Citadel Capital Reports Fourth Quarter and Full Year 2010 Results

After a year marked by strong fundraising momentum and sharp reduction in execution risk, Citadel Capital adopts conservative position for 2011, writes-down two upstream oil and gas investments, seeks regulatory approval for rights issue

CCAP.CA on the Egyptian Stock Exchange

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(Cairo, Egypt) — Citadel Capital (CCAP.CA on the Egyptian Stock Exchange), the leading private equity firm in the Middle East and Africa, announced today its standalone financial results for the full year and fourth quarter of 2010, reporting a 9.9% rise in total assets under management (AUM) to US$ 4.0 billion (EGP 23.2 billion) in the full year and a sharp narrowing of execution risk. Citadel Capital added US$ 363.6 million in new AUM in FY10, including US$ 97.0 million in new principal investments.

Conditions in Egypt and the broader MENA region arising from recent political and economic developments have since prompted Management to adopt a more conservative outlook on 2011, a factor that underpins a reduced Portfolio Net Asset Valuation Per Share (PNAVPS) of US$ 1.30 (EGP 7.51) and the write-down of two principal investments related to an under-performing upstream oil and gas platform. The firm last reported a PNAVPS of US$ 1.86 (EGP 10.51) at the end of the first half of 2010.

Both oil and gas platforms will continue to operate, and Management is supportive of efforts to reach a technical solution that will allow the companies to bring their reserves into production. Nonetheless, Management has written-down the Firm's investments and intercompany balances in NOPC / Rally Energy (which faces technical challenges) and in the National Petroleum Company (NPC), by 100% and 50% respectively. Management had consistently impaired both investments on its Portfolio Net Asset Valuation (PNAV); NPC is impaired as a result of its equity stake in NOPC / Rally and not due to technical difficulties of its own.[1]

"As we have proven during past episodes of global and regional turbulence, we know when to take very calculated risks and when a more cautious approach is in order," said Citadel Capital Chairman and Founder Ahmed Heikal. "The Firm's focus in 2010 was on nurturing our existing investments as we worked to minimize execution risk across our 14-country, 15-industry footprint. As a result, we began operations at seven greenfield projects while recording substantial new fundraising that accounted for upward of 27.5% of all private equity funds raised for investment in the Middle East and North Africa last year. This emphasis will carry over into 2011 as we take steps to minimize the economic impact of the Egyptian Revolution on our platform investments while remaining watchful for unique investment opportunities in the medium term.

"Part of this process is the frank admission that two of our oil exploration platforms are under-performing. They sit on very substantial reserves, but ongoing technical challenges at NOPC / Rally in particular have so far stalled efforts to bring these reserves into production. Accordingly, we have decided this is an appropriate moment to take a conservative outlook on these two platforms, both of which will continue as operating companies."

On a standalone basis, Citadel Capital accordingly reports a net loss of US$ 51.5 million (EGP 298.3 million) for FY10 on revenues of US$ 28.5 million (EGP 165.0 million) as a result of non-cash charges associated with write-downs taken as a result of a more conservative outlook.

1 Management notes that while it has impaired these principal investments, it continues to manage LP funds in the OSFs that manage them, which remain locked into the companies' equity base through contractual agreement. Management will continue to charge advisory but provision for those sums pending a resolution to technical difficulties at both assets.

"That said, the oil and gas investments we are writing down are held by a subsidiary two levels away from Citadel Capital SAE," noted Chief Financial Officer Ahmed El Shamy. "Writing-down those investments from the lowest level makes the non-cash charges appear fully on the consolidated statements but not on the standalone financials. 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 accordingly include only advisory fees and interest on convertibles."

As a result, Citadel Capital reports a net loss of US$ 241.7 million (EGP 1.4 billion) on a consolidated basis. (See page 32 for a detailed explanation of where the write-downs appear in Citadel Capital's standalone and consolidated financial statements.)

The portfolio net asset value (PNAV) of Citadel Capital's principal investments declined 28.6% from 1H10 to US$ 857.8 million (EGP 5.0 billion) on the back of a full impairment on NOPC / Rally Energy, a 50% impairment on the National Petroleum Company (NPC, owing exclusively to its equity investment in NOPC / Rally Energy), and a broadly conservative outlook on the economy. Management has also opted to refrain from providing guidance on the value of Citadel Capital's asset management business (AMV) as a result of the current lack of visibility on the fundraising and exit climate. Analysts and fund managers may value this component of the business at their own discretion.

"PNAV is a snapshot based on a hypothetical exit today of each of these investments. Our emphasis in the period ahead is on the continued growth of each of our 102 platform and portfolio companies, including those on which we have increased our impairment. The period ahead will be challenging, but it will also carry with it opportunities," Heikal noted.

Citadel Capital is also pursuing regulatory approval for a US$ 175 million (EGP 1 billion) rights issue at par value (EGP 5 / share), Heikal noted.

"The current climate has prompted us to postpone plans to IPO one or more platform companies this year and has seen us implement cost-control measures at the Citadel Capital and platform / portfolio levels," Heikal said. "The Firm and our platform investments are solidly on the right side of macro trends including devaluation of the Egyptian pound, rising commodities prices, and an expected medium-term acceleration of the rate at which fuel subsidies are removed and the energy sector is liberalized."

"Obviously, challenges remain. Against that backdrop, we are seeking approval for the rights issue to secure additional liquidity to support our growth even as we see exits delayed by 12-18 months. Citadel Capital Partners would participate pro-rata in the rights issue, which has already been advanced on Citadel Capital's books," Heikal concluded.

Highlights of FY10 include:

- **Total assets under management** Total AUM rose 9.9% year-on-year to US$ 4.0 billion (EGP 23.2 billion) on the back of US$ 363.6 million (EGP 2.1 billion) in new AUM.

- **Fee-Earning assets under management** Fee-earning AUM totalled US$ 2.1 billion (EGP 12.2 billion) at the end of FY10, a rise of 3.0% quarter-on-quarter and 9.7% year-on-year. Management notes that commitments to the MENA and Africa Joint Investment Funds (JIFs) are fee-earning from the time of commitment, and that the fee-earning AUM base now includes c.US$ 740.8 million in third-party equity investments related to platform companies on which the Firm has impaired part or all 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.

- **Citadel Capital accounted for c.27.5% of all private equity funds** raised for investment in MENA in FY10, according to figures from the Emerging Markets Private Equity Association. Funds raised included US$ 140 million from leading global institutional investors (including development finance institutions) for the joint first close of the MENA and Africa JIFs; US$ 100 million in equity committed to the Egyptian Refining Company by the International Finance Corporation, and US$ 100 million in financing from the US Overseas Private Investment Corporation.

- **Delivery of seven greenfield investments** as part of a concerted effort to narrow execution risk. Operations delivered included:

    - Sphinx Glass (EGP 1.1 billion float glass plant).

    - Tanash Port (unique river transportation and logistics center).

    - Designopolis (the Middle East and Africa's first home furnishings destination, under Platform Company Bonyan).

    - Berber for Electrical Power (a power-generation plant in Sudan under Platform Company TAQA Arabia).

    - ASEC Ready Mix (concrete production and distribution in Upper Egypt under Platform Company ASEC Holding).

    - Al-Takamol Cement (cement production in Sudan, also under ASEC Holding).

    - Platform Company Nile Logistics received two custom-designed, 100-meter river barges in August 2010 and a further two in March 2011. Nile Logistics will ultimately take receipt of up to 100 environmentally friendly barges to augment its existing fleet of 31 reconditioned vessels.

- **Expansion into East Africa** through the acquisition of majority control of Rift Valley Railways (RVRI), the national railway of Kenya and Uganda. The Firm has opened a permanent office in Nairobi staffed by a Managing Director and private equity professionals and has begun implementing a US$ 287 million rehabilitation plan for RVRI. On a related note, the Firm also obtained in 2010 a right-of-way agreement for newly-established Nile Valley Railways in Sudan. Also in Sudan, Citadel Capital has pressed forward with new investments in Wafra (agriculture), Berber (electricity generation) and Al-Takamol (cement manufacturing). Investments in Sudan and East Africa now account for c.18% of total equity invested by Citadel Capital and its limited partners.

- **Enhancement of management talent:** Citadel Capital has implemented changes in staff where appropriate (including new chief executives for ASEC Holding and Gozour and a new chairman for Gozour) as well as acquired top global talent for previously-vacant positions at platform companies including Finance Unlimited.

- **Cleaning house:** As noted, in view of the substantial economic fallout from the Egyptian Revolution of January 25 and ongoing regional turmoil, Management has adopted a conservative outlook that has prompted a full write-down on NOPC / Rally Energy and a 50% write-down on NPC (the write down on NPC is a result of its equity investment in NOPC / Rally) in addition to other non-reimbursable expenses. This decision marks down equity investments, convertibles, loans and advisory fees on a consolidated basis. On a standalone basis, the write-down is reflected only on advisory fees and interest on convertibles as well as investments classified as "Others" which are not related to NPC or NOPC / Rally. Both companies remain operational — Management is hopeful that a technical solution will allow reserves to be brought into production, but would prefer to enjoy the benefits of upside risk.

- **Fine-tuning balance sheet:** Citadel Capital has recovered significant bridge financing extended to platform investments during the financial crisis of 2008-09 to compensate for timing differences in drawdown on LP commitments. Loans to platform and portfolio companies fell 30.2% to US$ 56.2 million (EGP 307.4 million) as at 31 December 2010 compared with the same date the previous year, while convertibles eased 11.9% to US$ 84.5 million (EGP 509.1 million) in the same period.

Management's discussion of operational performance as well as details of Citadel Capital's FY10 standalone and consolidated financials are below; full financials are available for download at www.citadelcapital.com.

Performance Highlights

Financial Highlights (in EGP mn)	FY09	1Q10	2Q10	3Q10	4Q10	FY10
Revenue	438.9	42.3	38.5	44.05	40.1	165.0
EBITDA	213.2	(10.8)	(3.8)	4.61	(131.8)	(141.8)
Net Income / Loss	211.4	1.5	0.29	18.43	(318.6)	(298.3)
Principal Investments* (in EGP mn as carried on balance sheet)						
Total Principal Investments	4,250	4,415	4,453	4,624	4,912	4,912
Of which Equity	3,284	3,520	3,834	3,871	4,095	4,095
Of which Loans	441	433	222	277	307	307
Of which Convertibles	525	463	400	476	509	509
New Investments in the Period	866	165	38	172	288	662
Gains from Sale of Investments in the Period	272.5	9.6	0.0	0.0	16	26
Portfolio Net Asset Value (PNAV, EGP mn)	**6,840**	**not issued**	**6,957**	**not issued**	**4,969**	**4,969**
Portfolio Net Asset Value per Share (PNAVPS, EGP)	**10.33**	**not issued**	**10.51**	**not issued**	**7.51**	**7.51**
Asset Management (in US$ bn, as at the date)						
Total Investments Under Control	8.3	8.3	8.4	8.6	8.7	8.7
Total AUM	3.7	3.7	3.7	4.0	4.0	4.0
Invested AUM	2.9	2.9	2.9	3.0	3.1	3.1
Invested Third-party AUM	2.1	2.1	2.2	2.2	2.2	2.2
Third-party Fee-earning AUM	1.9	1.9	1.9	2.0	2.1	2.1
New Invested AUM (in US$ mn, for the period)	193.4	63.6	33.7	52.3	116.4	265.9
Revenue from Advisory Fees (in US$ mn, for the period)	17.9	4.4	4.5	4.6	4.1	17.3
Revenue from Carried Interest (in US$ mn, for the period)	-	-	-	-	-	-
Asset Management Value (AMV) (in EGP mn)	**3,420**	**not issued**	**3,846**	**not issued**	**n/a**	**n/a**
Net Asset Value**						
Total NAV (TNAV) (in EGP mn)	**10,260**	**not issued**	**10,803**	**not issued**	**n/a**	**n/a**
TNAV per Share (in EGP)	15.50	not issued	16.32	not issued	n/a	n/a

Track Record (for the quarter ending 31 December 2010 unless otherwise indicated)		
Investments made since 2004 (acquisitions and new company formations)		54
Number of Platform Companies as at 31 December 2010		19
Number of Funds (Opportunity-Specific Funds + Standing Funds) as at 31 December 2010		21
Total number of countries in which Citadel Capital invests		14
Number of industries in which Citadel Capital invests		15
Total equity raised and invested since 2004	EGP 27.0 billion	US$ 4.7 billion
Cash returns to shareholders and LPs since 2004 (on equity investments of US$ 650 million)	EGP 14.4 billion	US$ 2.5 billion
Shareholder Structure		
Citadel Capital Partners (CCP)		39%
Board members other than CCP		18%
Investors Owning More than 1%		14%
Others		29%
Number of shares outstanding		661,625,000
Paid-in capital of Citadel Capital	EGP 3.3 billion	US$ 0.6 billion

* This summary is provided for parties interested in dissecting Principal Investments on Citadel Capital's standalone balance sheet as presented on page 35. That said, the majority of Citadel Capital principal investments are made in US dollars. Management accordingly analyzes both principal investments and AUM in US dollars. The balance of this document uses USD as the currency for analysis and comparison of investments, whether by the Firm or its co-investors.

** As noted previously, Citadel Capital is not offering a TNAV because the Firm has suspended guidance on AMV.

I. Chairman's Note

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. 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 with our co-investors, LPs and bankers to the postponement of new transactions — appears in the following section of this Business Review.

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-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

II. Impact of Recent Events on the Firm and its Platform Companies

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 102 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 (EIB).

  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

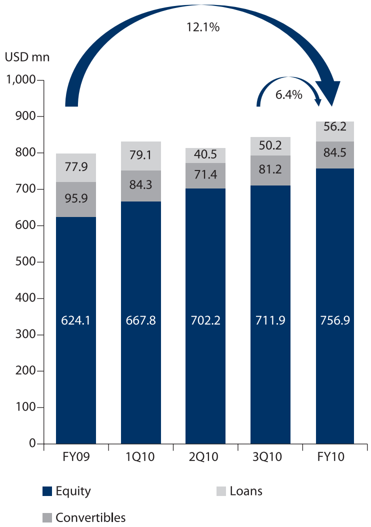
While the medium-term outlook is mixed at best, Citadel Capital maintains that any increase in meaningful democracy across the region will translate into more stable, faster-growing markets.

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

Fourth Quarter / Full Year 2010 in Brief

a) Citadel Capital Principal Investments



I. Citadel Capital as a Principal Investor (Own Balance Sheet)

- Total principal investments (including convertibles and interest-bearing loans to platform companies) rose 6.4% quarter-on-quarter and 12.1% year-on-year to US$ 897.6 million (EGP 4.9 billion).[2] Citadel Capital made new principal investments of US$ 97.0 million (EGP 662.0 million) in the year just ended.

    - **Equity investments by Citadel Capital as a principal investor:** New investments of US$ 132.7 million (EGP 811.1 million) in FY10 were biased toward rail and river transportation, agriculture, consumer foods and petroleum refining. In 4Q10, the Firm completed a share swap with a co-investor that saw it reduce its exposure to metallurgy while increasing its bias toward cement and construction. Total equity investments stood at US$ 756.9 million (EGP 4,095.5 million) at year's end.

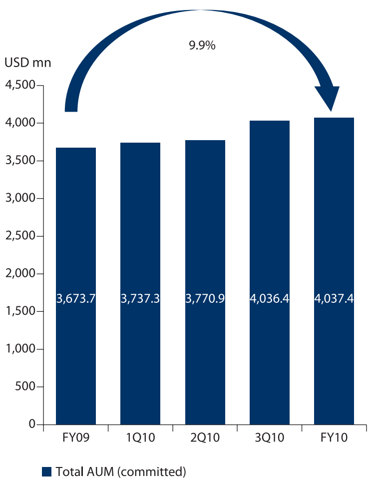
    - **Interest bearing loans to Platform and Portfolio Companies** were reduced 30.2% to US$ 56.2 million (EGP 307.4 million) on the back of EGP 133.3 million in recoveries. Loans temporarily rose 11.9% quarter-on-quarter due to the immediate needs of select non-operating entities but will be recovered going forward.

    - **Convertibles in Platform and Portfolio Companies** declined 11.9% in FY10 to US$ 84.5 million (EGP 509.1 million). The Firm extended a new convertible to Platform Company United Foundries in the amount of US$ 12.7 million (EGP 71.5 million) to fund expansion.

    - **Gains from the sale of principal investments** stood at US$ 2.8 million (EGP 16.2 million) in 4Q10, due entirely to gains on United Foundries Co. as part of a share swap with a co-investor at 1.5x cost. On the full year, gains from the sale of principal investments stood at US$ 4.4 million (EGP 25.8 million), a year-on-year decline owing to the Firm's strategy of nurturing existing investments ahead of planned exits. In the comparative period in 2009, Citadel Capital executed a partial exit on ASEC Holding and sold Sphinx Private Equity Management to Portfolio Company Pharos Holding.

    - **The Portfolio Net Asset Value (PNAV)** of Citadel Capital's principal investments in its OSFs fell 28.6% to US$ 857.8 million (EGP 5.0 billion) as a result of a more conservative view of likely economic conditions and the write-down on oil and gas investments.

b) Total Assets Under Management



II. Asset Management Business

- **Total investments under control**[3] of Citadel Capital's 19 Opportunity-Specific Funds and the MENA and Africa Joint Investment Funds now stand at US$ 8.7 billion, a rise of 4.4% in FY10.

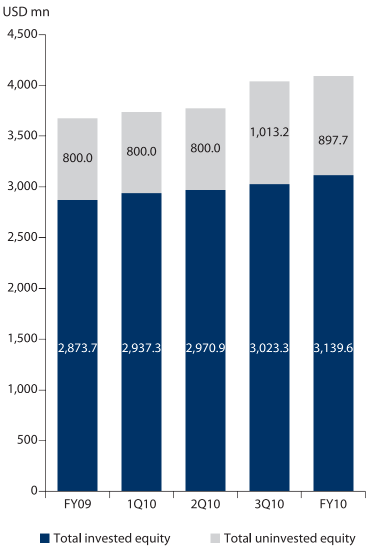
- **Total assets under management** (committed) in Citadel Capital's 19 Opportunity-Specific Funds (OSFs) and the MENA and Africa Joint Investment Funds rose 9.9% on the full year to US$ 4.0 billion (EGP 23.2 billion) as the Firm added US$ 363.6 million in new AUMs in FY10. Although Citadel Capital accounted for c.27.5% of total private equity funds raised for investment in MENA in 2010, the Firm expects political conditions prevailing across the region to sap fundraising momentum across the industry for much of 2011.

- **Total invested AUM** (including both Citadel Capital as a principal investor and its co-investors / limited partners) rose 9.3% on the full year to US$ 3.1 billion (EGP 18.2 billion). The Firm

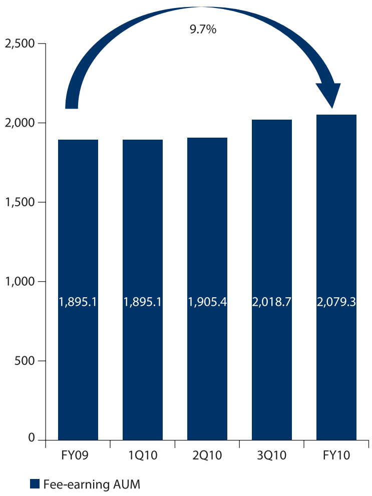
2 Citadel Capital principal investments are converted per exchange rates carried in Citadel Capital's balance sheet. All other figures relating to financial results in 4Q10 are converted using a spot rate of EGP 5.7926 : US$ 1.00. Historical figures have been re-stated using the same exchange rate. Citadel Capital typically analyzes its own financial statements in EGP and investments in US$.

3 Management considers total investments under control (defined as committed debt + committed equity for all platform investments) as an appropriate indicator of the Firm's scope.

c) Total AUM (Invested and Uninvested)



d) Fee-earning AUM



added US$ 265.9 million (EGP 1.5 billion) in new invested AUM on the full year, backed by the gradual drawdown of funds from the JIFs into Egyptian Refining Company (ERC), co-investor commitments to ERC, Nile Logistics and United Foundries, and Citadel Capital's rising principal investments.

- **Total invested third-party AUM** rose 8.2% year-on-year to more than US$ 2.2 billion (EGP 12.7 billion) with new LP investments in the period dominated by funds drawn down from the MENA and Africa JIFs as well as by regional co-investors' commitments to river transportation, petroleum refining and metallurgy.

- **Total fee-earning AUM** rose 3.0% quarter-on-quarter and 9.7% on the full year to US$ 2.1 billion (EGP 12.2 billion) on the back of sustained fundraising momentum.

- **Revenue from advisory fees** stood at US$ 4.1 million (EGP 23.9 million) in 4Q10, down 9.6% on the previous quarter as Egyptian Refining Company (ERC) equity investments recorded advisory fees of 0.5% compared with 1.0% the previous quarter, as previously planned. Year-on-year, revenue from advisory fees eased 3.0%.

- **Revenue from Citadel Capital's carried interest** in its limited partners' proceeds from exited or partially-exited investments was nil, as it was in 3Q10. Citadel Capital recorded no revenue from carry in 2010.

III. Financial Highlights (Standalone)

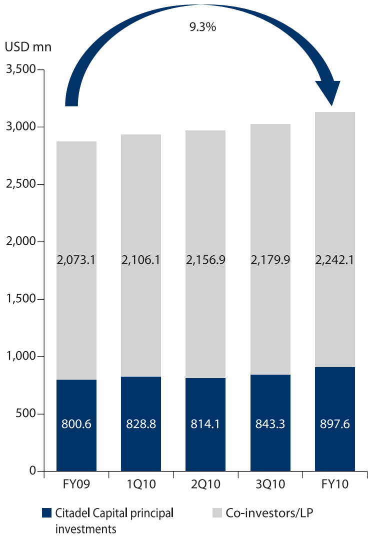
- **Citadel Capital revenue** in 4Q10 reached US$ 6.9 million (EGP 40.1 million), an 8.9% dip from US$ 7.6 million (EGP 44.1 million) the previous quarter; revenues in 4Q10 reflect in part US$ 2.8 million (EGP 16.2 million) in gains on the sale of investment related to a share swap with a co-investor. Citadel Capital revenues in FY10 were US$ 28.5 million (EGP 165.0 million), a 62.4% dip from US$ 75.8 million (EGP 438.9 million) the previous year. Revenues in FY09 reflect a one-time gain from the sale of an investment to a Citadel Capital platform company as well as a partial exit.

- **EBITDA** for FY10 stood at negative US$ 24.5 million (EGP 141.8 million) on the back of impairments related to write downs.

- **Net income after taxes** in FY10 was a negative US$ 51.5 million (EGP 298.3 million), down from US$ 36.5 million (EGP 211.4 million) the previous year on the back of non-cash write-downs related to NOPC / Rally Energy and NPC as well as investments classified as "Other".

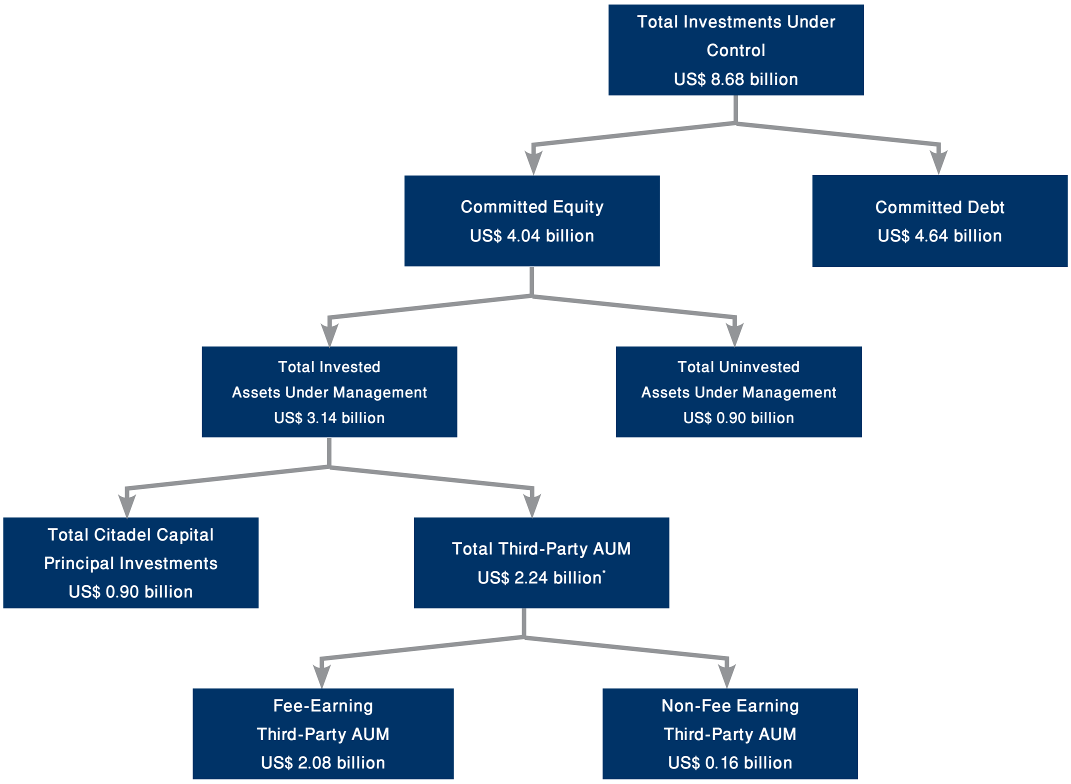
- **Debt-to-equity ratio** stood at 29% on 31 December 2010, against 26% at the end of 3Q10.

e) Split of Invested AUM by Origin



III. Citadel Capital as a Principal Investor

Citadel Capital raises Opportunity-Specific Funds (OSFs) to control a platform company in a specific industry. Each platform company may, in turn, control one or more portfolio companies. As a principal investor, Citadel Capital typically contributes 10-20% of the equity in each of its OSFs under shareholder agreements that give the Firm management control. Gains from the eventual sale of these investments constitute one of two Citadel Capital revenue streams, the other being asset management related: advisory fees and carried interest (see below).

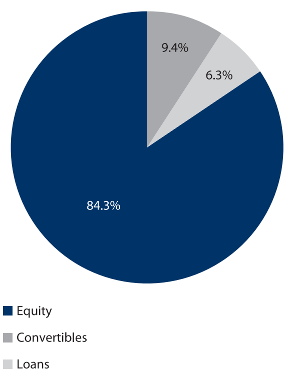


Citadel Capital controlled total investments of US$ 8.7 billion (EGP 50.4 billion) at the end of FY10, representing both committed equity and committed debt, a rise of 4.4% year-on-year.

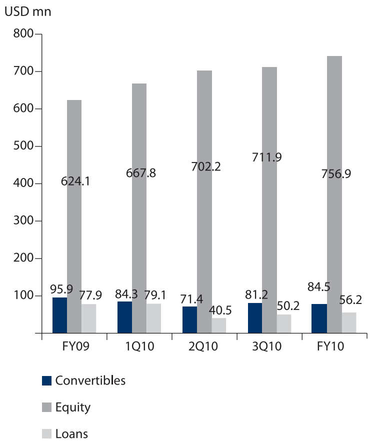
A. Principal Investments

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%)

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



g) Composition of Citadel Capital Principal Investments by Quarter



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.

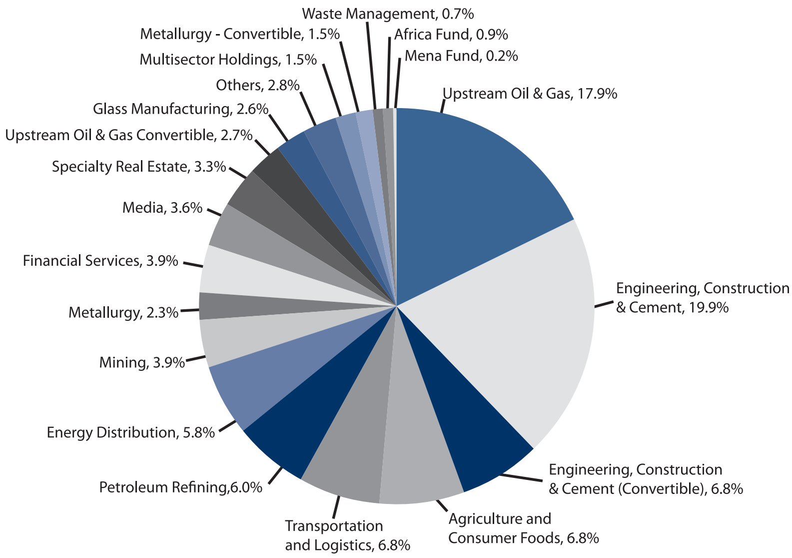
Interest-bearing loans to platform and portfolio companies declined 30.2% year-on-year to US$ 56.2 million (EGP 307.4 million), reflecting the combined effects of recovery of loans through the course of FY10 (EGP 133.3 million).

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				MENA Investment Fund				Total Citadel Capital**	Change FY10**	Total Co-investors**	Change FY10**
						Citadel Capital	New in FY10	LPs	New in FY10	Citadel Capital	New in FY10	LP	New in FY10				
ASEC Holding	Engineering & Construction / Cement	162.8	17.3	134.4	(14.0)	-	-	-	-	-	-	-	-	162.8	17.3	134.4	(14.0)
ASCOM	Mining	32.4	2.6	-	-	-	-	-	-	-	-	-	-	32.4	2.6	-	-
Nile Logistics	Transportation & Logistics	33.3	10.3	77.2	18.6	-	-	-	-	-	-	-	-	33.3	10.3	77.2	18.6
Africa Railways	Transportation & Logistics	25.3	10.1	-	-	6.2	6.2	14.4	14.4	-	-	-	-	31.5	16.3	14.4	14.4
Gozour	Agriculture & Consumer Goods	35.4	1.5	203.6	6.9	-	-	-	-	-	-	-	-	35.4	1.5	203.6	6.9
Wafra	Agriculture & Consumer Goods	21.2	17.8	-	-	-	-	-	-	-	-	-	-	21.2	17.8	-	-
NPC	Upstream Oil & Gas	63.4	(0)	357.7	(0)	-	-	-	-	-	-	-	-	63.4	(0)	357.7	(0)
NOPC / Rally Group	Upstream Oil & Gas	65.0	-	561.9	0	-	-	-	-	-	-	-	-	65.0	-	561.9	0
NVPL	Upstream Oil & Gas	26.9	8.2	44.5	6.8	-	-	-	-	-	-	-	-	26.9	8.2	44.5	6.8
ERC	Petroleum Refining	53.4	26.5	266.6	45.8	-	-	13.8	13.8	-	-	14.1	14.1	53.4	26.5	294.6	73.8
TAQA Arabia	Energy Distribution	41.2	3.2	55.1	(1.3)	-	-	-	-	-	-	-	-	41.2	3.2	55.1	(1.3)
Mashreq Petroleum	Energy Distribution	6.2	-	13.2	-	-	-	-	-	-	-	-	-	6.2	-	13.2	-
GlassWorks	Glass Manufacturing	24.5	4.5	131.2	-	-	-	-	-	-	-	-	-	24.5	4.5	131.2	-
Finance Unlimited	Financial Services	42.0	3.2	-	-	-	-	-	-	-	-	-	-	42.0	3.2	-	-
Bonyan	Speciality Real Estate	28.1	15.1	59.4	7.6	-	-	-	-	-	-	-	-	28.1	15.1	59.4	7.6
Tawazon	Waste Management	8.5	1.7	-	-	1.4	1.4	3.3	3.3	1.4	1.4	3.7	3.7	11.3	4.5	7.1	7.1
Tanweer	Media	29.2	2.4	-	-	-	-	-	-	-	-	-	-	29.2	2.4	-	-
UCF	Metallurgy	18.9	(7.1)	39.0	12.3	-	-	-	-	-	-	-	-	18.9	(7.1)	39.0	12.3
Grandview	Multisector Holdings	12.4	(0)	82.8	0	-	-	-	-	-	-	-	-	12.4	(0)	82.8	0
ASEC Cement	Cement	191.9	19.0	387.3	(17.2)	-	-	-	-	-	-	-	-	191.9	19.0	387.3	(17.2)
Others	Others	17.7	6.4	-	-	-	-	-	-	-	-	-	-	17.7	6.4	-	-
Eliminations*		(191.9)	(19.0)	(346.7)	(0.5)	-	-	-	-	-	-	-	-	(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**	**31.5**	**1.4**	**1.4**	**17.9**	**17.9**	**756.9**	**132.7**	**2,116.7**	**114.4**
NOPC / Rally Convertible	Upstream Oil & Gas - Convertible	13.1	-	51.5	20.7	-	-	-	-	-	-	-	-	13.1	-	51.5	20.7
NPC Convertible	Upstream Oil & Gas - Convertible	9.8	(0)	24.2	1.2	-	-	-	-	-	-	-	-	9.7	(0)	24.2	1.2
ASEC Holding Convertible	Engineering & Construction / Cement - Convertibles	49.0	(24.1)	49.6	32.7	-	-	-	-	-	-	-	-	49.0	(24.1)	49.6	32.7
UCF Convertible	Metallurgy - Convertible	12.7	12.7	-	-	-	-	-	-	-	-	-	-	12.7	12.7	-	-
Total Convertibles		**84.5**	**(11.4)**	**125.3**	**54.5**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**84.5**	**(11.4)**	**125.3**	**54.5**
Loans to Platforms		**56.2**	**(24.4)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**56.2**	**(24.4)**	**-**	**-**
Total Investments		**888.6**	**88.0**	**2,192.6**	**119.5**	**7.6**	**7.6**	**31.5**	**31.5**	**1.4**	**1.4**	**17.9**	**17.9**	**897.6**	**96.9**	**2,242.1**	**168.9**

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

h) Distribution of Citadel Capital Principal Investments by Industry as of 4Q 2010



B. Portfolio Net Asset Value (PNAV)

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.

Breakdown of PNAV along with comparatives and analysis follows.

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%.

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 1.7x 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.

Please see Annex 1 for a discussion of the methodology used in the calculation of PNAV.

Citadel Capital Portfolio Net Asset Value as of 31 December 2010

Platform Company		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**

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

IV. Asset Management Business

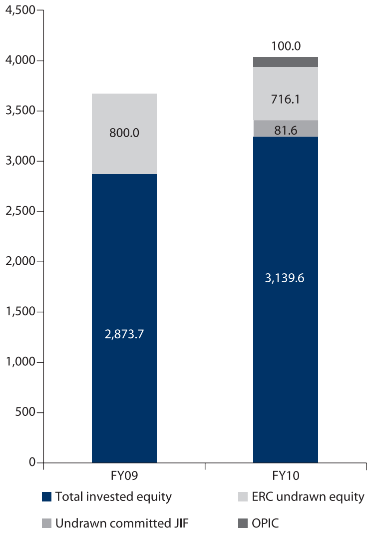
In addition to gains on the sale of its principal investments, Citadel Capital generates revenues from advisory fees on the total invested assets under management (drawn equity) it has under control as well as from a carried interest over a hard hurdle on capital gains it makes for the limited partners in its OSFs.

Total Assets Under Management

Citadel Capital recorded 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.

i) Composition of Total AUM



Invested vs Uninvested AUM

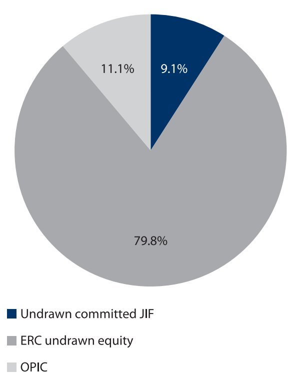
Total invested AUM (drawn equity) stood at US$ 3.1 billion (EGP 18.0 billion) at the end of the fourth quarter, a rise of 3.9% quarter-on-quarter and 9.3% year-on-year. Invested third-party AUM stood at US$ 2.2 billion (EGP 12.7 billion), a rise of 8.2% since the end of 2009 and 2.9% quarter-on-quarter.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

j) Breakdown of Uninvested Equity as of 31 Dec 2010



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.[4]

B. 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.

4 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%. See also footnote #1 for a related disclosure item.

V. Total Net Asset Valuation

Citadel Capital has previously disseminated a Total Net Asset Valuation (TNAV) on a semi-annual basis to provide guidance as to i) the portfolio net asset value (PNAV) of the Firm's principal investments and ii) the present value of the Citadel Capital's carried interest in the capital gains of the limited partners in its funds, as well as of the advisory fees Citadel Capital earns. This is referred to as the asset management value (AMV).

In light of the Firm's decision to discontinue guidance on AMV (see above), the Firm has accordingly ceased calculating a TNAV, leaving this to the discretion of shareholders and analysts.

VI. 2010 Emphasis on Minimizing Risk: A shock-absorber for 2011-12

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, 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. For more information, please **click here**.

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. For more information, please **click here**.

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 Al-Takamol Cement Company, whose annual production capacity is 1.6 MTPA, has begun operations in August 2010. Al-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 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. For more information, please **click here**.

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 Al-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. For more information, please **click here**.

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. For more information, please **click here**.

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 Assiyut. 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- 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. For more information, please **click here**.

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, El-Misriyeen, 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 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.

El-Misriyeen 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. For more information, please **click here**.

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.

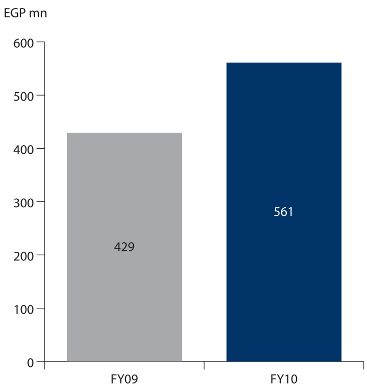
l) TAQA Arabia

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.

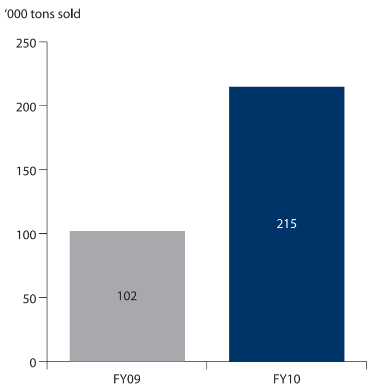
In the short- and medium-terms, TAQA Arabia will not receive a cash infusion in the form of proceeds from the previously scheduled summer 2011 IPO. Accordingly, the company is implementing a cash management plan that will see it pace-out capex. Previously agreed projects for TAQA Arabia's power-generation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

Key performance indicators for select platform companies follow on overleaf.

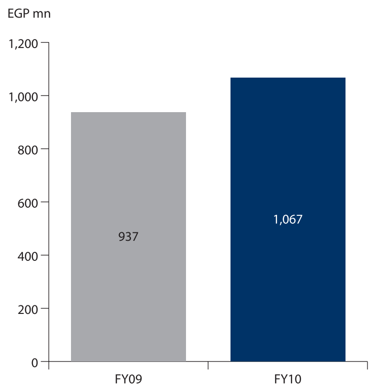
k) ASCOM Mining & Geology Revenues



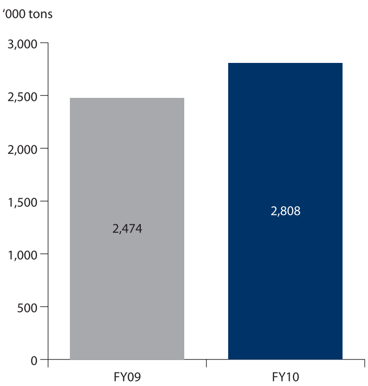
o) GlassWorks



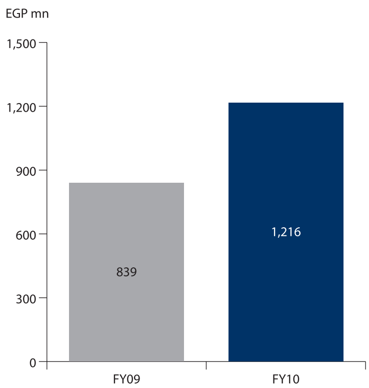
s) TAQA Arabia Revenues



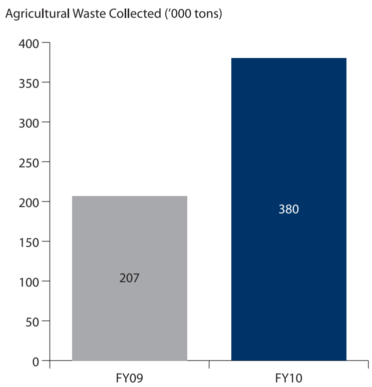
l) ASEC Holding Cement Dispatches



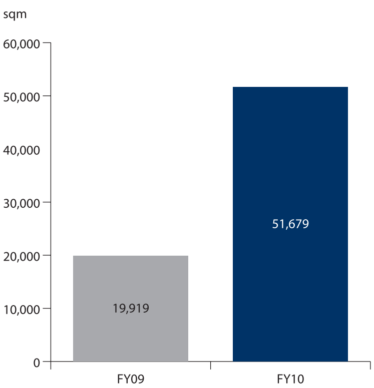
p) Gozour Revenues



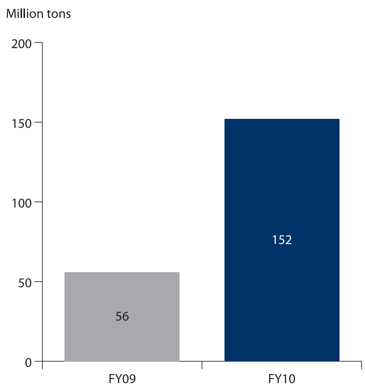
t) Tawazon



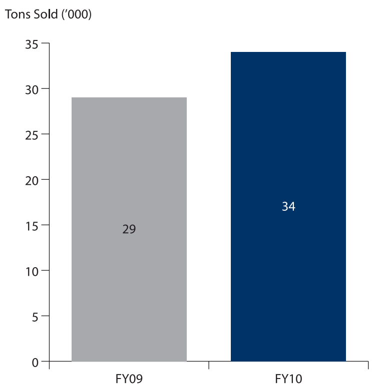
m) Bonyan Lease Area



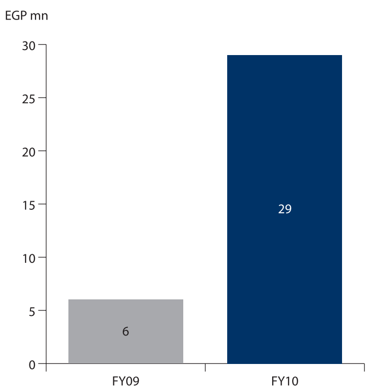
q) Nile Logistics Ton-Kilometers



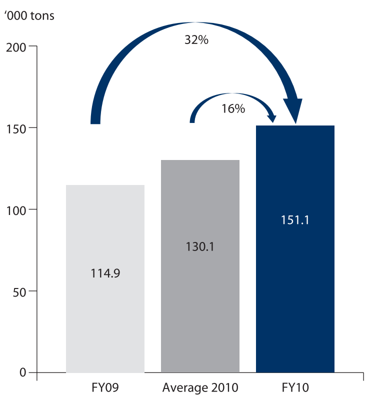
u) United Foundries Company



n) Finance Unlimited Net Profits



r) Africa Railway Volume



VII. Financial Performance

(A) Standalone Results

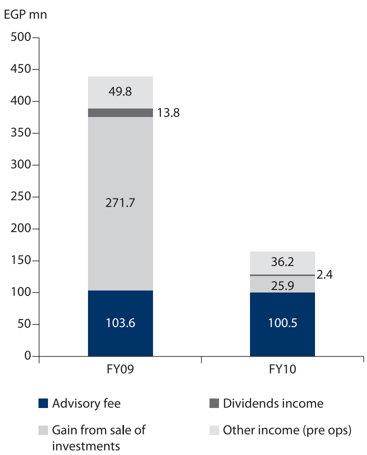
Management consistently notes that standalone results provide the best indicator of the financial health of Citadel Capital as a firm, believing that consolidated results are better suited for benchmarking a conglomerate than a private equity firm that takes substantial stakes in a range of investments 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.

v) Breakdown of Revenues by Year



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).

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

- 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.

- Discussion of own-balance sheet investments (including equity, convertibles and loans) appears starting on page 14 of this document.

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

- The 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.

(B) 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.

Limitations on Utility of Consolidated Financial Results

As required by law, Citadel Capital reports both its standalone and consolidated financial results each quarter. However, Management believes that the standalone financials better reflect the company's financial performance, noting that consolidated statements are a more apt reflection of the performance of a conglomerate, something that Citadel Capital most emphatically is not.

Furthermore, it is Management's view that Citadel Capital's consolidated results are disproportionately affected by the fact that many of Citadel Capital's investments are either in the start-up phase or are greenfields, a factor whose influence is further exaggerated by the cautious pace of build-out achieved during the financial crisis. In late 2007 and throughout the recent global financial crisis, Citadel Capital made the prescient decision not to make significant acquisitions, but rather to create regional champions largely through greenfields as well as through mixed consolidation-greenfield plays. Management believes today, as it did at the time, that the pre-crisis asset bubble and the mismatch between buyer and seller expectations throughout the financial turmoil resulted in significantly mis-priced assets.

As a result of having taken the greenfield route, Citadel Capital will not begin seeing strong returns at those assets until they leave the gestation stage and post break-even financials. Citadel Capital Management forecasts a number of greenfields turning cash-positive over the course of

the coming 24 months, including ASEC Cement, Tanmeyah (the Firm's microfinance investment), Bonyan (specialty real estate) and Nile Logistics.

Consolidated financials paint an adequate picture of the health of a group of companies that is operated as a group which aims to magnify the net profit of the whole group, but does not take into account the unique features of a private equity firm's business model which has the ultimate target of generating profits through the buying and selling of businesses.

As a private equity firm, Citadel Capital does not invest across a broad segment of industries with the objective of enhancing dividends that are consolidated and paid at the Citadel Capital level. Instead, Citadel Capital invests in Platform Companies with the aim of creating long-term value at each of these investments. The Firm's targeted income stream is not dividends, but the realization of (a) advisory fees collected on fee-earning third-party AUM during the lifetime of the investment; (b) capital gains on Citadel Capital's principal investment in a platform realized at exit; and (c) a carried interest in the capital gains of the limited partners in Citadel Capital's OSFs, also realized at exit. Exits may take the form of a sale to a strategic investor or through a listing on a national stock exchange.

Moreover, Citadel Capital and its portfolio companies benefit from synergies realized via an arm's-length relationship. Profits from those operations are eliminated at the consolidated level, but are in fact considered added value at the Platform Company level. One current example is TAQA Arabia (Citadel Capital's energy distribution platform), a subsidiary of which has built and is now running a power-generation station for Al-Takamol in Sudan. The subsidiary also holds a significant equity stake in the power-generation venture.

Simply stated, Citadel Capital is in the business of generating revenues from investing in and then selling companies, not from running those businesses on a long-term basis. In this respect, the Firm may — for example — realize substantial profits from selling a greenfield enterprise that is not itself making profits at the time of sale due to it being in an advanced start-up phase.

VI. Summary Financials

Standalone Income Statement

EGP mn		FY 2009	3Q 2010	4Q 2010	FY 2010
	Advisory fee	103.65	26.42	23.88	100.54
	Carry		-	-	
	Gain from sale of investments	271.67	-	16.24	25.82
	Dividends income	13.82	-	-	2.40
	Other income	49.76	17.63	-	36.21
Total Revenues		**438.91**	**44.05**	**40.12**	**164.97**
	OPEX	(171.90)	(37.34)	(55.53)	(182.42)
	Management earnout*	(23.48)	-2.28	2.48	0.00
	Forex & Others	(30.33)	0.17	-3.18	(8.70)
	Impairment-Invest	-	-	(33.02)	(33.02)
	Impairment Inter-Company	-	-	(82.66)	(82.66)
EBITDA		**213.20**	**4.61**	**(131.79)**	**(141.82)**
	Depreciation	(8.67)	(2.16)	(2.12)	(8.62)
EBIT		**204.52**	**2.45**	**(133.91)**	**(150.44)**
	Income from sale of Fixed Assets	-	-	10.20	10.20
	Net interest	5.75	17.51	(22.84)	15.11
	Provisions	-	-	(173.56)	(173.56)
Profit/Loss BT		**210.27**	**19.96**	**(320.11)**	**(320.11)**
	Income Tax	-	(2.06)	1.40	1.40
	Deferred Tax	1.08	0.53	0.16	0.16
Profit/Loss AT		**211.35**	**18.43**	**(318.56)**	**(298.32)**

Standalone Balance Sheet

EGP mn		FY 2009	3Q 2010	FY 2010
	Fixed assets (net)	83.90	77.85	31.69
	Investments	3,284.45	3,870.95	4,095.49
	Convertibles	524.84	476.33	509.08
	Deferred Taxable Assets	0.69	1.56	1.72
Total Non Current Assets		**3,893.88**	**4,426.69**	**4,637.98**
	Due from Related Parties & Other Debit Balances	187.98	191.51	122.43
	Related Parties - Loans	440.69	277.06	307.41
	Cash & cash equivalent	248.43	149.11	148.66
Total Current Assets		**877.10**	**617.68**	**578.51**
Total Assets		**4,770.98**	**5,044.37**	**5,216.49**
	Paid in capital	3,308.13	3,308.13	3,308.13
	Reserves	62.13	60.64	89.58
	Retained Earning	22.15	222.93	222.93
	Current year profit / Loss	211.35	20.23	(298.32)
	Dividends Distribution			
Total equity		**3,603.75**	**3,611.93**	**3,322.31**
	LT Borrowing	807.86	849.82	865.75
	Others			
Total non current liabilities		**807.86**	**849.82**	**865.75**
	CPLTD		94.40	96.19
	Due to CCP	305.13	445.72	705.95
	Accrued, Provision & Other liabilities	54.24	42.50	226.29
Total current liabilities		**359.36**	**582.62**	**1,028.43**
Total Equity & Liabilities		**4,770.97**	**5,044.37**	**5,216.49**

* Citadel Capital pays Citadel Capital Partners a management incentive fee equal to 10% of the firm's net profits. This agreement has been effective since 1 January 2008 and will remain in effect so long as Citadel Capital Partners owns 15% or more of the preferred shares of Citadel Capital.

** Citadel Capital's investments are recorded in its 4Q10 statutory stand-alone financial statements under the following line items: Available-for-sale investments (EGP 26.4 million), Investments in Subsidiaries and Associates (EGP 2.698 billion), Payments for Investments (EGP 1.49 billion), and other investments (EGP 348.59 million). This results in total investments of EGP 4.604 billion (investments + convertibles).

Consolidated Income Statement

EGP mn		3Q 2010	4Q 2010	FY 2009	FY 2010
	Advisory fee	24.40	24.13	91.25	94.05
	Gain from sale of investments		32.73	274.15	45.64
	Share in associates' results	21.77	-68.36	47.59	-87.84
	Other income		6.58	43.88	6.58
Total Revenues		**46.16**	**-4.92**	**456.87**	**58.44**
	OPEX	-76.15	-98.75	-218.58	-328.75
	Other expenses	0.42	0.35	-16.65	-0.16
	Impairment		-861.86		-861.86
EBITDA		**-29.57**	**-965.17**	**221.65**	**-1,132.34**
	Depreciation	-2.20	-2.18	-8.74	-9.31
EBIT		**-31.77**	**-967.35**	**212.91**	**-1,141.65**
	Net finance income (expense)	1.44	-28.1	-2.18	-8.16
	Provisions		-206.14		-206.14
Profit BT		**-30.33**	**-1,201.65**	**210.73**	**-1,355.94**
	Deferred tax	0.53	0.67	1.08	1.55
	Current income tax	-2.06	1.40	-1.58	-0.67
Profit AT from continued operations		**-31.86**	**-1,199.58**	**210.23**	**-1,355.06**
	Net results from discontinued operations			-110.98	-5.09
Profit		**-31.86**	**-1,199.58**	**99.25**	**-1,360.16**
	Attributable to:				
	Majority shareholders	-29.64	-1,199.17	159.11	-1,354.90
	Non-controlling shareholders	-2.22	-0.42	-59.86	-5.26
Net (loss) profit for the period		**-31.86**	**-1,199.58**	**99.25**	**-1,360.16**

Consolidated Balance Sheet

EGP M		FY 2009	3Q 2010	FY 2010
	Fixed assets (net)	101.25	78.66	146.35
	Intangible assets	2.08		
	Investments	3,297.87	3,823.92	3,607.68
	Convertibles	543.13	684.04	538.09
	Deferred tax assets	0.28	1.57	1.72
Total Non Current Assets		**3,944.62**	**4,588.19**	**4,293.84**
	Inventories	0.98		
	Investments	4.85	29.71	20.30
	Due from Related Parties & Other Debit Balances	572.77	204.53	148.15
	Related parties - loans	129.62	288.66	377.97
	Cash & cash equivalent	268.59	159.68	162.62
Total Current Assets		**976.82**	**682.58**	**709.03**
Total Assets		**4,921.44**	**5,270.77**	**5,002.88**
	Paid in capital	3,308.13	3,308.13	3,308.13
	Reserves	33.79	71.88	132.35
	Retained Earning	93.30	305.27	273.68
	Net (losse) profit for the period	159.11	-155.73	-1,354.90
	Total equity attributable to the majority shareholders	**3,594.32**	**3,529.55**	**2,359.26**
	Total equity attributable to the non-controlling shareholders	**31.91**	**173.45**	**197.00**
Total Equity		**3,626.24**	**3,703.00**	**2,556.26**
	LT borrowings	808.03	849.82	1,155.92
	LT liabilities	58.53	46.78	74.13
Total Non Current Liabilities		**866.56**	**896.60**	**1,230.06**
	Current portion of long term loans	2.38	94.42	96.19
	Due to CCP	305.13	445.72	707.54
	Due to Related Parties & Other Credit Balances	101.63	116.71	192.38
	Provisions	19.50	14.31	220.45
Total Current Liabilities		**428.63**	**671.17**	**1,216.56**
Total Equity & Liabilities		**4,921.44**	**5,270.77**	**5,002.88**

ANNEX 1: Valuing Citadel Capital

A) Portfolio Net Asset Value

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

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:

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

2. Discounting the resultant figure by 20% annually.

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.

B) Asset Management Business

Traditionally, the asset management value (AMV) estimates the present value of the Citadel Capital'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, Citadel Capital has suspended guidance on its AMV in light of prevailing fundraising conditions across the region, believing that an appropriately conservative stance is to allow analysts and shareholders to reach their own determinations as to how this value may be factored into the total net asset valuation of the Firm.

About Citadel Capital

Citadel Capital (CCAP.CA on the Egyptian Stock Exchange) is the leading private equity 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. Citadel Capital's 21 OSFs now control 19 Platform Companies with investments worth more than US$ 8.5 billion in 14 countries spanning 15 industries, including mining, cement, transportation, food and energy. Since 2004, the Firm has generated more than US$ 2.5 billion in cash returns to its co-investors and shareholders, more than any other private equity firm in the region. Citadel Capital is the largest private equity firm in Africa by PE assets under management (2005-2010, as ranked by Private Equity International). For more information, please visit www.citadelcapital.com.

Forward-Looking Statements

Statements contained in this Business Review that are not historical facts are based on current expectations, estimates, projections, opinions and beliefs of the Citadel Capital. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon. Certain information contained herein constitutes "targets" or "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "seek," "should," "expect," "anticipate," "project," "estimate," "intend," "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology. Actual events or results or the actual performance of Citadel Capital may differ materially from those reflected or contemplated in such targets or forward-looking statements. The performance of Citadel Capital is subject to risks and uncertainties.