

Citadel Capital Company
(Egyptian Joint Stock Company)

Consolidated financial statements
for the period ended June 30, 2012
&
Review report

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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 consolidated statement of financial position of Citadel Capital Company (Egyptian Joint Stock Company) and its subsidiaries as at June 30, 2012 and the related consolidated 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

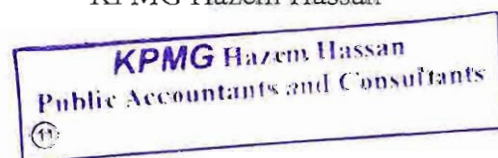
We conducted our limited review in accordance with Egyptian Standard on Review Engagements 2410, "Limited Review of Interim Financial Statements Performed by the Independent Auditor of the Entity." A limited review of interim financial statements consists of making inquiries, primarily of persons responsible 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 consolidated interim financial statements do not present fairly, in all material respects, the consolidated financial position of the Company as at June 30, 2012 and of its consolidated financial performance and its consolidated cash flows for the six months then ended in accordance with Egyptian Accounting Standards.

Cairo, October 2 , 2012

Hassan Bas
KPMG Hazem Hassan




Citadel Capital Company
(Egyptian Joint Stock Company)
Consolidated statement of financial position
as at June 30, 2012

	Note	30/6/2012 LE	31/12/2011 LE
Assets			
Fixed assets (net)	(5)	290 605 057	72 959 814
Investments in subsidiaries and associates	(6)	1 456 531 753	1 643 393 974
Other investments (net)	(7)	2 507 618 212	2 215 496 903
Deferred tax	(16)	1 294 511	1 759 385
Total non-current assets		<u>4 256 049 533</u>	<u>3 933 610 076</u>
Other investments	(7)	17 920 130	18 169 898
Other assets	(8)	32 532 341	-
Trade and other receivables (net)	(9)	1 036 892 695	922 891 980
Cash and cash equivalents	(10)	238 870 163	166 240 722
Total current assets		<u>1 326 215 329</u>	<u>1 107 302 600</u>
Total assets		<u><u>5 582 264 862</u></u>	<u><u>5 040 912 676</u></u>
Equity			
Share capital	(11)	4 358 125 000	4 358 125 000
Reserves	(12)	107 918 913	187 335 495
Retained loss		(1 945 979 214)	(1 093 810 353)
Net loss for the period / year		(279 079 137)	(773 536 460)
Total equity attributable to equity holders of the Company		<u>2 240 985 562</u>	<u>2 678 113 682</u>
Non - controlling interests	(13)	<u>375 886 715</u>	<u>379 713 881</u>
Total equity		<u><u>2 616 872 277</u></u>	<u><u>3 057 827 563</u></u>
Liabilities			
Long term loans	(14)	1 849 355 173	1 142 441 436
Long term liabilities	(15)	10 787 486	21 859 566
Total non-current liabilities		<u>1 860 142 659</u>	<u>1 164 301 002</u>
Short term loans	(14)	237 421 438	210 252 000
Trade and other payables	(17)	659 946 935	401 971 766
Expected claims provision	(18)	207 881 553	206 560 345
Total current liabilities		<u>1 105 249 926</u>	<u>818 784 111</u>
Total liabilities		<u>2 965 392 585</u>	<u>1 983 085 113</u>
Total equity and liabilities		<u><u>5 582 264 862</u></u>	<u><u>5 040 912 676</u></u>

The accompanying notes on pages 5 to 45 are integral part of these consolidated financial statements and are to be read therewith.

Review report "attached"

Managing Director
Hisham Hussein El Khazendar



Chairman
Ahmed Heikal



Citadel Capital Company
(Egyptian Joint Stock Company)
Consolidated income statement
for the period ended June 30, 2012

	Note	For the period		For the period	
		from 1/4/2012	from 1/1/2012	from 1/4/2011	from 1/1/2011
		to 30/6/2012	to 30/6/2012	to 30/6/2011	to 30/6/2011
		LE	LE	LE	LE
Advisory fee	(26-1)	15 275 873	33 027 405	15 491 168	31 031 032
Share of loss / profit of equity accounted investees	(19)	(67 582 743)	(135 230 305)	(132 363 959)	(195 983 508)
Net other operations results	(20-1)	(12 601 153)	(16 216 198)	-	-
Total operating loss		(64 908 023)	(118 419 098)	(116 872 791)	(164 952 476)
Administrative and general expenses	(21)	(53 970 501)	(98 894 859)	(54 705 331)	(101 946 887)
Other expenses	(9-1,22)	(12 607 456)	(22 470 264)	602 311	(49 834)
Total operating loss		(131 485 980)	(239 784 221)	(170 975 811)	(266 949 197)
Financing income (cost) (net)	(23)	7 499 422	(43 235 842)	(6 639 945)	(24 919 506)
Net loss before tax		(123 986 558)	(283 020 063)	(177 615 756)	(291 868 703)
Deferred tax		(240 560)	(464 874)	21 800	56 021
Net loss for the period		(124 227 118)	(283 484 937)	(177 593 956)	(291 812 682)
Attributable to:					
Equity holders of the Company		(122 963 814)	(279 079 137)	(176 365 456)	(287 733 233)
Non - controlling interests		(1 263 304)	(4 405 800)	(1 228 500)	(4 079 449)
		(124 227 118)	(283 484 937)	(177 593 956)	(291 812 682)
Earnings per share	(24)	(0.14)	(0.32)	(0.27)	(0.43)

The accompanying notes on pages 5 to 45 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 June 30, 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					
	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	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)	-	-	86 203 835	-	-	86 203 835	(436 430)	85 767 405
Changes in the fair value of available-for-sale investments	(3-8-1)	-	47 362	-	-	-	47 362	-	47 362
Changes in non-controlling interests		-	-	-	-	-	-	1 333 837	1 333 837
The Company's share in changes of associates equity	(3-1-4)	-	-	-	(12 201 596)	(18 130 317)	(30 331 913)	-	(30 331 913)
Net loss for the period ended June 30, 2011	-	-	-	-	-	(287 733 233)	(287 733 233)	(4 079 449)	(291 812 682)
Balance as at June 30, 2011	3 308 125 000	89 578 478	168 178	189 118 287	(72 436 467)	(1 099 375 837)	2 127 444 406	193 821 913	2 321 266 319
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)	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)	-	-	(75 815 760)	-	-	(75 815 760)	(313 149)	(76 128 909)
Changes in the fair value of available-for-sale investments	(3-8-1)	-	(160 331)	-	-	-	(160 331)	-	(160 331)
Acquisition of subsidiaries	(20)	-	-	-	-	(91 341 737)	(91 341 737)	-	(91 341 737)
Changes in non-controlling interests		-	-	-	-	-	-	891 783	891 783
The Company's share in changes of associates equity	(3-1-4)	-	-	-	(3 440 491)	12 709 336	9 268 845	-	9 268 845
Net loss for the period ended June 30, 2012	-	-	-	-	-	(279 079 137)	(279 079 137)	(4 405 800)	(283 484 937)
Balance as at June 30, 2012	4 358 125 000	89 578 478	(899 926)	94 990 955	(75 750 594)	(279 079 137)	2 240 985 562	375 886 715	2 616 872 277

The accompanying notes on pages 5 to 45 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 June 30, 2012

	For the period ended	
	30/6/2012	30/6/2011
	LE	LE
Cash flows from operating activities		
Net loss before tax	(283 020 063)	(291 868 703)
Adjustments to reconcile net loss to net cash (used in) provided from operating activities :		
Depreciation and amortization	8 798 045	2 389 821
The Company's share of loss / profit of equity accounted investees	157 594 334	211 510 754
Net change in the fair value of investments at fair value through profit or loss	347 337	49 834
Foreign exchange differences	(94 451 156)	59 472 715
Interest income	(20 744 477)	(20 883 100)
Interest expenses	5 537 999	9 235 711
Impairment loss on trade and other receivables	22 122 927	10 346 106
Provisions no longer needed	-	(10 346 106)
Provisions used	-	(9 498 411)
Operating loss before changes in working capital	(203 815 054)	(39 591 379)
Change in investments at fair value through profit or loss	-	(3 472 453)
Change in trade and other receivables	(286 870 230)	(58 160 481)
Change in other assets	2 119 657	-
Change in trade and other payables	33 271 178	239 113 619
Net cash (used in) provided from operating activities	<u>(455 294 449)</u>	<u>137 889 306</u>
Cash flows from investing activities		
Payments for purchase of fixed assets	(39 751 028)	(452 023)
Payments for other investments	(64 250 451)	(142 835 105)
Payments for purchase of investments in subsidiaries and associates	(40 102 867)	(24 341 735)
Proceeds from refund of available for sale investments	2 625 637	-
Net cash used in investing activities	<u>(141 478 709)</u>	<u>(167 628 863)</u>
Cash flows from financing activities		
Proceeds from borrowings	665 642 225	31 328 585
Net cash provided from financing activities	<u>665 642 225</u>	<u>31 328 585</u>
 Net changes in cash and cash equivalents during the period	 68 869 067	 1 589 028
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	<u><u>238 870 163</u></u>	<u><u>164 205 478</u></u>

The accompanying notes on pages 5 to 45 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 June 30, 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 October 2, 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 fair 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
- Machinery & Equipments	10 years
- Furniture & Fixtures	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.

Citadel Capital Company
Notes to the consolidated financial statements for the period ended June 30, 2012

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	110 403 392
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	--	41 275	--	573 100	473 306	38 478	229 923	38 394 946	39 751 028
Disposals	--	--	(58 269)	--	(116 401)	(66 564)	--	--	(241 234)
Foreign currency translation differences	--	14 623	70 803	679 384	24 126	(1 118)	90 945	--	878 763
Cost as at 30/6/2012	24 000 000	39 330 622	8 084 727	116 073 043	28 839 291	8 378 313	4 594 777	127 849 647	357 150 420
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	--	899 024	16 240	5 785 335	913 458	302 109	881 879	--	8 798 045
Disposals	--	--	(58 269)	--	(116 401)	(66 564)	--	--	(241 234)
Foreign currency translation differences	--	1 066	(6 402)	93 258	1 376	(2 677)	11 264	--	97 885
Accumulated depreciation as at 30/6/2012	--	9 742 147	115 077	22 829 279	22 538 352	7 762 270	3 558 238	--	66 545 363
Carrying amounts									
At 30/6/2012	24 000 000	29 588 475	7 969 650	93 243 764	6 300 939	616 043	1 036 539	127 849 647	290 605 057
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 106 956 768 related to Sabina for Integrated Solutions – one of the group entities – represents the value of developing and improving agricultural lands in Sudan , and LE 20 892 879 represents fixtures and constructions of a new headquarters at Smart Village.

** Note no. (20).

Citadel Capital Company

Notes to the consolidated financial statements for the period ended June 30, 2012

6. Investments in subsidiaries and associates

The Group investments in subsidiaries and associates are represented in:

	Percentage		Carrying amount	
	2012	2011	30/6/2012	31/12/2011
	%	%	LE	LE
El Kateb for Marketing & Distribution Co.	48.88	48.88	1 000 686	1 346 670
Pharos Holding Co. *	53.00	53.00	94 474 514	94 504 925
Elsharq Book Stores Co.	40.00	40.00	15 579 617	15 792 931
ASEC Company for Mining (ASCOM)	39.22	39.22	141 566 260	153 083 372
Silverstone Capital Investments Ltd.***	41.81	40.98	337 281 920	346 700 538
Dar El-Sherouk Ltd. *	58.51	58.51	143 711 211	148 409 077
Crondall Holdings Ltd.	47.67	47.67	121 992 388	99 566 424
National Development and Trading Company	49.81	49.81	150 320 391	343 697 769
United Foundries Company	29.95	29.95	31 175 331	50 446 690
Mena Home Furnishings Mall	32.13	32.13	98 155 484	109 140 321
Citadel Capital Transportation Opportunities Ltd.	34.16	34.16	133 609 703	110 611 075
Tawazon for Solid Waste Management (Tawazon)	25.48	33.33	22 510 264	25 450 207
Mena Glass Ltd.	21.03	21.03	134 637 406	136 718 916
Tanmeyah Company S.A.E **	51.00	51.00	8 029 570	7 925 059
Ledmore Holdings Ltd.***	35.00	--	22 487 008	--
Balance			<u>1 456 531 753</u>	<u>1 643 393 974</u>

* 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.

Citadel Capital Company
Notes to the consolidated financial statements for the period ended June 30, 2012

Summary of financial statements of associates company

2012	Current assets		Non-current assets		Total assets		Current liabilities		Non-current liabilities		Total liabilities		Revenues		Expenses	
	LE		LE		LE		LE		LE		LE		LE		LE	
El Kateb for Marketing & Distribution Co.	9 660 014		1 024 035		10 684 049		7 066 312		1 109 678		8 175 990		2 785 253		3 439 076	
Pharos Holding Co.	153 113 148		187 754 446		340 867 594		194 931 968		644 095		195 576 063		25 691 808		25 749 188	
Elsharq Book Stores Co.	9 979 413		7 769 892		17 749 305		4 044 925		433 954		4 478 879		10 716 820		11 256 234	
ASEC Company for Mining (ASCOM)	215 425 266		766 287 635		981 712 901		355 311 830		238 665 056		593 976 886		286 090 636		298 064 561	
Silverstone Capital Investments Ltd.	1 775 671 417		917 732 912		2 693 404 329		1 156 768 941		266 250 666		1 423 019 607		622 070 584		556 784 618	
Dar El-Sherouk Ltd.	143 637 291		80 181 455		223 818 746		46 305 194		2 973 791		49 278 985		18 481 312		25 618 975	
Crondall Holdings Ltd.	28 917 152		815 057 657		843 974 809		569 549 683		--		569 549 683		74 375 076		28 279 636	
National Development and Trading Co.	1 619 544 972		5 178 439 234		6 797 984 206		2 442 105 652		2 421 453 261		4 863 558 913		1 016 343 067		1 279 445 792	
United Foundries Company	189 774 849		407 333 844		597 108 693		309 123 469		187 508 167		496 631 636		148 983 822		204 566 769	
Mena Home Furnishings Mall	39 200 526		656 278 053		695 478 579		111 218 894		295 130 461		406 349 355		12 589 609		41 004 167	
Citadel Capital Transportation Opportunities Ltd.	139 638 162		682 868 691		822 506 853		169 083 239		259 524 840		428 608 079		26 513 348		61 163 800	
Tawazon for Solid Waste Management Company (Tawazon)	111 608 522		129 288 834		240 897 356		76 000 000		14 884 064		90 884 064		54 591 321		63 513 125	
Mena Glass Ltd.	188 193 052		1 320 081 573		1 508 274 625		213 725 777		480 753 552		694 479 329		161 632 946		172 198 599	
Tamneyah Company S.A.E.	31 017 218		19 351 556		50 368 774		49 099 629		--		49 099 629		34 122 108		33 916 919	
Ledmore Holdings Ltd.	9 853 082		129 758 593		139 611 675		27 499 460		10 492 045		37 991 505		306 740		6 555 793	

- Note no. (19).

7. Other investments

	note no.	30/6/2012 LE	31/12/2011 LE
Non-current investments			
Available-for-sale investments (net)	7.1	1 082 867 507	919 306 588
Payments for investments (net)	7.2	751 302 954	589 886 669
Loans to related parties	7.3	627 805 286	660 952 590
Other	7.4	45 642 465	45 351 056
		<u>2 507 618 212</u>	<u>2 215 496 903</u>
Current investments			
Investments at fair value through profit or loss	7.5	17 920 130	18 169 898
		<u>2 525 538 342</u>	<u>2 233 666 801</u>

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

	30/6/2012 LE	31/12/2011 LE
Orient Investment Properties Ltd.	749 313 290	605 569 252
Logria Holding Ltd. *	392 977 000	390 468 000
Golden Crescent Investment Ltd. *	383 107 232	380 661 246
Falcon Agriculture Investments Ltd.	279 196 536	266 345 377
EFG Capital Partners Fund II & III	23 705 289	26 330 926
Sphinx Turnaround	18 092 256	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	605	601
Valencia Regional Investment Ltd.	605	601
Total	<u>1 846 472 167</u>	<u>1 678 036 240</u>
Accumulated impairment *	<u>(763 604 660)</u>	<u>(758 729 652)</u>
Net	<u>1 082 867 507</u>	<u>919 306 588</u>

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

	Balance as at 1/1/2012	Foreign currency translation differences	Balance as at 30/6/2012
	LE	LE	LE
Logria Holding Ltd.	390 468 000	2 509 000	392 977 000
Golden Crescent Investment Ltd.	368 261 652	2 366 008	370 627 660
Balance	<u>758 729 652</u>	<u>4 875 008</u>	<u>763 604 660</u>

7.2 The payments for investments are as follows:

	30/6/2012	31/12/2011
	LE	LE
Grandview Investment Holding	74 847 264	74 369 395
Fund Project	3 254 699	2 035 911
Pharos Holding Co.	18 621 911	18 621 911
Nile Valley Petroleum Ltd.	36 704 052	36 469 710
Citadel Capital Transportation Opportunities II Ltd.	18 137	18 022
Mena Joint Investment Fund	56 460 372	20 960 118
Africa Joint Investment Fund	86 626 187	48 978 654
Falcon Agriculture Investments Ltd.	38 602 433	38 355 973
Ambiance Rail Company (PTY) Limited	167 410 463	166 341 615
KU Railways Holdings Limited	175 884 172	174 761 222
Asec Emirates for Mining *	35 511 930	33 297 970
Citadel Capital Al Qalaa - Saudi Arabia	874 229	868 653
Sphinx Turnaround Funds	--	8 104 163
Valencia Assets Holding Ltd.	--	1 322
Orient Investment Properties Ltd.	91 772 886	--
Valencia Regional Investment Ltd.	226 149	--
Total	<u>786 814 884</u>	<u>623 184 639</u>
Accumulated impairment *	<u>(35 511 930)</u>	<u>(33 297 970)</u>
Net	<u>751 302 954</u>	<u>589 886 669</u>

7.3 Loans to subsidiaries and associate companies are as follows:

	note no.	30/6/2012 LE	31/12/2011 LE
National Development and Trading Company	7.3.1	385 204 744	362 094 225
United Foundries Company	7.3.2	--	58 107 093
Underscore International Holdings Ltd.	7.3.3	90 687 000	90 108 000
Valencia Regional Investment Ltd.	7.3.4	69 526 700	69 082 800
Others		<u>82 386 842</u>	<u>81 560 472</u>
Balance		<u>627 805 286</u>	<u>660 952 590</u>

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
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Arab Swiss Engineering Company (ASEC)	899 900 shares
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The value of the two loans is US.\$ 63 714 437 (equivalent to LE 385 204 744 as at June 30, 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.\$ 14 680 918 (equivalent to LE 88 757 894 as at June 30, 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 90 687 000 as at June 30, 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 69 526 700 as at June 30, 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 45 642 465 as at June 30, 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:

	30/6/2012	31/12/2011
	LE	LE
Modern Shorouk for Printing Co.	1 201 746	1 399 664
Al Arafa Investment and Consulting	1 436 482	1 585 901
TAQA Arabia	15 281 902	15 184 333
Balance	17 920 130	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	30/6/2012	31/12/2011
	no.	LE	LE
Biological assets	8.1	11 694 875	--
Inventory	8.2	20 837 466	--
Balance		32 532 341	--

8.1 Biological assets are represented in:

	30/6/2012	31/12/2011
	LE	LE
Planets (cotton , corn , sun flower)	11 694 875	--

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Notes to the consolidated financial statements for the period ended June 30, 2012

8.2 Inventory is represented in:

	30/6/2012	31/12/2011
	LE	LE
Fertilizers	16 625 430	--
Chemicals	1 820 457	--
Seeds	1 343 987	--
Spare parts	1 047 592	--
Balance	<u>20 837 466</u>	<u>--</u>

9. Trade and other receivables

	Note	30/6/2012	31/12/2011
	no.	LE	LE
Due from related parties (net)	9.1	989 341 394	903 563 564
Other receivables (net)	9.2	<u>47 551 301</u>	<u>19 328 416</u>
Balance		<u>1 036 892 695</u>	<u>922 891 980</u>

9.1 Due from related parties

	Nature of transaction		30/6/2012	31/12/2011
	Advisory fee	Finance		
	LE	LE	LE	LE
Logria Holding Ltd. *	33 275 485	1 929 378	35 204 863	34 980 352
Mena Home Furnishings Mall	2 646 029	90 585 709	93 231 738	57 574 182
Citadel Capital Transportation Opportunities Ltd.	659 524	59 795 048	60 454 572	20 988 192
Silverstone Capital Investments Ltd.	6 465 216	--	6 465 216	8 966 930
Falcon Agriculture Investments Ltd.	7 579 961	168 671 696	176 251 657	53 293 548
Orient Investment Properties Ltd.	--	40 362	40 362	114 022 516
Golden Crescent Investment Ltd.	23 066 239	--	23 066 239	21 175 667
ASEC Cement Company	7 495 136	--	7 495 136	15 018 000
Sphinx Glass Ltd.	7 254 960	--	7 254 960	4 805 760
Mena Glass Ltd.	6 865 006	--	6 865 006	4 547 451
Mena Joint Investment Fund	451 839	--	451 839	346 374
Africa Joint Investment Fund	1 236 179	--	1 236 179	2 593 140

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	Nature of transaction		30/6/2012	31/12/2011
	Advisory fee	Finance		
	LE	LE	LE	LE
Citadel Capital Transportation Opportunities				
II Ltd.	3 320 198	--	3 320 198	5 961 449
Africa JIF HOLD CO I	575 502	--	575 502	372 789
Africa JIF HOLD CO III	2 216 240	--	2 216 240	1 603 015
Mena JIF HOLD CO I	575 502	--	575 502	372 789
Grandview Investment Holding	--	45 763 054	45 763 054	42 463 202
ASEC Company for Mining (ASCOM)	--	49 333 728	49 333 728	24 083 533
Golden Crescent Finco Ltd.	--	159 145 431	159 145 431	146 695 022
Emerald Financial Services Ltd. *	--	210 634 687	210 634 687	199 086 273
Nile Valley Petroleum Ltd.	--	136 006 340	136 006 340	128 524 043
Tawazon for Solid Waste Management				
(Tawazon)	--	865 390	865 390	2 745 525
National Development and Trading Company	--	10 124 675	10 124 675	4 082 996
United Foundries Company	--	154 581 721	154 581 721	46 635 557
Citadel Capital East Africa	--	22 853	22 853	22 707
Citadel Capital – ALQALAA Saudi Arabia	--	297 702	297 702	193 312
ESACO for Manufacturing, Engineering and				
Construction *	--	40 855 201	40 855 201	28 855 201
Arab Refining Company – note no. (14-4)	--	9 513 671	9 513 671	1 400 789
Valencia Assets Holding Ltd. – note no. (20)	--	--	--	188 250 476
Sabina for Integrated Solutions	--	--	--	6 607 920
Valencia Regional Investments Ltd.	--	--	--	216 680
El Kateb for Marketing & Distribution Co.	--	1 001 673	1 001 673	--
Ledmore Holdings Ltd.	--	27 507 954	27 507 954	--
Nahda	--	5 676 856	5 676 856	--
Total			1 276 036 145	1 166 485 390
Accumulated impairment *			(286 694 751)	(262 921 826)
Net			989 341 394	903 563 564

Citadel Capital Company
Notes to the consolidated financial statements for the period ended June 30, 2012

* 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 30/6/2012
	LE	LE	LE	LE
ESACO for Manufacturing, Engineering and Construction	28 855 201	11 885 191	114 809	40 855 201
Emerald Financial Services Ltd.	199 086 273	10 237 736	1 310 678	210 634 687
Logria Holding Ltd.	34 980 352	--	224 511	35 204 863
Balance	<u>262 921 826</u>	<u>22 122 927</u>	<u>1 649 998</u>	<u>286 694 751</u>

9.2 Other receivables are represented in:

	30/6/2012	31/12/2011
	LE	LE
Prepaid expenses	153 093	197 887
Deposits with others	889 032	232 402
Advances to suppliers	15 284 989	11 228
Letters of guarantee margin	604 580	602 720
Imprest	4 538 276	515 793
Accrued revenue	2 337 559	2 403 045
Loans to others	13 300 760	12 014 400
Sundry debit balances	<u>10 443 012</u>	<u>3 350 941</u>
Balance	<u>47 551 301</u>	<u>19 328 416</u>

10. Cash and cash equivalents

	30/6/2012	31/12/2011
	LE	LE
Cash on hand	304 488	668 772
Banks - current accounts	237 599 055	159 034 272
Banks - time deposits	<u>60 458</u>	<u>1 351 620</u>
Total	237 964 001	161 054 664
Effect of foreign exchange differences	<u>906 162</u>	<u>5 186 058</u>
Balance	<u>238 870 163</u>	<u>166 240 722</u>

Non cash transactions

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

- LE 108 604 228 from due from related parties and other investments (represents the related parties' current account due transferred as other investments).
- LE 20 744 476 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

	30/6/2012	31/12/2011
	LE	LE
Capital	407 115 330	404 516 257
Payments for capital increase	1 511 450	1 501 800
Other owners' equity	(26 466 218)	2 206 531
Foreign currency translation reserve	(1 868 047)	(1 554 898)
Net loss for the period / year	(4 405 800)	(26 955 809)
Balance	<u>375 886 715</u>	<u>379 713 881</u>

14. Loans and borrowings

	note no.	30/6/2012 LE	31/12/2011 LE
Long term – loans	(14.1,2,3)	1 849 355 173	1 142 441 436
Short term – loans	(14.1,3)	237 421 438	210 252 000
Balance		<u>2 086 776 611</u>	<u>1 352 693 436</u>

- 14.1 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 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.

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

The Company has used an amount of US.\$ 275 350 000 (equivalent to LE 1 664 711 030) till June 30, 2012 and the current stage installment is amounted to US.\$ 35 million (equivalent to LE 211 603 000 as at June 30, 2012).

- The interest on loan charged to the income statement during the period is LE 106 731 184 including an amount LE. 69 345 000 represents loan's expenses and fees.
- 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 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

- 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 302 290 000 as at June 30, 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 94 368 445 as at June 30, 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 June 30, 2012 amounted to US.\$ 4 792 889 (equivalent to LE 28 976 848) 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 June 30, 2012 is US.\$ 54 792 889 (equivalent to LE 331 266 848) 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.\$ 15 million. The Company has withdrawn an amount of US.\$ 15 018 481 (equivalent to LE 90 798 733 as June 30, 2012), and the current stage instalment on June 30, 2012 is amounted to US.\$ 4 270 475 (equivalent to LE 25 818 438 as at June 30, 2012) and the non-current stage instalment is amounted to US.\$ 10 748 006 (equivalent to LE 64 980 295 as at June 30, 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 172 305 300 as at June 30, 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 171 096 140 as at June 30, 2012) to settle its liabilities which represent the insurance instalment due for NEXI (Nippon Export & Investment Insurance) and this finance mature when Egyptian

Refining Company uses the loan obtained according to the signed contract from a group of international banks with an amount of 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.\$ 1 573 600 (equivalent to LE 9 513 670 as at June 30, 2012) that incurred by Arab Refining Company according to the contract accordingly the loan balance would be with an amount of US.\$ 30 073 600 (equivalent to LE 181 818 971 as at June 30, 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).

	30/6/2012		31/12/2011	
	Value	Equivalent	Value	Equivalent
	US.\$	LE	US.\$	LE
Amounts due from Arab Refining Company	30 073 600	181 818 971	28 733 185	172 605 989
Less : loan balance	(28 500 000)	(172 305 300)	(28 500 000)	(171 205 200)
Net –note no. (9-1)	<u>1 573 600</u>	<u>9 513 671</u>	<u>233 185</u>	<u>1 400 789</u>

15. Long term liabilities

	30/6/2012	31/12/2011
	LE	LE
Creditors-purchase of investments *	<u>10 787 486</u>	<u>21 859 566</u>

Citadel Capital Company**Notes to the consolidated financial statements for the period ended June 30, 2012**

* 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

	30/6/2012	31/12/2011
	LE	LE
Fixed assets depreciation	1 294 511	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	30/6/2012	31/12/2011
	no.	LE	LE
Due to related parties	17.1	556 887 754	303 276 132
Other payables	17.2	103 059 181	98 695 634
Balance		659 946 935	401 971 766

17.1 Due to related parties

	30/6/2012	31/12/2011
	LE	LE
Citadel Capital Partners Ltd.*	204 867 766	225 371 867
Mena Glass Ltd.	38 401 241	17 969 097
Crondall Holdings Ltd.	4 228 378	4 844 152
Citadel Capital Transportation Opportunities II Ltd.	23 204 887	33 916 651
Africa JIF Hold CO III	114 048	149 165
ASEC for Manufacturing and Industrial Projects- ARESCO	--	21 025 200
ASEC Cement Company	33 251 900	--
Falcon Agriculture Investments Ltd.	12 440 872	--
Gozor	84 111 588	--
Silverstone Capital Investments Ltd.	147 167 074	--
Pharos Holding Co.	9 100 000	--
Balance	556 887 754	303 276 132

* The main shareholder of the Company – 28.49%.

17.2 Other payables

	30/6/2012	31/12/2011
	LE	LE
Tax Authority	13 473 859	7 125 074
National Authority for Social Insurance	1 069 953	200 489
Accrued expenses	60 381 728	48 998 967
Dividends payable – previous years	2 926 011	2 925 933
Accrued interest	2 313 794	25 632 722
Suppliers	14 203 405	8 620 190
Sundry credit balances	8 690 431	5 192 259
Balance	<u>103 059 181</u>	<u>98 695 634</u>

18. Expected claims provision

	30/6/2012	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	110 415	1 173 788
Provisions used during the period / year	--	(13 065 459)
Provisions no longer needed	--	(32 512 005)
Balance	<u>207 881 553</u>	<u>206 560 345</u>

*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.

Citadel Capital Company
Notes to the consolidated financial statements for the period ended June 30, 2012

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

	For the period		For the period	
	from 1/4/2012	from 1/1/2012	from 1/4/2011	from 1/1/2011
	to 30/6/2012	to 30/6/2012	to 30/6/2011	to 30/6/2011
	LE	LE	LE	LE
El Kateb for Marketing & Distribution Co.	(186 752)	(345 984)	(45 695)	(96 995)
Pharos Holding Co.	(49 429)	(30 411)	1 760 271	1 639 063
Elsharq Book Stores Co.	(186 074)	(215 766)	(200 853)	(414 339)
ASEC Company for Mining (ASCOM)	(1 906 305)	(4 696 413)	(17 876 348)	(24 042 562)
Silverstone Capital Investments Ltd.	14 942 146	27 296 062	11 208 619	22 116 453
Dar El-Sherouk Ltd.	(2 781 394)	(4 176 247)	(2 418 500)	(4 145 074)
Crondall Holdings Ltd.	12 303 320	21 975 368	2 840 300	3 960 519
National Development & Trading Company	(66 457 772)	(131 051 468)	(108 841 646)	(148 859 605)
United Foundries and Heat Treatment				
Company	(9 263 375)	(16 647 093)	(1 500 178)	(3 010 177)
Mena Glass Ltd.	(687 600)	(2 221 957)	(911 047)	(2 669 166)
Tanmeyah Company S.A.E	607 381	104 512	(4 321 946)	(8 845 309)
Mena Home Furnishings Mall	(4 583 382)	(9 129 599)	(4 404 081)	(11 002 752)
Citadel Capital Transportation Opportunities				
Ltd.	(6 199 373)	(11 836 595)	(6 049 701)	(18 074 428)
Tawazon for Solid Waste Management				
(Tawazon)	(1 660 897)	(2 272 838)	(1 603 154)	(2 539 136)
Ledmore Holdings Ltd.*	(1 473 237)	(1 981 876)	--	--
	<u>(67 582 743)</u>	<u>(135 230 305)</u>	<u>(132 363 959)</u>	<u>(195 983 508)</u>

* 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 International 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.
- Wafra Agriculture S.A.E Company owns several subsidiaries and then the consolidated financial statements of the Company for the period ended June 30, 2012 include the financial statements of the Wafra Agriculture S.A.E Company and its subsidiaries controlled as follows:

Company name	Country of incorporation	Ownership interest %
Valencia Assets Holding Ltd.	British Virgin Island	100.00
Sabina for Integrated Solutions	Sudan	96.00
Concord Agriculture	South Sudan	96.00

- 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

other operations are represented in Wafra Agricultural Company and its subsidiaries.

	For the period		For the period	
	from 1/4/2012 to 30/6/2012	from 1/1/2012 to 30/6/2012	from 1/4/2011 to 30/6/2011	from 1/1/2011 to 30/6/2011
	LE	LE	LE	LE
Sales	2 863 276	6 221 571	--	--
Cost of sales	(15 464 429)	(22 437 769)	--	--
Net loss	(12 601 153)	(16 216 198)	--	--

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 June 30, 2012 and June 30, 2011.
- Administrative and general expenses include an amount of US.\$ 1 581 125 (equivalent to LE 9 529 915) for the period ended June 30, 2012 against US.\$ 1 636 279 (equivalent to LE 9 678 427 for the period ended June 30, 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		For the period	
	from 1/4/2012 to 30/6/2012	from 1/1/2012 to 30/6/2012	from 1/4/2011 to 30/6/2011	from 1/1/2011 to 30/6/2011
	LE	LE	LE	LE
Impairment loss on trade and other receivables (note 9-1)	(12 255 242)	(22 122 927)	(5 093 076)	(10 346 106)
Net change in the fair value of investments at fair value through profit and loss	(352 214)	(347 337)	602 311	(49 834)
Provisions no longer needed	--	--	5 093 076	10 346 106
Total	<u>(12 607 456)</u>	<u>(22 470 264)</u>	<u>602 311</u>	<u>(49 834)</u>

23. Financing income (cost)

	For the period		For the period	
	from 1/4/2012 to 30/6/2012	from 1/1/2012 to 30/6/2012	from 1/4/2011 to 30/6/2011	from 1/1/2011 to 30/6/2011
	LE	LE	LE	LE
Interest income - note no. (26-2)	15 967 895	52 830 523	9 590 367	18 591 968
Interest expenses - note no.(14)	(29 494 737)	(117 185 494)	(16 752 746)	(37 464 490)
Foreign currency translation differences	21 026 264	21 119 129	522 434	(6 046 984)
Net	<u>7 499 422</u>	<u>(43 235 842)</u>	<u>(6 639 945)</u>	<u>(24 919 506)</u>

24. Earnings per share

	For the period		For the period	
	from 1/4/2012 to 30/6/2012	from 1/1/2012 to 30/6/2012	from 1/4/2011 to 30/6/2011	from 1/1/2011 to 30/6/2011
	LE	LE	LE	LE
Net loss for the period	<u>(124 227 118)</u>	<u>(283 484 937)</u>	<u>(177 593 956)</u>	<u>(291 812 682)</u>
Net loss for equity holders of the parent Company	<u>(122 963 814)</u>	<u>(279 079 137)</u>	<u>(176 365 456)</u>	<u>(287 733 233)</u>
Weighted average number of shares	<u>871 625 000</u>	<u>871 625 000</u>	<u>661 625 000</u>	<u>661 625 000</u>
Earnings per share	<u>(0.14)</u>	<u>(0.32)</u>	<u>(0.27)</u>	<u>(0.43)</u>

Citadel Capital Company
Notes to the consolidated financial statements for the period ended June 30, 2012

25. Finance (expenses) income recognised in equity

	For the period		For the period	
	from 1/4/2012 to 30/6/2012	from 1/1/2012 to 30/6/2012	from 1/4/2011 to 30/6/2011	from 1/1/2011 to 30/6/2011
	LE	LE	LE	LE
Foreign currency translation differences of foreign operations	(63 141 568)	(76 128 909)	28 921 920	85 767 405
Net change in the fair value of available-for-sale investment	(288 365)	(160 331)	385 325	47 362
Total finance (expenses) income recognised in equity (after tax)	<u>(63 429 933)</u>	<u>(76 289 240)</u>	<u>29 307 245</u>	<u>85 814 767</u>
Attributable to:				
Equity holders of the Company	(63 300 704)	(75 976 091)	29 265 451	86 251 197
Non - controlling interest	<u>(129 229)</u>	<u>(313 149)</u>	<u>41 794</u>	<u>(436 430)</u>
	<u>(63 429 933)</u>	<u>(76 289 240)</u>	<u>29 307 245</u>	<u>85 814 767</u>

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		For the period	
	from 1/4/2012 to 30/6/2012	from 1/1/2012 to 30/6/2012	from 1/4/2011 to 30/6/2011	from 1/1/2011 to 30/6/2011
Company's name	LE	LE	LE	LE
Mena Glass Ltd.	900 530	1 800 657	886 692	1 765 387
Mena Home Furnishings Mall	894 929	1 789 458	881 177	1 754 408
Citadel Capital Transportation Opportunities Ltd.	216 389	432 683	213 065	424 208
Falcon Agriculture Investments Ltd.	3 777 316	7 552 940	3 641 551	7 211 907
Golden Crescent Investment Ltd.*	--	1 747 858	860 885	1 714 000
Orient Investment Properties Ltd.	1 266 710	3 709 746	2 292 689	4 644 554
Sphinx Glass Ltd.	1 075 867	2 151 252	1 059 333	2 109 114
ASEC Cement Company	2 613 582	5 197 281	2 571 421	4 954 073
Silverstone Capital Investment Ltd.	315 602	631 062	315 184	627 526
Citadel Capital Transportation Opportunities II Ltd.	1 265 397	2 530 227	767 065	1 854 680

Citadel Capital Company
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Company's name	For the period		For the period	
	from 1/4/2012	from 1/1/2012	from 1/4/2011	from 1/1/2011
	to 30/6/2012	to 30/6/2012	to 30/6/2011	to 30/6/2011
	LE	LE	LE	LE
Africa Joint Investment Fund	1 201 106	2 397 750	1 195 165	2 346 512
Mena Joint Investment Fund	853 065	1 702 953	806 941	1 624 663
Africa JIF HOLD CO I	106 330	200 072	--	--
Africa JIF HOLD CO III	301 462	602 136	--	--
Mena JIF HOLD CO I	106 330	200 072	--	--
Ledmore Holdings Ltd.	381 258	381 258	--	--
Total	15 275 873	33 027 405	15 491 168	31 031 032

* The Company did not recognize advisory fees with an amount LE 18 950 718 and LE 1 752 348 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.

26.2 Interest income

Interest income included in financing income (cost) note no.(23) includes an amount of LE 50 516 846 represents accrued interest income according to signed contracts from other related parties as follows:

Company's name	For the period		For the period	
	from 1/4/2012	from 1/1/2012	from 1/4/2011	from 1/1/2011
	to 30/6/2012	to 30/6/2012	to 30/6/2011	to 30/6/2011
	LE	LE	LE	LE
National Company for Trading and Development *	5 215 282	10 410 811	4 589 165	9 086 974
United Foundries Company	1 544 229	8 956 505	1 133 639	2 120 968
Golden Crescent Finco Ltd.	--	5 710 844	2 203 319	3 919 557
Mena Home Furnishings Mall	874 637	3 350 876	161 408	277 728
Citadel Capital Transportation Opportunities Ltd.	579 910	2 114 507	381 773	639 009
Grandview Investment Holding	674 030	2 731 314	773 627	1 517 390
Orient Investments Properties Ltd.	5 385 387	10 107 046	--	--
Falcon Agriculture Investments Ltd.	1 441 113	7 134 943	--	--
Total	15 714 588	50 516 846	9 242 931	17 561 626

* Note (7.3-1)

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	--
International for refinery 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

Citadel Capital Company**Notes to the consolidated financial statements for the period ended June 30, 2012**

	Country of incorporation	Ownership interest	
		Direct	Indirect
		%	%
National Company for Touristic and Property Investment	Arab Republic of Egypt	--	99.88
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 Willlow Investments Ltd.	British Virgin Island	--	100.00
Brennan Solutions Ltd.	British Virgin Island	--	100.00
Mena Enterprises Ltd.	British Virgin Island	--	100.00
Alcott Bedford Investments Ltd.	British Virgin Island	--	100.00
Eco-Logic Ltd.	British Virgin Island	--	100.00
Alder Burke Investments Ltd.	British Virgin Island	--	100.00
Black Anchor Holdings Ltd.	British Virgin Island	--	100.00
Cobalt Mendoza	British Virgin Island	--	100.00
Africa Railways Investments Ltd.	British Virgin Island	--	100.00
Darley Dale 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.

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 customers. 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 minimize the liquidity risk.

26.3 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 balance sheet date .

26.4 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 1 527 555 424 and LE 1 672 292 861 respectively, and net foreign currencies balances are as follows:

Foreign currencies	(Deficit) / Surplus LE
US.\$	(144 754 166)
Euro	16 729

- As disclosed in note no. (3.1) the Company has used the prevailing exchange rates to revalue monetary assets and liabilities at the balance sheet 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

Market risk is represented in the factors which affect values, earnings and profits of all securities negotiated in stock exchange or affect the value, earning and profit of a particular security.

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.

32. Comparative figures

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