Citadel Capital Company

(Egyptian Joint Stock Company)

Consolidated financial statements
for the period ended September 30, 2011

&

Review report

KPMG

Hazem Hassan
Public Accountants & Consultants

Pyramids Heights Office Park
Km 22 Cairo/Alex Road
P.O. Box 48 Al Ahram
Giza - Cairo - Egypt

Telephone : (202) 35 36 22 00 - 35 36 22 11
Telefax : (202) 35 36 23 01 - 35 36 23 05
E-mail : egypt@kpmg.com.eg
Postal Code : 12556 Al Ahram

Review report

To the Board of Directors of Citadel Capital Company

Introduction

We have performed a limited review for the accompanying consolidated statement of financial position of Citadel Capital Company (Egyptian Joint Stock Company) and its subsidiaries as at September 30, 2011 and the related consolidated statements of income, changes in equity and cash flows for the nine months then ended, and a summary of significant accounting policies and other explanatory notes. The Company's management is responsible for the preparation and fair presentation of these interim financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of limited review

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

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not present fairly, in all material respects, the consolidated financial position of the Company as at September 30, 2011 and of its consolidated financial performance and its consolidated cash flows for the nine months then ended in accordance with Egyptian Accounting Standards.

Hassan Bey

KPMG Hazem Hassan

Cairo December 22 2011

Citadel Capital Company

(Egyptian Joint Stock Company)

Consolidated statement of financial position

as at September 30, 2011

	note no.	30/9/2011 LE	31/12/2010 LE
Assets			
Fixed assets (net)	(5)	74 081 459	146 348 103
Investments in subsidiaries and associates	(6)	1 755 032 653	2 051 238 061
Other investments (net)	(7)	2 380 950 136	2 094 536 019
Deferred tax	(15)	1 765 467	1 722 191
Total non-current assets		4 211 829 715	4 293 844 374
Other investments	(7)	22 627 363	20 298 029
Trade and other receivables (net)	(8)	672 060 752	526 119 628
Cash and cash equivalents	(9)	232 394 911	162 616 450
Total current assets		927 083 026	709 034 107
Total assets		5 138 912 741	5 002 878 481
Equity			
Share capital	(10)	3 308 125 000	3 308 125 000
Reserves	(11)	199 972 019	132 378 875
Retained (losses) earnings		(1 098 735 263)	273 649 702
Net loss for the period / year		(422 452 597)	(1 354 895 222)
Total equity attributable to equity holders of the Company		1 986 909 159	2 359 258 355
Non - controlling interests	(12)	276 055 598	197 003 955
Total equity		2 262 964 757	2 556 262 310
Liabilities			
Long term loans	(13)	1 108 384 487	1 155 923 644
Long term liabilities	(14)	27 229 566	74 132 033
Total non-current liabilities		1 135 614 053	1 230 055 677
Short term loans	(13)	397 161 580	96 194 363
Trade and other payables	(16)	1 147 031 614	899 918 030
Expected claims provision	(17)	196 140 737	220 448 101
Total current liabilities		1 740 333 931	1 216 560 494
Total liabilities		2 875 947 984	2 446 616 171
Total equity and liabilities		5 138 912 741	5 002 878 481

The notes on pages 5 to 41 are integral part of these consolidated financial statements and to be read therewith.

Review report "attached"

CFO / Board Member	Managing Director	Chairman
Ahmed EL Shamy	Hisham Hussein El Khazendar	Ahmed Heikal

Citadel Capital Company

(Egyptian Joint Stock Company)

Consolidated income statement

for the period ended September 30, 2011

	note no.	For the period from 1/7/2011 to 30/9/2011 LE	from 1/1/2011 to 30/9/2011 LE	For the period from 1/7/2010 to 30/9/2010 LE	from 1/1/2010 to 30/9/2010 LE
Advisory fee	(27-1)	14 038 058	41 097 915	24 395 735	69 915 991
Management fee	(27-2)	2 065 844	6 037 019	-	-
Gains on sale of investments	(18)	-	-	-	12 916 250
Share of (loss) profit of equity accounted investees	(19)	(94 720 341)	(290 703 849)	21 767 334	(19 479 088)
Other income		65 486	65 486	-	342
Total operating (loss) income		(78 550 953)	(243 503 429)	46 163 069	63 353 495
Administrative and general expenses	(20)	(66 944 896)	(168 891 783)	(78 352 523)	(237 136 338)
Other expenses	(21)	(1 136 972)	(1 186 806)	418 091	(516 005)
Net operating loss		(146 632 821)	(413 582 018)	(31 771 363)	(174 298 848)
Financing (cost) income - net	(22)	(8 186 640)	(33 106 146)	1 444 781	20 005 128
Net loss before income tax		(154 819 461)	(446 688 164)	(30 326 582)	(154 293 720)
Income tax	(23)	(12 745)	43 276	(1 531 943)	(1 183 853)
Net loss from continued operations (after tax)		(154 832 206)	(446 644 888)	(31 858 525)	(155 477 573)
Net loss from discontinued operations (after tax)	(24)	-	-	-	(5 093 933)
Net loss for the period		(154 832 206)	(446 644 888)	(31 858 525)	(160 571 506)
Attributable to:					
Equity holders of the Company		(134 719 364)	(422 452 597)	(29 640 121)	(155 728 343)
Non - controlling interests		(20 112 842)	(24 192 291)	(2 218 404)	(4 843 163)
		(154 832 206)	(446 644 888)	(31 858 525)	(160 571 506)
Earnings per share	(25)	(0.20)	(0.64)	(0.04)	(0.24)

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Citadel Capital Company

(Egyptian Joint Stock Company)

Consolidated statement of changes in equity

for the period ended September 30, 2011

	note no.	Share capital	Reserves					Retained earnings (loss)	Net profit (loss) for the year / period	Total	Non-controlling interests	Total equity
			Legal reserve	Fair value reserve -AFS	F.C. translation reserve	Hedging reserve	Company's share of items recognized in associate equity					
		LE	LE	LE	LE	LE	LE	LE	LE	LE	LE	LE
Balance as at December 31, 2009		3 308 125 000	79 011 015	826 797	35 420 639	(16 882 076)	(64 588 808)	93 302 536	159 110 191	3 594 325 294	31 911 579	3 626 236 873
Profit appropriation of year 2009	(3-19)	-	10 567 463	-	-	-	-	140 643 645	(159 110 191)	(7 899 083)	(1 574 439)	(9 473 522)
Effective portion of changes in fair value of cash flow hedges	(3-4)	-	-	-	-	(12 052 492)	-	-	-	(12 052 492)	-	(12 052 492)
Exchange differences relating to foreign operations	(3-2)	-	-	-	38 936 177	-	-	-	-	38 936 177	202 512	39 138 689
Changes in the fair value of available -for- sale investments	(3-7-1)	-	-	(556 007)	-	-	-	-	-	(556 007)	-	(556 007)
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	147 755 253	147 755 253
The Company's share in changes of associates equity	(3-1-4)	-	-	-	-	-	1 198 312	71 326 522	-	72 524 834	-	72 524 834
Net loss for the period ended September 30, 2010		-	-	-	-	-	-	-	(155 728 343)	(155 728 343)	(4 843 163)	(160 571 506)
Balance as at September 30, 2010		3 308 125 000	89 578 478	270 790	74 356 816	(28 934 568)	(63 390 496)	305 272 703	(155 728 343)	3 529 550 380	173 451 742	3 703 002 122
Balance as at December 31, 2010		3 308 125 000	89 578 478	120 816	102 914 452	-	(60 234 871)	273 649 702	(1 354 895 222)	2 359 258 355	197 003 955	2 556 262 310
Carrying 2010 loss forward		-	-	-	-	-	-	(1 354 895 222)	1 354 895 222	-	-	-
Exchange differences relating to foreign operations	(3-2)	-	-	-	80 488 545	-	-	-	-	80 488 545	(724 622)	79 763 923
Changes in the fair value of available -for- sale investments	(3-7-1)	-	-	(747 373)	-	-	-	-	-	(747 373)	-	(747 373)
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	103 968 556	103 968 556
The Company's share in changes of associates equity	(3-1-4)	-	-	-	-	-	(12 148 028)	(17 489 743)	-	(29 637 771)	-	(29 637 771)
Net loss for the period ended September 30, 2011		-	-	-	-	-	-	-	(422 452 597)	(422 452 597)	(24 192 291)	(446 644 888)
Balance as at September 30, 2011		3 308 125 000	89 578 478	(626 557)	183 402 997	-	(72 382 899)	(1 098 735 263)	(422 452 597)	1 986 909 159	276 055 598	2 262 964 757

The notes on pages 5 to 41 are integral part of these consolidated financial statements and to be read therewith.

Citadel Capital Company

(Egyptian Joint Stock Company)

Consolidated statement of cash flows

for the period ended September 30, 2011

	For the period ended 30/9/2011 LE	30/9/2010 LE
Cash flows from operating activities		
Net loss before income tax	(446 688 164)	(154 293 720)
Adjustments to reconcile net loss to net cash provided from operating activities :		
Net profit from discontinued operations (before tax)	-	(5 093 933)
Depreciation and amortizations	3 457 378	7 131 485
Share of loss of equity accounted investees	314 586 307	39 619 145
Net change in the fair value of investments at fair value through profit and loss	1 186 806	516 005
Foreign exchange differences	75 000 088	36 568 913
Credit interest	(32 527 516)	(25 123 681)
Debit interest	13 951 254	-
Provisions used	(9 498 233)	-
Provisions no longer needed	(15 817 832)	-
Impairment loss on trade and other recievables	15 817 832	-
Provisions formed	-	994 881
Gains on sale of investments in subsidiaries and associates	-	(10 513 764)
Gains on sale of available-for-sale investments	-	(2 402 486)
Operating loss before changes in working capital	(80 532 080)	(112 597 155)
Change in investments at fair value through profit and loss	(3 516 140)	(25 368 623)
Change in trade and other receivables	(184 825 453)	(54 229 681)
Change in trade and other payables	309 991 691	220 303 491
Net cash provided from operating activities	41 118 018	28 108 032
Cash flows from investing activities		
Payments for purchase of fixed assets	(848 477)	(4 786 312)
Payments for other investments	(254 090 933)	(265 917 180)
Payments for purchase of investments in subsidiaries and associates	(26 816 735)	(163 576 635)
Proceeds from sale of investments in subsidiaries and associates	-	29 434 477
Proceeds from sale of available-for-sale investments	-	6 696 628
Proceeds from dividends	-	1 762 902
Net cash used in investing activities	(281 756 145)	(396 386 120)
Cash flows from financing activities		
Proceeds from capital related to non - controlling interests	109 418 953	175 296 049
Dividends related to non - controlling interests	-	(1 574 439)
Proceeds from borrowings	200 997 635	106 700 717
Payment for hedging reserve	-	(10 320 161)
Net cash provided from financing activities	310 416 588	270 102 166
Net changes in cash and cash equivalents during the period	69 778 461	(98 175 922)
Cash and cash equivalents at the beginning of the period	162 616 450	268 589 879
Cash related to deconsolidation of subsidiaries	-	(10 728 991)
Cash and cash equivalents at the end of the period	232 394 911	159 684 966

The notes on pages 5 to 41 are integral part of these consolidated financial statements and to be read therewith.

1. Reporting entity

Citadel Capital Company (the "Company") is an Egyptian Joint Stock Company domiciled in the Arab Republic of Egypt. The address of the Company's registered office is 3 El Yemen St., Dokki - Giza.

The Company is a private equity firm operating in the Middle East and North Africa (MENA) region, with completed and committed transactions. The Company focuses primarily on the emerging economies of the MENA region, particularly Egypt, Algeria, Libya and Syria.

The Company also invest selectively in other areas that are a natural outgrowth of the primary market, including sub- Saharan Africa.

The consolidated financial statements of the Company for the period ended September 30, 2011 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in associates.

2. Basis of preparation

2.1 Statement of compliance

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

The financial statements were approved by the Board of Directors.

2.2 Basis of measurement

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

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

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

2.3 Functional and presentation currency

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

2.4 Use of estimate and judgements

The preparation of financial statements in conformity with Egyptian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are readily apparent from other sources. Actual results may differ from these estimates.

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

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

- Note (17) provisions.
- Note (6) measurements of the recoverable amounts of investments in subsidiaries and associates.

3. Significant accounting policies

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

3.1 Basis of consolidation

3.1.1 Subsidiaries

- The consolidated financial statements include all subsidiaries that are controlled by the parent company and which the management intends to continue to control. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.
- Intragroup balances and transactions, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. EAS 24 Income

Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

- Non - controlling interests shall be presented in the consolidated balance sheet within equity, separately from the parent shareholder's equity. Non - controlling interests in the profit or loss of the group shall also be separately disclosed.
- A parent loses control when it loses the power to govern the financial and operating policies of an investee so as to obtain benefit from its activities.

3.1.2 Loss exceeding non-controlling

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

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

Business combinations arising from transfers of interests from non - controlling interest or in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are restated when practical. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group's controlling shareholder's consolidated financial statements. The components of equity of the acquired entity or attributable to the minorities are added to the same components within the Group equity except that any share capital of the acquired entities is recognised as notional capital contribution. Any cash paid for the acquisition recognised directly in equity.

3.1.4 Associates

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

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

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

3.2 Foreign currency translation

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

3.3 Foreign operations

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

3.4 Financial instruments

The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financial and investment activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments. Derivatives are recognized initially at fair value; attributable transaction costs are recognized in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedge

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

Fair value hedge

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

3.5 Lending

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

3.6 Cash and cash equivalents

Cash and cash equivalents are represented in the cash, banks current accounts and deposits with original maturities of three months or less.

3.7 Investments

3.7.1 Available-for-sale financial investments

Available-for-sale financial investments are valued at fair value, with any resultant gain or loss being recognized in equity, except for impairment losses which is recognized in the income statement. When these investments are derecognized, the cumulative gain or loss previously recognized directly in equity is recognized in the income statement. The fair value of investments available-for-sale , identifies based on quoted price of the exchange market at the balance sheet date, investments that are not quoted, and whose fair value can not be measured reliably, are stated at cost less impairment loss.

3.7.2 Financial assets at fair value through profit or loss

An instrument is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition.

Upon initial recognition attributable transaction costs are recognised in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

3.7.3 Other

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

3.8 Share capital

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

3.9 Fixed assets depreciation

Fixed assets are stated at historical cost and presented in the balance sheet net of accumulated depreciation and impairment (note 3.13), and are depreciated using the straight line method and recognized in income statement over the estimated productive life for each type of asset. The following are the estimated productive lives, for each class of assets, for depreciation calculation purposes:

Assets depreciation	Estimated useful life
- Buildings & Constructions	20 years
- Lease hold improvements	3-10 years
- Furniture & Fixtures & Electric Equipment & Tools	4 years
- Computers & software	2-3 years
- Transportation means	4 years

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately, including major inspection and overhaul expenditure, is capitalized. Other subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the property and equipment. All other expenditure is recognized in the income statement as an expense as incurred.

3.10 Projects under construction

Projects under construction are recognized initially at cost. Cost includes all expenditures directly attributable to bringing the asset to a working condition for its intended use. Property and equipment under construction are transferred to property and equipment caption when they are completed and are ready for their intended use.

3.11 Gains and losses from disposal of fixed assets

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

3.12 Intangible assets

3.12.1 Goodwill

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

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

3.12.2 Other intangible assets

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

3.12.3 Subsequent expenditures

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill, is recognised in profit or loss as incurred.

3.12.4 Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for intangible assets range between 3:20 years.

3.13 Impairment

3.13.1 Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

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

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

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss.

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

3.13.2 Non-financial assets

The carrying amounts of the Group's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.14 Trade and other receivables

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

3.15 Trade and other payables

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

3.16 Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of a past event and it is probable that a flow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and where appropriate, the risks specific to the liability. Provisions are reviewed at the reporting date and amended (when necessary) to represent the best current estimate.

3.17 Interest bearing borrowings

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

3.18 Legal reserve

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

3.19 Dividends

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

3.20 Income tax

- Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.
- Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.
- Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for

financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

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

3.21 Earnings per share

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

3.22 Employees benefits

3.22.1 Pensions

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

3.22.2 Other short-term benefits

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

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

3.23 Revenue

3.23.1 Gain (loss) on sale of investments

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

3.23.2 Services

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

3.23.3 Commissions

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

3.23.4 Dividend income

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

3.23.5 Interest income

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

3.23.6 Management fee

Management fee is recognized upon rendering the service.

3.23.7 Advisory fee

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

4. Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods.

When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

4.1 Intangible assets

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

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

4.2 Investment in equity and debt securities

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

4.3 Trade and other receivables

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

4.4 Non-derivatives financial liabilities

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

5. Fixed assets

	Land	Buildings	Lease hold improvements	Furniture & fixtures	Computer equipment & software	Transportation Means	Assets under construction *	Total
	LE	LE	LE	LE	LE	LE	LE	LE
Cost as at 1/1/2011	93 660 361	33 742 368	217 146	22 575 845	7 647 806	660 741	20 727 834	179 232 101
Additions	--	--	--	395 141	297 224	--	156 112	848 477
Disposal **	(69 660 361)	--	--	--	--	--	--	(69 660 361)
Foreign currency translation differences	--	--	2 441	975	1 075	1 860	--	6 351
Cost as at 30/9/2011	24 000 000	33 742 368	219 587	22 971 961	7 946 105	662 601	20 883 946	110 426 568
Accumulated depreciation as at								
1/1/2011	--	6 748 473	117 088	19 438 323	6 122 429	457 685	--	32 883 998
Depreciation	--	1 265 340	47 589	1 057 429	967 439	119 581	--	3 457 378
Foreign currency translation differences	--	--	1 208	643	898	984	--	3 733
Accumulated depreciation as at								
30/9/2011	--	8 013 813	165 885	20 496 395	7 090 766	578 250	--	36 345 109
Carrying amounts								
At 30/9/2011	24 000 000	25 728 555	53 702	2 475 566	855 339	84 351	20 883 946	74 081 459
At 31/12/2010	93 660 361	26 993 895	100 058	3 137 522	1 525 377	203 056	20 727 834	146 348 103

* Assets under construction are represented in fixtures and constructions of a new headquarters at Smart Village.

** Note no. (9).

6. Investments in subsidiaries and associates

The Group investments in subsidiaries and associates are represented in:

	Percentage		Carrying amount	
	2011	2010	30/9/2011	31/12/2010
	%	%	LE	LE
El Kateb for Marketing & Distribution Co.	48.88	48.88	1 830 071	2 172 249
Pharos Holding Co. *	53.00	53.00	96 725 481	98 557 235
Elsharq Book Stores Co.	40.00	40.00	15 963 981	16 545 155
ASEC Company for Mining (ASCOM)	39.22	39.22	162 022 529	182 058 825
Silverstone Capital Investments Ltd.	40.98	40.98	354 102 766	335 452 721
Dar El-Sherouk Ltd. *	58.51	58.51	150 533 137	157 910 072
Crondall Holdings Ltd.	47.67	47.67	95 496 871	88 732 912
National Development and Trading Company	49.81	49.81	430 395 707	681 853 886
United Foundries Company	29.95	29.95	63 306 681	69 641 454
Mena Home Furnishings Mall	32.13	32.13	107 189 093	121 212 961
Citadel Capital Transportation Opportunities I Ltd.	34.16	34.16	117 934 815	131 527 655
Tawazon for Solid Waste Management (Tawazon)	33.33	33.33	23 363 285	27 064 638
Mena Glass Ltd.	21.03	21.03	131 045 317	134 262 621
Tanmeyah Company S.A.E **	51.00	51.00	5 122 919	4 245 677
Balance			1 755 032 653	2 051 238 061

* The Company does not consolidate these subsidiaries as the control is not existed as the Company has no power to govern the financial and operational policies of these subsidiaries.

** The Company does not consolidate this subsidiary as there is a call option contract that granted third party the option to purchase 4% of its shares granted by Financial Unlimited Company for Financial Consulting (one of subsidiaries 99.88%) that can be exercised any time with fair value at the exercise date which cause a reduction in voting power of the Company from 51% to 47%.

Summary of financial statements of associates company

2011	Current assets LE	Non-current assets LE	Total assets LE	Current liabilities LE	Non-current liabilities LE	Total liabilities LE	Revenues LE	Expenses LE
El Kateb for Marketing & Distribution Co.	7 453 620	1 371 567	8 825 187	4 920 401	79 465	4 999 866	4 641 700	5 341 736
Pharos Holding Co.	177 141 978	188 323 684	365 465 662	215 394 460	746 744	216 141 204	40 052 919	42 127 481
Elsharq Book Stores Co.	11 135 625	8 443 529	19 579 154	4 849 458	498 359	5 347 817	12 944 374	14 397 307
ASEC Company for Mining (ASCOM)	260 478 705	708 264 052	968 742 757	332 023 540	189 457 092	521 480 632	427 980 512	484 389 498
Silverstone Capital Investments Ltd.	1 334 417 877	1 272 094 000	2 606 511 877	983 350 211	308 887 941	1 292 238 152	1 032 743 693	944 787 525
Dar El-Sherouk Ltd.	146 072 950	94 489 272	240 562 222	37 826 530	2 426 959	40 253 489	25 105 333	35 457 937
Crondall Holdings Ltd.	28 804 441	866 028 494	894 832 935	306 557 740	--	306 557 740	75 316 584	65 063 476
National Development and Trading Co.	2 227 754 609	5 061 032 670	7 288 787 279	2 383 581 921	2 109 270 884	4 492 852 805	1 681 968 971	2 201 909 616
United Foundries Company	195 981 049	429 073 032	625 054 081	294 823 978	122 465 685	417 289 663	231 866 382	260 465 212
Mena Home Furnishings Mall	36 370 228	680 574 987	716 945 215	167 127 253	231 574 720	398 701 973	16 349 292	70 522 512
Citadel Capital Transportation Opportunities I Ltd.	188 337 801	671 314 855	859 652 656	76 505 120	262 451 141	338 956 261	45 786 967	107 467 698
Tawazon for Solid Waste Management Company (Tawazon)	87 070 371	124 325 735	211 396 106	86 942 137	13 429 654	100 371 791	53 370 841	64 428 865
Mena Glass Ltd.	296 394 953	1 365 950 531	1 662 345 484	323 584 150	555 376 588	878 960 738	202 738 352	227 314 003
Tanmeyah Company S.A.E.	16 215 090	20 499 517	36 714 607	37 188 638	391 290	37 579 928	29 420 474	49 868 148

- Note no. (19).

7. Other investments

	note no.	30/9/2011 LE	31/12/2010 LE
Non-current investments			
Available-for-sale investments (net)	7.1	784 459 268	473 981 716
Payments for investments (net)	7.2	832 934 415	1 082 461 657
Loans to related parties	7.3	763 556 453	538 092 646
		2 380 950 136	2 094 536 019
Current investments			
Investments at fair value through profit and loss	7.4	22 627 363	20 298 029
		2 403 577 499	2 114 834 048

7.1 Available-for-sale investments represent the Group investments in a number of unlisted companies in the Stock Exchange. The details are as follows:

	30/9/2011 LE	31/12/2010 LE
Orient Investment Properties Ltd.	302 470 742	294 306 018
Logria Holding Ltd. *	386 964 500	376 519 000
Golden Crescent Investment Ltd. *	377 245 738	263 427 174
Falcon Agriculture Investments Ltd.	259 688 899	14 481 500
Horus Private Equity Fund II & III	26 330 926	26 330 926
Sphinx Turnaround	7 265 288	7 069 173
Modern Company for Isolating Materials	43 396	43 396
Arab Swiss Engineering Company (ASEC)	34 958	34 958
Medcom National Company	1 000	1 000
Underscore International Holdings	595	579
Valencia Regional Investment Ltd.	595	579
Total	1 360 046 637	982 214 303
Accumulated impairment *	(575 587 369)	(508 232 587)
Net	784 459 268	473 981 716

7.2 The payments for investments are as follows:

	30/9/2011 LE	31/12/2010 LE
Grandview Investment Holding	73 702 110	71 712 637
Orient Investment Properties Ltd.	320 945 730	304 478 114
Fund Project *	6 603 620	25 188 018
Pharos Holding Co.	18 621 911	18 621 911
Nile Valley Petroleum Ltd.	39 119 135	35 166 875
Citadel Capital Transportation Opportunities II Ltd.	17 860	17 378
Finance Unlimited	65 379	63 614
Valencia Assets Holding Ltd.	1 310	22 766 192
Mena Joint Investment Fund	8 003 290	7 642 438
Africa Joint Investment Fund	45 309 965	44 086 893
Sphinx Turnaround Funds	7 005 486	6 816 384
Ambiance Rail Company (PTY) Limited	98 665 970	--
KU Railways Holdings Limited	142 938 019	--
RVR Investments (PTY) Limited	71 073 770	--
Citadel Capital Al Qalaa Saudi Arabia	860 860	--
Falcon Agriculture Investments Ltd.	--	205 162 064
Golden Crescent Investment Ltd. *	--	103 635 407
Forestry Project *	--	2 400 624
Centum Investment Company Ltd.	--	28 764 036
Babcock&Brown Investment Holdings (PTY)	--	11 096 316
Sheltam Rail Company (PTY) Ltd.	--	154 379 678
Primefuels Rail Investments Ltd.	--	76 591 848
Mirambo Rail Investments Ltd.	--	41 046 236
Mammoth Project *	--	7 658 206
Total	832 934 415	1 167 294 869
Accumulated impairment *	--	(84 833 212)
Net	832 934 415	1 082 461 657

7.3 Loans to subsidiaries and associates companies are as follows:

	note no.	30/9/2011 LE	31/12/2010 LE
National Development and Trading Company	7.3.1	349 379 296	313 082 482
United Foundries Company	7.3.2	54 680 412	71 506 264
Underscore International Holdings Ltd.	7.3.3	89 299 500	86 889 000
Valencia Regional Investment Ltd.	7.3.4	68 462 950	66 614 900
Arab Refining Company – note no. (13-3)		168 478 390	--
Others		33 255 905	--
Balance		763 556 453	538 092 646

7.3.1 The Company has granted two subordinating loans to National Development and Trading Company – (one of the associate companies - 49.81%) dated December 28, 2009 and September 21, 2010 with amounts of US.$ 40 968 630 and US.$ 8 064 887 respectively. The loans contracts period is five years, the principle of the two loans have to be paid with interest at the end of loans period, with 11.5% annual cumulative interest, according to loans contracts the Company has the right to convert the value of loans in addition to its interest due into capital increase in the capital of National Development and Trading Company with par value at the end of loans period.

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

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

The value of the two loans is US.$ 58 686 661 (equivalent to LE 349 379 296 as at September 30, 2011) against US.$ 54 048 697 (equivalent to LE 313 082 482 as at December 31, 2010) including accrued interest from the beginning of loans period amounted to US.$ 9 653 144 (equivalent to LE 57 468 062 as at September 30, 2011) against US.$ 5 015 180 (equivalent to LE 29 050 932 as at December 31, 2010).

7.3.2 The Company has concluded a subordinating loan contract with United Foundries Company (one of the associate companies - 29.29%) on June 2, 2010 with an amount of US.$ 11 563 187 for a period of three years, the principle of the loan has to be paid with interest at the end of the loan period, with 11.5% annual cumulative interest , according to the loan contract the Company has the right to convert the value of the loan in addition to its interest due into capital increase in the capital of United Foundries Company with par value at the end of loan period.

The guarantees are represented in a first degree lien of United Foundries Company shares in Ameryah Metal Company one of its subsidiaries with a percentage of 99.72%.

The Company has transferred an amount of US.$ 3 995 518 (equivalent to LE 23 254 510) from the loan's principle during the period in addition to an interest amounted to US.$ 230 407 (equivalent to LE 1 340 968) to Financial Holding International Company (one of United Foundries Company's shareholders) in addition to settle an amount of US.$ 357 406 (equivalent to LE 2 072 400) as additional contribution in this loan to become with an amount of US.$ 9 184 891 (equivalent to LE 54 680 412 as at September 30, 2011) against US.$ 12 344 416 (equivalent to LE 71 506 264 as at December 31, 2010) including accrued interest from the beginning of loan period amounted to US.$ 1 259 816 (equivalent to LE 7 500 063 as at September 30, 2011) against US.$ 781 229 (equivalent to LE 4 525 347 as at December 31, 2010).

7.3.3 Citadel Capital for International Investments Ltd. (one of the subsidiaries - 100%) has granted Underscore International Holdings Ltd. (owned with a percentage of 10%) a loan as at December 28, 2010 with an amount of US.$ 15 Million (equivalent to LE 89 299 500 as at September 30, 2011 against LE 86 889 000 as at December 31, 2010) to purchase 4 754 098 shares (2.83%) of National Development and Trading Company for a period of two years against interest equals to Internal Rate of Return (IRR) of Underscore International Holdings Ltd. less 1% as fees for the mentioned company, the interest will be due when sell those shares.

7.3.4 Alder Burke Investments Ltd. (one of the subsidiaries - 100%) has granted Valencia Regional Investment Ltd. (owned with a percentage of 10%) a loan as at December 28, 2010 with an amount of US.$ 11 500 000 (equivalent to LE 68 462 950 as at September 30, 2011 against LE 66 614 900 as at December 31, 2010) to purchase 3 582 555 shares (2.13%) of National Development and Trading Company for a period of two years against interest equals to Internal Rate of Return (IRR) of Valencia Regional Investments Ltd. less 1% as fees for the mentioned company, the interest will be due when sell those shares.

7.4 Investments at fair value through profit and loss:

	30/9/2011 LE	31/12/2010 LE
Modern Shorouk for Printing Co.	1 539 203	2 460 447
Al Arafa Investment and Consulting	1 964 589	2 230 151
TAQA Arabia	19 123 571	15 607 431
Balance	22 627 363	20 298 029

The financial assets designated at fair value through profit and loss are equity securities quoted in stock exchange except Taqa Arabia.

8. Trade and other receivables

	note no.	30/9/2011 LE	31/12/2010 LE
Due from related parties (net)	8.1	639 286 081	481 869 599
Other receivables (net)	8.2	32 774 671	44 250 029
Balance		672 060 752	526 119 628

8.1 Due from related parties

	Nature of transaction		30/9/2011	31/12/2010
	Advisory fee	Finance		
	LE	LE	LE	LE
Logria Holding Ltd. *	32 766 374	1 900 115	34 666 489	33 700 832
Mena Home Furnishings Mall	8 910 649	43 481 802	52 392 451	13 091 092
Citadel Capital Transportation Opportunities I Ltd.	6 203 586	13 345 352	19 548 938	22 190 278
Silverstone Capital Investments Ltd.	4 758 728	1 805 904	6 564 632	11 175 739
Golden Crescent Investment Ltd. *	16 666 526	--	16 666 526	13 695 108
Falcon Agriculture Investments Ltd.	10 947 018	--	10 947 018	13 620 957
Orient Investment Properties Ltd.	47 869 526	--	47 869 526	39 716 159
ASEC Cement Company	11 131 855	--	11 131 855	14 626 894
Sabina for Integrated Solutions	6 548 630	--	6 548 630	6 371 860
Sphinx Glass Ltd.	3 571 980	--	3 571 980	4 634 080
Mena Glass Ltd.	3 379 986	--	3 379 986	4 315 533
Mena Joint Investment Fund	2 783 626	--	2 783 626	966 715
Africa Joint Investment Fund	4 687 456	--	4 687 456	1 371 879
Citadel Capital Transportation Opportunities II Ltd.	4 273 260	--	4 273 260	741 725
Grandview Investment Holding	--	44 477 092	44 477 092	40 702 599
ASEC for Mining (ASCOM)	--	12 034 864	12 034 864	9 246 768
Golden Crescent Finco Ltd. *	--	136 185 762	136 185 762	126 076 808
Emerald Financial Services Ltd. *	--	180 561 224	180 561 224	160 209 431
Valencia Assets Holding Ltd.	--	173 687 689	173 687 689	93 489 951
Nile Valley Petroleum Ltd.	--	124 394 202	124 394 202	121 036 379
Bacillas	--	2 143 188	2 143 188	2 085 336
Prosperities	--	476 264	476 264	463 408
Tawazon for Solid Waste Management (Tawazon)	--	2 689 880	2 689 880	550 540
United Foundries Company	--	24 380 812	24 380 812	--
Valencia Regional Investments Ltd.	--	216 682	216 682	--
Citadel Capital East Africa	--	22 503	22 503	--
Citadel Capital – ALQALAA Saudi Arabia	--	130 421	130 421	--
National Development and Trading Company	--	--	--	11 585 199
Total			926 432 956	745 665 270
Accumulated impairment *			(287 146 875)	(263 795 671)
Net			639 286 081	481 869 599

* Impairment in due from related parties are represented in:

	Balance as at 1/1/2011	Formed during the period	Foreign currency translation differences	Balance as at 30/9/2011
	LE	LE	LE	LE
Emerald Financial Services Ltd.	160 209 431	15 817 732	4 534 061	180 561 224
Logria Holding Ltd.	33 700 832	--	965 657	34 666 489
Golden Crescent Investment Ltd.	6 847 554	--	189 967	7 037 521
Golden Crescent Finco Ltd.	63 037 854	--	1 843 787	64 881 641
Balance	263 795 671	15 817 732	7 533 472	287 146 875

8.2 Other receivables are represented in:

	30/9/2011	31/12/2010
	LE	LE
Prepaid expenses	211 245	2 833 290
Deposits with others	232 402	1 430 902
Advances to suppliers	504 490	234 047
Letters of guarantee margin	595 330	579 260
Imprest	501 174	252 777
Accrued revenue	2 403 045	2 337 559
Loans to others	11 906 600	17 839 401
Sundry debit balances *	16 420 385	23 742 793
Total	32 774 671	49 250 029
Accumulated impairment *	--	(5 000 000)
Net	32 774 671	44 250 029

9. Cash and cash equivalents

	30/9/2011	31/12/2010
	LE	LE
Cash on hand	954 975	410 770
Banks - current accounts	230 100 443	160 114 065
Banks - time deposits	1 339 493	2 091 615
Balance	232 394 911	162 616 450

Non cash transactions

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

- LE 24 595 478 from proceeds from other investments and trade and other payables (represents the other investments transfer to settle accrued advisory fee).
- LE 23 066 598 from payments for investments and due from related parties (represents the transfer from related parties' current account to payments for investments).
- LE 69 660 361 from proceeds from fixed assets and creditors and other credit balances and long term liabilities (represents the value of the returned land during the period that was purchased during year 2010).

10. Share capital

The Company's authorized capital is LE 6 Billion and the issued and paid-in capital is LE 3 308 125 000 represents 661 625 000 shares distributed to 496 218 750 ordinary shares and 165 406 250 preferred shares with par value LE 5 per share.

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

The shareholders' structure is represented as follows:

Shareholder's name	Percentage %	No. of shares	Value in LE
Citadel Capital Partners Ltd.	28.93	191 406 250	957 031 250
Emirates International Investments Company	8.37	55 362 835	276 814 175
Others	62.70	414 855 915	2 074 279 575
	100	661 625 000	3 308 125 000

The Company's extraordinary general assembly meeting held on August 3, 2011 decided to increase the issued capital from LE 3 308 125 000 to be LE 4 358 125 000 with an increase of LE 1 050 000 000 by issuing new 210 000 000 shares with par value LE 5 each and accordingly the total number of shares after increase is 871 625 000 shares distributed to 653 718 750 ordinary shares and 217 906 250 preferred shares. The share capital increase was paid in full during October. The commercial register was updated on October 23, 2011.

11. Reserves

11.1 Legal reserve

As per the Company's statutes, 5% of net profit for the year is set aside to form a legal reserve. Transfer to the legal reserve may be suspended once the reserve reaches 50% of the Company's issued share capital. However, if the reserve balance falls below 50% of the Company's issued share capital transfers to the legal reserve are required to be resumed. The legal reserve is non-distributable but can be used to offset losses or to increase the issued share capital.

11.2 Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired.

12. Non - controlling interests

	30/9/2011	31/12/2010
	LE	LE
Capital	296 704 231	187 325 494
Payments for capital increase	1 488 325	1 448 109
Other owners' equity	3 190 662	13 901 565
Foreign currency translation reserve	(1 135 329)	(410 706)
Net loss for the period / year	(24 192 291)	(5 260 507)
Balance	276 055 598	197 003 955

13. Loans and borrowings

	note no.	30/9/2011	31/12/2010
		LE	LE
Long term – loans	(13-1‹2)	1 108 384 487	1 155 923 644
Short term – Loans	(13-1‹3)	397 161 580	96 194 363
Balance		1 505 546 067	1 252 118 007

13-1 On May 15, 2008 the Company obtained a long-term loan from a group of banks (represented in Arab African International Bank, Suez Canal Bank, Misr bank , Piraeus Bank, Morgan & Stanely Bank and City Bank London "syndication manager") with an amount of US.$ 200 million for a period of five years (US.$150 millions committed and US.$ 50 million uncommitted) bearing variable interest rate (2.5 %+Libor rate) for the first 3 years and (2.75 % +Libor rate) for the last 2 years

Loan is to be paid on three instalments:

- The first stage 10% will be settled after three years.
- The second stage 20% will be settled at the end of the fourth year.
- The last stage 70% will be settled at the end of the loan period.

The Company has withdrawn an amount of US.$ 191 064 225 as at March 31, 2011 and the Company paid the first stage instalment on May 15, 2011 amounted to US.$ 19 106 422 , accordingly the balance of loan is US.$ 171 957 803 (equivalent to LE 1 023 716 386 as at September 30, 2011) against an amount of US.$ 166 064 225 (equivalent to LE 961 943 630 as at December 31, 2010), and the second stage instalment due on May 15, 2012 is amounted to US.$ 38 212 845 (equivalent to LE 227 492 530) against an amount of US.$ 16 606 423 (equivalent to LE 96 194 363 as at December 31, 2010).

The loan guarantees are as follows:

1- First degree lien contract of the shares owned by the Company in National Development and Trading Company.
2- First degree lien contract of 13 727 872 shares of ASEC for mining (ASCOM).
3- First degree lien contract of the shares owned by the Company in Citadel Capital Ltd. (One of the subsidiaries of Citadel Capital Holding for Financial Investments-Free Zone).
4- First degree lien contract of the investments owned by Citadel Capital Ltd. (One of the subsidiaries of Citadel Capital Holding for Financial Investments-Free Zone) in the following companies:

-Orient Investments Properties Ltd.
-Logria Holding Ltd.
-Golden Crescent Investments Ltd.
-Falcon Agriculture Investments Ltd.
-Silverstone Capital Investment Ltd.
-Mena Glass Ltd.
-Mena Home Furnishings Mall.
-Valencia Trading Holding Ltd.
-Andalusia Trading Investments Ltd.
-Citadel Capital Transportation opportunities I Ltd.
-Lotus Alliance Limited.
-Citadel Capital Financing Corp.

5- First degree lien pledge of the investments of Citadel Capital for International Investments Ltd. – (one of the associates – 47.67%) – in the Egyptian Sudanese Bank (Sudanese Joint Stock Company).

- The bank interest on loan recorded in the income statement during the period is amounted to LE 41 275 493.

Hedging contract for risk of interest rate swap

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

13-2 On December 21, 2010 National Refining Consulting Company (one of the subsidiaries - 99.99%) obtained a long-term loan from Arab International Bank for five years with an amount of US.$ 50 million (equivalent to LE 297 665 000 as at September 30, 2011 against LE 289 630 000 as at December 31, 2010) to purchase 50 million share in Orient Investments Properties Ltd. Company (owned company with a percentage of 18.99%). The loan is guaranteed by pledging the company's share in Orient Investments Properties Ltd. in favour of the bank. The bank is entitled to transfer the ownership of those share in favour of the bank at any time against the facilities granted to the National Company for Refinery Consultants. The parties agreed on a return of US.$ 15 608 926 (equivalent to LE 92 924 619 as at September 30, 2011) against (LE 90 416 265 as at December 31, 2010) during the term of the contract provided that the accrued interest will be added to the loan principle, the accrued interest as at September 30, 2011 amounted to US$ 2 434 890 equivalent to LE 14 495 631) against US.$ 93 978 (equivalent to LE 544 377 as at December 31, 2010). The loan principle along with the outstanding accrued interest will be paid in full at the end of the contract on December 21, 2015. The total balance of the loan as at September 30, 2011 is US.$ 52 434 890 (equivalent to LE 312 160 631) against US.$ 50 093 978 (equivalent to LE 290 174 377 as at September 30, 2010).

13-3 United for Petroleum Refining Consultation Company – (one of the subsidiaries- 99.99%) Has signed a short - term loan contract with Arab National Bank as at September 12, 2011 with an amount of US.$ 28 500 000 (equivalent to LE 169 669 050 as at September 30, 2011) for a period of nine months bearing variable interest rate (5.5 %+Libor rate over six months) for the purpose of financing Arab Refinery Company – one of the subsidiaries of Orient Investment Properties Ltd. note no. (7-1) , (7-3) – to use it in financing the Egyptian Refining Company – one of the subsidiaries of Arab Refinery Company to settle its liabilities which represent the insurance instalment due for (Nippon Export & NEXI Investment Insurance) and this finance mature when Egyptian Refining Company uses the loan obtained according to the signed contract from a group of international banks with an amount of 2.3 billion for the purpose of financing the project that relates to constructing a Petroleum Refining Lab .

The loan guarantees are as follows:

- First degree lien contract of United for Petroleum Refining Consultation Company shares in favour of the bank.
- Transferring of all United for Petroleum Refining Consultation Company accrued amounts due from Arab Refinery Company to the bank.
- A commitment from Arab Refinery Company to give priority for this loan over any other Liability.
- A letter from NEXI Company as a Commitment for repayment of insurance instalment to Egyptian Refining Company in case of not withdrawn from the loan in the due dates.

- A commitment from Arab Refinery Company for repayment of insurance instalment from Egyptian Refining Company in case of repayment from NEXI Company to Egyptian Refining Company.
- And the Company has the advantage to renew this contract for another period or several periods with the same conditions and mentioned guarantees or adding better conditions and guarantees after both agreement.
- The interest on loan recognized in the income statement during the period is US.$ 99 792 (equivalent to LE 589 611 as at September 30,2011).

14. Long term liabilities

	30/9/2011 LE	31/12/2010 LE
Creditors-purchase of investments *	27 229 566	42 754 301
Notes payable	--	31 377 732
Balance	27 229 566	74 132 033

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

15. Deferred tax

	30/9/2011 LE	31/12/2010 LE
Fixed assets depreciation	1 765 467	1 722 191

16. Trade and other payables

	note no.	30/9/2011 LE	31/12/2010 LE
Due to related parties	16.1	1 055 580 177	767 006 158
Other payables	16.2	91 451 437	132 911 872
Balance		1 147 031 614	899 918 030

16.1 Due to related parties

	30/9/2011 LE	31/12/2010 LE
Citadel Capital Partners Ltd.*	931 043 260	705 947 717
Mena Glass Ltd. **	17 913 105	16 671 404
Falcon Agriculture Investments Ltd. **	29 073 798	44 289 194
Crondall Holdings Ltd.	6 110 414	97 843
ASEC for Manufacturing and Industrial Projects (ARESCO)	71 439 600	--
Balance	1 055 580 177	767 006 158

* The main shareholder of the Company – 28.93%.

** Represents the accrued amounts for purchasing shares in the mentioned companies.

16.2 Other payables

	30/9/2011	31/12/2010
	LE	LE
Tax Authority	2 127 158	2 634 198
National Authority for Social Insurance	229 991	106 100
Accrued expenses	70 498 048	78 085 972
Dividends payable – previous years	2 925 826	2 925 504
Accrued interest	6 965 361	3 274 852
Suppliers	807 161	3 320 866
Notes payables	--	38 282 629
Sundry credit balances	7 897 892	4 281 751
Balance	91 451 437	132 911 872

17. Expected claims provision

	30/9/2011	31/12/2010
	LE	LE
Balance at the beginning of the period / year	220 448 101	19 495 020
Foreign currency translation differences	1 008 601	--
Provisions used during the period / year	(9 498 233)	--
Provisions no longer needed	(15 817 732)	--
Provisions formed during the period / year	--	207 130 757
Deconsolidation of subsidiaries	--	(6 177 676)
Balance	196 140 737	220 448 101

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

18. Gains on sale of investments

	For the period		For the period	
	from 1/7/2011 to 30/9/2011	from 1/1/2011 to 30/9/2011	from 1/7/2010 to 30/9/2010	from 1/1/2010 to 30/9/2010
	LE	LE	LE	LE
Gains on sale of investments in associates	--	--	--	10 513 764
Gains on sale of available-for-sale investments	--	--	--	2 402 486
	--	--	--	12 916 250

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

	For the period		For the period	
	from 1/7/2011 to 30/9/2011	from 1/1/2011 to 30/9/2011	from 1/7/2010 to 30/9/2010	from 1/1/2010 to 30/9/2010
	LE	LE	LE	LE
:l Kateb for Marketing & Distribution Co.	(245 183)	(342 178)	22 107	528 626
haros Holding Co.	(2 738 581)	(1 099 518)	1 058 402	7 442 687
lsharq Book Stores Co.	(166 834)	(581 173)	(29 407)	(799 783)
SEC Company for Mining (ASCOM)	1 917 830	(22 124 732)	(3 807 957)	2 554 149
ilverstone Capital Investments Ltd.	14 583 156	36 699 609	11 297 680	28 537 716
ar El-Sherouk Ltd.	(1 912 235)	(6 057 309)	450 738	(1 253 304)
rondall Holdings Ltd.	927 509	4 888 028	2 822 763	5 991 915
ational Development & Trading Company	(93 159 322)	(242 018 927)	19 828 787	(39 039 791)
Jnited Foundries Company	(4 037 881)	(7 048 058)	(2 210 364)	(4 809 008)
lena Glass Ltd.	(1 411 173)	(4 080 339)	1 300 774	3 236 984
anmeyah Company S.A.E	(1 569 449)	(10 414 758)	(2 776 189)	(4 983 243)
lena Home Furnishings Mall	(4 775 679)	(15 778 431)	(5 576 646)	(13 626 070)
:itadel Capital Transportation Opportunities I Ltd.	(985 653)	(19 060 081)	(700 137)	(12 225 139)
awazon for Solid Waste Management (Tawazon)	(1 146 846)	(3 685 982)	--	--
co-Logic Ltd.	--	--	86 783	8 965 173
otal	(94 720 341)	(290 703 849)	21 767 334	(19 479 088)

20. Administrative and general expenses

- The Company's extraordinary general assembly meeting held on May 12, 2008 approved the management contract with Citadel Capital Partners Ltd. (the principal shareholder of – 28.93 %) which states that the mentioned company provides management duties for fees based on 10% of the net annual profit available for distribution amounted to -nil- for the period ended September 30, 2011 against an amount of LE 2 477 183 for the period ended September 30, 2010 included in general and administrative expense.
- General and administrative expenses include an amount of US.$ 2 482 191 (equivalent to the amount of LE 14 665 777) represents the advisory fees due according to the signed contract with Financial Holding International Co. (one of the group shareholders).

21. Other expenses

	For the period		For the period	
	from 1/7/2011 to 30/9/2011	from 1/1/2011 to 30/9/2011	from 1/7/2010 to 30/9/2010	from 1/1/2010 to 30/9/2010
	LE	LE	LE	LE
Net change in the fair value of investments at fair value through profit and loss	(1 136 972)	(1 186 806)	418 091	(516 005)
Impairment loss on assets	(5 471 626)	(15 817 732)	--	--
Provisions no longer needed	5 471 626	15 817 732	--	--
	(1 136 972)	(1 186 806)	418 091	(516 005)

22. Financing (costs) income

	For the period		For the period	
	from 1/7/2011 to 30/9/2011	from 1/1/2011 to 30/9/2011	from 1/7/2010 to 30/9/2010	from 1/1/2010 to 30/9/2010
	LE	LE	LE	LE
Interest income Note no. (27-3)	10 632 929	29 224 897	15 734 929	52 593 016
Interest expenses	(18 231 658)	(55 696 148)	(14 130 570)	(26 611 981)
Foreign currency translation differences	(587 911)	(6 634 895)	(159 578)	(5 975 907)
Net	(8 186 640)	(33 106 146)	1 444 781	20 005 128

23. Income tax

	For the period		For the period	
	from 1/7/2011 to 30/9/2011	from 1/1/2011 to 30/9/2011	from 1/7/2010 to 30/9/2010	from 1/1/2010 to 30/9/2010
	LE	LE	LE	LE
Deferred tax	(12 745)	43 276	531 341	879 431
Current income tax	--	--	(2 063 284)	(2 063 284)
Total income tax	(12 745)	43 276	(1 531 943)	(1 183 853)

24. Net results from discontinued operations

Results of discontinued operations for the period ended September 30, 2010 are represented in the operating results of the Tanmeyah Company S.A.E as Financial Unlimited Company (one of the subsidiaries) during April 2010 has entered a contract in which it granted third party the option to purchase 4% of Tanmeyah Company S.A.E shares owned by Financial Unlimited Company for Financial Consulting that can be exercised any time with fair value at the exercise date which cause a reduction in voting power of the company from 51% to 47% after the exercise of the call option and accordingly it is reclassified from investments in subsidiaries into investments in associates and its operating results from the beginning of the period till the date of conversion to associates as results from discontinued operations as follows:.

	For the period ended 30/9/2010 LE
Other profit	4 278 174
General and administrative expenses	(7 905 992)
Other expenses	(1 433 598)
Net operating loss	(5 061 416)
Finance expense	(32 517)
Net loss	(5 093 933)

25. Earnings per share

	For the period		For the period	
	from 1/7/2011 to 30/9/2011 LE	from 1/1/2011 to 30/9/2011 LE	from 1/7/2010 to 30/9/2010 LE	from 1/1/2010 to 30/9/2010 LE
Loss for the period	(154 832 206)	(446 644 888)	(31 858 525)	(160 571 506)
Loss for equity holders of the parent Company	(134 719 364)	(422 452 597)	(29 640 121)	(155 728 343)
Weighted average number of shares	661 625 000	661 625 000	661 625 000	661 625 000
Earnings per share	(0.20)	(0.64)	(0.04)	(0.24)

26. Finance income (expenses) recognised in equity

	For the period		For the period	
	from 1/7/2011 to 30/9/2011	from 1/1/2011 to 30/9/2011	from 1/7/2010 to 30/9/2010	from 1/1/2010 to 30/9/2010
	LE	LE	LE	LE
Foreign currency translation differences of foreign operations	(6 003 482)	79 763 923	1 892 498	39 138 689
Net change in the fair value of available-for-sale investment	(794 735)	(747 373)	394 483	(556 007)
Total finance income recognised in equity (net of tax)	(6 798 217)	79 016 550	2 286 981	38 582 682
Attributable to:				
Equity holders of the Company	(6 510 025)	79 741 172	2 228 021	38 380 170
Non - controlling interest	(288 192)	(724 622)	58 960	202 512
Total	(6 798 217)	79 016 550	2 286 981	38 582 682

27. Related party transactions

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

	Accrued advisory fee according to contracts *	Advisory fee Recognized		Advisory fee recognized according to contracts	
	For the period ended 30/9/2011	For the period		For the period	
		from 1/7/2011 to 30/9/2011	from 1/1/2011 to 30/9/2011	from 1/7/2010 to 30/9/2010	from 1/1/2010 to 30/9/2010
Company's name	LE	LE	LE	LE	LE
Mena Glass Ltd.	2 654 544	889 157	2 654 544	861 332	2 445 549
Mena Home Furnishings Mall	2 638 035	883 627	2 638 035	845 269	2 351 535
Citadel Capital Transportation Opportunities I Ltd.	637 865	213 657	637 865	1 306 273	2 792 471
Falcone Agriculture Investment Ltd.	10 887 395	3 675 488	10 887 395	3 382 059	9 770 820

Company's name	Accrued advisory fee according to contracts * For the period ended 30/9/2011 LE	Advisory fee Recognized For the period from 1/7/2011 to 30/9/2011 LE	Advisory fee Recognized For the period from 1/1/2011 to 30/9/2011 LE	Advisory fee recognized according to contracts For the period from 1/7/2010 to 30/9/2010 LE	Advisory fee recognized according to contracts For the period from 1/1/2010 to 30/9/2010 LE
Logria Holding *	26 978 201	--	--	8 919 613	26 189 597
Golden Crescent Investment Ltd.*	5 154 556	863 278	2 577 278	1 651 603	4 849 397
Orient Investment properties Ltd.	7 012 669	2 368 115	7 012 669	3 653 038	10 421 967
Sphinx Glass Ltd.	3 171 394	1 062 280	3 171 394	1 016 160	2 983 632
ASEC Cement Company	7 563 003	2 608 930	7 563 003	2 504 746	7 354 393
Silverstone Capital Investment Ltd.	943 587	316 061	943 587	255 642	756 630
Citadel Capital Transportation Opportunities II Ltd.	3 012 145	1 157 465	3 012 145	--	--
Total	70 653 394	14 038 058	41 097 915	24 395 735	69 915 991

* The Company did not recognize advisory fees related to those Companies according to signed contracts due to inadequate assurance concerning the revenue recognition and collection conditions.

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

Company's name	For the period from 1/7/2011 to 30/9/2011 LE	For the period from 1/1/2011 to 30/9/2011 LE	For the period from 1/7/2010 to 30/9/2010 LE	For the period from 1/1/2010 to 30/9/2010 LE
Africa Joint Investment Fund	1 188 820	3 535 332	--	--
Mena Joint Investment Fund	877 024	2 501 687	--	--
Total	2 065 844	6 037 019	--	--

27.3 Interest income note no.(22) includes an amount of LE 27 783 537 represents accrued interest income according to signed contracts from other related parties as follows:

	For the period		For the period	
	from 1/7/2011 to 30/9/2011	from 1/1/2011 to 30/9/2011	from 1/7/2010 to 30/9/2010	from 1/1/2010 to 30/9/2010
Company's name	**LE**	**LE**		
National Company for Trading and Development	4 694 806	13 781 780	3 404 001	11 727 273
United Foundries Company	1 427 823	3 548 791	704 933	1 380 333
Golden Crescent Finco Ltd.	2 638 810	6 558 367	5 884 844	20 430 222
Mena Home Furnishings Mall	521 938	799 666	27 030	876 913
Citadel Capital Transportation opportunities I Ltd.	208 839	847 848	599 990	2 475 962
Grandview Investment Holding	729 695	2 247 085	(104 225)	1 448 610
Emerald Financial services Ltd.	--	--	4 968 566	13 401 608
Total	10 221 911	27 783 537	15 485 139	51 740 921

28. Tax status

28.1 Corporate tax

The Company submitted its tax returns on regular basis for the years from 2005 to 2010 according to tax law No 91/2005. The Company's books have not been inspected yet.

The Supreme Council of the Armed Forces issued the Decree Law No. 51 of 2011 amending some provisions of the Income Tax Law promulgated by Law No. 91 of 2005 where the amendment of Article (49 / first paragraph) as follows: The tax base nearest ten pounds less is subject to tax in accordance with the following two tranches:

-First tranche: up to ten million pounds at 20%.

-Second tranche: more than ten million pounds at 25%.

instead of 20% of the entire tax base.

28.2 Salaries tax

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

28.3 Stamp tax

The Company was inspected till July 31, 2006 and paid all the due amounts as per the Internal Committee decision and for the period from 1/8/2006 to 31/12/2010 haven't been inspected yet.

28.4 Withholding tax

The Company applies the withholding tax provisions on its transactions according to tax law no. 91/2005 and haven't been inspected yet.

29. Group entities

	Country of incorporation	Ownership interest Direct %	Ownership interest Indirect %
Citadel Capital Holding for Financial Investments–Free Zone	Arab Republic of Egypt– Free Zone	99.99	--
Citadel Capital for International Investments Ltd.	British Virgin Island	100.00	--
Arab Company for Financial Investments	Arab Republic of Egypt	--	94.00
Tanweer for Marketing and Distribution Company (Tanweer)	Arab Republic of Egypt	--	99.88
Financial Unlimited for financial consulting	Arab Republic of Egypt	--	99.88
Citadel Company for Investment Promotion	Arab Republic of Egypt	--	99.90
National Company for Touristic and Property Investment	Arab Republic of Egypt	--	99.88
Tanmeyah Company S.A.E.	Arab Republic of Egypt	--	51.00
United for Petroleum Refining Consultation	Arab Republic of Egypt	--	99.99
Specialized For Refining Consulting	Arab Republic of Egypt	--	99.99
Specialized For Real Estat Company	Arab Republic of Egypt	--	99.99
National Company for Refining Consultation	Arab Republic of Egypt	--	99.99
Citadel Capital Algeria	Republic of Algeria	--	99.99
Citadel Capital Ltd.	British Virgin Island	--	100.00
Valencia Trading Holding Ltd.	British Virgin Island	--	100.00
Andalusia Trading Investments	British Virgin Island	--	100.00
Lotus Alliance Limited	British Virgin Island	--	85.70
Citadel Capital Financing Corp.	British Virgin Island	--	100.00
Ambience Ventures Ltd.	British Virgin Island	--	75.00

	Country of incorporation	Ownership interest	
		Direct	Indirect
		%	%
Africa Railways Limited	British Virgin Island	--	100.00
Seguoia Williow Investment Ltd.	British Virgin Island	--	100.00
Brennan Solution Ltd.	British Virgin Island	--	100.00
Mena Enterprises Ltd.	British Virgin Island	--	100.00
Alcott Bedford Investments Ltd.	British Virgin Island	--	100.00
Eco-Logic Ltd.	British Virgin Island	--	100.00
Alder Burke Investments Ltd.	British Virgin Island	--	100.00
Black Anchor Holdings Ltd.	British Virgin Island	--	100.00
Cobalt Mendoza	British Virgin Island	--	100.00
Africa Railways Holding	Republic of Mauritius	--	51.00
Citadel Capital Joint Investment Fund Management Limited	Republic of Mauritius	--	100.00
Mena Joint Investment Fund	Luxembourg	--	100.00

30. Employees Stock Option Plan

- The Company's extraordinary meeting held on February 20, 2008 approved to add a new article to the Company Article of Association to adopt a plan or more to motivate employees, managers and executive board of directors – Employees stock option plan (ESOP) in accordance with decision no. 282 for 2005 which modified executive regulation for the law no. 159 / 1981.
- On September 22, 2008 the Capital Market Authority approved the ESOP plan and the company does not start to apply it yet.

31. Contingent liabilities

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

32. Financial instruments and management of related risks

The Group's financial instruments are represented in the financial assets and liabilities. Financial assets include cash and cash equivalents, other investments, and trade and other receivables while financial liabilities include; loans and borrowing and trade and other payables. Note (no.3) include significant accounting policies for the recognition and measurement of the important financial instruments and related revenues and expenses by the Company to minimize the consequences of such risks.

32.1 Interest rate risk

Interest rate risk is the risk that the value of financial instrument will fluctuate due to changes in the market interest rates. The Group is exposed to interest rate risk on its loans and borrowings and time deposit; however, time deposits are short-term in nature.

32.2 Exchange rate risk

The exchange rate risk is represented in the fluctuations in exchange rates, which could affect the Group's cash inflows and outflows as well as the value of monetary assets and liabilities denominated in foreign currencies.

32.3 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge his obligation and cause the other party to incur financial loss. The Group's financial assets include trade receivables representing amounts due from related parties, time deposits and investment balances; none of these assets has significant concentration of risk. Trade receivables are widely spread among related parties segmentation. Strict credit control is maintained and further appropriate level of impairment loss is made. The Group manages credit risk on investment by ensuring that investments are made only after careful credit evaluation for these investments.

32.4 Liquidity risk

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

32.5 Financial instruments' fair values

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

33. Subsequent events

During November 2011 OPIC has approved granting the Company a loan with an amount of US.$ 150 million for a period of 10 years and the contract have not signed yet till the date of financial statements .

34. Comparative figures

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