Citadel Capital Reports Third Quarter 2010 Results

Strong rise in AUM, revenues and net profits as execution risk continues to narrow across the firm's 14-country, 15-industry footprint

CCAP.CA on the Egyptian Stock Exchange

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(Cairo, Egypt) — Citadel Capital (CCAP.CA on the Egyptian Stock Exchange), the leading private equity firm in the Middle East and Africa, announced today its standalone financial results for the third quarter of 2010. The firm reported a 7.0% rise in total assets under management (AUM) to US$ 4.0 billion (EGP 23 billion) as it recognized US$ 265.4 million in new equity raised year-to-date. Third-party fee-earning AUM rose 6.0% to US$ 2.0 billion in the same period.

"With the start of operations at six greenfields so far this year, US$ 2.6 billion in debt signed for the Egyptian Refining Company and strong operational performance at other platforms, our execution risk continues to fall," said Citadel Capital Chairman and Founder Ahmed Heikal. "This has not gone unnoticed by the regional investors who are our core LPs, nor by the sophisticated global institutional LPs that are looking to Citadel Capital to gain exposure to Africa's highly promising markets. This momentum has fed straight into important new fundraising in the past quarter."

The firm reported net income of US$ 3.2 million (EGP 18.4 million) on revenues of US$ 7.7 million (EGP 44.1 million) on a standalone basis, a strong rise from net earnings of US$ 0.05 million (EGP 0.29 million) in 2Q10.[1]

Importantly, Citadel Capital reports a sharp narrowing of its consolidated loss in 3Q10 to US$ 5.1 million (EGP 29.6 million) compared with a net loss of US$ 16.5 million (EGP 94.8 million) the previous quarter, largely on the back of a completed turnaround at ARESCO, a key ASEC Holding Portfolio Company, and the start of operations at multiple greenfield projects.

In addition to notable equity fundraising in the quarter, 3Q10 also saw the signing of a US$ 2.6 billion debt financing package for the Egyptian Refining Company, Citadel Capital's Platform Company in the Egyptian petroleum refining industry. Citadel Capital is working to finalize the arrangement of ERC's equity package in the coming period.

Management believes that Citadel Capital's fundraising year-to-date accounts for more than 27% of all private equity funds raised for investment in the MENA region in 2010 (according to figures from the Emerging Markets Private Equity Association).

Highlights of 3Q10 include:

Fundraising and Principal Investments

- **Total assets under management** (committed equity) at the end of 3Q10 stood at US$ 4.0 billion (EGP 23 billion), a 7.0% rise from US$ 3.8 billion (EGP 21.8 billion) the previous quarter and a 9.9% rise year-to-date. The US$ 265.4 million in new AUM includes US$ 140 million for the MENA and Africa Joint Investment Funds (JIFs) and US$ 100 million in financing from the US Overseas Private Investment Corporation (OPIC).

- **Fee-Earning AUM** rose 6.0% to US$ 2.0 billion (EGP 11.5 billion) as new AUM were recog-

1 Citadel Capital views its standalone financial results as the ideal vehicle through which to view the firm's financial performance. Standalone results focus squarely on revenues derived from private equity investing, not on the performance of the Platform Companies in which the firm invests. As such, Citadel Capital believes the consolidated picture — which it must report to the Egyptian Exchange by law — is more appropriate to a conglomerate than to a private equity firm whose revenue streams gains from the sale of principal investments and the asset management business.

nized. Commitments to the MENA and Africa JIFs are fee-earning from the time of commitment.

Narrowing Execution Risk

- **ASEC Holding and its Portfolio Companies** have secured US$ 200 million in syndicated financing for a new 2 million tons per annum (MTPA) greenfield cement plant in Egypt and reported the start of production at its new greenfield plant in Sudan. ARESCO has secured a contract to build a cement plant in Assiyut, Egypt. Citadel Capital is strongly encouraged by ARESCO's performance and expects it to build a strong, profitable backlog for 2011 and 2012.

- **In Agriculture and Consumer Foods**, Platform Companies have engaged a new Chief Executive Offer (CEO) at Gozour, continued retail expansion, and increased yogurt production capacity in Egypt, all while gaining new milk market share. In Sudan, Wafra, our greenfield agriculture venture, has met new planting milestones with 2,000 feddans now under cultivation and a total of 20,000 set to enter cultivation by June 2011 across two Portfolio Companies.

- **In Transportation and Logistics**, Africa Railway has raised its shareholding in Rift Valley Railways (RVRI) of Kenya and Uganda to 51% (from 35%), while Egyptian river transportation investments have taken delivery of their first custom-designed river cargo barges. RVRI has engaged new management including a new Chief Operating Officer, Chief Financial Officer and Sales and Marketing Director as well as engaged leading global rail consultant América Latina Logística. The opportunities offered by RVRI are truly substantial.

- **TAQA Arabia** has won mandates for important power generation and distribution contracts in Yemen, Sinai and the Greater Cairo Area, while its gas division has added 48,500 new residential clients. Mandates are being negotiated to take TAQA Arabia to market via IPO in the first half of 2011, market conditions permitting.

- **ASCOM** portfolio company APM reports significant progress at gold concessions in Ethiopia and Sudan. Newly operational greenfield ASCOM Technical Calcium Carbonate, in Minya, Egypt, is making steady progress and has made full use of its production capacity for the past three months running. A project to double its capacity at a price equal to 30% of the original investment cost is currently underway. Moreover, ASCOM's glasswool plant will enter production during 4Q10.

- **Finance Unlimited's** microfinance venture, Tanmeyah, has expanded its network in Egypt to 79 branches and its overall loan book to EGP 184.2 million. The company is now in talks to enter the promising Syrian market.

- **United Foundries** Portfolio Company Alexandria Automotive Casting (AAC) has undergone a management change. Citadel Capital is encouraged by results in the first month after the change and expects AAC to turn profitable in 1Q11. A project to double AAC's production capacity using already purchased and paid-for equipment will be complete in 2Q11.

Institutionalization of Shareholder Base

- Citadel Capital management has invested considerable effort throughout 2010 to begin institutionalizing the firm's shareholder base. As of October 2010, institutional investors' shareholding in Citadel Capital had risen seven-fold from the beginning of the year.

- Crédit Suisse has become the first global investment bank to initiate coverage of Citadel Capital shares with a report issued in late October 2010.

Management's discussion of operational performance as well as details of Citadel Capital's 3Q10 standalone financials are below; full financials are available for download at www.citadelcapital.com.

Performance Highlights

Financial Highlights (in EGP mn)	**FY09**	**1Q10**	**2Q10**	**3Q10**
Revenue	438.9	42.3	38.5	44.05
EBITDA	213.2	-10.8	-3.8	4.61
Net Income	211.4	1.5	0.29	18.43
Principal Investments[2] (in EGP mn as carried on balance sheet)				
Total Principal Investments	4,250	4,415	4,453	4,624
Of which Equity	3,284	3,520	3,834	3,871
Of which Loans	441	433	222	277
Of which Convertibles	525	463	400	476
New Investments in the Period	866	165	38	171
Gains from Sale of Investments in the Period	272.5	9.6	0.0	0.0
Portfolio NAV (PNAV)	6,840	not issued	6,957	not issued
Asset Management (in US$ bn, as at the date)				
Total Investments Under Control	8.3	8.3	8.4	8.6
Total AUM	3.6	3.7	3.7	4.0
Invested AUM	2.8	2.9	2.9	3.0
Invested Third-party AUM	2.1	2.1	2.2	2.2
Third-party Fee-earning AUM	1.9	1.9	1.9	2.0
New Invested AUM (in US$ mn, for the period)	193.4	63.6	33.7	52.3
Revenue from Advisory Fees (in US$ mn, for the period)	18.5	4.4	4.5	4.6
Revenue from Carried Interest (in US$ mn, for the period)	-	-	-	-
Asset Management Value (AMV) (in EGP mn)	3,420	not issued	3,846	not issued
Net Asset Value[3]				
Total NAV (TNAV) (in EGP mn)	10,260	not issued	10,803	not issued
TNAV per Share (in EGP)	15.50	not issued	16.32	not issued

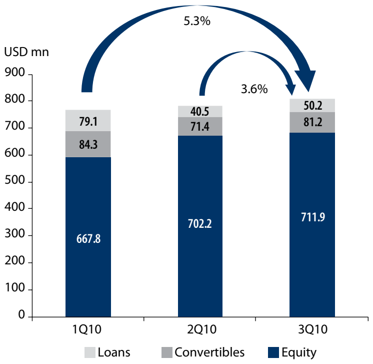
Track Record (for the quarter ending 30 September 2010 unless otherwise indicated)

Investments made since 2004 (acquisitions and new company formations)		54
Number of Platform Companies as at 30 September 2010		19
Number of Funds (Opportunity-Specfic Funds + Standing Funds) as at 30 September 2010		21
Total number of countries in which Citadel Capital invests		14
Number of industries in which Citadel Capital invests		15
Total equity raised and invested since 2004	EGP 17.25 billion	US$ 4.6 billion
Cash returns to shareholders and LPs since 2004 (on equity investments of US$ 650 million)	EGP 14.4 billion	US$ 2.5 billion
Shareholder Structure		
Citadel Capital Partners (CCP)		40%
Board members other than CCP		18%
Investors Owning More than 1%		14%
Others		28%
Number of shares outstanding		661,625,000
Paid-in capital of Citadel Capital	EGP 3.3 billion	US$ 0.6 billion
Valuations (as at 30 June 2010)[3]		
Total net asset value (TNAV)	EGP 10.8 billion	US$ 1.9 billion
Total net asset value per share (TNAVPS)	EGP 16.32	US$ 2.89
Portfolio net asset value (PNAV)	EGP 7.0 billion	US$ 1.2 billion
Portfolio net asset value per share (PNAVPS)	EGP 10.51	US$ 1.86
Asset management value (AMV)	EGP 3.8 billion	US$ 0.7 billion
Asset management value per share (AMVPS)	EGP 5.81	US$ 1.03

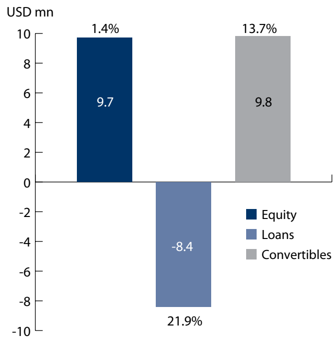
2 This summary is provided for parties interested in dissecting Principal Investments on Citadel Capital's standalone balance sheet as presented on page 20. That said, the majority of Citadel Capital principal investments are made in US dollars. Management accordingly analyses both principal investments and AUM in US Dollars. The balance of this document uses USD as the currency for analysis and comparison of investments, whether by the firm or its co-investors.

3 Citadel Capital issues updates on its Total Net Asset Value (encompassing both PNAV and TNAV) semi-annually. The firm will next update these metrics in its full-year 2010 business review.

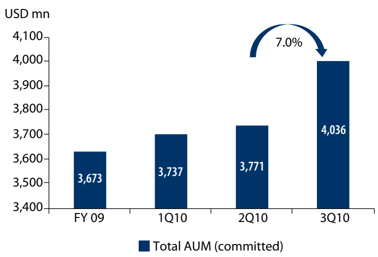
a) Citadel Capital Principal Investments



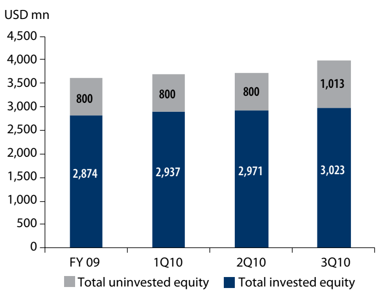
b) Adjusted Breakdown of New Citadel Capital Investments in 3Q10
(Equity, interest-bearing loans, convertibles)



c) Total Assets Under Management



d) Total AUM (Invested + Uninvested)



Third Quarter 2010 in Brief

I. Citadel Capital as a Principal Investor (Own Balance Sheet)

- **Total principal investments** (including convertibles and interest-bearing loans to Platform Companies) stood at US$ 843.3 million (EGP 4.6 billion)[4] at the end of 3Q10, a 3.6% rise from the previous quarter and a 5.3% rise year-to-date.

  - **Equity investments by Citadel Capital as a principal investor** in 3Q10 rose a net 1.4% to US$ 711.9 million (EGP 3.9 billion) quarter-on-quarter. The freeing up of funds from investments warehoused for the MENA and Africa Joint Investment Funds saw the firm re-direct equity to Tawazon (waste management) and Africa Railways under the MENA and Africa JIFs instead of reducing its principal investments in the same. Citadel Capital also made new direct principal investments in platforms including the Egyptian Refining Company (as management signed ERC's debt package and is aiming to finalize arrangement of equity for the project in the coming period) and Wafra (Sudanese agriculture). Principal equity investments have risen by 14.1% YTD.

  - **Interest bearing loans to Platform and Portfolio Companies** have fallen 35.6% year-to-date to US$ 50.2 million (EGP 277.1 million). Loans temporarily rose 24.0% quarter-on-quarter due to an in-progress transaction. Excluding the temporary effect of this transaction, loans declined 21.9% quarter-on-quarter to US$ 31.4 million (EGP 173.2 million).

  - **Convertibles in Platform and Portfolio Companies** rose 13.7% to US$ 81.2 million (EGP 476.3 million) on the back of a previously planned investment in the ASEC Holding convertible.

  - **Gains from the sale of principal investments** were nil in 3Q10.

II. Asset Management Business

- **Total investments under control**[5] of Citadel Capital's 19 Opportunity-Specific Funds rose 3.2% to US$ 8.6 billion (EGP 49.45 billion).

- **Total assets under management** (committed)[6] in Citadel Capital's 19 Opportunity-Specific Funds (OSFs) and the MENA and Africa Joint Investment Funds rose 7.0% in 3Q10 to US$ 4.0 billion (EGP 23 billion) from the previous quarter, and 9.9% YTD. This rise signals strong LP interest in Citadel Capital's business model and investments despite the prevailing global economic climate. Citadel Capital's 3Q10 fundraising accounts for more than 27% of all equity raised for investment in the MENA region year-to-date, according to figures from the Emerging Markets Private Equity Association.

- **Total invested AUM** rose 1.8% quarter-on-quarter to US$ 3.0 billion (EGP 17.25 billion) on the back of the gradual drawdown of funds from the JIFs and Citadel Capital's rising principal investments in ERC and the ASEC Holding convertible, among others.

- **Total invested third-party AUM** rose 1.1% in 3Q10 to US$ 2.2 billion (EGP 12.65 billion), with new LP investments in the period dominated by funds drawn down from the MENA and Africa JIFs.

- **Total fee-earning AUM** stood at US$ 2.0 billion (EGP 11.5 billion) at the end of 3Q10, a rise of 6.0% quarter-on-quarter and 6.5% year-to-date.

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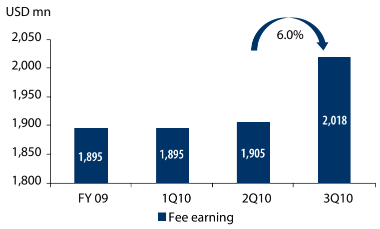
4 Citadel Capital principal investments are converted per exchange rates carried in Citadel Capital's balance sheet. All other figures relating to financial results in 3Q10 are converted using a spot rate of EGP 5.75 : US$ 1.00. Historical figures have been re-stated using the same exchange rate. Citadel Capital typically analyzes its own financial statements in EGP and investments in US$.

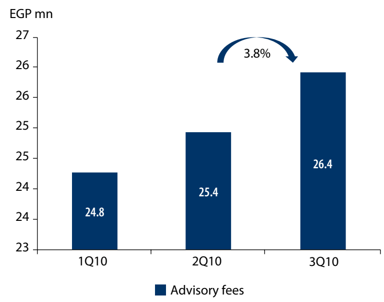
5 Management considers total investments under control (defined as committed debt + committed equity for all platform investments) as an appropriate indicator of the firm's scope.

6 Following international practices, Citadel Capital defines Assets Under Management (AUM) as committed amounts, not amounts drawn.

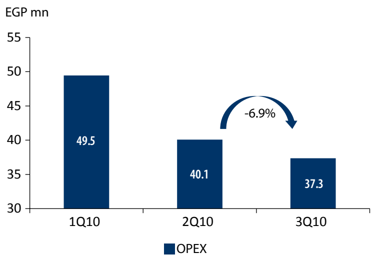
e) Fee-Earning AUM



f) Evolution of Advisory Fees



g) Quarterly OPEX



- **Revenue from advisory fees**[7] stood at over US$ 4.6 million (EGP 26.4 million), up 3.8% on the previous quarter as fee-earning AUM rose.

- **Revenue from Citadel Capital's carried interest** in its limited partners' proceeds from exited or partially-exited investments was nil, as it was in 2Q10.

III. Financial Highlights

- **Citadel Capital revenue** (standalone) in 3Q10 reached US$ 7.7 million (EGP 44.1 million), a 14.3% rise from US$ 6.7 million (EGP 38.5 million) the previous quarter, reflecting a rise in advisory fees and other operating revenues, the latter stemming largely from the recovery of pre-operational expenses defrayed at Platform Companies and SPVs. Citadel Capital revenues in 9M10 stand at US$ 21.7 million (EGP 124.8 million), a 29.7% dip from US$ 30.9 million (EGP 177.6 million) in the same period last year. Revenues in 9M09 reflect a one-time gain from the sale of an investment to a Citadel Capital Platform Company.[8]

- **EBITDA** for the three months ending 30 September 2010 stood at US$ 0.80 million (EGP 4.61 million) compared with a negative US$ 0.67 million (negative EGP 3.8 million) the previous quarter, an improvement (despite the lack of revenue from sale of investments) that reflects rising revenues and a decline in operating expenses as the payment of previously planned employee bonus compensation was completed at the end of 2Q10. EBITDA for 9M10 stood at negative US$ 1.8 million (negative EGP 10.4 million) compared with US$ 12.4 million (EGP 71.2 million) in the same period last year.

- **Net income after taxes (standalone)** in 3Q10 was US$ 3.2 million (EGP 18.4 million), up substantially from US$ 52,174 (EGP 0.3 million) the previous quarter on the back of both higher revenues and a rise in net interest income, with the latter primarily due to income from investments in convertibles. Citadel Capital earnings in 9M10 were US$ 3.5 million (EGP 20.2 million), down from US$ 10.6 million (EGP 60.9 million) in the same period last year.

  - **Consolidated net income after taxes** in 3Q10 improved strongly to a net loss of US$ 5.1 million (EGP 29.6 million) from a net loss of US$ 16.5 million (EGP 94.8 million) the previous quarter on the back of a turnaround at an important ASEC Holding Portfolio Company and the start of operations at key greenfields, among other factors.

- **Debt-to-equity ratio** stood at 26% on 30 September 2010, against 22% at the end of 2Q10, reflecting the closure of an additional US$ 25 million in debt financing at the Citadel Capital level to support the planned pace and tenor of Citadel Capital principal investments. Across the firm's platform investments, the average debt-to-equity ratio at the end of 9M10 stood at 73% (excluding Egyptian Refining Company and Citadel Capital itself) compared with 65% at the end of the first half.

7 Citadel Capital earns a 1% advisory fee on fee-earning assets under management.

8 Due to the nature of private equity investing, revenues and earnings fluctuate significantly depending on the number and frequency of exits and of gains on investments. Revenues and profits in any particular period are not necessarily indicative of future results.

Outlook

The third quarter was an important milestone for Citadel Capital as regards both the narrowing of execution risk across our portfolio as well as substantial fundraising momentum that has seen Citadel Capital's 3Q10 fundraising account for more than 27% of all funds raised for investment in the MENA region year-to-date, according to industry figures from the Emerging Markets Private Equity Association. As this year draws to a close, Citadel Capital remains solidly focused on nurturing its existing investments: Our emphasis in the coming period will remain on ensuring Platform and Portfolio Company business plans are fully funded; on ensuring that the right management teams are in place to drive these business plans forward; on careful management of cash flows; and on continued fundraising for existing platforms.

As we continue to shepherd our portfolio of 19 platform investments spanning 15 industries, we will focus as well on the creation of clear synergies and operational efficiencies across our portfolio to build additional value as we evaluate potential exit opportunities in 2011, in respect of which I note we are negotiating mandates for the IPO of TAQA Arabia, our energy distribution platform.

Heading into the first months of the new year, our priorities remain as follows:

1 **We aim to finalize the arrangement of equity for the Egyptian Refining Company (ERC)**, our greenfield petroleum refinery in the Greater Cairo Area, in the coming months. A US$ 2.6 billion debt package signed in August 2010 paves the way for this transformative investment, which stands as one of the largest private-sector development projects in Africa.

2 **We will work toward a mid-2011 final close on the MENA and Africa Joint Investment Funds**, our first standing funds. This comes on the back of the US$ 140 million first close in July 2010 and the first drawdown of funds from the JIFs in the quarter just ended. Further drawdown from the Funds will allow us to free up our own principal investments in select Platform Companies, allowing us to redirect our own equity to other platform investments as necessary. Our targeted final close remains a joint US$ 500 million.

3 **We will continue to strengthen our balance sheet.** While we are committed to providing bridge financing as necessary to our platform and portfolio investments, Citadel Capital is not a bank. We are pleased to report a declining balance of loans year-to-date (excluding the temporary effect of an in-progress transaction that is captured in our 3Q10 financials). Management will also continue to refinance Citadel Capital's own debt facility to better match our investment plans without exceeding a debt-to-equity ratio of 50%. Fully US$ 25 million in new debt was secured for Citadel Capital during 3Q10.

4 **We will continue to closely monitor business plans at the platform and portfolio levels.** An unwavering focus on execution allowed us to bring two greenfield projects to launch in 1Q10 and a further four in 2Q10 while making substantial progress at our brownfields. We will continue to maintain focus on completing the restructuring of upstream oil and gas platform NOPC / Rally's debt in 1Q11. Post-acquisition value enhancement is at the heart of what Citadel Capital does, and this process is ongoing. The firm remains active in guiding the management of its Platform and Portfolio Companies and notes in this respect the recent engagement of new management at Rift Valley Railways, Gozour, United Foundries Portfolio Company AAC and Wafra Portfolio Company Sabina.

5 **We will continue to evaluate opportunities to exit relatively mature investments** at lucrative valuations should market conditions hold up. We will aim to execute the IPO of TAQA Arabia in the first half of 2011 should market conditions permit. While this will not necessarily be an exit for Citadel Capital, the establishment of a market price will give a clear benchmark by which to value this investment. We note that equity and debt markets are increasingly open for acquisitions by European, Chinese and US trade investors who are looking for growth opportunities.

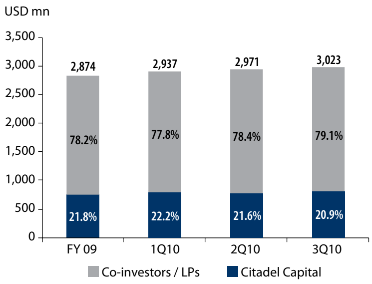
6 **We will continue to emphasize institutionalization of our shareholder base.** Since listing, Citadel Capital has participated in six one-on-one conferences in Africa, Asia, Europe and North America. The firm has also participated in five broker- and investment banker-sponsored road shows in this period and held nearly 200 meetings with fund managers and investors. The portion of our shares held by institutional funds has grown seven-fold in the past nine months, and Crédit Suisse has become the first global investment bank to initiate coverage of our shares.

7 **We continue to build value at existing investments while evaluating longer-term opportunities for substantial new investments.** Citadel Capital does not expect to execute large deals in the coming period, but rather will focus on the creation of value at existing platform and portfolio investments. That said, we are actively and carefully studying potential investments that could make very substantial contributions to the long-term valuation of Citadel Capital. Accordingly, we do not anticipate substantial short-term cash outflows as the investments we are presently studying will take time to structure should management choose to execute.

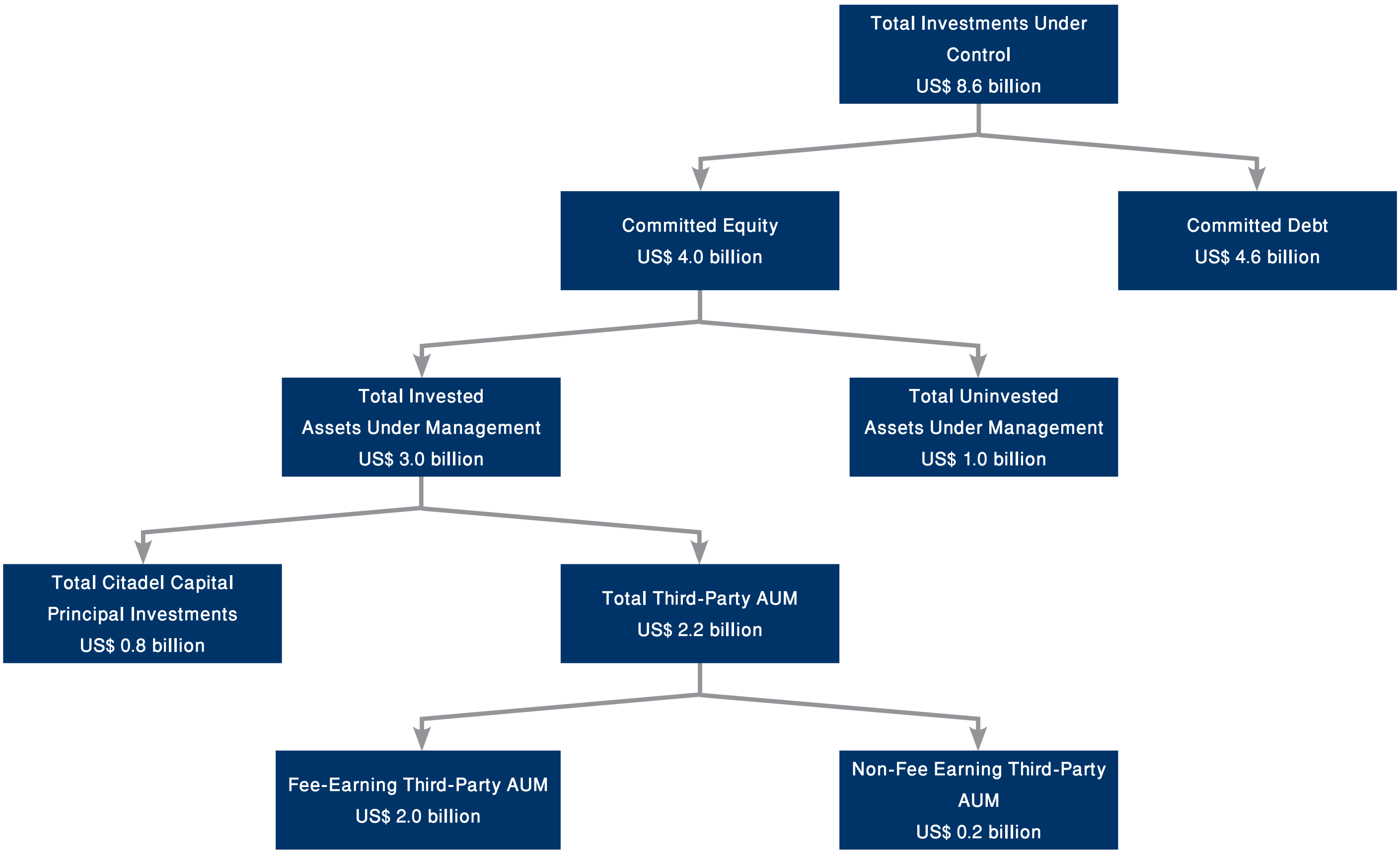
Review of Investment and Business Activity in 3Q10

I. Citadel Capital as a Principal Investor

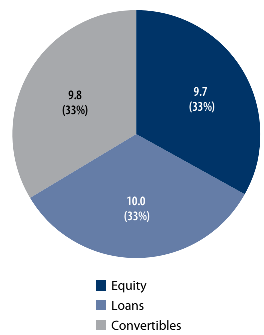
h) Split of Invested AUM by Origin



Citadel Capital raises Opportunity-Specific Funds (OSFs) to control a Platform Company in a specific industry. Each Platform Company may, in turn, control one or more Portfolio Companies. As a principal investor, Citadel Capital typically contributes 10-20% of the equity in each of its OSFs under shareholder agreements that give the firm management control. Gains from the eventual sale of these investments constitute one of two Citadel Capital revenue streams, the other being asset management related: advisory fees and carried interest (see below).



i) Breakdown of New Investments CC Principal in 3Q2010 (USD mn)



Citadel Capital controlled total investments of US$ 8.6 billion (EGP 49.45 billion) at the end of 3Q10, representing both committed equity and committed debt. This is a rise of 3.2% from the previous quarter on the back of new fundraising across the portfolio (see "II. Asset Management Business" for additional detail).

Citadel Capital's total principal investments (including convertibles and interest-bearing loans to its Platform Companies) stood at US$ 843.3 million (EGP 4.6 billion) at the end of 3Q10, a 3.6% rise from US$ 814.1 million (EGP 4.5 billion) the previous quarter. New investments in the period were evenly distributed between equity, convertibles and loans to Platform and Portfolio Companies.

Summary of Investments in Citadel Capital Platform Companies as of 3Q10 (USD mn)

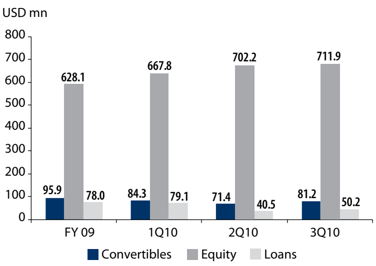
Platform	Industry	Citadel Capital	New in the Q	LPs	New in the Q	Africa Investment Fund: Citadel Capital	Africa Investment Fund: New in the Q	Africa Investment Fund: LPs	Africa Investment Fund: New in the Q	MENA Investment Fund: Citadel Capital	MENA Investment Fund: New in the Q	MENA Investment Fund: LPs	MENA Investment Fund: New in the Q	Total Citadel Capital	New in the Q	Total LPs	New in the Q
Asec Holding	Engineering & Construction / Cement	135.9	-	149.1	-	-	-	-	-	-	-	-	-	135.9	-	149.1	-
Ascom	Mining	32.5	(0.9)	-	-	-	-	-	-	-	-	-	-	32.5	(0.9)	-	-
Nile Logistics**	Transportation & Logistics	27.5	(12.1)	70.0	12.1	-	-	-	-	-	-	-	-	27.5	(12.1)	70.0	12.1
Africa Railway	Transportation & Logistics	25.3	(8.3)	-	-	2.6	2.6	14.4	14.4	-	-	-	-	27.9	(5.8)	14.4	14.4
Gozour	Agriculture & Consumer Goods	34.0	-	203.8	-	-	-	-	-	-	-	-	-	34.0	-	203.8	-
Wafra	Agriculture & Consumer Goods	17.2	2.6	-	-	-	-	-	-	-	-	-	-	17.2	2.6	-	-
NPC	Upstream Oil & Gas	63.4	-	357.8	-	-	-	-	-	-	-	-	-	63.4	-	357.7	-
NOPC / Rally Group	Upstream Oil & Gas	65.0	-	562.0	-	-	-	-	-	-	-	-	-	65.0	-	562.0	-
NVPL	Upstream Oil & Gas	25.5	2.5	44.5	0.4	-	-	-	-	-	-	-	-	25.5	2.5	44.5	0.4
ERC	Petroleum Refining	42.8	14.0	221.3	0.5	-	-	-	-	-	-	-	-	42.9	14.0	221.3	0.5
Taqa Arabia	Energy Distribution	38.0	-	52.9	-	-	-	-	-	-	-	-	-	38.0	-	52.9	-
Mashreq Petroleum	Energy Distribution	6.2	-	13.2	-	-	-	-	-	-	-	-	-	6.2	-	13.2	-
GlassWorks	Glass Manufacturing	24.5	-	131.2	-	-	-	-	-	-	-	-	-	24.5	-	131.2	-
Finance Unlimited	Financial Services	41.5	0.06	-	-	-	-	-	-	-	-	-	-	41.5	0.06	-	-
Bonyan	Speciality Real Estate	28.1	-	59.4	-	-	-	-	-	-	-	-	-	28.1	-	59.4	-
Tawazon	Waste Management	8.6	(0.2)	-	-	1.4	1.4	3.3	3.3	1.4	1.4	3.7	3.7	11.4	2.6	7.1	7.1
Tanweer	Media	28.5	0.5	-	-	-	-	-	-	-	-	-	-	28.5	0.5	-	-
UCF	Metallurgy	31.4	0.2	26.5	0.3	-	-	-	-	-	-	-	-	31.4	0.2	26.5	0.3
Grandview	Multisector Holdings	12.4	-	82.8	-	-	-	-	-	-	-	-	-	12.4	-	82.8	-
ASEC Cement	Cement	173.4	-	405.8	-	-	-	-	-	-	-	-	-	173.4	-	405.8	-
Others***	Others	18.2	6.0	-	-	-	-	-	-	-	-	-	-	18.2	6.0	-	-
Eliminations*		(173.4)	-	(346.7)	-	-	-	-	-	-	-	-	-	(173.4)	-	(346.7)	-
Total Equity Investments		**706.5**	**4.3**	**2,033.3**	**13.3**	**4.0**	**4.0**	**17.7**	**17.7**	**1.4**	**1.4**	**3.7**	**3.7**	**711.9**	**9.7**	**2,054.8**	**34.8**
Rally Convertible**	Upstream Oil & Gas - Convertible	13.1	-	51.5	(5.8)	-	-	-	-	-	-	-	-	13.1	-	51.4	(5.8)
NPC Convertible**	Upstream Oil & Gas - Convertible	9.8	-	24.2	(6.3)	-	-	-	-	-	-	-	-	9.7	-	24.2	(6.3)
ASEC Holding Convertible	Engineering & Construction / Cement - Convertibles	49.0	8.1	49.4	0.4	-	-	-	-	-	-	-	-	49.0	8.1	49.4	0.4
UCF Convertible	Metallurgy - Convertible	9.3	1.7	-	-	-	-	-	-	-	-	-	-	9.3	1.7	-	-
Total Convertibles		**81.2**	**9.8**	**125.2**	**(11.7)**	-	-	-	-	-	-	-	-	**81.2**	**9.8**	**125.2**	**(11.7)**
Loans to Platforms**		**50.2**	**10.0**	-	-	-	-	-	-	-	-	-	-	**50.2**	**10.0**	-	-
Total Investments		**837.9**	**24.2**	**2,158.5**	**1.6**	**4.0**	**4.0**	**17.7**	**17.7**	**1.4**	**1.4**	**3.7**	**3.7**	**843.3**	**29.5**	**2,180.0**	**23.1**

* Eliminations remove the effect of cross ownership of Citadel Capital Platform Companies.

** Temporary effect due to an ongoing transaction with a co-investor resulting in the reappearance of loans to platforms in this quarter and a reduction in Citadel Capital's equity investment in Nile Logistics and the temporary reduction in the co-investor's holding in upstream oil and gas convertibles.

*** Temporarily inflated by US$ 4 million owing to an in-progress transaction between two Citadel Capital limited partners. This item will decline in value by US$ 4 million by the end of 4Q10.

j) Composition of Citadel Capital Principal Investments by Quarter



Equity

Citadel Capital's net US$ 9.7 million (EGP 55.8 million) in new equity investments in the quarter (for a total principal equity investment of US$ 711.9 million) include investments in Tawazon (solid waste management) and Africa Railways made via the MENA and Africa Joint Investment Funds. The firm accordingly reduced its direct principal investments in each of those platforms as equity previously warehoused for the MENA and Africa Funds was released. Also new in the period was a US$ 14 million (EGP 80.5 million) investment in the OSF controlling the Egyptian Refining Company as the US$ 2.6 billion debt package was concluded. Management aims to finalize equity for ERC in the coming period.

Citadel Capital's equity investment in ASCOM eased slightly as funds previously advanced to ASCOM during a capital increase were returned to Citadel Capital in light of strong third-party interest in subscribing to the capital raising. The rise in value of investments classified as "Others" is the temporary effect of an in-progress transaction in TAQA Arabia shares between two Citadel Capital limited partners in which Citadel Capital was liaison. This rise in value of "Others" will ease in 4Q10 when these shares are transferred upon completion of the transaction.

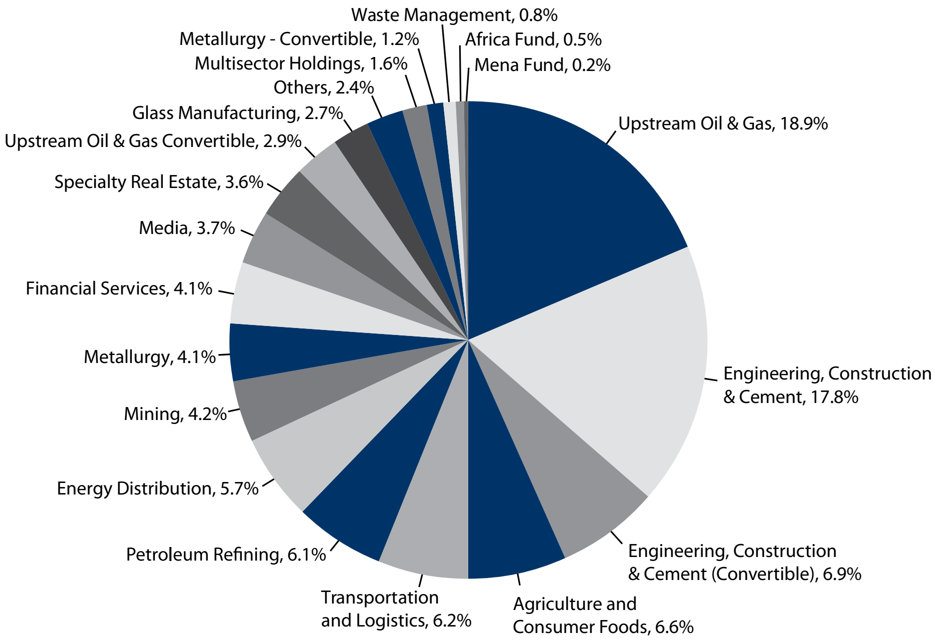
Convertibles

As previously noted in our 2Q10 Business Review, an in-progress transaction between Citadel Capital and a limited partner has seen Citadel Capital re-take ownership of a further US$ 8.1 million (EGP 46.6 million) in the ASEC Holding convertible; the firm's ultimate target remains 49.8% ownership of the ASEC Holding convertible. A separate ongoing transaction with another co-investor captured in these 3Q10 results reflects a temporary reduction in this co-investor's investments in upstream oil and gas convertibles, a temporary decrease in Citadel Capital's principal investment in Nile Logistics, and a temporary rise in Citadel Capital's loans to platforms and convertibles. This transaction is scheduled for completion in 4Q10.

Loans

In FY08 and FY09, Citadel Capital extended loans to a number of Platform and Portfolio Companies to bridge short-term funding gaps resulting from co-investor delays on outstanding capital calls. Although the firm will continue to extend bridge financing as needed to ensure platform and portfolio business plans remain fully on track, management has aimed since 1Q10 to substantially reduce this balance over the medium term. Loans have declined 35.6% on a full-year basis, but rose 24.0% quarter-on-quarter due to the temporary effect of an in-progress transaction with a limited partner (as noted above). Excluding that effect, loans to Platform and Portfolio Companies declined 21.9% quarter-on-quarter to US$ 30.1 million (EGP 173.2 million).

k) Distribution of Citadel Capital Principal Investments by Industry as of 3Q2010



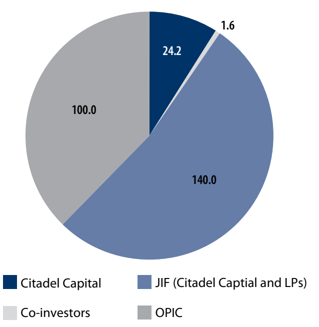
II. Asset Management Business

In addition to gains on the sale of its principal investments, Citadel Capital generates revenues from advisory fees on the total invested assets under management (drawn equity) it has under control as well as from a carried interest over a hard hurdle on capital gains it makes for the limited partners in its OSFs.

Strong Fundraising Momentum

Citadel Capital recorded sustained fundraising momentum across its footprint in 3Q10 and is aiming to close 2010 having raised equity and debt of more than US$ 3.5 billion. The firm has translated significant institutional interest in its investments into US$ 265.4 million in new assets under management (committed) in 3Q10, raised largely from leading global institutional investors and the firm's solid base of regional LPs.

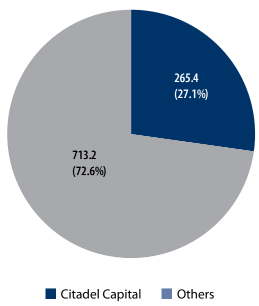
l) Breakdown of New AUM in 3Q2010 (USD mn)



Since inception, Citadel Capital has raised and deployed equity through Opportunity-Specific Funds (OSFs), each of which is structured to control a single industry-specific Platform Company (each of which may, in turn, control one or more Portfolio Companies). As of 3Q10, Citadel Capital additionally recognizes US$ 140 million in AUM committed at first close this quarter to the MENA and Africa Joint Investment Funds (JIFs), its first "standing" funds. The Funds may invest in current Citadel Capital Platform Companies (alongside the OSFs) or in new Citadel Capital transactions alongside the firm provided these transactions are compliant with the terms of each of the JIFs.

Accordingly, new AUM raised in 3Q10 break down as US$ 140 million from the JIFs, US$ 100 million from the US Overseas Private Investment Corporation (OPIC, see below), US$ 24.2 million committed by Citadel Capital as a principal investor, and US$ 1.6 million from existing co-investors.

m) Citadel Capital's Share of Fundraising for Investment in MENA (USD mn)



27% of Regional Fundraising

Based on figures provided by the Emerging Markets Private Equity Association (EMPEA) for MENA-oriented funds having had a close in 2010, Citadel Capital believes US$ 982 million has been raised for investment in MENA year-to-date. (This figure is adjusted based on up-to-date fundraising figures for Citadel Capital.) Accordingly, Citadel Capital's fundraising accounts for more than 27% of all funds raised this year for investment in MENA. Adjusting for the effect of the multi-government-sponsored InfraMed fund, Citadel Capital's fundraising year-to-date accounts for more than 52% of funds raised by private-sector players for investment in the region.

Total Assets Under Management

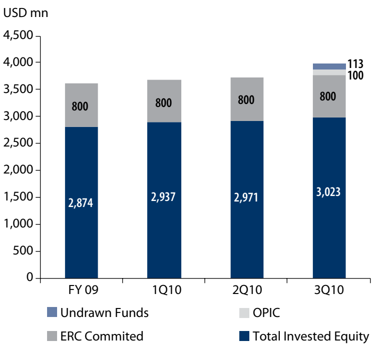
Citadel Capital recorded total assets under management (committed by Citadel Capital and limited partners to the OSFs as well as the JIFs) of US$ 4.0 billion at 30 September 2010, a rise of 7.0% quarter-on-quarter and 9.9% year-to-date. On the whole, AUMs split as 20.9% committed by Citadel Capital as a principal investor and 79.1% from limited partners, in line with the firm's aim of committing 10-20% of the equity in each of its OSFs. AUM committed to the MENA and Africa JIFs presently account for 3.5% of total AUM.

Including equity drawn into exited funds, Citadel Capital has raised a total of US$ 4.6 billion in equity since inception and has generated cash returns in excess of US$ 2.5 billion to shareholders and limited partners on investments of US$ 650 million.

Africa and MENA Joint Investment Funds (JIFs)

Notably, equity committed to the MENA and Africa JIFs earns a 1% advisory fee as of first close of the Funds, adding US$ 140 million to both the firm's total AUM and its base of fee-earning AUM as of this quarter.

n) Composition of Total AUM



Limited partners in the JIFs will invest US$ 2 for every US$ 1 Citadel Capital will invest in compliant opportunities. In the quarter just ended, LPs invested US$ 21.5 million via the Funds in Platform Companies Africa Railways and Tawazon. Drawdown of equity committed to the funds will continue on a gradual basis going forward as management works toward a second close in 1Q11. Final close of the combined US$ 500 million sister funds is presently anticipated by the end of 2011.

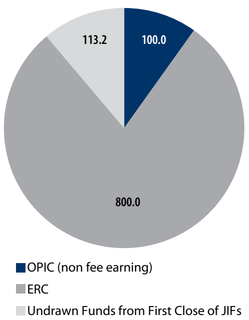
Leading international institutional investors participating in the first close of the JIFs include the International Finance Corporation (IFC), the African Development Bank (AfDB), the Netherlands Development Finance Company (FMO), Société de Promotion et de Participation Pour la Coopération Economique (Proparco), Deutsche Investitions–und Entwicklungsgesellschaft mbH (DEG), and the European Investment Bank (EIB).

Overseas Private Investment Corporation

The firm additionally recognizes this quarter new AUM in the form of US$ 100 million in financing from the US Overseas Private Investment Corporation (OPIC). Citadel Capital was the sole African private equity firm chosen from among 87 applicants to receive financing. OPIC funds will be invested alongside Citadel Capital and the JIFs in select deals across the firm's footprint.

The OPIC funds, which do not earn fees, act as equity in any transaction but carry the cost of debt. Against that, OPIC receives neither capital gains nor a percentage of the carry, which are retained by Citadel Capital.

o) Breakdown of Uninvested Equity (USD mn)



Invested vs Uninvested AUM

Total invested AUM (drawn equity) stood at US$ 3.0 billion (EGP 17.25 billion) at the end of the third quarter, a rise of US$ 52.3 million (EGP 300.7 million) or 1.8% quarter-on-quarter. Invested third-party AUM stood at US$ 2.2 billion (EGP 12.65 billion), a rise of 1.1% from 2Q10. The balance represents Citadel Capital principal investments of US$ 843.3 million (EGP 4.7 billion).

Uninvested AUM as at the end of 3Q10 include US$ 100 million from OPIC (non-fee-earning), US$ 113.2 million in un-drawn (but fee-earning) funds from the first close of the JIFs and US$ 800 million committed to the Egyptian Refining Company (ERC).

Fee-Earning AUM

Fee-earning assets under management stood at US$ 2.0 billion (EGP 11.5 billion) at the end of the quarter, a rise of 6.0% quarter-on-quarter and 6.5% year-to-date. Non-fee-earning AUM continue to decline as a percentage of total AUM.

Citadel Capital recorded revenues of US$ 4.6 million (EGP 26.4 million) in 3Q10 from the 1% advisory fee it earns on fee-earning assets under management, a rise of 3.8% from the previous quarter. Advisory revenue will continue to rise into 2011 as equity required by the ERC is finalized at financial close.

With no exits in the quarter, revenue from carried interest was nil in 2009, as it was in 2008.[9]

9 Management notes that while Citadel Capital typically earns a carried interest of 20% on LP capital gains over a hard hurdle rate of 12% on most investments, some older investment vehicles have a carried interest of 15% over a hurdle of 15%. See also footnote #1 for a related disclosure item.

III. Business Activity in 3Q10

Narrowing of Execution Risk

Coming off a first half that saw the firm's investments launch operations at six greenfield projects, Citadel Capital's operational emphasis in 3Q10 was on the further reduction of execution risk across its platform. In the quarter just ended, management reports substantial operational progress at Platform Companies in industries including transportation and logistics, cement, engineering, finance, mining, agriculture and consumer foods (see details below).

Citadel Capital's platform investments reported an average debt-to-equity ratio of 73% at the end of 9M10 (excluding both Citadel Capital and the Egyptian Refining Company).

Egyptian Refining Company

As a principal investor, Citadel Capital invested US$ 15 million in the OSF controlling ERC in 3Q10 as the debt package for the project was signed. This US$ 2.6 billion in debt financing for the US$ 3.7 billion greenfield refinery project was previously reported in the 2Q10 Business Review as a Material Event after the Reporting Period. The debt financing package includes US$ 2.35 billion of senior debt and US$ 225 million of subordinated debt. Institutions participating in the senior debt package include the Japan Bank for International Cooperation (JBIC), Nippon Export and Investment Insurance (NEXI), the Export-Import Bank of Korea (KEXIM), the European Investment Bank (EIB) and the African Development Bank (AfDB). Management aims to finalize equity for ERC in the coming period.

Construction, Engineering and Cement

ASEC Cement Holding

In Sudan, ASEC Cement has concluded its first quarter of operations at Al-Takamol, its 1.6 MTPA greenfield cement and clinker production plant, and is fine-tuning its commercial strategy to bring the product to market.

Although a material event occurring after the current reporting period, management notes that ASEC Cement announced in October that the Arab National Cement Company (ANCC) had obtained a US$ 200 million syndicated loan to finance the construction of its greenfield 4,500 ton-per-day (tpd) cement plant in the Minya governorate, some 220 kilometers south of Cairo. A consortium of local, regional and international banks led by the Arab African International Bank (AAIB) as the mandated lead arranger and underwriter participated in the facility, which will be granted in two tranches. Participating banks include Banque du Caire, United Bank, National Bank of Greece, Bank of Alexandria, Bank Audi, and Faisal Islamic Bank. The ANCC plant will be completed by the first half of 2013, in time to meet the projected spike in demand that will occur as several key infrastructure projects launch in Upper Egypt. The US$ 335 million project, majority owned and controlled by ASEC Cement, has attracted a number of regional investors including Misr-Qena Cement Company, FLSmidth — which is also providing the equipment — as well the Danish Institute for Development (IFU).

Meanwhile, management notes that while production continues apace at Zahana, ASEC Cement's brownfield investment in Algeria, full construction at its 3.2 MTPA plant in Djelfa awaits finalization of CPs for a US$ 180 million financing facility. Management expects production at Djelfa to begin approximately 18 months after the signature of the loan finance agreement. At Zahana, production now stands at 1.1 MTPA, up from 0.7 MTPA at the end of 2009.

ARESCO

ARESCO has turned the corner, returning net profits from operations in each month during the quarter just ended and substantially reducing its debt. In July, ASEC for Manufacturing and Industrial Projects (ARESCO, a Portfolio Company of ASEC Holding) announced it had signed a US$ 130 million contract to construct a new cement plant for the Building Materials Industry Company (BMIC) in the Upper Egyptian governorate of Assiyut. ARESCO is providing all the civil, electrical and mechanical works for the 1.5 million tons per annum cement plant, which is projected to be complete in 22 months. The company will also carry out all the steel fabrication as well as testing and commissioning for BMIC on a turnkey lump sum basis.

Citadel Capital is strongly encouraged by ARESCO's performance and expects it to build a strong, profitable backlog for 2011 and 2012.

Agriculture and Consumer Foods

Gozour, the firm's integrated regional consumer foods platform, announced in November the appointment of Hatem Noweir as Group Chief Executive Officer, where he will drive strategic planning and the integration of Gozour assets (including Enjoy, El-Misriyeen, Dina Farms, Rashidi El-Mizan, and Mom's Foods in Egypt as well as leading Sudanese confectioner Al-Musharraf) with a view to realizing substantial operational and market efficiencies. Also in November, Gozour's Board of Directors appointed Mohammed El-Rashidi as Chairman of the Group.

Dina Farms continued expanding its retail store network and now has six operational outlets in the Greater Cairo Area with plans to grow to 20 outlets by 2012. Additionally, a new PET fresh pasteurized milk plant was inaugurated in February and is now leading in the category of fresh milk. The plant is currently in the final stages of doubling its capacity to add new SKUs to its existing product range. Yogurt production at Dina Farms has risen to 50,000 cups per day from 300 cups per day. Rashidi El-Mizan continues to enjoy a comfortable lead in the halawa and tehina sectors, with market shares north of 60% and 80%, respectively, as well as a number-two position in the national jams market one year since the launch of that product line. Management reports that Enjoy has taken an additional 2.5 percentage points of market share in the milk category, giving it a 9% share. El-Misriyeen relaunched its brand in September after being off-air for more than 12 years. The impact of the relaunch were felt in the sales figures for October, which now stands as a record for the company.

In related news, Sudanese agriculture platform Wafra is preparing to plant 10,000 feddans at Concord (formerly SEAC) by June 2011, while Sabina is currently planting a total of 2,000 feddans of wheat and sorghum for its winter crop and will continue to develop additional land to reach 10,000 feddans by June 2011 as well. Wafra continues to capitalize on its first-mover advantage in this very promising market.

Transportation and Logistics

Further to the south, the firm announced in 3Q10 that its shareholding in Rift Valley Railways Investments (RVRI), the entity that owns 100% of each of the Kenya and Uganda concession companies, has risen to 51% through its subsidiary Ambience Ventures Ltd as it completed the restructuring first announced in March 2010. RVRI signed in November 2010 a management and technical services agreement with leading global rail group América Latina Logística (ALL). Under the terms of the agreement, ALL will provide key support to RVRI's five-year, three-point rehabilitation and investment program designed to deliver long-term improvements in the safety and efficiency of rail operations across Kenya and Uganda. The first 24-month phase of the program began in November 2010. The company has also engaged new management including a new Chief Operating Office, Chief Financial Officer and Sales and Marketing Director.

Also in the transportation and logistics segment, Nile Cargo (a Portfolio Company of Nile Logistics) took delivery in August of the first two of more than 100 custom-designed, environmentally friendly river barges. The new vessels augmented the company's existing fleet of 31 reconditioned vessels and were delivered by the Alexandria Shipyard, which is building 30 of the new vessels. A further 32 contracted barges are being built in the first phase by Arab Contractors Shipyards in Helwan, south of Cairo. Also in August, the firm announced that the National Company for Multimodal Transport (NMT) would serve as Nile Logistics' holding company for Nile Cargo (previously known as National River Transportation Company) and National River Port Management Company (NRPMC), in addition to its other investments in the transportation, storage and stevedoring services. Nile Logistics also controls investments in Sudan through River Valley-Keer Marine. Nile Cargo's fleet will ultimately reach 135 vessels (31 refurbished plus 104 newly commissioned vessels) and enjoys an unblemished safety record in its first two years of operations.

Mining

In August, ASEC Company for Mining — ASCOM (ASCM.CA) announced that it had made material progress at its gold concessions in Ethiopia and Sudan. ASCOM currently has five concessions in Ethiopia and has secured precious metals exploration rights on a 3,000-square-kilometer concession in Sudan's Blue Nile State. The company's Ethiopian and Sudanese concessions are both located within the Arabian-Nubian Shield, an under-explored area that is highly promising for its gold and gold-plus-base-metal mineralization. ASCOM subsidiary ASCOM Precious Metals is working on all five concessions in Ethiopia with a primary focus at present on the concession in Asosa, an 800-square-kilometer area in Western Ethiopia where results have identified two well-defined gold and gold-plus-metal targets showing tonnage and grade potential to suggest an economic discovery is possible. A drilling phase began in October 2010, and surveys are ongoing in Sudan.

Newly operational greenfield ASCOM Technical Calcium Carbonate, in Minya, Egypt, is making steady progress and has made full use of its production capacity for the past three months running. A project to double its capacity at a price equal to 30% of the original investment cost is currently underway. Moreover, ASCOM's glasswool plant will enter production during 4Q10.

United Foundries

Portfolio Company Alexandria Automotive Casting (AAC) has undergone a management change. Citadel Capital is encouraged by results in the first month after the change and expects AAC to turn profitable in 1Q11. A project to double AAC's production capacity using already purchased and paid-for equipment will be complete in 2Q11.

Finance

Microfinance Portfolio Company Tanmeyah has grown its branch network to 138 as of 3Q10 (against a target of 85 total branches for FY10) and now has a loan portfolio of EGP 181.6 million across 62,839 clients (with 73,278 clients having borrowed a total of EGP 319 million since inception). Tanmeyah announced in October 2010 its expansion to cover the very-small-enterprise credit market, which targets loan sizes in the EGP 40,000 to EGP 100,000 range against the micro-enterprise loan range of EGP 1,000 to EGP 30,000. The division has announced it is expanding to Syria, where it will open Tanmeyah Bank, and that it is exploring the leasing category.

Citadel Capital Financing Facility

Excluding ERC, the aggregate debt-to-equity ratio of Citadel Capital's Platform Companies stood at 73% by the end of September 2010 (excluding both Egyptian Refining Company and Citadel Capital itself). While Citadel Capital SAE has a very healthy debt-to-equity ratio of 26% at the end of the third quarter (versus 22% at the end of 2Q10) on a stand-alone basis, the firm continued negotiations for refinancing the facility at the Citadel Capital level that will ensure the firm's balance sheet has ample liquidity to support the planned pace and tenor of investments, adding US$ 25 million to the firm's balance sheet in the quarter just ended. This facility, as previously noted, will not see Citadel Capital surpass a debt-to-equity ratio of 50%.

International Recognition

Citadel Capital's Egyptian Refining Company has been named as Africa Investor's 2010 African Infrastructure Project of the Year. Meanwhile, Crédit Suisse has become the first global research house to initiate research coverage of Citadel Capital shares.

IPO of TAQA Arabia

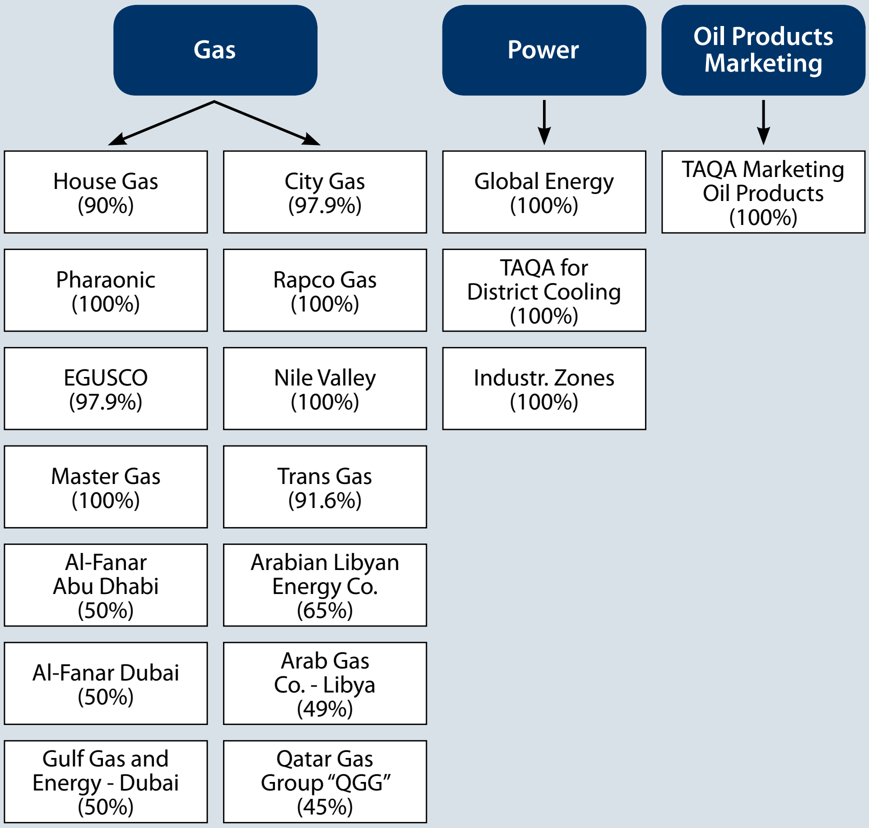
Citadel Capital continues with plans to bring TAQA Arabia to IPO in 2011, market conditions permitting. Management believes that US$ 175-250 million is a representative size for the potential IPO, factoring in both primary and secondary sales. At the primary level, the funds would be to TAQA Arabia in the form of a capital increase, while at the secondary level the funds would be those of any other shareholders who may choose to sell at that time.

Citadel Capital has not determined whether it will sell down its 34.6% stake in TAQA Arabia or how much it would consider divesting in a partial realization. The firm intends to retain management control of TAQA Arabia post-IPO. Approximately two-thirds of the TAQA Arabia IPO is expected to be in the form of a capital increase, with the balance being secondary sales. Management notes that mandates to a consortium of global and local investment banks to take TAQA Arabia to market are being negotiated.

TAQA Arabia is the parent company of a full-service energy distribution group with a focus on gas and electricity distribution and fuels marketing. From its base in Egypt, TAQA Arabia has expanded into the UAE, Qatar, Libya, Jordan, Sudan and Syria. Rapid industrial growth and rising consumer spending in Egypt and the region has provided an opportunity for TAQA Arabia to satisfy un-met industrial and consumer demand for energy.

TAQA Arabia specializes in 1) downstream gas distribution, 2) power generation and distribution, and 3) oil products marketing. The gas distribution and construction arm sees TAQA Arabia as the largest private-sector natural gas distributor in Egypt, with long term concessions covering 11 Egyptian governorates. The company has the largest downstream natural gas engineering and construction division, handling work for the Group's distribution arms as well as private- and public-sector clients in Egypt and the

Group Structure



MENA region. The Power Generation and Distribution business is the largest and sole integrated private power player in the Egyptian market with engineering, development, generation, and distribution operations along the power value chain.

On the oil marketing front TAQA Arabia markets and sells refined petroleum products and fuel oil to retail, industrial and wholesale customers, with a focus on under-penetrated areas with a favorable competitive landscape.

On the power front, TAQA Arabia reported in 3Q10 that distribution volume is rising ahead of schedule (driven largely by the start of operations at the Nabq plant), while the division has qualified with Mitsui to bid for the construction and operation of a 1,500 megawatt (MW) combined-cycle plant in Dairut, Egypt. The project is expected to come online in 1Q14. The power generation division's regional expansion plans continue: It has previously reported the start of operations at its 42MW Berber plant in Sudan and has been sent a letter of award for a 66MW plant in Yemen in partnership with Elsewedy Electric. The division has also won a contract to build, manage and operate a 375 MVA substation and distribution network in Sixth of October Industrial Zone to serve factories, utilities and service centers. TAQA Arabia will own 60% of the project, while 20% will be held by Polaris and 20% by Gener Egypt.

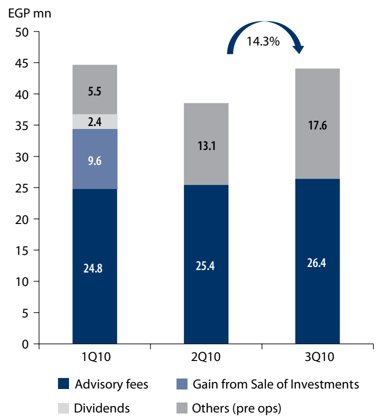
Gas distribution volumes have reported year-on-year growth in line with budget expectations with the addition of 48,500 residential clients in Damietta, Suez and Beni Suef. Expansion to Assiyut City also began in 3Q10. Meanwhile, the company's fuels marketing division now has 12 filling (petrol) stations operating nationwide. TAQA Arabia also reports substantial early-stage progress on potential investments in renewable energy.

IV. Financial Performance

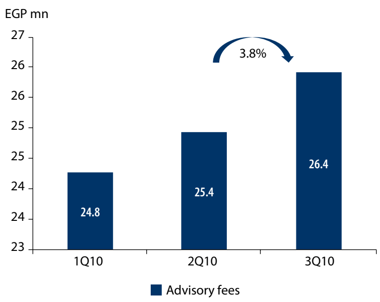
(A) Standalone Results

Management consistently notes that standalone results provide the best indicator of the financial health of Citadel Capital as a firm, believing that consolidated results are better suited for benchmarking a conglomerate than a private equity firm that takes substantial stakes in a range of investments which it controls to grow value before exit (see below, "Consolidated Results," for discussion). This is particularly the case when investments run the gamut from greenfields to brownfields, from mature enterprises to growth-phase concerns.

p) Breakdown of Revenues by Quarter



q) Evolution of Advisory Fees



As is the case with any private equity firm or investment company, Citadel Capital's financial performance is highly dependent on any exits from current investments the firm may execute in a given period. At exit, Citadel Capital may record both capital gains on its principal investments and a carried interest in the capital gains it makes for the limited partners in its Funds.

Citadel Capital revenues in 3Q10 stood at EGP 44.1 million, a 14.3% rise from the previous quarter. With no exits or other sale of investments in the quarter, Citadel Capital's revenues were dominated by recurring revenues from the 1% advisory fee it earns on assets under management.

With the bulk of revenues generated on advisory income, it is germane to note that in the coming period, third-party fee-earning AUM are expected to rise substantially as equity now being finalized for the Egyptian Refining Company enters the AUM base.

- Revenue from advisory fees stood at US$ 4.6 million (EGP 26.4 million) in 3Q10, a rise of 3.8% from the previous quarter. Advisory fees for 9M10 declined 3.4% year-on-year owing to the previously reported reduction in fee-earning equity in the Egyptian Company earlier this year. This trend has now reversed as the project is proceeding toward financial close.

- Gains on the sale of investments were zero in 3Q10, as they were the previous quarter.

- Other operating income of nearly US$ 3.1 million (EGP 17.6 million) includes the recovery of pre-operating expenses previously defrayed at platform investments and Special Purpose Vehicles (SPVs) by Citadel Capital. Other operating income of this form has been a component of Citadel Capital revenues in recent quarters. This is a hallmark of greenfield investing and will continue to recur with some frequency so long as Citadel Capital pursues a strategy that involves the use of greenfield investments.

- EBITDA improved from a negative EGP 3.8 million in 2Q10 to EGP 4.6 million in the third quarter in light of top-line revenue growth, declining OPEX and the elimination of foreign exchange losses.

- Operating expenses (OPEX) of US$ 6.5 million (EGP 37.3 million) in 3Q10 represents a decline of 6.9% accounted for largely by the completion in 2Q10 of the second half of deferred employee (non-board, non-executive) bonus payments initiated in 1Q10. All bonus compensation due from 2009 has now been paid in full.

Operating Expenses (in EGP mn)

Element	1Q10	2Q10	3Q10	9M09	9M10
Salaries, Bonuses and Benefits	30.8	34.4	17.7	52.5	83.0
Travel	5.4	3.1	7.0	15.3	15.5
Consultancy Fees, Audit Fees, Publications and Events	8.4	2.9	10.1	22.8	18.3
Others	4.8	-0.3	2.5	6.4	10.1
Total	**49.5**	**40.1**	**37.3**	**97.0**	**126.9**

- Net interest revenues rose sharply to EGP 17.5 million in 3Q10 as the firm recognized the full 9M09 value of interest income from its investments in upstream oil and gas convertibles only in the quarter just ended.

- Cash on the balance sheet was largely stable at the end of 3Q10 at EGP 149.1 million compared with EGP 150.5 million at the end of the previous quarter.

- The total debt of Citadel Capital (as distinct from that of its Platform Companies) stood at US$ 164.2 million (EGP 944.2 million) as at 30 September 2010 with a debt-to-equity ratio of 26% (compared with EGP 801.0 million and a ratio of 22% at 30 June 2010). Debt is primarily in the form of a four-year dollar bullet loan. The rise in debt owes to the securing of a US$ 25 million financing facility at the Citadel Capital level, as previously disclosed. The firm is currently in negotiations to add additional leverage at the Citadel Capital level to ensure the balance sheet has the liquidity it needs to support the planned pace and tenor of investment. The firm will not exceed a debt-to-equity ratio of 50%. (Citadel Capital's total debt figure includes both long-term borrowing and the current portion of long-term debt.)

(B) Consolidated Results

On a consolidated basis, Citadel Capital reports a net loss of US$ 5.1 million (EGP 29.6 million) in 3Q10, a substantial improvement from the US$ 16.5 million (EGP 94.8 million) loss the previous quarter. This improvement in performance is in line with expectations disclosed in past Business Reviews relating to both the continued entry into operations of greenfield operations and the now-completed turnaround at a key subsidiary of ASEC Holding, among others factors.

Underpinning Citadel Capital's consolidated results in the quarter just ended:

- Citadel Capital standalone reported a substantial improvement in performance as detailed in (A) Standalone Results (above).

- Across the board, greenfield, newly operational and distressed investments showed substantial improvement in the quarter, reporting aggregate profits of US$ 1.8 million (EGP 10.3 million) compared with US$ 8.4 million (EGP 48.4 million) in losses in 2Q10. Companies in this category include ASEC Cement Holding, United Foundries, Nile Logistics, Bonyan, Tanweer, Tanmeyah and GlassWorks.

  The primary results driver in this category was the completion of the turnaround at ASEC Holding Portfolio Company ARESCO; ARESCO had been the leading contributor to losses in the previous quarter as a result of US$ 12 million (EGP 67.7 million) provision previously noted in our 2Q10 Business Review.

  Although the majority of ARESCO's profit for this quarter was the result of one-time land revaluation gain, ARESCO was nonetheless profitable on core operations in 3Q10, signalling the turnaround engineered and implemented by the new management team was ultimately successful. Setting aside ARESCO's one-time gain would result in an US$ 1.3 million (EGP 7.7 million) loss from greenfield / newly operational / distressed investments in 3Q10 as opposed to a loss of US$ 8.4 million (EGP 48.4 million) the previous quarter.

  Also contributing to positive results in this category was the start of operations at Al-Takamol Cement Co. in August. Although late in the current reporting period, this start of sales had a positive effect ASEC Cement's 3Q10 earnings. Other greenfield / newly operational projects reporting improvements in performance included Nile Logistics.

- Other Portfolio Companies — including ASCOM, Tawazon, TAQA Arabia, Pharos Holding, and Sudanese Egyptian Bank — reported a 16.9% quarter-on-quarter dip in aggregate profits to US$ 2.0 million (EGP 11.5 million) in 3Q10 due primarily to foreign exchange losses at ASCOM on the back of a euro-denominated financing facility. Setting aside ASCOM's losses, aggregate profits would have risen 10.7% to EGP 15.3 million.

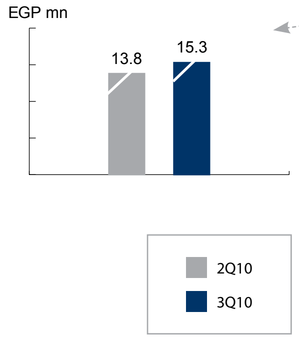
- Other Special Purpose Vehicles (SPVs) are primarily cost centers. Expenditures made at the SPV level are to support underlying investments and may include legal and financial consultancies as well as research studies. These SPV costs relate primarily to greenfields and turnarounds. Also recorded in this line item is a vehicle relating to payments made to an anchor limited partner who is entitled to a percentage of Citadel Capital income from advisory fees and carry. Management is in negotiations on an extension of the firm's right to buy back this income stream.

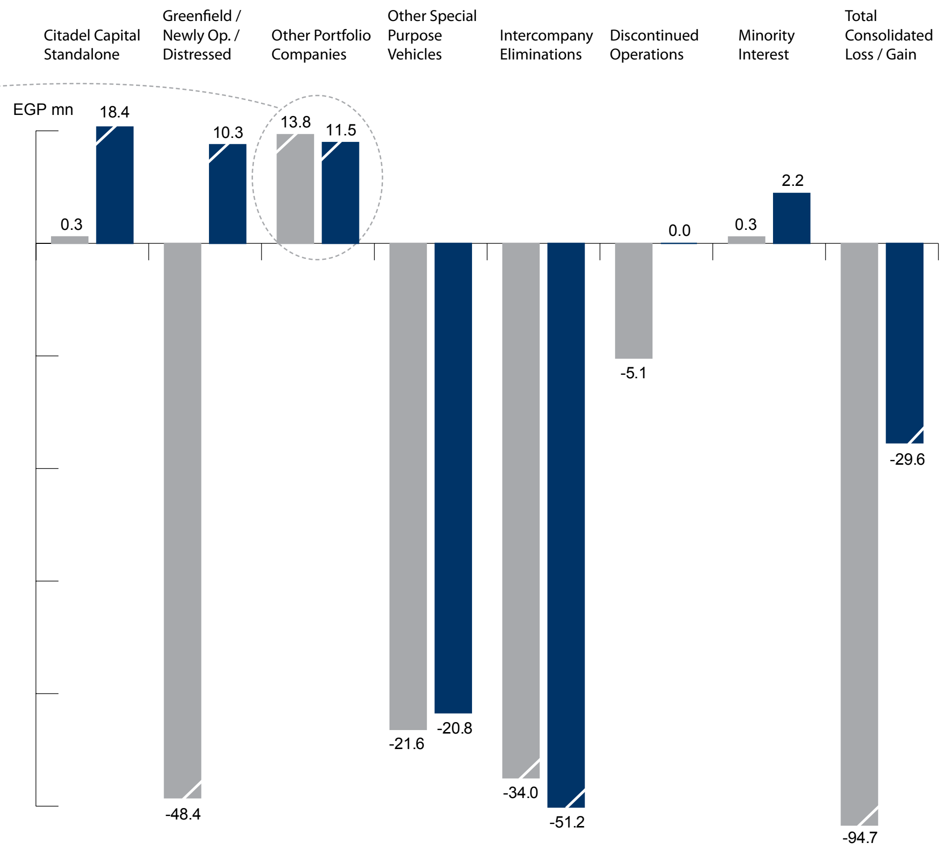
Breakdown of Consolidated Net Income / Loss (in EGP Million)

	2Q 2010	3Q 2010
Citadel Capital Standalone	0.3	18.4
Greenfield / Newly Operational / Distressed	-48.4	10.3
Other Portfolio Companies	13.8	11.5
Other Special Purpose Vehicles	-21.6	-20.8
Intercompany Eliminations	-34.0	-51.2
Discontinued Operations	-5.1	0.0
Minority Interest	0.3	2.2
Total Consolidated Loss / Gain	-94.8	-29.6

r) Breakdown of Consolidated Net Income/Loss

Adjusted for ASCOM F/X Loss





Limitations on Utility of Consolidated Financial Results

As required by law, Citadel Capital reports both its standalone and consolidated financial results each quarter. However, management believes that the standalone financials better reflect the company's financial performance, noting that consolidated statements are a more apt reflection of the performance of a conglomerate, something that Citadel Capital most emphatically is not.

Furthermore, it is Management's view that Citadel Capital's consolidated results are disproportionately affected by the fact that many of Citadel Capital's investments are either in the start-up phase or are greenfields, a factor whose influence is further exaggerated by the cautious pace of build-out achieved during the financial crisis. In late 2007 and throughout the recent global financial crisis, Citadel Capital made the prescient decision not to make significant acquisitions, but rather to create regional champions largely through greenfields as well as through mixed consolidation-greenfield plays. Management believes today, as it did at the time, that the pre-crisis asset bubble and the mismatch between buyer and seller expectations throughout the financial turmoil resulted in significantly mis-priced assets.

As a result of having taken the greenfield route, Citadel Capital will not begin seeing strong returns at those assets until they leave the gestation stage and post break-even financials. Citadel Capital management forecasts a number of greenfields turning cash-positive over the course of the coming 24 months, including ASEC Holding, Tanmeyah (the firm's microfinance investment), Bonyan (specialty real estate) and Nile Logistics.

Accordingly, management believes that standalone results together with the total net asset value (TNAV) reported semi-annually at the 1H and FY marks are better reflections of the firm's financial performance and value.

Consolidated financials paint an adequate picture of the health of a group of companies that is operated as a group which aims to magnify the net profit of the whole group, but does not take into account the unique features of a private equity firm's business model which has the ultimate target of generating profits through the buying and selling of businesses.

As a private equity firm, Citadel Capital does not invest across a broad segment of industries with the objective of enhancing dividends that are consolidated and paid at the Citadel Capital level. Instead, Citadel Capital invests in Platform Companies with the aim of creating long-term value at each of these investments. The firm's targeted income stream is not dividends, but the realization of (a) advisory fees collected on fee-earning third-party AUM during the lifetime of the investment; (b) capital gains on Citadel Capital's principal investment in a platform realized at exit; and (c) a carried interest in the capital gains of the limited partners in Citadel Capital's OSFs, also realized at exit. Exits may take the form of a sale to a strategic investor or through a listing on a national stock exchange.

Moreover, Citadel Capital and its portfolio companies benefit from synergies realized via an arm's-length relationship. Profits from those operations are eliminated at the consolidated level, but are in fact considered added value at the Platform Company level. One current example is TAQA Arabia (Citadel Capital's energy distribution platform), a subsidiary of which has built and is now running a power-generation station for Al-Takamol in Sudan. The subsidiary also holds a significant equity stake in the power-generation venture.

Simply stated, Citadel Capital is in the business of generating revenues from investing in and then selling companies, not from running those businesses on a long-term basis. In this respect, the firm may — for example — realize substantial profits from selling a greenfield enterprise that is not itself making profits at the time of sale due to it being in an advanced start-up phase.

VI. Summary Financials

Income Statement – Standalone

EGP mn	9M 2009	9M 2010	2Q 2010	3Q 2010
Advisory Fees	79.36	76.65	25.45	26.42
Carry				
Gain from Sale of Investments	59.15	9.58	0.00	0.00
Dividends Income		2.40	0.00	0.00
Other Income	39.10	36.21	13.10	17.63
Total Revenues	**177.61**	**124.84**	**38.54**	**44.05**
OPEX	-96.99	-126.89	-40.10	-37.34
Management Earn Out*	-5.06	-2.48	-0.03	-2.28
Forex & Others	-4.34	-5.52	-2.23	0.17
EBITDA	**71.23**	**-10.04**	**-3.81**	**4.61**
Depreciation	-6.40	-6.50	-2.17	-2.16
EBIT	**64.83**	**-16.53**	**-5.98**	**2.45**
Net Interest	-4.88	37.95	6.44	17.51
Impairments	-15.36	0.00	0.00	0.00
Profit/Loss BT	**44.59**	**21.42**	**0.47**	**19.96**
Income Tax		-2.06	-0.52	-2.06
Deferred Tax	0.97	0.88	0.35	0.53
Profit/Loss AT	**45.56**	**20.23**	**0.29**	**18.43**

Balance Sheet – Standalone

EGP mn	FY 2009	2Q 2010	3Q 2010
Fixed Assets (Net)	83.90	79.82	77.85
Investments**	3,284.45	3,833.87	3,870.95
Convertibles	524.84	400.15	476.33
Deferred Taxable Assets	0.69	1.03	1.56
Total Non Current Assets	**3,893.88**	**4,314.87**	**4,426.69**
Due from Related Parties & Other Debit Balances	187.98	137.46	191.51
Related Parties - Loans	440.69	221.67	277.06
Cash & Cash Equivalent	248.43	150.51	149.11
Total Current Assets	**877.10**	**509.63**	**617.68**
Total Assets	**4,770.98**	**4,824.50**	**5,044.37**
Paid in Capital	3,308.13	3,308.13	3,308.13
Reserves	62.13	64.38	60.64
Retained Earning	22.15	222.93	222.93
Current Year Profit / Loss	211.35	1.51	20.23
Dividends Distribution			
Total Equity	**3,603.75**	**3,596.94**	**3,611.93**
LT Borrowing	807.86	800.95	849.82
Others			
Total Non Current Liabilities	**807.86**	**800.95**	**849.82**
Current Portion of Long-Term Debt			94.40
Due to Citadel Capital Partners	305.13	391.85	445.72
Accrued, Provision & Other Liabilities	54.24	34.47	42.50
Total Current Liabilities	**359.36**	**426.32**	**582.62**
Total Equity & Liabilities	**4,770.97**	**4,824.21**	**5,044.37**

* Citadel Capital pays Citadel Capital Partners a management incentive fee equal to 10% of the firm's net profits. This agreement has been effective since 1 January 2008 and will remain in effect so long as Citadel Capital Partners owns 15% or more of the preferred shares of Citadel Capital.

**Citadel Capital's investments are recorded in its 3Q10 stand-alone financial statements under the following line items: Available-for-sale investments (EGP 26.4 million), Investments in Subsidiaries and Associates (EGP 2.77 billion), Payments for Investments (EGP 1.2 billion), and Other Investments (EGP 351.84 million). This results in total investments of EGP 4.35 billion (investments + convertibles).

Consolidated Income Statement

EGP mn	9M 2009	9M 2010	2Q 2010	3Q2010
Advisory Fees	58.96	69.92	22.59	24.40
Gain from Sale of Investments	68.09	12.92	.00	.00
Share in Associates' Results	21.70	-19.48	-34.60	21.77
Other Income	34.02	.00	-.16	.00
Total Revenues	**182.77**	**63.35**	**-12.17**	**46.16**
OPEX	-109.85	-230.01	-85.94	-76.15
Other Expenses	-1.41	-.52	-1.18	.42
EBITDA	**71.52**	**-167.17**	**-99.29**	**-29.57**
Depreciation	-6.44	-7.13	-2.21	-2.20
EBIT	**65.07**	**-174.30**	**-101.50**	**-31.77**
Net Finance Income (Expense)	-22.76	20.01	6.59	1.44
Profit BT	**42.31**	**-154.29**	**-94.91**	**-30.33**
Deferred Tax	.97	.88	-.12	.53
Current Income Tax	-1.10	-2.06		-2.06
Profit AT from Continued Operations	**42.19**	**-155.48**	**-95.03**	**-31.86**
Net Results from Discontinued Operations	-57.58	-5.09		.00
Profit	**-15.39**	**-160.57**	**-95.03**	**-31.86**
Minority Interest	-16.06	-4.84	-.28	-2.22
Net (Loss) Profit for the Period	**-0.67**	**-155.73**	**-94.75**	**-29.64**

Consolidated Balance Sheet

EGP mn	FY 2009	2Q10	3Q10
Fixed Assets (net)	101.25	80.57	78.66
Intangible Assets	2.08	.00	.00
Investments	3297.87	3666.66	3823.92
Convertibles	543.13	437.92	684.04
Deferred Tax Assets	.28	1.04	1.57
Total Non Current Assets	**3944.62**	**4186.19**	**4588.19**
Inventories	.98	.00	.00
Investments	4.85	3.92	29.71
Due from Related Parties & Other Debit Balances	572.77	207.16	204.53
Related Parties - Loans	129.62	367.43	288.66
Cash & Cash Equivalent	268.59	158.85	159.68
Total Current Assets	**976.82**	**737.36**	**682.58**
Total Assets	**4921.44**	**4923.55**	**5270.77**
Paid in Capital	3308.13	3308.13	3308.13
Reserves	33.79	73.30	71.88
Retained Earning	93.30	299.16	305.27
Net (Loss) Profit for the Period	159.11	-126.09	-155.73
Total Equity Attributable to the Majority Shareholders	**3594.33**	**3554.49**	**3529.55**
Total Equity Attributable to the Non-Controlling Shareholders	**31.91**	**11.02**	**173.45**
Total Equity	**3626.24**	**3565.51**	**3703.00**
LT Borrowings	808.03	800.95	849.82
LT Liabilities	58.53	49.11	46.78
Total Non-current Liabilities	**866.56**	**850.06**	**896.60**
Current Portion of Long Term Debt	2.38	.00	94.42
Due to Citadel Capital Partners	305.13	391.85	445.72
Due to Related Parties & Other Credit Balances	101.63	101.82	116.71
Provisions	19.50	14.31	14.31
Total Current Liabilities	**428.63**	**507.98**	**671.17**
Total Equity & Liabilities	**4921.44**	**4923.55**	**5270.77**

About Citadel Capital S.A.E.

Citadel Capital (CCAP.CA on the Egyptian Stock Exchange) is the leading private equity in the Middle East and Africa. Citadel Capital focuses on building regional platforms in select industries through acquisitions, turnarounds, and greenfields executed via Opportunity Specific Funds. Citadel Capital's 19 OSFs now control Platform Companies with investments worth more than US$ 8.3 billion in 14 countries spanning 15 industries, including mining, cement, transportation, food and energy. Since 2004, the firm has generated more than US$ 2.5 billion in cash returns to its co-investors and shareholders, more than any other private equity firm in the region. Citadel Capital is the largest private equity firm in Africa by PE assets under management (2005-2010, as ranked by Private Equity International). For more information, please visit www.citadelcapital.com.

Forward-Looking Statements

Statements contained in this Business Review that are not historical facts are based on current expectations, estimates, projections, opinions and beliefs of the Citadel Capital. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon. Certain information contained herein constitutes "targets" or "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "seek," "should," "expect," "anticipate," "project," "estimate," "intend," "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology. Actual events or results or the actual performance of Citadel Capital may differ materially from those reflected or contemplated in such targets or forward-looking statements. The performance of Citadel Capital is subject to risks and uncertainties.

ERRATUM:

In the previous edition of this document, a clerical error in the preparation of the Summary Standalone Income Statement as it appears on page 21 resulted in an incorrect figure for 9M09 Net Income (incorrectly stated as EGP 60.92 million). The correct figure is EGP 45.56 million and was correctly stated in Citadel Capital's Audited Financial Statements as disclosed to the Egyptian Stock Exchange. This document has been amended to reflect this correction.