

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**

**Consolidated interim financial statements**  
**for the period ended September 30, 2015**  
**&**  
**Review report**

 **Hazem Hassan**  
**Public Accountants & Consultants**

<b>Contents</b>	<b>Page</b>
Review report	
Consolidated statement of financial position	1-2
Consolidated income statement	3
Consolidated statement of changes in equity	4-5
Consolidated statement of cash flows	6-7
Accounting policies and notes to the consolidated interim financial statements	8 –111



## Hazem Hassan

Public Accountants & Consultants

Pyramids Heights Office Park  
Km 22 Cairo/Alex Road  
P.O. Box 48 Al Ahran  
Giza - Cairo - Egypt

Telephone : (202) 35 36 22 00 - 35 36 22 11  
Telefax : (202) 35 36 23 01 - 35 36 23 05  
E-mail : [egypt@kpmg.com.eg](mailto:egypt@kpmg.com.eg)  
Postal Code : 12556 Al Ahran

### 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) as at September 30, 2015 and the related consolidated statements of income, changes in equity and cash flows for the nine 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 consolidated interim financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these consolidated 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 consolidated 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 September 30, 2015 and of its consolidated financial performance and its consolidated cash flows for the nine months then ended in accordance with Egyptian Accounting Standards.

Cairo, December 7, 2015

*Hassan Bas*  
KPMG Hazem Hassan

KPMG Hazem Hassan  
Public Accountants and Consultants

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Consolidated statement of financial position**  
**as at September 30, 2015**

(All amounts in EGP)	Note	30/9/2015	31/12/2014 (*)
<b>Assets</b>			
Fixed assets (net)	(6)	6 532 214 886	5 836 564 267
Projects under construction (net)	(7)	15 019 653 951	11 841 308 885
Intangible assets (net)	(8)	2 331 796 955	1 892 728 739
Goodwill (net)	(9)	1 175 558 812	1 268 641 444
Biological assets (net)	(10)	190 015 018	189 042 811
Trade and other receivables (net)	(18)	725 886 748	588 802 009
Investment property (net)	(11)	27 389 999	373 068 956
Investments in associates	(12)	991 256 977	1 953 010 353
Available-for- sale investments (net)	(13)	54 419 193	51 904 260
Payments for investments (net)	(14)	127 612 396	101 213 486
Loans to related parties	(15)	-	134 176 156
Other investments	(16)	230 339 058	441 352 959
Deferred tax assets	(28)	376 647 388	332 158 336
<b>Total non-current assets</b>		<u>27 782 791 381</u>	<u>25 003 972 661</u>
Inventories (net)	(17)	1 202 957 688	969 854 289
Biological assets	(10)	21 929 418	21 379 458
Work in process		16 286 197	47 816 848
Investments at fair value through profit or loss	(19)	94 537 667	80 849 353
Due from related parties (net)	(20)	816 506 106	985 302 650
Trade and other receivables (net)	(18)	1 252 411 847	949 139 548
Debtors and other debit balances (net)	(21)	1 148 051 447	1 029 169 941
Cash and cash equivalents	(22)	3 585 729 083	2 182 089 378
Assets classified as held for sale	(23.1)	2 306 657 374	1 402 289 227
<b>Total current assets</b>		<u>10 445 066 827</u>	<u>7 667 890 692</u>
<b>Total assets</b>		<u><u>38 227 858 208</u></u>	<u><u>32 671 863 353</u></u>

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Consolidated statement of financial position**  
**as at September 30, 2015**

(All amounts in EGP)

	Note	30/9/2015	31/12/2014 (*)
<b>Equity</b>			
Share capital			
Reserves	(24)	9 100 000 000	8 000 000 000
Retained loss		177 046 956	202 382 594
Net loss for the period/ year		(5 264 983 754)	(4 336 949 028)
<b>Total equity</b>		<u>(322 418 044)</u>	<u>(879 593 450)</u>
Shareholders' credit balances		3 689 645 158	2 985 840 116
<b>Total equity attributable to equity holders of the Company</b>	(25)	<u>1 464 311</u>	<u>836 842 865</u>
<b>Non - controlling interests</b>		3 691 109 469	3 822 682 981
<b>Total equity</b>		<u>8 579 149 400</u>	<u>8 013 369 045</u>
		<u>12 270 258 869</u>	<u>11 836 052 026</u>
<b>Liabilities</b>			
Long term loans	(26)	13 526 426 309	10 726 526 464
Long term liabilities and derivatives	(27)	662 942 287	402 110 017
Loans from related parties	(26)	28 564 963	792 754 848
Deferred tax liabilities	(28)	780 546 944	744 276 298
<b>Total non-current liabilities</b>		<u>14 998 480 503</u>	<u>12 665 667 627</u>
Banks overdraft	(29)	905 160 153	688 968 212
Short term loans	(26)	2 691 331 123	2 158 940 557
Loans to related parties	(26)	839 945 632	-
Due to related parties	(30)	762 879 791	478 521 732
Trade and other payables	(31)	1 866 300 722	1 830 582 902
Creditors and other credit balances	(32)	1 668 861 567	1 079 718 029
Provisions	(33)	517 792 581	489 587 562
Financial guarantees contracts	(34)	21 389 225	23 401 707
Liabilities classified as held for sale	(23.2)	1 043 412 163	938 117 930
Due to Tax Authority		642 045 879	482 305 069
<b>Total current liabilities</b>		<u>10 959 118 836</u>	<u>8 170 143 700</u>
<b>Total liabilities</b>		<u>25 957 599 339</u>	<u>20 835 811 327</u>
<b>Total equity and liabilities</b>		<u>38 227 858 208</u>	<u>32 671 863 353</u>

\* Note (55)

The accompanying notes on pages 8 to 111 are integral part of these consolidated interim financial statements and are to be read therewith.

Review report "attached"

Chairman  
Ahmed Heikal

Managing Director  
Hisham Hussein El Khazindar

Chief Financial Officer  
Moataz Farouk

Citadel Capital Company  
(Egyptian Joint Stock Company)  
Consolidated income statement  
for the period ended September 30, 2015

(All amounts in EGP)	Note	For the period		For the period (*)	
		from 1/7/2015 to 30/9/2015	from 1/1/2015 to 30/9/2015	from 1/7/2014 to 30/9/2014	from 1/1/2014 to 30/9/2014
<b>Continuing operation</b>					
Operating income	(37)	2 038 194 310	6 072 477 680	1 724 802 821	4 647 269 913
Operating costs	(38)	(1 712 983 986)	(4 929 101 605)	(1 379 908 443)	(3 796 711 377)
<b>Gross profit</b>		<u>325 210 324</u>	<u>1 143 376 075</u>	<u>344 894 378</u>	<u>850 558 536</u>
Advisory fee	(35.1)	3 561 446	9 967 031	5 961 995	13 912 716
Share of profit/loss of equity accounted investees	(36)	18 881 359	113 505 733	102 279 163	160 623 120
<b>Total operating profit</b>		<u>347 653 129</u>	<u>1 266 848 839</u>	<u>453 135 536</u>	<u>1 025 094 372</u>
Gains (losses) on sale of investment in associate	(43)	33 046 896	99 698 245	21 790 682	(25 381 815)
Administrative expenses	(39)	(316 710 136)	(887 464 418)	(283 934 589)	(796 155 015)
Other (expenses) revenues	(40)	(2 393 364)	(38 419 666)	26 213 834	(47 426 120)
<b>Net operating profit</b>		<u>61 596 525</u>	<u>440 663 000</u>	<u>217 205 463</u>	<u>156 131 422</u>
Finance cost - net	(41)	(232 386 322)	(706 113 644)	(252 817 162)	(646 104 130)
<b>Net loss before tax</b>		<u>(170 789 797)</u>	<u>(265 450 644)</u>	<u>(35 611 699)</u>	<u>(489 972 708)</u>
Income tax	(42)	(17 380 992)	(117 684 882)	(25 732 020)	(54 186 990)
<b>Net loss from continuing operation</b>		<u>(188 170 789)</u>	<u>(383 135 526)</u>	<u>(61 343 719)</u>	<u>(544 159 698)</u>
<b>Discontinued operations</b>					
Net loss from discontinued operation (after tax)	(23.3)	(18 021 160)	(124 392 412)	(37 763 495)	(142 652 064)
<b>Net loss for the period</b>		<u>(206 191 949)</u>	<u>(507 527 938)</u>	<u>(99 107 214)</u>	<u>(686 811 762)</u>
<b>Attributable to:</b>					
Equity holders of the Company		(125 544 644)	(322 418 044)	(59 515 860)	(470 023 323)
Non - controlling interests		(80 647 305)	(185 109 894)	(39 591 354)	(216 788 439)
		<u>(206 191 949)</u>	<u>(507 527 938)</u>	<u>(99 107 214)</u>	<u>(686 811 762)</u>
<b>Earnings per share</b>	(44)	<u>(0.08)</u>	<u>(0.20)</u>	<u>(0.04)</u>	<u>(0.36)</u>

\* Note (55)

The accompanying notes on pages 8 to 111 are integral part of these consolidated interim financial statements and are to be read therewith.

Note	Share capital							Reserves				Total	Non-controlling interests	Total equity
	Legal reserve	Fair value reserve - AFS	F.C. translation reserve	Company's share of changes in associates' equity	Share based payment reserve	Change in the fair value of hedge reserve-swap contract	Notional contribution capital	Retained loss	Net loss for the year/period	Shareholders' credit balances				
Balance as at December 31, 2013 (as previously issued)	4 358 125 000	89 578 478	56 277	360 212 663	(75 655 628)	-	-	(2 656 143 924)	(374 655 290)	2 323 160 875	4 024 678 451	8 699 063 528	12 723 741 979	
Impact of fair value adjustments on assets acquired and liabilities assumed	(5)	-	-	-	-	-	-	(633 982 483)	-	-	(633 982 483)	166 351 021	(467 631 462)	
Balance as at December 31, 2013 (restated)	4 358 125 000	89 578 478	56 277	360 212 663	(75 655 628)	-	-	(3 290 126 407)	(374 655 290)	2 323 160 875	3 390 695 968	8 865 414 549	12 256 110 517	
Carrying 2013 loss forward	-	-	-	-	-	-	-	(393 811 043)	374 655 290	-	(19 155 753)	-	(19 155 753)	
Shareholders' credit balances	(25)	-	-	-	-	-	-	-	-	1 363 110 497	1 363 110 497	-	1 363 110 497	
Share capital issuance	(25-24)	3 641 875 000	-	-	-	-	-	-	-	(3 640 532 560)	1 342 440	-	1 342 440	
Exchange differences relating to foreign operations	(3.3)	-	-	95 487 011	-	-	-	-	-	-	95 487 011	35 043 618	130 530 629	
Changes in the fair value of available-for-sale investments	(3.8.1)	-	(534 052)	-	-	-	-	-	-	-	(534 052)	-	(534 052)	
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	-	204 125 893	204 125 893	
Acquisition of non-controlling interests without change in control	(3.1.3)	-	-	-	-	-	-	-	-	-	-	-	-	
Share based payments	(3.31)	-	-	-	-	-	-	(339 177 366)	-	-	(339 177 366)	-	(339 177 366)	
Change in the fair value of hedge reserve-swap contract		-	-	-	-	-	-	-	-	-	-	-	-	
Net loss for the period ended September 30, 2014		-	-	-	-	(23 456 424)	-	-	-	-	(23 456 424)	-	(23 456 424)	
Balance as at September 30, 2014	8 000 000 000	89 578 478	(477 775)	455 699 674	(75 655 628)	(218 389 981)	-	(4 023 114 816)	(470 023 323)	45 738 812	3 779 899 017	8 887 795 621	12 667 694 638	

Note	Share capital		Reserves					Net loss for the year/period	Shareholders' credit balances	Total	Non-controlling interests	Total equity
	Legal reserve	Fair value reserve - APS	F.C. translation reserve	Company's share of changes in associates' equity	Share based payment reserve	Change in the fair value of hedge reserve-swap contract	Notional contribution capital					
(All amounts in EGP)												
Balance as at December 31, 2014 (as previously issued)	8 000 000 000	89 578 478	( 581 030)	446 559 328	( 220 212 254)	( 37 306 310)	-	(4 695 705 965)	836 842 865	3 463 926 044	8 419 273 206	11 883 199 250
Adjustments	-	-	-	-	-	-	-	358 756 937	-	358 756 937	( 405 904 161)	( 47 147 224)
Balance as at December 31, 2014 (after adjustments)	8 000 000 000	89 578 478	( 581 030)	446 559 328	( 220 212 254)	( 37 306 310)	-	(4 336 949 028)	836 842 865	3 822 682 981	8 013 369 045	11 836 052 026
Carrying 2014 loss forward	-	-	-	-	-	-	-	(885 509 371)	-	( 5 915 921)	( 3 665 790)	( 9 581 711)
Shareholders' credit balances	-	-	-	-	-	-	-	-	4 621 446	4 621 446	-	4 621 446
Share capital issuance	1 100 000 000	-	-	-	-	-	-	-	(840 000 000)	260 000 000	-	260 000 000
Exchange differences relating to foreign operations	(25,24)	-	-	6 142 117	-	-	-	-	-	-	-	-
Changes in the fair value of available-for-sale investments	(3,3)	-	( 360 682)	-	-	-	-	-	-	-	-	181 536 116
Changes in non-controlling interests	(3,8.1)	-	-	-	-	-	-	-	-	( 260 682)	-	( 260 682)
Acquisition of non-controlling interests without change in control	-	-	-	-	-	-	-	-	-	-	579 162 040	579 162 040
Notional contribution capital	(3,1,3)	-	-	-	-	-	2 962 580	(44 354 981)	-	(44 354 981)	-	(44 354 981)
Share-based-payments	(3,31)	-	-	-	( 2 959 962)	-	-	-	-	2 962 580	-	2 962 580
Change in the fair value of hedge reserve-swap contract	-	-	-	-	-	( 29 446 673)	-	-	-	( 2 959 962)	-	( 2 959 962)
Company's share in changes of associates equity	-	-	-	( 1 773 018)	-	-	-	-	-	( 29 446 673)	-	( 29 446 673)
Net loss for the period ended September 30, 2015	-	-	-	-	-	-	-	1 829 626	-	56 608	-	56 608
Balance as at September 30, 2015	9 100 000 000	89 578 478	( 841 702)	452 701 445	( 223 172 216)	( 66 752 983)	2 962 580	(5 264 983 754)	1 464 311	3 691 109 469	8 579 149 400	12 270 538 869

The accompanying notes on pages 8 to 111 are integral part of these consolidated interim financial statements and are to be read therewith.



**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Consolidated statement of cash flows**  
**for the period ended September 30, 2015**

(All amounts in EGP)	For the period ended	
	30/9/2015	30/9/2014
<b>Cash flows from operating activities</b>		
Net loss before tax	( 265 450 644)	( 489 972 708)
<b>Adjustments to reconcile net loss to net cash used in operating activities:</b>		
Net loss from the discontinued operations (after tax)	( 124 392 412)	( 142 652 064)
(Gains) losses on sale of investment in associate	( 99 698 245)	25 381 815
Depreciation and amortization	327 497 223	301 943 210
Company's share of profit / loss of equity accounted investees	( 113 505 733)	(154 535 668)
Net change in the fair value of investments at fair value through profit or loss	473 924	566 121
Foreign currencies translation differences	286 052 745	145 829 625
Loss from foreign currencies exchange differences	97 179 988	91 178 108
Interest income	( 32 341 697)	(7 352 344)
Loss (Gain) on sale of fixed and biological assets	4 516 601	( 836 122)
Gain from financial guarantee contracts	( 2 012 482)	( 528 351)
Interest expenses	533 650 590	360 571 768
Provisions formed	55 001 219	54 732 232
Impairment on assets	10 527 666	23 135 202
Inventory write down	348 012	61 390
Provisions no longer needed	( 9 802 601)	(11 704 585)
Provision used	( 30 413 716)	(4 551 075)
Change in the fair value of hedging reserve		-
Share based payments	-	562 500
End of service provision	-	480 577
Operating profit before changes in working capital	637 630 438	192 309 631
<b>Change in working capital:</b>		
<b>Assets</b>		
Inventories	(225 488 641)	51 958 713
Biological assets	-	( 403 882)
Work in process	58 856 266	2 538 198
Investments at fair value through profit or loss	(10 051 794)	10 798 634
Due from related parties	( 335 543 496)	(1 537 413 313)
Trade and other receivables	231 694 449	(90 680 526)
Debtors and other debit balances	(150 646 389)	37 401 894
<b>Liabilities</b>		
Due to related parties	(110 595 084)	1 200 071 334
Trade and other payables	( 577 619 271)	( 815 509 076)
Creditors, other credit balances and long term liabilities	276 461 391	19 975 772
Income tax paid	( 16 781 240)	(11 919 543)
Discontinued operations	36 468 772	370 997 475
Net cash used in operating activities	( 185 614 599)	( 569 874 689)

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Consolidated statement of cash flows**  
**for the period ended September 30, 2015**

(All amounts in EGP)	For the period ended	
	30/9/2015	30/9/2014
<b>Cash flows from investing activities</b>		
Payments for purchase of fixed assets and projects under construction	(1 745 079 108)	(2331 579 059)
Proceeds from sale of fixed assets and projects under construction	10 664 117	35 694 811
Payments for purchase of biological assets	(40 210 703)	(42 128 811)
Proceeds from sale of biological assets	16 421 675	9 132 039
Payments for purchase of intangible assets	(58 626 360)	(44 400 999)
Proceeds from sale of assets classified as held for sale	704 183 922	579 367 353
Payments for purchase of investment property	( 38 938)	( 69 245)
Payments for loans to related parties	-	(25 790 086)
Proceeds from loans to related parties	67 893 541	159 850 000
Payments for investments	(21 000 000)	(23 063 256)
Proceeds from (payments for) other investment	1 027 985	(78 925 621)
Interest received	14 764 669	392 456
Dividends received	27 228 383	49 389 861
Net cash used in investing activities	(1 022 770 817)	(1 712 130 557)
<b>Cash flows from financing activities</b>		
Proceeds from capital increase	260 000 000	1 342 440
Payments of shareholders' credit balances	(23 630 169)	(2 139 135)
Proceeds from loans	2 969 483 056	2 406 613 370
Payments for loans	( 957 009 102)	(918 017 788)
Payments for banks overdraft	26 128 000	81 045 944
Proceeds from non-controlling interests	629 959 473	448 689 966
Dividends payout	(9 581 711)	(39 314 238)
Discontinued operations	-	-
Interest paid	(360 594 602)	(58 715 453)
Net cash provided from financing activities	2 534 754 945	1 919 505 106
Net changes in cash and cash equivalents during the period	1 326 369 529	(362 500 140)
Acquisition of subsidiaries - (Note 5.2)	32 989 684	76 177 038
Cash related to deconsolidation of subsidiaries - (Note 23)	( 575 912)	-
Cash and cash equivalents at the beginning of the period - (Note 22)	2 226 945 782	2 067 540 629
Cash and cash equivalents at the end of the period - (Note 22)	3 585 729 083	1 781 217 527

The accompanying notes on pages 8 to 111 are integral part of these consolidated interim financial statements and are to be read therewith.

**1. Company background**

**1.1 Legal status and activity**

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

**1.2 Purposes of the company**

- The Company's basic activity extends to the region of the Middle East and north East Africa, especially Egypt, Algeria, Libya, Syria and Sudan. The purpose of the Company is represented as follows:
  - Providing consultancy in financial and financing fields for different companies and preparing and presenting the feasibility studies in the economical, technological, engineering, marketing, financing, management, borrowing contracts arrangements fields and financing studies in addition to preparing and presenting studies and consultancy regarding projects' promotion and offering the necessary technical support in different fields except legal consultancy.
  - Working as an agent in contracting and negotiation in different fields and steps especially negotiation in the management contracts, participation and technical support.
  - Managing, executing and restructuring of projects.
- On October 20, 2013 the extra-ordinary general assembly has agreed on amending the statute of the Company in accordance with the Capital Market Law and its executive regulations on the basis that the Company is involved in establishing other companies and participating in the capital increases of other companies pursuant to the provision of article no. (27) of the Capital Market Law and article no.(122) of its executive regulations, provided that required legal procedures for amending the statute of the company will take place after completing the required legal procedures for the aforementioned capital increase.
- The company will be known as "Qalaa Holdings" in the English language. Qalaa has been the firm's Arabic name since it was founded in 2004. Subsequently to the successful completion of the capital

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated interim financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

---

increase, the company has transformed its business model from being a private equity company to an investment company with a focus on business segments of energy, cement, agrifoods, transportation & logistics, and mining. The required procedures to amend the Company's commercial register are taking place.

**1.3 Registered headquarters**

The address of the Company's registered office is 1089 Nile Corniche, Four Season Nile Plaza - Cairo.

**1.4 Frame work**

The consolidated financial statements of the Company for the period ended September 30, 2015 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 interim 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 December 7, 2015.

**2.2 Basis of measurement**

The consolidated interim 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 interim 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 (12) measurements of the recoverable amounts of investments in associates.
- Note (28) deferred tax.
- Note (33) provisions.

#### **2.5 New Egyptian Accounting Standards and its application**

On July 9, 2015, Minister of Investment decree no. 110 for the year 2015 was issued with respect to the new Egyptian accounting standards (39 standard), its framework and financial statements presentation to replace the previous Egyptian accounting standards which was issued by ministry decree no. 243 for the year 2006. The new set of Egyptian accounting standards are to be applied on financial statements on or after January 1, 2016. The company is currently assessing whether the changes would affect the consolidated financial statements in the first application period.

**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 are reclassified to conform with the current presentation of financial statements.

**3.1 Basis of consolidation**

**3.1.1 Subsidiaries**

- The consolidated interim 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 interests without change in control**

Business combinations arising from transfers of interests from non-controlling interests 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 year presented or, if later, at the date that control was established; for this purpose comparatives are restated when practical. The assets and liabilities acquired are recognized at the carrying amounts recognized previously in the Group's controlling shareholder's consolidated financial statements. The components of equity of the acquired entity are added to the same components within the Group equity except share capital. Cash paid in excess or less than the nominal value of the acquired shares from minority is recorded as notional capital distribution in lower value than nominal share from acquisition of minority interest within the shareholders' equity of the group financial statements.

### **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.

Unrealized gains or losses from transactions with associates are eliminated against the investment to the extent of the group's interest in the associate.

### **3.2 Foreign currency transactions**

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 consolidated 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 financial position 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 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 Derivative financial instruments**

The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks. 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:

- 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.
- 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 with an adjustment to the carrying amount of the hedged item.

### **3.6 Lending**

Loans are stated at cost less any impairment losses in its value and the Company revaluates the loans at each financial position 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**

For the purpose of preparing cash flow statement, cash and cash equivalents are represented in balances with original maturities of three months or less- (note 22).

**3.8 Investments**

**3.8.1 Available-for-sale financial investments**

Available-for-sale 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 cannot be measured reliably are valued by an accepted valuation techniques including the use of new objective techniques or discounted cash flow analysis or option pricing models or other valuation techniques – if the company cannot estimate the fair value, it can be stated at cost less impairment loss.

**3.8.2 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 3.18), 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:

<b>Assets depreciation</b>	<b>Estimated useful life</b>
- Buildings & Constructions	5 -50 years
- Lease hold improvements	3 -10 years
- Machinery, Equipments & tools	4 -33 years
- Furniture & Fixtures	4 -16 years
- Computers	2 -10 years
- Transportation means	3 -15 years
- Barges	5 -20 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 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.

### **3.12 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, projects under construction are presented in the consolidated balance sheet at cost less accumulated impairment losses.

**3.13 Work in process**

Work in process represents the cost of work not invoiced to the customer for contract work performed to date.

Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

**3.14 Investment property**

**3.14.1 Recognition and initial measurement**

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured using the cost model on initial recognition and subsequently assessed for impairment with any change therein recognized in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property, the cost of self-constructed investment property includes the cost of materials and direct labor, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalized borrowing costs.

When the use of investment property changes such that it is reclassified to property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting, thus if the company applies fair value method. In case that the company applies cost model, the investment property is reclassified to property, plant and equipment by its carrying value without changing the cost of property.

**3.14.2 Cost incurred after initial recognition**

Replacement cost of one of the asset component is recognized in the investment property cost after excluding the cost of the replaced assets.

The replacements give rise to future economic benefits that can be reliably measured. Other expenditure that not qualify for recognition should be charged to profit or loss as incurred.

**3.15 Assets held for sale**

Assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use is classified as held for sale, immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets (or disposal group) are measured at the lower of their carrying amount and fair value less cost to sell any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property and biological assets, which continue to be measured in accordance with the Group's accounting policies.

Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognized in profit or loss gains are not recognized in excess of any cumulative impairment loss, once classified as held for sale, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any equity accounted investee is no longer equity accounted.

**3.16 Discontinued operations**

Discontinued operations represents a separate major line of business or geographical area of operations, part of a single co-ordinated plan to dispose of a separate major lines of business or geographical area of operations or is a subsidiary acquired exclusively with a view to re-sale. Classifications as a discontinued operations occurs at the earlier of disposal or when the operations meets the criteria to be classified as held-for-sale, When an operation is classified as a discontinued

operation, the comparative statements of profit or loss and cash flows are represented as if the operation had been discontinued from the start of the comparative year.

### **3.17 Intangible assets**

#### **3.17.1 Exploration and valuation assets**

##### **Recognition**

- All costs arising from acquiring exploration assets are capitalized in addition to all future costs against granting the exploration right.
- Drilling and exploration costs are initially capitalized until drilling results evaluated, the evaluation process should take place periodically and costs should be capitalized as intangible assets until the evaluation results refer to the existence of mineral resources, and if that does not happen all costs should be recognized directly in the income statement.
- Non monetary assets that have no physical existence acquired for the business purposes and expected to generate future economic benefits are recorded as intangible assets. Intangible assets mainly include quarry site preparation costs.

##### **Measurement**

Intangible assets are measured at cost which is represented in the cash amount at the recognition date. If payment is deferred the difference between the cash price and the total payment is recognized as interest in the income statement. Intangible assets are presented at net of amortization and accumulated impairment losses (Note 3.18).

#### **3.17.2 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.

### **3.17.3 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.

### **3.17.4 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.

### **3.17.5 Amortization**

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.

## **3.18 Impairment**

### **3.18.1 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.

#### **3.18.2 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.

### **3.19 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.

### **3.20 Biological assets**

Biological assets and agricultural products are measured at fair value less estimated costs to sell, with any change therein recognised in profit or loss. The following is the measurement of the biological assets:

Corn, cotton and sunflowers	fair value less cost to sell
Fruitful fruit gardens and orchards	3- 50 years
Pregnant heifer, dry and dairy cows	56 months

### **3.21 Inventories**

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the moving average principle and includes expenditure incurred in acquiring the inventories and bringing it to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on the normal operating capacity.

### **3.22 Trade and other payables**

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

### **3.23 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.

#### **3.24 Contracts financial guarantees**

Financial guarantee contracts are those contracts issued by the company to ensure given loans to customers from third parties, which require the company to do certain repayments to compensate the beneficiary for the loss incurred due to the failure of a debtor when repayable in accordance with the terms of a debt instrument, and provide those financial guarantees to banks and financial institutions and others on behalf of the company's customers.

The initial recognition of financial guarantees in the financial statements at fair value at the date of grant of security which is equal to the warranty fees. Later, it is measured by the company's commitment under the guarantee on the basis of the amount of the initial measurement less depreciation calculated for the recognition of guarantee fees in the income statement on a straight-line basis over the life of the warranty or the best estimate of payments required to settle any financial obligation arising from financial guarantee at the balance sheet date, whichever is higher. And those estimates are determined according to the experience in similar transactions and historical losses enhanced by virtue of the administration. Any increase in liabilities resulting from the financial guarantee is included at the income statement under general and administrative expenses.

#### **3.25 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 period of the borrowings on an effective interest rate basis.

**3.26 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.

**3.27 Dividends**

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

**3.28 Income tax**

- Income tax on the profit or loss for the year 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.

**3.29 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 year. 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.

### **3.30 Employees benefits**

#### **3.30.1 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.

#### **3.30.2 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.

### **3.31 Share – based payments**

For Equity-settled share-based payment transactions, the entity shall measure the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the entity cannot estimate reliably the fair value of the goods or services received, the entity shall measure their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

The entity shall settle the grant of equity instruments during the vesting period with the amount that would otherwise have been recognized for services received. The entity accounted for any settlements as a deduction from equity based on the final share price when the options are exercised.

### **3.32 Revenue**

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

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

#### **3.32.1 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.

#### **3.32.2 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.

#### **3.32.3 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.

#### **3.32.4 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.

#### **3.32.5 Interest income**

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

**3.32.6 Management fee**

Management fee is recognized upon rendering the service.

**3.32.7 Advisory fee**

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

**3.32.8 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.

**3.32.9 Construction contracts**

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably.

As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognized in profit or loss in proportion to the stage of completion of the contract. The stage of completion is assessed by survey of work performed.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognized immediately in profit or loss.

**3.32.10 Cars conversion revenues**

Revenue is recognized upon the completion of preparing cars to function using natural gas instead of Benzene upon issuing the invoice to the client.



**3.32.11 Gas sales revenues**

For actual gas sales, the company remits the funds it collects to EGPC net of its actual commission, which is calculated as a percentage of gas consumption.

**3.32.12 Fuelling revenues**

Revenues is recognized when supplying ships with fuel.

**3.32.13 Natural gas revenues**

Revenues is recognized when supplying cars with natural gas service is rendered.

**3.32.14 Financial guarantees contracts revenues**

- The main revenue for the company is represented in the commissions, which is the difference between the return on the funding given to the micro-projects and the company's bank dues by deducting the revenue from the services directly from the amounts to be collected from the owners of the projects.
- Recognition of the benefits and commissions resulting from performing the service according to the accrual basis as soon as the performance of the service to the client only if those revenues more than cover the financial year are recognized on a time proportion basis.
- Administrative commission of 3% of the value of the loan granted to customers are collected and that when hiring and are consumed on the duration of the loan.
- Interest of deposits are recognized according to the accrual basis of the temporal distribution throughout the year until the maturity date.
- Commission to delay for the payment of premiums is collected at rates to be agreed upon within the contracts and are recognized as soon as customers delayed payment on the basis of extended delay.

**3.33 Borrowing costs**

Borrowing costs are recognized as expenses in the profit or loss when incurred, with the exception of borrowing cost directly attributable to the construction and acquisition of new assets which is capitalized as part of the relevant assets cost and depreciated over assets' estimated useful lives. This capitalization ceases once the assets become in operational condition and ready for use.

**3.34 Financial lease**

Payments made under financial lease contracts are recognized as general and administrative expenses in the income statement during the period.

**3.35 Employees' compulsory government social insurance share**

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

**3.36 Segment reporting**

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment) or in providing products or services within a particular economic environment (geographical segment), which is subjected to risks and rewards that are different from those of other segments. The Group's primary format for segment reporting is based on business segment.

**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

(Egyptian Joint Stock Company)

Notes to the consolidated interim financial statements

for the period ended September 30, 2015

(In the notes all amounts are shown in EGP unless otherwise stated)

## 5. Acquisition of subsidiaries

5.1 The Company has acquired the following companies during December, 2013:

1. National Development and Trading Group.
2. Orient Investment Properties Ltd. Group.
3. Citadel Capital Transportation Opportunities Ltd. Group -BVI.
4. Ledmore Holdings Ltd. Group.
5. Falcon for Agriculture Investments Ltd. Group -BVI.
6. Mena Home Furnishings Malls Ltd. Group - BVI.
7. KU Railways Holdings Limited Group.
8. Silverstone Capital Investment Ltd. Group.
9. United Foundries Group.

December 31, 2013	National Development and Trading Co.	Orient Investment Properties	Citadel Capital Transportation Opportunities	Ledmore Holdings Ltd.	Falcon for Agriculture Investments Ltd.	Mena Home Furnishings Malls Ltd.	KU Railways Holdings Ltd.	Silverstone Capital Investments Ltd.	United Foundries Group	Total
Cash and cash equivalents	188 721 260	1 081 126 990	2 784 723	5 100 331	45 067 742	2 442 741	41 637 168	513 942 325	3 465 865	1 884 289 145
Investments at fair value through profit or loss	53 289	--	--	461 642	3 727	--	--	212 961 014	--	213 479 672
Inventories	539 007 772	--	8 743 047	--	203 170 998	12 993 408	135 343 741	85 685 564	29 149 303	1 014 093 833
Contracts in progress	--	--	--	--	--	--	--	19 075 513	--	19 075 513
Trade and other receivables	182 716 731	--	37 856 888	--	114 304 243	5 205 375	148 405 959	419 474 802	35 678 016	943 642 014

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated interim financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

December 31, 2013	National Development and Trading Co.	Orient Investment Properties	Citadel Capital Transportation Opportunities	Ledmore Holdings Ltd.	Falcon for Agriculture Investments Ltd.	Mena Home Furnishings Malls Ltd.	KU Railways Holdings Ltd.	Silverstone Capital Investments Ltd.	United Foundries Group	Total
Debtors and other debit balances	517 043 632	6 001 601	35 388 379	22 694	67 942 739	3 249 794	211 921 471	47 640 546	31 928 823	921 139 679
Due from related parties	29 084 721	--	--	195 160	138 044 616	2 038 882	864 127	128 626 321	1 110 281	299 964 108
Assets held for sale	108 027 311	--	--	--	--	--	--	--	227 541 298	335 568 609
Work in process	13 652 899	--	--	--	--	--	3 099 425	--	--	16 752 324
Biological assets	--	--	--	--	203 326 531	--	--	--	--	203 326 531
Fixed assets	3 364 284 023	280 518 589	580 443 771	423 583	1 544 404 925	4 415 853	28 846 686	480 843 306	141 324 638	6 425 505 374
Projects under constructions	1 621 330 753	7 746 877 650	54 192 357	105 895 794	64 894 302	188 729 983	--	27 182 786	--	9 809 103 625
Investments in subsidiaries and associates	543 044 516	--	3 268 789	--	--	29 023	--	--	--	546 342 328
Investment property	--	--	--	--	3 390 003	356 923 062	--	--	--	360 313 065
Deferred tax assets	19 024 308	--	--	--	48 304 515	--	--	211 912	--	67 540 735
Available-for-sale investments	116 300	--	--	--	--	1 152	--	2 313 706	--	2 431 158
Payments for investments	2 346 428	--	--	--	--	--	--	--	--	2 346 428
Restricted cash	--	561 043 660	--	--	11 089 440	--	--	--	--	572 133 100

**Citadel Capital Company**  
(Egyptian Joint Stock Company)  
**Notes to the consolidated interim financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

December 31, 2013	National Development and Trading Co.	Orient Investment Properties	Citadel Capital Transportation Opportunities	Ledmore Holdings Ltd.	Falcon for Agriculture Investments Ltd.	Mena Home Furnishings Malls Ltd.	KU Railways Holdings Ltd.	Silverstone Capital Investments Ltd.	United Foundries Group	Total
Intangible assets	625 494 178	--	586 479	--	131 174 737	--	485 649 853	579 807 291	--	1 822 712 538
Other investments	8 893 602	342 858 555	--	--	209 963	--	--	--	--	351 962 120
Derivatives swap contracts	--	163 968 243	--	--	--	--	--	--	--	--
Banks- overdraft	(342 614 856)	--	--	--	(329 064 569)	(18 918)	(10 660 354)	(81 561 115)	(63 385 419)	163 968 243
Current portion of long term loans	(358 784 065)	--	(224 022 575)	--	(353 160 604)	(75 579 265)	(44 373 735)	(54 321 941)	(9 965 899)	(1 120 208 084)
Due to related parties	(283 337 795)	(8 347 730)	(154 454 676)	(5 002 997)	(309 087 190)	(159 830 879)	(2 535 578)	(6 877 616)	(59 078 135)	(988 552 596)
Trade and other payables	(398 619 496)	(2 148 384 126)	(20 847 094)	--	(242 384 337)	(28 628 936)	(167 468 315)	(203 690 027)	(14 290 955)	(3 224 313 286)
Creditors and other credit balances	(764 691 018)	(67 844 690)	(37 569 558)	(636 572)	(88 054 658)	(52 704 109)	(161 989 372)	(598 590 650)	(27 794 992)	(1 799 875 619)
Provisions	(208 920 375)	--	(6 966 913)	--	(49 312 684)	(3 145 000)	--	(10 158 786)	(2 620 927)	(281 124 685)
Liabilities held for sale	(416 981 070)	--	--	--	--	--	--	--	(206 209 073)	(623 190 143)
Loans from related parties	(1 053 696 138)	--	--	--	--	--	--	--	--	--
Long term loans	(2 113 350 554)	(1 629 496 538)	(132 112 914)	--	(135 552 156)	(108 556 972)	(775 702 143)	--	(185 273 116)	(1 238 969 254)
Long term liabilities	(3 593 754)	--	(3 267 838)	(17 339 160)	(5 804 616)	--	--	(106 791 589)	--	(4 991 282 115)
Deferred tax liabilities	(158 005 638)	(41 164 395)	--	--	(256 509 864)	(225 786)	34 727 562	(221 583 010)	(7 761 533)	(650 522 664)

**Citadel Capital Company**  
(Egyptian Joint Stock Company)

**Notes to the consolidated interim financial statements**

**for the period ended September 30, 2015**

(In the notes all amounts are shown in EGP unless otherwise stated)

December 31, 2013	National Development and Trading Co.	Orient Investment Properties	Citadel Capital Transportation Opportunities	Ledmore Holdings Ltd.	Falcon for Agriculture Investments Ltd.	Mena Home Furnishings Malls Ltd.	KU Railways Holdings Ltd.	Silverstone Capital Investments Ltd.	United Foundries Group	Total
Net book Value	1 660 246 964	6 287 157 809	144 022 865	89 120 475	806 397 803	147 339 408	(72 233 505)	1 138 796 166	(107 298 477)	10 093 549 508
Non – controlling interests	(2 096 393 257)	(3 343 288 155)	(82 832 301)	(23 691 369)	--	(4 791 529)	--	(262 972 833)	--	(5 813 969 444)
Net book Value after non-controlling interests	(436 146 293)	2 943 869 654	61 190 564	65 429 106	806 397 803	142 547 879	(72 233 505)	875 823 333	(107 298 477)	4 279 580 064
Acquisition of additional interest	167 587 562	197 064 569	113 377 892	24 559 321	446 344 673	108 917 089	348 317 108	365 241 077	92 075 704	1 863 484 995
Investment before acquisition of additional share	(27 355 082)	885 376 524	103 165 131	64 217 588	368 650 274	72 875 333	224 106 209	277 393 188	(11 595 867)	1 956 833 298
Total consideration paid	140 232 480	1 082 441 093	216 543 023	88 776 909	814 994 947	181 792 422	572 423 317	642 634 265	80 479 837	3 820 318 293
Goodwill	391 097 410	--	179 739 380	42 086 170	475 578 225	101 542 605	--	13 517 727	136 949 678	1 340 511 195

- The Group has prepared the Purchase Price Allocation (PPA) study to determine the fair value of the identifiable assets acquired and the liabilities assumed according to the Egyptian Accounting Standards including the required fair value adjustments for assets and liabilities.

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated interim financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

- 5.2 During June 30, 2015 the Company has increased ownership percentage of ASEC company for mining (ASCOM) from 39.22% to 54.74% and transferred from associate to subsidiary.  
The value of the consolidated assets and liabilities for ASEC Company for mining (ASCOM) as at June 30, 2015 are represented in the following:

**Book Value**

Cash and cash equivalents	32 989 684
Inventories	48 429 982
Trade and other receivables	151 951 001
Debtors and other debit balances	61 242 296
Due from related parties	199 291
Fixed assets	645 048 721
Projects under construction	18 264 896
Available-for- sale investments	441 876
Intangible assets	229 893 694
Banks overdraft	(142 677 401)
Short term loans	(280 934 525)
Due to related parties	(1 250 429)
Trade and other payables	(107 217 178)
Creditors and other credit balances	(148 243 224)
Provisions	(16 401 121)
Long term loans	(113 464 610)
Long term liabilities	(7 539 965)
Deferred tax liabilities	(8 356 951)
<b>Net book value</b>	<b>362 376 037</b>
Non - controlling interests	30 885 415
<b>Net book Value after non-controlling interests</b>	<b>393 261 452</b>
Acquisition of additional interest	119 998 110
Investment before acquisition of additional share	97 983 806
<b>Total consideration paid</b>	<b>217 981 916</b>
Provision of goodwill	2 711 518

- The acquired company's financial statements have been consolidated based on the book value of the identifiable assets and liabilities, The Company has a grace period of 12 months ending June 2016 for preparing Purchase Price Allocation (PPA) study to determine the fair value of the identifiable assets and liabilities according to the Egyptian Accounting Standards. The Company is in the process of determining this fair value exercise and adjust accordingly.



**Citadel Capital Company**

(Egyptian Joint Stock Company)

**Notes to the consolidated interim financial statements**

**for the period ended September 30, 2015**

(In the notes all amounts are shown in EGP unless otherwise stated)

**6. Fixed assets (net)**

	Land	Buildings	Lease hold improvements	Machinery , equipment and tools	Furniture & fixtures	Computer equipment	Transportation means and barges	Total
Cost as at 1/1/2015	1 413 488 920	1 418 326 164	104 736 708	3 758 604 639	261 764 912	41 931 222	521 815 260	7 520 667 825
Adjustments on the beginning balance	--	(3 502 720)	--	248 686	(478 246)	--	--	(3 732 280)
Acquisition of subsidiaries (Note 5.2)	13 984 171	172 240 125	930 115	751 560 198	6 309 824	8 254 312	54 341 626	1 007 620 371
Additions ***	17 058	65 537 861	4 067 479	106 963 510	7 118 853	2 577 294	9 414 758	195 696 813
Transferred to assets held for sale (Note 23.1)	(5 985 000)	--	--	(607 224)	(14 782 738)	--	(1 144 806)	(22 519 768)
Transferred from assets held for sale**	--	43 762	--	6 586 309	457 622	--	--	7 087 693
Disposals	--	(1 649 160)	--	(8 620 843)	(2 268 159)	(6 631)	(4 328 612)	(16 873 405)
Foreign currency translation differences	29 098 977	11 991 294	2 275 099	97 894 978	2 376 171	1 414 949	9 011 421	154 062 889
Cost as at 30/9/2015	1 450 604 126	1 662 987 326	112 009 401	4 712 630 253	260 498 239	54 171 146	589 109 647	8 842 010 138
Accumulated depreciation and impairment as at 1/1/2015	303 898	241 056 830	33 476 770	1 002 520 235	204 165 231	33 916 732	168 663 862	1 684 103 558
Adjustments on the beginning balance	--	(3 408 787)	--	(776 102)	(445 677)	--	972	(4 629 594)
Acquisition of subsidiaries (Note 5.2)	--	16 430 466	730 274	295 259 018	4 808 603	7 521 248	37 822 041	362 571 650
Depreciation for the period*	22 763	44 365 435	5 605 138	167 825 948	13 760 634	3 094 873	26 814 320	261 489 111
Transferred to assets held for sale (Note 23.1)	--	--	--	(603 536)	(12 664 148)	--	(1 144 808)	(14 412 492)
Transferred from assets held for sale**	--	43 762	--	1 221 624	428 285	--	--	1 693 671
Accumulated depreciation of disposals	--	(1 053 891)	--	(6 978 981)	(2 249 395)	(4 169)	(3 496 927)	(13 783 363)
Foreign currency translation differences	19 544	4 016 380	315 846	23 611 744	1 792 824	1 286 282	1 720 091	32 762 711
Accumulated depreciation as at 30/9/2015	346 205	301 450 195	40 128 028	1 482 079 950	209 596 357	45 814 966	230 379 551	2 309 795 252
Carrying amounts								
At 30/9/2015	1 450 257 921	1 361 537 131	71 881 373	3 230 550 303	50 901 882	8 356 180	358 730 096	6 532 214 886
At 31/12/2014	1 413 185 022	1 177 269 334	71 259 938	2 756 084 404	57 599 681	8 014 490	353 151 398	5 836 564 267

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated interim financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

\* Administrative depreciation for the period has been recognized in administrative expenses (Note 39) and operating depreciation has been recognized in operating cost (Note 38).

\*\* Represents disposal group assets related to Global Energy Company (a subsidiary in Energy segment) that no longer classified as held for sale due to the fact that the disposal group held for sale is no more meet definition of a discontinued operation.

\*\*\* Additions include an amount transferred from project under construction (Note 7).

**7. Projects under construction (net)**

Projects under construction balance represented in the following:

	<b>30/9/2015</b>	<b>31/12/2014</b>
Balance at the beginning of the period / year	11 927 228 869	10 005 697 279
Acquisition of subsidiaries (Note 5.2)	18 264 896	282 525
Disposals of the period / year	(5 456 392)	(11 051 997)
Transfer to assets held for sale (Note 23.1)	(188 539 625)	(991 678 027)
Transfer to associates (Note 12)	--	(346 748 317)
Additions of the period / year	2 302 056 588	3 168 018 313
Transferred to fixed assets (Note 6)	(76 602 399)	(94 724 786)
Foreign currency translation differences	1 136 793 409	197 433 879
Balance	15 113 745 346	11 927 228 869
Accumulated impairment	(94 091 395)	(85 919 984)
Net	<u>15 019 653 951</u>	<u>11 841 308 885</u>

7.1 The Group projects under construction are represented in:

	<b>30/9/2015</b>	<b>31/12/2014</b>
Agriculture Food sector	137 349 247	179 560 081
Energy sector	14 379 419 824	11 205 200 406
Transportation and Logistics sector	155 996 213	45 160 079
Cement sector	300 806 968	201 484 702
Speciality real estate	--	187 939 624
Financial Services sector	27 357 144	21 963 993
Mining sector	18 724 555	--
Total	<u>15 019 653 951</u>	<u>11 841 308 885</u>

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated interim financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

**8. Intangible assets (net)**

	Note	30/9/2015	31/12/2014
Software	(8-1)	11 421 066	16 028 294
Concession	(8-2)	932 193 954	731 295 765
Exploration and valuation assets	(8-3)	247 574 939	--
Trade name	(8-4)	484 041 987	484 041 987
Customer contracts	(8-5)	461 637 000	461 637 000
Other intangible assets	(8-6)	194 928 009	199 725 693
Balance		<u>2 331 796 955</u>	<u>1 892 728 739</u>

**8.1 Software**

	30/9/2015	31/12/2014
Cost at the beginning of the period / year	51 841 773	52 395 079
Additions of the period / year	--	675 155
Transferred to assets held for sale	--	(1 033 811)
Foreign currency translation differences	3 102 274	(194 650)
Cost at the end of the period / year	<u>54 944 047</u>	<u>51 841 773</u>
Accumulated amortization at the beginning of the period / year	(35 813 479)	(28 046 972)
Amortization for the period / year	(4 405 961)	(8 284 742)
Foreign currency translation differences	(3 303 541)	518 235
Accumulated amortization at the end of the period / year	<u>(43 522 981)</u>	<u>(35 813 479)</u>
Net	<u>11 421 066</u>	<u>16 028 294</u>

**8.2 Concession**

	30/9/2015	31/12/2014
Cost at the beginning of the period / year	829 321 993	530 663 790
Additions of the period / year	126 654 124	275 370 716
Foreign currency translation differences	104 665 097	23 287 487
Cost at the end of the period / year	<u>1 060 641 214</u>	<u>829 321 993</u>
Accumulated amortization at the beginning of the period / year	(98 026 228)	(57 117 838)
Amortization for the period / year	(35 035 963)	(40 949 875)
Foreign currency translation differences	4 614 931	41 485
Accumulated amortization at the end of the period / year	<u>(128 447 260)</u>	<u>(98 026 228)</u>
Net	<u>932 193 954</u>	<u>731 295 765</u>

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated interim financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

**8.3 Exploration and valuation assets**

**8.3.1 Site preparation expenses**

	<b>30/9/2015</b>	<b>31/12/2014</b>
Acquisition of subsidiaries *	456 786	--
Amortization for the period / year	(152 335)	--
Foreign currency translation differences	11 788	--
Balance	<u>316 239</u>	<u>--</u>

**8.3.2 Search and exploration expenses**

	<b>30/9/2015</b>	<b>31/12/2014</b>
Acquisition of subsidiaries *	220 137 282	--
Additions of the period / year	15 809 062	--
Foreign currency translation differences	2 687 023	--
Balance	<u>238 633 367</u>	<u>--</u>

**8.3.3 Licenses**

	<b>30/9/2015</b>	<b>31/12/2014</b>
Acquisition of subsidiaries*	16 006 690	--
Amortization for the period / year	(158 414)	--
Foreign currency translation differences	(474 619)	--
Balance	<u>15 373 657</u>	<u>--</u>
Total	254 323 263	--
Accumulated impairment**	(6 748 324)	--
Net	<u>247 574 939</u>	<u>--</u>

	<b>30/9/2015</b>	<b>31/12/2014</b>
**Accumulated impairment		
Acquisition of subsidiaries*	6 707 064	--
Reversal of impairment during period / year (Note 40)	(235 857)	--
Foreign currency translation differences	277 117	--
Balance	<u>6 748 324</u>	<u>--</u>

\* Note (5.2).

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated interim financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

<b>8.4 Trade name</b>	<b>30/9/2015</b>	<b>31/12/2014</b>
Silverstone Capital Investment Ltd. Group	108 279 000	108 279 000
Falcon for Agricultural Investments Ltd	129 485 000	129 485 000
National Development and Trading Company	246 277 987	246 277 987
<b>Total</b>	<b>484 041 987</b>	<b>484 041 987</b>
 <b>8.5 Customer contracts</b>	 <b>30/9/2015</b>	 <b>31/12/2014</b>
Global for Energy (Distribution)	92 709 000	92 709 000
Global for Energy (Generation)	76 357 000	76 357 000
Gas & Energy Company (Genco Group)	292 571 000	292 571 000
<b>Total</b>	<b>461 637 000</b>	<b>461 637 000</b>
 <b>8.6 Other intangible assets</b>		
	<b>30/9/2015</b>	<b>31/12/2014</b>
License fees for constructing cement plant – Minya	200 650 015	200 650 015
Waiving of the license to establish a black cement factory for ASEC Syria according to contractual agreement at January 2005	3 178 771	4 024 407
Compensation paid for project workers	713 700	903 563
<b>Total</b>	<b>204 542 486</b>	<b>205 577 985</b>
Accumulated impairment	(9 614 477)	(5 852 292)
<b>Net</b>	<b>194 928 009</b>	<b>199 725 693</b>

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated interim financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

**9. Goodwill (net)**

	Balance as at 1/1/2015	Foreign currency translation differences	Acquisition of subsidiaries	Transfer to assets held for sale	Balance as at 30/9/2015
National Development and Trading Group	292 101 398	--	--	--	292 101 398
Citadel Capital Transportation Opportunities Ltd.- Group - BVI	179 739 380	--	--	--	179 739 380
Ledmore Holdings Ltd. Group	43 372 261	4 164 483	--	--	47 536 744
Falcon for Agriculture Investments Ltd.- Group - BVI *	477 065 740	1 129 568	--	--	478 195 308
Mena Home Furnishings Malls Ltd. - Group - BVI (Note 23.1)	101 542 605	--	--	(101 542 605)	--
ASEC for mining (ASCOM) (Note 5.2)	--	--	2 711 518	--	2 711 518
United Foundries Group	128 691 022	--	--	--	128 691 022
Silverstone Capital Investment Ltd. Group *	13 517 727	454 404	--	--	13 972 131
Tawazon for Solid Waste Management (Tawazon) Group	32 611 311	--	--	--	32 611 311
Balance	1 268 641 444	5 748 455	2 711 518	(101 542 605)	1 175 558 812

\* The goodwill balance of these companies includes an accumulated impairment.

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated interim financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

**10. Biological assets (net)**

	Note	30/9/2015	31/12/2014
<b>Non-current assets</b>			
Fruitful fruit gardens and orchards	(10.1)	5 006 690	4 636 682
Fruitless fruit gardens and orchards	(10.2)	5 167 009	8 160 938
Pregnant heifer, dry and dairy cows	(10.3)	102 882 128	98 708 803
Heifers	(10.4)	76 959 191	77 536 388
		<u>190 015 018</u>	<u>189 042 811</u>
<b>Current assets</b>			
Plants (cotton , corn , sun flower)		1 096 200	1 001 000
Others		<u>20 833 218</u>	<u>20 378 458</u>
		<u>21 929 418</u>	<u>21 379 458</u>
Balance		<u>211 944 436</u>	<u>210 422 269</u>
<b>10.1 Fruitful fruit gardens and orchards</b>			
		<b>30/9/2015</b>	<b>31/12/2014</b>
<b>Costs</b>			
Balance at the beginning of the period / year		8 681 337	10 396 162
Transferred from fruitless fruit gardens and orchards		1 346 787	--
Disposals of the period / year		--	(1 695 087)
Foreign currency translation differences		--	(19 738)
		<u>10 028 124</u>	<u>8 681 337</u>
<b>Accumulated depreciation</b>			
Balance at the beginning of the period / year		4 044 655	3 928 158
Depreciation for the period / year		952 077	1 509 595
Disposals of the period / year		--	(1 372 270)
Foreign currency translation differences		<u>24 702</u>	<u>(20 828)</u>
		<u>5 021 434</u>	<u>4 044 655</u>
Net		<u>5 006 690</u>	<u>4 636 682</u>

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated interim financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

	<b>30/9/2015</b>	<b>31/12/2014</b>
<b>10.2 Fruitless fruit gardens and orchards</b>		
<b>Costs</b>		
Balance at the beginning of the period / year	8 160 938	3 970 554
Additions of the period / year	979 657	4 127 926
Disposals of the period / year	(2 719 962)	--
Transferred to fruitful fruit gardens and orchards	(1 346 787)	--
Foreign currency translation differences	93 163	62 458
<b>Balance</b>	<b>5 167 009</b>	<b>8 160 938</b>
<b>10.3 Pregnant heifer, dry and dairy cows</b>	<b>30/9/2015</b>	<b>31/12/2014</b>
<b>Costs</b>		
Balance at the beginning of the period / year	159 723 914	156 675 907
Transferred from heifers	39 454 493	40 043 990
Disposals for the period / year	(29 626 484)	(36 995 983)
	<b>169 551 923</b>	<b>159 723 914</b>
<b>Accumulated depreciation</b>		
Balance at the beginning of the period / year	61 015 111	51 785 406
Depreciation for the period / year	16 006 922	19 915 003
Disposals of the period / year	(10 495 229)	(10 791 553)
Foreign currency translation differences	142 991	106 255
	<b>66 669 795</b>	<b>61 015 111</b>
<b>Net</b>	<b>102 882 128</b>	<b>98 708 803</b>
<b>10.4 Heifers</b>	<b>30/9/2015</b>	<b>31/12/2014</b>
<b>Costs</b>		
Balance at the beginning of the period / year	77 536 388	66 546 494
Additions of the period / year	39 165 005	52 188 099
Transferred to pregnant heifer, dry and dairy cows	(39 454 493)	(40 043 990)
Disposals of the period / year	(1 303 773)	(1 761 989)
Foreign currency translation differences	1 016 064	607 774
<b>Balance</b>	<b>76 959 191</b>	<b>77 536 388</b>



**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated interim financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

**11. Investment property (net)**

	<b>Land</b>	<b>Buildings</b>	<b>Others</b>	<b>Total</b>
Cost as at 1/1/2015	247 130 432	136 644 784	39 178 018	422 953 234
Additions for the period	--	--	39 962	39 962
Transferred to assets held for sale (Note 23.1)	(219 740 433)	(136 644 784)	(39 217 980)	(395 603 197)
Cost as at 30/9/2015	27 389 999	--	--	27 389 999
Accumulated depreciation at 1/1/2015	--	33 957 373	15 926 905	49 884 278
Depreciation for the period	--	6 180 859	3 115 581	9 296 440
Foreign currency translation differences	--	(115 000)	(57 961)	(172 961)
Transferred to assets held for sale (Note 23.1)	--	(40 023 232)	(18 984 525)	(59 007 757)
Accumulated depreciation as at 30/9/2015	--	--	--	--
Net Book value as at 30/9/2015	27 389 999	--	--	27 389 999
Net Book value as at 31/12/2014	247 130 432	102 687 411	23 251 113	373 068 956

**12. Investments in associates**

12.1 The Group investments in associates are represented in:

	<b>Percentage</b>		<b>Carrying amounts</b>	
	<b>2015</b>	<b>2014</b>	<b>30/9/2015</b>	<b>31/12/2014</b>
	<b>%</b>	<b>%</b>		
El Kateb for Marketing & Distribution Co.	48.88	48.88	1 575 664	1 821 981
ElSharq Book Stores Co.	40.00	40.00	13 841 367	14 142 334
ASEC Company for Mining (ASCOM) (Note 5.2)	--	39.22	--	96 801 485
Dar El-Sherouk Ltd. *	58.51	58.51	130 423 576	132 221 959
Mena Glass Ltd.	47.64	47.64	437 050 711	405 433 456
Grandview Investment Holding (Note 23.1)	--	48.02	--	357 866 588
Soiete Des Ciments De Zahana **	35.00	35.00	399 653 226	371 910 791
Ostool for Land Transportation S.A.E.	45.00	45.00	8 712 433	6 218 334
Misr Cement Qena (Note 43)	--	27.55	--	566 593 425
Balance			991 256 977	1 953 010 353

\* The Company does not consolidate this company as the control does not exist as the company has no power to govern the financial and operational policies of this company according to the shareholders' signed agreements.

\*\* Investment has been transferred from a subsidiary in National Development and Trading Company to an associate and accounted for using the equity method during 2014.

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated interim financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

**12.2 Summary of significant financial statements of associates**

**30/9/2015**

**El Kateb for Marketing &**

**Distribution Co.**

**Elsharq Book Stores Co.**

**Dar El-Sherouk Ltd.**

**Soiète Des Ciments De Zahana**

**Mena Glass Ltd.**

	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Revenues	Expenses
	9 043 318	9 276 255	18 319 573	8 685 790	212 100	8 897 890	5 777 219	6 248 623
	10 362 990	3 582 834	13 945 824	4 725 324	349 362	5 074 686	16 967 705	17 802 905
	114 319 373	118 277 904	232 597 277	81 348 014	5 681 060	87 029 074	23 441 530	28 082 108
	851 905 908	160 861 052	1 012 766 960	155 449 062	270 813 878	426 262 940	281 250 543	204 528 730
	919 443 158	--	919 443 158	84 887 423	--	84 887 423	77 346 868	7 977 340

- Note (36).

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

**13. Available-for-sale investments (net)**

	<b>30/9/2015</b>	<b>31/12/2014</b>
Logria Holding Ltd. *	508 950 000	464 750 000
Golden Crescent Investment Ltd. *	496 167 525	453 077 625
EFG Capital Partners Fund II & III	23 705 289	23 705 289
Sphinx Turnaround	28 166 695	25 720 545
Modern Company for Isolating Materials	43 396	43 396
MEFEK Co. *	872 388	872 388
ASEC Automation Co.- Free Zone	116 300	116 300
Med Grid	1 616 605	1 614 543
Ecligo Design Ltd.	--	1 187
Sharming Sharm	702 899	702 000
Medcom National Company	1 000	1 000
Cayman Resources *	31 331 774	--
<b>Total</b>	<b>1 091 673 871</b>	<b>970 604 273</b>
<b>Accumulated impairment *</b>	<b>(1 037 254 678)</b>	<b>(918 700 013)</b>
<b>Net</b>	<b>54 419 193</b>	<b>51 904 260</b>

\* Accumulated impairment in available-for-sale investments of the Company is represented in:

	<b>Balance as at 1/1/2015</b>	<b>Foreign currency translation Differences</b>	<b>Acquisition of Subsidiaries</b>	<b>Formed during the period**</b>	<b>Balance as at 30/9/2015</b>
Logria Holding Ltd.	464 750 000	44 200 000	--	--	508 950 000
Golden Crescent Investment Ltd.	453 077 625	43 089 900	--	--	496 167 525
MEFEK Co.	872 388	--	--	--	872 388
Cayman Resources	--	--	30 889 896	374 869	31 264 765
<b>Balance</b>	<b>918 700 013</b>	<b>87 289 900</b>	<b>30 889 896</b>	<b>374 869</b>	<b>1 037 254 678</b>

\*\*Note (40).

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

**14. Payments for investments (net)**

	<b>30/9/2015</b>	<b>31/12/2014</b>
Nile Valley Petroleum Ltd.	58 603 056	53 513 646
ASCOM Emirates for Mining ***	--	39 632 529
Citadel Capital Al Qalaa – Saudi Arabia	1 132 234	1 033 904
Medcom National Development and Trading Co.	--	914 019
National Development and Trading Co. (IRAQ) Ltd. *	300 514	300 514
ASA International Co.	1 432 409	1 432 409
Golden Crescent Investment Ltd.	1 957 500	1 787 500
Others**	64 487 197	42 532 008
Total	127 912 910	141 146 529
*Accumulated impairment	(300 514)	(39 933 043)
Net	127 612 396	101 213 486
** Represent payments for investments in strategically and specialized sectors as energy, mining, cement and nutrition.		
*** Note (5.2)		

**15. Loans to related parties**

	<b>30/9/2015</b>	<b>31/12/2014</b>
Bomi Holdings Ltd.*	--	134 176 156

\* Ambience Venture Ltd. (Indirect subsidiary 100%) has entered into a purchase contract with Bomi Holdings Ltd. is one of the shareholders of KU Railways Holdings (KURH – subsidiary 85%) to acquire their shares in KU Railways Holdings (KURH) against the outstanding loan due to the company. consequently the share percentage of Bomi Holdings Ltd. in KU Railways Holdings (KURH) net assets has been excluded from the non – controlling interest item.

**16. Other investments**

	<b>Note</b>	<b>30/9/2015</b>	<b>31/12/2014</b>
Restricted cash	(16-1)	222 859 159	433 068 758
Others	(16-2)	7 479 899	8 284 201
Balance		230 339 058	441 352 959

16-1 Restricted cash as at September 30, 2015 includes an amount of EGP 211 769 718 (equivalent to US.\$ 27 045 941) versus an amount of EGP 421 979 315 (equivalent to US.\$ 59 018 086) as at December 31, 2014 which represents the amount deposited at the bank under capital increase of Orient Investment Properties Ltd. (one of the subsidiaries).

16-2 Others includes an amount of EGP 7 272 884 as at September 30, 2015 versus EGP 7 148 608 at December 31, 2014 which represent deposits at Syria Central Bank as a guarantee for the seriousness of constructing ASEC Syria Cement Capital Factory and will be refunded at the beginning of production process.

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

**17. Inventories (net)**

	<b>30/9/2015</b>	<b>31/12/2014</b>
Spare parts	383 574 345	377 111 673
Raw materials	262 754 431	229 448 582
Work in process	244 853 461	155 908 058
Finished goods	117 444 567	139 097 983
Goods in-transit	58 371 281	4 595 026
Packing materials	97 061 738	13 605 735
Oil and lubricants	15 404 711	11 992 645
Others	55 306 333	61 608 208
Total	<u>1 234 770 867</u>	<u>993 367 910</u>
Less : Inventories write-down	<u>(31 813 179)</u>	<u>(23 513 621)</u>
Net	<u>1 202 957 688</u>	<u>969 854 289</u>

**18. Trade and other receivables (net)**

	<b>30/9/2015</b>	<b>31/12/2014</b>
<b>Non-current</b>		
Accounts receivables	31 014 176	29 786 621
Gas consumption deposits	86 958 860	79 102 409
Egyptian General Petroleum Corp.*	433 229 241	352 705 246
Receivables-sale of investment **	127 581 000	126 958 906
Others	48 328 130	1 903 194
Total	<u>727 111 407</u>	<u>590 456 376</u>
Accumulated impairment	<u>(1 224 659)</u>	<u>(1 654 367)</u>
Net	<u>725 886 748</u>	<u>588 802 009</u>
<b>Current</b>		
Accounts receivables	1 316 978 725	1 002 654 080
Notes receivables	36 308 554	32 761 997
Receivable – sale of investment ***	6 544 987	--
Total	<u>1 359 832 266</u>	<u>1 035 416 077</u>
Accumulated impairment	<u>(107 420 419)</u>	<u>(86 276 529)</u>
Net	<u>1 252 411 847</u>	<u>949 139 548</u>
Balance	<u>1 978 298 595</u>	<u>1 537 941 557</u>

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

\* The balance represents the amount paid on behalf of Egyptian General Petroleum Corp. in the share capital increase of Egyptian Refining Company – S.A.E. – Private Free Zone Company - one of the subsidiaries.

\*\* The amount represents the accrued consideration from sale of investments. As United Foundaries Company decided to sell its entire share interest in Alexandria for Car Foundries and Amreya Metal Company according to Extraordinary General Assembly meetings on November 23, 2014. On December 11, 2014 the company sold its entire share interest according to the signed sale agreement.

\*\*\* The amount represents sale of investments in Pharos Holding Company according to the signed sale agreement.

**19. Investments at fair value through profit or loss**

	30/9/2015	31/12/2014
Modern Shorouk for Printing Co.	1 317 696	1 665 120
Osoul investment fund certificates – CIB	2 762 314	6 404 041
HSBC investment fund certificates	2 205 133	69 299 302
Blom Bank investment fund certificates	3 092 605	--
Bank Audi investment fund certificates	56 062 226	--
National Bank of Egypt investment fund certificates	29 097 693	--
Others	--	3 480 890
Balance	94 537 667	80 849 353

**20. Due from related parties (net)**

	Nature of transaction		30/9/2015	31/12/2014
	Advisory fee	Finance		
Logria Holding Ltd. *	43 095 545	5 102 373	48 197 918	43 438 953
Golden Crescent Investment Ltd.	29 873 408	--	29 873 408	27 279 037
ASEC Company for Mining (ASCOM) ***	--	--	--	156 639 616
Golden Crescent Finco Ltd. *	--	229 280 519	229 280 519	208 834 061
Emerald Financial Services Ltd. *	--	239 251 757	239 251 757	217 186 398
Nile Valley Petroleum Ltd.	--	168 704 389	168 704 389	154 163 731
Citadel Capital East Africa	--	29 597	29 597	27 027
Citadel Capital – ALQALAA Saudi Arabia	--	739 951	739 951	701 050
El Kateb for Marketing & Distribution Co.	--	1 001 673	1 001 673	1 001 673
Nahda	--	11 652 011	11 652 011	4 610 685

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

	Nature of transaction		30/9/2015	31/12/2014
	Advisory fee	Finance		
Egyptian Company for international Publication	--	17 782 855	17 782 855	15 782 855
Ecligo	--	--	--	1 999 997
Soite Des Ciments De Zahana	--	3 648 899	3 648 899	7 994 001
ASEC Electrical Repairs Co. (REPELCO) *	--	526 236	526 236	526 236
Egyptian Polypropylene Bags Co. (EPBC)	--	20 000	20 000	20 000
ASA International Co.	--	15 565 462	15 565 462	7 054 883
Haider	--	91 638	91 638	233 635
FL Smith	--	15 129 249	15 129 249	13 751 406
Scimitar Production Egypt Ltd.	10 237 490	--	10 237 490	1 966 529
Others	--	23 418 274	23 418 274	23 210 435
Total			815 151 326	886 422 208
Accumulated impairment *			(517 256 430)	(468 180 044)
Net			297 894 896	418 242 164
<b>Due from shareholders:</b>				
Benu One Ltd.	--	470 090 736	470 090 736	530 149 998
Fenix One Ltd.	--	39 122 478	39 122 478	26 300 002
Others	--	9 397 996	9 397 996	10 610 486
Total			518 611 210	567 060 486
Balance			816 506 106	985 302 650

\* Impairment in due from related parties is represented in:

	Balance as at 1/1/2015	Formed during the period **	Foreign currency translation differences	Balance as at 30/9/2015
Logria Holding Ltd.	41 633 349	2 539 716	4 024 853	48 197 918
Golden Crescent Finco Ltd.	208 834 061	570 515	19 875 943	229 280 519
Emerald Financial Services Ltd.	217 186 398	1 374 218	20 691 141	239 251 757
ASEC Electrical Repairs Co. (REPELCO)	526 236	--	--	526 236
Balance	468 180 044	4 484 449	44 591 937	517 256 430

\*\* Note (40).

\*\*\* Note (5.2).

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

**21. Debtors and other debit balances (net)**

	<b>30/9/2015</b>	<b>31/12/2014</b>
Prepaid expenses	42 029 990	28 998 457
Deposits with others	44 443 205	147 863 842
Advances to suppliers	390 489 255	308 190 636
Letters of guarantee margin	41 554 672	77 515 369
Imprest	46 090 967	24 241 815
Accrued revenue	56 300 614	32 077 269
Refundable deposits	8 775 183	7 591 741
Amounts due from sale of investments	31 320 000	28 660 000
Operation retention	102 612 146	92 971 145
Advances to contractors	53 360 868	49 169 794
Prepayments for purchase of fixed assets	12 582 982	12 582 970
Tax Authority	207 674 776	148 930 014
Custom Authority	57 806	3 045 328
Letters of credit	14 856 720	2 990 878
Debit balances under settlement	21 560 471	14 659 406
Sundry debit balances	118 904 283	95 570 054
<b>Total</b>	<b>1 192 613 938</b>	<b>1 075 058 718</b>
Accumulated impairment	(44 562 491)	(45 888 777)
<b>Balance</b>	<b>1 148 051 447</b>	<b>1 029 169 941</b>

**22. Cash and cash equivalents**

	<b>30/9/2015</b>	<b>31/12/2014</b>
Cash on hand	15 498 714	11 217 325
Banks - current accounts	2 979 836 581	1 742 773 759
Banks - time deposits	126 324 722	185 718 380
Cheques under collection	10 751 473	13 783 401
Bank certificates	--	2 100 000
Treasury bills	453 317 593	226 496 513
Cash and cash equivalent as presented in the consolidated financial position	3 585 729 083	2 182 089 378
Effect of foreign exchange differences	--	44 856 404
<b>Adjusted cash and cash equivalents</b>	<b>3 585 729 083</b>	<b>2 226 945 782</b>



**23. Disposal group held –for – sale**

- National Development and trading Company's management decided on December 24, 2012 to sell its share in ESACO for Manufacturing Engineering and Construction (subsidiary 70%).
- ASEC Cement Company's board of directors decided on May 4, 2014 to sell ASEC Algeria Cement Company (ASEC CIMENT)
- Falcon for Agriculture Investments Ltd. BVI Company decided to sell its shares in the following companies:
  1. El-Eguizy International for Economic Development
  2. Misr October Company for Food Products
  3. Up-date Company for Food Products
  4. Nile for Food Products "Enjoy"

According to the following general assembly decisions:
- Ordinary general assembly of National Company for Investments and Agriculture (Gozour) - Subsidiary of Falcon for Agriculture Investments Ltd. BVI- that was held at February 23, 2014 decided to sell its investment at El-Eguizy International for Economic Development Company.
- Ordinary general assembly of National Company for Investments and Agriculture (Gozour) -Subsidiary of Falcon for Agriculture Investments Ltd. BVI- that was held at March 30, 2014 decided to sell its investment at the following companies:
  - Misr October Company for Food Products
  - Up-date Company for Food Products
- Ordinary general assembly of Misr October Company for Food Products-Subsidiary of Falcon for Agriculture Investments Ltd. BVI- that was held at March 30, 2014 decided to sell its investment at Nile for Food Products "Enjoy" Company.
- On June 26, 2014 Citadel Capital for International Investments Ltd. Company (subsidiary -100%) signed contract to sell its shares in Sphinx Glass Ltd. and the ownership was transferred as at August 24, 2014.
- On February 3, 2015 Citadel Capital Co. signed contract to sell its shares in Pharos Holding for Financial Investments (Associate-80%) and the ownership has been transferred at February 18, 2015.

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

---

- The company has announced for its intention to conclude a set of agreements with Financial Holdings International (FHI), one of Citadel Capital major co-investors, through which the company will acquire from FHI additional equity stakes in the following:
  - 1- ASEC Holding (cement)
  - 2- TAQA Arabia (energy)
  - 3- Mashreq (energy)
  - 4- Nile Logistics (transportation)
  - 5- Dina Farms Supermarkets (food retail chain)
  - 6- United Foundries (metallurgy).
- Simultaneously, the company will sell to FHI its equity stakes in the following companies:
  - 1- Mena home company
  - 2- Grand view company
  - 3- Dina farms land company \*

\* Is to be splitted – off from the existing investment and the company is currently in the process of preparing the final sale plan. Accordingly, the company has not classified the asset as assets held for sale.

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

23.1 Assets classified as held for sale as at September 30, 2015 are represented in the following:

	Esaco for Manufacturing and Engineering	ASEC Algeria Cement Company	Mena Home Furnishing Malls Ltd.	Falcon for Agriculture Investments Ltd. Subsidiaries	Arab Swiss Engineering Co. (ASEC)	Grandview Investment Holding	Total
Fixed assets (net)	24 164 491	5 403 780	2 122 276	258 153 853	5 985 000	--	295 829 400
Intangible assets	--	--	--	370 210	--	--	370 210
Projects under construction	--	886 575 395	188 539 625	--	--	--	1 075 115 020
Inventories (net)	9 506 977	318 911	9 944 969	167 030	--	--	19 937 887
Trade and other receivables (net)	1 585 843	--	--	--	--	--	1 585 843
Debtors and other debit balances	9 371 356	18 287 941	7 779 752	2 312 841	--	--	37 751 890
Due from related parties	22 094 808	307 008	2 022 794	1 344 865	--	--	25 769 475
Investment property (net)	--	--	336 595 440	--	--	--	336 595 440
Cash and cash equivalents	--	--	575 912	7 258 731	--	--	7 834 643
Goodwill (net)	--	--	101 542 605	--	--	--	101 542 605
Available-for- sale investments (net)	--	--	1 301	--	--	--	1 301
Investment in associates	--	--	--	--	--	404 323 660	404 323 660
Balance	66 723 475	910 893 035	649 124 674	269 607 530	5 985 000	404 323 660	2 306 657 374

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

23.2 Liabilities classified as held for sale as at September 30, 2015 are represented in the following:

	<b>Esaco for Manufacturing and Engineering</b>	<b>ASEC Algeria Cement Company</b>	<b>Mena Home Furnishing Malls Ltd.</b>	<b>Falcon for Agriculture Investments Ltd. Subsidiaries</b>	<b>Total</b>
Provisions	11 923 349	--	4 560 760	31 190 092	47 674 201
Bank's overdraft	13 138 847	--	--	--	13 138 847
Current portion of long term loans	--	--	44 579 350	--	44 579 350
Trade and other payables	68 076 158	67 822 734	--	185 588 555	321 487 447
Due to related parties	13 134 218	2 056 463	1 232 904	1 343 518	17 767 103
Creditors and other credit balances	33 200 177	6 108 787	75 280 540	--	114 589 504
Borrowings	31 608 449	--	165 038 156	278 102 002	474 748 607
Deferred tax	7 081 142	--	--	2 345 962	9 427 104
Balance	<u>178 162 340</u>	<u>75 987 984</u>	<u>290 691 710</u>	<u>498 570 129</u>	<u>1 043 412 163</u>

23.3 Net loss from discontinued operations (net of tax)

	<b>Esaco for Manufacturing and Engineering</b>	<b>Mena Home Furnishing Malls Ltd.</b>	<b>Falcon for Agriculture Investments Ltd. Subsidiaries</b>	<b>Total</b>
<b>Results of discontinued operations :-</b>				
Operating income	18 865 497	6 376 658	714 920	25 957 075
Operating costs	<u>(27 687 096)</u>	<u>(22 148 332)</u>	<u>(56 934 537)</u>	<u>(106 769 965)</u>
<b>Loss from operating activities</b>	<b>(8 821 599)</b>	<b>(15 771 674)</b>	<b>(56 219 617)</b>	<b>(80 812 890)</b>
Finance expenses	<u>(7 062 569)</u>	<u>(19 112 627)</u>	<u>(17 404 326)</u>	<u>(43 579 522)</u>
<b>Net loss for the period</b>	<b><u>(15 884 168)</u></b>	<b><u>(34 884 301)</u></b>	<b><u>(73 623 943)</u></b>	<b><u>(124 392 412)</u></b>

#### **24. Share capital**

- The Company's authorized capital is EGP 6 Billion and the issued and paid-in capital is EGP 4 358 125 000 represents 871 625 000 shares distributed to 653 718 750 ordinary shares and 217 906 250 preferred shares with par value EGP 5 per share.
- The Company's extra-ordinary general assembly meeting held on October 20, 2013 approved the increase of the authorized capital from EGP 6 billion to EGP 9 billion and the increase of the issued capital from EGP 4 358 125 000 to EGP 8 billion, with an increase of EGP 3 641 875 000 by issuing 728 375 000 new shares at par value of EGP 5 per share, distributed over 182 093 750 preferred shares and 546 281 250 ordinary shares, without issuance costs. The purpose of this capital increase is to finance the acquisition of additional shares in its related companies, financing the Company's share contribution in the capital increases of some of its related companies and entering into new investments and settlement of some of Company's liabilities. The Board of Directors approved in its meeting held on February 13, 2014 to cover the subscription of the unsubscribed Company's shares in the capital increase through offsetting the shareholders' credit balances that are payable by the Company (note 25) against the subscription price of the shares. The commercial register has been updated with the increase on April 16, 2014.
- The Company's extra-ordinary general assembly meeting held on March 25, 2015 approved the increase of the authorized capital from EGP 9 billion to EGP 10 billion and the increase of the issued capital from EGP 8 billion to EGP 9.7 billion, with an increase of EGP 1.7 billion in cash allowing the use of credit balances payable to existing shareholders by issuing 340 million new shares at par value of EGP 5 per share, consisting of 85 million preferred shares and 255 million ordinary shares, without issuance costs.
- The capital increase subscription started on June 2, 2015 and closed on the end of working day September 9, 2015. The subscription had been covered by 64.71% represented in 220 million share of which 1 738 649 preferred share with an amount of EGP 8 693 245 and 218 261 351 ordinary share with an amount of EGP 1 091 306 755, and thus the company's issued share capital after increase became EGP 9.1 billion represents 1 820 000 000 shares comprising of 1 418 261 351 ordinary share and 401 738 649 preferred share at par value of EGP 5 per share.

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

The commercial register has been updated with the increase on September 29, 2015.

- 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 extra-ordinary general assembly meeting held on May 12, 2008 and also paragraph no.(3) of article no.(18) of the Company's article of associations. Those preferred shares are owned by Citadel Capital Partners Ltd. the principle shareholder of the Company.

The shareholders' structure -after increase- is represented as follows:

Shareholders' name	Percentage %	No. of Shares	30/9/2015 EGP
Citadel Capital Partners Ltd.	24.36	443 295 671	2 216 478 355
Emirates International Investments Company	7.62	138 767 960	693 839 800
Others	68.02	1 237 936 369	6 189 681 845
	100	1 820 000 000	9 100 000 000

**25. Shareholders' credit balances**

Shareholders' credit balances represent the amounts payable to the shareholders resulting from:

- Purchased extra ownership share percentages in some of its subsidiaries and associates companies from those shareholders through Citadel Capital for International Investments Ltd. (subsidiary 100%).
- Consultancy fee to the Company and its subsidiaries.

Shareholders' credit balances are represented in the following:-

Shareholders' name and description	30/9/2015	31/12/2014
<b>(1) Shareholders' credit balances to be settled in cash</b>		
Magdy Mohamed Mustafa Saleh	--	8 291 345
Khaled Abd EL Hamed Ali Abou Bakr	1 296 432	5 756 696
Tamer Abd EL Hamed Abou Bakr	--	5 004 561
Karnation Limited	--	3 427 599
Abdel Khalek Mohamed Mohamed Ayad	--	1 474 000
Others	167 879	1 140 319
<b>Total shareholders' credit balances (1)</b>	<b>1 464 311</b>	<b>25 094 520</b>

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

<b>Shareholders' name and description</b>	<b>30/9/2015</b>	<b>31/12/2014</b>
<b>(2) Shareholders' credit balances to be settled through issuance of share capital increase</b>		
<b>(2-A) Against share percentages in investee companies</b>		
Citadel Capital Partners Ltd.*	--	135 270 985
Tamer Abd EL Hamed Ali Abou Bakr	--	20 991 510
Khaled Abd EL Hamed Ali Abou Bakr	--	4 685 450
Karnation Limited	--	3 319 680
Abdel Khalek Mohamed Mohamed Ayad	--	2 211 650
Ansan Wikfs Investments Ltd.	--	31 120 405
Marwan Ahmed Hassan Gaber	--	7 947 045
Shady Ahmed Hassan Gaber	--	5 089 215
Mostafa Ahmed Hassan Gaber	--	5 089 215
Mariam Ahmed Hassan Gaber	--	4 457 080
Salma Ahmed Hassan Gaber	--	4 457 080
Jana Ahmed Hassan Gaber	--	4 457 080
Aidaros Hassan Omar Al Esayi	--	27 119 395
Yacoub Youssef Mohamed	--	12 450 290
Raya Holding Company for Technology and Communication	--	20 831 250
DEG DEUTSCHE INVESTITONS UND ENTWICKLUNGSGESLLSCHAFT MBH	--	77 000 000
Commercial International Bank	--	--
Petroleum and investment Co. (PICO)	--	--
SJC Egypt Refining LLC	--	179 956 810
International Finance Corporation	--	166 684 520
Others	--	23 133 505
<b>Total shareholders' credit balances (2-A)</b>	<b>--</b>	<b>736 272 165</b>
<b>(2-B) Against consultancy fee for the Company and its subsidiaries</b>		
Adena Commercial Corp.	--	69 110 000
Osler Hoskin & Harconrt LLP	--	6 366 180
<b>Total shareholders' credit balances (2-B)</b>	<b>--</b>	<b>75 476 180</b>
<b>Total shareholders' credit balances (2)</b>	<b>--</b>	<b>811 748 345</b>
<b>Balance (1+2)</b>	<b>1 464 311</b>	<b>836 842 865</b>

- EGP 840 000 000 has been used during the year to increase the share capital (Note 24).

\* Shareholders' credit balance of Citadel Capital Partners Ltd. has been transferred to the creditor current account with an amount of EGP 126 966 356 (Note 30).

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

**26. Loans**

Borrowing company	Lender	Interest rate	Maturity date	Outstanding balance	Current	Non -current	Guarantees
Royal Food Company	Misr Bank	EGP:2.75% plus Corridor	2016	40 911 259	20 455 629	20 455 630	- Pledge over El Rashidi El Mizan assets. - Pledge over El Rashidi El Mizan shares. - Open a cash reserve account with the Misr Bank with the value of the first installment of the loan and its interest and to remain restricted until the end of the loan.
Dina for Agriculture Investments	-Ahly United Bank -United Bank -Arab Egyptian Real Estate Bank.	EGP: Average 3.625% plus Corridor	2014-2018	84 081 443	30 981 443	53 100 000	- Pledge over all the company's assets and real estate first rank Pledge on 7 172 feddan of company's land.
El Rashidi for Integrated Solutions	Islamic Development Bank	4% annually	2016	5 297 585	3 114 505	2 183 080	- Commercial and real estate mortgage over the company's assets and revenues in the favour of the banks.



**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

Borrowing company	Lender	Interest rate	Maturity date	Outstanding balance	Current	Non -current	Guarantees
Arab Company for Services and Trade	Credit Agricole	4% annually	2014	1 964 050	1 964 050	--	Partially mortgage on the company's assets.
National Development and Trading Company	Qatar National Bank	12.5%	September 2016	195 343 205	24 098 797	171 244 408	Partially pledging shares of ASEC Cement Company
National Development and Trading Company	Arab Investment Bank	12%	December 2017	103 795 211	12 224 089	91 571 122	Partially pledge of ASEC Cement Co. shares, ASEC Engineering shares, ASENPRO shares and ESACO shares to the bank.
National Development and Trading Company	Industrial Development and Workers Bank of Egypt	11.5%	December 2017	206 909 680	24 621 555	182 288 125	Mortgage of ASEC Cement Co. shares, ASEC Engineering shares, ASENPRO shares and ESACO shares to the bank.
National Development and Trading Company	Misir Iran Development Bank	2.50% plus corridor rate	December 2018	136 195 768	16 267 984	119 927 784	ESACO shares to the bank. Pledging 33.3 million shares of subsidiaries with a value not less than 333% from the total amount of credit facility, also shares custody should be by the bank and dividends to be collected under the cognition of the bank.

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

Borrowing company	Lender	Interest rate	Maturity date	Outstanding balance	Current	Non -current	Guarantees
Arab Swiss Engineering Co. (ASEC)	Ahli United Bank	2.25% Plus corridor for current 3.25% plus corridor for non-current	November 2018	131 658 153	79 108 153	52 550 000	Assignment of South Valley Cement Co. management contract.
Arab Swiss Engineering Co. (ASEC)	Al Barka Bank	11.5%	June 2016	35 663 005	15 000 000	20 663 005	Assignment of South Valley Cement Co. management contract.
ASEC for Manufacturing and Industries Project Co. (ARESCO)	National Bank of Egypt	3. 5% plus corridor	June 2015	4 306 220	4 306 220	--	Commercial mortgage of ASEC for Manufacturing and Industrial Projects financed assets.
ASEC Cement Company	Arab African International Bank	11.5%	September 2019	932 001 115	204 998 094	727 003 021	Commercial and real estate mortgage of assets for the favor of the bank.
ASEC Cement Company	Sudanese Egyptian bank	11%	2015	31 700 384	22 507 273	9 193 111	Murabha contracts.
Taqia Arabia	Commercial International Bank	3.25% plus corridor rate	2016-2020	160 204 603	25 031 970	135 172 633	
Global Energy	HSBC Arab Bank	EGP: 2.25% plus average Corridor US\$: 1.3% plus Libor	2014-2016 2014-2018	46 586 495	25 257 254	21 329 241	- The amount of capital injected parallel to the premiums payable in the event that the net profit + depreciation + cash inadequate to pay the premiums due.

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

Borrowing company	Lender Bank/Company	Interest rate	Maturity date	Outstanding balance	Current	Non -current	Guarantees
							<ul style="list-style-type: none"> <li>- No change in the company shall take place without written consent from the bank</li> <li>- The company undertakes not to pledge, mortgage, or impose any liens / seniority over any assets in Sharm El Sheikh Project.</li> <li>- The company executed a commercial pledge contract with Arab Bank. The pledge include all the Group's tangible and intangible assets in addition to the power generation station in Scimitar project in Red Sea Governorate.</li> </ul>

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

Borrowing company	Lender	Interest rate	Maturity date	Outstanding balance	Current	Non –current	Guarantees
Taqa Marketing	Bank/Company						
	HSBC	EGP: 3% plus	2014-2018	39 194 224	9 993 304	29 200 920	– The company made a proxy to the bank that is empowering to impose a commercial pledge on existing tangible and intangible assets which was financed by the loan.
	Cairo Bank	corridor	2014-2020				– Maintain the direct or indirect controlling interest during the contract period and till the actual repayment.
							– Cover any deficiency in the debt service ratio or increase in the investment costs or operating expenses by injecting cash in the form of capital increase.
Egyptian Refining Company – S.A.E.	Japan Bank for International Cooperation (JBIC)	US.\$: Libor for such interest period	2017-2029	1 801 400 541	--	1 801 400 541	– Egyptian Refining Company shall deliver to each lender original, signed, undated and blank promissory notes.
		Plus 4.10%					

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

Borrowing company	Lender	Interest rate	Maturity date	Outstanding balance	Current	Non -current	Guarantees
Egyptian Refining Company – S.A.E.	Group of Commercial Banks	US\$: Libor for period	2017-2029	1 186 304 696	--	1 186 304 696	- Egyptian Refining
	(NEXI – Covered Lenders)	Plus 1.75% per annum					Company has signed a general irrevocable power of attorney dated August 10, 2010 to the benefits of Commercial International Bank ‘‘CIB’’ at his capacity as the Egyptian Security Agent of the term loan facility.
Egyptian Refining Company – S.A.E.	Export – Import Bank of Korea (KEXIM )	US\$: Libor for such interest period plus 3.6% per annum up to the project completion.	2017-2029	2 232 063 734	--	2 232 063 734	
		4% per annum from the project completion to the end of the 5th year. 4.6% per annum for any time thereafter.					

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

Borrowing company	Lender Bank/Company	Interest rate	Maturity date	Outstanding balance	Current	Non -current	Guarantees
Egyptian Refining Company – S.A.E.	Financial	US.\$: Libor for such	2017-2029	823 190 912	--	823 190 912	
	Institutions (KEXIM Initial	interest period plus 1.95 % per annum					
	Guaranteed facility	plus Mandatory cost					
	lenders)						
Egyptian Refining Company – S.A.E.	European	Libor for such	2017-2029	2 376 390 123	--	2 376 390 123	
	Investment Bank	interest period					
	(EIB)	Plus or minus the					
		spread of the related					
		year as determined					
		by the bank (1.5%					
		for the current					
		period)					
		Plus Mandatory cost					

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

Borrowing company	Lender	Interest rate	Maturity date	Outstanding balance	Current	Non -current	Guarantees
Egyptian Refining Company – S.A.E.	Bank/Company						
	African Development Bank (AFDB)	Fixed interest rate: 3.30 % per annum Plus Base rate calculated by the bank as set in the agreement Or Variable interest rate: LIBOR for such interest period Plus 3.30 % per annum	2017-2029	1 566 000 000	--	1 566 000 000	
Egyptian Refining Company – S.A.E.	African Development Bank (AFDB)	Fixed interest rate: -5% per annum -Plus base rate Or Variable interest rate: LIBOR for such interest period plus 5% per annum	2017-2025	233 571 453	--	233 571 453	<p>-- Egyptian Refining Company shall deliver to AFDB an original, signed, undated and blank promissory notes.</p> <p>-- Egyptian Refining Company shall not make any distribution or other payment to the shareholders (or their affiliates) in respect of equity funding or shareholders loans until all amounts due and payable under the loan have been paid in full.</p>

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

Borrowing company	Lender	Interest rate	Maturity date	Outstanding balance	Current	Non –current	Guarantees
Egyptian Refining Company – S.A.E.	MITSUE & Co. Ltd.	- US\$ 6 months Libor	2020	87 631 144	--	87 631 144	
		- Plus 3 % per annum					
Less: Deferred borrowing cost *							
Egyptian Refining Company – S.A.E.				(1 476 882 417)	--	(1 476 882 417)	
Citadel Capital S.A.E	Citi Bank (syndication loan manager)	US\$: First tranche: (4.25 %+Libor rate). Second tranche: 3.9% plus Libor	2012-2022	2 083 394 705	1 156 844 681	926 550 024	- First degree lien contract of the shares owned by the Company in National Development and Trading Company.
	Arab African International Bank, Arab International Bank, Banque du caire, Misr Bank, and Piraeus Bank)	Third Tranche: 3.9% plus Libor					- 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.



**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

Borrowing company	Lender	Interest rate	Maturity date	Outstanding balance	Current	Non –current	Guarantees
	Bank/Company						
							<ul style="list-style-type: none"> <li>– First degree lien contract of the shares of Citadel Capital Ltd. (One of the subsidiaries of Citadel Capital Holding for Financial Investments-Free Zone).</li> <li>– 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: <ul style="list-style-type: none"> <li>– Orient Investments Properties Ltd.</li> <li>– Logria Holding Ltd.</li> <li>– Golden Crescent Investments Ltd.</li> <li>– Falcon Agriculture Investments Ltd.</li> </ul> </li> </ul>

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

Borrowing company	Lender	Interest rate	Maturity date	Outstanding balance	Current	Non –current	Guarantees
	Bank/Company						
							– 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

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

Borrowing company	Lender	Interest rate	Maturity date	Outstanding balance	Current	Non –current	Guarantees
International for Refinery Consultation	Arab International Bank	US\$.5.2% Annually	2016	209 598 357	209 598 357	--	Letter of guarantee from Standard chartered Bank of korea Limited with the mount due to Arab International Bank.
Less: Prepaid interest				(1 038 203)	(1 038 203)	--	
National Company for Refining Consultation	Arab International Bank	U\$. \$ : 15 608 926 Interest to be paid upon maturity	2015	508 229 460	--	508 229 460	The loan is guaranteed by pledging the Company's (50 million) share in Orient Investments Properties Ltd. in favour of the bank.
Sabina for Integrated Solutions	Khartoum Bank – Sudan	US\$.: Murabha		33 131 384	18 845 377	14 286 007	Possessory pledge for machinery and equipment.
National Company for Multimodal Transport	Arab African International Bank	EGP: corridor Average accrued	2012-2016	443 716 599	312 440 161	131 276 438	– Open the Revenue Account with the Loan Agent (Misr Bank).
S.A.E.	Bank of Alexandria and Misr Bank (syndicated loan)	every 6 months					– Conclude a first degree pledge the Revenue Account.
							– Conclude first degree mortgage over all present and future tangible and intangible assets.

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

Borrowing company	Lender	Interest rate	Maturity date	Outstanding balance	Current	Non –current	Guarantees
	Bank/Company						<ul style="list-style-type: none"> <li>- An undertaking to provide the Security Agent with the operational insurance policies over the New Barges within 15 days from the expiry date of the construction insurance policy.</li> <li>- Assign the Borrower's rights under the insurance policies covering operating Barges, for the full replacement value against all insurable risks for which it would be prudent to insure for</li> <li>("Adequate Insurance") to be endorsed in favor of the Security Agent (Arab African International Bank) for itself and on behalf of the Banks.</li> <li>Assign all borrower's compensation rights under the insurance policies covering the Borrower's</li> </ul>

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

Borrowing company	Lender	Interest rate	Maturity date	Outstanding balance	Current	Non –current	Guarantees
	Bank/Company						<p>New Barges during construction year, in favor of the Security Agent (Arab African International Bank) for itself and on behalf of the Banks.</p> <p>Assign the proceeds (one year or more) from long term transportation service contracts signed with the borrower's customers in favor of the Security Agent (Arab African International Bank).</p> <p>Assign the borrower's rights of any damages arising under the Material Project</p> <p>Contracts and related banks' guarantees under such contracts in favour of the Security Agent (Arab African International Bank) for itself and on behalf of the banks.</p>

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

Borrowing company	Lender	Interest rate	Maturity date	Outstanding balance	Current	Non -current	Guarantees
KU Railways Holding Limited	Bank/Company						
	International Finance Corporation	US.\$ Effective interest rate for year 2013 14%	2017-2021	236 824 959	22 729 770	214 095 189	
	International Finance Corporation	US.\$ fixed interest rate; basic lending rate plus 6.25% or variable rate; Libor for six months plus 6.25%	2017-2026	174 860 915	2 600 915	172 260 000	
KU Railways Holding Limited	Africa Development Bank	US.\$ Libor plus 6.25%	2017-2021	317 861 708	4 661 708	313 200 000	
	FMO	US.\$ Libor plus 6.25%	2017-2026	238 457 842	3 557 842	234 900 000	
	International Finance Corporation	US. \$ Libor plus (5.5% or 6.25%)	2017-2021	159 477 188	2 877 188	156 600 000	
KU Railways Holding Limited	Equity Bank	US.\$ Interest rate for treasury bills of Kenya 91 days plus 4% or 14% which is bigger	2017-2021	132 641 257	4 044 203	128 597 054	

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

Borrowing company	Lender Bank/Company	Interest rate	Maturity date	Outstanding balance	Current	Non -current	Guarantees
KU Railways Holding Limited	KFW	US.\$ Libor plus (5.5% or 6.25%)	2017-2026	253 540 646	2 980 646	250 560 000	
KU Railways Holding Limited	Equity Bank EARH Loan		2017-2027	17 008 584	6 809 751	10 198 833	- The loan from Equity Bank is repayable semi-annually over 10 years starting from June 2017. Interest is the greater of sum of reference rate (91 days Kenya T-bills) + Relevant spread (4%) or 14% so the group have a floor of 14% and no cap.
Less: prepaid fee				(49 639 186)	(4 178 652)	(45 460 534)	
ASCOM company for chemicals and carbonates manufacturing	Ahli United Bank	Libor for 3 months plus 2 % Default rate 1%		73 395 072	27 813 500	45 581 572	- First rank mortgage for all property and real estate on the project. - First rank commercial mortgage on all physical and moral assets.

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

Borrowing company	Lender	Interest rate	Maturity date	Outstanding balance	Current	Non -current	Guarantees
	Bank/Company						
							<ul style="list-style-type: none"> <li>- First rank commercial mortgage on calcium carbonate production line.</li> <li>- Deposit all earnings resulting from future sale contracts related to calcium carbonate production in the favour of the bank.</li> <li>- The company undertakes not to change, pledge, mortgage, sell, or lease (or change any of the main or consequential moral rights) over any mortgaged assets as per this contract, and not to provide any proxy to make any mortgage on these assets during the finance period without obtaining a prior written consent of the Bank.</li> </ul>



**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

Borrowing company	Lender	Interest rate	Maturity date	Outstanding balance	Current	Non-current	Guarantees
Glass rock company for isolation	Bank/Company Misr Bank	Libor for 3 months plus 4.5% Default rate 1% annually	2013-2016	240 644 931	240 644 931	--	<ul style="list-style-type: none"> <li>- First rank mortgage for all property and real estate on the project.</li> <li>- First rank commercial mortgage on all physical and moral assets.</li> <li>- Deposit all earnings resulting from future sale contracts in the favour of the bank.</li> <li>- The company undertakes not to change, pledge, mortgage, sell, or lease (or change any of the main or consequential moral rights) over any mortgaged assets as per this contract, and not to provide any proxy to make any mortgage on these assets during the finance period without obtaining a prior written consent of the Bank.</li> </ul>

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

Borrowing company	Lender	Interest rate	Maturity date	Outstanding balance	Current	Non --current	Guarantees
ASCOM Emirates for mining UAE	Dubai Commercial Bank		2010-2015	20 551 725	20 551 725	--	<ul style="list-style-type: none"> <li>- ASEC company for mining- the holding company- undertake the obligation to pay the company debt in case of default.</li> <li>- ASEC company for mining- the holding company- and the UAE partner (ASEC Emirates for mining)- subsidiary- guaranteed the payment of the company debt (resulting from a loan contract by UAE Dirham 28 million) in case of default.</li> <li>- Includes a first degree pledge over all shares owned by the borrower of "TAQA Arabia" covering 115% of the value of the existing liability in favour of (Arab International Bank).</li> </ul>
Trimstone Assets Holdings Ltd.	Arab International Bank	US.\$ 5% plus six months Libor	2013-2014	139 616 903	139 616 903	--	

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

Borrowing company	Lender Bank/Company	Interest rate	Maturity date	Outstanding balance	Current	Non -current	Guarantees
-- Includes a first degree pledge over shares of "Citadel Capital for financial consultancy" S.A.E (the ultimate parent company) covering 35% of the value of the existing liability in favour of (Arab International Bank).							
Loans from related parties				16 217 757 432	2 691 331 123	13 526 426 309	
National Development and Trading Company	Financial Holdings International	11.5% per annum compound interest		607 091 729	607 091 729	--	The guarantees are represented in lien on part of National Development and Trading Company shares in the following subsidiaries companies: ASEC Cement Company 41 050 000 shares Arab Swiss Engineering Company (ASEC) 899 900 shares
National Development and Trading Company	Al Olayan Saudi Investments Ltd	11.5% per annum compound interest		197 941 113	197 941 113	--	
National Development and Trading Company	Vigenar Company	11.5% per annum compound interest		12 758 208	12 758 208	--	

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

Borrowing company	Lender	Interest rate	Maturity date	Outstanding balance	Current	Non -current	Guarantees
United Foundries	Bank/Company Financial Holdings International	11.5% per annum compound interest		50 719 545	22 154 582	28 564 963	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%.
				<u>868 510 595</u>	<u>839 945 632</u>	<u>28 564 963</u>	
				<u>17 086 268 027</u>	<u>3 531 276 755</u>	<u>13 554 991 272</u>	

\* This balance represents the necessary financing cost incurred by Egyptian Refining Company S.A.E to obtain the credit facility and loans required to finance its project. It will be amortized over the loan life using the effective interest rate.

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

**27. Long term liabilities and derivatives**

	<b>30/9/2015</b>	<b>31/12/2014</b>
Derivatives swap contracts (27.3)	467 278 537	258 015 765
Creditors-purchase of investments (27.1)	10 787 486	10 787 486
Creditors-Purchase of fixed assets	3 562 392	--
End of service benefits	3 250 084	2 660 057
Deposits from others (27.2)	132 536 413	122 072 451
Social Insurance authority	35 816 827	8 574 258
Others	9 710 548	--
Balance	<u>662 942 287</u>	<u>402 110 017</u>

27.1 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- in the favour of the shareholders of the mentioned company.

27.2 Deposits from others

	<b>30/9/2015</b>	<b>31/12/2014</b>
Gas consumption deposits	111 730 342	103 587 327
Power consumption deposits	20 633 827	16 251 936
Others	172 244	2 233 188
Balance	<u>132 536 413</u>	<u>122 072 451</u>

27.3 Egyptian Refining Company (subsidiary) has entered into five Interest Rate Swap transactions with the following parties;

- Societe General Corporate & Investment Banking.
- HSBC Bank Middle East Limited.
- KFW IPEX-Bank GMBH.
- Mitsubishi UFJ Securities International PLC.
- Standard Chartered Bank.

The main terms of the transactions are as follows;

Trade date: June 25, 2012.

Effective date: July 3, 2012.

Termination date: December 20, 2024.

Fixed portion rate paid by the company is 2.3475%.

Floating rate paid by bank is USD – LIBOR – BBA 6 months.

Payment date: Semi – annually on 20 the commencing December 20, 2012.

Maximum notional amount covered under these transactions are;

- US.\$ 789 445 078 by Standard Chartered Bank.
- US.\$ 450 970 501 by Societe General Corporate & Investment Banking.
- US.\$ 435 971 044 by HSBC Bank Middle East Limited.

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

- US.\$ 107 759 253 by KFW IPEX – Bank GMBH.
- US.\$ 189 466 819 by Mitsubishi UFJ Securities International PLC.

As at September 30, 2015 the balance related to the change in the fair value of cash flow hedges related to hedged transactions is amounting to EGP 467 278 537 (equivalent to US.\$ 59 677 974) versus EGP 258 015 765 (equivalent to US.\$ 36 086 121) as at December 31, 2014 as follows:

	30/9/2015	31/12/2014
Societe General Corporate & Investment Banking	103 410 599	55 266 998
HSBC Bank Middle East Limited	100 817 577	54 342 438
KFW IPEX – Bank GMBH	26 118 257	14 718 468
Mitsubishi UFJ Securities International PLC	45 851 650	25 879 246
Standard Chartered Bank	191 080 454	107 808 615
Balance	467 278 537	258 015 765

**28. Deferred tax assets /liabilities**

	30/9/2015		31/12/2014	
	Asset	Liability	Asset	Liability
Fixed assets	--	212 154 855	--	219 433 446
Intangible assets	--	283 703 696	--	283 703 696
Project under construction	--	29 170 667	--	29 170 667
Investment in associates	--	--	4 711 077	--
Hedge reserve-swap contract	105 137 677	--	64 503 940	--
Provisions	3 025 194	--	10 416 378	--
Deferred tax liabilities related to Berber for electricity Ltd. Co.	--	18 998 274	--	16 937 938
Deferred tax liabilities related to Asec				
Ready Mix	7 089 647	--	--	57 565
Tax losses	261 394 870	--	252 526 941	--
Deferred tax liabilities related to KU				
Railways Holdings Ltd.	--	29 761 573	--	27 176 914
Others	--	206 757 879	--	167 796 072
Total deferred tax assets / liabilities	376 647 388	780 546 944	332 158 336	744 276 298

- The Parent Company has carried-forward tax losses from previous years with an amount of EGP 198 897 648 and the related deferred tax assets amounted EGP 59 669 294 which were not recognized because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefore.

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

**29. Banks overdraft**

	<b>30/9/2015</b>	<b>31/12/2014</b>
Wafra Agriculture S.A.E	7 947 427	7 257 229
Silverstone Capital Investments Ltd.	123 168 711	89 946 421
United Foundries Company	59 696 850	63 304 947
Falcon Agriculture Investments Ltd.	288 958 435	288 460 658
KU Railways Holdings Ltd.	182 222 915	126 582 096
National Development and Trading Company	80 673 201	96 833 495
Tawazon for Solid Waste Management (Tawazon)	14 396 952	16 583 366
ASEC for mining (ASCOM) (Note 5.2)	148 095 662	--
Balance	<u>905 160 153</u>	<u>688 968 212</u>

**30. Due to related parties**

	<b>Nature of transaction</b>		<b>30/9/2015</b>	<b>31/12/2014</b>
	<b>Advisory fee</b>	<b>Finance</b>		
Citadel Capital Partners Ltd.*	--	76 980 903	76 980 903	4 174 167
Mena Glass Ltd.	(24 623 392)	306 501 670	281 878 278	259 243 857
Pharos Holding Co.	--	488 459	488 459	3 220 861
ASCOM for Carbonate and Chemicals Manufacturing Co. (note 5.2)	--	--	--	9 438 055
ASEC Automation Europe Co.	--	161 007	161 007	161 007
ASEC Automation Co.-Free Zone	--	--	--	19 798
National Sudanese Pension Fund	--	7 890 868	7 890 868	3 297 052
Medcom	--	--	--	1 054 753
Grandview Investment Holding	--	220 328	220 328	1 319 711
Egyptian Gulf Bank	--	1 625 865	1 625 865	5 193 398
Misr Cement Qena Co.	--	7 776 401	7 776 401	4 931 562
Kimonix Egypt for Consultancy Libya	--	2 101 220	2 101 220	2 518 501
Others	--	1 396 926	1 396 926	5 862 848
Sub-balance			<u>380 520 255</u>	<u>300 435 570</u>
Due to shareholders:				
GROUPED HOLDINGS LTD	--	91 505 123	91 505 123	67 999 996
Sadek Ahmed El swedey	--	172 260 000	172 260 000	--
Abdallah Helmy Mohamed Helmy	--	23 255 100	23 255 100	--
Ledville Holdings Limited	--	31 667 863	31 667 863	32 007 862
Financial Holding International	--	53 803 755	53 803 755	64 584 736
Others	--	9 867 695	9 867 695	13 493 568
Sub-balance			<u>382 359 536</u>	<u>178 086 162</u>
Balance			<u>762 879 791</u>	<u>478 521 732</u>

\* The main shareholder of the Company – 24.36%.

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

**31. Trade and other payables**

	<b>30/9/2015</b>	<b>31/12/2014</b>
Suppliers	1 666 416 315	1 634 694 483
Notes payables	199 884 407	195 888 419
Balance	<u>1 866 300 722</u>	<u>1 830 582 902</u>

**32. Creditors and other credit balances**

	<b>30/9/2015</b>	<b>31/12/2014</b>
Accrued expenses	636 030 468	453 734 167
Accrued interest	244 531 590	53 947 843
National Authority for Social Insurance	15 717 717	16 786 066
Advances from customers	222 586 600	102 620 679
Refundable deposits	3 012 029	9 222 127
Unearned revenues	52 811 787	47 953 686
Subcontractors	7 767 303	4 079 222
Creditors – purchase of fixed assets	11 635 283	7 758 065
Deposits from others	60 811 707	60 911 054
Dividend payable – previous years	24 647 402	23 308 237
Sundry credit balances	389 309 681	299 396 883
Balance	<u>1 668 861 567</u>	<u>1 079 718 029</u>

**33. Provisions**

	<b>Expected claims Provision</b>	<b>Legal provisions</b>	<b>Other provisions</b>	<b>Total</b>
Balance at the beginning of the period	478 109 595	--	11 477 967	489 587 562
Acquisition of subsidiaries (Note 5.2)	15 665 484	735 637	--	16 401 121
Provisions formed during the period *	46 475 688	180 000	8 345 531	55 001 219
Provisions used during the period	(30 215 706)	--	(198 010)	(30 413 716)
Provisions no longer needed	(9 802 601)	--	--	(9 802 601)
Transferred to liabilities held for sale (Note 23.2)	(4 560 760)	--	--	(4 560 760)
Foreign currency translation differences	1 572 641	7 115	--	1 579 756
Balance	<u>497 244 341</u>	<u>922 752</u>	<u>19 625 488</u>	<u>517 792 581</u>

- Expected claims provision related to expected claims were made by some external parties in connection with the Company's operations. The information usually required by Accounting Standards is not disclosed because the management



**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

believes that it would seriously prejudice the outcome of the negotiation with that external party. The management are reviewing the provision annually and the amount provided is adjusted based on latest development, discussions and agreements with the external party.

- \* Provisions formed during the period by EGP 133 553 and EGP 8 211 971 has been recognized in the operating expenses and represent provision related to the following companies:

- ASEC for Manufacturing and Industries Project Co. (ARESCO)
- ASEC Automation Co.

**34. Financial guarantees contracts**

The balance as at September 30, 2015 with amount of EGP 21 389 225 versus EGP 23 401 707 as at December 31, 2014 represent contracts for financial guarantees granted to Egyptian Gulf Bank to guarantee the non-performing balances to the portfolio of customers' projects.

**35. Related party transactions**

**35.1 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 1/7/2015 to 30/9/2015	from 1/1/2015 to 30/9/2015	from 1/7/2014 to 30/9/2014	from 1/1/2014 to 30/9/2014
Mena Glass Ltd.	1 194 076	3 519 701	707 518	2 101 747
Sphinx Glass	--	--	--	751 453
Africa Joint Investment Fund*	--	--	1 878 436	2 684 455
Mena Joint Investment Fund*	--	--	962 137	1 425 598
Africa JIF HOLD CO I*	--	--	127 134	373 417
Africa JIF HOLD CO III*	--	--	360 439	1 058 701
Mena JIF HOLD CO I*	--	--	127 134	373 417
Scimitar Production Egypt Ltd.	2 367 370	6 447 330	1 799 197	5 143 928
<b>Total</b>	<b>3 561 446</b>	<b>9 967 031</b>	<b>5 961 995</b>	<b>13 912 716</b>

- The Company did not recognize advisory fee with an amount of US.\$ 1 567 264 (equivalent to EGP 12 271 677) and US.\$ 290 203 (equivalent to EGP 2 272 289) for the period ended September 30, 2015 (versus EGP 11 205 938 and EGP 2 074 955 for the

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

period ended September 30, 2014) 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.

\* These companies have been acquired during 2014.

**35.2 Interest income**

Interest income included in financing cost (Note 41) includes an amount of EGP 2 398 221 represents accrued interest income according to signed contracts from other related parties as follows:

	For the period		For the period	
	from 1/7/2015 to 30/9/2015	from 1/1/2015 to 30/9/2015	from 1/7/2014 to 30/9/2014	from 1/1/2014 to 30/9/2014
ASEC Company for Mining (ASCOM) (Note 5.2)	--	2 398 221	1 024 815	3 273 688

**36. Share of profit / loss of equity accounted investees**

	For the period		For the period	
	from 1/7/2015 to 30/9/2015	from 1/1/2015 to 30/9/2015	from 1/7/2014 to 30/9/2014	from 1/1/2014 to 30/9/2014
El Kateb for Marketing & Distribution Co.	(283 335)	(230 430)	(13)	(27 174)
Elsharq Book Stores Co.	(202 068)	(334 080)	(112 502)	(326 094)
ASEC Company for Mining (ASCOM)**	--	(309 255)	5 654 088	1 344 765
Dar El-Sherouk Ltd.	(728 632)	(2 715 203)	(1 270 766)	(3 893 456)
Societe Des Ciments De Zahana	10 700 589	26 852 635	--	--
Misr Cement Qena Co.	--	50 769 176	17 991 358	56 586 720
Mena Glass Ltd.	8 572 462	33 047 286	74 409 803	84 978 676
Ostool for Land Transportation S.A.E	822 343	2 541 387	595 758	1 734 479
Tawazon for Solid Waste Management (Tawazon)*	--	--	--	309 494
Grandview Investment Holding ***	--	3 884 217	3 218 780	5 754 364
Pharos Holding Co ***	--	--	1 792 657	5 278 699
Sphinx Glass Ltd BVI***	--	--	--	8 882 647
<b>Total</b>	<b>18 881 359</b>	<b>113 505 733</b>	<b>102 279 163</b>	<b>160 623 120</b>

\* This company have been acquired during year 2014.

\*\* (Note 5.2).

\*\*\* (Note 23)

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

**37. Operating income**

	For the period		For the period	
	from 1/7/2015 to 30/9/2015	from 1/1/2015 to 30/9/2015	from 1/7/2014 to 30/9/2014	from 1/1/2014 to 30/9/2014
Agriculture food industries	292 553 394	982 603 958	249 626 084	755 732 649
Energy sector	649 798 083	1 856 892 601	588 236 128	1 342 281 839
Transportation and logistics	166 187 231	527 011 901	181 971 735	531 404 540
Cement sector	706 996 724	2 338 644 144	650 306 736	1 854 402 260
Metallurgy	38 079 857	115 826 280	32 341 605	97 760 437
Financial Services sector	35 700 319	102 620 094	22 320 533	65 688 188
Mining Sector	148 878 702	148 878 702	--	--
<b>Total</b>	<b>2 038 194 310</b>	<b>6 072 477 680</b>	<b>1 724 802 821</b>	<b>4 647 269 913</b>

**38. Operating costs**

	For the period		For the period	
	from 1/7/2015 to 30/9/2015	from 1/1/2015 to 30/9/2015	from 1/7/2014 to 30/9/2014	from 1/1/2014 to 30/9/2014
Agriculture food industries	213 145 829	715 143 229	188 819 775	581 446 965
Energy sector	560 725 003	1 601 385 579	509 876 763	1 131 452 730
Transportation and logistics	162 823 798	495 852 025	181 887 699	530 292 149
Cement sector	578 624 067	1 848 140 839	470 341 334	1 471 178 269
Metallurgy	31 933 225	99 289 309	28 982 872	82 341 264
Financial Services sector	776 777	4 335 337	--	--
Mining Sector	164 955 287	164 955 287	--	--
<b>Total</b>	<b>1 712 983 986</b>	<b>4 929 101 605</b>	<b>1 379 908 443</b>	<b>3 796 711 377</b>

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

**39. Administrative expenses**

	For the period		For the period	
	from 1/7/2015	from 1/1/2015	from 1/7/2014	from 1/1/2014
	to 30/9/2015	to 30/9/2015	to 30/9/2014	to 30/9/2014
Wages , salaries and similar items	120 552 613	341 344 664	109 306 565	312 598 059
Bonus	--	--	7 118 837	31 049 020
Consultancy *	32 618 818	87 639 867	37 698 895	84 040 231
Advertising and public relations	4 202 456	10 519 147	2 445 201	7 785 678
Selling and marketing expense	36 718 184	102 966 733	26 502 129	73 093 375
Travel , accommodation and transportations	5 982 576	22 565 430	4 623 869	12 417 202
Rent	5 950 814	16 758 565	5 307 734	14 658 387
Depreciation and amortization	22 887 063	72 190 229	20 650 540	61 818 428
Other	87 797 612	233 479 783	70 280 819	198 694 635
<b>Total</b>	<b>316 710 136</b>	<b>887 464 418</b>	<b>283 934 589</b>	<b>796 155 015</b>

\* Consultancy fee expenses include an amount of US.\$ 4 421 300 (equivalent to EGP 33 743 362) for the period ended September 30, 2015 versus an amount of US.\$ 1 679 030 (equivalent to EGP 11 828 766) for the period ended September 30, 2014 represents the advisory fees due according to the signed contract with Financial Holding International Co. (one of the group shareholders).

- The Company's extraordinary general assembly meeting held on May 12, 2008 approved the management contract with Citadel Capital Partners Ltd. (the principal shareholder of – 24.36%) which states that Citadel Capital Partners Ltd. provides management duties for fees based on 10% of the net annual profit available for distribution. This agreement shall remain in effect as long as Citadel Capital Partners owns 15% or more preferred shares.

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

**40. Other (expenses) revenues**

	Note	For the period		For the period	
		from 1/7/2015	from 1/1/2015	from 1/7/2014	from 1/1/2014
		to 30/9/2015	to 30/9/2015	to 30/9/2014	to 30/9/2014
(Loss) Gain on sale of fixed assets		(158 482)	1 757 628	12 282 882	12 934 071
Loss on sale of biological assets		(3 327 917)	(6 274 229)	(2 587 184)	(12 097 949)
Impairment on due from related parties	(20)	(854 862)	(4 484 449)	(1 742 664)	(20 305 100)
(Impairment) Reversal of impairment on trade and other receivables		(3 665 236)	(5 230 313)	2 438 197	1 249 049
(Impairment) Reversal of impairment on debtors and other debit balances		619 728	(673 892)	(158 972)	(482 150)
Impairment on available -for- sale investments	(13)	(374 869)	(374 869)	--	--
Reversal of impairment on intangible assets	(8)	235 857	235 857	--	--
Provisions formed	(33)	(23 236 284)	(46 655 695)	(18 386 425)	(54 592 283)
Net change in the fair value of investments at fair value through profit and loss		(420 643)	(473 924)	14 444	(566 121)
Provisions no longer needed	(33)	36 074	9 802 601	797 137	1 730 218
Other revenues		28 847 995	12 287 146	33 768 022	27 834 185
Inventory write-down		(348 012)	(348 012)	(297)	(61 390)
Gain (loss) on Financial guarantees contracts		253 287	2 012 485	(194 895)	528 351
Impairment on goodwill		--	--	(16 411)	(3 597 001)
<b>Total</b>		<b>(2 393 364)</b>	<b>(38 419 666)</b>	<b>26 213 834</b>	<b>(47 426 120)</b>

**41. Finance cost (net)**

	For the period		For the period	
	from 1/7/2015	from 1/1/2015	from 1/7/2014	from 1/1/2014
	to 30/9/2015	to 30/9/2015	to 30/9/2014	to 30/9/2014
Interest income - note no. (35.2)	30 739 828	68 641 446	19 679 664	58 783 190
Interest expenses - note no.(26)	(249 982 743)	(677 575 102)	(203 693 134)	(613 309 350)
Foreign currency translation differences	(13 143 407)	(97 179 988)	(68 803 692)	(91 577 970)
<b>Net</b>	<b>(232 386 322)</b>	<b>(706 113 644)</b>	<b>(252 817 162)</b>	<b>(646 104 130)</b>

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

**42. Income tax**

	For the period		For the period	
	from 1/7/2015 to 30/9/2015	from 1/1/2015 to 30/9/2015	from 1/7/2014 to 30/9/2014	from 1/1/2014 to 30/9/2014
Current income tax	(23 427 429)	(101 873 511)	(19 628 442)	(57 747 171)
Deferred tax	6 046 437	(15 811 371)	(6 103 578)	3 560 181
Net	<u>(17 380 992)</u>	<u>(117 684 882)</u>	<u>(25 732 020)</u>	<u>(54 186 990)</u>

**43. Gains (losses) on sale of investment in associate**

	For the period		For the period	
	from 1/7/2015 to 30/9/2015	from 1/1/2015 to 30/9/2015	from 1/7/2014 to 30/9/2014	from 1/1/2014 to 30/9/2014
Pharos Holding Co.	--	(10 451 655)	--	--
Misr Cement Qena Co.	33 046 896	110 149 900	--	--
Sudanese Egyptian Bank	--	--	--	(47 172 497)
Sphinx Glass Ltd BVI	--	--	21 790 682	21 790 682
Net	<u>33 046 896</u>	<u>99 698 245</u>	<u>21 790 682</u>	<u>(25 381 815)</u>

**44. Earnings per share**

	For the period		For the period	
	from 1/7/2015 to 30/9/2015	from 1/1/2015 to 30/9/2015	from 1/7/2014 to 30/9/2014	from 1/1/2014 to 30/9/2014
Net loss for the period	<u>(206 191 949)</u>	<u>(507 527 938)</u>	<u>(99 107 214)</u>	<u>(686 811 762)</u>
Net loss for equity holders of the parent Company	<u>(125 544 644)</u>	<u>(322 418 044)</u>	<u>(59 515 860)</u>	<u>(470 023 323)</u>
The weighted average number of shares including the preferred shares with same distribution rights as ordinary shares	<u>1 602 391 304</u>	<u>1 600 805 861</u>	<u>1 600 000 000</u>	<u>1 317 187 729</u>
Earnings per share	<u>(0.08)</u>	<u>(0.20)</u>	<u>(0.04)</u>	<u>(0.36)</u>

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

**45. Finance (expenses) income recognised in equity**

	<b>For the period</b>		<b>For the period</b>	
	<b>from 1/7/2015</b>	<b>from 1/1/2015</b>	<b>from 1/7/2014</b>	<b>from 1/1/2014</b>
	<b>to 30/9/2015</b>	<b>to 30/9/2015</b>	<b>to 30/9/2014</b>	<b>to 30/9/2014</b>
Foreign currency translation differences	10 829 966	181 536 116	896 002	130 530 629
Net change in the fair value of available-for-sale investment	<u>(176 479)</u>	<u>(260 682)</u>	<u>(84 202)</u>	<u>(534 052)</u>
Total finance income recognised in equity (after tax)	<u>10 653 487</u>	<u>181 275 434</u>	<u>811 800</u>	<u>129 996 577</u>
Attributable to:				
Equity holders of the Company	(11 354 409)	5 881 435	29 839 571	94 952 959
Non - controlling interests	<u>22 007 896</u>	<u>175 393 999</u>	<u>(29 027 771)</u>	<u>35 043 618</u>
	<u>10 653 487</u>	<u>181 275 434</u>	<u>811 800</u>	<u>129 996 577</u>

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

**46. Business segments**

Segment information is presented in respect of the Group's business segments. The primary format, business segment, is based on the Group's management and internal reporting structure.

Assets and liabilities include items directly attributable to a segment.

The table below depends on Operating income analysis, Operating cost, assets and liabilities based on the type of business activities and services that are distinguishable component.

For the period ended September 30, 2015	Agriculture food industries	Energy	Transportation and logistics	Cement	Metallurgy	Speciality real estate (note 23)	Financial service	Mining Sector (note 5.2)	Eliminations	Total
Operating income	982 603 958	1 856 892 601	527 011 901	2 338 644 144	115 826 280	--	102 620 094	148 878 702	--	6 072 477 680
Operating cost	(715 143 229)	(1 601 385 579)	(495 852 025)	(1 848 140 839)	(99 289 309)	--	(4 335 337)	(164 955 287)	--	(4 929 101 605)
Gross profit	267 460 729	255 507 022	31 159 876	490 503 305	16 536 971	--	98 284 757	(16 076 585)	--	1 143 376 075
Net (loss) profit for equity holders of the										
Company	(61 869 364)	58 156 275	(258 750 268)	(92 038 538)	(34 699 588)	(50 615 882)	(226 511 765)	(28 753 244)	372 664 330	(322 418 044)
<b>As at September 30, 2015</b>										
Current assets	657 733 671	4 422 500 973	518 667 719	2 800 103 494	83 226 745	572 195 510	7 909 456 704	257 135 041	(6 775 953 030)	10 445 066 827
Non-current assets	1 697 026 813	16 838 917 065	4 803 664 896	3 544 707 883	186 554 565	--	23 382 197 886	905 756 103	(23 576 033 830)	27 782 791 381
Total assets	2 354 760 484	21 261 418 038	5 322 332 615	6 344 811 377	269 781 310	572 195 510	31 291 654 590	1 162 891 144	(30 351 986 860)	38 227 858 208
Current liabilities	2 264 058 283	2 029 316 853	1 475 310 239	2 505 053 554	164 377 176	541 570 688	7 310 038 493	702 966 042	(6 033 572 492)	10 959 118 836
Non-current liabilities	122 354 490	9 676 748 844	1 503 150 289	2 797 418 204	254 169 662	--	1 653 195 688	124 306 374	(1 132 863 048)	14 998 480 503
Owners' equity	(31 652 289)	9 555 352 341	2 343 872 087	1 042 339 619	(148 765 528)	30 624 822	22 328 420 409	335 618 728	(23 185 551 320)	12 270 258 869
Total liabilities and equity	2 354 760 484	21 261 418 038	5 322 332 615	6 344 811 377	269 781 310	572 195 510	31 291 654 590	1 162 891 144	(30 351 986 860)	38 227 858 208



**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

	Agriculture food industries	Energy	Transportation and logistics	Cement	Metallurgy	Speciality real estate	Financial service	Eliminations	Total
<b>For the period ended</b>									
<b>September 30, 2014</b>									
Operating income	755 732 649	1 342 281 839	531 404 540	1 854 402 260	97 760 437	--	65 688 188	--	4 647 269 913
Operating cost	(581 446 965)	(1 131 452 730)	(530 292 149)	(1 471 178 269)	(82 341 264)	--	--	--	(3 796 711 377)
Gross profit	174 285 684	210 829 109	1 112 391	383 223 991	15 419 173	--	65 688 188	--	850 558 536
Net (loss) profit for equity holders of the Company	(118 851 038)	38 562 370	(213 801 639)	(234 367 298)	(79 888 732)	(44 553 989)	(180 325 947)	363 202 950	(470 023 323)
<b>As at December 31, 2014</b>									
Current assets	645 150 706	2 564 701 121	950 435 086	2 499 186 779	217 267 752	22 704 560	7 146 970 048	(6 378 525 360)	7 667 890 692
Non- current assets	1 663 351 097	13 567 122 901	4 300 049 428	4 070 997 627	67 589 103	561 295 892	22 076 352 361	(21 302 785 748)	25 003 972 661
Total assets	2 308 501 803	16 131 824 022	5 250 484 514	6 570 184 406	284 856 855	584 000 452	29 223 322 409	(27 681 311 108)	32 671 863 353
Current liabilities	2 069 415 820	1 774 699 672	1 201 526 398	2 313 588 971	173 547 691	294 008 501	6 001 580 487	(5 658 223 840)	8 170 143 700
Non-current liabilities	150 122 271	5 990 011 601	1 519 528 088	3 156 273 716	225 375 104	188 375 644	1 678 227 123	(242 245 920)	12 665 667 627
Owners' equity	88 963 712	8 367 112 749	2 529 430 028	1 100 321 719	(114 065 940)	101 616 307	21 543 514 799	(21 780 841 348)	11 836 052 026
Total liabilities and equity	2 308 501 803	16 131 824 022	5 250 484 514	6 570 184 406	284 856 855	584 000 452	29 223 322 409	(27 681 311 108)	32 671 863 353

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

---

Agriculture food industries

- Wafra Agriculture S.A.E Group.
- Falcon for Agriculture Investments Group

Energy sector

- Silverstone Capital Investments Ltd. Group
- Orient Investment Properties Ltd. Group
- Ledmore Holdings Ltd. Group
- Tawazon for Solid Waste Management (Tawazon) company Group
- Qalaa Energy Ltd.

Transportation and logistics

- Africa Railways Holding
- Africa Railways Limited
- Citadel Capital Transportation Opportunities Ltd. Group
- KU Railways Holding Limited
- Ambience Ventures Ltd.

Cement sector

- National Development and Trading Company Group

Metallurgy

- United Foundries

Specialist real estate sector

- Mena Home Furnishings Malls Ltd Group. (not 23 )

Financial Services sector

- Citadel Capital S.A.E.
- Citadel Capital Ltd.
- Sequoia Williwow Investments Ltd.
- Arab Company for Financial investments
- Lotus Alliance Limited
- Citadel Capital Holding for Financial Investments-Free Zone
- Citadel Capital for International Investments Ltd
- International for Mining Consultation
- International for refinery Consultation

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

- 
- Tanweer for Marketing and Distribution Company (Tanweer)
  - Financial Unlimited for Financial Consulting
  - Citadel Company for Investment Promotion
  - National Company for Touristic and Property Investment
  - United for Petroleum Refining Consultation
  - Specialized for Refining Consulting
  - Specialized for Real Estate Company
  - National Company for Refining Consultation
  - Citadel Capital Algeria
  - Valencia Trading Holding Ltd.
  - Andalusia Trading Investments
  - Citadel Capital Financing Corp.
  - Brennan Solutions Ltd.
  - Mena Enterprises Ltd.
  - Alcott Bedford Investments Ltd.
  - Eco-Logic Ltd.
  - Alder Burke Investments Ltd.
  - Black Anchor Holdings Ltd.
  - Cobalt Mendoza
  - Africa Railways Investments Ltd.
  - Darley Dale Investments Ltd.
  - Citadel Capital Joint Investment Fund Management Limited
  - Mena Joint Investment Fund
  - Trimestone Assets Holding Limited – BVI
  - Cardinal Vine Investments Ltd.
  - Global Service Realty Ltd.
  - Crondall Holdings Ltd.
  - Tanmeyah Company S.A.E
  - Mena Joint Investment Fund
  - Africa Joint Investment Fund
  - Underscore International Holdings Ltd.
  - Valencia Regional Investment Ltd
  - Sphinx Egypt for Financial Consulting Company

**Mining sector**

- ASEC company for mining Group (ASCOM) (Note 5.2)

**47. Tax status of the parent company**

**Corporate tax**

The Company submitted its tax returns on regular basis for the years from 2005 to 2014 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 2010/2014 have not been inspected yet.

**Stamp tax**

The Company was inspected till July 31, 2006 and paid all the accrued amounts according to the Internal Committee decision and for the period from August 1, 2006 to December 31, 2013 has been inspected and the dispute has transferred to Internal Committee in the Authority And the year 2014 has not been inspected yet.

**Withholding tax**

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

- On June 4, 2014 a new law No. 44/2014 has imposed a 5% temporary additional annual tax for three year on amounts exceed EGP 1 million from the tax base on the income of natural persons or the profits of Corporate Buddies in accordance with income tax law, and it has been proven and collected in accordance with this provisions. This law will start working from June 5, 2014.
- On June 30, 2014 a Presidential Decree has issued law No. 53 for the year 2014, this law has amended some articles of the law on Income Tax promulgated by law No. 91/2005 the most important of these amended rules are :
  - 1- Impose taxes on dividends.
  - 2- Impose taxes on capital gains resulted from selling shares and securities.
- On April 6, 2015 Ministry Decree No. 172 for the year 2015 was issued, amending the provisions of the executive regulations of the income tax law issued by the Decree of the Minister of Finance No.991/2005.

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

- On August 20, 2015 President Decree No. 96 for the year 2015 was issued, amending some provisions of the income tax laws No. 91 for the year 2005 and No. 44 for the year 2014 charging temporary additional income tax, taking effect the day after the decree is published. Significant changes included in the decree are presented in the following:
1. Income tax reduced to 22.5% from net annual profits.
  2. Duration of imposed temporary tax (5%) is amended.
  3. Tax on dividends is amended.
  4. Imposed capital tax on the output from dealing in securities listed in the stock exchange has been ceased for 2 years starting from 17/5/2015.

**48. Group entities**

Company's name	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
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 Estate 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 Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

Company's name	Country of incorporation	Ownership interest	
		Direct %	Indirect %
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	--	100.00
Africa Railways Limited *	British Virgin Island	--	39.01
Sequoia Williwow 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	--	66.24
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
Trimestone Assets Holding Limited – BVI	British Virgin Island	--	100.00
Cardinal Vine Investments Ltd.	British Virgin Island	--	100.00
Global Services Realty	British Virgin Island	--	100.00
Silverstone Capital Investments Ltd.	British Virgin Island	--	61.56
Taqa Arabia Company	Arab Republic of Egypt	--	93.67
Gas and Energy Company (GENCO Group) – SAE	Arab Republic of Egypt	--	99.99
Taqa for Electricity ,Water and Cooling- SAE	Arab Republic of Egypt	--	98.74

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

Company's name	Country of incorporation	Ownership interest	
		Direct %	Indirect %
Taqa for Marketing Petroleum Products- SAE	Arab Republic of Egypt	--	99.99
Gas and Energy Group Limited	British Virgin Island	--	99.99
Genco for Mechanical and Electricity Work	Qatar	--	99.99
Qatar Gas Group Limited *	Qatar	--	45.00
Arab Company for Gas Services *	Libya	--	49.00
Arabian Libyan Company for Energy National Development and trading Company	Libya	--	65.00
Arab Swiss Engineering Co. (ASEC)	Arab Republic of Egypt	47.65	21.63
ASEC for Manufacturing and Industries Project Co. (ARESCO)	Arab Republic of Egypt	--	99.97
ASEC Cement Co.	Arab Republic of Egypt	1.86	99.80
ASEC Environmental Protection Co. (ASENPRO)	Arab Republic of Egypt	--	70.03
ASEC Automation Co.	Arab Republic of Egypt	--	63.01
ESACO for Manufacturing Engineering and Construction	Arab Republic of Egypt	--	53.64
Grandiose Services Ltd.	British Virgin Island	--	70.00
ASEC Integrated – Sudan	Sudan	--	100.00
Al Takamoul for Cement Ltd. Co.	Arab Republic of Egypt	--	99.90
ASEC Algeria Cement Co.	Algeria	--	51.00
ASEC Syria Cement Co.	Syria	--	60.89
Dejalfa Offshore	British Virgin Island	--	99.99
ASEC Trading Company	Arab Republic of Egypt	--	54.53
ASEC Ready Mix	Arab Republic of Egypt	--	99.88
ASEC Minya Cement Company *	Arab Republic of Egypt	--	54.12
Berber for Electricity – limited	Sudan	--	45.12
United Foundries Company	Arab Republic of Egypt	29.29	51.00
Ledmore Holdings Ltd.	British Virgin Island	--	38.17
National Company for Marine Petroleum Services "PETROMAR"	Arab Republic of Egypt-FZ	--	75.37
Mashreq Petroleum Company	Arab Republic of Egypt	--	93.54
El Dawlia for Bunkering Services	Arab Republic of Egypt	--	94.99
Mena Home Furnishings Malls Ltd.	British Virgin Island	--	70.00
		--	60.18

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

Company's name	Country of incorporation	Ownership interest	
		Direct %	Indirect %
Bonian for Trade and Development	Arab Republic of Egypt	--	99.99
Bright Living	Arab Republic of Egypt	--	56.17
Investment Company for Modern Furniture	Arab Republic of Egypt	--	99.88
Citadel Capital Transportation Opportunities Ltd.	British Virgin Island	--	67.55
Nile Logistics S.A.E.	Arab Republic of Egypt	--	99.99
Citadel Capital Transportation Opportunities II Ltd- Malta	Republic of Mauritius	--	81.62
National Company for Multimodal Transport S.A.E.	Arab Republic of Egypt	--	99.88
National Company for River Transportation - Nile Cargo S.A.E.	Arab Republic of Egypt	--	99.99
National Company for River Ports Management S.A.E.	Arab Republic of Egypt	--	99.88
National Company for Maritime Clearance S.A.E.	Arab Republic of Egypt	--	99.98
EL -Orouba Company for Land Transportation S.A.E.	Arab Republic of Egypt	--	99.98
NMT for Trading S.A.E	Arab Republic of Egypt	--	99.99
National Company for Marina Ports Management	Arab Republic of Egypt	--	99.90
NRTC Integrated Solutions Co Ltd.	Sudan	--	99.00
Nile barges for River transport Co Ltd.	Sudan	--	99.00
Regional River Investment Ltd	British Virgin Island	--	100.00
Falcon for Agriculture Investments	British Virgin Island	--	54.90
National Company for Investments and Agriculture	Arab Republic of Egypt	--	99.99
National Company for Food products	Arab Republic of Egypt	--	99.99
Dina Company for Agriculture and Investments	Arab Republic of Egypt	--	99.99
Dina for Auto Services	Arab Republic of Egypt	--	99.00
Arab Company for Services and Trade	Arab Republic of Egypt	--	99.67
National Company for Agriculture Products	Arab Republic of Egypt	--	99.88



**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

Company's name	Country of incorporation	Ownership interest	
		Direct %	Indirect %
El-Eguizy International for Economic Development	Arab Republic of Egypt	--	99.95
National Company for Integrated Food Misr October Company for Food Products	Arab Republic of Egypt	--	99.99
Royal Food Company	Arab Republic of Egypt	--	99.99
Up-Date Company for Food Products	Arab Republic of Egypt	--	85.00
El Rashidi El Mizan	Arab Republic of Egypt	--	99.99
Nile for Food Products "Enjoy"	Arab Republic of Egypt	--	99.99
Investments Company for Dairy Products	Arab Republic of Egypt	--	99.99
El Rashidi Company for Integrated Solutions	Arab Republic of Egypt	--	99.99
Tiba Farms for Agriculture Developments	Arab Republic of Egypt	--	95.88
Dina for Agriculture Development	Arab Republic of Egypt	--	100.00
National Company for Dairy Exchange	Arab Republic of Egypt	--	100.00
Mena Development Limited	British Virgin Island	--	100.00
Every's Holdings Limited	British Virgin Island	--	100.00
Orient Investment Properties Ltd.*	British Virgin Island	--	40.09
Arab Refining Company – S.A.E.	Arab Republic of Egypt	--	63.32
Egyptian Refining Company – S.A.E.– Free Zone *	Arab Republic of Egypt	--	48.25
National Refining Company – S.A.E.	Arab Republic of Egypt	--	63.32
KU Railways Holding Limited-KURH	Republic of Mauritius	--	85.00
E A Rail & Handling Logistics Co. Limited	Republic of Mauritius	--	100.00
East African Rail And Handling Logistics Limited	Kenya	--	100.00
RVR Investments (Pty) Ltd.	Republic of Mauritius	--	100.00
Rift Valley Railways Kenya Co. (RVRK)	Kenya	--	100.00
Rift Valley Railways Uganda Co. (RVRU)	Uganda	--	100.00
Crondall Holdings Ltd.	British Virgin Island	--	94.53
Capella Management Investments Inc. Company	British Virgin Island	--	100.00

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

Company's name	Country of incorporation	Ownership interest	
		Direct %	Indirect %
Lotus Management Investment Ltd. Company	British Virgin Island	--	100.00
Cordoba Investment Services Inc. Company	British Virgin Island	--	100.00
Tanmeyah Company S.A.E	Arab Republic of Egypt	--	70.00
Tawazon for Solid Waste Management (Tawazon)	Arab Republic of Egypt	--	66.67
Egyptian Company for Solid Waste Recycling (ECARU)	Arab Republic of Egypt	--	75.63
Engineering Tasks Group (ENTAG)	Arab Republic of Egypt	--	75.73
Qalaa Energy Ltd.	British Virgin Island	--	100.00
Mena Joint Investment Fund**	Luxembourg	--	73.25
Africa Joint Investment Fund*	Republic of Mauritius	--	31.00
Underscore International Holdings Ltd.**	British Virgin Island	--	100.00
Valencia Regional Investment Ltd.**	British Virgin Island	--	100.00
Sphinx Egypt for Financial Consulting Company **	Arab Republic of Egypt	--	69.88
Sphinx capital corp	British Virgin Island	--	100.00
Melbourn Investments Ltd	British Virgin Island	--	100.00
Rotation Ventures Holdings Ltd	British Virgin Island	--	100.00
Borton Hill Investments Ltd	British Virgin Island	--	100.00
Metal Anchor Holdings Ltd.*	British Virgin Island	--	15.00
Tempsford Investments Ltd	British Virgin Island	--	100.00
ASEC company for mining (ASCOM)	Arab Republic of Egypt	54.74	--
ASCOM Carbonate & Chemical Manufacture Company	Arab Republic of Egypt-Free Zone	--	99.99
ASCOM for Geology & Mining- Syria	Syria	--	95.00
Nebta for Geology & Mining-Sudan	Sudan	--	99.00
Glass Rock Insulation Company	Arab Republic of Egypt-Free Zone	--	92.50
ASCOMA Algeria	Republic of Algeria	--	99.40
Lazerg Travaux Public	Republic of Algeria	--	70.00
ASCOM Precious Metals Mining S.A.E	Arab Republic of Egypt	--	99.99
ASCOM Emirates for Mining UAE	Emirates	--	69.40
ASCOM Middle East	Joint Stock Company	--	100.00

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

Company's name	Country of incorporation	Ownership interest	
		Direct %	Indirect %
Nubia Mining Development PLC	Limited partnership Company	--	52.80
Sahari Gold company	Limited partnership Company	--	99.99
ASCOM for Geology & Mining- Ethiopia	Ethiopia	--	99.99
ASCOM Precious Metals- Ethiopia	Ethiopia	--	99.99
ASCOM Precious Metals- Sudan	Sudan	--	99.99
Golden Resources company	Limited partnership Company	--	99.99
ASCOM Cyprus Ltd	Cyprus	--	99.99
International Company for Mineral Exploration- Cyprus	Cyprus	--	99.99
Golden International Ltd	Limited partnership Company	--	99.99

\* The Group has the right to appoint the majority of the board of director's members which enables the Group to control the financial and operational policies. Consequently, these Companies have been consolidated.

\*\* In December 2014 the company has increased its ownership interest in these companies and as a result the group has consolidated these companies and the mutual transactions between the group entities are eliminated in full with balances resulting from it. Also, the unrealized gains or losses from transactions with the group entities are eliminated taking into consideration that losses may indicate impairment in the exchanged assets that require recognition in the consolidated financial statements.

#### **49. 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.

**50. Contingent liabilities**

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

**51. 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. The following are the significant risks related to those financial instruments and the policies and procedures followed by the company to reduce the effect of these risks:

**51.1 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.

**51.2 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.

**51.3 Financial instruments' fair value**

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 balance sheet, the financial instruments' fair value does not substantially deviate from their book values at the balance sheet date.

**51.4 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.
- As disclosed in note no. (3.2) 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**

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

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

**51.5 Capital risk**

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

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

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

**52. Capital Commitments**

The capital commitments as at September 30, 2015 represented in the following:

**52.1 Asec Algeria Cement Company (Asec Cement)**

Contractor	Contract amount	Uncompleted part	Contract currency	Uncompleted part	
				30/9/2015	31/12/2014
FLSmidth Denmark Company	57 000 000	57 000 000	Euro	497 849 400	483 426 060
SARL MHDA	12 500 000	34 603	US dollar	270 941	224 873
Energys Company	23 699 815	3 683 591	US dollar	28 842 518	23 938 448
Energys Company	9 015 848	3 755 669	US dollar	29 406 888	24 406 859
TCB Company	2 909 211	1 292 646	EGP	1 292 646	1 194 213
CTC Company	39 500 000	14 188 400	DZD	1 047 103	1 156 355
Cetim Company	122 850 000	89 337 500	DZD	6 593 108	7 281 006
				<u>565 302 604</u>	<u>541 627 814</u>

**52.2 ASEC Minya Cement Company**

Contractor	Contract amount	Uncompleted part	Contract currency	Uncompleted part	
				30/9/2015	31/12/2014
Matcom Engineering Construction & Trading Company	2 040 000	--	EGP	--	309 075
Matcom Engineering Construction & Trading Company	2 050 150	--	EGP	--	253 016
Veolia Water System	1 512 107	1 512 107	EGP	1 512 107	1 512 107
Elject	28 401 505	24 131 928	EGP	24 131 928	24 131 928
				<u>25 644 035</u>	<u>26 206 126</u>

**52.3 ASEC for Manufacturing and Industries project Co. (ARESCO)**

	Contract amount	Contract amount
	30/9/2015	31/12/2014
Work shop (1)	675 000	776 250
Work shop (7)	3 285 000	3 777 750
Work shop (9)	370 000	425 500
Self-extinguishing system in the factory	100 350	100 350
Legal consultancy fees	2 400 000	2 400 000
Total	<u>6 830 350</u>	<u>7 479 850</u>

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

**53. Contingent liabilities**

The contingent liabilities as at September 30, 2015 are represented in the following:

**53.1 ASEC Automation Co. (ASA)**

	<b>30/9/2015</b>	<b>31/12/2014</b>
Letters of guarantee	11 264 060	25 036 060

**53.2 ASEC Environmental Protection Co. (ASENPRO)**

	<b>30/9/2015</b>	<b>31/12/2014</b>
Letters of guarantee	551 250	1 001 249

**53.3 Arab Swiss Engineering Co. (ASEC)**

	<b>30/9/2015</b>		<b>31/12/2014</b>	
	<b>EURO</b>	<b>EGP</b>	<b>EURO</b>	<b>EGP</b>
Letters of guarantee	36 037	34 894 191	44 352	57 748 117

**53.4 ASEC for Manufacturing and Industries project Co. (ARESCO)**

	<b>30/9/2015</b>			<b>31/12/2014</b>		
	<b>EURO</b>	<b>US. \$</b>	<b>EGP</b>	<b>EURO</b>	<b>US. \$</b>	<b>EGP</b>
Letters of guarantee	5 712 704	5 045 206	33 737 376	5 749 077	--	29 688 296

**53.5 ASEC Cement Co.**

**ASEC Minya cement Company .**

Contingent liabilities as at September 30, 2015 as follows:-

- Euro 9 000 000 that equivalent to EGP 78 607 800 that represents letter of guarantee issued by the company from Arab African international bank and in favor of FL Smith.
- Euro 5 000 that equivalent to EGP 43 671 that represents letter of credit issued by the company from Arab African international bank and in favor of Pietro Fiorentini.
- EGP 6 000 000 that represents letter of guarantee issued by the company from Arab African international bank and in favor of Mantrac.

**53.6 United Foundries Company**

	<b>30/9/2015</b>	<b>31/12/2014</b>
Letters of guarantee (outstanding)	844 793	--
Letters of guarantee (cover)	844 793	--
Letters of credit (outstanding)	538 306	389 766
Letters of credit (cover)	26 915	19 488

**53.7 ASEC Company for Mining (ASCOM)**

	<b>30/9/2015</b>	<b>31/12/2014</b>
Letters of guarantee – Uncovered portion (A)	36 691 757	--
Bank commitments for loans to subsidiaries (B)	300 828 354	--
	<u>337 520 111</u>	<u>--</u>

- (A-1) The uncovered portion of letters of guarantee includes a letter of guarantee amounted to EGP 763 000 (equivalent to US.\$ 100 000) issued from one of the banks the company deals with on behalf of ASCOM Carbonate & Chemical Manufacture Company (subsidiary) at October 3, 2007 and available for use until January 2, 2016.
- (A-2) The uncovered portion of letters of guarantee includes a letter of guarantee amounted EGP 9 880 000 (equivalent to US.\$ 1 295 000) issued from one of the banks the company deals with on behalf of Nebta for Geology & Mining-Sudan (subsidiary) at October 27, 2009 and available for use until August 10, 2015.
- (B-1) ASEC company for mining (ASCOM) guarantees Glass Rock Insulation Company (subsidiary) concerning the loan provided to the subsidiary company from one of the banks the company deals with amounted EUR 27 802 000 due to the subsidiary's inability to pay its obligations resulting from the mentioned loan.
- (B-2) ASEC company for mining (ASCOM) and the UAE Partner guarantee ASCOM Emirates for Mining UAE (subsidiary) concerning the loan provided to the subsidiary company from one of the banks the company deals with amounted AED 28 000 000 due to the subsidiary's inability to pay its obligations resulting from the mentioned loan.



#### **54. Significant Events**

- The Company had announced its preliminary plan to sell its investments that was treated by management as non-core sectors. These divestitures are summarized as follows:
  - Tanmeyah Micro Enterprise Services (indirect subsidiary)
  - Dina Farms (indirect subsidiary)
  - Soiete Des Ciments De Zahana (indirect associate)
  - Land Port Tebeen to Nile Logistics (indirect subsidiary)

The Company had appointed advisors to study the strategic options to exit from the aforementioned investments and non-core assets and the Company intends to use the outcome from these divestitures to reduce its debts and to finance the growth-opportunities in the core investments. The company is currently in the process of preparing the final plan to sell.
- On October 5, 2015 the company announced that its subsidiary ASEC Cement has signed a sale and purchase agreement to sell its entire share in ASEC Minya Cement and ASEC Ready Mix Co. (Subsidiaries) to Misr Cement Qena for total consideration of EGP 1 billion. Financial close determined to take place on or before November 20th 2015.
- On November 10, 2015 the company announced that its business unit, Gozour, has signed a sale and purchase agreement - with Olayan Financing Company and its subsidiaries – to sell its entire investment in Rashidi El-Mizan, for a total consideration of EGP 518 million.
- On November 23, 2015 the company announced that its subsidiary - Mashreq petroleum- negotiates with the General Authority for Economic Zone of the Suez Canal to terminate the Build, Operate, Transfer (BOT) concession agreement to build Fuel Bunking Terminal and Logistics Hub in Suez canal. The two parties agreed on committing the General Authority for Economic Zone to pay all costs incurred on the project by Mashreq petroleum company, provided that the company will deliver the land that was allocated to the project as well as the designs of the project.

#### **55. Comparative figures**

The following table summarizes the adjustments on the consolidated financial position as at December 31, 2014 and the consolidated income statement as at September 30, 2014, in addition certain comparative figures have been reclassified to conform with the current period presentation.

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the consolidated financial statements**  
**for the period ended September 30, 2015**  
(In the notes all amounts are shown in EGP unless otherwise stated)

	<b>Balance as at 31/12/2014 (as previously reported)</b>	<b>Reclassification and restates</b>	<b>Balance as at 31/12/2014 (as restated)</b>
<b>Balance sheet</b>			
Trade and other receivables (net)- Non-current	382 740 694	206 061 315	588 802 009
Other investments	183 337 194	258 015 765	441 352 959
Inventories (net)	977 977 183	(8 122 894)	969 854 289
Debtors and other debit balances (net)	1 242 990 236	(213 820 295)	1 029 169 941
Assets classified as held for sale	1 421 154 974	(18 865 747)	1 402 289 227
<b>Total change in assets</b>		<u>223 268 144</u>	
Long term loans	10 734 285 444	(7 758 980)	10 726 526 464
Long term liabilities and derivatives	144 094 252	258 015 765	402 110 017
Creditors and other credit balances	1 059 785 483	19 932 546	1 079 718 029
Liabilities classified as held for sale	937 891 893	226 037	938 117 930
<b>Total change in liabilities</b>		<u>270 415 368</u>	
Retained loss	(4 695 705 965)	358 756 937	(4 336 949 028)
Non - controlling interests	8 419 273 206	(405 904 161)	8 013 369 045
<b>Total change in shareholder's equity</b>		<u>(47 147 224)</u>	
	<b>Total Till 30/9/2014 (as previously reported)</b>	<b>Reclassification and restates*</b>	<b>Total till 30/9/2014 (as restated)</b>
<b>Income statement</b>			
<b>Continuing operation</b>			
Operating income	4 654 144 410	(6 874 497)	4 647 269 913
Operating costs	(3 813 347 158)	16 635 781	(3 796 711 377)
Advisory fee	13 161 263	751 453	13 912 716
Share of profit / loss of equity accounted investees	151 740 473	8 882 647	160 623 120
Losses on sale of investment in associate	--	(25 381 815)	(25 381 815)
Administrative expenses	(809 015 212)	12 860 197	(796 155 015)
Other expenses	(47 555 515)	129 395	(47 426 120)
Finance costs	(669 506 984)	23 402 854	(646 104 130)
Income tax	(54 123 841)	(63 149)	(54 186 990)
<b>Total change in continued operation</b>		<u>30 342 866</u>	
Net loss from discontinued operation	(112 309 198)	(30 342 866)	(142 652 064)
<b>Total change in income statement</b>		<u>--</u>	

\* Note (23)