Citadel Capital Company
(Egyptian Joint Stock Company)

Separate financial statements
for the period ended March 31, 2015
&
Review report

Contents

KPMG

Hazem Hassan
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Review report

To the Board of Directors of Citadel Capital Company

Introduction

We have performed a limited review for the accompanying separate statement of financial position of Citadel Capital Company (Egyptian Joint Stock Company) as at March 31, 2015 and the related separate statements of income, changes in equity and cash flows for the three months then ended and a summary of significant accounting policies and other explanatory notes. The Company's management is responsible for the preparation and fair presentation of these interim financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of limited review

We conducted our limited review in accordance with Egyptian Standard on Review Engagements (2410), "Limited Review of Interim Financial Statements Performed by the Independent Auditor of the Entity." A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters in the Company, and applying analytical and other limited review procedures. A limited review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim financial statements.

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying interim separate financial statements do not present fairly, in all material respects, the financial position of the Company as at March 31, 2015 and of its financial performance and its cash flows for the three months then ended in accordance with Egyptian Accounting Standards.

Hassan

KPMG Hazem Hassan

Cairo, June 11, 2015

KPMG Hazem Hassan
Public Accountants and Consultants

Citadel Capital Company
(Egyptian Joint Stock Company)
Separate statement of financial position
as at March 31, 2015

	Note	31/3/2015 EGP	31/12/2014 EGP
Current assets			
Cash and cash equivalents	(4)	282 266 151	258 755 014
Due from related parties (net)	(5)	1 805 691 673	1 553 627 355
Loans to subsidiaries	(15.1)	446 104 759	416 061 844
Other debit balances	(6)	12 940 745	5 705 988
Total current assets		2 547 003 328	2 234 150 201
Current liabilities			
Due to related parties	(7)	640 300 342	452 853 205
Current portion of long-term loans	(19)	1 158 240 694	1 086 800 651
Due to Tax Authority		64 235 020	59 519 037
Other credit balances	(8)	77 632 638	63 644 571
Expected claims provision	(9)	190 690 676	191 090 676
Total current liabilities		2 131 099 370	1 853 908 140
Working capital		415 903 958	380 242 061
Non - current assets			
Available-for-sale investments	(10)	23 766 164	23 766 164
Investments in subsidiaries and associates	(11)	5 186 433 078	5 142 836 403
Payments for investments	(12)	3 633 342 254	3 532 161 183
Fixed assets (net)	(13)	20 575 079	21 089 479
Projects under construction	(14)	2 386 752	681 959
Loans to subsidiaries	(15.2)	175 948 575	162 689 196
Deferred tax assets	(16)	477 281	620 572
Total non - current assets		9 042 929 183	8 883 844 956
Total investment		9 458 833 141	9 264 087 017
Financed through:			
Equity			
Share capital	(17)	8 000 000 000	8 000 000 000
Reserves	(3.10/3.12)	(131 796 012)	(131 796 012)
Retained loss		(287 043 188)	(241 439 209)
		7 581 160 800	7 626 764 779
Net profit (loss) for the period / year		7 458 065	(45 603 979)
Net equity		7 588 618 865	7 581 160 800
Shareholders' credit balances	(18)	968 514 256	836 842 865
Total equity		8 557 133 121	8 418 003 665
Non - current liabilities			
Long term loans	(19)	901 700 020	846 083 352
Total non - current liabilities		901 700 020	846 083 352
Total equity and non - current liabilities		9 458 833 141	9 264 087 017

The accompanying notes from page 5 to 37 are an integral part of these 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)

Separate income statement

for the period ended March 31, 2015

	Note	For the period ended 31/3/2015 EGP	31/3/2014 EGP
Advisory fee	(21.1)	21 828 423	21 195 526
Administrative and general expenses	(22)	(41 425 111)	(28 038 880)
Loss from sale of financial investments	(24)	(5 254 098)	-
Fixed assets depreciation	(13)	(514 400)	(456 071)
Net operating loss		(25 365 186)	(7 299 425)
Finance income (cost) - net	(20)	32 966 542	(1 153 564)
Net profit (loss) before tax		7 601 356	(8 452 989)
Deferred tax	(16)	(143 291)	(47 527)
Net profit (loss) for the period		7 458 065	(8 500 516)
Earnings per share	(26)	0.005	(0.01)

The accompanying notes from page 5 to 37 are an integral part of these financial statements and are to be read therewith.

Citadel Capital Company

(Egyptian Joint Stock Company)

Separate statement of changes in equity

for the period ended March 31, 2015

	Note	Share capital	Reserves		Retained (loss) earnings	Net profit (loss) for the year / period	Shareholders' credit balances	Total
			Legal reserve	Share based payment reserve				
		EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance as at December 31, 2013		4 358 125 000	89 578 478	-	(251 929 613)	10 490 404	2 323 160 875	6 529 425 144
Carrying 2013 profit forward		-	-	-	10 490 404	(10 490 404)	-	-
Share-based payment reserve	(3.12)	-	-	(221 374 490)	-	-	-	(221 374 490)
Shareholders' credit balances	(18)	-	-	-	-	-	1 369 638 272	1 369 638 272
Net loss for the period ended March 31, 2014		-	-	-	-	(8 500 516)	-	(8 500 516)
Balance as at March 31, 2014		4 358 125 000	89 578 478	(221 374 490)	(241 439 209)	(8 500 516)	3 692 799 147	7 669 188 410
Balance as at December 31, 2014		8 000 000 000	89 578 478	(221 374 490)	(241 439 209)	(45 603 979)	836 842 865	8 418 003 665
Carrying 2014 loss forward		-	-	-	(45 603 979)	45 603 979	-	-
Shareholders' credit balances	(18)	-	-	-	-	-	131 671 391	131 671 391
Net profit for the period ended March 31, 2015		-	-	-	-	7 458 065	-	7 458 065
Balance as at March 31, 2015		8 000 000 000	89 578 478	(221 374 490)	(287 043 188)	7 458 065	968 514 256	8 557 133 121

The accompanying notes from page 5 to 37 are an integral part of these financial statements and are to be read therewith.

Citadel Capital Company

(Egyptian Joint Stock Company)

Separate statement of cash flows

for the period ended March 31, 2015

	Note	For the period ended 31/3/2015 EGP	31/3/2014 EGP
Cash flows from operating activities			
Net profit (loss) before tax		7 601 356	(8 452 989)
Adjustments to reconcile net profit (loss) to net cash used in operating activities :			
Fixed assets depreciation		514 400	456 071
Unrealized foreign currency differences		(40 197 373)	(116 700)
Interest income		(5 265 421)	(14 747 406)
Loss from sale of financial investments		5 254 098	-
Provisions used		(400 000)	-
Operating loss before changes in current assets and liabilities		(32 492 940)	(22 861 024)
Assets			
Due from related parties		(254 921 818)	(154 286 542)
Other debit balances		(7 234 757)	(218 584)
Liabilities			
Due to related parties		184 341 537	71 009 311
Tax Authority		4 715 983	-
Other credit balances		13 988 067	(743 498)
Net cash used in operating activities		(91 603 928)	(107 100 337)
Cash flows from investing activities			
Payments for investments		-	(14 845 506)
Payments for projects under construction		(1 704 793)	-
Proceeds from loans to subsidiaries		-	159 850 000
Proceeds from the redemption of investments in associate		11 149 227	-
Net cash provided from investing activities		9 444 434	145 004 494
Cash flows from financing activities			
Payments for loans		-	(58 727 500)
Payments for shareholders' credit balances		(23 546 580)	(1 299 140)
Net cash used in financing activities		(23 546 580)	(60 026 640)
Net change in cash and cash equivalents during the period		(105 706 074)	(22 122 483)
Cash and cash equivalents at the beginning of the period	(4)	387 972 225	247 359 207
Cash and cash equivalents at the end of the period	(4)	282 266 151	225 236 724

Non-cash transactions note (4).

The accompanying notes from page 5 to 37 are an integral part of these financial statements and are to be read therewith.

Citadel Capital Company

(Egyptian Joint Stock Company)

Notes to the separate financial statements

for the period ended March 31, 2015

1. Company background

- Citadel Capital Company - an Egyptian Joint Stock Company - founded in accordance with the applicable Egyptian laws and in pursuance to law no. (159) of 1981 and its executive regulations. The Company has registered in the commercial register at Giza under number 11121 on April 13, 2004. The purpose of the Company represented as follows:
  - Providing consultancy in financial and financing fields for different companies and preparing and presenting the feasibility studies in the economical, engineering, technological, marketing, financing, managing, 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 increase to EGP 8 billion, 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.

2. Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with the Egyptian Accounting Standards and relevant Egyptian law and regulations.

The board approved the financial statements on June 11, 2015.

2.2 Basis of measurement

The financial statements are prepared on the historical cost basis, except for the following assets and liabilities that measured at fair value:

- Financial instruments at fair value through income statement.
- Derivative financial instruments (hedging reserve).
- Available-for-sale investments.

2.3 Functional and presentation currency

These financial statements presented in Egyptian pounds (EGP), which is the Company's functional currency. All financial information presented in Egyptian pounds.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with Egyptian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. The estimates and associated assumptions based on historical experience and various other factors that 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 reviewed on an ongoing basis. Revisions to accounting estimates recognized in the period in which the estimate revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements described in the following notes:

- Note no. (9) – provisions.
- Note no. (11) – measurement of the recoverable amount of investments in subsidiaries and associates.
- Note no. (16) – recognition of deferred tax.

2.5 Consolidated financial statements

The Company has subsidiaries and according to the Egyptian Accounting Standard No. 17 "Consolidated Financial Statements" and the article No. (188) of the executive regulation of law no. (159) of 1981, the Company is required to prepare consolidated financial statements which present fairly the balance sheet, the result of operations and cash flows for the group as a whole.

3. Significant accounting policies applied

The following accounting policies have been consistently applied by the Company to all periods presented in these financial statements.

3.1 Foreign currency transactions

The Company maintains its accounts in Egyptian pounds. Transactions dominated in foreign currencies are translated at foreign exchange rate ruling at the date of transactions. Monetary assets and liabilities dominated in foreign currencies at the balance sheet date are translated at the foreign exchange rates ruling at that date. The foreign currency exchange differences arising on the translation at the balance sheet date are recognized in the income statement.

3.2 Fixed assets depreciation

Fixed assets are stated at historical cost and presented in the balance sheet net of accumulated depreciation and impairment note no. (3.6), and are depreciated using the straight line method and recognized in income statement over the estimated productive life for each type of asset. The following are the estimated productive lives, for each class of assets, for depreciation calculation purposes:

Assets depreciation	Estimated useful life
- Buildings & Constructions	20 years
- Computers	2-3 years
- Furniture, Fixtures, Electric Equipment	4 years
- Vehicles	4 years

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately, including major inspection and overhaul expenditure, is capitalized. Other subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the property and equipment. All other expenditure is recognized in the income statement as an expense as incurred.

3.3 Projects under construction

Projects under construction are recognized initially at cost. Cost includes all expenditures directly attributable to bring the asset to a working condition for its intended use. Property and equipment under construction are transferred to property and equipment caption when they are completed and are ready for their intended use.

3.4 Gains and losses from disposal of fixed assets

Gains and losses from disposal of fixed assets are determined by comparing net disposal proceeds of assets to its net book value, resulted gain and losses recorded in the income statements.

3.5 Investments

3.5.1 Investments at fair value through income statement

An investment classified as at fair value through income statement if it held for trading or designated as such upon initial recognition. Financial investments designated at fair value through income statement if the Company manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction costs recognized in income statement when incurred. Financial instruments at fair value through income statement measured at fair value, and changes therein recognized in income statement.

3.5.2 Available-for-sale investments

Available-for-sale investments are valued at fair value, with any resultant gain or loss being recognized in equity, except for impairment losses note no. (3.6) which is recognized in the income statement. When these investments are derecognized, the cumulative gain or loss previously recognized directly in equity is recognized in the income statement. The fair value of investments available-for-sale identifies, based on quoted price of the exchange market at the balance sheet date, investments that are not quoted, and whose fair value cannot be measured reliably are valued by an accepted valuation techniques including the use of new objective techniques or discounted cash flow analysis or option pricing models or other valuation techniques – if the company cannot estimate the fair value, it can be stated at cost less impairment loss.

3.5.3 Investments in subsidiaries and associates

Investments in subsidiaries and associates stated at cost less impairment note no. (3.6). At each balance sheet date, management assesses the investments' recoverable amount and in case that the recoverable amount is less than the carrying amount then an impairment loss is recognized in the income statement.

3.6 Impairment of assets

3.6.1 Financial assets

- A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

  An impairment loss in respect of a financial asset measured at amortized cost 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 calculated by reference to its current fair value.
- Individually significant financial assets tested for impairment on an individual basis. The remaining financial assets assessed collectively in groups that share similar credit risk characteristics.

  All impairment losses recognized in income statement. Any cumulative loss in respect of an available-for-sale financial asset recognized previously in equity transferred to income statement.
- An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost and available-for-sale financial assets that are debt securities, the reversal recognized in income statement. For available-for-sale financial assets that are equity securities, the reversal recognized directly in equity.

3.6.2 Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognized in income statement.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less cost to sell.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

3.7 Cash and cash equivalents

Cash and cash equivalent includes the balances, which maturity not exceeding three months from the date of acquisition and the balances represented in cash on hand and banks-current accounts and cash flow statement has been prepared in indirect method.

3.8 Interest-bearing borrowings

Interest-bearing borrowings are recognized initially at fair value less attributable transaction cost. Subsequent to initial recognition, Interest-bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of the borrowings on an effective interest basis.

3.9 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of a past event and it's probable that a flow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Provisions are reviewed at the balance sheet date and amended (when necessary) to represent the best current estimate.

3.10 Legal reserve

The Company's Statutes provides for deduction of a sum equal to 5% of the annual net profit for formation of the legal reserve. Such deduction will be stopped when the total reserve reaches an amount equal to half of the Company's issued capital and when the reserve falls below this limit, it shall be necessary to resume the deduction.

3.11 Issued capital

3.11.1 Repurchase of share capital

When share capital recognized as equity is repurchased, the amount of the consideration paid, including directly attributable cost, is recognized as a change in equity.

Repurchased shares are classified as treasury stock and presented as a deduction from total equity.

3.11.2 Dividends

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

3.12 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.

3.13 Derivative financial instruments

The Company uses derivative financial instruments to hedge its exposure to interest rate risks arising from operational, financial and investment activities. Derivatives are recognized initially at fair value; attributable transaction costs are recognized in income statement when incurred and at the balance sheet date, the changes in fair value include as follows:-

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized directly in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognized in profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires, sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in equity remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognized in equity is transferred to the carrying amount of the asset when it is recognized. In other cases the amount recognized in equity is transferred to profit or loss in the same period that the hedged item affects profit or loss.

3.14 Lending

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

3.15 Revenues

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

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

3.15.1 Gains (losses) on sale of investments

Gains (losses) resulted from sale of financial investments & investments property are recognized on transaction date and measured by the difference between cost and selling price less selling commission and expenses.

3.15.2 Dividend income

Dividend income is recognized in the income statement at the date that the Company has rights to receive dividends from investments and occurred after the acquisition date.

3.15.3 Management fee

Management fee is calculated based on agreed percentage in accordance with contract term with a managed companies using accrual basis of accounting.

3.15.4 Advisory fee

Advisory fee is calculated based on agreed percentage in accordance with contract term with a managed companies using accrual basis of accounting.

3.15.5 Interest income

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

3.16 Expenses

3.16.1 Interest expense

Interest expense on interest - bearing borrowing is recognized in the income statement during the period the company was charged these expenses using the effective interest rate method.

3.16.2 Employees pension

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

3.16.3 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 substantively enacted at the balance sheet date.
- A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.17 Earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

3.18 Profit sharing to employees

The Company pays 10% of its cash dividends as profit sharing to its employees provided that it will not exceed total employees annual salaries. Profit sharing is recognized as a dividend distribution through equity and as a liability when approved by the Company's shareholders.

4. Cash and cash equivalents

	31/3/2015 EGP	31/12/2014 EGP
Cash on hand	179 787	44 820
Banks – current accounts	282 086 364	258 710 194
Cash and cash equivalents as previously presented in the statement of financial position	282 266 151	258 755 014
Effect of exchange rate changes	--	129 217 211
Cash and cash equivalents adjusted	282 266 151	387 972 225

Non-cash transactions

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

- EGP 2 857 500 from change in payments for investments and due from related parties (represents the amount transferred from Citadel Capital Joint Investment Fund Management Ltd. current account to investment in Citadel Capital Holding for Financial Investment – Free Zone).
- EGP 155 217 971 from change in payments for investments and change in shareholders' – credit balances (represents the investments purchased by the Company to one of its subsidiaries Citadel Capital for International Investments Ltd).
- EGP 3 105 600 from change in due to related parties and payments under investments (represents the investments in many strategically and specialized sectors as energy, mining, cement and nutrition).

- EGP 60 000 000 from change in payments for investments and the change in investments in subsidiaries and associates (transferred from payments for investments to investments in subsidiaries and associates).

5. Due from related parties

	Nature of transaction Advisory fee	Finance	31/3/2015	31/12/2014
	EGP	EGP	EGP	EGP
Mena Home Furnishings Mall	21 719 173	--	21 719 173	18 807 739
Falcon Agriculture Investments Ltd.	62 381 404	--	62 381 404	54 005 619
Golden Crescent Investments Ltd.	29 072 205	--	29 072 205	27 279 037
Citadel Capital Transportation Opportunities Ltd.	5 632 376	--	5 632 376	4 852 083
Logria Holding Ltd. *	41 939 726	--	41 939 726	39 352 892
Mena Glass Ltd.	19 524 344	--	19 524 344	16 237 649
Silverstone Capital Investment Ltd.	9 177 909	--	9 177 909	6 889 455
Sabina for Integrated Solutions	8 382 000	--	8 382 000	7 865 000
ASEC Cement Company	23 747 257	76 153 945	99 901 202	97 793 945
Citadel Capital Financing Corp. *	50 023 137	--	50 023 137	46 937 720
Valencia Trading Holding Ltd.	4 867 065	--	4 867 065	10 725 006
Citadel Capital Transportation Opportunities II Ltd.	18 831 187	--	18 831 187	15 706 387
Citadel Capital Holding for Financial Investments-Free Zone	--	1 142 065 474	1 142 065 474	952 758 861
ASEC Company for Mining (ASCOM)	--	178 215 458	178 215 458	158 319 300
United Foundries Company	--	75 966 966	75 966 966	71 166 782
National Development and Trading Company	--	47 529 154	47 529 154	44 753 935
Ledmore Holdings Ltd.	5 438 536	--	5 438 536	4 562 133
Africa Railways Limited	2 292 727	--	2 292 727	8 563 298
Mena Joint Investment Fund GP	2 427 481	--	2 427 481	12 010 356
Citadel Capital Joint Investment Fund Management Ltd.	3 284 746	--	3 284 746	5 763 393
Africa JIF HOLD CO I	2 075 642	--	2 075 642	1 823 250
Africa JIF HOLD CO III	3 852 184	--	3 852 184	3 261 980
Mena JIF HOLD CO I	12 932 390	--	12 932 390	1 824 630
Crondall Holdings Ltd.	13 463 499	--	13 463 499	12 633 070
Citadel Capital Partners Ltd.**	--	15 141 135	15 141 135	(4 174 167)
International Company for Mining Consultation	--	136 000	136 000	136 000
Total			1 876 273 120	1 619 855 353
Accumulated impairment *			(70 581 447)	(66 227 998)
Net			1 805 691 673	1 553 627 355

* Accumulated impairment on due from related parties represented in:

	Balance as at 1/1/2015	Foreign currency translation differences	Balance as at 31/3/2015
	EGP	EGP	EGP
Logria Holding Ltd.	39 352 892	2 586 834	41 939 726
Citadel Capital Financing Corp.	26 875 106	1 766 615	28 641 721
Balance	66 227 998	4 353 449	70 581 447

** The main shareholder of the Company – 27.60%.

6. Other debit balances

	31/3/2015	31/12/2014
	EGP	EGP
Deposits with others	181 500	175 500
Receivables-sale of investment	5 144 000	--
Imprests	5 356 989	3 197 970
Letters of guarantee's margin	762 000	715 000
Taxes deducted by others	868 058	868 058
Prepaid expenses	160 000	144 000
Sundry debit balances	468 198	605 460
Balance	12 940 745	5 705 988

7. Due to related parties

	31/3/2015	31/12/2014
	EGP	EGP
Citadel Capital for International Investments Ltd.	640 300 342	452 853 205

8. Other credit balances

	31/3/2015 EGP	31/12/2014 EGP
Accrued expenses	22 021 430	18 055 767
Accrued interest	34 626 883	32 683 393
Suppliers	17 449 547	9 606 813
Prior years dividends payable	2 893 919	2 893 919
National Authority for Social Insurance	598 616	362 436
Sundry credit balances	42 243	42 243
Balance	77 632 638	63 644 571

9. Expected claims provision

	31/3/2015 EGP	31/12/2014 EGP
Balance at the beginning of the period / year	191 090 676	194 090 676
Provisions used during the period / year	(400 000)	(3 000 000)
Balance	190 690 676	191 090 676

This provision represents contingent claims from some of the parties regarding the Company's activities. The usual information related to provisions according to the Accounting Standards has not been disclosed because management believes that disclosing could seriously affect the outcome of negotiations with these parties, and the management periodically reviews this provision and adjusts the provision amount according to the latest discussions with these parties.

10. Available-for-sale investments

	31/3/2015 EGP	31/12/2014 EGP
Arab Swiss Engineering Company – ASEC	17 479	17 479
Modern Company for Isolating Materials	43 396	43 396
EFG Capital Partners Fund II	7 734 489	7 734 489
EFG Capital Partners Fund III	15 970 800	15 970 800
Balance	23 766 164	23 766 164

The available-for-sale investments are represented in unlisted securities in the Stock Exchange.

11. Investments in subsidiaries and associates

	Percentage %	31/3/2015 EGP	Percentage %	31/12/2014 EGP
11.1 Investments in subsidiaries				
Citadel Capital Holding for Financial Investments-Free Zone	99.99	1 345 352 547	99.99	1 345 352 547
Citadel Capital for International Investments Ltd.	100	2 826 096 099	100	2 828 721 099
National Development and Trading Company *	47.65	668 170 587	47.65	668 170 587
United Foundries Company *	29.29	103 699 040	29.29	103 699 040
International Company for Mining Consultation	99.99	62 500	99.99	62 500
ASEC Cement Company * (Note 12)	1.86	60 000 543	0.000002	543
Sub - Balance		5 003 381 316		4 946 006 316
11.2 Investments in associates				
ASEC Company for Mining (ASCOM)	39.22	183 051 762	39.22	183 051 762
Pharos Holding Co. (Note 24)	--	--	27	13 778 325
Sub - Balance		183 051 762		196 830 087
Balance		5 186 433 078		5 142 836 403

* The Company has the power to govern the operational and financial policies of these companies as it holds direct and indirect shares so far these companies become subsidiaries to the group.

- Investments in subsidiaries and associates are represented in unlisted securities in the Stock Exchange except ASEC Company for Mining (ASCOM) which has market value of EGP 111 333 042 as at March 31, 2015 versus EGP 158 694 200 as at December 31, 2014.

12. Payments for investments

	Note	31/3/2015 EGP	31/12/2014 EGP
Citadel Capital Holding for Financial Investments-Free Zone		2 604 784 586	2 601 927 086
Citadel Capital for International Investments Ltd.	(18)	982 920 068	827 702 097
ASEC Cement Company**		--	60 000 000
Others*		45 637 600	42 532 000
Balance		3 633 342 254	3 532 161 183

* Represents payments for investments in strategically and specialized sectors as energy, mining, cement and nutrition.

** An amount of EGP 60 000 000 has been transferred to investments in associates (Note 11).

13. Fixed assets (net)

	Building & constructions* EGP	Computers EGP	Furniture, fixture and equipment EGP	Vehicles EGP	Total EGP
Cost as at 1/1/2015	33 742 368	8 526 713	22 929 843	539 800	65 738 724
Total cost as at 31/3/2015	33 742 368	8 526 713	22 929 843	539 800	65 738 724
Accumulated depreciation as at 1/1/2015	13 496 944	7 878 551	22 733 950	539 800	44 649 245
Depreciation during the period	421 780	59 255	33 365	--	514 400
Accumulated depreciation as at 31/3/2015	13 918 724	7 937 806	22 767 315	539 800	45 163 645
Carrying amounts at 31/3/2015	19 823 644	588 907	162 528	--	20 575 079
Carrying amounts at 31/12/2014	20 245 424	648 162	195 893	--	21 089 479

* Building and constructions represent the value of the headquarter of the Company.

14. Projects under construction

Projects under construction are represented in computer software:

	31/3/2015 EGP	31/12/2014 EGP
Balance at the beginning of the period / year	681 959	--
Additions	1 704 793	681 959
Balance	2 386 752	681 959

15. Loans to subsidiaries

Loans to subsidiaries are represented in loans granted to subsidiaries as follows:

	Note	31/3/2015 EGP	31/12/2014 EGP
Current			
National Development and Trading Company *	15.1	446 104 759	416 061 844
Non – current			
United Foundries Company	15.2	175 948 575	162 689 196
Balance		622 053 334	578 751 040

* The loan has been transferred to current loan as it will be due within a year ending on September 21, 2015.

15.1 The Company has granted two subordinating loans to National Development and Trading Company dated December 28, 2009 and September 21, 2010 with amounts of US.$ 40 968 630 and US.$ 8 064 887 respectively. The loans contracts period is five years, the principle of the two loans have to be paid with interest at the end of loans' period, with 11.5% annual cumulative interest, according to loans contracts the Company has the right to convert the value of loans in addition to its interest due into capital increase in National Development and Trading Company with par value at the end of loans period. The guarantees are represented in lien on part of National Development and Trading Company shares in the following subsidiaries companies:

ASEC Cement Company	41 050 000 shares
Arab Swiss Engineering Company (ASEC)	899 900 shares

- According to the Assignment Agreement dated January 20, 2014 which is related to the subordinated interest bearing US.$ denominated convertible shareholders' loan agreement on December 28, 2009. An amount of US.$ 13 000 000 represented in US.$ 8 350 941 (principle amount) and US.$ 4 649 059 (accrued interest amount) are waived to Al Olayan Saudi Investments Ltd.

- According to the Assignment Agreement dated March 24, 2014 which is related to the subordinated interest bearing US.$ denominated convertible shareholders' loan agreement on December 28, 2009. An amount of US.$ 10 000 000 represented in US.$ 6 462 231 (principle amount) and US.$ 3 537 769 (accrued interest amount) are waived to Al Olayan Saudi Investments Ltd.

  The balance of the two loans after the Assignment Agreement became:
  US.$ 58 543 932 (equivalent to EGP 446 104 759) at March 31, 2015 versus US.$ 58 190 468 (equivalent to EGP 416 061 844) at December 31, 2014 included accrued interest during the period amounted to US.$ 353 464 (equivalent to EGP 2 693 396) at March 31, 2015 versus US.$ 6 266 087 (equivalent to EGP 44 802 522) at December 31, 2014.

15.2 The Company has signed a subordinating convertible loan contract with United Foundries Company on June 2, 2010 with an amount of US.$ 11 563 187 for the three years, the principle of the loan has to be paid with interest at the end of the loan period, with 11.5% annual cumulative interest , according to the loan contract the Company has the right to convert the value of the loan in addition to its interest due into capital increase in the capital of United Foundries Company with par value at the end of loan period.

The guarantees are represented in a first degree lien of United Foundries Company shares in Ameryah Metal Company one of its subsidiaries with a percentage of 99.72%.

On January 9, 2012 the board of directors of United Foundries Company decided to convert the convertible loan contract to a subordinating loan that will be settled on 10 years with annual interest rate of 6% in purpose of ending a loan commission amounted to US.$ 1 421 320 (equivalent to EGP 8 641 626) at the transaction date. The value of the subordinating loan for united foundries Company is US.$ 23 090 364 (equivalent to EGP 175 948 575 as at March 31, 2015) versus US.$ 22 753 734 (equivalent to EGP 162 689 196 as at December 31, 2014) including accrued interest during the period amounted to US.$ 336 631 (equivalent to EGP 2 565 128 as at March 31, 2015) versus US.$ 1 285 319 (equivalent to EGP 9 190 031 as at December 31, 2014).

16. Deferred tax assets

	31/3/2015	31/12/2014
	EGP	EGP
Fixed assets – depreciation	477 281	620 572

- The 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 were not recognized due to the lack of reasonable assurance of future of benefit from these assets.

17. 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 18) against the subscription price of the shares. the commercial register has been updated with the increase on April 16, 2014.
- The preferred share has the advantage of triple voting right comparing with ordinary share on the decisions of the Company's extraordinary and ordinary general assembly meetings according to the decision of the Company's extraordinary general assembly meeting held on May 12, 2008 and also paragraph no.(3) of article no.(18) of the Company's article of associations. Those preferred shares are owned by Citadel Capital Partners Ltd. the principle shareholder of the Company.

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

Shareholders' name	Percentage %	No. of Shares	Value in EGP
Citadel Capital Partners Ltd.	27.60	441 557 022	2 207 785 110
Emirates International Investments Company	10.01	160 229 693	801 148 465
Others	62.39	998 213 285	4 991 066 425
	100	1 600 000 000	8 000 000 000

- 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.
- Existing shareholders were invited - in accordance with the terms of the subscription rights - to subscribe in the capital increase on a pro-rata basis to their shareholdings before the increase and the shareholders in each class of shares shall have the right to subscribe to the same class of shares they currently hold, provided that all shareholders of the same class have the same rights according to the article 29 of the Statute of the Company and allowing the use of the credit balances payable to existing shareholders at the date of the decision and to the extent of their share percentages before the increase according to the priority rights issued by the law.

18. Shareholders' credit balances

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

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

Shareholders' credit balances as at March 31, 2015 are represented in the following:-

Shareholders' name and description	31/3/2015 EGP	31/12/2014 EGP
(1) Shareholders' credit balances to be settled in cash		
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	251 468	1 140 319
Total shareholders' credit balances (1)	1 547 900	25 094 520
(2) Shareholders' credit balances to be settled through issuance of share capital increase		
(2-A) Against share percentages in investee companies		
Citadel Capital Partners Ltd.	135 659 565	135 270 985
Tamer Abd EL Hamed Abou Bakr	20 991 510	20 991 510
Khaled Abd EL Hamed Ali Abou Bakr	4 685 450	4 685 450
Karnation Limited	3 319 680	3 319 680
Abdel Khalek Mohamed Mohamed Ayad	2 211 650	2 211 650
Ansan Wikfs Investments Ltd.	31 120 405	31 120 405
Marwan Ahmed Hassan Gaber	7 947 045	7 947 045
Shady Ahmed Hassan Gaber	5 089 215	5 089 215
Mosafa Ahmed Hassan Gaber	5 089 215	5 089 215
Mariam Ahmed Hassan Gaber	4 457 080	4 457 080
Salma Ahmed Hassan Gaber	4 457 080	4 457 080
Jana Ahmed Hassan Gaber	4 457 080	4 457 080
Aidaroos Hassan Omar Al Esayi	27 119 395	27 119 395
Yacoub Youssef Mohamed	12 450 290	12 450 290
Raya Holding Company for Technology and Communication	20 831 250	20 831 250
DEG DEUTSCHE INVESTITONS UND ENTWICKLUNGSGESLLSCHAFT MBH	77 000 000	77 000 000
Commercial International Bank	149 791 940	--
Petroleum and investment Co. (PICO)	676 820	--
SJC Egypt Refining LLC	179 956 810	179 956 810
International Finance Corporation	166 684 520	166 684 520
Others	27 494 176	23 133 505
Total shareholders' credit balances (2-A)	891 490 176	736 272 165

Shareholders' name and description	31/3/2015 EGP	31/12/2014 EGP
(2-B) Against consultancy fee for the Company and its subsidiaries		
Adena Commercial Corp.	69 110 000	69 110 000
Osler Hoskin & Harconrt LLP	6 366 180	6 366 180
Total shareholders' credit balances (2-B)	75 476 180	75 476 180
Total shareholders' credit balances (2)	966 966 356	811 748 345
Balance (1+2)	968 514 256	836 842 865

19. Long term loans

On February 1, 2012 the Company has signed a long-term loan with an amount of US.$ 325 million with Citi Bank Group - syndication manager – along with other group of banks (represented in Arab African International Bank S.A.E, Arab International Bank, Banque du caire, Misr Bank S.A.E, and Piraeus Bank) and guaranteed by Overseas Private Investment Corporation (OPIC) for the purpose of expanding the Company's investments and refinancing the outstanding debts as at December 31, 2011 (which represented in the loan granted to the Company on May 15, 2008 with an amount of US.$ 200 million for a period of five years from a group of banks represented in Arab African International Bank, Suez Canal Bank, Misr bank , Piraeus Bank, Morgan Stanely Bank and Citi Bank London "syndication manager"; loan is to be paid on three installments during the contract period begins from the third year to the end of contract on May 15, 2013. The loan balance is an amount of US.$ 171 957 803 (equivalent to EGP 1 032 984 912) as at December 31, 2011 until the date of the new contract)

The new loan amount is divided into three classes:-

- First tranche: Irrevocable amount of US.$ 175 million bearing variable interest rate (4.25 %+Libor rate) for 5 years begins from the date of the contract and payable on five equal annual installments.
- Second tranche: Irrevocable amount of US.$ 125 million bearing fixed interest rate (3.9 %+Libor rate on the date of withdrawal) for 10 years begins from the date of the contract and payable on nine equal annual installments with one-year grace period.
- Third tranche: Irrevocable amount of US.$ 25 million bearing fixed interest rate (3.9 %+Libor rate on the date of withdrawal) and the Company has the right to use it within three years begins from the date of the contract and payable on nine equal annual installments begins from the date of withdrawal with one year grace period.

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

The Company has used an amount of US.$ 300 million from funding granted to it till December 31, 2013. The Company has paid an amount of US.$ 30 037 259 and has been charged with US.$ 370 686 as extra expenses so the balance of the loan will be US.$ 270 333 427 as at March 31, 2015 (equivalent to EGP 2 059 940 714)

- The current installments are amounted to US.$ 152 000 091 (equivalent to EGP 1 158 240 694 as at March 31, 2015) versus US.$ 152 000 091 (equivalent to EGP 1 086 800 651 as at December 31, 2014). Current installments are as following:-

	First tranche		Second tranche		Total
	Maturity date	**US.$**	**Maturity date**	**US.$**	**US.$**
First installment	December 20, 2012	35 000 000	December 20, 2012	Grace period one year	35 000 000
Second installment	December 20, 2013	35 000 000	December 20, 2013	13 888 888	48 888 888
Third installment	December 20, 2014	35 000 000	December 20, 2014	13 888 888	48 888 888
Fourth installment	December 20, 2015	35 000 000	December 20, 2015	13 888 888	48 888 888
Add: bank charges					370 686
Total					182 037 350
Payment from the first installment					(30 037 259)
Balance					152 000 091

- The non-current installments are amounted to US.$ 118 333 336 (equivalent to EGP 901 700 020 as at March 31, 2015) versus US.$ 118 333 336 (equivalent to EGP 846 083 352 as at December 31, 2014).
- The interest on loan charged to the income statement during the period is EGP 31 017 886 (Note 20).

The loan guarantees are as follows:

- First degree lien contract of the shares owned by the Company in National Development and Trading Company.
- First degree lien contract of the shares owned by the Company in International Company for Mining Consulting.
- First degree lien contract of the shares owned by the Company in United Foundries Company.
- First degree lien contract of the shares of Citadel Capital Ltd. (One of the subsidiaries of Citadel Capital Holding for Financial Investments-Free Zone).

- First degree lien contract of Citadel Capital Ltd. (One of the subsidiaries of Citadel Capital Holding for Financial Investments-Free Zone) investments on the following companies:
  - Orient Investments Properties Ltd.
  - Logria Holding Ltd.
  - Golden Crescent Investments Ltd.
  - Falcon Agriculture Investments Ltd.
  - Silverstone Capital Investment Ltd.
  - Mena Glass Ltd.
  - Mena Home Furnishings Mall.
  - Valencia Trading Holding Ltd.
  - Andalusia Trading Investments Ltd.
  - Citadel Capital Transportation Opportunities Ltd.
  - Lotus Alliance Limited.
  - Citadel Capital Financing Corp.
  - Grandview Investment Holding
  - Africa Railways Holding
  - Citadel Capital for Promotion Company

20. Finance income (cost) - net

	For the period ended	
	31/3/2015	**31/3/2014**
	EGP	**EGP**
Interest income - note (21.2)	23 787 055	30 372 452
Interest expense - note (19)	(31 017 886)	(31 642 716)
Foreign currency differences	40 197 373	116 700
Net	32 966 542	(1 153 564)

21. Related party transactions

21.1 Advisory fee

Advisory fee presented in the income statement represents the advisory services rendered to the related parties according to signed contracts as follows:

	For the period ended	
	31/3/2015	31/3/2014
Company's name	EGP	EGP
Mena Glass Ltd.	2 222 238	1 315 288
Mena Home Furnishings Mall	1 677 326	1 527 832
Citadel Capital Transportation Opportunities Ltd.	461 950	420 781
Falcon Agriculture Investments Ltd.	4 832 102	4 401 456
Sphinx Glass	--	1 390 000
ASEC Cement Company	4 703 421	4 284 244
Silverstone Capital Investment Ltd.	1 837 991	1 674 117
Citadel Capital Transportation Opportunities II Ltd.	2 095 098	1 908 380
Africa Railways Limited	2 295 775	2 050 250
Mena Joint Investment Fund GP	483 544	766 119
Citadel Capital Joint Investment Fund Management Ltd.	--	440 449
Africa JIF HOLD CO I	132 716	120 888
Africa JIF HOLD CO III	376 274	342 739
Mena JIF HOLD CO I	132 716	120 888
Ledmore Holdings Ltd.	577 272	432 095
Total	21 828 423	21 195 526

- The Company did not recognize advisory fee with an amount of EGP 11 942 552 and EGP 2 211 346 in the period ended March 31, 2015 (versus EGP 10 892 478 and EGP 2 016 904 in the period ended March 31, 2014) related to Logria Holding Ltd. and Golden Crescent Investments Ltd. respectively in accordance with the signed contracts due to inadequate assurance concerning the revenue recognition and collection conditions.

21.2 Interest income

Interest income presented in financing income – note no. (20) included an amount of EGP 23 633 562 which represent the accrued interest income according to the signed contracts with some related parties as follows:

Company's name	For the period ended 31/3/2015 EGP	For the period ended 31/3/2014 EGP
National Development and Trading Company (15.1)	2 696 930	12 539 975
United Foundries Company (21.2.1)	3 692 052	3 081 032
Citadel Capital Holding for Financial Investments-Free Zone	13 355 027	10 087 918
Citadel Capital for International Investments Ltd.	1 747 590	2 768 685
ASEC Company for Mining (ASCOM)	2 141 963	1 865 213
Total	23 633 562	30 342 823

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

	For the period ended 31/3/2015 EGP	For the period ended 31/3/2014 EGP
Subordinating loan interest – note no. (15.2)	2 568 491	2 207 431
Current account interest	1 123 561	873 601
Total	3 692 052	3 081 032

22. Administrative and general expenses

	For the period ended 31/3/2015 EGP	For the period ended 31/3/2014 EGP
Wages , salaries and similar items	23 945 984	15 072 012
Consultancy	2 607 424	5 012 385
Advertising and public relations	3 022 417	1 856 864
Travel , accommodation and transportations	2 676 986	1 663 766
Management fees – note (23)	828 674	--
Donations	2 120 000	--
Other expenses	6 223 626	4 433 853
Total	41 425 111	28 038 880

23. Management fee

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 – 27.60%) which states that Citadel Capital Partners Ltd. provides management duties for fee 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.

24. Loss from sale of financial investments

On February 3, 2015 Citadel Capital Co. signed contract to sell its shares in Pharos Holding for Financial Investments (associate-27%) and the ownership has been transferred on February 18, 2015. The loss from the sale of the investment is calculated as follow:

	For the period ended 31/3/2015 EGP
Book value of the investment (Note 11.2)	(13 778 325)
Transferred from associate (Citadel Capital for international investments Ltd)	(2 625 000)
Present value of selling price	11 149 227
Loss from sale of investment in associate	(5 254 098)

25. Tax status

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, 2014 has been inspected and the dispute has transferred to Internal Committee in the Authority and 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 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.

26. Earnings per share

	For the period ended	
	31/3/2015	31/3/2014
	EGP	EGP
Net profit (loss) for the period	7 458 065	(8 500 516)
The weighted average number of shares including the preferred shares with same distribution rights as ordinary shares	1 600 000 000	871 625 000
Earnings per share	0.005	(0.01)

27. Employees Stock Option Plan

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

28. Contingent liabilities and commitments

The Company guarantees some of its related parties against loans and credit facilities granted from banks.

29. Financial instruments and management of related risks:

The Company's financial instruments are represented in the financial assets and liabilities. Financial assets include cash balances and debtors while financial liabilities include creditors. Note no. (3) of notes to financial statements includes significant accounting policies applied regarding basis of recognition and measurement of the important financial instruments and related revenues and expenses. 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:

29.1 Credit risk

Credit risk is the risk that one party will fail to discharge his obligation and cause the other party to incur financial loss. The financial assets representing amounts due from related parties & other investments. Strict credit control is maintained and further appropriate level of impairment loss is made. The credit risk on financial instrument by ensuring that investments are made only after careful credit evaluation for these assets.

29.2 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.

29.3 Market risk

A- Foreign currencies risk

- The foreign currencies exchange risk represents the risk of fluctuation in exchange rates, which in turn affects the Company's cash inflows and outflows as well as the value of its assets and liabilities in foreign currencies. Assets and liabilities that have foreign currency position at the financial position date equivalent to EGP 2 803 335 506 and EGP 2 504 561 603 respectively and net foreign currencies balances at the financial position date are as follows:

Foreign currencies	Surplus (deficit)
	EGP
US.$	492 612 514
Euro	(193 838 611)

- As disclosed in note no. (3.1), the Company has used the prevailing exchange rates to revaluate monetary assets and liabilities at the financial position date.

B- Interest rate risk

The Company's income and operating cash flows are substantially independent of changes in market interest rates. As the market dictates, the Company sometimes borrows at variable rates leaving certain exposure to changes in interest rate risk.

C- Price risk

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

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

29.4 Capital risk management

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

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

Management monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as current portion of long term loans, trade payable and due to related parties plus long term loans as shown on the statement of financial position less cash and cash equivalents.

The gearing ratios at March 31, 2015 and December 31, 2014 were as follows:

	31/3/2015 EGP	31/12/2014 EGP
Liabilities		
Due to related parties	640 300 342	452 853 205
Current portion of long term loans	1 158 240 694	1 086 800 651
Due to Tax Authority	64 235 020	59 519 037
Other credit balances	77 632 638	63 644 571
Expected claims provision	190 690 676	191 090 676
Long term loans	901 700 020	846 083 352
Total	**3 032 799 390**	**2 699 991 492**
Less: Cash and cash equivalents	**(282 266 151)**	**(258 755 014)**
Net debt	**2 750 533 239**	**2 441 236 478**
Total equity	**8 557 133 121**	**8 418 003 665**
Gearing ratio	**32%**	**29%**

30. Significant Events

The Company has an announced program to divest a number of its non-core subsidiaries, associates and non-core assets. These divestitures are as follows:

- Tanmeyah Micro Enterprise Services (indirect subsidiary)
- Misr Glass Manufacturing (indirect associate)
- Dina Farms (indirect subsidiary)
- El Rashidi El Mizan (indirect subsidiary)
- Soiete Des Ciments De Zahana (indirect associate)
- Land Port Tebeen to Nile Logistics (indirect subsidiary)

The Company has appointed advisors to study the strategic options to exit from the aforementioned subsidiaries, associates and non-core assets and the Company intends to use the output from these divestitures to reduce its debt and to finance the growth-opportunities in the core investments.

31. Comparative figures

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

	Balance as at 31/12/2014 (as previously reported)	Reclassification	Balance as at 31/12/2014 (as reclassified)
	EGP	EGP	EGP
Due from related parties	1 557 801 522	(4 174 167)	1 553 627 355
Due to related parties	457 027 372	(4 174 167)	452 853 205