annum out of an existing market of about 20 million tons being handled in Mombasa Port. The Firm's goal is to see that figure grow to 5 million tons per year by 2015.

On a related note: In March 2010, Citadel Capital announced that it had signed a right-of-way agreement with the Sudanese Railway Corporation, the first step in fledgling rail operator Nile Valley Railways' entry into the promising Sudanese market.

The agreement will allow Nile Valley Railways (NVR) to offer cargo transport services on Sudanese Railway Corporation's rail lines under a revenue-sharing agreement. Sudanese Railway Corporation operates more than 4,500 kilometers of track linking the key coastal city of Port Sudan to Khartoum, Wadi Helfa on Egyptian border to South Sudan. A rehabilitated line reopened in March 2010 links Babanusa in central Sudan with the southern town of Wau.

e) Egyptian Refining Company

In August 2010, Citadel Capital announced the signing of US$ 2.6 billion in debt financing for the US$ 3.7 billion greenfield refinery being built by the Egyptian Refining Company. The debt financing package includes US$ 2.35 billion of senior debt and US$ 225 million of subordinated debt. Institutions participating in the senior debt package include the Japan Bank for International Cooperation (JBIC), Nippon Export and Investment Insurance (NEXI), the Export-Import Bank of Korea (KEXIM), the European Investment Bank (EIB) and the African Development Bank (AfDB).

As noted above, Management has engaged in extensive consultations with lenders and guarantors post-Revolution and confirms the debt facility remains in place. Closure on the US$ 1.1 billion equity component for the project has been delayed as a result of the Revolution.

f) Construction, Engineering and Cement

As noted above, Management expects a slowdown in the Egyptian construction sector and allied industries in 2011 given prevailing economic conditions and ongoing investigations into allegations that land grants were made to leading developers through non-transparent processes. Management has accordingly directed new ASEC Holding Chairman and Chief Executive Officer Giorgio Bodo — who is also the long-time Chairman and CEO of ASEC Cement — to prioritize coordination within the group on salary scales, purchasing and operational efficiencies.

ASEC Cement

Given current circumstances in Egypt, it is premature to provide an indicative forecast for 2011. Misr Qena Cement (MCQE. CA on the Egyptian Exchange), in which ASEC Cement holds a 27.55% stake, having increased cement production 7% in 2010, recorded a 5% rise in sales year-on-year and achieved a strong 22% rise in net earnings.

ASEC Cement announced in October that Portfolio Company Arab National Cement Company (ANCC) had obtained a US$ 185 million (EGP 1,1 billion) syndicated loan to finance the construction of its Greenfield of 5,000 ton-per-day (tpd) cement plant in the Minya governorate, some 220 kilometers south of Cairo. The facility is provided by a consortium of local and regional banks. With a total investment cost of US$ 335 million, the ANCC plant will be completed by the first half of 2013, in time to meet the projected spike in demand that will occur as several key infrastructure projects launch in Upper Egypt. Majority owned and controlled by ASEC Cement, the plant has attracted a number of regional and international investors including Misr-Qena Cement Company and FLSmidth — which is also providing the equipment — as well the Danish Institute for Development (IFU).

ASEC Cement's Takamol Cement Company, whose annual production capacity is 1.6 MTPA, has begun operations in August 2010. Takamol's production is to be absorbed by both the Sudanese market and through exports to Ethiopia and other neighboring countries. Notably, the company's sales nearly doubled in the period between October and December 2010 despite overcapacity in that market. The

Gozour portfolio companies have launched a new brand of fresh pasteurized milk, opened own-brand retail stores, expanded their share of shelf-space nationwide, and established leadership in new categories

company has a 26.6% market share in the Sudanese cement market, and Management notes substantial long-term room for growth in Sudan, which has significant infrastructure development needs matched up against a per-capita production capacity of just 70 kg against 600 kg per capita in Egypt. Demand in Sudan will continue to grow as the country is re-integrated into the global economy following the successful referendum on the future of South Sudan.

TAQA Arabia and ASEC Cement began operations at Berber for Electrical Power, their Sudanese power-generation joint venture. The captive 42 MW Berber plant marked a major milestone for TAQA Arabia's power-generation business and will provide all of the electricity needs for Takamol Cement Company, Sudan's most technologically advanced and environmentally friendly cement producer. Demand for output from Berber will be largely unaffected by recent events.

ASEC Cement has begun operations at ASEC Ready Mix, which is providing ready-mix product to the under-served governorates of Upper Egypt, where significant demand will be driven in the long-term by growing real estate and infrastructure markets that remain under-served and under-developed by national standards. Management expects both the Government of Egypt and international agencies to prioritize stimulus spending and economic assistance to Upper Egypt, which will likely result in the region's construction and infrastructure sectors returning to growth faster than the national average.

At Zahana, ASEC Cement's brownfield investment in Algeria, clinker production rose 11% year-on-year to 710,822 tons while cement production rose 10% to 785,836 tons. In the same period, SRC sales climbed 90% to 59,307 tons and OPC sales climbed 7% to 692,173 tons.

While civil works are nearly completed at Djelfa, the site of ASEC Cement's greenfield plant in Algeria, the start of construction is pending the finalization of loan agreements.

In addition to the above projects, ASEC Cement owns a license to construct/operate a greenfield cement plant in Syria (an attractive deficit market) and another license in Kurdistan, North Iraq. ASEC Cement's management is carefully assessing the timing and financial structuring required to launch these two licenses in light of the current regional circumstances.

ARESCO

ARESCO, a Portfolio Company of ASEC Holding, has turned net profits from operations since 3Q10 and has substantially reduced its debt. ARESCO announced in 3Q10 that it had signed a US$ 130 million contract to construct a new cement plant for the Building Materials Industry Company (BMIC) in the Upper Egyptian governorate of Assiut. The company was previously the center of losses on ASEC Holding's consolidated books.

Other ASEC Holding Companies

ASEC Engineering encountered a brief period of labor unrest early in the post-Revolutionary period; worker demands were modest and have since been resolved. As a result of the 10-day work stoppage during the Revolution — at both ASEC Engineering and at the company's clients — delivery of one cement project in Sinai and one in South Valley has been delayed until spring.

Portfolio companies ASENPRO and ASEC Automation both faced labor unrest and have since cleared the situation with modest pay rises, while ESACO anticipates a challenging year ahead.

g) Specialty Real Estate

Bonyan had officially launched operations at the Middle East and Africa's first retail furnishings and design center, Designopolis, by June. The 55,000-square-meter leasable-

ARESCO
Job site in Egypt

area destination will ultimately house up to 300 regional and international brands, with some 80 brands having joined the now completely-leased first phase. In addition, Bonyan signed an agreement for additional land to execute its next phase, which will bring total leasable area to 70,000 square meters. Expansion plans for Bonyan are on hold for the foreseeable future in light of the expected contraction of the national construction industry as well as expected delays in the delivery of housing units from property developers to individual buyers given both current economic conditions and ongoing corruption investigations in the real estate segment.

h) Agriculture and Consumer foods

Gozour, the Firm's integrated regional consumer foods platform, announced in November the appointment of Mohammed El-Rashidi as Chairman of the Group and the appointment of Hatem Noweir as Group Chief Executive Officer. Noweir's main task is to drive strategic planning and the integration of Gozour assets (including Enjoy, Elmisrieen, Dina Farms, Rashidi El-Mizan, and Mom's Foods in Egypt as well as leading Sudanese confectioner Al-Musharraf) with a view to realizing substantial operational and market efficiencies.

These efficiencies will be particularly important given the challenges now facing the industry as a result of the broader economic slowdown, although Management's view is that the slowdown in sales of essential foodstuffs such as milk, cheese, produce and meat will be substantially less marked than the broader economic contraction.

In 2010, Dina Farms successfully launched a premium line of fresh milk products (centered around a new PET fresh pasteurized milk plant inaugurated in February 2010) and has opened six retail outlets in the Greater Cairo Area with plans to grow to 12 outlets by 2012. The milk plant has completed the doubling of its capacity in December 2010 which allowed it to add new SKUs to its existing product range. In January 2011, Dina Farms launched a single-serve pack in addition to its flagship 1-liter pack. Yogurt production at Dina Farms has risen to 35,000 cups per day from 300 cups per day. Dina Farms recorded lost sales in 1Q11 as a result of the Revolution, when the broader consumer market slowed as a result of market disruptions relating to logistics and the closure of leading hyper markets and retail stores.

Rashidi El-Mizan continued to lead the market in the halawa and tehina sectors, with market shares north of 60% and 80%, respectively, as well as a number-two position in the national jams market one year since the launch of that product line. Management has rehabilitated Musharraf's plant in Sudan, which enabled it to resume operations in April 2010, and turn profitable by year end. First-quarter 2011 results have exceeded budget with a positive bottom line.

Enjoy grew its top line 25% and recorded

Nile Logistics
Barge in operation, Egypt

a positive bottom line indicating that the turnaround of the company is proceeding comfortably. Management is focusing in 2011 on upgrading the facility and ensuring that the plant's operates efficiently with minimal stoppages due to mechanical issues. Management is also working on optimizing Enjoy's existing portfolio of products, with the aim on focusing on the most profitable and discontinuing products with low gross profit.

Elmisrieen executed its first TV campaign after being off air for more than 10 years, in addition to giving a facelift to the brand's logo. This relaunch helped the company grow by more than 30% in sales with an improvement in the profitability. Further growth is expected in 2011, despite the market slowdown.

i) Mining

In August 2010, ASEC Company for Mining — ASCOM (ASCM.CA) announced that it had made material progress at its gold concessions in Ethiopia and Sudan. ASCOM currently has five concessions in Ethiopia and has secured precious metals exploration rights on a 3,000-square-kilometer concession in Sudan's Blue Nile State. The company's Ethiopian and Sudanese concessions are both located within the Arabian-Nubian Shield, an under-explored area that is highly promising for its gold and gold-plus-base-metal mineralization. ASCOM subsidiary ASCOM Precious Metals is working on all five concessions in Ethiopia with a primary focus at present on the concessions in Asosa, an 800-square-kilometer area in Western Ethiopia, specifically Dish Mountain and Abetselo concessions, where results have identified two well-defined gold and gold-plus-metal targets showing tonnage and grade potential to suggest an economic discovery is possible. A drilling phase began in October 2010, and surveys are ongoing in Sudan.

In March 2011, ASCOM announced that it had received positive preliminary reports of substantial gold mineralization at 17 drill targets.

ASCOM Precious Metals also recently increased its stake to 27% in the London listed Algerian gold producer, GMA Resources (GMA), through its fully owned subsidiary Sahara Gold. GMA has a 52% stake in the Algerian based ENOR Spa, which produced over 23,000 ounces of gold in 2010. GMA have initiated an aggressive exploration program with the aim of securing a minimum of two years of feedstock in order to maintain current production levels whilst also identifying new larger tonnage, lower grade reserves to expand the business.

ASCOM Technical Calcium Carbonate, in Minya, Egypt, is making steady progress and has made full use of its production capacity for the past six months running, a strong achievement for a newly operational greenfield. A project to double its capacity at a price equal to 30% of the original investment cost is currently underway. This would take the footprint of the operations to c.450kt capacity, offering a wide range of products for the paints, polymers, adhesives, rubber, paper and construction industries, from coarse ground through to superfine ground products. This capacity growth would take approximately 12 months to install, with over 50% of this volume already contracted to end customers. The business growth is focused on a number of key export markets and the high quality milled calcium carbonate produced in Minya has a strong fit with the requirements of these markets. The majority of this new capacity would be in the fine to superfine products enabling growth into the high value and high growth markets. In addition the volume of coated products for the polymer industry is currently being doubled to meet the growing demand, with this capacity expansion scheduled to be completed by July 2011. The company is currently finalizing ISO9001 accreditation and plans to achieve ISO14001 and ISO 18001 by the end of 2011.

Plans for a further large increase in capacity to take the footprint to 1 million tons are currently being reviewed and the timing for this third stage expansion would likely be in 2013.

ASCOM has also ventured into the glass and rock wool insulation industry, with the construction of a 50,000 tpa factory, which is expected to be fully operational by late 2011. The factory will be ISO certified and will utilize the latest industry technology.

j) United Foundries

More than 60% of United Foundries' output is for export markets — including 100% of portfolio company Alexandria Automotive Casting (AAC) production — leaving Management optimistic about the company's prospects in 2011. Devaluation of the Egyptian Pound in 1Q11 and the prospects of further devaluation in 2011 will be supportive of the company's financial performance.

Citadel Capital was encouraged by results in the first four months after the August 2010 change in management at AAC. The new management has initiated a strict maintenance plan to ensure that there are minimal stoppages in the plant, which improve efficiency and reduce cost. AAC had a promising start to 2011, despite the disruptions caused by the Revolution, and is expected to have a profitable first half. An expansion project to increase its production capacity to 30,000 tons using already purchased and paid-for equipment is on tract and expected to be completed by October 2011. Further expansion projects are also under study, with minimal capex requirements.

k) Finance Unlimited

Tanmeyah, the microfinance Portfolio Company of Finance Unlimited, had grown its branch network to 92 outlets as of year-end 2010 and now has a loan portfolio of approximately EGP 150 million servicing 64,843 clients. Tanmeyah announced in October 2010 its expansion to cover the very-small-enterprise credit market, which targets loan sizes in the EGP 40,000 to EGP 100,000 range against the micro-enterprise loan range of EGP 1,000 to EGP 30,000.

Previously disclosed plans to expand to Syria and into agricultural leasing in Egypt have been postponed as a result of the latest political development in the region.

In 2010, Pharos Holding's share of the Egyptian brokerage market share reached 6.2%, ranking it among the top three brokerages in Egypt. AUM more than doubled from EGP 470 million in 2009 to EGP 1 billion in 2010. The company's strong performance resulted in net income of EGP 15.79 million.

Despite a difficult political climate, Sudanese Egyptian Bank posted historic high earnings of US$ 5.1 million.

l) TAQA Arabia

TAQA Arabia has been affected by both immediate and medium-term fallout from recent events. In the short term, revenues from gas sales fell by approximately 25% during the 10-day national work-stoppage associated with the height of civil unrest while power-generation revenues eased 40%. Revenues have since begun to recover, but remain below pre-crisis levels.

In the short- and medium-terms, TAQA Arabia will not receive a cash infusion in the form of proceeds from the previously scheduled summer 2011 IPO. Accordingly, the company is implementing a cash management plan that will see it pace-out capex. Previously agreed projects for TAQA Arabia's power-generation arm will be executed, but at a slower pace.

Principal Investments

Citadel Capital contributes 10-20% of the equity in each of its OSFs under shareholder agreements that give the Firm management control. Gains from the sale of these investments constitute one of two Citadel Capital revenue streams

Citadel Capital controlled total investments of US$ 8.7 billion (EGP 50.4 billion) at the end of FY10, representing both committed equity and committed debt, a rise of 4.4% year-on-year.

Citadel Capital's total principal investments (including convertibles and interest-bearing loans to its Platform Companies) stood at US$ 897.6 million (EGP 4.9 billion) at the end of 4Q10, a 6.4% rise from US$ 843.3 million (EGP 4.6 billion) the previous quarter and a 12.1% rise year-on-year. The Firm made US$ 97.0 million (EGP 662.0 million) in new principal investments in FY10, with US$ 59.2 million (EGP 287.6 million) of that figure being in 4Q10. New investments in the fourth quarter were biased toward equity (85.0% of new investments in the period), convertibles (5.6%) and loans to platform and portfolio companies (9.4%).

Citadel Capital's total principal investments at 31 December 2010 break down as 84.3% equity investments, 9.4% investments in convertibles and 6.3% interest-bearing loans to platform and portfolio companies.

Equity

Citadel Capital made new principal equity investments of US$ 97.0 million (EGP 662.0 million) in FY10. The firm's total principal equity investments rose 21.3% year-on-year to US$ 756.9 million (EGP 4.1 billion).

New equity investments of US$ 50.4 million (EGP 321.6 million) in 4Q10 were biased toward engineering, construction and cement, rail and river transportation, petroleum refining, agriculture, and energy distribution. Citadel Capital made an additional new principal equity investment in rail transportation via the Africa Joint Investment Fund. Management notes that in 4Q10, the Firm swapped US$ 12.5 million (EGP 70.8 million) worth of shares in the OSF controlling United Foundries Co. for US$ 26.9 million (EGP 152.6 million) in ASEC Holding shares previously held by a regional co-investor to increase its bias toward cement.

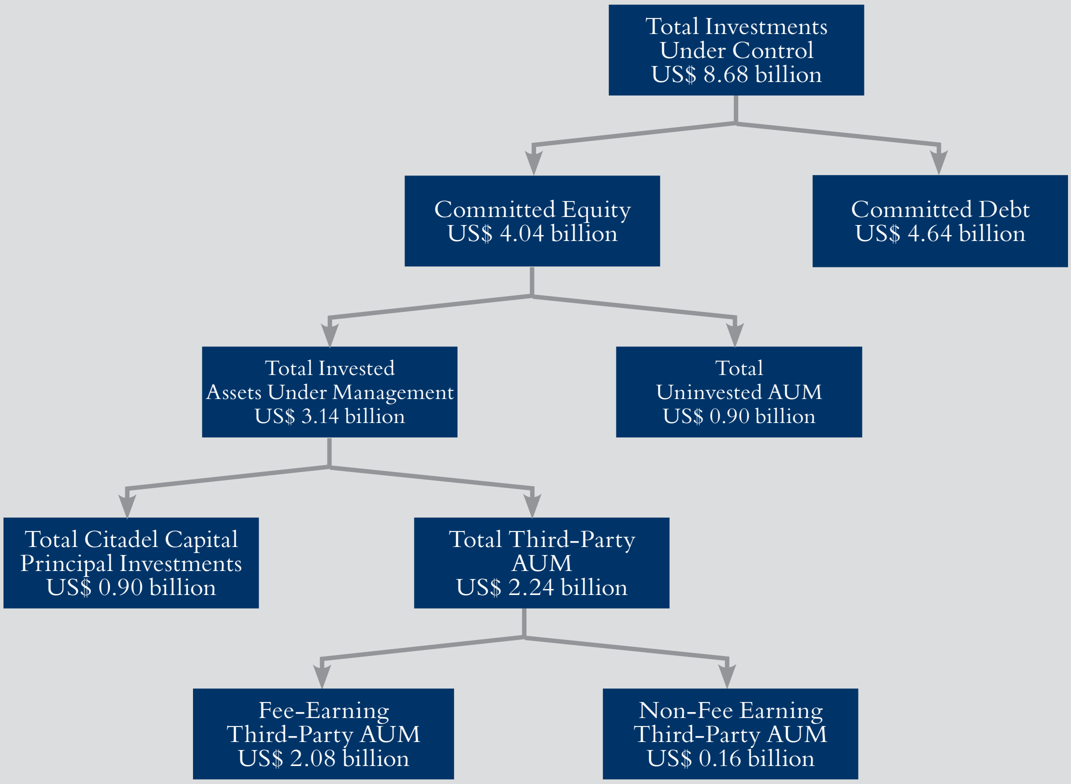
On the full year, new Citadel Capital principal equity investments of US$ 97.0 million (EGP 662.0 million) were biased toward newly operational greenfield investments, newly acquired platform companies and pre-operational greenfields including the Egyptian Refining Company, Africa Railways, Wafra, ASEC Holding, Bonyan and Nile Logistics.

Convertibles

Citadel Capital now holds four investments in convertibles. The total value of investments in convertibles declined 11.9% year-on-year to US$ 84.5 million (EGP 509.1 million). Convertibles now include ASEC Holding, United Foundries, NPC and NOPC / Rally Energy.

Loans

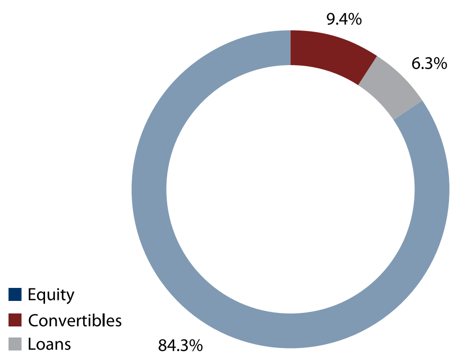
In FY08 and FY09, Citadel Capital extended loans to a number of platform and portfolio companies to bridge short-term funding gaps resulting from co-investor delays on outstanding capital



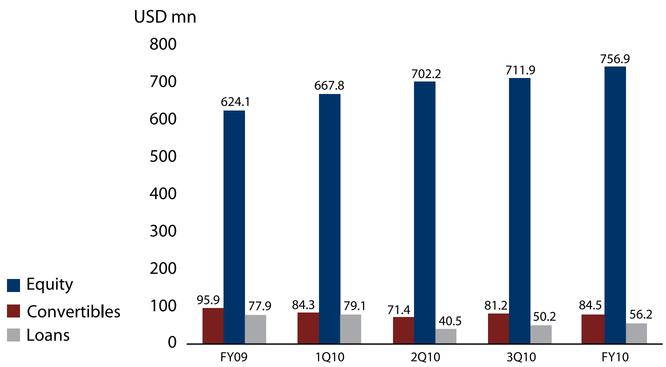
calls. Although the Firm will continue to extend bridge financing as needed to ensure platform and portfolio business plans remain fully on track, Management has aimed since 1Q10 to substantially reduce this balance over the medium term.

Interest-bearing loans to platform and portfolio companies declined 30.2% year-on-year to US$ 56.2 million (EGP 307.4 million), reflecting the combined effects of recovery of loans through the course of FY10 (EGP 133.3 million).

Breakdown of Citadel Capital Principal Investments at 31 Dec. 2010 (USD mn)



Composition of Citadel Capital Principal Investments by Quarter



Portfolio Net Asset Value

Citadel Capital contributes 10-20% of the equity in each of its OSFs under shareholder agreements that give the Firm management control. Gains from the sale of these investments constitute one of two Citadel Capital revenue streams

Citadel Capital disseminates a total net asset value (TNAV) semi-annually at the first half and full-year marks that consists of the portfolio net asset value (PNAV) of its principal investments in the companies controlled by its Opportunity-Specific Funds.

The net asset value of Citadel Capital's principal investments in its OSFs stood at US$ 857.8 million (EGP 5.0 billion) as at 31 December 2010, a decline of 28.6% since the last PNAV was issued at end of the first half. PNAV per share (PNAVPS) stood at US$ 1.30 (EGP 7.51) at the end of FY10 against US$ 1.86 (EGP 10.51) at June 2010. The magnitude of the drop-off reflects Management's desire to take as conservative a position as possible in light of current market circumstances.

Management notes that PNAV is by definition based on a theoretical present-day exit based on market conditions prevailing at the current time and projected forward on that basis. PNAV accordingly does not take into consideration the potential for changed economic circumstances to allow additional growth and value to be unlocked in the medium term.

ASEC Holding is carried at market value based on a recently-concluded transaction, as are Gozour and United Foundries, while ASCOM is similarly held at market value based on the 31 December 2010 closing share price.

TAQA Arabia is now valued using a fair value methodology at 11x 2011 earnings, a stance that — while conservative — reflects the fact that TAQA Arabia, although not a mature business, is at a relatively advanced stage of development in comparison with investments held at cost. Grandview, which holds investments in a broad range of small- and mid-cap companies, is also calculated using the fair value methodology, edging to 1.6x from 2.4x based on revised portfolio company business plans in light of prevailing economic circumstances.

ASEC Holding and United Foundries convertibles are valued at the same multiple as the parent companies (based on their respective recent transactions) plus the interest earned until maturity.

Investments held at cost include newly operational greenfields such as Wafra and Nile Logistics as well as Africa Railways, the latter being a particularly conservative position in light of the very promising early results from the US$ 287 million turnaround program for Rift Valley Railways Investments.

Notably, our valuation of the National Petroleum Company (NPC) continues to reflect a 50% impairment as a result of its stake in NOPC / Rally Energy, while we have fully written down NOPC / Rally Energy. Management notes that although both companies control sizeable proven and probable reserves, NOPC / Rally in particular has so far failed to find technical solutions that will allow it to produce at an economical rate. Both companies will continue to operate and are actively seeking technical solutions that will allow them to bring reserves into production.

For the purposes of the PNAV calculation, Management divides Citadel Capital's principal investments into four categories:

Platform Company	Industry	Pro-forma Investment Cost		Citadel Capital Portfolio Valuation					
		Investment Cost (EGP mn)	Ownership	Method	Summary Valuation Asssumptions	Investment Value	Multiple	% Valuation	Value / Share
ASEC Holding	Engineering, Construction & Cement	924	48.5%	Market Value	Latest market transaction @ EGP 18 per Share	1,570	1.7x	31.6	2.4
ASEC Holding (Convertible)	Engineering, Construction & Cement	284	49.7%	Fair Value	Valued reflecting latest market transaction on ASEC Holding	813	2.9x	16.4	1.2
ASCOM Mining & Geology	Mining	183	39.2%	Market Value	Stock price as of 31st December 2010	174	0.9x	3.5	0.3
Nile Logistics	Transportation and Logistics	184	30.3%	Cost		184	1.0x	3.7	0.3
East Africa Railway	Transportation and Logistics	178	20.0% *	Cost		178	1.0x	3.6	0.3
Gozour	Agriculture and Consumer Foods	232	20.0%	Market Value	Latest market transaction @ USD 1.25 per Share	290	1.3x	5.8	0.4
Gozour Real Estate	Real Estate	51	20.0%	Fair Value	40 million square meters @ EGP 30 / sqm	240	4.8x	4.8	0.4
Wafra	Agriculture	120	37.5%	Cost		120	1.0x	2.4	0.2
National Petroleum Company	Upstream Oil & Gas	360	15.0%	Impaired	50% impairment on investment cost	180	0.5x	3.6	0.3
NPC (Convertible)	Upstream Oil & Gas	52	N/A	Impaired	50% impairment on investment cost	26	0.5x	0.5	0.0
NOPC / Rally Energy Group	Upstream Oil & Gas	359	10.4%	Impaired	100% impairment on investment cost	0	0.0x	0.0	0.0
NOPC / Rally Energy Group (Convertible)	Upstream Oil & Gas	72	N/A	Impaired	100% impairment on investment cost	0	0.0x	0.0	0.0
Nile Valley Petroleum	Upstream Oil & Gas	66	15.0%	Cost		66	1.0x	1.3	0.1
Egyptian Refining Company	Petroleum Refining	278	13.1%	Cost		278	1.0x	5.6	0.4
TAQA Arabia	Energy Distribution	232	34.8%	Fair Value	11x 2011E earnings	559	2.4x	11.2	0.8
Mashreq	Energy Distribution	39	27.3%	Cost		39	1.0x	0.8	0.1
GlassWorks	Glass Manufacturing	136	21.0%	Fair Value	10x 2014E earnings, discounted @ 20% p.a.	162	1.2x	3.3	0.2
Finance Unlimited	Financial Services	180	100.0%	Fair Value	Sum of the Parts of Sudanese Egyptian Bank, Pharos and Tanmeyah	306	1.7x	6.2	0.5
Bonyan	Specialty Real Estate	154	32.1%	Cost		154	1.0x	3.1	0.2
Tawazon	Solid Waste Management	48	33.3% *	Cost		48	1.0x	1.0	0.1
United Foundries Company	Metallurgy	107	30.0%	Market Value	Latest market transaction@ EGP 15 per Share	130	1.2x	2.6	0.2
United Foundries (Convertible)	Metallurgy	72	96.5%	Fair Value	Valued reflecting latest market transaction on United Foundries.	147	2.1x	3.0	0.2
Tanweer	Media	165	100.0%	Cost		165	1.0x	3.3	0.2
Grandview	Mid-Cap / Multisector	70	13.0%	Fair Value		115	1.7x	2.3	0.2
Total Investments		**4,545**				**5,945**	**1.3x**	**119.6**	**8.99**
Cash and Other Assets						431.8		8.7	0.65
Due to CCP						(705.9)		(14.2)	(1.07)
Due from Platform Companies and Related Parties						338.6		6.8	0.51
Due to Platform Companies and Related Parties						(78.6)		(1.6)	(0.12)
Bank Debt						(961.9)		(19.4)	(1.45)
Total						**(976.2)**		**(19.6)**	**(1.48)**
Porfolio Net Asset Valuation						**4,969**		**100%**	**7.51**

The Firm has increased impairments on two non-performing oil and gas investments, which continue to operate and search for a technical solution to allow them to bring substantial reserves into production

1. Investments Held at Cost

These are investments that are not yet operational or are at a very early stage of development and which are accordingly held at cost. Examples include Nile Logistics, Africa Railways, Wafra, Egyptian Refining Company (ERC), Mashreq Petroleum, Nile Valley Petroleum and Tanweer. While some of these investments have already begun operations (notably Nile Logistics, which is serving contracts from an evolving network of ports using both refurbished and custom-built barges while it builds out its custom-designed fleet), the Firm has opted to hold them at cost in the interest of being conservative.

2. Investments Having a Market Value

These include investments that are listed on the Egyptian Exchange (EGX), such as ASCOM, for which the NAV uses the closing share price on the date at which the NAV is calculated. This category also includes investments on which there has been a transaction in the previous six months, but which are not listed. Examples of this latter category include ASEC Holding, United Foundries and Gozour.

3. Investments at Fair Value

Those are investments which are in a mature stage of development and which have fully funded business plans. Examples include GlassWorks, Finance Unlimited, Bonyan and Grandview. Management has calculated an NAV for these investments using the following assumptions:

a. Applying a 10x multiple to 2014 earnings for all investments (10x being an average of the industry averages).

b. Discounting the resultant figure by 20% annually.

Ol Doinyo Lengai Volcano,
Tanzania
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Citadel Capital Portfolio Net Asset Value Comparison

Platform Company		Targeted % Citadel Capital Ownership	Multiple	Investment Value at June 2010 (per share)	Multiple	Investment Value at Dec 2010 (per share)
ASEC Holding	Engineering, Construction & Cement	48.5%	2.6x	3.0	1.7x	2.4
ASEC Holding (Convertible)	Engineering, Construction & Cement	49.7%	5.0x	2.2	2.9x	1.2
ASCOM Mining & Geology	Mining	39.2%	0.9x	0.2	0.9x	0.3
Nile Logistics	Transportation and Logistics	30.3%	1.0x	0.2	1.0x	0.3
East Africa Railway	Transportation and Logistics	20.0%*	1.0x	0.3	1.0x	0.3
Gozour	Agriculture and Consumer Foods	20.0%	2.0x	0.7	1.3x	0.4
Gozour Real Estate	Real Estate	20.0%	5.7x	0.4	4.8x	0.4
Wafra	Agriculture	37.5%	1.0x	0.1	1.0x	0.2
National Petroleum Company	Upstream Oil & Gas	15.0%	0.4x	0.2	0.5x	0.3
NPC (Convertible)	Upstream Oil & Gas	N/A	1.0x	0.1	0.5x	0.0
NOPC / Rally Energy Group	Upstream Oil & Gas	10.4%	0.5x	0.3	0.0x	0.0
NOPC / Rally Energy Group (Convertible)	Upstream Oil & Gas	N/A	1.0x	0.1	0.0x	0.0
Nile Valley Petroleum	Upstream Oil & Gas	15.0%	1.0x	0.1	1.0x	0.1
Egyptian Refining Company	Petroleum Refining	13.1%	1.0x	0.2	1.0x	0.4
TAQA Arabia	Energy Distribution	34.8%	2.3x	0.7	2.4x	0.8
Mashreq	Energy Distribution	27.3%	1.0x	0.1	1.0x	0.1
GlassWorks	Glass Manufacturing	21.0%	1.6x	0.3	1.2x	0.2
Finance Unlimited	Financial Services	100.0%	2.0x	0.5	1.7x	0.5
Bonyan	Specialty Real Estate	32.1%	1.8x	0.4	1.0x	0.2
Tawazon	Solid Waste Management	33.3%*	1.0x	0.1	1.0x	0.1
United Foundries Company	Metallurgy	30.0%	1.0x	0.3	1.2x	0.2
United Foundries (Convertible)	Metallurgy	96.5%	1.9x	0.2	2.1x	0.2
Tanweer	Media	100.0%	1.0x	0.2	1.0x	0.2
Grandview	Mid-Cap / Multisector	13.0%	2.4x	0.3	1.7x	0.2
Total Investments			**1.8x**	**11.33**	**1.3x**	**8.99**
Cash and Other Assets				0.61		0.65
Due to CCP				(0.59)		(1.07)
Due from Platform Companies and Related Parties				0.66		0.51
Due to Platform Companies and Related Parties				(0.28)		(0.12)
Bank Debt				(1.21)		(1.45)
Total				**(0.81)**		**(1.48)**
Portfolio Net Asset Valuation Per Share (EGP)				**10.51**		**7.51**

* Expected ownership in the platform after all the funds are raised and invested. Citadel Capital's current ownership of these platforms is 100%.

Meanwhile, companies at a more advanced stage of development, such as TAQA Arabia, are valued at 11x 2011 earnings.

Convertibles for ASEC and United Foundries are carried at Fair Value reflecting recent transactions on their parent companies (based on their respective recent transactions) plus the interest earned until maturity, which are held at Market Value.

The fair value method uses the current business plans of the underlying companies and does not incorporate any future enhancements of those plans that might result in great improvements in Platform Company profitability.

4. Impaired Investments

Citadel Capital has run an impairment on two upstream oil and gas investments, namely the National Oil Production Company (NOPC / Rally Energy Group) and the National Petroleum Company (NPC) as a result of delays in the expected performance of NOPC / Rally Energy; NPC is impaired as a result of its equity investment in NOPC / Rally. Both continue to be fully operational companies.

Asset Management Business

Citadel Capital generates revenues from advisory fees on the total invested AUM (drawn equity) it has under control as well as from a carried interest over a hard hurdle on capital gains it makes for the limited partners in its OSFs

Total assets under management (committed by Citadel Capital and limited partners to the OSFs as well as the JIFs) of US$ 4.0 billion at 31 December 2010, a rise of 9.9% on the full year. New AUM in FY10 include investments by Citadel Capital as a principal investor in OSFs, investments by regional co-investors, the US$ 140 million from the first close of the Africa and MENA Joint Investment Funds (including funds from Citadel Capital and international LPs), and US$ 100 million in financing from the US Overseas Private Investment Corporation.

Including equity drawn into exited funds, Citadel Capital has raised a total of US$ 4.7 billion in equity since inception and has generated cash returns in excess of US$ 2.5 billion to shareholders and limited partners on investments of US$ 650 million.

Invested vs Uninvested AUM

Total invested AUM (drawn equity) stood at US$ 3.1 billion (EGP 18.0 billion) at the end of the fourth quarter, a rise of 3.9% quarter-on-quarter and 9.3% year-on-year. Invested third-party AUM stood at US$ 2.2 billion (EGP 12.7 billion), a rise of 8.2% since the end of 2009 and 2.9% quarter-on-quarter. The balance represents Citadel Capital principal investments of US$ 897.6 million (EGP 4.9 billion).

In addition to a transaction with Citadel Capital that saw a co-investor increase its exposure to United Foundries in a swap for ASEC Holding shares, regional limited partners made new commitments in 4Q10 to ERC (US$ 45.3 million), Nile Logistics (US$ 7.2 million), and TAQA Arabia (US$ 2.3 million through a capital increase). Institutional limited partners in the MENA and Africa Joint Investment Funds made contributions to the Egyptian Refining Company jointly totaling US$ 28.0 million. No new third-party inflows into convertibles were recorded in 4Q10.

On the full year, LPs and regional co-investors made US$ 168.9 million in equity investments in platform companies including ERC (US$ 73.8 million), Nile Logistics (US$ 18.6 million), Africa Railways (US$ 14.4 million), United Foundries (US$ 12.3 million), specialty real estate (US$ 7.6 million) and consumer foods (US$ 6.9 million). Regional co-investors further committed US$ 54.5 million (EGP 315.7 million) in new investments in convertibles.

Uninvested AUM totalled US$ 897.7 million (EGP 5.2 billion) as at the end of 4Q10, a drop of 11.4% from the end of the previous quarter. Uninvested AUM include US$ 100 million from OPIC (non-fee-earning), US$ 81.6 million in un-drawn (but fee-earning) funds from the first close of the JIFs and US$ 716.1 million committed to the Egyptian Refining Company (ERC).

Fee-Earning AUM

Fee-earning assets under management stood at nearly US$ 2.1 billion (EGP 12.2 billion) at the end of the quarter, a rise of 3.0% quarter-on-quarter and 9.7% on the full year.

The Firm's US$ 2.1 billion in Third-

Party Fee-Earning AUM includes US$ 740.8 million in equity related to platform companies on which the Firm has impaired all or part of its principal investments. While those funds remain under management as part of the equity of companies that continue operations — and while those portfolio companies have contractual commitments to pay advisory fees on that equity — Management will continue to charge advisory but provision for those sums pending a resolution to technical difficulties at both assets.

Citadel Capital recorded revenues of US$ 4.1 million (EGP 23.9 million) in 4Q10 from the 1% advisory fee it earns on fee-earning assets under management, a decline of 9.6% from the previous quarter as the advisory fee on ERC equity declined as planned to 0.5% from 1.0%. On the full year, revenue from advisory fees eased slightly to US$ 17.3 million (EGP 100.5 million) from US$ 17.9 million (EGP 103.7 million). With no exits in the quarter, revenue from carried interest was nil in 2010, as it was in 2009.[2]

Asset Management Value

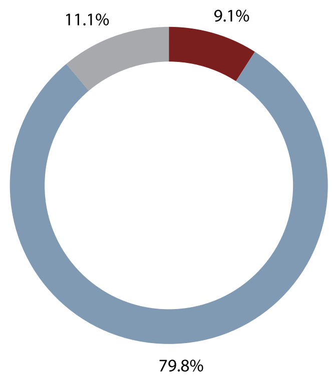
To provide guidance on an appropriate valuation for Citadel Capital, Management has previously disseminated a total net asset valuation on a semi-annual basis that captures the present-day value of both Citadel Capital's principal investments and of the asset management component of the business. The latter, referred to as the Asset Management Value (AMV) estimated the present value of the Firm's carried interest in the capital gains of the limited partners in its funds, as well as of the advisory fees Citadel Capital earns on the private equity assets it has under management.

Management notes there are several important key differentiators between Citadel Capital as a private equity asset manager and a traditional asset manager, including the fact that Citadel Capital manages long-term funds with no redemptions. Furthermore, the Firm's AUM are privately held assets that are insulated from market fluctuations. Citadel Capital's performance fees are US-dollar based (hedging against FX volatility), and these fees are moreover earned on an investment-by-investment basis.

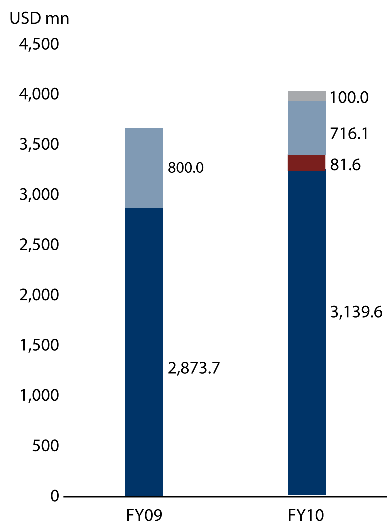
That said, Management believes that political unrest across the region dictates a conservative stance on valuation of the asset management business. While AUM will remain stable — and while fee-earning AUM could grow substantially with the planned equity closure on the Egyptian Refining Company — fundraising will likely remain otherwise slow through year's end.

Accordingly, the Firm has suspended guidance on the AMV for the time being, believing it is more appropriate that each individual analyst or investor arrive at their own conclusion as to an appropriate value for the asset management franchise.

Breakdown of Uninvested Equity as of 31 Dec. 2010



Composition of Total AUM



2 Management notes that while Citadel Capital typically earns a carried interest of 20% on LP capital gains over a hard hurdle rate of 12% on most investments, some older investment vehicles have a carried interest of 15% over a hurdle of 15%.

Summary of Investments in Citadel Capital Platform Companies FY 2010 (USD mn)

Platform	Industry	Citadel Capital	Change FY10	Co-investors	Change FY10	Africa Investment Fund		
						Citadel Capital	New in FY10	LPs
ASEC Holding	Engineering & Construction / Cement	162.8	17.3	134.4	(14.0)	-	-	-
ASCOM	Mining	32.4	2.6	-	-	-	-	-
Nile Logistics	Transportation & Logistics	33.3	10.3	77.2	18.6	-	-	-
Africa Railways	Transportation & Logistics	25.3	10.1	-	-	6.2	6.2	14.4
Gozour	Agriculture & Consumer Goods	35.4	1.5	203.6	6.9	-	-	-
Wafra	Agriculture & Consumer Goods	21.2	17.8	-	-	-	-	-
NPC	Upstream Oil & Gas	63.4	(0)	357.7	(0)	-	-	-
NOPC / Rally Group	Upstream Oil & Gas	65.0	-	561.9	0	-	-	-
NVPL	Upstream Oil & Gas	26.9	8.2	44.5	6.8	-	-	-
ERC	Petroleum Refining	53.4	26.5	266.6	45.8	-	-	13.8
TAQA Arabia	Energy Distribution	41.2	3.2	55.1	(1.3)	-	-	-
Mashreq Petroleum	Energy Distribution	6.2	-	13.2	-	-	-	-
GlassWorks	Glass Manufacturing	24.5	4.5	131.2	-	-	-	-
Finance Unlimited	Financial Services	42.0	3.2	-	-	-	-	-
Bonyan	Speciality Real Estate	28.1	15.1	59.4	7.6	-	-	-
Tawazon	Waste Management	8.5	1.7	-	-	1.4	1.4	3.3
Tanweer	Media	29.2	2.4	-	-	-	-	-
UCF	Metallurgy	18.9	(7.1)	39.0	12.3	-	-	-
Grandview	Multisector Holdings	12.4	(0)	82.8	0	-	-	-
ASEC Cement	Cement	191.9	19.0	387.3	(17.2)	-	-	-
Others	Others	17.7	6.4	-	-	-	-	-
Eliminations*		(191.9)	(19.0)	(346.7)	(0.5)	-	-	-
Total Equity Investments		747.9	123.8	2,067.3	64.9	7.6	7.6	31.5
NOPC / Rally Convertible	Upstream Oil & Gas - Convertible	13.1	-	51.5	20.7	-	-	-
NPC Convertible	Upstream Oil & Gas - Convertible	9.8	(0)	24.2	1.2	-	-	-
ASEC Holding Convertible	Engineering & Construction / Cement - Convertibles	49.0	(24.1)	49.6	32.7	-	-	-
UCF Convertible	Metallurgy - Convertible	12.7	12.7	-	-	-	-	-
Total Convertibles		84.5	(11.4)	125.3	54.5	-	-	-
Loans to Platforms		56.2	(24.4)	-	-	-	-	-
Total Investments		888.6	88.0	2,192.6	119.5	7.6	7.6	31.5

* Eliminations represent the cross-ownership of Citadel Capital in Platform Companies.
** Including Joint Investment Funds (JIFs).

	MENA Investment Fund							
New in FY10	Citadel Capital	New in FY10	LP	New in FY10	Total Citadel Capital**	Change FY10**	Total Co-investors**	Change FY10**
-	-	-	-	-	162.8	17.3	134.4	(14.0)
-	-	-	-	-	32.4	2.6	-	-
-	-	-	-	-	33.3	10.3	77.2	18.6
14.4	-	-	-	-	31.5	16.3	14.4	14.4
-	-	-	-	-	35.4	1.5	203.6	6.9
-	-	-	-	-	21.2	17.8	-	-
-	-	-	-	-	63.4	(0)	357.7	(0)
-	-	-	-	-	65.0	-	561.9	0
-	-	-	-	-	26.9	8.2	44.5	6.8
13.8	-	-	14.1	14.1	53.4	26.5	294.6	73.8
-	-	-	-	-	41.2	3.2	55.1	(1.3)
-	-	-	-	-	6.2	-	13.2	-
-	-	-	-	-	24.5	4.5	131.2	-
-	-	-	-	-	42.0	3.2	-	-
-	-	-	-	-	28.1	15.1	59.4	7.6
3.3	1.4	1.4	3.7	3.7	11.3	4.5	7.1	7.1
-	-	-	-	-	29.2	2.4	-	-
-	-	-	-	-	18.9	(7.1)	39.0	12.3
-	-	-	-	-	12.4	(0)	82.8	0
-	-	-	-	-	191.9	19.0	387.3	(17.2)
-	-	-	-	-	17.7	6.4	-	-
-	-	-	-	-	(191.9)	(19.0)	(346.7)	(0.5)
31.5	1.4	1.4	17.9	17.9	756.9	132.7	2,116.7	114.4
-	-	-	-	-	13.1	-	51.5	20.7
-	-	-	-	-	9.7	(0)	24.2	1.2
-	-	-	-	-	49.0	(24.1)	49.6	32.7
-	-	-	-	-	12.7	12.7	-	-
-	-	-	-	-	84.5	(11.4)	125.3	54.5
-	-	-	-	-	56.2	(24.4)	-	-
31.5	1.4	1.4	17.9	17.9	897.6	96.9	2,242.1	168.9

Financial Results

The full impact of Management's decision to write-down two oil and gas investments is only fully felt on the Firm's consolidated financial statements

Management consistently notes that standalone results provide the best indicator of the financial health of Citadel Capital as a firm, believing that consolidated results are better suited for benchmarking a conglomerate than a private equity firm that takes substantial stakes in a range of investments which it controls to grow value before exit (see below, "Consolidated Results," for discussion). This is particularly the case when investments run the gamut from greenfields to brownfields, from mature enterprises to growth-phase concerns.

As is the case with any private equity firm or investment company, Citadel Capital's financial performance is highly dependent on any exits from current investments the Firm may execute in a given period. At exit, Citadel Capital may record both capital gains on its principal investments and a carried interest in the capital gains it makes for the limited partners in its Funds.

As previously noted in this document, the firm has written-down its investments in two oil and gas platforms. These investments are held by a subsidiary two levels away from Citadel Capital SAE; writing down those investments from that level makes the non-cash charges appear fully on the consolidated statements but not on the standalone financials. Based on local GAAP as well as IFRS, a company that indirectly owns a group of assets through an investment vehicle cannot incur impairment losses on its standalone financial statements regarding those indirect assets if the recoverable value (valuation) of the investment vehicle exceeds the investment cost in the standalone financial statements.

In this instance, the valuation of the investment vehicle — which holds investments in addition to NPC and NOPC / Rally — is higher than its investment cost on Citadel Capital's standalone financial statements. Accordingly, audited standalone FY2010 financial statements only reflect write-downs that are based on intercompany accounts and / or investments held directly by Citadel Capital SAE and not held indirectly through subsidiaries. Upstream oil and gas write downs on the standalone financials thus include only advisory fees and interest on convertibles.

Citadel Capital revenues in 4Q10 stood at US$ 6.9 million (EGP 40.1 million), a 9.8% dip from the previous quarter. On the full year, the Firm recorded revenues of US$ 28.5 million (EGP 165.0 million), a decline of 62.4% from FY09, a year during which revenues were substantially inflated by the partial exit of Citadel Capital from some of its platform companies.

Revenue from advisory fees stood at US$ 4.1 million (EGP 23.9 million) in 4Q10, a decline of 9.6% from the previous quarter as ERC equity became subject to a pre-arranged advisory fee of 0.5% against a previous 1.0%. As a result, advisory fees eased 3.0% on the full-year.

Gains on the sale of investments stood at US$ 2.8 million (EGP 16.2 million) in 4Q10 against nil the previous quarter. On the full year, Citadel Capital recorded US$ 4.4 million (EGP 25.8 million) in gains from the sale of investments relating to the sale of United Foundries shares as part of a share swap with a regional co-investor as well as to the on-market sale of some

ASCOM shares in 1Q10.

Other operating income of nearly US$ 6.2 million (EGP 36.2 million) in FY10 includes the recovery of pre-operating expenses previously defrayed at platform investments and Special Purpose Vehicles (SPVs) by Citadel Capital. Other operating income of this form has been a component of Citadel Capital revenues in recent quarters. This is a hallmark of greenfield investing and will continue to recur with some frequency so long as Citadel Capital pursues a strategy that involves the use of greenfield investments.

Non-cash Impairments (Investments) of US$ 5.7 million (EGP 33.0 million) on the full year relate primarily to non-reimbursable expenses related to investments classified as "Other" including Special Purpose Vehicles. Impairments (Inter-Company Balances) in the amount of US$ 14.2 million (EGP 82.7 million) relate primarily to write downs of advisory fees and loans at both NOPC / Rally and NPC (including loans to convertible vehicles).

EBITDA stood at a negative US$ 22.8 million (EGP 131.8 million) in 4Q10 on the back of impairments taken.

Provisions of US$ 30.0 million (EGP 173.6 million) in FY10 have been conservatively taken by Management primarily in anticipation of possible future expenses related to written down investments including NPC and NOPC / Rally.

Operating expenses (OPEX) rose 6.1% on the full year to US$ 31.5 million (EGP 182.4 million).

Net interest gains of EGP 15.1 million in FY10 includes US$ 3.3 million (EGP 19.0 million) that were booked as interest from oil and gas convertibles in the 9M10 results, which are currently being reversed in the impairment discussed above.

Cash on the balance sheet was largely stable at the end of FY10 at EGP 148.7 million compared with EGP 149.1 million at the end of the previous quarter.

Total shareholders' equity has fallen by 7.8% to EGP 3,322.3 million, largely due to the current year's loss.

Total debt of Citadel Capital (as distinct from that of its Platform Companies) stood at US$ 166.1 million (EGP 962.0 million) as at 31 December 2010 with a debt-to-equity ratio of 29% compared with EGP 801.0 million and a ratio of 22% at 30 June 2010. Debt is primarily in the form of a four-year dollar bullet loan. The rise in debt from year-end 2009 owes to the securing of a US$ 25 million financing facility at the Citadel Capital level, as previously disclosed. The Firm is currently in negotiations to add additional leverage at the Citadel Capital level to ensure the balance sheet has the liquidity it needs to support the planned pace and tenor of investment.

Consolidated Results

On a consolidated basis, Citadel Capital reported a net loss of US$ 241.7 million (1.4 billion) on revenues of US$ 10.1 million (EGP 58.4 million). Revenues reflect a negative contribution of US$ 15.2 million (EGP 87.8 million) from Citadel Capital's share of the net losses of its associates.

The consolidated figures reflect the full impact of US$ 148.8 million (EGP 862 million) in non-cash charges arising from management's decision to write-down its investment in the National Petroleum Company (NPC) by 50% (as a result of its equity investment in NOPC / Rally Energy) and to completely write-off its investment in NOPC / Rally Energy. Management continues to note that standalone financial results typically provide the best indicator of the company's performance as a private equity general partner with substantial own-balance-sheet investments.

Operating Expenses (in EGP mn)

Element	FY10	FY09
Salaries, Bonuses and Benefits	116.0	71.0
Travel	23.2	24.5
Consultancy Fees, Audit Fees, Publications and Events	24.1	63.0
Others	19.1	13.4
Total	182.4	171.9

Giving Back to our Communities

Citadel Capital's leadership team and employees are strongly motivated by the desire to leave the communities in which they do business better places than they found them

Citadel Capital's leadership team and employees firmly believe that the private sector has a responsibility to create a better future for youth in Egypt and the region. To that end, Citadel Capital's formal funding for community development initiatives — as distinct from the personal philanthropy of the managing partners and staff — has totaled more than US$ 60 million since 2004. This commitment spans the Firm's footprint as a regional private equity firm, from a focus on higher education in Egypt to vocational training for workers in the Algerian cement industry to helping rural communities gain access to basic education and vocational training in Sudan.

Creating businesses in these areas is an important step to empowering our communities, but education is a key challenge that the private sector must address if our region is to realize its full potential. In particular, a holistic approach to education that teaches the skills the marketplace needs will better empower youth in the region to participate in the workforce and allow them to help build more globally competitive national economies.

In 2008, the Firm took solid steps toward the rollout of a foundation that will focus on building and developing Egyptian schools targeting lower-middle income segments of the population. The foundation will work to deliver a quality Egyptian national curriculum education in both rural and urban settings.

In 2007, the Firm endowed the Citadel Capital Scholarship Foundation to grant academic scholarships to talented young Egyptian men and women interested in pursuing Master's degrees and PhDs at international universities. Up to 20 students each year receive generous scholarships to follow their dreams at some of the most prestigious educational institutions worldwide. The only condition: They must return to work in Egypt upon graduation. Since 2007 CCSF has awarded scholarships to over 80 students. The ultimate aim of the Foundation is to provide Egypt with high caliber internationally competitive professionals across all disciplines.

Citadel Capital also donated US$ 250,000 to establish the Citadel Capital Financial Service Center (CCFSC) at the American University in Cairo (AUC). The center opened in 2006 as the Middle East's first institution dedicated to providing financial and analytical education that prepares students for careers in securities trading, risk management and asset allocation. The CCFSC also strives to provide students, researchers and professionals with the knowledge and skills to lead the region's emerging financial services industry.

Citadel Capital's platform companies are also active participants in their communities. Sabina, Citadel Capital's Portfolio Company for investment in Sudanese agricultural production, has put in place a fund of US$ 1.58 million for social infrastructure improvements near Kosti, in Sudan's White Nile State, where the company has obtained a 99-year lease on a 254,000-feddans of land. The company will not only provide new employment opportunities for local residents, it will also become actively engaged in training and education. Sabina will allocate US$ 395,000 each year for

four years to rehabilitate schools and establish vocational training programs for farmers. Three schools have been renovated and upgraded; a fourth is in progress. Once infrastructure development is complete, 33% of irrigation schemes and 15% of the land developed by Sabina will be returned to local farmers.

The Egyptian Refining Company (ERC), Citadel Capital's state-of-the-art US$ 3 billion greenfield second-stage oil refinery in the Greater Cairo Area has already established a community development office. The current role of the office is to communicate with local residents about the refinery, assess available skills and collect information regarding training and community education programs. The community development office's scope of service will broaden gradually as the project moves into the implementation phase.

In 2009 Citadel Capital Portfolio Company ASEC Engineering launched an undergraduate internship program in cooperation with the Industrial Modernization Center (IMC) to help address the issue of unemployment in Egypt. The program provides opportunities for undergraduates to take part in a practical and theoretical training program. At the end of the program, participants are qualified to work in ASEC's plants. Thus far the program has qualified 40 technicians who are now employed in the company.

The hard-scrabble existence that faces people in communities with inadequate educational and social infrastructure is one of the most shameful legacies of the imperialism, dictatorships, autocracies, and civil wars that have plagued our region for centuries.

We at Citadel Capital believe all people deserve the opportunity to learn, deserve clean water, deserve safe waste-water treatment plants, deserve the security of knowing where their next meal will come from. We also believe that together, we can bring these opportunities to our region, one community at a time.

Financial Statements

Citadel Capital (S.A.E.) — Fiscal Year Ending December 31, 2010

Contents

Auditor's report

To the shareholders of Citadel Capital Company

REPORT ON THE FINANCIAL STATEMENTS
We have audited the accompanying separate financial statements of Citadel Capital Company (Egyptian Joint Stock Company), which comprise the balance sheet as at December 31, 2010 and the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of Citadel Capital Company as at December 31, 2010 and of its financial performance and its 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.

EXPLANATORY PARAGRAPH
Without qualifying our opinion , we draw attention to note no. (30) to the financial statements which describes the fact that no reasonable and reliable information is available to management as to enable them to disclose the impact of subsequent events on the values of some assets and liabilities and results of its operation in the subsequent financial periods, as those values and results could be changed substantially in subsequent periods should reasonable and reliable indicators and information are available to management as to enable them to identify and measure the extent and magnitude of these subsequent events on the values of those assets and liabilities.

Report on other legal and regulatory requirements
The Company maintains proper books of account, which include all that is required by law and by the statutes of the Company, and the financial statements are in agreement thereto.

The financial information included in the Board of Directors' report, prepared in accordance with Law no. 159 of 1981 and its executive regulations, is in agreement with the Company's books of account.

KPMG Hazem Hassan
Cairo May 26 , 2011

Citadel Capital (Egyptian Joint Stock Company)
Unconsolidated Balance Sheet as at December 31, 2010

	note no.	31/12/2010 LE	31/12/2009 LE
Current assets			
Cash and cash equivalents	(4)	148 664 361	248 428 433
Due from related parties (net)	(5)	419 990 782	611 136 362
Other debit balances	(6)	9 858 234	17 194 821
Total current assets		**578 513 377**	**876 759 616**
Current liabilities			
Due to related parties	(7)	705 947 717	305 128 943
Current portion of long-term loans	(17)	96 194 363	-
Other credit balances	(8)	38 423 716	39 923 273
Expected claims provision	(9,20)	187 868 554	14 312 225
Total current liabilities		**1 028 434 350**	**359 364 441**
(Deficit) excess of current assets over current liabilities		(449 920 973)	517 395 175
Non - current assets			
Available-for-sale investments	(10)	26 391 801	30 685 943
Investments in subsidiaries and associates (net)	(11)	2 698 128 505	2 351 676 028
Payments for investments (net)	(12)	1 495 461 469	1 026 582 003
Fixed assets (net)	(13)	31 686 691	83 901 410
Other investments	(14)	384 588 746	400 679 647
Deferred tax	(15)	1 718 309	687 237
Total non - current assets		**4 637 975 521**	**3 894 212 268**
Total investment		**4 188 054 548**	**4 411 607 443**
Financed through:			
Equity			
Share capital	(16)	3 308 125 000	3 308 125 000
Legal reserve	(3.10)	89 578 478	79 011 015
Hedging reserve	(17)	-	(16 882 076)
Retained earnings		222 926 816	22 145 027
		3 620 630 294	**3 392 398 966**
Net (loss) profit for the year		(298 325 013)	211 349 252
Total equity		**3 322 305 281**	**3 603 748 218**
Non - current liabilities			
Long term loans	(17)	865 749 267	807 859 225
Total non - current liabilities		**865 749 267**	**807 859 225**
Total equity and non - current liabilities		**4 188 054 548**	**4 411 607 443**

The accompanying notes from page 99 to page 114 are an integral part of these financial statements and are to be read therewith.

Chairman	Managing Director	Board Member / CFO
Ahmed Heikal	**Hisham Hussein El-Khazindar**	**Ahmed El Shamy**

Citadel Capital (Egyptian Joint Stock Company)
Unconsolidated Income Statement for the year ended December 31, 2010

	note	For the year ended 12/31/2010	12/31/2009
	no.	LE	LE
Advisory fee	(23.1)	100 535 438	103 652 826
Dividends income	(23.3)	-	240 459 012
Gains on sale of investments	(18)	28 218 226	45 877 586
Other operating income	(23.4)	55 914 561	48 921 813
Total operating income		**184 668 225**	**438 911 237**
Administrative and general expenses	(25)	(182 416 564)	(195 382 980)
Fixed assets depreciation	(13)	(8 621 373)	(8 673 210)
Gains on sale of fixed assets	(23.5)	10 200 000	-
Impairment loss on assets	(20)	(115 675 532)	(20 694 627)
Provisions	(9)	(173 556 329)	(3 100 000)
Net operating (loss) income		**(285 401 573)**	**211 060 420**
Financing cost (net)	(19)	(13 288 209)	(791 537)
Net (loss) profit before income tax		**(298 689 782)**	**210 268 883**
Income tax	(22)	(666 303)	-
Deferred tax	(15)	1 031 072	1 080 369
Net (loss) profit for the year		**(298 325 013)**	**211 349 252**
Earnings per share	**(21)**	**(0.45)**	**0.34**

The accompanying notes from page 99 to page 114 are an integral part of these financial statements and are to be read therewith.

Citadel Capital (Egyptian Joint Stock Company)
Unconsolidated Statement of Changes in Equity for the year ended December 31, 2010

	note no.	Share capital LE	Legal reserve LE	Hedging reserve LE	Retained earnings LE	Net profit (loss) for the year LE	Total LE
Balance as at December 31, 2008		**2 750 000 000**	**77 845 487**	**(3 554 169)**	**-**	**23 310 555**	**2 847 601 873**
Profit appropriation for the year 2008	(3.10)	-	1 165 528	-	22 145 027	(23 310 555)	-
Payment of capital	(16)	558 125 000	-	-	-	-	558 125 000
Changes in fair value of cash flow hedges	(17)	-	-	(13 327 907)	-	-	(13 327 907)
Net profit for year 2009		-	-	-	-	211 349 252	211 349 252
Balance as at December 31, 2009		**3 308 125 000**	**79 011 015**	**(16 882 076)**	**22 145 027**	**211 349 252**	**3 603 748 218**
Profit appropriation for the year 2009	(3.10)	-	10 567 463	-	200 781 789	(211 349 252)	-
Hedges transferred to income statement	(17)	-	-	16 882 076	-	-	16 882 076
Net loss for year 2010		-	-	-	-	(298 325 013)	(298 325 013)
Balance as at December 31, 2010		**3 308 125 000**	**89 578 478**	**-**	**222 926 816**	**(298 325 013)**	**3 322 305 281**

The accompanying notes from page 99 to page 114 are an integral part of these financial statements and are to be read therewith.

Citadel Capital (Egyptian Joint Stock Company)
Unconsolidated Cash Flow Statement for the year ended December 31, 2010

	For the year ended 31/12/2010 LE	31/12/2009 LE
Cash flows from operating activities		
Net (loss) profit before tax	(298 689 782)	210 268 883
Adjustments to reconcile net (loss) profit to net cash provided from operating activities :		
Fixed assets depreciation	8 621 373	8 673 210
Unrealized foreign currency differences	20 138 605	(3 954 480)
Gains on sale of investments in subsidiaries and associates	(25 815 740)	(45 036 600)
Gains on sale of available-for-sale investments	(2 402 486)	(840 986)
Expected claims provision	173 556 329	3 100 000
Credit interest	(35 052 058)	(329 961)
Impairment loss on assets	115 675 532	20 694 627
Gains on sale of fixed assets	(10 200 000)	-
Hedging reserve	16 882 076	-
Operating (loss) profit before changes in working capital	**(37 286 151)**	**192 574 693**
(Increase) decrease in assets		
Due from related parties	(6 952 271)	(108 661 959)
Other debit balances	9 195 641	(2 704 531)
Increase (decrease) in liabilities		
Due to related parties	400 818 774	167 085 561
Other credit balances	(2 165 860)	15 209 197
Net cash provided from operating activities	**363 610 133**	**263 502 961**
Cash flows from investing activities		
Payments to purchase fixed assets	(590 702)	(13 856 925)
Commissions paid for sale of fixed assets	(1 800 000)	-
Payments for investments	(611 651 090)	(309 239 788)
Payments for purchasing of investments in subsidiaries and associates	(39 222 500)	(3 035 195)
Proceeds from sale of investments in subsidiaries and associates	29 434 477	31 395 640
Proceeds from sale of available-for-sale investments	6 696 628	10 580 585
Proceeds from / payments for other investments	47 058 265	(400 349 686)
Net cash used in investing activities	**(570 074 922)**	**(684 505 369)**
Cash flows from financing activities		
Proceeds from issuing of share capital	-	558 125 000
Dividends paid	-	(145 545)
Proceeds from / payments for loans	106 700 717	(2 793 095)
Payments for hedging reserve	-	(11 449 331)
Net cash provided from financing activities	**106 700 717**	**543 737 029**
Net change in cash and cash equivalents during the year	(99 764 072)	122 734 621
Cash and cash equivalents at the beginning of the year	248 428 433	125 693 812
Cash and cash equivalents at the end of the year	**148 664 361**	**248 428 433**

The accompanying notes from page 99 to page 114 are an integral part of these financial statements and are to be read therewith.

1. COMPANY BACKGROUND

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 11, 2004. 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.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the Egyptian Accounting Standards and relevant Egyptian law and regulations.

2.2 Basis of measurement

The financial statements are prepared on the historical cost basis, except for the following assets and liabilities which are measured as fair value
Financial instruments at fair value through income statement.
Derivative financial instruments (hedging reserve).

2.3 Functional and presentation currency

These financial statements are presented in Egyptian pounds (LE), which is the Company's functional currency. All financial information presented in Egyptian pounds.

2.4 Use of estimates and judgments

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 recognized in the year in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are described in the following notes:

- Note no. (11) – measurement of the recoverable amount of investments in subsidiaries and associates.
- Note no. (15) – recognition of deferred tax.
- Note no. (9) – provisions.

2.5 Consolidated financial statements

The company has subsidiaries and according to the Egyptian Accounting Standard No. 17 "Consolidated Financial Statements" and the article No. (188) of the executive regulation of law no. (159) of 1981, the Company is required to prepare consolidated financial statements which present fairly the financial position, the result of operations and cash flows for the group as a whole.

3. SIGNIFICANT ACCOUNTING POLICIES APPLIED

The following accounting policies have been consistently applied by the Company to all periods presented in these financial statements.

3.1 Foreign currency translation

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

3.2 Fixed assets depreciation

Fixed assets are stated at historical cost and presented in the balance sheet net of accumulated depreciation and impairment note no. (3.6), 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	20 years
- Computers	2-3 years
- Furniture & Fixtures & Electric Equipment & Tools	4 years
- Vehicles	4 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.

3.3 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.

3.4 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 statements.

3.5 Investments

3.5.1 Investments at fair value through income statement

An investment is classified as at fair value through income statement if it is held for trading or is designated as such upon initial recognition. Financial investments are designated at fair value through income statement if the Company manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction costs are recognized in income statement when incurred. Financial instruments at fair value through income statement are measured at fair value, and changes therein are recognized in income statement.

3.5.2 Available-for-sale 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 stated at cost.

3.5.3 Investments in subsidiaries and associates

Investments in subsidiaries and associates are stated at cost less impairment note no. (3.6). At each balance sheet date, management assesses the investments' recoverable amount and in case that the recoverable amount is less than the carrying amount then an impairment loss is recognized in the income statement.

3.6 Impairment of assets

3.6.1 Financial assets

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

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

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

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

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

3.6.2 Non-financial assets

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

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

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

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed 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 amortization, if no impairment loss had been recognized.

3.7 Cash and cash equivalents
Cash and cash equivalents are represented in the cash on hand and banks current accounts.

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

3.9 Provisions
Provisions are recognized when the Company has a legal or constructive obligation as a result of a past event and it's 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 balance sheet date and amended (when necessary) to represent the best current estimate.

3.10 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 stopped 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.

3.11 Issued capital
3.11.1 Repurchase of share capital
When share capital recognized as equity is repurchased, the amount of the consideration paid, including directly attributable cost, is recognized as a change in equity.

Repurchased shares are classified as treasury stock and presented as a deduction from total equity.

3.11.2 Dividends
Dividends are recognized as a liability in the period in which they are declared.

3.12 Derivative financial instruments
The Company uses derivative financial instruments to hedge its exposure to interest rate risks arising from operational, financial and investment activities. Derivatives are recognized initially at fair value; attributable transaction costs are recognized in income statement when incurred.
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, 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.

3.13 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.

3.14 Revenues

3.14.1 Gains (losses) on sale of investments

Gains (losses) 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.

3.14.2 Dividends income

Dividends income is recognized in the income statement at the date that the company has rights to receive dividends from investments and occurred after the acquisition date.

3.14.3 Management fee

Management fee is recognized upon rendering the service.

3.14.4 Advisory fee

Advisory fee is calculated based on agreed percentage in accordance with contract term with companies.

3.14.5 Interest income

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

3.15 Expenses

3.15.1 Interest expense

Interest expense on interest - bearing borrowing is recognized in the income statement using the effective interest rate method.

3.15.2 Employees pension

The Company contributes to the government social insurance system 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.

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

3.16 Earnings per share

The Company presents basic 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.

3.17 Profit sharing to employees

The Company pays 10% of its cash dividends as profit sharing to its employees provided that it will not exceed total employees annual salaries. Profit sharing is recognized as a dividend distribution through equity and as a liability when approved by the Company's shareholders.

4 CASH AND CASH EQUIVALENTS

	31/12/2010 LE	31/12/2009 LE
Cash on hand	189 084	68 565
Banks – current accounts	148 475 277	248 359 868
Balance	**148 664 361**	**248 428 433**

Non cash transactions

For the purpose of preparing cash flows statement, the following transactions have been eliminated:

- LE 74 441 894 from payments for investments and due from related parties (represents the transfer from related parties' current account to payments for investments).
- LE 81 995 933 from payments for other investments and due from related parties (represents the transfer from related parties' current account to other investments).
- LE 397 848 714 from payments for purchase of investments in subsidiaries and associates and payments for investments (represents the transfer during the year as investment).
- LE 6 859 054 from proceeds from other investments and other debit balances (represents the uncollected portion of other investments).
- LE 106 466 656 from proceeds from other investments and payments for investments (represents the investments that the company has acquired against part of other investments).
- LE 87 000 000 from proceeds from sale of investments in subsidiaries and associates and payments for investments (represents the value of selling the shares of United Foundries Company against transfer of investments for the Company).
- LE 20 184 048 from proceeds from fixed assets and payments for investments (represents the value of assets under constructions that transferred to one of the subsidiaries as investments).
- LE 36 000 000 from proceeds from sale of fixed assets and due from related parties (represents the value of sold land to one of subsidiaries through current accounts).

5 DUE FROM RELATED PARTIES

	Nature of transaction Advisory fee LE	Finance LE	31/12/2010 LE	31/12/2009 LE
Mena Home Furnishings Mall	4 867 303	--	4 867 303	3 450 513
Falcon Agriculture Investments Ltd.	13 620 957	--	13 620 957	13 903 434
Golden Crescent Investments Ltd.*	13 695 108	--	13 695 108	6 591 082
Orient Investments Properties Ltd.	39 716 159	--	39 716 159	27 177 005
Regional Investments Holding	5 088 275	--	5 088 275	6 817 887
Logria Holding Ltd.*	31 881 898	--	31 881 898	34 335 141
Mena Glass Ltd.	4 315 533	--	4 315 533	3 817 404
Silverstone Capital Investment Ltd.	3 066 099	--	3 066 099	1 228 523
Sabina for Integrated Solutions	6 371 860	--	6 371 860	38 338 300
Sphinx Glass Ltd.	4 634 080	--	4 634 080	4 381 520
ASEC Cement Company	14 626 894	--	14 626 894	13 604 022
National Development and Trading Company	--	11 585 199	11 585 199	58 902 090
Citadel Capital Holding for Financial Investments-Free Zone *	--	189 556 177	189 556 177	213 616 287
ASEC for Mining (ASCOM)	--	9 246 768	9 246 768	31 207 600
Citadel Capital for International Investments Ltd.*	--	66 921 097	66 921 097	117 668 506
National Company for Touristic and Property Investments	--	36 000 000	36 000 000	--
Citadel Capital Financing Corp.*	38 026 774	--	38 026 774	--
Valencia Trading Holding Ltd.	8 688 900	--	8 688 900	--
Citadel Capital Transportation Opportunities II Ltd.	741 725	--	741 725	--
United Foundries Company	--	--	--	36 097 048
Citadel Capital for Scholarship *	--	--	--	2 301 113
Total			**502 650 806**	**613 437 475**
Impairment*			**(82 660 024)**	**(2 301 113)**
Net			**419 990 782**	**611 136 362**

Note no. (20)

6 OTHER DEBIT BALANCES

	31/12/2010 LE	31/12/2009 LE
Deposits with others	1 419 652	1 419 652
Imprest	252 777	826 627
Advances to suppliers	234 047	1 785 883
Prepaid expenses	146 940	475 440
Letters of guarantee's margin	579 260	547 690
Sundry debit balances	7 225 558	12 139 529
Balance	**9 858 234**	**17 194 821**

7 DUE TO RELATED PARTIES

	31/12/2010 LE	31/12/2009 LE
Citadel Capital Partners Ltd.*	**705 947 717**	**305 128 943**

The principal shareholder of the Company – 38.99%.

8 OTHER CREDIT BALANCES

	31/12/2010 LE	31/12/2009 LE
Tax Authority	2 518 440	284 538
Accrued expenses	26 280 601	31 914 294
Accrued interest	3 274 852	2 665 113
Suppliers	3 307 561	2 091 727
Prior years dividends payable	2 893 919	2 893 919
National Authority for Social Insurance	106 100	12 745
Sundry credit balances	42 243	60 937
Balance	**38 423 716**	**39 923 273**

9 EXPECTED CLAIMS PROVISION

	31/12/2010 LE	31/12/2009 LE
Balance at the beginning of the year	14 312 225	11 212 225
Formed during the year *	173 556 329	3 100 000
Balance	**187 868 554**	**14 312 225**

This provision represents contingent claims from one of the parties regarding the Company's activities. The usual information related to provisions according to the Accounting Standards has not been disclosed because management believes that disclosing could seriously affect the outcome of negotiations with this party, and the management periodically reviews this provision and adjusts the provision amount according to the latest discussions with this party.

10 AVAILABLE-FOR-SALE INVESTMENTS

	31/12/2010 LE	31/12/2009 LE
Arab Swiss Engineering Company (ASEC)	17 479	17 479
Modern Company for Isolating Materials	43 396	43 396
Horus Private Equity Fund II	10 360 126	14 654 268
Horus Private Equity Fund III	15 970 800	15 970 800
Balance	**26 391 801**	**30 685 943**

The available-for-sale investments are represented in unlisted investments in the Stock Exchange.

11 INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

	Percentage %	31/12/2010 LE	Percentage %	31/12/2009 LE
National Development and Trading Company	44.47	668 170 587	49.50	668 170 587
ASEC for Mining (ASCOM)	39.22	183 051 762	44.64	163 687 999
Citadel Capital Holding for Financial Investments-Free Zone	99.99	1 345 352 547	99.99	1 345 352 547
United Foundries Company	29.29	103 699 040	49.29	174 459 040
Citadel Capital for International Investments Ltd.	100	397 854 569	100	5 855
Citadel Capital – Algeria *	--	--	99.99	6 194 250
Total		**2 698 128 505**		**2 357 870 278**
Impairment *		**--**		**(6 194 250)**
Net		**2 698 128 505**		**2 351 676 028**

- Investments in subsidiaries and associates are represented in unlisted securities in the Stock Exchange except ASEC for Mining (ASCOM) which has market value of LE 173 794 860 as at December 31, 2010 versus LE 236 023 425 as at December 31, 2009.
  Note no. (20)

12 PAYMENTS FOR INVESTMENTS

	31/12/2010 LE	31/12/2009 LE
Citadel Capital Holding for Financial Investments- Free Zone *	1 243 021 253	651 176 519
Citadel Capital for International Investments Ltd.	250 208 876	348 378 910
Fund Project *	25 188 018	19 414 025
Forestry Project *	2 400 624	2 400 624
Mammoth Project *	7 658 206	--
Glass Rock	--	5 211 925
ASCOM Algeria *	--	3 285 594
Citadel Capital – Algeria *	--	9 413 070
Total	**1 528 476 977**	**1 039 280 667**
Impairment *	**(33 015 508)**	**(12 698 664)**
Net	**1 495 461 469**	**1 026 582 003**

Note no. (20)

13 FIXED ASSETS

	Land LE	Building and constructions LE	Computer and software LE	Furniture and fixture LE	Vehicles LE	Assets under Construction* LE	Total LE
Cost as at 1/1/2010	24 000 000	33 742 368	7 048 249	22 368 302	539 800	20 084 048	107 782 767
Additions during the year	--	--	463 002	27 700	--	100 000	590 702
Disposals during the year	(24 000 000)	--	--	--	--	(20 184 048)	(44 184 048)
Total cost as at 31/12/2010	**--**	**33 742 368**	**7 511 251**	**22 396 002**	**539 800**	**--**	**64 189 421**
Accumulated depreciation as at 1/1/2010	--	5 061 355	4 660 792	13 900 556	258 654	--	23 881 357
Depreciation during the year	--	1 687 118	1 375 800	5 423 505	134 950	--	8 621 373
Accumulated depreciation as at 31/12/2010	**--**	**6 748 473**	**6 036 592**	**19 324 061**	**393 604**	**--**	**32 502 730**
Net cost as at 31/12/2010	--	26 993 895	1 474 659	3 071 941	146 196	--	31 686 691
Net cost as at 31/12/2009	**24 000 000**	**28 681 013**	**2 387 457**	**8 467 746**	**281 146**	**20 084 048**	**83 901 410**

* Assets under construction represent what was paid for preparations of two plots of land which were purchased at the Smart Village for the purpose of constructing a new headquarters for the company and during the financial year it has been sold to one of the subsidiaries, note no. (23.6).

14 OTHER INVESTMENTS

Other investments are represented in loans granted to associates as follows:

	31/12/2010 LE	31/12/2009 LE
National Development and Trading Company *	313 082 482	400 679 647
United Foundries Company **	71 506 264	--
Balance	**384 588 746**	**400 679 647**

* The Company has granted two subordinating loans to National Development and Trading Company – (one of the associate companies - 44.47%) as follows:

1 A contract as at December 28, 2009 with an amount of US.$ 73 097 863 (equivalent to LE 400 349 686 as at December 31, 2009) in addition to an interest amounted to US.$ 60 251 (equivalent to LE 329 961) and the Company has transferred during the year an amount of US.$ 32 129 233 (equivalent to LE 176 443 876) from the loan's principle to Financial Holding International Company (one of National Development and Trading Company's shareholders) to become with an amount of US.$ 40 968 630 (equivalent to LE 237 314 886 as at December 31, 2010) in addition to an interest amounted to US.$ 4 766 163 (equivalent to LE 27 608 476). As a result , the balance become with an amount of US.$ 45 734 793 (equivalent to LE 264 923 362).

2 A contract as at September 21, 2010 with an amount of US.$ 8 313 904 (equivalent to LE 48 159 120 as at December

31,2010) including an interest amounted to US.$ 249 017 (equivalent to LE 1 442 456).
The loans contracts period will be five years, the principle of the two loans have to be paid with interest at the end of loans period, with 11.5% annual cumulative interest, according to loans contracts the company has the right to convert the value of loans in addition to its interest due into capital increase in the capital of National Development and Trading Company with par value.

The guarantees are represented in lien on part of National Development and Trading Company shares in the following subsidiaries companies:

ASEC Cement Company	41 050 000 shares
Arab Swiss Engineering Company (ASEC)	899 900 shares

** The Company has concluded a subordinating loan contract with United Foundries Company – (one of the associate companies - 29.29%) on June 2, 2010 with an amount of US.$ 12 344 416 (equivalent to LE 71 506 264 as at December 31, 2010) including an interest amounted to US.$ 781 229 (equivalent to LE 4 525 347) for a period of three years, the principle of the loan has to be paid with interest at the end of the loan period, with 11.5% annual cumulative interest , according to the loan contract the company has the right to convert the value of the loan in addition to its interest due into capital increase in the capital of United Foundries Company with par value.
The guarantees are represented in a first degree lien of United Foundries Company shares in Ameryah Metal Company one of its subsidiaries with a percentage of 99.72%.

15 DEFERRED TAX

	31/12/2010 LE	31/12/2009 LE
Fixed assets (depreciation)	**1 718 309**	**687 237**

16 SHARE CAPITAL

- The Company's authorized capital is LE 6 billion.

- The Board of directors of the Company held on December 12, 2008 decided to increase the issued capital with an amount of LE 275 500 000 to be LE 3 025 500 000 by issuing new 55 100 000 shares with par value LE 5 each, accordingly the total number of shares after increase is 605 100 000 shares. The share capital increase was paid in full. The commercial register was updated on March 4, 2009.

- The Board of directors of the Company held on April 5, 2009 decided to increase the issued capital with an amount of LE 282 625 000 to be LE 3 308 125 000 by issuing new 56 525 000 shares with par value LE 5 each, accordingly the total number of shares after increase is 661 625 000 shares distributed to 496 218 750 common shares and 165 406 250 preferred shares. The share capital increase was paid in full during July. The commercial register was updated on July 26, 2009.

The shareholders' structure is represented as follows:

Shareholders' name	Percentage %	No. of shares	Value in LE
Citadel Capital Partners Ltd.	38.99	258 000 000	1 290 000 000
Emirates International Investments Company	8.37	55 362 835	276 814 175
Others	52.64	348 262 165	1 741 310 825
	100	**661 625 000**	**3 308 125 000**

17 LONG TERM LOANS

On May 15, 2008 the Company obtained a long-term loan from a group of banks (represented in Arab African International Bank, Suez Canal Bank, Misr bank , Piraeus Bank, Morgan & Stanely Bank and City Bank London "syndication manager") with an amount of US.$ 200 millions for a period of five years (US.$150 millions committed and US.$ 50 millions uncommitted) bearing variable interest rate (2.5 %+Libor rate) for the first 3 years and (2.75 % +Libor rate) for the last 2 years
Loan is to be paid on three installments:

- The first stage 10% will be settled after three years.

- The second stage 20% will be settled at the end of the fourth year.
- The last stage 70% will be settled at the end of the loan period.

The Company has withdrawn an amount of US.$ 166 064 225 (equivalent to the amount of LE 961 943 630 as at December 31, 2010) versus of US.$ 147 503 008 (equivalent to the amount of LE 807 859 225 as at December 31, 2009), and the first stage installment due on May 15, 2011 is amounted to US.$ 16 606 423 (equivalent to LE 96 194 363) .

The loan guarantees are as follows:

1- First degree lien contract of the shares owned by the company in National Development and Trading Company.
2- First degree lien contract of 9 805 622 shares of ASEC for mining (ASCOM).
3- First degree lien contract of the shares owned by the Company in Citadel Capital Ltd. (One of the subsidiaries of Citadel Capital Holding for Financial Investments-Free Zone).
4- First degree lien contract of the investments owned by Citadel Capital Ltd. (One of the subsidiaries of Citadel Capital Holding for Financial Investments-Free Zone) in the following companies:
   - Orient Investments Properties Ltd.
   - 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.
   - Regional Investments Holding
   - Lotus Alliance Limited
   - Citadel Capital Financing Corp.

Hedging contract for risk of interest rate swap

On May 15, 2008 the Company signed a hedging contract with Citi Bank – London where by fixing the libor rate on the loan at an interest rate of 4.195 % on the value that equals 50 % of the amount used from the irrevocable portion the loan value in accordance with the terms of the loan granted.

18 GAINS ON SALE OF INVESTMENTS

	For the year ended	
	31/12/2010	31/12/2009
	LE	LE
Gains on sale of investments in subsidiaries and associates *	25 815 740	45 036 600
Gains on sale of available-for-sale investments	2 402 486	840 986
Total	**28 218 226**	**45 877 586**

* Represented in gains arising from sale of shares in the following companies:

	For the year ended 31/12/2010			For the year ended 31/12/2009		
	Selling price of investment	Cost of investment	Net	Selling price of investment	Cost of investment	Net
	LE	LE	LE	LE	LE	LE
ASEC for Mining (ASCOM)	29 434 477	(19 858 737)	9 575 740	31 395 640	(19 625 837)	11 769 803
United Foundries	87 000 000	(70 760 000)	16 240 000	21 228 000	(21 228 000)	--
National Development and Trading Company	--	--	--	293 793 040	(260 526 243)	33 266 797
	116 434 477	**(90 618 737)**	**25 815 740**	**346 416 680**	**(301 380 080)**	**45 036 600**

19 FINANCING COST

	For the year ended 31/12/2010 LE	31/12/2009 LE
Credit interest *	65 552 113	36 454 063
Debit interest	(70 140 611)	(30 709 598)
Foreign currency differences	(8 699 711)	(6 536 002)
Net	**(13 288 209)**	**(791 537)**

* Note no. (23.2)

20 IMPAIRMENT LOSS ON ASSETS

	For the year ended 31/12/2010 LE	31/12/2009 LE
Impairment loss on payments for investments		
Fund Project	22 956 678	--
Forestry Project	2 400 624	--
Mammoth Project	7 658 206	--
Citadel Capital - Algeria	--	9 413 070
Ascom Algeria	--	3 285 594
	33 015 508	**12 698 664**
Impairment loss on due from related parties		
Citadel Capital Holding for Financial Investments- Free Zone *	5 000 000	--
Citadel Capital for International Investments Ltd.	11 375 707	--
Citadel Capital Financing Corp.	27 554 865	--
Logria Holding *	31 881 898	--
Golden Crescent Investment Ltd.**	6 847 554	--
Citadel Capital for Scholarship	--	2 301 113
	82 660 024	**2 301 113**
Impairment loss on investments in subsidiaries and associates		
Citadel for Projects	--	(249 700)
National Co. for Building Materials	--	(249 700)
Citadel Capital-Algeria	--	6 194 250
	--	5 694 850
Balance	**115 675 532**	**20 694 627**

21 EARNINGS PER SHARE

	For the year ended 31/12/2010 LE	31/12/2009 LE
Net (loss) profit for the year	(298 325 013)	211 349 252
The weighted average number of shares	**661 625 000**	**620 871 566**
Earnings per share	**(0.45)**	**0.34**

22 RECONCILIATIONS OF EFFECTIVE TAX RATE

	31/12/2010 LE	31/12/2009 LE
Net (loss) profit before tax	(298 689 782)	210 268 883
Tax reconciliations:		
Tax exemptions	(9 575 740)	(324 808 635)
Hedging reserve	16 882 076	(16 882 076)
Provisions	173 556 329	3 100 000
Impairment loss on assets	115 675 532	20 694 627
Non deductible expenses	2 014 855	46 000
Fixed assets (taxable depreciation variances)	3 468 243	2 111 962
Net tax exposure	**3 331 513**	**(105 469 239)**
Effective tax rate	**20%**	**20%**
Income tax according to the tax return	**666 303**	**--**

23 RELATED PARTY TRANSACTIONS

23.1 Advisory fee presented in the income statement represents the advisory services rendered to the related parties according to signed contracts as follows:

Company's name	For the year ended 31/12/2010 LE	31/12/2009 LE
Mena Glass Ltd.	4 188 534	3 864 440
Mena Home Furnishings Mall	4 727 139	3 492 207
Regional Investments Holding	4 931 759	3 921 714
Falcone Agriculture Investments Ltd.	13 218 466	12 795 523
Logria Holding.	35 230 667	34 765 817
Golden Crescent Investments Ltd.	6 523 485	6 676 234
Orient Investments Properties Ltd.	10 558 922	14 609 280
Sphinx Glass Ltd.	4 495 820	4 436 500
ASEC Cement Company	14 197 114	17 862 131
Silverstone Capital Investment Ltd.	1 724 866	1 228 980
Citadel Capital Transportation Opportunities II Ltd.	738 666	--
Total	**100 535 438**	**103 652 826**

23.2 Credit interest – finance income note no.(19) includes an amount of LE 64 518 290 which represent the accrued interest income according to signed contracts with related parties as follows:

Company's name	For the year ended 31/12/2010 LE	31/12/2009 LE
National Development and Trading Company	30 626 472	19 014 549
United Foundries Company	4 425 586	447 826
Citadel Capital Holding for Financial Investments-Free Zone	25 235 222	3 808 363
Citadel Capital for International Investments Ltd.	4 231 010	11 059 123
Total	**64 518 290**	**34 329 861**

23.3 Dividends income presented in the income statement represents dividends for year 2009 from subsidiaries as follows:

Company's name	31/12/2010 LE	For the year ended 31/12/2009 LE
Citadel Capital Holding for Financial Investments-Free Zone	--	226 635 479
Arab Company for Financial Investments	--	13 823 533
Total	**--**	**240 459 012**

23.4 Other operating income presented in the income statement is represented in the following:
The related parties' amounts due to the Company for bearing all the direct and indirect pre-operation fees for those related parties as follows:

Company's name	For the year ended 31/12/2010 LE	31/12/2009 LE
Eco-Logic Ltd.	10 070 736	--
Valencia Trading Holding Ltd.	8 516 850	--
Citadel Capital Financing Corp.	17 626 600	--
Sabina for Integrated Solutions	--	39 098 500
Total	**36 214 186**	**39 098 500**

23.4.2 Management fees due from Citadel Capital Financing Corp. with an amount of LE 19 700 375 according to signed contract.

Gains on sale of fixed assets is represented in gains from sale of owned land to one of the Company's subsidiaries - National Company for Touristic and Property Investments as follows:

	LE
Selling price	36 000 000
Cost	(24 000 000)
Sales commissions and expenses	(1 800 000)
Net	10 200 000

23.6 The Company has transferred assets under constructions with its cost to Specialized Company for Real Estate (one of the subsidiaries) with an amount of LE 20 184 048.

24 TAX STATUS

Corporate tax

- The Company's books have not been inspected yet.
- The Company submitted its tax returns on regular basis for the year from 2005 to 2009 according to tax law No 91/2005.

Salaries tax

The Company deducts the salaries tax according to tax law no. 91 / 2005 and no tax inspection for salaries tax has been taken place yet.

Stamp tax

The Company was inspected till July 31, 2006 and paid all the accrued amounts according to the Internal Committee decision and no tax inspection for the period from 1/8/2006 to 31/12/2010 has been taken place yet.

Withholding tax

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

25 ADMINISTRATIVE AND GENERAL EXPENSES

	For the year ended 31/12/2010 LE	31/12/2009 LE
Wages , salaries and similar items	113 739 692	69 554 844
Consultancy	5 595 814	38 656 687
Advertising and public relations	11 078 865	20 383 814
Travel , accommodation and transportation	23 393 259	24 578 206
Management fees –note no. (26)	--	23 483 250
Other expenses	28 608 934	18 726 179
Total	**182 416 564**	**195 382 980**

26 MANAGEMENT FEES

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 – 38.99 %) which states that Citadel Capital Partners Ltd. provides management duties for fees based on 10% of the net annual profit available for distribution. The total fees for the year ended December 31, 2010 are nil against an amount of LE 23 483 250 as at December 31, 2009 .

27 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 did not start to apply it till now.

28 CONTINGENT LIABILITIES

The company guarantees some related parties against loans from banks and the credit facilities granted for those companies.

29 FINANCIAL INSTRUMENTS AND MANAGEMENT OF RELATED RISKS:

The Company's financial instruments are represented in the financial assets and liabilities. Financial assets include cash balances with banks and debtors while financial liabilities include creditors. Note no. (3) of notes to financial statements includes significant accounting policies applied regarding basis of recognition and measurement of the important financial instruments and related revenues and expenses by the Company to minimize the consequences of such risks.

29.1 Credit risk

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

29.2 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.

29.3 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. Assets and liabilities that have foreign currency position at the balance sheet date equivalent to LE 977 726 818 and LE 1 036 333 995 respectively, and net foreign currencies balances are as follows:

Foreign currencies	(Deficit) / surplus LE
US.$	(64 702 790)
Euro	6 095 613

- As disclosed in note no. (3.1) the Company has used the prevailing exchange rates to revaluate monetary assets and liabilities at the balance sheet date.

29.4 Financial instruments' fair values

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 financial statements, the financial instruments' fair value does not substantially deviate from their book values at the balance sheet date .

30 SUBSEQUENT EVENTS

Recently, Arab Republic of Egypt faced events that might have significant impact on economic sectors in general that is highly likely to affect the economic activities during the coming periods, so it is likely that the events referred to a substantial impact on the elements of assets and liabilities and the remedial value, as well as business results through Future periods.

Currently, it is not possible to quantify this effect on the assets and liabilities included the financial statements of the Company, where the impacts depend on the time period of the events referred is expected to be completed by to know their effects.

31 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year presentation.

East Africa Contact
Karim Sadek
Managing Director

Algeria Contact
Alaa El-Afifi
Managing Director

Shareholder Contact
Amr M. El-Kadi
Head of Investor Relations

Regional Investor Contact
Mohammed Abdellah
Managing Director

International Institutional Investor Contact
Stephen Murphy
Managing Director

Corporate Communications Contact
Ghada Hammouda
Head of Corporate Communications

Government Relations Contact
Hazem Dakroury
Head of Government Relations

Human Resources Contact
Ihab Rizk
Head of Human Resources

Legal Affairs Contact
Amr Namek
Legal Counsel

www.citadelcapital.com

Citadel Capital (S.A.E.)
1089 Corniche El-Nil
Four Seasons Nile Plaza Office Building
Garden City • Cairo • Egypt • 11519

Tel: +20 (2) 2791-4440
Fax: +20 (2) 2791-4448

Citadel Capital Algérie
1 Amar Souiki St.,
El-Biar, Algiers 1600
Algeria

Tel: +213 (21) 92 96 98
Fax: +213 (21) 92 96 74

Citadel Capital East Africa
Railway Complex, Station Road
Off Haile Selassie Avenue
(P.O. Box 62502 00200)
Nairobi, Kenya

Tel: +254 (0) 20 20 444 76-9

www.citadelcapital.com

Citadel Capital (S.A.E.)
1089 Corniche El-Nil
Four Seasons Nile Plaza Office Building
Garden City • Cairo • Egypt • 11519

Tel: +20 (2) 2791-4440
Fax: +20 (2) 2791-4448

Citadel Capital Algérie
1 Amar Souiki St.,
El-Biar, Algiers 1600
Algeria

Tel: +213 (21) 92 96 98
Fax: +213 (21) 92 96 74

Citadel Capital East Africa
Railway Complex, Station Road
Off Haile Selassie Avenue
(P.O. Box 62502 00200)
Nairobi, Kenya

Tel: +254 (0) 20 20 44476-9