Citadel Capital Company
(Egyptian Joint Stock Company)

Separate financial statements
for the period ended March 31, 2013
&
Review report

Contents

KPMG

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Review report

To the Board of Directors of Citadel Capital Company

Introduction

We have performed a limited review for the accompanying separate statement of financial position of Citadel Capital Company (Egyptian Joint Stock Company) as at March 31, 2013 and the related separate statements of income, changes in equity and cash flows for the thre 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 interim separate financial statements do not present fairly, in all material respects, the financial position of the Company as at March 31, 2013 and of its financial performance and its cash flows for the Three months then ended in accordance with Egyptian Accounting Standards.

Hassan Bas

KPMG Hazem Hassan

Cairo, July 9, 2013

KPMG Hazem Hassan
Public Accountants and Consultants
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Citadel Capital Company
(Egyptian Joint Stock Company)
Separate statement of financial position
as at March 31, 2013

	Note no.	31/3/2013 LE	31/12/2012 LE
Current assets			
Cash and cash equivalents	(4)	252 734 870	222 706 169
Due from related parties (net)	(5)	1 467 240 467	1 243 402 084
Other debit balances	(6)	2 012 576	1 687 388
Total current assets		1 721 987 913	1 467 795 641
Current liabilities			
Due to related parties	(7)	312 887 232	255 980 135
Current portion of long-term loans	(17)	570 066 938	527 661 106
Other credit balances	(8)	93 127 589	111 040 338
Expected claims provision	(9)	195 327 905	195 327 905
Total current liabilities		1 171 409 664	1 090 009 484
Working capital		550 578 249	377 786 157
Non - current assets			
Available-for-sale investments	(10)	23 766 707	23 766 164
Investments in subsidiaries and associates	(11)	2 698 191 005	2 698 191 005
Payments for investments	(12)	1 763 380 169	1 879 950 355
Fixed assets (net)	(13)	23 898 497	24 681 207
Other investments	(14)	609 155 121	550 044 784
Deferred tax	(15)	715 739	693 087
Total non - current assets		5 119 107 238	5 177 326 602
Total investment		5 669 685 487	5 555 112 759
Financed through:			
Equity			
Share capital	(16)	4 358 125 000	4 358 125 000
Legal reserve	(3.10)	89 578 478	89 578 478
Retained loss		(251 929 613)	(185 528 480)
		4 195 773 865	4 262 174 998
Net profit (loss) for the period / year		5 328 560	(66 401 133)
Net equity		4 201 102 425	4 195 773 865
Non - current liabilities			
Long term loans	(17)	1 468 583 062	1 359 338 894
Total non - current liabilities		1 468 583 062	1 359 338 894
Total equity and non - current liabilities		5 669 685 487	5 555 112 759

The accompanying notes from page 5 to 31 are an integral part of these financial statements and are to be read therewith.

~~Review report~~ "attached"

Chairman	Managing Director	Chief Financial Officer
Ahmed Heikal	Hisham Hussein El Khazindar	Moataz Farouk

Citadel Capital Company

(Egyptian Joint Stock Company)

Separate income statement

for the period ended March 31, 2013

	Note	For the period ended 31/3/2013 LE	31/3/2012 LE
Advisory fees	(20.1)	20 198 110	24 388 789
Administrative and general expenses	(22)	(35 800 545)	(22 997 998)
Fixed assets depreciation	(13)	(782 710)	(889 659)
Net operating (loss) profit		(16 385 145)	501 132
Financing income (cost) - (net)	(18)	21 691 053	(30 800 495)
Net profit (loss) before income tax		5 305 908	(30 299 363)
Deferred tax	(15)	22 652	(224 314)
Net profit (loss) for the period		5 328 560	(30 523 677)
Earnings per share	(19)	0.01	(0.04)

The accompanying notes from page 5 to 31 are an integral part of these financial statements and are to be read therewith.

Citadel Capital Company

(Egyptian Joint Stock Company)

Separate statement of changes in equity

for the period ended March 31, 2013

	Share capital	Legal reserve	Retained loss	Net (loss) profit for the year / period	Total
	LE	LE	LE	LE	LE
Balance as at December 31, 2011	4 358 125 000	89 578 478	(75 398 197)	(110 130 283)	4 262 174 998
Carrying 2011 loss forward	-	-	(110 130 283)	110 130 283	-
Net loss for the period ended March 31, 2012	-	-	-	(30 523 677)	(30 523 677)
Balance as at March 31, 2012	4 358 125 000	89 578 478	(185 528 480)	(30 523 677)	4 231 651 321
Balance as at December 31, 2012	4 358 125 000	89 578 478	(185 528 480)	(66 401 133)	4 195 773 865
Carrying 2012 loss forward	-	-	(66 401 133)	66 401 133	-
Net profit for the period ended March 31, 2013	-	-	-	5 328 560	5 328 560
Balance as at March 31, 2013	4 358 125 000	89 578 478	(251 929 613)	5 328 560	4 201 102 425

The accompanying notes from page 5 to 31 are an integral part of these financial statements and are to be read therewith.

Citadel Capital Company

(Egyptian Joint Stock Company)

Separate statement of cash flows

for the period ended March 31, 2013

	For the period ended	
	31/3/2013	**31/3/2012**
	LE	**LE**
Cash flows from operating activities		
Net profit (loss) before tax	5 305 908	(30 299 363)
Adjustments to reconcile net profit (loss) to net cash provided from (used in) operating activities :		
Fixed assets depreciation	782 710	889 659
Unrealized foreign currency differences	107 372 910	2 534 128
Interest income	(14 833 247)	(10 352 557)
Operating profit (loss) before changes in working capital	98 628 281	(37 228 133)
Increase in assets		
Due from related parties	(64 635 830)	(353 687 819)
Other debit balances	(325 188)	(1 638 172)
Increase (decrease) in liabilities		
Due to related parties	56 907 097	(17 360 087)
Other credit balances	(17 912 749)	(25 152 814)
Net cash provided from (used in) operating activities	72 661 611	(435 067 025)
Cash flows from investing activities		
Payments for investments	(42 632 367)	(31 018 845)
Proceeds from of available- for- sale investments	(543)	-
Payments for purchasing of investments in subsidiaries and associates	-	(62 500)
Net cash used in investing activities	(42 632 910)	(31 081 345)
Cash flows from financing activities		
Proceeds from loans	-	508 281 947
Net cash provided from financing activities	-	508 281 947
Net change in cash and cash equivalents during the period	30 028 701	42 133 577
Cash and cash equivalents at the beginning of the period	222 706 169	151 689 302
Cash and cash equivalents at the end of the period	252 734 870	193 822 879

The accompanying notes from page 5 to 31 are an integral part of these financial statements and are to be read therewith.

Citadel Capital Company
(Egyptian Joint Stock Company)
Notes to the separate financial statements
for the period ended March 31, 2013

1. Company background

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

- Providing consultancy in financial and financing fields for different companies and preparing and presenting the feasibility studies in the economical, technological, engineering, marketing, financing, management, borrowing contracts arrangements fields and financing studies in addition to preparing and presenting studies and consultancy regarding projects' promotion and offering the necessary technical support in different fields except legal consultancy.
- Working as an agent in contracting and negotiation in different fields and steps especially negotiation in the management contracts, participation and technical support.
- Managing, executing and restructuring of projects.

2. Basis of preparation

2.1 Statement of compliance

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

The financial statements were approved by the board on July 9, 2013.

2.2 Basis of measurement

The financial statements are prepared on the historical cost basis, except for the following assets and liabilities which are measured at fair value:

- Financial instruments at fair value through income statement.
- Derivative financial instruments (hedging reserve).

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgments

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised and in any future periods affected.

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

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

2.5 Consolidated financial statements

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

3. Significant accounting policies applied

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

3.1 Foreign currency transactions

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

3.2 Fixed assets depreciation

Fixed assets are stated at historical cost and presented in the balance sheet net of accumulated depreciation and impairment note no. (3.6), and are depreciated using the straight line method and recognized in income statement over the estimated productive life for each type of asset. The following are the estimated productive lives, for each class of assets, for depreciation calculation purposes:

Assets depreciation	**Estimated useful life**
- Buildings & Constructions	20 years
- Computers	2-3 years
- Furniture , Fixtures, Electric Equipment	4 years
- Vehicles	4 years

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

3.3 Projects under construction

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

3.4 Gains and losses from disposal of fixed assets

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

3.5 Investments

3.5.1 Investments at fair value through income statement

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

3.5.2 Available-for-sale investments

Available-for-sale investments are valued at fair value, with any resultant gain or loss being recognized in equity, except for impairment losses note no. (3.6) which is recognized in the income statement. When these investments are derecognized, the cumulative gain or loss previously recognized directly in equity is recognized in the income statement. The fair value of investments available-for-sale identifies, based on quoted price of the exchange market at the balance sheet date, investments that are not quoted, and whose fair value cannot be measured reliably are valued by an accepted valuation techniques including the use of new objective techniques or discounted cash flow analysis or option pricing models or other valuation techniques – if the company cannot estimate the fair value, it can be stated at cost less impairment loss.

3.5.3 Investments in subsidiaries and associates

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

3.6 Impairment of assets

3.6.1 Financial assets

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

  An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.
- Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

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

3.6.2 Non-financial assets

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

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

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

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

3.7 Cash and cash equivalents

Cash and cash equivalent includes the balances, which maturity not exceeding three months from the date of acquisition and the balances represented in cash on hand and banks-current accounts.

3.8 Interest-bearing borrowings

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

3.9 Provisions

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

3.10 Legal reserve

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

3.11 Issued capital

3.11.1 Repurchase of share capital

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

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

3.11.2 Dividends

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

3.12 Derivative financial instruments

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

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized directly in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognized in profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires, sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in equity remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognized in equity is transferred to the carrying amount of the asset when it is recognized. In other cases the amount recognized in equity is transferred to profit or loss in the same period that the hedged item affects profit or loss.

3.13 Lending

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

3.14 Revenues

Revenue recognition

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

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

3.14.1 Gains (losses) on sale of investments

Gains (losses) resulted from sale of financial investments & investments property are recognized on transaction date and measured by the difference between cost and selling price less selling commission and expenses.

3.14.2 Dividend income

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

3.14.3 Management fee

Management fee is recognized upon rendering the service.

3.14.4 Advisory fee

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

3.14.5 Interest income

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

3.15 Expenses

3.15.1 Interest expense

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

3.15.2 Employees pension

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

3.15.3 Income tax

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

3.16 Earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

3.17 Profit sharing to employees

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

4. Cash and cash equivalents

	31/3/2013 LE	31/12/2012 LE
Cash on hand	400 605	77 612
Banks – current accounts	236 068 464	215 989 626
Total	236 469 069	216 067 238
Effect of foreign exchange differences	16 265 801	6 638 931
Balance	252 734 870	222 706 169

Non cash transactions

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

- LE 159 202 553 from payments for investments and due from related parties (represents the transfer of payments for investments to the related parties' current account).
- LE 14 833 247 from proceeds from interest income and changes in other investments (represents the value of interest due on other investment during the period).

5. Due from related parties

	Nature of transaction		31/3/2013	31/12/2012
	Advisory fee	Finance		
	LE	LE	LE	LE
Mena Home Furnishings Mall	7 435 369	--	7 435 369	5 505 817
Falcon Agriculture Investments Ltd.	21 333 711	--	21 333 711	15 803 679
Golden Crescent Investments Ltd.	25 926 531	--	25 926 531	23 997 923
Citadel Capital Transportation Opportunities Ltd.	1 853 260	--	1 853 260	1 372 320
Logria Holding Ltd. *	37 401 758	--	37 401 758	34 619 536
Mena Glass Ltd.	6 430 241	--	6 430 241	4 761 530
Silverstone Capital Investment Ltd.	1 636 968	--	1 636 968	11 654 816
Sabina for Integrated Solutions	7 475 050	--	7 475 050	6 919 000
Sphinx Glass Ltd.	6 795 500	--	6 795 500	5 032 000
ASEC Cement Company	4 189 004	--	4 189 004	15 724 998
Citadel Capital Financing Corp. *	44 610 527	--	44 610 527	41 292 063
Valencia Trading Holding Ltd.	10 193 253	--	10 193 253	9 435 003
Citadel Capital Transportation Opportunities II Ltd.	1 865 956	--	1 865 956	6 908 611
Citadel Capital Holding for Financial Investments-Free Zone	--	1 048 333 887	1 048 333 887	874 388 277
ASEC Company for Mining (ASCOM)	--	108 077 426	108 077 426	96 084 159
Citadel Capital for International Investments Ltd.	--	42 932 617	42 932 617	10 936 783
National Company for Touristic and Property Investments	--	36 000 000	36 000 000	36 000 000
United Foundries Company	--	71 617 876	71 617 876	64 453 083
National Development and Trading Company	--	24 492 880	24 492 880	15 176 505
Ledmore Holdings Ltd.	1 653 742	--	1 653 742	1 224 578
Africa Railways Limited	1 750 881	--	1 750 881	5 168 288
Mena Joint Investment Fund GP	8 667 442	--	8 667 442	7 329 388
Citadel Capital Joint Investment Fund Management Ltd.	4 668 563	--	4 668 563	3 922 658
Africa JIF HOLD CO I	893 621	--	893 621	717 738
Africa JIF HOLD CO III	3 055 168	--	3 055 168	2 517 711
Mena JIF HOLD CO I	893 621	--	893 621	717 733
Total			1 530 184 852	1 301 664 197
Accumulated impairment *			(62 944 385)	(58 262 113)

	Nature of transaction Advisory fee	Finance	31/3/2013	31/12/2012
	LE	LE	LE	LE
Net			1 467 240 467	1 243 402 084

* Accumulated impairment on due from related parties are represented in:

	Balance as at 1/1/2013	Foreign currency translation differences	Balance as at 31/3/2013
	LE	LE	LE
Logria Holding Ltd.	34 619 536	2 782 222	37 401 758
Citadel Capital Financing Corp.	23 642 577	1 900 050	25 542 627
Balance	58 262 113	4 682 272	62 944 385

6. Other debit balances

	31/3/2013	31/12/2012
	LE	LE
Deposits with others	221 152	221 152
Impre st	367 409	92 771
Advances to suppliers	7 246	7 246
Letters of guarantee's margin	679 550	629 000
Taxes deducted by others	593 219	593 219
Prepaid expenses	144 000	144 000
Balance	2 012 576	1 687 388

7. Due to related parties

	31/3/2013	31/12/2012
	LE	LE
Citadel Capital Partners Ltd. *	312 887 232	255 980 135

* The principal shareholder of the Company – 26.11%.

8. Other credit balances

	31/3/2013	31/12/2012
	LE	LE
Tax Authority	25 760 875	22 840 774
Accrued expenses	49 013 883	48 856 718
Accrued interest	3 562 996	27 903 777

9. Expected claims provision

	31/3/2013	31/12/2012
	LE	LE
Balance at the beginning of the period / year	195 327 905	191 264 884
Formed during the period / year	--	7 000 000
Provisions used during the period / year	--	(2 936 979)
Balance	195 327 905	195 327 905

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

10. Available-for-sale investments

	31/3/2013	31/12/2012
	LE	LE
Arab Swiss Engineering Company – ASEC	17 479	17 479
Modern Company for Isolating Materials	43 396	43 396
EFG Capital Partners Fund II	7 734 489	7 734 489
EFG Capital Partners Fund III	15 970 800	15 970 800
ASEC Cement Company	543	--
Balance	23 766 707	23 766 164

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

11. Investments in subsidiaries and associates

	Percentage %	31/3/2013 LE	Percentage %	31/12/2012 LE
11.1 Investments in subsidiaries				
Citadel Capital Holding for Financial Investments-Free Zone	99.99	1 345 352 547	99.99	1 345 352 547
Citadel Capital for International Investments Ltd.	100	397 854 569	100	397 854 569
International Company for Mining Consultation	99.99	62 500	99.99	62 500
Balance		1 743 269 616		1 743 269 616
11.2 Investments in associates				
National Development and Trading Company	44.47	668 170 587	44.47	668 170 587
ASEC Company for Mining (ASCOM)	39.22	183 051 762	39.22	183 051 762
United Foundries Company	29.29	103 699 040	29.29	103 699 040
Balance		954 921 389		954 921 389
Total		2 698 191 005		2 698 191 005

- Investments in subsidiaries and associates are represented in unlisted securities in the Stock Exchange except ASEC Company for Mining (ASCOM) which has market value of LE 117 647 863 as at March 31, 2013 versus LE 149 771 084 as at December 31, 2012.

12. Payments for investments

	31/3/2013 LE	31/12/2012 LE
Citadel Capital Holding for Financial Investments- Free Zone	1 710 185 204	1 710 185 204
Citadel Capital for International Investments Ltd.	23 055 722	167 729 240
Fund Project	2 837 229	2 035 911
ASEC Cement Company	27 302 014	--
Balance	1 763 380 169	1 879 950 355

13. Fixed asset

	Building and constructions*	Computers	Furniture, fixture and equipments	Vehicles	Total
	LE	LE	LE	LE	LE
Cost as at 1/1/2013	33 742 368	7 820 325	22 791 143	539 800	64 893 636
Total cost as at 31/3/2013	33 742 368	7 820 325	22 791 143	539 800	64 893 636
Accumulated depreciation as at 1/1/2013	10 122 713	7 624 513	21 925 403	539 800	40 212 429
Depreciation during the period	421 780	60 421	300 509	--	782 710
Accumulated depreciation as at 31/3/2013	10 544 493	7 684 934	22 225 912	539 800	40 995 139
Carrying amounts at 31/3/2013	23 197 875	135 391	565 231	--	23 898 497
Carrying amounts at 31/12/2012	23 619 655	195 812	865 740	--	24 681 207

* Assets under constructions with an amount of LE 23 197 875 represent the value of the headquarter of the Company.

14. Other investments

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

	Note	31/3/2013	31/12/2012
		LE	LE
National Development and Trading Company	14.1	469 513 964	422 667 591
United Foundries Company	14.2	139 641 157	127 377 193
Balance		609 155 121	550 044 784

14.1 The Company has granted two subordinating loans to National Development and Trading Company – (one of the associate companies - 44.47%) 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 Company has transferred the total value of the two loans due from National Development and Trading Company in addition to the accrued interest to Seqouia Willow Investments Ltd. (one of the associates – 100 %) on January 10, 2011 based on the original contracts' terms granted to National Development and Trading Company. On February 1, 2012 the Company has retransferred the total value of the two loans due in addition to the accrued interest on Seqouia Willow Investments Ltd. to National Development and Trading Company according to the original contracts terms granted to National Development and Trading Company.

The value of the two loans is US.$ 69 091 894 (equivalent to LE 469 513 964 as at March 31, 2013) versus US.$ 67 196 755 (equivalent to LE 422 667 591 as at December 31, 2012) including accrued interest during the period amounted to US.$ 1 895 139 (equivalent to LE 12 878 417 as at March 31, 2013) against US.$ 6 970 742 (equivalent to LE 43 845 967 as at December 31, 2012).

14.2 The Company has signed 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%.

On January 9, 2012 the board of directors of United Foundries Company decided to convert the convertible loan contract to a subordinating loan that will be settled on 10 years with annual interest rate of 6% against end of loan commission amounted to US.$ 1 421 320 (equivalent to LE 8 641 626).

The value of loan is US.$ 20 549 063 (equivalent to LE 139 641 158 as at March 31, 2013) versus US.$ 20 250 746 (equivalent to LE 127 377 193 as at December 31, 2012) including accrued interest during the period amounted to US.$ 298 317 (equivalent to LE 2 027 213 as at March 31, 2013) versus US.$ 1 122 392 (equivalent to LE 7 059 846 as at December 31, 2012).

15. Deferred tax

	31/3/2013 LE	31/12/2012 LE
Fixed assets (depreciation)	715 739	693 087

The Company has carried over tax losses from previous years that were not recognized due to the lack of reasonable assurance of future taxable profit to benefit in the near future.

16. Share capital

- The Company's authorized capital is LE 6 Billion and the issued and paid-in capital is LE 4 358 125 000 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. Those preferred shares are owned by Citadel Capital Partners Ltd. the principle shareholder of the Company.

The shareholders' structure is represented as follows:

Shareholders' name	Percentage %	No. of shares	Value in LE
Citadel Capital Partners Ltd.	26.11	227 598 220	1 137 991 100
Soliman Abd Elmohsen Abd Allah Abanami	15.16	132 100 000	660 500 000
Emirates International Investments Company	7.49	65 318 565	326 592 825
Others	51.24	446 608 215	2 233 041 075
	100	871 625 000	4 358 125 000

17. Long term loans

On February 1, 2012 the Company has signed a long-term loan with an amount of US.$ 325 million with City Bank Group - syndication manager – a long with other group of banks (represented in Arab African International Bank S.A.E, Arab International Bank, Banque du caire, Misr Bank S.A.E, and Piraeus Bank) and guaranteed by Overseas private Investment Corporation (OPIC) for the purpose of expanding the Company's investments and refinancing the outstanding debts as at December 31, 2011 (which represented in the loan granted to the Company on May 15, 2008 with an amount of US.$ 200 million for a period of five years 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"; loan is to be paid on three installments during the contract period begins from the third year to the end of contract on May 15, 2013. The loan balance is an amount of US.$ 171 957 803 (equivalent to LE 1 032 984 912) as at December 31, 2011 until the date of the new contract)

The new loan amount is divided into three classes :-

- First tranche : Irrevocable amount of US.$ 175 million bearing variable interest rate (4.25 %+Libor rate) for 5 years begins from the date of the contract and payable on five equal annual installments.
- Second tranche: Irrevocable amount of US.$ 125 million bearing fixed interest rate (3.9 %+Libor rate on the date of withdrawal) for 10 years begins from the date of the contract and payable on nine equal annual installments with one year grace period.
- Third tranche : Irrevocable amount of US.$ 25 million bearing fixed interest rate (3.9 %+Libor rate on the date of withdrawal) and the Company has the right to use it within three years begins from the date of the contract and payable on nine equal annual installments begins from the date of withdrawal with one year grace period.

According to the loan contract, the loan installments would be paid on December 20th each year.

The Company has used an amount of US.$ 300 000 000 (equivalent to LE 2 038 650 000) till March 31, 2013 and the current stage installment is amounted to US.$ 83 888 888 (equivalent to LE 570 066 938 as at March 31, 2013).

- The interest on loan charged to the income statement during the period is LE 29 059 351 - note no. (18).
- The loan guarantees are as follows:

- First degree lien contract of the shares owned by the Company in National Development and Trading Company.
- First degree lien contract of the shares owned by the Company in International Company for Mining Consulting.
- First degree lien contract of the shares owned by the Company in United Foundries Company.
- First degree lien contract of the shares of Citadel Capital Ltd. (One of the subsidiaries of Citadel Capital Holding for Financial Investments-Free Zone).
- First degree lien contract of Citadel Capital Ltd. (One of the subsidiaries of Citadel Capital Holding for Financial Investments-Free Zone) investments on the following companies:
  - 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 Ltd.
  - Lotus Alliance Limited.
  - Citadel Capital Financing Corp.
  - Grandview Investment Holding
  - Africa Railways Holding
  - Citadel Capital for Promotion Company

18. Financing income (cost)

	For the period ended	
	31/3/2013	31/3/2012
	LE	LE
Interest income note (20.2)	31 638 258	45 458 619
Interest expense note (17)	(29 059 351)	(81 432 563)
Foreign currency differences	19 112 146	5 173 449
Net	21 691 053	(30 800 495)

19. Earnings per share

	For the period ended	
	31/3/2013	31/3/2012
	LE	LE
Net profit (loss) for the period	5 328 560	(30 523 677)
The weighted average number of shares	871 625 000	871 625 000
Earnings per share	0.01	(0.04)

20. Related parties transactions

The Company transact with related parties on the same basis of transacting with another parties and related parties transactions are presented as follows:

20.1 Advisory fee

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

	For the period ended	
	31/3/2013	31/3/2012
Company's name	LE	LE
Mena Glass Ltd.	1 279 803	1 139 834
Mena Home Furnishings Mall	1 479 851	1 318 002
Citadel Capital Transportation Opportunities Ltd.	368 854	328 513
Falcon Agriculture Investments Ltd.	4 239 262	3 775 624
Golden Crescent Investments Ltd.	--	1 747 858
Orient Investments Properties Ltd.	--	2 443 036
Sphinx Glass Ltd.	1 352 500	1 204 580
ASEC Cement Company	4 168 662	3 712 744
Silverstone Capital Investment Ltd.	1 629 019	542 122
Citadel Capital Transportation Opportunities II Ltd.	1 856 895	1 653 810
Africa Railways Limited	1 742 922	3 977 626
Mena Joint Investment Fund GP	749 020	854 186
Citadel Capital Joint Investment Fund Management Ltd.	430 658	1 202 696
Africa JIF HOLD CO I	118 200	93 742
Africa JIF HOLD CO III	335 120	300 674

Company's name	For the period ended 31/3/2013 LE	31/3/2012 LE
Mena JIF HOLD CO I	118 200	93 742
Ledmore Holdings Ltd.	329 144	--
Total	20 198 110	24 388 789

- The Company did not recognize advisory fees with an amount LE 10 650 336 and LE 1 972 068 related to Logria Holding Ltd. and Golden Crescent Investments Ltd. in accordance with the signed contracts due to inadequate assurance concerning the revenue recognition and collection conditions.

20.2 Interest income

Interest income presented in financing costs - note no.(18) included an amount of LE 31 459 445 which represent the accrued interest income according to the signed contracts with some related parties as follows:

Company's name	For the period ended 31/3/2013 LE	31/3/2012 LE
National Development and Trading Company (14.1)	12 815 878	10 352 557
United Foundries Company * (20.2.1)	3 045 959	10 581 408
Citadel Capital Holding for Financial Investments-Free Zone	9 242 054	23 667 531
Citadel Capital for International Investments Ltd.	4 804 987	--
ASEC Company for Mining (ASCOM)	1 550 567	--
Total	31 459 445	44 601 496

* Note no. (14.2).

20.2.1 Interest income related to United Foundries Company is represented as follows:

	For the period ended 31/3/2013 LE	31/3/2012 LE
Subordinating loan interest – note no. (14)	2 017 369	10 581 408
Current account interest	1 028 590	--
Total	3 045 959	10 581 408

21. Tax Status

Corporate tax

The Company submitted its tax returns on regular basis for the years from 2005 to 2012 according to tax law No. 91/2005. The Company's books have not been inspected yet.

Salaries tax

The Company deducts the salaries tax according to tax law no. 91 / 2005 and the Company's books inspected for the period from launch till the date of 31/12/2009 but the authority did not inform the Company with results yet. And the years from 2010/2012 have not been inspected yet .

Stamp tax

The Company was inspected till July 31, 2006 and paid all the accrued amounts according to the Internal Committee decision and no tax inspection for the period from August 1, 2006 to December 31, 2012 has been inspected and the dispute has transferred to Internal Committee in the Authority.

Withholding tax

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

- On December 6, 2012, several resolutions of laws on amending certain provisions of the Tax Laws has been issued and published in the Official Gazette on the that date, provided that such resolutions shall come into force from the date following the date of publication. And such amendments are:
- Amending the provisions of the Income tax Law No. 91 of 2005.
- Amending the provisions of the General Sales tax Law No. 11 of 1991.
- Amending the provisions of the Real Estate tax Law No. 196 of 2008.
- Amending the provisions of the Stamp Duty Law No. 111 of 1980.

  Later statements have been issued by certain officials in respect of freezing the enforcement of such resolutions, therefore the parent company management did not affect the financial statements with these amendments. when reliable information become available on the enforcement of such resolutions and the effective date therefore, these amendments might affect the taxes bases, the related assets and liabilities, the results of operations during the year and the net profit available for distribution.

22. Administrative and general expenses

	For the period ended	
	31/3/2013	31/3/2012
	LE	LE
Wages , salaries and similar items	14 218 529	15 583 404
Consultancy	14 721 435	1 258 968
Advertising and public relations	2 054 748	1 036 887
Travel , accommodation and transportations	1 546 416	1 097 408
Other expenses	3 259 417	4 021 331
Total	35 800 545	22 997 998

23. Management fees

The Company's extraordinary general assembly meeting held on May 12, 2008 approved the management contract with Citadel Capital Partners Ltd. (the principal shareholder of – 26.11%) which states that Citadel Capital Partners Ltd. provides management duties for fees based on 10% of the net annual profit available for distribution. The total fees for the period ended March 31, 2013 and March 31, 2012 are nil.

24. 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 year 2005 which modified executive regulation for the law No. 159 / 1981.
- On June 22, 2008 the Capital Market Authority approved the ESOP plan and the Company did not start to apply it.

25. Contingent liabilities and commitments

The Company guarantees some of its related parties against loans and credit facilities granted from banks.

26. Financial instruments and management of related risks:

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

26.1 Credit risk

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

26.2 Liquidity risk

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

26.3 Market risk

A- Foreign currencies risk

- The foreign currencies exchange risk represents the risk of fluctuation in exchange rates, which in turn affects the Company's cash inflows and outflows as well as the value of its assets and liabilities in foreign currencies. Assets and liabilities that have foreign currency position at the financial position date equivalent to LE 2 429 084 367 and LE 2 205 488 038 respectively, and net foreign currencies balances at the financial position date are as follows:

Foreign currencies	Surplus (deficit) LE
US.$	348 892 617
Euro	(125 296 288)

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

B- Interest rate risk

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

C- Price risk

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

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

26.4 Capital risk management

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

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

Management monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as Current portion of long term loans, trade payable and due to related parties plus long term loans as shown on the balance sheet less cash and cash equivalents.

The gearing ratios at 31 March 2013 and 31 December 2012 were as follows:

	31/3/2013	31/12/2012
	LE	LE
Liabilities		
Due to related parties	312 887 232	255 980 135
Current portion of long term loans	570 066 938	527 661 106
Other credit balances	93 127 589	111 040 338
Expected claims provision	195 327 905	195 327 905
Long term loans	1 468 583 062	1 359 338 894
Total	**2 639 992 726**	**2 449 348 378**
Less: Cash and cash equivalents	(252 734 870)	(222 706 169)
Net debt	**2 387 257 856**	**2 226 642 209**
Total equity	**4 201 102 425**	**4 195 773 865**
Gearing ratio	**57%**	**53%**

27. Subsequent events

On the June 2, 2013 the Ordinary General Assembly approved the agreements relating to increasing the Company's stake in some of its companies where the Company holds investments for the following sectors:

- Energy
- Transportation and logistical support
- Agriculture and food industries
- Cement
- Other sectors

The General Assembly reviewed all the contracts and agreements with the shareholders of those companies that give the Company the right to purchase additional stake at a fair value with a maximum of EGP 3,131,149,209 according to the valuation made by independent financial advisor (registered at the Egyptian Financial Supervising Authority–EFSA) and which has been approved by the Company's external auditor.

The General Assembly approved to grant the management of the Company the authority to determine the proper timing for execution of the contractual agreements or cancelling it and also authorized the members of the board of directors to enter into the compensatory contracts relating to the purchase by the Company of any shares held by the members of the directors.

The General Assembly also agreed to grant management of the Company the authority to enter into contractual agreements with the same shareholders or other shareholders in these companies as long as these contracts are with the same terms and conditions previously referred to. The required legal procedures are taking place.