Citadel Capital Company
(Egyptian Joint Stock Company)

Separate financial statements
for the period ended June 30, 2013
&
Review report

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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 June 30, 2013 and the related separate statements of income, changes in equity and cash flows for the six 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 June 30, 2013 and of its financial performance and its cash flows for the six months then ended in accordance with Egyptian Accounting Standards.

Hassan Bas

KPMG Hazem Hassan

KPMG Hazem Hassan
Public Accountants and Consultants
(11)

Cairo, October 9, 2013

Citadel Capital Company
(Egyptian Joint Stock Company)
Separate statement of financial position
as at June 30, 2013

	Note	30/6/2013 LE	31/12/2012 LE
Current assets			
Cash and cash equivalents	(4)	253 006 973	222 706 169
Due from related parties (net)	(5)	1 485 915 843	1 243 402 084
Other debit balances	(6)	2 514 302	1 687 388
Total current assets		1 741 437 118	1 467 795 641
Current liabilities			
Due to related parties	(7)	253 091 383	255 980 135
Current portion of long-term loans	(17)	588 899 993	527 661 106
Other credit balances	(8)	98 121 522	111 040 338
Expected claims provision	(9)	195 327 905	195 327 905
Total current liabilities		1 135 440 803	1 090 009 484
Working capital		605 996 315	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)	1 725 078 155	1 879 950 355
Fixed assets (net)	(13)	23 123 695	24 681 207
Other investments	(14)	644 860 736	550 044 784
Deferred tax	(15)	724 591	693 087
Total non - current assets		5 115 744 889	5 177 326 602
Total investment		5 721 741 204	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		8 867 332	(66 401 133)
Net equity		4 204 641 197	4 195 773 865
Non - current liabilities			
Long term loans	(17)	1 517 100 007	1 359 338 894
Total non - current liabilities		1 517 100 007	1 359 338 894
Total equity and non - current liabilities		5 721 741 204	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 June 30, 2013

	Note	For the period		For the period	
		from 1/4/2013 to 30/6/2013	from 1/1/2013 to 30/6/2013	from 1/4/2012 to 30/6/2012	from 1/1/2012 to 30/6/2012
		LE	LE	LE	LE
Advisory fee	(20.1)	21 049 990	41 248 100	19 285 877	43 674 666
Administrative and general expenses	(22)	(23 250 228)	(59 050 773)	(25 864 932)	(48 862 930)
Fixed assets depreciation	(13)	(774 802)	(1 557 512)	(842 469)	(1 732 128)
Net operating loss		(2 975 040)	(19 360 185)	(7 421 524)	(6 920 392)
Financing income (cost) - (net)	(18)	6 504 960	28 196 013	(1 550 560)	(32 351 055)
Net profit (loss) before income tax		3 529 920	8 835 828	(8 972 084)	(39 271 447)
Deferred tax	(15)	8 852	31 504	(240 560)	(464 874)
Net profit (loss) for the period		3 538 772	8 867 332	(9 212 644)	(39 736 321)
Earnings per share	(19)	0.00	0.01	(0.01)	(0.05)

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 June 30, 2013

	Share capital LE	Legal reserve LE	Retained loss LE	Net (loss) profit for the year / period LE	Total 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 June 30, 2012	-	-	-	(39 736 321)	(39 736 321)
Balance as at June 30, 2012	4 358 125 000	89 578 478	(185 528 480)	(39 736 321)	4 222 438 677
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 June 30, 2013	-	-	-	8 867 332	8 867 332
Balance as at June 30, 2013	4 358 125 000	89 578 478	(251 929 613)	8 867 332	4 204 641 197

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 June 30, 2013

	For the period ended	
	30/6/2013	30/6/2012
	LE	LE
Cash flows from operating activities		
Net profit (loss) before tax	8 835 828	(39 271 447)
Adjustments to reconcile net profit (loss) to net cash provided from (used in) operating activities :		
Fixed assets depreciation	1 557 512	1 732 128
Unrealized foreign currency differences	154 576 317	6 908 201
Interest income	(30 392 269)	(20 744 476)
Operating profit (loss) before changes in working capital	134 577 388	(51 375 594)
Increase in assets		
Due from related parties	(72 311 206)	(270 113 760)
Other debit balances	(826 914)	(3 916 129)
Decrease in liabilities		
Due to related parties	(2 888 752)	(20 504 101)
Other credit balances	(12 918 816)	(21 698 497)
Net cash provided from (used in) operating activities	45 631 700	(367 608 081)
Cash flows from investing activities		
Payments for investments	(15 330 353)	(198 562 292)
Payments for purchasing available- for- sale investments	(543)	-
Payments for purchasing of investments in subsidiaries and associates	-	(62 500)
Proceeds from refund of available- for- sale investments	-	2 625 637
Net cash used in investing activities	(15 330 896)	(195 999 155)
Cash flows from financing activities		
Proceeds from loans	-	622 451 874
Net cash provided from financing activities	-	622 451 874
Net change in cash and cash equivalents during the period	30 300 804	58 844 638
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	253 006 973	210 533 940

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 June 30, 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 October 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

	30/6/2013 LE	31/12/2012 LE
Cash on hand	238 086	77 612
Banks – current accounts	229 279 203	215 989 626
Total	229 517 289	216 067 238
Effect of foreign exchange differences	23 489 684	6 638 931
Balance	253 006 973	222 706 169

Non cash transactions

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

- LE 170 202 553 from payments for investments and due from related parties (represents the transfer of payments for investments to the related parties' current account).
- LE 30 392 269 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		30/6/2013	31/12/2012
	Advisory fee	Finance		
	LE	LE	LE	LE
Mena Home Furnishings Mall	9 217 204	--	9 217 204	5 505 817
Falcon Agriculture Investments Ltd.	26 439 187	--	26 439 187	15 803 679
Golden Crescent Investments Ltd.	26 783 055	--	26 783 055	23 997 923
Citadel Capital Transportation Opportunities Ltd.	2 297 380	--	2 297 380	1 372 320
Logria Holding Ltd. *	38 637 385	--	38 637 385	34 619 536
Mena Glass Ltd.	7 971 209	--	7 971 209	4 761 530
Silverstone Capital Investment Ltd.	3 382 096	--	3 382 096	11 654 816
Sabina for Integrated Solutions	7 722 000	--	7 722 000	6 919 000
Sphinx Glass Ltd.	8 424 000	--	8 424 000	5 032 000
ASEC Cement Company	8 702 879	110 447 103	119 149 982	15 724 998
Citadel Capital Financing Corp. *	46 084 307	--	46 084 307	41 292 063
Valencia Trading Holding Ltd.	10 530 005	--	10 530 005	9 435 003
Citadel Capital Transportation Opportunities II Ltd.	3 855 204	--	3 855 204	6 908 611
Citadel Capital Holding for Financial Investments-Free Zone	--	1 015 197 037	1 015 197 037	874 388 277
ASEC Company for Mining (ASCOM)	--	113 313 765	113 313 765	96 084 159
Citadel Capital for International Investments Ltd.	--	26 314 274	26 314 274	10 936 783
National Company for Touristic and Property Investments	--	--	--	36 000 000
United Foundries Company	--	59 294 435	59 294 435	64 453 083
National Development and Trading Company	--	--	--	15 176 505
Ledmore Holdings Ltd.	2 050 048	--	2 050 048	1 224 578
Africa Railways Limited	3 669 024	--	3 669 024	5 168 288
Mena Joint Investment Fund GP	9 734 033	--	9 734 033	7 329 388
Citadel Capital Joint Investment Fund Management Ltd.	5 274 730	--	5 274 730	3 922 658
Africa JIF HOLD CO I	1 046 598	--	1 046 598	717 738
Africa JIF HOLD CO III	3 506 139	--	3 506 139	2 517 711
Mena JIF HOLD CO I	1 046 598	--	1 046 598	717 733
Total			1 550 939 695	1 301 664 197
Accumulated impairment *			(65 023 852)	(58 262 113)
Net			1 485 915 843	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 30/6/2013
	LE	LE	LE
Logria Holding Ltd.	34 619 536	4 017 849	38 637 385
Citadel Capital Financing Corp.	23 642 577	2 743 890	26 386 467
Balance	58 262 113	6 761 739	65 023 852

6. Other debit balances

	30/6/2013	31/12/2012
	LE	LE
Deposits with others	221 152	221 152
Imprest	846 685	92 771
Advances to suppliers	7 246	7 246
Letters of guarantee's margin	702 000	629 000
Taxes deducted by others	593 219	593 219
Prepaid expenses	144 000	144 000
Balance	2 514 302	1 687 388

7. Due to related parties

	30/6/2013	31/12/2012
	LE	LE
Citadel Capital Partners Ltd. *	253 091 383	255 980 135

* The principal shareholder of the Company – 26.92%.

8. Other credit balances

	30/6/2013	31/12/2012
	LE	LE
Tax Authority	28 727 421	22 840 774
Accrued expenses	49 328 060	48 856 718
Accrued interest	4 040 193	27 903 777
Suppliers	4 697 602	8 196 517
Professional fee	7 945 280	40 500
Prior years dividends payable	2 893 919	2 893 919
National Authority for Social Insurance	446 804	265 890
Sundry credit balances	42 243	42 243
Balance	98 121 522	111 040 338

9. Expected claims provision

	30/6/2013	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

	30/6/2013	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 %	30/6/2013 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	47.65	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 146 339 116 as at June 30, 2013 versus LE 149 771 084 as at December 31, 2012.

12. Payments for investments

	30/6/2013 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.	12 055 722	167 729 240
Fund Project	2 837 229	2 035 911
Balance	1 725 078 155	1 879 950 355

13. Fixed assets

	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 30/6/2013	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	843 559	113 233	600 720	--	1 557 512
Accumulated depreciation as at 30/6/2013	10 966 272	7 737 746	22 526 123	539 800	41 769 941
Carrying amounts at 30/6/2013	22 776 096	82 579	265 020	--	23 123 695
Carrying amounts at 31/12/2012	23 619 655	195 812	865 740	--	24 681 207

* Assets under constructions 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	30/6/2013	31/12/2012
		LE	LE
National Development and Trading Company	14.1	498 476 783	422 667 591
United Foundries Company	14.2	146 383 953	127 377 193
Balance		644 860 736	550 044 784

14.1 The Company has granted two subordinating loans to National Development and Trading Company – (one of the associate companies - 47.65%) 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.$ 71 008 089 (equivalent to LE 498 476 783 as at June 30, 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.$ 3 811 334 (equivalent to LE 26 755 565 as at June 30, 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.$ 20 852 415 (equivalent to LE 146 383 953 as at June 30, 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.$ 601 669 (equivalent to LE 4 223 716 as at June 30, 2013) versus US.$ 1 122 392 (equivalent to LE 7 059 846 as at December 31, 2012).

15. Deferred tax

	30/6/2013	31/12/2012
	LE	LE
Fixed assets (depreciation)	724 591	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 represents 871 625 000 shares distributed to 653 718 750 ordinary shares and 217 906 250 preferred shares with par value LE 5 per share.
- The preferred share has the advantage of triple voting right comparing with ordinary share on the decisions of the Company's extraordinary and ordinary general assembly meetings according to the decision of the Company's extraordinary general assembly meeting held on May 12, 2008 and also paragraph no.(3) of article no.(18) of the Company's article of associations. 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.	26.92	234 643 220	1 173 216 100
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	50.43	439 563 215	2 197 816 075
	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 2 106 000 000) till June 30, 2013 and the current stage installment is amounted to US.$ 83 888 888 (equivalent to LE 588 899 993 as at June 30, 2013).

- The interest on loan charged to the income statement during the period is LE 57 659 239 - 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		For the period	
	from 1/4/2013 to 30/6/2013	from 1/1/2013 to 30/6/2013	from 1/4/2012 to 30/6/2012	from 1/1/2012 to 30/6/2012
	LE	LE	LE	LE
Interest income note (20.2)	33 333 896	64 972 154	23 899 260	69 357 879
Interest expense note (17)	(28 599 888)	(57 659 239)	(25 298 621)	(106 731 184)
Foreign currency differences	1 770 952	20 883 098	(151 199)	5 022 250
Net	6 504 960	28 196 013	(1 550 560)	(32 351 055)

19. Earnings per share

	For the period		For the period	
	from 1/4/2013 to 30/6/2013	from 1/1/2013 to 30/6/2013	from 1/4/2012 to 30/6/2012	from 1/1/2012 to 30/6/2012
	LE	LE	LE	LE
Net profit (loss) for the period	3 538 772	8 867 332	(9 212 644)	(39 736 321)
The weighted average number of shares	871 625 000	871 625 000	871 625 000	871 625 000
Earnings per share	0.00	0.01	(0.01)	(0.05)

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		For the period	
	from 1/4/2013 to 30/6/2013	from 1/1/2013 to 30/6/2013	from 1/4/2012 to 30/6/2012	from 1/1/2012 to 30/6/2012
Company's name	**LE**	**LE**	**LE**	**LE**
Mena Glass Ltd.	1 326 643	2 606 446	1 140 345	2 280 179
Mena Home Furnishings Mall	1 534 016	3 013 867	1 318 595	2 636 597
Citadel Capital Transportation Opportunities Ltd.	382 347	751 201	328 660	657 173
Falcon Agriculture Investments Ltd.	4 394 415	8 633 677	3 777 316	7 552 940
Golden Crescent Investments Ltd.	--	--	--	1 747 858
Orient Investments Properties Ltd.	--	--	1 266 710	3 709 746
Sphinx Glass Ltd.	1 402 000	2 754 500	1 205 120	2 409 700
ASEC Cement Company	4 369 249	8 537 911	3 755 684	7 468 429
Silverstone Capital Investment Ltd.	1 688 639	3 317 658	542 363	1 084 485
Citadel Capital Transportation Opportunities II Ltd.	1 924 857	3 781 752	1 654 551	3 308 361
Africa Railways Limited	1 857 486	3 600 408	1 133 588	5 111 214
Mena Joint Investment Fund GP	782 365	1 531 385	856 426	1 710 611
Citadel Capital Joint Investment Fund Management Ltd.	449 828	880 486	1 205 847	2 408 543
Africa JIF HOLD CO I	123 461	241 661	106 330	200 072
Africa JIF HOLD CO III	350 038	685 158	301 462	602 136
Mena JIF HOLD CO I	123 461	241 661	106 330	200 072
Ledmore Holdings Ltd.	341 185	670 329	586 550	586 550
Total	21 049 990	41 248 100	19 285 877	43 674 666

- The Company did not recognize advisory fees with an amount LE 21 652 552 and LE 4 009 286 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 64 726 929 which represent the accrued interest income according to the signed contracts with some related parties as follows:

	For the period		For the period	
	from 1/4/2013 to 30/6/2013	from 1/1/2013 to 30/6/2013	from 1/4/2012 to 30/6/2012	from 1/1/2012 to 30/6/2012
Company's name	**LE**	**LE**	**LE**	**LE**
National Development and Trading Company (14.1)	13 432 526	26 248 404	10 391 919	20 744 476
United Foundries Company (20.2.1)	2 967 010	6 012 969	2 204 466	12 785 874
Citadel Capital Holding for Financial Investments-Free Zone	10 161 118	19 403 172	945 285	24 612 816
Citadel Capital for International Investments Ltd.	5 043 371	9 848 358	10 107 046	10 107 046
ASEC Company for Mining (ASCOM)	1 663 459	3 214 026	--	--
Total	33 267 484	64 726 929	23 648 716	68 250 212

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

	For the period		For the period	
	from 1/4/2013 to 30/6/2013	from 1/1/2013 to 30/6/2013	from 1/4/2012 to 30/6/2012	from 1/1/2012 to 30/6/2012
	LE	**LE**	**LE**	**LE**
Subordinating loan interest – note no. (14.2)	2 126 496	4 143 865	2 204 466	12 785 874
Current account interest	840 514	1 869 104	--	--
Total	2 967 010	6 012 969	2 204 466	12 785 874

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 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		For the period	
	from 1/4/2013 to 30/6/2013	from 1/1/2013 to 30/6/2013	from 1/4/2012 to 30/6/2012	from 1/1/2012 to 30/6/2012
	LE	LE	LE	LE
Wages , salaries and similar items	14 911 022	29 129 551	13 699 921	29 283 325
Consultancy	2 302 143	17 023 578	3 961 418	5 220 386
Advertising and public relations	982 964	3 037 712	2 288 420	3 325 307
Travel , accommodation and transportations	1 052 480	2 598 896	1 614 377	2 711 785
Other expenses	4 001 619	7 261 036	4 300 796	8 322 127
Total	23 250 228	59 050 773	25 864 932	48 862 930

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 – 26.92%) which states that Citadel Capital Partners Ltd. provides management duties for fees based on 10% of the net annual profit available for distribution. This agreement shall remain in effect as long as Citadel Capital Partners owns 15% or more Preferred shares. The total fees for the period ended June 30, 2013 and June 30, 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 2 455 823 361 and LE 2 314 669 555 respectively, and net foreign currencies balances at the financial position date are as follows:

Foreign currencies	Surplus (deficit) LE
US.$	332 901 375
Euro	(191 747 569)

- 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 30 June 2013 and 31 December 2012 were as follows:

	30/6/2013 LE	31/12/2012 LE
Liabilities		
Due to related parties	253 091 383	255 980 135
Current portion of long term loans	588 899 993	527 661 106
Other credit balances	98 121 522	111 040 338
Expected claims provision	195 327 905	195 327 905
Long term loans	1 517 100 007	1 359 338 894
Total	**2 652 540 810**	**2 449 348 378**
Less: Cash and cash equivalents	(253 006 973)	(222 706 169)
Net debt	**2 399 533 837**	**2 226 642 209**
Total equity	**4 204 641 197**	**4 195 773 865**
Gearing ratio	**57%**	**53%**

27- Subsequent Events

On September 16, 2013 the Company's management has invited the shareholders to attend the meeting of the Extraordinary General Assembly of the Company scheduled for October 9, 2013, to discuss the following agenda's items :

1 . Considering increase the Company's authorized capital from LE 6 billion to LE 9 billion and increase the issued capital from LE 4 358 125 000 to LE 8 billion , with an increase of LE 3 641 875 000 by issuing 728 385 000 shares at par value of LE 5 per share , consisted of 182 093 750 preferred shares and 546 281 250 ordinary shares , without issuance expense .The purpose of this capital increase is for increasing the Company's share in its related companies, financing the Company's share in the capital increase of some of its related companies and entering into new investments and amending articles 6 and 7 of the Company's Article of Association in the light of the above.

2 . Consider amending the status of the Company to work according to the Capital Market Law and its executive regulations as the Company is participating in the purposes of the establishment and in the capital increase of the companies pursuant to the provision of article no.27 of the Capital Market Law and article no.122 of its executive regulations. The required legal procedures are taking place.

3 . Change the name of the Company to reflect the conversion to an investment holding company.

4 . Briefing the Extraordinary General Assembly of the company with the decisions of the Ordinary General Assembly held on June 2, 2013 , which has already been approved the valuation of the fair values determined by the independent financial advisor as well as the exchange contracts.

   The Ordinary General Assembly approved On the agreements dated June 2, 2013 approved 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

   Also 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 LE 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 reviewed 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 exchange 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.