Citadel Capital Company

(Egyptian Joint Stock Company)

Consolidated financial statements

for the period ended March 31, 2012

&

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 March 31, 2012 and the related consolidated statements of income, changes in equity and cash flows for the three 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 March 31, 2012 and of its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with Egyptian Accounting Standards.

KPMG Hazem Hassan

Cairo July 19, 2012

Citadel Capital Company

(Egyptian Joint Stock Company)

Consolidated statement of financial position

as at March 31, 2012

	Note	31/3/2012	31/12/2011
		LE	LE
Assets			
Fixed assets (net)	(5)	270 328 411	72 959 814
Investments in subsidiaries and associates	(6)	1 567 535 916	1 643 393 974
Other investments (net)	(7)	2 188 623 179	2 215 496 903
Deferred tax	(16)	1 535 071	1 759 385
Total non-current assets		4 028 022 577	3 933 610 076
Other investments	(7)	18 232 407	18 169 898
Other assets	(8)	30 289 293	-
Trade and other receivables (net)	(9)	1 129 196 956	922 891 980
Cash and cash equivalents	(10)	230 922 451	166 240 722
Total current assets		1 408 641 107	1 107 302 600
Total assets		5 436 663 684	5 040 912 676
Equity			
Share capital	(11)	4 358 125 000	4 358 125 000
Reserves	(12)	178 736 382	187 335 495
Retained loss		(1 949 402 782)	(1 093 810 353)
Net loss for the period / year		(156 115 323)	(773 536 460)
Total equity attributable to equity holders of the Company		2 431 343 277	2 678 113 682
Non - controlling interests	(13)	376 168 632	379 713 881
Total equity		2 807 511 909	3 057 827 563
Liabilities			
Long term loans	(14)	1 687 874 763	1 142 441 436
Long term liabilities	(15)	10 787 486	21 859 566
Total non-current liabilities		1 698 662 249	1 164 301 002
Short term loans	(14)	237 070 216	210 252 000
Trade and other payables	(17)	485 590 118	401 971 766
Expected claims provision	(18)	207 829 192	206 560 345
Total current liabilities		930 489 526	818 784 111
Total liabilities		2 629 151 775	1 983 085 113
Total equity and liabilities		5 436 663 684	5 040 912 676

The accompanying notes on pages 5 to 44 are integral part of these consolidated financial statements and are to be read therewith.

Review report "attached"

Managing Director	Chairman
Hisham Hussein El Khazendar	Ahmed Heikal

Citadel Capital Company
(Egyptian Joint Stock Company)
Consolidated income statement
for the period ended March 31, 2012

	Note	For the period ended	
		31/3/2012	31/3/2011
		LE	LE
Advisory fee	(26-1)	17 751 532	15 539 864
Share of (loss) profit of equity accounted investees	(19)	(67 647 562)	(63 619 549)
Net other operations results	(20-1)	(3 615 045)	-
Total operating loss		(53 511 075)	(48 079 685)
Administrative and general expenses	(21)	(44 924 358)	(47 241 556)
Other expenses	(9-1,22)	(9 862 808)	(652 145)
Total operating loss		(108 298 241)	(95 973 386)
Financing costs (net)	(23)	(50 735 264)	(18 279 561)
Net loss before tax		(159 033 505)	(114 252 947)
Deferred tax		(224 314)	34 221
Net loss for the period		(159 257 819)	(114 218 726)
Attributable to:			
Equity holders of the Company		(156 115 323)	(111 367 777)
Non - controlling interests		(3 142 496)	(2 850 949)
		(159 257 819)	(114 218 726)
Earnings per share	(24)	(0.18)	(0.17)

The accompanying notes on pages 5 to 44 are integral part of these consolidated financial statements and are to be read therewith.

Citadel Capital Company

(Egyptian Joint Stock Company)

Consolidated statement of changes in equity

for the period ended March 31, 2012

	Note	Share capital	Reserves				Retained earnings (loss)	Net loss for the year / period	Total	Non-controlling interests	Total equity
			Legal reserve	Fair value reserve -AFS	F.C. translation reserve	Company's share of changes in associate equity					
		LE	LE	LE	LE	LE	LE	LE	LE	LE	LE
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	(3-3)	-	-	-	57 323 709	-	-	-	57 323 709	(478 224)	56 845 485
Changes in the fair value of available -for- sale investments	(3-8-1)	-	-	(337 963)	-	-	-	-	(337 963)	-	(337 963)
Changes in non-controlling interests		-	-	-	-	-	-	-	-	1 436 593	1 436 593
The Company's share in changes of associates equity	(3-1-4)	-	-	-	-	(7 611 903)	(15 644 401)	-	(23 256 304)	-	(23 256 304)
Net loss for the period ended March 31, 2011		-	-	-	-	-	-	(111 367 777)	(111 367 777)	(2 850 949)	(114 218 726)
Balance as at March 31, 2011		3 308 125 000	89 578 478	(217 147)	160 238 161	(67 846 774)	(1 096 889 921)	(111 367 777)	2 281 620 020	195 111 375	2 476 731 395
Balance as at December 31, 2011		4 358 125 000	89 578 478	(739 595)	170 806 715	(72 310 103)	(1 093 810 353)	(773 536 460)	2 678 113 682	379 713 881	3 057 827 563
Carrying 2011 loss forward		-	-	-	-	-	(773 536 460)	773 536 460	-	-	-
Exchange differences relating to foreign operations	(3-3)	-	-	-	(12 803 421)	-	-	-	(12 803 421)	(183 920)	(12 987 341)
Changes in the fair value of available -for- sale investments	(3-8-1)	-	-	128 034	-	-	-	-	128 034	-	128 034
Acquisition of subsidiaries	(20)	-	-	-	-	-	(91 341 737)	-	(91 341 737)	-	(91 341 737)
Changes in non-controlling interests		-	-	-	-	-	-	-	-	(218 833)	(218 833)
The Company's share in changes of associates equity	(3-1-4)	-	-	-	-	4 076 274	9 285 768	-	13 362 042	-	13 362 042
Net loss for the period ended March 31, 2012		-	-	-	-	-	-	(156 115 323)	(156 115 323)	(3 142 496)	(159 257 819)
Balance as at March 31, 2012		4 358 125 000	89 578 478	(611 561)	158 003 294	(68 233 829)	(1 949 402 782)	(156 115 323)	2 431 343 277	376 168 632	2 807 511 909

The accompanying notes on pages 5 to 44 are integral part of these consolidated financial statements and are to be read therewith.

Citadel Capital Company

(Egyptian Joint Stock Company)

Consolidated statement of cash flows

for the period ended March 31, 2012

	For the period ended 31/3/2012 LE	For the period ended 31/3/2011 LE
Cash flows from operating activities		
Net loss before tax	(159 033 505)	(114 252 947)
Adjustments to reconcile net loss to net cash (used in) provided from operating activities :		
Depreciation and amortization	4 443 185	1 217 379
The Company's share of (loss) profit of equity accounted investees	80 591 468	71 048 255
Net change in the fair value of investments at fair value through profit or loss	(4 877)	652 145
Foreign exchange differences	(7 790 975)	59 754 228
Interest income	(10 352 557)	(10 273 672)
Interest expenses	4 739 580	4 620 188
Impairment loss on trade and other receivables	9 867 685	5 253 030
Provisions used	-	(6 952 024)
Provisions no longer needed	-	(5 253 030)
Operating (loss) profit before changes in working capital	(77 539 996)	5 813 552
Change in investments at fair value through profit or loss	-	(3 482 090)
Change in trade and other receivables	(200 207 928)	(35 472 927)
Change in other assets	4 362 705	-
Change in trade and other payables	(141 085 639)	58 437 611
Net cash (used in) provided from operating activities	(414 470 858)	25 296 146
Cash flows from investing activities		
Payments for purchase of fixed assets	(15 906 079)	(327 313)
Payments for other investments	(12 399 131)	(105 121 810)
Payments for purchase of investments in subsidiaries and associates	(11 072 080)	(6 379 143)
Net cash used in investing activities	(39 377 290)	(111 828 266)
Cash flows from financing activities		
Proceeds from borrowings	514 769 503	144 815 000
Net cash provided from financing activities	514 769 503	144 815 000
Net changes in cash and cash equivalents during the period	60 921 355	58 282 880
Cash and cash equivalents at the beginning of the period	166 240 722	162 616 450
Cash related to aquisition of subsidiaries - note no. (20)	3 760 374	-
Cash and cash equivalents at the end of the period	230 922 451	220 899 330

The accompanying notes on pages 5 to 44 are integral part of these consolidated financial statements and are 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 March 31, 2012 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in associates.

2. Basis of preparation

2.1 Statement of compliance

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

The financial statements were approved by the Board of Directors on July 19, 2012.

2.2 Basis of measurement

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

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

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

2.3 Functional and presentation currency

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

2.4 Use of estimate and judgements

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

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

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

- Note (18) 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 Recognition and disposals of the financial assets and liabilities

3.4.1 Recognition

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

3.4.2 Disposals

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

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

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

(a) The entity has no obligation to pay amounts to the eventual recipients unless it collects equivalent amounts from the original asset. Short-term advances by the entity with the right of full recovery of the amount lent plus accrued interest at market rates do not violate this condition.

(b) The entity is prohibited by the terms of the transfer contract from selling or pledging the original asset other than as security to the eventual recipients for the obligation to pay them cash flows.

(c) The entity has an obligation to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the entity is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents during the short settlement period from the collection date to the date of required remittance to the eventual recipients, and interest earned on such investments is passed to the eventual recipients.

3.5 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.

3.6 Lending

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

3.7 Cash and cash equivalents

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

3.8 Investments

3.8.1 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.

3.8.2 Financial assets at fair value through profit or loss

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

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

3.8.3 Other

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

3.9 Share capital

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

3.10 Fixed assets depreciation

Fixed assets are stated at historical cost and presented in the balance sheet net of accumulated depreciation and impairment (note 3.14), 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.

3.11 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.

3.12 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.

3.13 Intangible assets

3.13.1 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.

3.13.2 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.

3.13.3 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.

3.13.4 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.

3.14 Impairment

3.14.1 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.

3.14.2 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.

3.15 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.

3.16 Biological assets

Biological assets and agricultural products are evaluated at fair value less estimated costs to sell. Fair value determination of Cereals is based on the present value of net cash flows resulting from the projected quantity of (corn, cotton, sunflower) at the end of the fiscal year valued at the market price for the following season less the estimated costs of harvesting and transport, and for the predicted amounts of these crops, management should evaluate the expected of them for the season, taking the weather and harvest programs in consideration. To identify and assess the expected price of (corn, cotton, sunflower), management must consider the markets that will be sold crops where for the next year, whether domestic sales or export sales and assessment of local and global, as well as foreign exchange rates and the book value of those crops.

The immature (corn, cotton, sunflower) are stated on cost as the cost approximate the fair value as little biological transformation has taken place since initial cost incurrence.

3.17 Inventories

Inventories are measured at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and other additional selling expenses.

The cost of fertilizer, chemicals and spare parts includes the purchase cost in addition to costs associated with the arrival of inventory to the site and the situation in which the fit for use, as is the cost of the stock of products, agriculture is sustainable in the actual cost until the date of harvest as well as all the elements of the costs required to reach the products to stores. The cost of inventories is determined as follows:

- Cost fertilizers and chemicals, spare parts, is determined using the weighted average method.
- Cost of finished goods from sustainable plantations is carried at fair value at the date of harvest estimated less costs to sell

3.18 Trade and other payables

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

3.19 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.

3.20 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.

3.21 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.

3.22 Dividends

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

3.23 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.

3.24 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.

3.25 Employees benefits

3.25.1 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.

3.25.2 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.

3.26 Revenue

3.26.1 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.

3.26.2 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.

3.26.3 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.

3.26.4 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.

3.26.5 Interest income

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

3.26.6 Management fee

Management fee is recognized upon rendering the service.

3.26.7 Advisory fee

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

3.26.8 Sale of goods

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

4. Determination of fair values

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

4.1 Intangible assets

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

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

4.2 Investment in equity and debt securities

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

4.3 Trade and other receivables

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

4.4 Non-derivatives financial liabilities

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

4.5 Inventories

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

5. Fixed assets

	Land	Buildings	Lease hold improvements	Machinery and equipment	Furniture & fixtures	Computer equipment & software	Transportation means	Assets under construction *	Total
	LE	LE	LE	LE	LE	LE	LE	LE	LE
Cost as at 1/1/2012	24 000 000	33 742 368	192 720	--	22 972 082	7 946 240	662 831	20 889 151	110 405 392
Acquisition of subsidiaries **	--	5 532 356	7 879 473	114 820 559	5 486 178	461 277	3 611 078	68 565 550	206 356 471
Additions	--	41 199	--	499 035	20 280	19 574	6 130	15 319 861	15 906 079
Disposals	--	--	(58 269)	--	(116 401)	(66 564)	--	--	(241 234)
Foreign currency translation differences	--	95	2 036	1 153	1 025	1 237	1 883	--	7 429
Cost as at 31/3/2012	24 000 000	39 316 018	8 015 960	115 320 747	28 363 164	8 361 764	4 281 922	104 774 562	332 434 137
Accumulated depreciation as at 1/1/2012	--	8 435 593	163 508	--	20 860 588	7 373 165	612 724	--	37 445 578
Acquisition of subsidiaries **	--	406 464	--	16 950 686	879 331	156 237	2 052 371	--	20 445 089
Depreciation	--	449 376	9 418	2 863 952	460 792	160 694	498 953	--	4 443 185
Disposals	--	--	(58 269)	--	(116 401)	(66 564)	--	--	(241 234)
Foreign currency translation differences	--	64	1 594	6 617	1 203	1 170	2 460	--	13 108
Accumulated depreciation as at 31/3/2012	--	9 291 497	116 251	19 821 255	22 085 513	7 624 702	3 166 508	--	62 105 726
Carrying amounts									
At 31/3/2012	24 000 000	3 0 024 521	7 899 709	95 499 492	6 277 651	737 062	1 115 414	104 774 562	270 328 411
At 31/12/2011	24 000 000	25 306 775	29 212	--	2 111 494	573 075	50 107	20 889 151	72 959 814

* Assets under construction include an amount of LE 83 883 209 related to Sabina for Integrated Solutions – one of the group entities - represents the value of developing and improving agricultural lands in Sudan , and LE 20 891 353 represents fixtures and constructions of a new headquarters at Smart Village.

** Note no. (20).

6. Investments in subsidiaries and associates

The Group investments in subsidiaries and associates are represented in:

	Percentage		Carrying amount	
	2012	2011	31/3/2012	31/12/2011
	%	%	LE	LE
El Kateb for Marketing & Distribution Co.	48.88	48.88	1 187 437	1 346 670
Pharos Holding Co. *	53.00	53.00	94 523 943	94 504 925
Elsharq Book Stores Co.	40.00	40.00	15 765 691	15 792 931
ASEC Company for Mining (ASCOM)	39.22	39.22	150 340 236	153 083 372
Silverstone Capital Investments Ltd.***	41.81	40.98	330 015 779	346 700 538
Dar El-Sherouk Ltd. *	58.51	58.51	146 780 970	148 409 077
Crondall Holdings Ltd.	47.67	47.67	109 504 627	99 566 424
National Development and Trading Company	49.81	49.81	275 896 342	343 697 769
United Foundries Company	29.95	29.95	40 722 494	50 446 690
Mena Home Furnishings Mall	32.13	32.13	103 495 772	109 140 321
Citadel Capital Transportation Opportunities Ltd.	34.16	34.16	107 467 361	110 611 075
Tawazon for Solid Waste Management (Tawazon)	25.48	33.33	24 897 199	25 450 207
Mena Glass Ltd.	21.03	21.03	135 414 820	136 718 916
Tanmeyah Company S.A.E **	51.00	51.00	7 422 190	7 925 059
Ledmore Holdings Ltd.***	35.00	--	24 101 055	--
Balance			1 567 535 916	1 643 393 974

* 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 according to shareholders agreement.

** 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%.

***The shareholder of Silverstone Capital Investments Ltd. agreed to segregate part of the company's operations to Ledmore Holdings Ltd. by cost as at January 17, 2012 , and each shareholder has the same original percentage at the date of segregation.

Summary of financial statements of associates company

2012	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.	8 663 200	6 607 152	15 270 352	6 944 178	2 916 785	9 860 963	1 397 084	1 722 845
Pharos Holding Co.	172 951 603	185 753 596	358 705 199	212 915 472	659 466	213 574 938	12 838 719	12 802 837
Elsharq Book Stores Co.	11 006 979	8 099 165	19 106 144	4 923 086	447 447	5 370 533	5 561 052	5 635 281
ASEC Company for Mining (ASCOM)	235 753 296	748 452 923	984 206 219	363 904 984	208 634 121	572 539 105	142 097 846	149 211 475
Silverstone Capital Investments Ltd.	1 903 024 463	864 771 912	2 767 796 375	1 230 038 981	276 427 236	1 506 466 217	315 081 019	285 533 266
Dar El-Sherouk Ltd.	147 319 291	81 379 836	228 699 127	45 741 906	2 914 232	48 656 138	11 437 626	13 821 582
Crondall Holdings Ltd.	31 553 290	925 025 496	956 578 786	360 915 420	--	360 915 420	40 184 094	19 896 045
National Development and Trading Co.	1 806 969 767	5 452 987 618	7 259 957 385	2 511 871 538	2 333 195 027	4 845 066 565	487 729 776	617 399 395
United Foundries Company	192 392 016	420 194 556	612 586 572	289 383 638	190 847 907	480 231 545	77 161 293	101 814 775
Mena Home Furnishings Mall	52 256 661	657 616 797	709 873 458	100 861 995	303 250 509	404 112 504	6 101 317	20 250 762
Citadel Capital Transportation Opportunities Ltd.	162 565 411	718 020 779	880 586 190	138 694 100	279 055 098	417 749 198	15 700 305	32 202 710
Tawazon for Solid Waste Management Company (Tawazon)	135 043 081	131 290 468	266 333 549	101 615 847	14 798 999	116 414 846	37 114 974	39 516 626
Mena Glass Ltd.	199 729 290	1 326 884 308	1 526 613 598	195 940 201	510 446 802	706 387 003	68 771 806	76 067 846
Tanmeyah Company S.A.E.	23 624 321	19 834 972	43 459 293	43 382 639	--	43 382 639	19 553 706	20 541 008
Ledmore Holdings Ltd.	10 017 657	129 449 586	139 467 243	24 084 803	9 486 981	33 571 784	229 743	2 329 100

- Note no. (19).

7. Other investments

	note no.	31/3/2012 LE	31/12/2011 LE
Non-current investments			
Available-for-sale investments (net)	7.1	942 785 714	919 306 588
Payments for investments (net)	7.2	584 514 452	589 886 669
Loans to related parties	7.3	615 799 829	660 952 590
Other	7.4	45 523 184	45 351 056
		2 188 623 179	2 215 496 903
Current investments			
Investments at fair value through profit or loss	7.5	18 232 407	18 169 898
		2 206 855 586	2 233 666 801

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:

	31/3/2012 LE	31/12/2011 LE
Orient Investment Properties Ltd.	607 867 657	605 569 252
Logria Holding Ltd. *	391 950 000	390 468 000
Golden Crescent Investment Ltd. *	382 106 025	380 661 246
Falcon Agriculture Investments Ltd.	278 014 639	266 345 377
EFG Capital Partners Fund II & III (Horus Private Equity Fund II & III formerly)	26 330 926	26 330 926
Sphinx Turnaround	18 044 975	8 580 883
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	603	601
Valencia Regional Investment Ltd.	603	601
Total	1 704 394 782	1 678 036 240
Accumulated impairment *	(761 609 068)	(758 729 652)
Net	942 785 714	919 306 588

*Accumulated impairment in investments of the Company are represented in:

	Balance as at 1/1/2012	Foreign currency translation differences	Balance as at 31/3/2012
	LE	LE	LE
Logria Holding Ltd.	390 468 000	1 482 000	391 950 000
Golden Crescent Investment Ltd.	368 261 652	1 397 416	369 659 068
Balance	758 729 652	2 879 416	761 609 068

7.2 The payments for investments are as follows:

	31/3/2012	31/12/2011
	LE	LE
Grandview Investment Holding	74 651 659	74 369 395
Fund Project *	2 765 780	2 035 911
Pharos Holding Co.	18 621 911	18 621 911
Nile Valley Petroleum Ltd.	36 608 130	36 469 710
Citadel Capital Transportation Opportunities II Ltd.	18 090	18 022
Valencia Assets Holding Ltd.	--	1 322
Mena Joint Investment Fund	21 039 737	20 960 118
Africa Joint Investment Fund	49 164 550	48 978 654
Sphinx Turnaround Funds	--	8 104 163
Falcon Agriculture Investments Ltd.	38 375 170	38 355 973
Ambiance Rail Company (PTY) Limited	166 972 955	166 341 615
KU Railways Holdings Limited	175 424 519	174 761 222
Asec Emirates for Mining *	33 424 350	33 297 970
Citadel Capital Al Qalaa - Saudi Arabia	871 951	868 653
Total	617 938 802	623 184 639
Accumulated impairment *	(33 424 350)	(33 297 970)
Net	584 514 452	589 886 669

7.3 Loans to subsidiaries and associate companies are as follows:

	note no.	31/3/2012	31/12/2011
		LE	LE
National Development and Trading Company	7.3.1	373 833 295	362 094 225
United Foundries Company	7.3.2	--	58 107 093
Underscore International Holdings Ltd.	7.3.3	90 450 000	90 108 000
Valencia Regional Investment Ltd.	7.3.4	69 345 000	69 082 800
Others		82 171 534	81 560 472
Balance		615 799 829	660 952 590

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.$ 61 995 571 (equivalent to LE 373 833 295 as at March 31, 2012) against US.$ 60 276 705 (equivalent to LE 362 094 225 as at December 31, 2011) including accrued interest from the beginning of loans period amounted to US.$ 12 962 052 (equivalent to LE 78 161 174 as at March 31, 2012) against US.$ 11 243 186 (equivalent to LE 67 540 070 as at December 31, 2011).

7.3.2 The Company has concluded a subordinating loan contract with United Foundries Company (one of the associate companies - 29.95%) 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 a convertible loan contract to current account as a subordinating loan that will be settled on 10 years with annual interest rate equals to 6%.

The loan is amounted to US.$ 9 672 908 (equivalent to LE 58 107 093 as at December 31, 2011) including accrued interest from the beginning of loan period amounted to US.$ 1 542 808 (equivalent to LE 9 267 956).

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 90 450 000 as at March 31, 2012 against LE 90 108 000 as at December 31, 2011) 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 69 345 000 as at March 31, 2012 against LE 69 082 800 as at December 31, 2011) 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 Other investments are represented in an amount of US.$ 7 549 450 (equivalent to LE 45 523 184 as at March 31, 2012 against LE 45 351 056 as at December 31, 2011)) blocked at Citibank – London for Ambiance venture Ltd (one of the subsidiaries-75%) to ensure the Ambiance venture Ltd. seriousness of payment of its due portion in KU Railways Holding Limited future capital increase.

7.5 Investments at fair value through profit or loss:

	31/3/2012	31/12/2011
	LE	LE
Modern Shorouk for Printing Co.	1 557 714	1 399 664
Al Arafa Investment and Consulting	1 432 728	1 585 901
TAQA Arabia	15 241 965	15 184 333
Balance	18 232 407	18 169 898

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

8. Other assets

	Note no.	31/3/2012 LE	31/12/2011 LE
Biological assets	8.1	15 684 374	--
Inventory	8.2	14 604 919	--
Balance		30 289 293	--

8.1 Biological assets are represented in:

	Note no.	31/3/2012 LE	31/12/2011 LE
Planets (cotton , corn , sun flower)		15 684 374	--

8.2 Inventory is represented in:

	31/3/2012	31/12/2011
	LE	LE
Fertilizers	10 702 990	--
Chemicals	1 588 821	--
Seeds	1 268 254	--
Spare parts	1 044 854	--
Balance	14 604 919	--

9. Trade and other receivables

	Note no.	31/3/2012 LE	31/12/2011 LE
Due from related parties (net)	9.1	1 087 800 734	903 563 564
Other receivables (net)	9.2	41 396 222	19 328 416
Balance		1 129 196 956	922 891 980

9.1 Due from related parties

	Nature of transaction		31/3/2012	31/12/2011
	Advisory fee	Finance		
	LE	LE	LE	LE
Logria Holding Ltd. *	33 188 523	1 924 595	35 113 118	34 980 352
Mena Home Furnishings Mall	1 319 558	87 355 540	88 675 098	57 574 182
Citadel Capital Transportation Opportunities Ltd.	328 900	58 601 138	58 930 038	20 988 192
Silverstone Capital Investments Ltd.	5 905 559	--	5 905 559	8 966 930
Falcon Agriculture Investments Ltd.	3 780 075	166 788 728	170 568 802	53 293 548
Orient Investment Properties Ltd.	53 388 429	83 646 110	137 034 539	114 022 516
Golden Crescent Investment Ltd.	23 005 958	--	23 005 958	21 175 667
ASEC Cement Company	3 717 121	--	3 717 121	15 018 000
Sphinx Glass Ltd.	6 030 000	--	6 030 000	4 805 760
Mena Glass Ltd.	5 705 888	--	5 705 888	4 547 451
Mena Joint Investment Fund	851 508	--	851 508	346 374
Africa Joint Investment Fund	2 602 982	--	2 602 982	2 593 140
Citadel Capital Transportation Opportunities II Ltd.	7 639 835	--	7 639 835	5 961 449
Grandview Investment Holding	--	44 968 918	44 968 918	42 463 202
ASEC Company for Mining (ASCOM)	--	48 300 300	48 300 300	24 083 533
Golden Crescent Finco Ltd.	--	158 729 523	158 729 523	148 226 639

	Nature of transaction		31/3/2012	31/12/2011
	Advisory fee	Finance		
	LE	LE	LE	LE
Emerald Financial Services Ltd. *	--	199 841 894	199 841 894	199 086 273
Valencia Assets Holding Ltd. – note no. (20)	--	--	--	188 250 476
Nile Valley Petroleum Ltd.	--	129 011 850	129 011 850	128 524 043
Tawazon for Solid Waste Management (Tawazon)	--	797 510	797 510	2 745 525
National Development and Trading Company	--	7 764 261	7 764 261	4 082 996
United Foundries Company	--	142 561 664	142 561 664	46 635 557
Valencia Regional Investments Ltd.	--	225 558	225 558	216 680
Citadel Capital East Africa	--	22 793	22 793	22 707
Citadel Capital – ALQALAA Saudi Arabia	--	233 922	233 922	193 312
ESACO for Manufacturing, Engineering and Construction *	--	38 855 203	38 855 203	28 855 201
Arab Refining Company – note no. (14-4)	--	5 710 332	5 710 332	1 400 789
Africa JIF HOLD CO I	467 946	--	467 946	372 789
Africa JIF HOLD CO III	1 909 773	--	1 909 773	1 603 015
Mena JIF HOLD CO I	467 946	--	467 946	372 789
Sabina for Integrated Solutions	--	--	--	6 607 920
El Kateb for Marketing & Distribution Co.	--	1 001 673	1 001 673	--
Ledmore Holdings Ltd.	--	24 437 986	24 437 986	--
Nahda	--	10 521 451	10 521 451	--
Total			1 361 610 949	1 168 017 007
Accumulated impairment *			(273 810 215)	(264 453 443)
Net			1 087 800 734	903 563 564

* Impairment in due from related parties are represented in:

	Balance as at 1/1/2012	Formed during the period	Foreign currency translation differences	Balance as at 31/3/2012
	LE	LE	LE	LE
ESACO for Manufacturing, Engineering and Construction	28 855 201	9 867 685	132 317	38 855 203
Emerald Financial Services Ltd.	199 086 273	--	755 621	199 841 894
Logria Holding Ltd.	34 980 352	--	132 766	35 113 118
Balance	262 921 826	9 867 685	1 020 704	273 810 215

9.2 Other receivables are represented in:

	31/3/2012	31/12/2011
	LE	LE
Prepaid expenses	390 368	197 887
Deposits with others	1 049 242	232 402
Advances to suppliers	2 029 810	11 228
Letters of guarantee margin	605 756	602 720
Imprest	3 859 508	515 793
Accrued revenue	2 337 559	2 403 045
Loans to others	13 266 000	12 014 400
Sundry debit balances	17 857 979	3 350 941
Balance	41 396 222	19 328 416

10. Cash and cash equivalents

	31/3/2012	31/12/2011
	LE	LE
Cash on hand	1 685 724	668 772
Banks - current accounts	227 344 731	159 034 272
Banks - time deposits	1 356 750	1 351 620
Total	230 387 205	161 054 664
Effect of foreign exchange differences	535 246	5 186 058
Balance	230 922 451	166 240 722

Non cash transactions

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

- LE 58 107 093 from proceeds from other investments and due from related parties (represents the other investments transferred as related parties' current account due).
- LE 10 352 557 from proceeds from interest income and changes in other investments (represents the value of the interest due on other investments during the period).

11. 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 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 2011. The commercial register was updated on October 23, 2011.

- 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.	28.49	248 292 220	1 241 461 100
Soliman Abd Elmohsen Abd allah Abnamy	15.16	132 100 000	660 500 000
Emirates International Investments Company	7.49	65 318 565	326 592 825
Others	48.86	425 914 215	2 129 571 075
	100	871 625 000	4 358 125 000

12. Reserves

12.1 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.

12.2 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.

13. Non - controlling interests

	31/3/2012 LE	31/12/2011 LE
Capital	406 051 460	404 516 257
Payments for capital increase	1 507 500	1 501 800
Other owners' equity	(26 509 014)	2 206 531
Foreign currency translation reserve	(1 738 818)	(1 554 898)
Net loss for the period / year	(3 142 496)	(26 955 809)
Balance	376 168 632	379 713 881

14. Loans and borrowings

	note no.	31/12/2012 LE	31/12/2011 LE
Long term – loans	(14.1,2,3)	1 687 874 763	1 142 441 436
Short term – loans	(14.1)	237 070 216	210 252 000
Balance		1 924 944 979	1 352 693 436

14.1 On February 1, 2012 the Company has signed a long-term loan with an amount of US.$ 325 million with group of banks (represented in Arab African International Bank S.A.E, Arab International Bank, Banque du caire, Banque Misr S.A.E, City bank London "syndication manager", 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 Company has used an amount of US.$ 171 957 803 (equivalent to LE 1 032 984 912 as at December 31, 2011) from this contract value until the date of the new contract)

The new loan amount is divided into three classes :-

- First class :- 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 class :- 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 class :- 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.

  The Company has withdrawn an amount of US.$ 256 250 000 till March 31, 2012 (equivalent to LE 1 545 187 500) against US.$ 171 957 803 (equivalent to LE 1 032 984 912 as at December 31, 2011) , and the current stage installment on March 31, 2012 is amounted to US.$ 35 million (equivalent to LE 211 050 000 as at March 31, 2012) against (LE 210 252 000 as at December 31, 2011) .The bank interest on loan recorded in the income statement during the period is LE 81 432 563.note no.(23).

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 on International Company for Mining Consulting.
- First degree lien contract of the shares owned by the company on 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 Investnents 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 Company for Investment Promotion.

14.2 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 301 500 000 as at March 31, 2012 against LE 300 360 000 as at December 31, 2011) to purchase 50 million shares in Orient Investments Properties Ltd. Company (owned Company with a percentage of 31.76%). 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 94 121 824 as at March 31, 2012) against (LE 93 765 940 as at December 31, 2011) during the term of the contract provided that the accrued interest will be added to the loan principle, the accrued interest as at March 31, 2012 amounted to US.$ 4 006 889 (equivalent to LE 24 161 541) against US.$ 3 220 889 (equivalent to LE 19 348 524 as at December 31, 2011). 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 March 31, 2012 is US.$ 54 006 889 (equivalent to LE 325 661 541) against US.$ 53 220 889 (equivalent to LE 319 708 524 as at December 31, 2011).

14.3 Sabina for Integrated Solutions Company (one of the subsidiaries - 96%)which was signed a long - term loan contract with Khartoum Bank Sudan amounted to US.$ 9.03 million. The Company has withdrawn an amount of US.$ 8 971 134 (equivalent to LE 54 095 938 as March 31, 2012) (equivalent to LE 1 545 187 500) , and the current stage instalment on March 31, 2012 is amounted to US.$ 4 315 127 (equivalent to LE 26 020 216 as at March 31, 2012) and the non-current stage instalment is amounted to US.$ 4 656 00 (equivalent to LE 28 075 216 as at March 31, 2012) .

14.4 United for Petroleum Refining Consultation Company – (one of the subsidiaries- 99.99%) has signed a short - term loan contract with Arab International Bank as at September 12, 2011 with an amount of US.$ 28 500 000 (equivalent to LE 171 855 000 as at March 31, 2012) 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) – to use it in financing the Egyptian Refining Company – one of the subsidiaries of Arab Refinery Company with an amount of US.$ 28 300 000 (equivalent to LE 170 649 000) to settle its liabilities which represent the insurance instalment due for (NEXI Investment Insurance & Nippon Export) 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 US.$ 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.

United for Petroleum Refining Consultation Company has the advantage to renew this contract for another period or several periods with the same aforementioned conditions and guarantees or by adding better conditions and guarantees after the agreement of both parties, The accrued interest for the period is US.$ 713 802 (equivalent to LE 4 294 304 as at March 31, 2012) that incurred by Arab Refining Company according to the contract accordingly the loan balance would be with an amount of US.$ 29 446 987 (equivalent to LE 177 565 331 as at March 31, 2012). The clearance has been made between the loan balance due to Arab International Bank and the balance due from Arab Refinery Company that according to accounting policy no.(3-4).

	31/3/2012		31/12/2011	
	Value	**Equivalent**	**Value**	**Equivalent**
	US.$	**LE**	**US.$**	**LE**
Amounts due from Arab Refining Company	29 446 987	177 565 332	28 733 185	172 605 989
Less : loan balance	(28 500 000)	(171 855 000)	(28 500 000)	(171 205 200)
Net –note no. (9-1)	946 987	5 710 332	233 185	1 400 789

15. Long term liabilities

	31/3/2012	31/12/2011
	LE	**LE**
Creditors-purchase of investments *	10 787 486	21 859 566

* 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 shareholders of the previous company.

16. Deferred tax

	31/3/2012	31/12/2011
	LE	**LE**
Fixed assets depreciation	1 535 071	1 759 385

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.

17. Trade and other payables

	Note no.	31/3/2012 LE	31/12/2011 LE
Due to related parties	17.1	396 037 028	303 276 132
Other payables	17.2	89 553 090	98 695 634
Balance		485 590 118	401 971 766

17.1 Due to related parties

	31/3/2012 LE	31/12/2011 LE
Citadel Capital Partners Ltd.*	208 011 780	225 371 867
Mena Glass Ltd. **	21 009 473	17 969 097
Crondall Holdings Ltd.	4 518 828	4 844 152
Citadel Capital Transportation Opportunities II Ltd.	29 161 080	33 916 651
Africa JIF Hold CO III	113 750	149 165
ASEC for Manufacturing and Industrial Projects- ARESCO	9 045 000	21 025 200
Falcon Agriculture Investments Ltd.	12 911 358	--
Gozor	83 891 772	--
Silverstone Capital Investments Ltd.	27 373 987	--
Balance	396 037 028	303 276 132

* The main shareholder of the Company – 28.49%.

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

17.2 Other payables

	31/3/2012 LE	31/12/2011 LE
Tax Authority	10 122 032	7 125 074
National Authority for Social Insurance	759 599	200 489
Accrued expenses	53 947 035	48 998 967
Dividends payable – previous years	2 925 979	2 925 933
Accrued interest	2 170 800	25 632 722
Suppliers	14 033 372	8 620 190
Sundry credit balances	5 594 273	5 192 259
Balance	89 553 090	98 695 634

18. Expected claims provision

	31/3/2012	31/12/2011
	LE	LE
Balance at the beginning of the period / year	206 560 345	220 448 101
Provisions formed during the period /year	--	30 515 920
Acquisition of subsidiaries*	1 210 793	--
Foreign currency translation differences	58 054	1 173 788
Provisions used during the period / year	--	(13 065 459)
Provisions no longer needed	--	(32 512 005)
Balance	207 829 192	206 560 345

*Note no. (20)

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.

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

	For the period ended	
	31/3/2012	31/3/2011
	LE	LE
El Kateb for Marketing & Distribution Co.	(159 232)	(51 300)
Pharos Holding Co.	19 018	(121 208)
Elsharq Book Stores Co.	(29 692)	(213 486)
ASEC Company for Mining (ASCOM)	(2 790 108)	(6 166 214)
Silverstone Capital Investments Ltd.	12 353 916	10 907 834
Dar El-Sherouk Ltd.	(1 394 853)	(1 726 574)
Crondall Holdings Ltd.	9 672 048	1 120 219
National Development & Trading Company	(64 593 696)	(40 017 959)
United Foundries Company	(7 383 718)	(1 509 999)
Mena Glass Ltd.	(1 534 357)	(1 758 119)
Tanmeyah Company S.A.E	(502 869)	(4 523 363)
Mena Home Furnishings Mall	(4 546 217)	(6 598 671)
Citadel Capital Transportation Opportunities Ltd.	(5 637 222)	(12 024 727)
Tawazon for Solid Waste Management (Tawazon)	(611 941)	(935 982)
Ledmore Holdings Ltd.*	(508 639)	--
Total	(67 647 562)	(63 619 549)

*Note no.(6)

20. Acquisition of subsidiaries

- The Company has acquire a percentage of 99.99% of shares of Wafra Agriculture S.A.E (Egyptian Joint Stock Company) through Citadel Capital for Investments Ltd. (one of the subsidiaries-100%) with par value amounted to LE 249 997 in addition to transferring the current account due on Valencia Assets Holding Ltd. – one of Wafra Agriculture S.A.E Company's subsidiaries with a percentage of 100% amounted to LE 188 250 476 to be investment in Wafra Agriculture S.A.E Company.
- Due to inadequate of conditions related to disclose the segments reports according to that most of the Group activities have the same nature represents in Investments and financial consultancy except activities of Wafra Agriculture S.A.E which was consolidated this period that has different activity than other Group's activities but it is not significant for the other Group's activities by comparing total assets and liabilities , revenues and net results of this activity compared to other Group's activities.

20-1 Net other operations results

	For the period ended	
	31/3/2012	**31/3/2011**
	LE	**LE**
Sales	3 358 295	--
Cost	(6 973 340)	--
Total loss	(3 615 045)	--

21. 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 28.49 %) 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 March 31, 2012 and March 31, 2011.
- Administrative and general expenses include an amount of US.$ 889 949 (equivalent to LE 5 354 022) for the period ended March 31, 2012 against US.$ 813 855 (equivalent to LE 4 750 227 for the period ended March 31, 2011) represents the advisory fees due according to the signed contract with Financial Holding International Co. (one of the group shareholders).

22. Other expenses

	For the period ended	
	31/3/2012	31/3/2011
	LE	LE
Impairment loss on trade and other receivables	(9 867 685)	(5 253 030)
Provisions no longer needed	--	5 253 030
Total	(9 867 685)	--

23. Financing costs

	For the period ended	
	31/3/2012	31/3/2011
	LE	LE
Interest income - note no. (26-2)	36 862 628	9 001 601
Interest expenses - note no.(14)	(87 690 757)	(20 711 744)
Foreign currency translation differences	92 865	(6 569 418)
Net	(50 735 264)	(18 279 561)

24. Earnings per share

	For the period ended	
	31/3/2012	31/3/2011
	LE	LE
Net loss for the period	(159 257 819)	(114 218 726)
Net loss for equity holders of the parent Company	(156 115 323)	(111 367 777)
Weighted average number of shares	871 625 000	661 625 000
Earnings per share	(0.18)	(0.17)

25. Finance (expenses) income recognised in equity

	For the period ended	
	31/3/2012	31/3/2011
	LE	LE
Foreign currency translation differences of foreign operations	(12 987 341)	56 845 485
Net change in the fair value of available-for-sale investment	128 034	(337 963)
Total finance income (expenses) recognised in equity (After tax)	(12 859 307)	56 507 522
Attributable to:		
Equity holders of the Company	(12 675 387)	56 985 746
Non - controlling interest	(183 920)	(478 224)
	(12 859 307)	56 507 522

26. Related party transactions

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

26.1 Advisory fee

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

	For the period ended	
	31/3/2012	31/3/2011
Company's name	**LE**	**LE**
Mena Glass Ltd.	900 127	878 695
Mena Home Furnishings Mall	894 529	873 231
Citadel Capital Transportation Opportunities Ltd.	216 294	211 143
Falcon Agriculture Investments Ltd.	3 775 624	3 570 356
Golden Crescent Investment Ltd.	1 747 858	853 115
Orient Investment Properties Ltd.	2 443 036	2 351 865
Sphinx Glass Ltd.	1 075 385	1 049 781
ASEC Cement Company	2 583 699	2 382 652
Silverstone Capital Investment Ltd.	315 460	312 342
Citadel Capital Transportation Opportunities II Ltd.	1 264 830	1 087 615
Africa Joint Investment Fund	1 196 644	1 151 347
Mena Joint Investment Fund	849 888	817 722
Africa JIF HOLD CO I	93 742	--
Africa JIF HOLD CO III	300 674	--
Mena JIF HOLD CO I	93 742	--
Total	17 751 532	15 539 864

* The Company did not recognize advisory fees amounted to LE 9 450 596 related to Logria Holding Ltd. according to signed contract due to inadequate assurance concerning the revenue recognition and collection conditions.

26.2 Interest income

Interest income included in financing cost note no.(23) includes an amount of LE 34 802 257 represents accrued interest income according to signed contracts from other related parties as follows:

	For the period ended	
	31/3/2012	31/3/2011
Company's name		
National Company for Trading and Development *	5 195 529	4 497 809
United Foundries Company *	7 412 276	987 329
Golden Crescent Finco Ltd.	5 710 844	1 716 238
Mena Home Furnishings Mall	2 476 238	116 320
Citadel Capital Transportation opportunities Ltd.	1 534 597	257 236
Grandview Investment Holding	2 057 284	743 763
Orient Investments Properties Ltd.	4 721 659	--
Falcon Agriculture Investments Ltd.	5 693 830	--
Total	34 802 258	8 318 695

* Note (7-3)

27. Tax status

Corporate tax

The Company submitted its tax returns on regular basis for the years from 2005 to 2011 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 2010/2011 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 1/8/2006 to 31/12/2011 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 according to tax law No. 91/2005 and no tax inspection for withholding tax has been taken place yet.

28. Group entities

	Country of incorporation	Ownership interest	
		Direct	Indirect
		%	%
Citadel Capital Holding for Financial Investments–Free Zone	Arab Republic of Egypt–Free Zone	99.99	--
Citadel Capital for International Investments Ltd.	British Virgin Island	100.00	--
International for Mining Consultation	Arab Republic of Egypt	99.99	--
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
Africa Railways Limited	British Virgin Island	--	53.33
Sequoia Williow Investment Ltd.	British Virgin Island	--	100.00
Brennan Solution Ltd.	British Virgin Island	--	100.00

	Country of incorporation	Ownership interest	
		Direct	Indirect
		%	%
Mena Enterprises Ltd.	British Virgin Island	--	100.00
Alcott Bedford Investments Ltd.	British Virgin Island	--	100.00
Eco-Logic Ltd.	British Virgin Island	--	100.00
Alder Burke Investments Ltd.	British Virgin Island	--	100.00
Black Anchor Holdings Ltd.	British Virgin Island	--	100.00
Cobalt Mendoza	British Virgin Island	--	100.00
Africa Railways Investments Ltd.	British Virgin Island	--	100.00
Africa Railways Holding	Republic of Mauritius	--	51.02
Citadel Capital Joint Investment Fund Management Limited	Republic of Mauritius	--	100.00
Mena Joint Investment Fund	Luxembourg	--	100.00
Wafra Agriculture S.A.E	Arab Republic of Egypt	--	99.99
Valencia Assets Holding Ltd.	British Virgin Island	--	100.00
Sabina for Integrated Solutions	Sudan	--	96.00
Concord Agriculture	South Sudan	--	96.00

29. Employees Stock Option Plan

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

30. Contingent liabilities

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

31. 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.

31.1 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.

31.2 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.

31.3 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.

31.4 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.

31.5 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.

31.6 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 .

32. Comparative figures

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