Citadel Capital Company

(Egyptian Joint Stock Company)

Consolidated financial statements
for the period ended March 31, 2013
&
Review report

KPMG Hazem Hassan
Public Accountants & Consultants

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KPMG

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Review report

To the Board of Directors of Citadel Capital Company

Introduction

We have performed a limited review for the accompanying consolidated statement of financial position of Citadel Capital Company (Egyptian Joint Stock Company) and its subsidiaries as at March 31, 2013 and the related consolidated 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 consolidated interim financial statements do not present fairly, in all material respects, the consolidated financial position of the Company as at March 31, 2013 and of its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with Egyptian Accounting Standards.

Hassan Bas

KPMG Hazem Hassan

Cairo July 9, 2013

KPMG Hazem Hassan
Public Accountants and Consultants
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Citadel Capital Company

(Egyptian Joint Stock Company)

Consolidated statement of financial position

as at March 31, 2013

	Note	31/3/2013	31/12/2012
		LE	LE
Assets			
Fixed assets (net)	(5)	281 621 742	256 609 455
Investments in subsidiaries and associates	(6)	1 198 003 681	1 166 764 237
Other investments (net)	(7)	3 188 473 905	2 897 971 119
Deferred tax	(16)	715 739	693 087
Total non-current assets		4 668 815 067	4 322 037 898
Other investments	(7)	3 669 824	3 891 605
Other assets	(8)	9 422 654	12 544 732
Trade and other receivables (net)	(9)	1 236 350 208	1 180 675 098
Cash and cash equivalents	(10)	316 908 737	255 212 963
Total current assets		1 566 351 423	1 452 324 398
Total assets		6 235 166 490	5 774 362 296
Equity			
Share capital	(11)	4 358 125 000	4 358 125 000
Reserves	(12)	336 141 719	207 464 895
Retained loss		(2 716 108 868)	(2 022 909 901)
Net loss for the period / year		(124 345 525)	(691 740 235)
Total equity attributable to equity holders of the Company		1 853 812 326	1 850 939 759
Non - controlling interests	(13)	519 207 268	438 252 202
Total equity		2 373 019 594	2 289 191 961
Liabilities			
Long term loans	(14)	2 084 568 641	1 923 023 521
Long term liabilities	(15)	10 787 486	10 787 486
Total non-current liabilities		2 095 356 127	1 933 811 007
Short term loans	(14)	749 098 578	543 265 577
Trade and other payables	(17)	820 454 689	795 195 718
Expected claims provision	(18)	197 237 502	212 898 033
Total current liabilities		1 766 790 769	1 551 359 328
Total liabilities		3 862 146 896	3 485 170 335
Total equity and liabilities		6 235 166 490	5 774 362 296

The accompanying notes on pages 5 to 46 are integral part of these consolidated financial statements and are to be read therewith.

Review report "attached"

Chairman	Managing Director	Chief Financial Officer
Ahmed Heikal	Hisham Hussein El Khazindar	Moataz Farouk

Citadel Capital Company

(Egyptian Joint Stock Company)

Consolidated income statement

for the period ended March 31, 2013

	Note	for the period ended 31/3/2013 LE	31/3/2012 LE
Advisory fee	(26-1)	14 906 315	17 751 532
Share of (loss) profit of equity accounted investees	(19)	(11 460 923)	(67 647 562)
Net other operations results	(20-1)	1 997 244	(3 615 045)
Total operating profit / (loss)		5 442 636	(53 511 075)
Administrative and general expenses	(21)	(56 430 801)	(44 924 358)
Other expenses	(22)	(83 260 132)	(9 862 808)
Net operating loss		(134 248 297)	(108 298 241)
Finance income / (costs)-(net)	(23)	7 812 046	(50 735 264)
Net loss before tax		(126 436 251)	(159 033 505)
Deferred tax		16 613	(224 314)
Net loss for the period		(126 419 638)	(159 257 819)
Attributable to:			
Equity holders of the Company		(124 345 525)	(156 115 323)
Non - controlling interests		(2 074 113)	(3 142 496)
		(126 419 638)	(159 257 819)
Earnings per share	(24)	(0.14)	(0.18)

The accompanying notes on pages 5 to 46 are integral part of these consolidated financial statements and are to be read therewith.

Citadel Capital Company

(Egyptian Joint Stock Company)

Consolidated statement of changes in equity

for the period ended March 31, 2013

	Note	Share capital	Reserves				Retained loss	Net loss for the year / period	Total	Non-controlling interests	Total equity
			Legal reserve	Fair value reserve -AFS	F.C. translation reserve	Company's share of changes in associate equity					
		LE	LE	LE	LE	LE	LE	LE	LE	LE	LE
Balance as at December 31, 2011		4 358 125 000	89 578 478	(739 595)	170 806 715	(72 310 103)	(1 093 810 353)	(773 536 460)	2 678 113 682	379 713 881	3 057 827 563
Carrying 2011 loss forward		-	-	-	-	-	(773 536 460)	773 536 460	-	-	-
Exchange differences relating to foreign operations	(3-3)	-	-	-	(12 803 421)	-	-	-	(12 803 421)	(183 920)	(12 987 341)
Changes in the fair value of available -for- sale investments	(3-8-1)	-	-	128 034	-	-	-	-	128 034	-	128 034
Acquisition of subsidiaries	(20)	-	-	-	-	-	(91 341 737)	-	(91 341 737)	-	(91 341 737)
Changes in non-controlling interests		-	-	-	-	-	-	-	-	(218 833)	(218 833)
The Company's share in changes of associates equity	(3-1-4)	-	-	-	-	4 076 274	9 285 768	-	13 362 042	-	13 362 042
Net loss for the period ended March 31, 2012		-	-	-	-	-	-	(156 115 323)	(156 115 323)	(3 142 496)	(159 257 819)
Balance as at March 31, 2012		4 358 125 000	89 578 478	(611 561)	158 003 294	(68 233 829)	(1 949 402 782)	(156 115 323)	2 431 343 277	376 168 632	2 807 511 909
Balance as at December 31, 2012		4 358 125 000	89 578 478	(638 202)	194 224 837	(75 700 218)	(2 022 909 901)	(691 740 235)	1 850 939 759	438 252 202	2 289 191 961
Carrying 2012 loss forward		-	-	-	-	-	(691 740 235)	691 740 235	-	-	-
Exchange differences relating to foreign operations	(3-3)	-	-	-	128 918 702	-	-	-	128 918 702	(4 818 100)	124 100 602
Changes in the fair value of available -for- sale investments	(3-8-1)	-	-	(99 197)	-	-	-	-	(99 197)	-	(99 197)
Changes in non-controlling interests		-	-	-	-	-	-	-	-	87 847 279	87 847 279
The Company's share in changes of associates equity	(3-1-4)	-	-	-	-	(142 681)	(1 458 732)	-	(1 601 413)	-	(1 601 413)
Net loss for the period ended March 31, 2013		-	-	-	-	-	-	(124 345 525)	(124 345 525)	(2 074 113)	(126 419 638)
Balance as at March 31, 2013		4 358 125 000	89 578 478	(737 399)	323 143 539	(75 842 899)	(2 716 108 868)	(124 345 525)	1 853 812 326	519 207 268	2 373 019 594

The accompanying notes on pages 5 to 46 are integral part of these consolidated financial statements and are to be read therewith.

Citadel Capital Company

(Egyptian Joint Stock Company)

Consolidated statement of cash flows

for the period ended March 31, 2013

	for the period ended 31/3/2013 LE	31/3/2012 LE
Cash flows from operating activities		
Net loss before tax	(126 436 251)	(159 033 505)
Adjustments to reconcile net loss to net cash used in operating activities :		
Depreciation and amortization	3 397 011	4 443 185
The Company's share of (loss) profit of equity accounted investees	15 562 321	80 591 468
Net change in the fair value of investments at fair value through profit or loss	221 781	(4 877)
Foreign exchange differences	59 817 527	(7 790 975)
Interest income	(7 844 936)	(10 352 557)
Interest expenses	5 089 080	4 739 580
Provisions formed	132 299	-
Impairment in due from related parties	99 748 895	9 867 685
Provisions no longer needed	(16 842 843)	-
Operating profit (loss) before changes in working capital	32 844 884	(77 539 996)
Change in trade and other receivables	(179 281 930)	(200 207 928)
Change in other assets	3 122 078	4 362 705
Change in trade and other payables	25 252 922	(141 085 639)
Net cash used in operating activities	(118 062 046)	(414 470 858)
Cash flows from investing activities		
Payments for purchase of fixed assets	(2 184 308)	(15 906 079)
Payments for other investments	(28 103 332)	(12 399 131)
Payments for purchase of investments in subsidiaries and associates	-	(11 072 080)
Net cash used in investing activities	(30 287 640)	(39 377 290)
Cash flows from financing activities		
Proceeds from loans	161 228 130	514 769 503
Proceeds from capital related to non-controlling interests	48 817 330	-
Net cash provided from financing activities	210 045 460	514 769 503
Net changes in cash and cash equivalents during the period	61 695 774	60 921 355
Cash and cash equivalents at the beginning of the period	255 212 963	166 240 722
Cash related to acquisition of subsidiaries - note no. (20)	-	3 760 374
Cash and cash equivalents at the end of the period	316 908 737	230 922 451

The accompanying notes on pages 5 to 46 are integral part of these consolidated financial statements and are to be read therewith.

1. Reporting entity

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

The address of the Company's registered office is 3 El Yemen St., Dokki - Giza.

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.

The consolidated financial statements of the Company for the period ended March 31, 2013 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in associates.

2. Basis of preparation

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with the Egyptian Accounting Standards and applicable laws and regulations.

The financial statements were approved by the Board of Directors on July 9, 2013.

2.2 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except assets and liabilities which are measured at fair value as follows:

- Financial instruments at fair value through the profit or loss.
- Available-for-sale financial assets.
- Derivative financial instruments.

The methods used to measure the fair value are discussed in note (4).

2.3 Functional and presentation currency

These consolidated financial statements are presented in Egyptian Pound, which is the Company's functional currency.

2.4 Use of estimate and judgements

The preparation of financial statements in conformity with Egyptian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note (6) measurements of the recoverable amounts of investments in subsidiaries and associates.
- Note (18) provisions.

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 financial statements include all subsidiaries that are controlled by the parent company and which the management intends to continue to control. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

- Intragroup balances and transactions, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. EAS 24 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
- Non - controlling interests shall be presented in the consolidated balance sheet within equity, separately from the parent shareholder's equity. Non - controlling interests in the profit or loss of the group shall also be separately disclosed.
- A parent loses control when it loses the power to govern the financial and operating policies of an investee so as to obtain benefit from its activities.

3.1.2 Loss exceeding non-controlling

Losses that exceed the non - controlling in the equity of a subsidiary may create a debit balance on non - controlling only if the minority has a binding obligation to fund the losses and is able to contribute an additional investment to cover the losses .If this is not the case then the losses are attributable to the parent's interest. If the subsidiary subsequently reports profits, then these profits are allocated to parent until the share of losses absorbed previously by the parent has been recovered.

3.1.3 Acquisitions from non-controlling interest and entities under common control

Business combinations arising from transfers of interests from non - controlling interest or in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are restated when practical. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group's controlling shareholder's consolidated financial statements. The components of equity of the acquired entity or attributable to the minorities are added to the same components within the Group equity except that any share capital of the acquired entities is recognised as notional capital contribution. Any cash paid for the acquisition recognised directly in equity.

3.1.4 Associates

Investments in associates are stated at equity method. Under the equity method the investment in associates is initially recognized at cost and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the associates after the date of acquisition. Distributions received from associates reduce the carrying amount of the investment.

Losses of an associate in excess of the Company's interest in that associate (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate) are not recognized, unless the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of the acquisition over the Company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognized at the date of acquisition is recognized as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment.

3.2 Foreign currency 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 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 short settlement period from the collection date to the date of required remittance to the eventual recipients, and interest earned on such investments is passed to the eventual recipients.

3.5 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 the cash, banks current accounts and deposits with original maturities of three months or less.

3.8 Investments

3.8.1 Available-for-sale financial investments

Available-for-sale 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 3.14), and are depreciated using the straight line method and recognized in income statement over the estimated productive life for each type of asset. The following are the estimated productive lives, for each class of assets, for depreciation calculation purposes:

Assets depreciation	**Estimated useful life**
- Buildings & Constructions	20 years
- Lease hold improvements	3-10 years
- Machinery & Equipments	10 years
- Furniture & Fixtures	4 years
- Computers	2-3 years
- Transportation means	4 years

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

3.11 Projects under construction

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

3.12 Gains and losses from disposal of fixed assets

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

3.13 Intangible assets

3.13.1 Goodwill

Goodwill (negative goodwill) arises on the acquisition of subsidiaries, associates and joint ventures. Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired entity. When the excess is negative (negative goodwill), it is recognised immediately in profit or loss.

Goodwill is measured at cost less accumulated impairment losses. In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment.

3.13.2 Other intangible assets

Other intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

3.13.3 Subsequent expenditures

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill, is recognised in profit or loss as incurred.

3.13.4 Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for intangible assets range between 3:20 years.

3.14 Impairment

3.14.1 Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

3.14.2 Non-financial assets

The carrying amounts of the Group's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

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

3.15 Trade and other receivables

Non-interest bearing short-term trade and other receivables are stated at cost less impairment losses. An impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss relating to trade receivables is recognised in the income statement. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the income statement.

3.16 Biological assets

Biological assets and agricultural products are evaluated at fair value less estimated costs to sell. Fair value determination of Cereals is based on the present value of net cash flows resulting from the projected quantity of (corn, cotton, sunflower) at the end of the fiscal year valued at the market price for the following season less the estimated costs of harvesting and transport, and for the predicted amounts of these crops, management should evaluate the expected of them for the season, taking the weather and harvest programs in consideration. To identify and assess the expected price of (corn, cotton, sunflower), management must consider the markets that will be sold crops where for the next year, whether domestic sales or export sales and assessment of local and global, as well as foreign exchange rates and the book value of those crops.

The immature (corn, cotton, sunflower) are stated on cost as the cost approximate the fair value as little biological transformation has taken place since initial cost incurrence.

3.17 Inventories

Inventories are measured at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and other additional selling expenses.

The cost of fertilizer, chemicals and spare parts includes the purchase cost in addition to costs associated with the arrival of inventory to the site and the situation in which the fit for use, as is the cost of the stock of products, agriculture is sustainable in the actual cost until the date of harvest as well as all the elements of the costs required to reach the products to stores. The cost of inventories is determined as follows:

- Cost fertilizers and chemicals, spare parts, is determined using the weighted average method.
- Cost of finished goods from sustainable plantations is carried at fair value at the date of harvest estimated less costs to sell

3.18 Trade and other payables

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

3.19 Provisions

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

3.20 Interest bearing borrowings

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

3.21 Legal reserve

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

3.22 Dividends

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

3.23 Income tax

- Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.
- Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.
- Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of

the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

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

3.24 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

3.25 Employees benefits

3.25.1 Pensions

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

3.25.2 Other short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.26 Revenue

3.26.1 Gain (loss) on sale of investments

Gain (loss) resulted from sale of investments are recognized on transaction date and measured by the difference between cost and selling price less selling commission and expenses.

3.26.2 Services

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

3.26.3 Commissions

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

3.26.4 Dividend income

Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, dividend income is reported in other income caption in the income statement.

3.26.5 Interest income

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

3.26.6 Management fee

Management fee is recognized upon rendering the service.

3.26.7 Advisory fee

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

3.26.8 Sale of goods

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, and the amount of revenue can be measured reliably.

4. Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

4.1 Intangible assets

Intangible assets are stated at historical cost and amortised over a period from 3 to 20 years.

Other intangible assets that have finite useful lives are measured at cost less accumulated impairment loss.

4.2 Investment in equity and debt securities

The fair value of financial assets at fair value through profit or loss, held-to-maturity investments and available-for-sale financial assets is determined by reference to their quoted bid price at the reporting date. The fair value of held-to-maturity investments is determined for disclosure purposes only.

4.3 Trade and other receivables

The fair value of trade and other receivables, excluding construction work in progress, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

4.4 Non-derivatives financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

4.5 Inventories

The fair value of inventories acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

5. Fixed assets

	Land	Buildings	Lease hold improvements	Machinery and equipment	Furniture & fixtures	Computer equipment	Transportation means	Assets under construction *	Total
	LE	LE	LE	LE	LE	LE	LE	LE	LE
Cost as at 1/1/2013	24 000 000	34 854 566	8 020 464	90 208 507	28 071 300	8 328 301	3 093 601	127 421 364	323 998 103
Reclassification	--	--	(7 887 930)	--	--	--	--	7 887 930	--
Additions	--	--	--	2 163 537	20 771	--	--	--	2 184 308
Foreign currency translation differences	--	89 383	9 279	9 277 743	487 201	51 040	285 189	18 688 868	28 888 703
Cost as at 31/3/2013	24 000 000	34 943 949	141 813	101 649 787	28 579 272	8 379 341	3 378 790	153 998 162	355 071 114
Accumulated depreciation as at 1/1/2013	--	10 128 361	137 668	22 372 786	23 199 431	7 882 162	1 461 448	--	65 181 856
Accumulated impairment as at 1/1/2013	--	--	--	2 206 792	--	--	--	--	2 206 792
Depreciation	--	427 628	837	2 358 776	439 006	92 219	78 545	--	3 397 011
Foreign currency translation differences	--	614	3 308	2 421 026	123 674	27 565	87 526	--	2 663 713
Accumulated depreciation as at 31/3/2013	--	10 556 603	141 813	29 359 380	23 762 111	8 001 946	1 627 519	--	73 449 372
Carrying amounts									
At 31/3/2013	24 000 000	24 387 346	--	72 290 407	4 817 161	377 395	1 751 271	153 998 162	281 621 742
At 31/12/2012	24 000 000	24 726 205	7 882 796	65 628 929	4 871 869	446 139	1 632 153	127 421 364	256 609 455

* Assets under construction include an amount of LE 133 109 011 related to Sabina for Integrated Solutions – one of the group entities - represents the value of developing and improving agricultural lands in Sudan , and LE 20 889 151 represents fixtures and constructions of a new headquarters at Smart Village.

6. Investments in subsidiaries and associates

The Group investments in subsidiaries and associates are represented in:

	Percentage		Carrying amount	
	2013	2012	31/3/2013	31/12/2012
	%	%	LE	LE
El Kateb for Marketing & Distribution Co.	48.88	48.88	193 191	434 785
Pharos Holding Co. *	53.00	53.00	91 300 289	91 140 296
Elsharq Book Stores Co.	40.00	40.00	15 269 046	15 313 441
ASEC Company for Mining (ASCOM)	39.22	39.22	128 110 892	118 062 774
Silverstone Capital Investments Ltd.***	41.81	41.81	259 963 279	251 361 875
Dar El-Sherouk Ltd. *	58.51	58.51	138 365 482	140 384 623
Crondall Holdings Ltd.	47.67	47.67	138 588 478	131 740 449
National Development and Trading Company****	49.81	49.81	--	--
United Foundries Company****	29.95	29.95	--	--
Mena Home Furnishings Mall	32.13	32.13	86 118 053	87 841 662
Citadel Capital Transportation Opportunities Ltd.	37.90	34.16	147 614 762	142 551 181
Tawazon for Solid Waste Management (Tawazon)	25.48	25.48	23 677 180	24 852 493
Mena Glass Ltd.	21.03	21.03	142 540 809	133 852 139
Tanmeyah Company S.A.E **	51.00	51.00	2 187 881	7 663 147
Ledmore Holdings Ltd.***	35.00	35.00	24 074 339	21 565 372
Balance			1 198 003 681	1 166 764 237

* The Company does not consolidate these subsidiaries as the control is not exist and the Company has no power to govern the financial and operational policies of these subsidiaries according to shareholders agreement.

** The Company does not consolidate this subsidiary as there is a call option contract that granted third party the option to purchase 4% of its shares granted by Financial Unlimited Company for Financial Consulting (one of subsidiaries 99.88%) that can be exercised any time with fair value at the exercise date which cause a reduction in voting power of the Company from 51% to 47%.

*** The shareholder of Silverstone Capital Investments Ltd. agreed to segregate part of the company's operations to Ledmore Holdings Ltd. by cost as at January 17, 2012 , and each shareholder has the same original percentage at the date of segregation.

**** The Company has stopped recognizing its share of losses for both National Development and Trading Company and United Foundries Company because there losses exceeded the investment value according to the Egyptian Accounting Standards no.(18) – (investments in associates) which states that if an investor's share of losses of an associates equals or exceeds its interest in the associates, the investor discontinues recognizing its share of future losses after the investor's interest is reduced to zero.

Summary of financial statements of associates

2013	Current assets LE	Non-current assets LE	Total assets LE	Current liabilities LE	Non-current liabilities LE	Total liabilities LE	Revenues LE	Expenses LE
El Kateb for Marketing & Distribution Co.	12 061 736	9 825 293	21 887 029	12 109 354	172 674	12 282 028	1 463 641	1 957 901
Pharos Holding Co.	207 357 732	185 477 307	392 835 039	253 576 869	346 529	253 923 398	14 274 333	14 095 709
Elsharq Book Stores Co.	10 636 534	6 809 711	17 446 245	4 386 698	565 549	4 952 247	6 106 010	6 071 810
ASEC Company for Mining (ASCOM)	227 338 529	873 601 610	1 100 940 139	440 428 014	319 588 932	760 016 946	163 758 384	154 114 917
Silverstone Capital Investments Ltd.	1 866 140 654	972 682 135	2 838 822 789	1 259 148 232	288 332 195	1 547 480 427	303 852 716	293 793 098
Dar El-Sherouk Ltd.	130 964 800	79 835 506	210 800 306	42 188 451	3 309 801	45 498 252	10 368 337	11 358 550
Crondall Holdings Ltd.	30 997 306	951 560 645	982 557 951	659 329 272	--	659 329 272	19 190 543	17 203 965
National Development and Trading Co.	1 737 461 388	5 404 102 931	7 141 564 319	2 937 769 695	2 636 936 591	5 574 706 286	538 403 477	633 176 319
United Foundries Company	445 287 696	95 721 804	541 009 500	439 232 339	154 100 334	593 332 673	36 854 488	69 788 576
Mena Home Furnishings Mall	31 699 139	646 458 504	678 157 643	223 955 767	235 140 093	459 095 860	4 237 898	19 418 468
Citadel Capital Transportation Opportunities Ltd.	103 367 852	729 701 925	833 069 777	194 372 033	336 960 766	531 332 799	12 312 270	31 494 302
Tawazon for Solid Waste Management Company (Tawazon)	136 786 433	126 558 641	263 345 074	109 735 457	8 573 528	118 308 985	17 476 800	21 733 970
Mena Glass Ltd.	206 530 617	1 331 449 049	1 537 979 666	326 552 581	386 964 345	713 516 926	98 391 331	99 134 647
Tanmeyah Company S.A.E.	34 556 205	19 522 726	54 078 931	64 278 986	--	64 278 986	16 191 722	26 941 512
Ledmore Holdings Ltd.	9 718 795	145 773 960	155 492 755	36 253 367	13 978 194	50 231 561	233 711	2 577 815

- Note no. (19).

7. Other investments

	Note no.	31/3/2013 LE	31/12/2012 LE
Non-current investments			
Available-for-sale investments (net)	7.1	1 412 688 674	1 298 984 482
Payments for investments (net)	7.2	834 799 949	748 225 186
Loans to related parties	7.3	940 985 282	822 145 410
Others	7.4	--	28 616 041
		3 188 473 905	2 897 971 119
Current investments			
Investments at fair value through profit or loss	7.5	3 669 824	3 891 605
		3 192 143 729	2 901 862 724

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

	31/3/2013 LE	31/12/2012 LE
Orient Investment Properties Ltd.	866 941 811	802 452 210
Logria Holding Ltd. *	441 707 500	408 850 000
Golden Crescent Investment Ltd. *	430 613 846	398 581 575
Falcon Agriculture Investments Ltd.	317 585 220	293 960 861
EFG Capital Partners Fund II & III	23 705 289	23 705 289
Sphinx Turnaround	23 256 097	18 823 033
Modern Company for Isolating Materials	43 396	43 396
Arab Swiss Engineering Company (ASEC)	34 958	34 958
Medcom National Company	1 000	1 000
Underscore International Holdings	680	629
Valencia Regional Investment Ltd.	680	629
TAQA Arabia (note 17-2)	167 091 797	146 978 713
Arab Refinery Company	122	122
ASEC Cement Company	543	--
Total	2 270 982 939	2 093 432 415
Accumulated impairment *	(858 294 265)	(794 447 933)
Net	1 412 688 674	1 298 984 482

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

	Balance as at 1/1/2013	Foreign currency translation Differences	Balance as at 31/3/2013
	LE	LE	LE
Logria Holding Ltd.	408 850 000	32 857 500	441 707 500
Golden Crescent Investment Ltd.	385 597 933	30 988 832	416 586 765
Balance	794 447 933	63 846 332	858 294 265

7.2 The payments for investments are as follows:

	31/3/2013	31/12/2012
	LE	LE
Grandview Investment Holding	84 128 582	77 870 470
Fund Project	2 837 229	2 035 911
Pharos Holding Co.	18 621 911	18 621 911
Nile Valley Petroleum Ltd.	41 255 481	38 186 590
Citadel Capital Transportation Opportunities II Ltd.	20 387	18 870
Mena Joint Investment Fund	63 461 652	58 740 902
Africa Joint Investment Fund	97 368 133	90 125 164
Falcon Agriculture Investments Ltd.	43 389 268	40 161 650
Ambiance Rail Company (PTY) Limited	--	218 202 452
KU Railways Holdings Limited	455 178 457	203 116 435
ASEC Emirates for Mining *	37 667 524	34 865 533
Citadel Capital Al Qalaa - Saudi Arabia	982 642	909 547
Valencia Regional Investment Ltd.	254 193	235 284
ASEC Cement Company	27 302 014	--
Total	872 467 473	783 090 719
Accumulated impairment *	(37 667 524)	(34 865 533)
Net	834 799 949	748 225 186

7.3 Loans to subsidiaries and associate companies are as follows:

	note no.	31/3/2013	31/12/2012
		LE	LE
National Development and Trading Company	7.3.1	463 129 855	422 667 591
United Foundries Company	7.3.2	139 036 955	127 377 193
Underscore International Holdings Ltd.	7.3.3	101 932 500	94 350 000
Valencia Regional Investment Ltd.	7.3.4	78 148 250	72 335 000
Others		158 737 722	105 415 626
Balance		940 985 282	822 145 410

7.3.1 The Company has granted two subordinating loans to National Development and Trading Company – (one of the associate companies - 49.81%) dated December 28, 2009 and September 21, 2010 with amounts of US.$ 40 968 630 and US.$ 8 064 887 respectively. The loans contracts period is five years, the principle of the two loans have to be paid with interest at the end of loans period, with 11.5% annual cumulative interest, according to loans contracts the Company has the right to convert the value of loans in addition to its interest due into capital increase in the capital of National Development and Trading Company with par value at the end of loans period.

The guarantees are represented in lien on part of National Development and Trading Company shares in the following subsidiaries companies:

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

The balance of the two loans is US.$ 68 152 432 (equivalent to LE 463 129 855 as at March 31, 2013) against US.$ 67 196 755 (equivalent to LE 422 667 591 as at December 31, 2012) including accrued interest during the period amounted to US.$ 955 677 (equivalent to LE 6 494 303 as at March 31, 2013) against US.$ 6 970 742 (equivalent to LE 43 845 967 as at December 31, 2012).The Company didn't recognize interest income during the period with an amount of US.$ 939 462 (equivalent to LE 6 384 111) due to inadequate assurance concerning the revenue recognition and collection conditions.

7.3.2 The Company has concluded a subordinating loan contract with United Foundries Company (one of the associate companies - 29.95%) on June 2, 2010 with an amount of US.$ 11 563 187 for a period of three years, the principle of the loan has to be paid with interest at the end of the loan period, with 11.5% annual cumulative interest , according to the loan contract the Company has the right to convert the value of the loan in addition to its interest due into capital increase in the capital of United Foundries Company with par value at the end of loan period.

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

On January 9, 2012 the board of directors of United Foundries Company decided to convert a convertible loan contract to current account as a subordinating loan that will be settled on 10 years with annual interest rate equals to 6% against end of loan commission amounted to US.$ 1 421 320 (equivalent to LE 8 538 154).

The balance of the subordinating loan is US.$ 20 460 151 (equivalent to LE 139 036 955 as at March 31, 2013) versus US.$ 20 250 746 (equivalent to LE 127 377 193 as at December 31, 2012) including accrued interest during the period amounted to US.$ 209 405 (equivalent to LE 1 423 012) versus US.$ 1 122 392 (equivalent to LE

7 059 846 as at December 31, 2012). The Company didn't recognize interest income during the period with an amount of US.$ 88 912 (equivalent to LE 604 201) due to inadequate assurance concerning the revenue recognition and collection conditions.

7.3.3 On December 28, 2010, Citadel Capital for International Investments Ltd. (one of the subsidiaries - 100%) has granted Underscore International Holdings Ltd. (owned with a percentage of 10%) a loan with an amount of US.$ 15 Million (equivalent to LE 101 932 500 as at March 31, 2013 against LE 94 350 000 as at December 31, 2012) to purchase 4 754 098 shares - (2.83%) of National Development and Trading Company for a period of two years against interest equals to Internal Rate of Return (IRR) of Underscore International Holdings Ltd. less 1% as fees for the mentioned company, the interest will be due when sell those shares.

7.3.4 Alder Burke Investments Ltd. (one of the subsidiaries - 100%) has granted Valencia Regional Investment Ltd. (owned with a percentage of 10%) a loan as at December 28, 2010 with an amount of US.$ 11 500 000 (equivalent to LE 78 148 250 as at March 31, 2013 against LE 72 335 000 as at December 31, 2012) to purchase 3 582 555 shares - (2.13%) of National Development and Trading Company for a period of two years against interest equals to Internal Rate of Return (IRR) of Valencia Regional Investments Ltd. less 1% as fees for the mentioned company, the interest will be due when sell those shares.

7.4 Other investments with an amount of US.$ 4 549 450 as at December 31, 2012 (equivalent to LE 28 616 041) blocked at Citibank – London for Ambience ventures Ltd. (one of the subsidiaries - 75%) to ensure Ambience ventures Ltd. seriousness of payment of its due portion in KU Railways Holding Limited future capital increase and during the period ended March 31,2013 it was transferred to payments for investments in KU Railways Holding Limited.

7.5 Investments at fair value through profit or loss:

	31/3/2013 LE	31/12/2012 LE
Modern Shorouk for Printing Co.	1 408 207	1 530 660
Al Arafa Investment and Consulting	897 008	996 336
TAQA Arabia	1 364 609	1 364 609
Balance	3 669 824	3 891 605

The financial assets designated at fair value through profit or loss are equity securities quoted in stock exchange except TAQA Arabia.

8. Other assets

	Note no.	31/3/2013 LE	31/12/2012 LE
Biological assets	8.1	11 811	1 705 917
Inventory	8.2	9 410 843	10 838 815
Balance		9 422 654	12 544 732

8.1 Biological assets are represented in:

	31/3/2013 LE	31/12/2012 LE
Plants (cotton , corn , sun flower)	11 811	1 705 917

8.2 Inventory is represented in:

	31/3/2013 LE	31/12/2012 LE
Fertilizers	20 162	265 740
Chemicals	5 878 958	7 969 417
Seeds	2 035 843	1 306 968
Spare parts	1 289 752	1 296 690
Others	186 128	--
Balance	9 410 843	10 838 815

9. Trade and other receivables

	Note no.	31/3/2013 LE	31/12/2012 LE
Due from related parties (net)	9.1	1 172 622 052	1 122 543 311
Other receivables (net)	9.2	63 728 156	58 131 787
Balance		1 236 350 208	1 180 675 098

9.1 Due from related parties

	Nature of transaction		31/3/2013	31/12/2012
	Advisory fee	Finance		
	LE	LE	LE	LE
Logria Holding Ltd. *	37 401 758	2 167 690	39 569 448	36 626 606
Mena Home Furnishings Mall	7 435 369	131 977 444	139 412 813	106 515 556
Citadel Capital Transportation Opportunities Ltd.	1 865 956	138 756 463	140 622 419	128 332 139
Silverstone Capital Investments Ltd.	1 636 968	--	1 636 968	11 654 816
Falcon Agriculture Investments Ltd.	21 333 711	261 664 343	282 998 054	226 102 704

	Nature of transaction		31/3/2013	31/12/2012
	Advisory fee	Finance		
	LE	LE	LE	LE
Orient Investment Properties Ltd.	--	76 001	76 001	70 026
Golden Crescent Investment Ltd.	25 926 531	--	25 926 531	23 997 923
ASEC Cement Company	4 189 004	--	4 189 004	15 724 998
Sphinx Glass Ltd.	6 795 500	--	6 795 500	5 032 000
Mena Glass Ltd.	6 430 241	--	6 430 241	4 761 530
Mena Joint Investment Fund	1 810 695	--	1 810 695	1 256 402
Africa Joint Investment Fund	1 562 849	--	1 562 849	751 787
Citadel Capital Transportation Opportunities II Ltd.	1 865 956	--	1 865 956	6 908 611
Africa JIF HOLD CO I	1 315 329	--	1 315 329	1 108 077
Africa JIF HOLD CO III	4 868 540	--	4 868 540	4 196 191
Mena JIF HOLD CO I	1 315 329	--	1 315 329	1 108 072
Grandview Investment Holding	--	50 889 311	50 889 311	49 076 448
ASEC Company for Mining (ASCOM)	--	108 077 426	108 077 426	96 084 159
Golden Crescent Finco Ltd. *	--	196 789 104	196 789 104	179 634 462
Emerald Financial Services Ltd. *	--	248 636 465	248 636 465	226 367 030
Nile Valley Petroleum Ltd.	--	145 389 724	145 389 724	134 574 758
Tawazon for Solid Waste Management (Tawazon)	--	1 176 947	1 176 947	1 132 137
National Development and Trading Company	--	23 288 867	23 288 867	15 176 505
United Foundries Company	--	71 309 813	71 309 813	64 453 083
Citadel Capital East Africa	--	25 686	25 686	23 776
Citadel Capital – ALQALAA Saudi Arabia	--	546 759	546 759	457 040
ESACO for Manufacturing, Engineering and Construction *	--	54 135 206	54 135 206	54 135 206
Valencia Regional Investments Ltd.	--	55 000	55 000	55 000
El Kateb for Marketing & Distribution Co.	--	4 301 673	4 301 673	4 301 673
Ledmore Holdings Ltd.	1 653 724	33 671 245	35 324 969	30 836 885
Nahda	--	4 382 085	4 382 085	4 056 113
Egyptian Company for international Publication.	--	7 452 855	7 452 855	4 250 000
Underscore International Holdings Ltd	--	55 000	55 000	55 000
ASEC for Manufacturing and Industrial Projects-ARESCO	--	1 125 147	1 125 147	855 440
Total			1 613 357 714	1 439 672 153
Accumulated impairment *			(440 735 662)	(317 128 842)
Net			1 172 622 052	1 122 543 311

* Impairment in due from related parties are represented in:

	Balance as at 1/1/2013	Formed during the period *	Foreign currency translation Differences	Balance as at 31/3/2013
	LE	LE	LE	LE
ESACO for Manufacturing, Engineering and Construction	54 135 206	--	--	54 135 20
Emerald Financial Services Ltd.	226 367 030	3 968 956	18 300 479	248 636 46
Logria Holding Ltd.	36 626 606	--	2 942 842	39 569 44
Golden Crescent Finco Ltd.	--	95 779 939	2 614 604	98 394 54
Balance	317 128 842	99 748 895	23 857 925	440 735 66

* Note (22).

9.2 Other receivables are represented in:

	31/3/2013	31/12/2012
	LE	LE
Prepaid expenses	982 224	1 228 375
Deposits with others	852 951	787 370
Advances to suppliers	11 242 863	8 592 444
Letters of guarantee margin	679 550	629 000
Imprest	1 655 068	1 144 604
Accrued revenue	2 511 993	2 337 559
Prepaid interest*	22 549 657	22 847 538
Debit balances under settlement	7 475 050	6 919 000
Sundry debit balances	15 778 800	13 645 897
Balance	63 728 156	58 131 787

* Prepaid interest item is represented in the value of the loan interest granted from Arab International Bank to the International Company for refinery consultancy (one of the subsidiaries – 100%) as the Company has settled the interest in advance according to the signed contract with the bank as at November 4, 2012. Note (14)

10. Cash and cash equivalents

	31/3/2013	31/12/2012
	LE	LE
Cash on hand	597 656	202 350
Banks - current accounts	251 159 996	248 308 782
Banks - time deposits	48 885 284	62 900
Total	300 642 936	248 574 032
Effect of foreign exchange differences	16 265 801	6 638 931
Balance	316 908 737	255 212 963

Non cash transactions

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

- LE 5 089 080 from changes in loans and interest expenses (represents the value of the interest due on loans during the period).
- LE 7 844 936 from Interest income and changes in other investments (represents the value of the interest due on other investments during the period).

11. Share capital

- The Company's authorized capital is LE 6 Billion and the issued and paid-in capital is LE 4 358 125 000 with par value LE 5 per share.
- The preferred share has the advantage of triple voting right comparing with ordinary share on the decisions of the Company's extraordinary and ordinary general assembly meetings according to the decision of the Company's extraordinary general assembly meeting held on May 12, 2008 and also paragraph no.(3) of article no.(18) of the Company's article of associations. And those shares are owned by Citadel Capital Partners Ltd. the principle shareholder of the Company.

The shareholders' structure is represented as follows:

Shareholders' name	Percentage %	No. of shares	Value in LE
Citadel Capital Partners Ltd.	26.11	227 598 220	1 137 991 100
Soliman Abd Elmohsen Abd Allah Abanami	15.16	132 100 000	660 500 000
Emirates International Investments Company	7.49	65 318 565	326 592 825
Others	51.24	446 608 215	2 233 041 075
	100	871 625 000	4 358 125 000

12. Reserves

12.1 Legal reserve

As per the Company's statutes, 5% of net profit for the year is set aside to form a legal reserve. Transfer to the legal reserve may be suspended once the reserve reaches 50% of the Company's issued share capital. However, if the reserve balance falls below 50% of the Company's issued share capital transfers to the legal reserve are required to be resumed. The legal reserve is non-distributable but can be used to offset losses or to increase the issued share capital.

12.2 Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired.

13. Non - controlling interests

	31/3/2013	31/12/2012
	LE	LE
Capital	566 417 893	479 099 845
Payments for capital increase	1 698 873	1 572 500
Other owners' equity	(37 900 093)	(27 685 147)
Foreign currency translation reserve	(8 935 292)	(4 117 192)
Net loss for the year	(2 074 113)	(10 617 804)
Balance	519 207 268	438 252 202

14. Loans and borrowings

	note	31/3/2013	31/12/2012
	no.	LE	LE
Long term – loans	(14.1,2,3,4)	2 084 568 641	1 923 023 521
Short term – loans	(14.1,3,5)	749 098 578	543 265 577
Balance		2 833 667 219	2 466 289 098

14.1 On February 1, 2012 the Company has signed a long-term loan with an amount of US.$ 325 million with City Bank Group - syndication manager – 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 City Bank London "syndication manager"; loan is to be paid on three installments during the contract period begins from the third year to the end of contract on May 15, 2013. The loan balance is an amount of US.$ 171 957 803 (equivalent to LE 1 032 984 912) as at December 31, 2011 until the date of the new contract)

The new loan amount is divided into three classes :-

- First class : Irrevocable amount of US.$ 175 million bearing variable interest rate (4.25 %+Libor rate) for 5 years begins from the date of the contract and payable on five equal annual installments.

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

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

The Company has used an amount of US.$ 300 million (equivalent to LE 2 038 650 000) till March 31, 2013 and the current stage instalment is amounted to US.$ 83 888 888 (equivalent to LE 570 066 938 as at March 31, 2013).

The interest on loan charged to the income statement during the period is LE 29 059 351 - note no. (23).

The loan guarantees are as follows:

- First degree lien contract of the shares owned by the Company in National Development and Trading Company.
- First degree lien contract of the shares owned by the Company in International Company for Mining Consulting.
- First degree lien contract of the shares owned by the Company in United Foundries Company.
- First degree lien contract of the shares of Citadel Capital Ltd. (One of the subsidiaries of Citadel Capital Holding for Financial Investments-Free Zone).
- First degree lien contract of Citadel Capital Ltd. (One of the subsidiaries of Citadel Capital Holding for Financial Investments-Free Zone) investments on the following companies:
    - Orient Investments Properties Ltd.
    - Logria Holding Ltd.
    - Golden Crescent Investments Ltd.
    - Falcon Agriculture Investments Ltd.
    - Silverstone Capital Investment Ltd.
    - Mena Glass Ltd.
    - Mena Home Furnishings Mall.
    - Valencia Trading Holding Ltd.
    - Andalusia Trading Investments Ltd.
    - Citadel Capital Transportation Opportunities Ltd.

- Lotus Alliance Limited.
- Citadel Capital Financing Corp.
- Grandview Investment Holding
- Africa Railways Holding
- Citadel Capital for Promotion Company

14.2 On December 21, 2010 National Refining Consulting Company (one of the subsidiaries - 99.99%) obtained a long-term loan from Arab International Bank for five years with an amount of US.$ 50 million (equivalent to LE 339 775 000 as at March 31, 2013 against LE 314 500 000 as at December 31, 2012) to purchase 50 million shares in Orient Investments Properties Ltd. Company (owned Company with a percentage of 31.76%). The loan is guaranteed by pledging the Company's share in Orient Investments Properties Ltd. in favour of the bank. The bank is entitled to transfer the ownership of those share in favour of the bank at any time against the facilities granted to the National Company for Refinery Consultants. The parties agreed on a return of US.$ 15 608 926 (equivalent to LE 106 070 457 as at March 31, 2013) against (LE 98 180 145 as at December 31, 2012) during the term of the contract provided that the accrued interest will be added to the loan principle, the accrued interest as at March 31, 2013 amounted to US.$ 7 103 514 (equivalent to LE 48 271 929) against US.$ 6 334 181 (equivalent to LE 39 841 998 as at December 31, 2012). The loan principle along with the outstanding accrued interest will be paid in full at the end of the contract on December 21, 2015. The total balance of the loan as at March 31, 2013 is US.$ 57 103 514 (equivalent to LE 388 046 929) against US.$ 56 334 181 (equivalent to LE 354 341 998 as at December 31, 2012).

14.3 Sabina for Integrated Solutions Company (one of the subsidiaries - 96%) signed a long - term loan contract with Khartoum Bank - Sudan amounted to US.$ 9.4 million. The Company has withdrawn an amount of US.$ 9 393 856 (equivalent to LE 63 835 948 as at March 31, 2013) against US.$ 8 994 027 (equivalent to LE 56 572 430 as at December 31, 2012) , and the current portion of loan on March 31, 2013 is amounted to US.$ 2 619 897 (equivalent to LE 17 803 510 as at March 31, 2013) and the non-current portion is amounted to US.$ 6 773 959 (equivalent to LE 46 032 439 as at March 31, 2013) .

14.4 International Company for Refinery Consultation Company – (one of the subsidiaries- 99.99%) has signed a long - term loan contract with Arab International Bank on November 4, 2012 with an amount of US.$ 26 768 628 (equivalent to L.E 181 906 211as at March 31, 2013 against LE 168 374 670 as at December 31, 2012) for a period of three years bearing interest rate (5.2 % annually with total amount US.$ 3 820 781 equivalent to LE 25 964 117 paid in advance) for the purpose of settling the outstanding loan balance due on United for Petroleum

Refining Consultation Company – related company– and other financial requirements and the interest due on the loan till March 31, 2013 is US.$ 502 459 (equivalent to 3 414 460).

The loan guarantee is represented in letter of guarantee to Standard Chartered Bank Korea Limited) with an amount of US.$ 26 768 628 for the favour of Arab International Bank .

14.5 Trimstone Assets Holdings Ltd. Company (one of the subsidiaries- 100%) has signed a short - term loan contract with Arab International Bank on March 6, 2013 with an amount not exceeding US.$ 35 million (equivalent to L.E 237 842 500). The Company has used an amount of US.$ 23 725 720 (equivalent to LE 161 228 130 as at March 31, 2013) with an interest rate (5 %+ US.$ Libor rate over six months the interest is payable every 6 months) and the loan shall be repaid on two semi annual instalments, the first instalment shall be due on September 2013 and the second instalment shall be due on March 2014.

The loan guarantee is represented in the following:

- A first degree lien contract of the shares owned by the borrower of TAQA Arabia Company.
- A first degree lien contract over shares of Citadel Capital Company for Financial Consultancy covering 35% of the value of the loan in the favour of the bank.

15. Long term liabilities

	31/3/2013 LE	31/12/2012 LE
Creditors-purchase of investments *	10 787 486	10 787 486

* This balance represents the amount due from Tanweer for Marketing and Distribution Company (Tanweer) (subsidiary – 99.88%) for purchasing investment in Dar El-Sherouk Ltd.-BVI- for interest of the shareholders of the previous company.

16. Deferred tax

	31/3/2013 LE	31/12/2012 LE
Fixed assets depreciation	715 739	693 087

The Company has carried over tax losses from previous years that were not recognized due to the lack of reasonable assurance of future taxable profit to benefit in the near future.

17. Trade and other payables

	Note no.	31/3/2013 LE	31/12/2012 LE
Due to related parties	17.1	536 936 953	490 529 819
Other payables	17.2	283 517 736	304 665 899
Balance		820 454 689	795 195 718

17.1 Due to related parties

	31/3/2013	31/12/2012
	LE	LE
Citadel Capital Partners Ltd.*	312 887 232	255 980 135
Mena Glass Ltd.	30 934 183	31 145 073
Crondall Holdings Ltd.	4 752 711	4 468 434
Citadel Capital Transportation Opportunities II Ltd.	3 212 695	9 894 900
Africa JIF Hold CO III	260 458	241 084
ASEC Cement Company	25 567 471	22 180 251
Falcon Agriculture Investments Ltd.	14 550 436	13 468 066
National Company for Agricultural Investment (Gozour)	94 534 919	87 502 706
Silverstone Capital Investments Ltd.	46 330 394	61 865 968
Pharos Holding Co.	3 906 454	3 783 202
Balance	536 936 953	490 529 819

* The main shareholder of the Company – 26.11%.

17.2 Other payables

	31/3/2013	31/12/2012
	LE	LE
Tax Authority	26 328 428	23 327 700
National Authority for Social Insurance	663 779	446 789
Accrued expenses	79 001 042	71 128 110
Dividend payable – previous years	2 927 510	2 926 499
Accrued interest	11 041 172	39 294 929
Suppliers	14 539 011	12 323 401
Sundry credit balances	16 540 682	8 239 758
Notes payable *	132 476 112	146 978 713
Balance	283 517 736	304 665 899

* Notes payable balance as at March 31, 2013 represents checks due on the company against purchase of 6 821 407 shares in TAQA Arabia (against LE 146 978 713 as at December 31, 2012) included in available-for- sale investments note (7-1).During the period the Company paid an amount LE 9 478 274 and US.$ 739 361 equivalent to LE 5 024 327 on transaction date.

18. Expected claims provision

	31/3/2013	31/12/2012
	LE	LE
Balance at the beginning of the period/year	212 898 033	206 560 345
Provisions formed during the period/year	132 299	7 000 000
Acquisition of subsidiaries	--	1 210 793
Foreign currency translation differences	1 050 013	1 063 874
Provisions used during the period/year	--	(2 936 979)
Provisions no longer needed	(16 842 843)	--
Balance	197 237 502	212 898 033

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

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

	For the period ended	
	31/3/2013	31/3/2012
	LE	LE
El Kateb for Marketing & Distribution Co.	(241 594)	(159 232)
Pharos Holding Co.	94 671	19 018
Elsharq Book Stores Co.	13 680	(29 692)
ASEC Company for Mining (ASCOM)	3 782 361	(2 790 108)
Silverstone Capital Investments Ltd.	4 205 772	12 353 916
Dar El-Sherouk Ltd.	(579 374)	(1 394 853)
Crondall Holdings Ltd.	947 074	9 672 048
National Development & Trading Company *	--	(64 593 696)
United Foundries and Heat Treatment Company *	--	(7 383 718)
Mena Glass Ltd.	(156 319)	(1 534 357)
Tanmeyah Company S.A.E	(5 475 266)	(502 869)
Mena Home Furnishings Mall	(4 877 517)	(4 546 217)
Citadel Capital Transportation Opportunities Ltd.	(7 269 453)	(5 637 222)
Tawazon for Solid Waste Management (Tawazon)	(1 084 518)	(611 941)
Ledmore Holdings Ltd.*	(820 440)	(508 639)
Total	(11 460 923)	(67 647 562)

* Note no.(6)

20. Acquisition of subsidiaries

- During year 2012 the Company acquired a percentage of 99.99% of shares of Wafra Agriculture S.A.E (Egyptian Joint Stock Company) through Citadel Capital for International Investments Ltd. (one of the subsidiaries-100%) with par value amounted to LE 249 997 in addition to transferring the current account due on Valencia Assets Holding Ltd. – one of Wafra Agriculture S.A.E Company's subsidiaries with a percentage of 100% amounted to LE 188 250 476 to be investment in Wafra Agriculture S.A.E Company.
- Wafra Agriculture S.A.E Company owns several subsidiaries and then the consolidated financial statements of the Company for the period ended March 31, 2013 include the financial statements of the Wafra Agriculture S.A.E Company and its subsidiaries controlled as follows:

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

- Due to inadequate of conditions related to disclose the segments of Wafra Agriculture S.A.E Company reports according to that most of the Group activities have the same nature represents in Investments and financial consultancy except activities of Wafra Agriculture S.A.E which was consolidated at year 2012 that has different activity than other Group's activities but it is not significant for the other Group's activities by comparing total assets and liabilities , revenues and net results of this activity compared to other Group's activities.

20.1 Net other operations results

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

	For the period ended	
	31/3/2013	**31/3/2012**
	LE	**LE**
Sales	5 138 798	3 358 295
Cost of sales	(3 141 554)	(6 973 340)
Net profit (loss)	1 997 244	(3 615 045)

21. Administrative and general expenses

	For the period ended	
	31/3/2013	31/3/2012
	LE	LE
Wages , salaries and similar items	15 495 174	16 709 498
Consultancy *	24 661 425	8 086 028
Advertising and public relations	2 054 748	1 036 887
Travel , accommodation and transportations	1 636 842	1 244 099
Other expenses	12 582 612	17 847 846
Total	56 430 801	44 924 358

- The Company's extraordinary general assembly meeting held on May 12, 2008 approved the management contract with Citadel Capital Partners Ltd. (the principal shareholder 26.11 %) which states that the mentioned company provides management duties for fees based on 10% of the net annual profit available for distribution amounted to -nil- for the period ended March 31, 2013 and March 31, 2012.

* Consultancy expenses include an amount of US.$ 813 399 (equivalent to LE 5 380 573) for the period ended March 31, 2013 against US.$ 889 949 (equivalent to LE 5 354 022 for the period ended March 31, 2012) represents the advisory fees due according to the signed contract with Financial Holding International Co. (one of the group shareholders).

22. Other expenses

	Note	For the period ended	
	no.	31/3/2013	31/3/2012
		LE	LE
Impairment loss on assets	(22-1)	(99 748 895)	(9 867 685)
Provisions formed	(18)	(132 299)	--
Net change in the fair value of investments at fair value through profit or loss		(221 781)	4 877
Provisions no longer needed	(18)	16 842 843	--
Total		(83 260 132)	(9 862 808)

22.1 Impairment loss on assets is represented in the following:

	For the period ended	
	31/3/2013	31/3/2012
	LE	LE
Impairment loss on due from related parties*		
Emerald Financial Services Ltd.	3 968 956	--
ESACO for Manufacturing, Engineering and Construction	--	9 867 685
Golden Crescent Finco Ltd.	95 779 939	--
Total	99 748 895	9 867 685

* Note no.(9-1)

23. Finance income / (costs)

	For the period ended	
	31/3/2013	31/3/2012
	LE	LE
Interest income - note no. (26-2)	21 680 466	36 862 628
Interest expenses - note no.(14)	(36 767 280)	(87 690 757)
Foreign currency translation differences	22 898 860	92 865
Net	7 812 046	(50 735 264)

24. Earnings per share

	For the period ended	
	31/3/2013	31/3/2012
	LE	LE
Net loss for the period	(126 419 638)	(159 257 819)
Net loss for equity holders of the parent Company	(124 345 525)	(156 115 323)
Weighted average number of shares	871 625 000	871 625 000
Earnings per share	(0.14)	(0.18)

25. Finance income (expenses) recognised in equity

	For the period ended	
	31/3/2013	31/3/2012
	LE	LE
Foreign currency translation differences	124 100 602	(12 987 341)
Net change in the fair value of available-for-sale investment	(99 197)	128 034
Total finance income (expenses) recognised in equity (after tax)	124 001 405	(12 859 307)
Attributable to:		
Equity holders of the Company	128 819 505	(12 675 387)
Non - controlling interest	(4 818 100)	(183 920)
	124 001 405	(12 859 307)

26. Related party transactions

The Company transact with related parties on the same basis of transacting with another parties and related parties transactions are presented as follows:

26.1 Advisory fee

Advisory fee item presented in the income statement is represented in the advisory services provided to related parties according to signed contracts as follows:

	For the period ended	
	31/3/2013	31/3/2012
Company's name	LE	LE
Mena Glass Ltd.	1 010 660	900 127
Mena Home Furnishings Mall	1 004 357	894 529
Citadel Capital Transportation Opportunities Ltd.	229 069	216 294
Falcon Agriculture Investments Ltd.	4 239 262	3 775 624
Golden Crescent Investment Ltd.*	--	1 747 858
Orient Investment Properties Ltd.	--	2 443 036
Sphinx Glass Ltd.	1 207 440	1 075 385
ASEC Cement Company	2 900 972	2 583 699
Silverstone Capital Investment Ltd.	947 951	315 460
Citadel Capital Transportation Opportunities II Ltd.	1 372 368	1 264 830

	For the period ended	
	31/3/2013	31/3/2012
Company's name	**LE**	**LE**
Africa Joint Investment Fund	767 490	1 196 644
Mena Joint Investment Fund	441 282	849 888
Africa JIF HOLD CO I	118 200	93 742
Africa JIF HOLD CO III	335 120	300 674
Mena JIF HOLD CO I	118 200	93 742
Ledmore Holdings Ltd.	213 944	--
Total	14 906 315	17 751 532

* The Company did not recognize advisory fees with an amount LE 10 650 336 and LE 1 972 068 related to Logria Holding Ltd. and Golden Crescent Investments Ltd. in accordance with the signed contracts due to inadequate assurance concerning the revenue recognition and collection conditions.

26.2 Interest income

Interest income included in financing cost note no.(23) includes an amount of LE 20 999 139 represents accrued interest income according to signed contracts from other related parties as follows:

	For the period ended	
	31/3/2013	31/3/2012
Company's name	**LE**	**LE**
National Company for Trading and Development *	6 431 769	5 195 529
United Foundries Company **	2 133 694	7 412 276
Golden Crescent Finco Ltd.	--	5 710 844
Mena Home Furnishings Mall	1 357 224	2 476 238
Citadel Capital Transportation Opportunities Ltd.	992 608	1 534 597
Grandview Investment Holding	785 309	2 057 284
ASEC Company for Mining (ASCOM)	942 396	--
Orient Investments Properties Ltd.	4 804 987	4 721 659
Falcon Agriculture Investments Ltd.	3 551 152	5 693 830
Total	20 999 139	34 802 257

* Note (7.3.1)

** Note (7.3.2)

27. Tax status

Corporate tax

The Company submitted its tax returns on regular basis for the years from 2005 to 2012 according to tax law No. 91/2005. The Company's books have not been inspected yet.

Salaries tax

The Company deducts the salaries tax according to tax law no. 91 / 2005 and the Company's books inspected for the period from launch till the date of 31/12/2009 but the authority did not inform the Company with results yet. And the years from 2010/2012 have not been inspected yet.

Stamp tax

The Company was inspected till July 31, 2006 and paid all the accrued amounts according to the Internal Committee decision and no tax inspection for the period from 1/8/2006 to 31/12/2012 has been inspected and the dispute has transferred to internal committee in the authority.

Withholding tax

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

- On December 6, 2012, several resolutions of laws on amending certain provisions of the Tax Laws has been issued and published in the Official Gazette on the that date, provided that such resolutions shall come into force from the date following the date of publication. And such amendments are:
- Amending the provisions of the Income tax Law No. 91 of 2005.
- Amending the provisions of the General Sales tax Law No. 11 of 1991.
- Amending the provisions of the Real Estate tax Law No. 196 of 2008.
- Amending the provisions of the Stamp Duty Law No. 111 of 1980.

Later statements have been issued by certain officials in respect of freezing the enforcement of such resolutions, therefore the parent company management did not affect the financial statements with these amendments. when reliable information become available on the enforcement of such resolutions and the effective date therefore, these amendments might affect the taxes bases, the related assets and liabilities, the results of operations during the year and the net profit available for distribution.

28. Group entities

	Country of incorporation	Ownership interest	
		Direct	Indirect
		%	%
Citadel Capital Holding for Financial Investments–Free Zone	Arab Republic of Egypt–Free Zone	99.99	--
Citadel Capital for International Investments Ltd.	British Virgin Island	100.00	--
International for Mining Consultation	Arab Republic of Egypt	99.99	--
International for refinery Consultation	Arab Republic of Egypt	--	99.99
Arab Company for Financial Investments	Arab Republic of Egypt	--	94.00
Tanweer for Marketing and Distribution Company (Tanweer)	Arab Republic of Egypt	--	99.88
Financial Unlimited for Financial Consulting	Arab Republic of Egypt	--	99.88
Citadel Company for Investment Promotion	Arab Republic of Egypt	--	99.90
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 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	--	40.22
Sequoia Williow 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

	Country of incorporation	Ownership interest	
		Direct	Indirect
		%	%
Darley Dale Investments Ltd.	British Virgin Island	--	100.00
Africa Railways Holding	Republic of Mauritius	--	51.02
Citadel Capital Joint Investment Fund Management Limited	Republic of Mauritius	--	100.00
Mena Joint Investment Fund	Luxembourg	--	100.00
Wafra Agriculture S.A.E	Arab Republic of Egypt	--	99.99
Valencia Assets Holding Ltd.	British Virgin Island	--	100.00
Sabina for Integrated Solutions	Sudan	--	96.00
Concord Agriculture	South Sudan	--	96.00
Trimestone Assets Holding Limited – BVI	British Virgin Island	--	100.00

* The Group owns preferred stocks which give the Group the authority to hire the majority of the board of directors of Africa Railways Limited which enables the Group to control the financial and operational polices. Consequently, the Company consolidates this company.

29. Employees Stock Option Plan

The Company's extraordinary meeting held on February 20, 2008 approved to add a new article to the Company Article of Association to adopt a plan or more to motivate employees, managers and executive board of directors – Employees stock option plan (ESOP) in accordance with decision no. 282 for 2005 which modified executive regulation for the law no. 159 / 1981.

On June 22, 2008 the Capital Market Authority approved the ESOP plan and the Company does not start to apply it yet.

30. Contingent liabilities

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

31. Financial instruments and management of related risks

The Group's financial instruments are represented in the financial assets and liabilities. Financial assets include cash and cash equivalents, other investments, and trade and other receivables while financial liabilities include; loans and borrowing and trade and other payables. Note (no.3) include significant accounting policies for the recognition and measurement of the important financial instruments and related revenues and expenses by the Company to minimize the consequences of such risks.

31.1 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.

31.2 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.

31.3 Financial instruments' fair values

According to the valuation bases used to evaluate the assets and liabilities of the Company which have been stated in the accompanying notes to the financial position, the financial instruments' fair value does not substantially deviate from their book values at the balance sheet date .

31.4 Market risk

A- Foreign currencies risk

- The foreign currencies exchange risk represents the risk of fluctuation in exchange rates, which in turn affects the Company's cash inflows and outflows as well as the value of its assets and liabilities in foreign currencies. Assets and liabilities that have foreign currency position at the financial position date equivalent to LE 2 429 084 367 and LE 2 205 488 038 respectively, and net foreign currencies balances are as follows:

Foreign currencies	Surplus (deficit) LE
US.$	348 892 617
Euro	(125 296 288)

- 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.

32. Subsequent events

On the June 2, 2013 the Ordinary General Assembly approved the agreements relating to increasing the Company's stake in some of its companies where the Company holds investments for the following sectors:

- Energy
- Transportation and logistical support
- Agriculture and food industries
- Cement
- Other sectors

The General Assembly reviewed all the contracts and agreements with the shareholders of those companies that give the Company the right to purchase additional stake at a fair value with a maximum of EGP 3,131,149,209 according to the valuation made by independent financial advisor (registered at the Egyptian Financial Supervising Authority–EFSA) and which has been approved by the Company's external auditor.

The General Assembly approved to grant the management of the Company the authority to determine the proper timing for execution of the contractual agreements or cancelling it and also authorized the members of the board of directors to enter into the compensatory contracts relating to the purchase by the Company of any shares held by the members of the directors.

The General Assembly also agreed to grant management of the Company the authority to enter into contractual agreements with the same shareholders or other shareholders in these companies as long as these contracts are with the same terms and conditions previously referred to. The required legal procedures are taking place.