Citadel Capital Company
(Egyptian Joint Stock Company)

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

Contents

KPMG

Hazem Hassan
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Review report

To the Board of Directors of Citadel Capital Company

Introduction

We have performed a limited review for the accompanying consolidated statement of financial position of Citadel Capital Company (Egyptian Joint Stock Company) and its subsidiaries as at September 30, 2012 and the related consolidated statements of income, changes in equity and cash flows for the nine months then ended, and a summary of significant accounting policies and other explanatory notes. The Company's management is responsible for the preparation and fair presentation of these 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 September 30, 2012 and of its consolidated financial performance and its consolidated cash flows for the nine months then ended in accordance with Egyptian Accounting Standards.

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KPMG Hazem Hassan

Cairo, December 20 , 2012

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 September 30, 2012

	Note	30/09/2012 LE	31/12/2011 LE
Assets			
Fixed assets (net)	(5)	268 193 986	72 959 814
Investments in subsidiaries and associates	(6)	1 361 334 654	1 643 393 974
Other investments (net)	(7)	2 704 875 122	2 215 496 903
Deferred tax	(16)	1 001 107	1 759 385
Total non-current assets		4 335 404 869	3 933 610 076
Other investments	(7)	18 573 899	18 169 898
Other assets	(8)	25 726 188	-
Trade and other receivables (net)	(9)	1 050 144 622	922 891 980
Cash and cash equivalents	(10)	209 009 731	166 240 722
Total current assets		1 303 454 440	1 107 302 600
Total assets		5 638 859 309	5 040 912 676
Equity			
Share capital	(11)	4 358 125 000	4 358 125 000
Reserves	(12)	84 992 956	187 335 495
Retained loss		(1 942 352 488)	(1 093 810 353)
Net loss for the period / year		(409 810 669)	(773 536 460)
Total equity attributable to equity holders of the Company		2 090 954 799	2 678 113 682
Non - controlling interests	(13)	382 773 976	379 713 881
Total equity		2 473 728 775	3 057 827 563
Liabilities			
Long term loans	(14)	1 995 343 994	1 142 441 436
Long term liabilities	(15)	10 787 486	21 859 566
Total non-current liabilities		2 006 131 480	1 164 301 002
Short term loans	(14)	294 577 046	210 252 000
Trade and other payables	(17)	656 935 660	401 971 766
Expected claims provision	(18)	207 486 348	206 560 345
Total current liabilities		1 158 999 054	818 784 111
Total liabilities		3 165 130 534	1 983 085 113
Total equity and liabilities		5 638 859 309	5 040 912 676

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

Review report "attached"

Managing Director
Hisham Hussein El Khazendar

Ahmed Heikal
Chairman
Ahmed Heikal

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

	Note	For the period		For the period	
		from 1/7/2012 to 30/9/2012	from 1/1/2012 to 30/9/2012	from 1/7/2011 to 30/9/2011	from 1/1/2011 to 30/9/2011
		LE	LE	LE	LE
Advisory fee	(26-1)	14 615 932	47 643 337	16 103 902	47 134 934
Share of loss / profit of equity accounted investees	(19)	(65 603 092)	(200 833 397)	(94 720 341)	(290 703 849)
Net other operations results	(20-1)	270 223	(15 945 975)	-	-
Other income		-	-	65 486	65 486
Total operating loss		(50 716 937)	(169 136 035)	(78 550 953)	(243 503 429)
Administrative and general expenses	(21)	(43 177 110)	(142 071 969)	(66 944 896)	(168 891 783)
Other expenses	(9-1,22)	(17 972 896)	(40 443 160)	(1 136 972)	(1 186 806)
Net operating loss		(111 866 943)	(351 651 164)	(146 632 821)	(413 582 018)
Financing cost (net)	(23)	(21 814 263)	(65 050 105)	(8 186 640)	(33 106 146)
Net loss before tax		(133 681 206)	(416 701 269)	(154 819 461)	(446 688 164)
Deferred tax		(331 160)	(796 034)	(12 745)	43 276
Net loss for the period		(134 012 366)	(417 497 303)	(154 832 206)	(446 644 888)
Attributable to:					
Equity holders of the Company		(130 731 532)	(409 810 669)	(134 719 364)	(422 452 597)
Non - controlling interests		(3 280 834)	(7 686 634)	(20 112 842)	(24 192 291)
		(134 012 366)	(417 497 303)	(154 832 206)	(446 644 888)
Earnings per share	(24)	(0.15)	(0.47)	(0.20)	(0.64)

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

Citadel Capital Company

(Egyptian Joint Stock Company)

Consolidated statement of changes in equity

for the period ended September 30, 2012

	Note	Share capital	Reserves				Retained earnings (loss)	Net loss for the year / period	Total	Non-controlling interests	Total equity
			Legal reserve	Fair value reserve -AFS	F.C. translation reserve	Company's share of changes in associate equity					
		LE	LE	LE	LE	LE	LE	LE	LE	LE	LE
Balance as at December 31, 2010		3 308 125 000	89 578 478	120 816	102 914 452	(60 234 871)	273 649 702	(1 354 895 222)	2 359 258 355	197 003 955	2 556 262 310
Carrying 2010 loss forward		-	-	-	-	-	(1 354 895 222)	1 354 895 222	-	-	-
Exchange differences relating to foreign operations	(3-3)	-	-	-	80 488 545	-	-	-	80 488 545	(724 622)	79 763 923
Changes in the fair value of available -for- sale investments	(3-8-1)	-	-	(747 373)	-	-	-	-	(747 373)	-	(747 373)
Changes in non-controlling interests		-	-	-	-	-	-	-	-	103 968 556	103 968 556
The Company's share in changes of associates equity	(3-1-4)	-	-	-	-	(12 148 028)	(17 489 743)	-	(29 637 771)	-	(29 637 771)
Net loss for the period ended September 30, 2011		-	-	-	-	-	-	(422 452 597)	(422 452 597)	(24 192 291)	(446 644 888)
Balance as at September 30, 2011		3 308 125 000	89 578 478	(626 557)	183 402 997	(72 382 899)	(1 098 735 263)	(422 452 597)	1 986 909 159	276 055 598	2 262 964 757
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)	-	-	-	(99 117 346)	-	-	-	(99 117 346)	(665 368)	(99 782 714)
Changes in the fair value of available -for- sale investments	(3-8-1)	-	-	162 638	-	-	-	-	162 638	-	162 638
Acquisition of subsidiaries	(20)	-	-	-	-	-	(91 341 737)	-	(91 341 737)	-	(91 341 737)
Changes in non-controlling interests		-	-	-	-	-	-	-	-	11 412 097	11 412 097
The Company's share in changes of associates equity	(3-1-4)	-	-	-	-	(3 387 831)	16 336 062	-	12 948 231	-	12 948 231
Net loss for the period ended September 30, 2012		-	-	-	-	-	-	(409 810 669)	(409 810 669)	(7 686 634)	(417 497 303)
Balance as at September 30, 2012		4 358 125 000	89 578 478	(576 957)	71 689 369	(75 697 934)	(1 942 352 488)	(409 810 669)	2 090 954 799	382 773 976	2 473 728 775

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

Citadel Capital Company

(Egyptian Joint Stock Company)

Consolidated statement of cash flows

for the period ended September 30, 2012

	For the period ended 30/09/2012 LE	For the period ended 30/09/2011 LE
Cash flows from operating activities		
Net loss before tax	(416 701 269)	(446 688 164)
Adjustments to reconcile net loss to net cash (used in) provided from operating activities :		
Depreciation and amortization	10 796 493	3 457 378
The Company's share of loss / profit of equity accounted investees	234 230 503	314 586 307
Net change in the fair value of investments at fair value through profit or loss	(219 985)	1 186 806
Foreign exchange differences	(32 126 883)	75 000 088
Interest income	(36 336 667)	(32 527 516)
Interest expenses	14 147 321	13 951 254
Impairment loss on trade and other receivables	40 663 145	15 817 832
Provisions no longer needed	-	(15 817 832)
Provisions used	-	(9 498 233)
Operating loss before changes in working capital	(185 547 342)	(80 532 080)
Change in investments at fair value through profit or loss	-	(3 516 140)
Change in trade and other receivables	(318 662 375)	(184 825 453)
Change in other assets	8 925 810	-
Change in trade and other payables	(27 884 946)	309 991 691
Net cash (used in) provided from operating activities	(523 168 853)	41 118 018
Cash flows from investing activities		
Payments for purchase of fixed assets	(42 440 510)	(848 477)
Payments for other investments	(152 853 523)	(254 090 933)
Payments for purchase of investments in subsidiaries and associates	(41 301 867)	(26 816 735)
Proceeds from refund of available for sale investments	2 625 637	-
Proceeds from sale of fixed assets	368 357	-
Net cash used in investing activities	(233 601 906)	(281 756 145)
Cash flows from financing activities		
Proceeds from borrowings	795 779 394	200 997 635
Proceeds from capital related to non-controlling interests	-	109 418 953
Net cash provided from financing activities	795 779 394	310 416 588
Net changes in cash and cash equivalents during the period	39 008 635	69 778 461
Cash and cash equivalents at the beginning of the period	166 240 722	162 616 450
Cash related to aquisition of subsidiaries - note no. (20)	3 760 374	-
Cash and cash equivalents at the end of the period	209 009 731	232 394 911

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

1. Reporting entity

Citadel Capital Company - 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 11, 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 September 30, 2012 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in associates.

2. Basis of preparation

2.1 Statement of compliance

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

The financial statements were approved by the Board of Directors on December 20, 2012.

2.2 Basis of measurement

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

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

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

2.3 Functional and presentation currency

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

2.4 Use of estimate and judgements

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

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

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

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

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities. Certain comparative amounts have been reclassified to conform with the current period presentation.

3.1 Basis of consolidation

3.1.1 Subsidiaries

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

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

3.1.2 Loss exceeding non-controlling

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

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

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

3.1.4 Associates

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

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

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

3.2 Foreign currency translation

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

3.3 Foreign operations

As at the reporting date the assets and liabilities of these consolidated subsidiaries are translated to Egyptian Pound at the rates ruling as at the reporting date, and the shareholders' equity accounts are translated at historical rates, where as the income statement items are translated at the average exchange rates ruling during the period of the consolidated financial statements. Currency translation differences are recorded in the shareholders' equity section of the balance sheet as foreign currency translation reserve.

3.4 Recognition and disposals of the financial assets and liabilities

3.4.1 Recognition

The Group initially recognises deposits, receivables and debt instruments by fair value on the date that they are originated. All other financial assets and liabilities (including assets and liabilities designated as at fair value through profit or loss) are recognised when the Group becomes a party to the contractual provisions of the instrument.

3.4.2 Disposals

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

When an entity retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), the entity treats the transaction as a transfer of a financial asset if, and only if, all of the following three conditions are met:

(a) The entity has no obligation to pay amounts to the eventual recipients unless it collects equivalent amounts from the original asset. Short-term advances by the entity with the right of full recovery of the amount lent plus accrued interest at market rates do not violate this condition.

(b) The entity is prohibited by the terms of the transfer contract from selling or pledging the original asset other than as security to the eventual recipients for the obligation to pay them cash flows.

(c) The entity has an obligation to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the entity is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents during the short settlement period from the collection date to the date of required remittance to the eventual recipients, and interest earned on such investments is passed to the eventual recipients.

3.5 Financial instruments

The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financial and investment activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments. Derivatives are recognized initially at fair value; attributable transaction costs are recognized in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedge

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized directly in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognized in profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in equity remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognized in equity is transferred to the carrying amount of the asset when it is recognized. In other cases the amount recognized in equity is transferred to profit or loss in the same period that the hedged item affects profit or loss.

Fair value hedge

Changes in the fair value of a derivative hedging instrument designated as a fair value hedge are recognized in profit or loss. The hedged item also is stated at faire value in respect of the risk being hedged, with any gain or loss being recognized in profit or loss.

3.6 Lending

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

3.7 Cash and cash equivalents

Cash and cash equivalents are represented in the cash, banks current accounts and deposits with original maturities of three months or less.

3.8 Investments

3.8.1 Available-for-sale financial investments

Available-for-sale 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 & software	2-3 years
- Transportation means	4 years

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

3.11 Projects under construction

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

3.12 Gains and losses from disposal of fixed assets

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

3.13 Intangible assets

3.13.1 Goodwill

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

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

3.13.2 Other intangible assets

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

3.13.3 Subsequent expenditures

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

3.13.4 Amortisation

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

3.14 Impairment

3.14.1 Financial assets

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

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

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

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

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

3.14.2 Non-financial assets

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

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

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

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

3.15 Trade and other receivables

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

3.16 Biological assets

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

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

3.17 Inventories

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

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

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

3.18 Trade and other payables

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

3.19 Provisions

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

3.20 Interest bearing borrowings

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

3.21 Legal reserve

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

3.22 Dividends

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

3.23 Income tax

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

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

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

3.24 Earnings per share

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

3.25 Employees benefits

3.25.1 Pensions

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

3.25.2 Other short-term benefits

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

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

3.26 Revenue

3.26.1 Gain (loss) on sale of investments

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

3.26.2 Services

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

3.26.3 Commissions

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

3.26.4 Dividend income

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

3.26.5 Interest income

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

3.26.6 Management fee

Management fee is recognized upon rendering the service.

3.26.7 Advisory fee

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

3.26.8 Sale of goods

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

4. Determination of fair values

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

4.1 Intangible assets

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

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

4.2 Investment in equity and debt securities

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

4.3 Trade and other receivables

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

4.4 Non-derivatives financial liabilities

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

4.5 Inventories

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

5. Fixed assets

	Land	Buildings	Lease hold improvements	Machinery and equipment	Furniture & fixtures	Computer equipment & software	Transportation means	Assets under construction *	Total
	LE	LE	LE	LE	LE	LE	LE	LE	LE
Cost as at 1/1/2012	24 000 000	33 742 368	192 720	--	22 972 082	7 946 240	662 831	20 889 151	110 405 392
Acquisition of subsidiaries **	--	5 532 356	7 879 473	114 820 559	5 486 178	461 277	3 611 078	68 565 550	206 356 471
Additions	--	41 362	--	508 707	496 222	111 184	395 439	40 887 596	42 440 510
Disposals	--	--	(58 269)	--	(116 401)	(66 564)	(554 545)	--	(795 779)
Foreign currency translation differences	--	46 148	(3 067 696)	(19 226 968)	(609 481)	(100 701)	(1 453 575)	--	(24 412 273)
Cost as at 30/9/2012	24 000 000	39 362 234	4 946 228	96 102 298	28 228 600	8 351 436	2 661 228	130 342 297	333 994 321
Accumulated depreciation as at 1/1/2012	--	8 435 593	163 508	--	20 860 588	7 373 165	612 724	--	37 445 578
Acquisition of subsidiaries **	--	406 464	--	16 950 686	879 331	156 237	2 052 371	--	20 445 089
Depreciation	--	1 348 456	23 229	7 391 069	1 322 925	392 664	318 150	--	10 796 493
Disposals	--	--	(58 269)	--	(116 401)	(66 564)	(186 188)	--	(427 422)
Foreign currency translation differences	--	3 921	(6 257)	(932 029)	(135 097)	(48 133)	(1 341 808)	--	(2 459 403)
Accumulated depreciation as at 30/9/2012	--	10 194 434	122 211	23 409 726	22 811 346	7 807 369	1 455 249	--	65 800 335
Carrying amounts									
At 30/9/2012	24 000 000	29 167 800	4 824 017	72 692 572	5 417 254	544 067	1 205 979	130 342 297	268 193 986
At 31/12/2011	24 000 000	25 306 775	29 212	--	2 111 494	573 075	50 107	20 889 151	72 959 814

* Assets under construction include an amount of LE 109 453 146 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.

** Note no. (20).

6. Investments in subsidiaries and associates

The Group investments in subsidiaries and associates are represented in:

	Percentage		Carrying amount	
	2012	2011	30/9/2012	31/12/2011
	%	%	LE	LE
El Kateb for Marketing & Distribution Co.	48.88	48.88	692 214	1 346 670
Pharos Holding Co. *	53.00	53.00	94 624 659	94 504 925
Elsharq Book Stores Co.	40.00	40.00	15 373 639	15 792 931
ASEC Company for Mining (ASCOM)	39.22	39.22	145 815 397	153 083 372
Silverstone Capital Investments Ltd.***	41.81	40.98	343 671 046	346 700 538
Dar El-Sherouk Ltd. *	58.51	58.51	145 009 155	148 409 077
Crondall Holdings Ltd.	47.67	47.67	127 486 642	99 566 424
National Development and Trading Company	49.81	49.81	62 027 089	343 697 769
United Foundries Company	29.95	29.95	22 457 819	50 446 690
Mena Home Furnishings Mall	32.13	32.13	93 555 261	109 140 321
Citadel Capital Transportation Opportunities Ltd.	34.16	34.16	128 028 643	110 611 075
Tawazon for Solid Waste Management (Tawazon)	25.48	33.33	21 735 715	25 450 207
Mena Glass Ltd.	21.03	21.03	132 735 724	136 718 916
Tanmeyah Company S.A.E **	51.00	51.00	6 400 796	7 925 059
Ledmore Holdings Ltd.***	35.00	--	21 720 855	--
Balance			1 361 334 654	1 643 393 974

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

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

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

Summary of financial statements of associates company

2012	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Revenues	Expenses
	LE	LE	LE	LE	LE	LE	LE	LE
El Kateb for Marketing & Distribution Co.	13 351 370	6 380 886	19 732 256	11 530 177	2 814 850	14 345 027	3 804 510	5 143 413
Pharos Holding Co.	183 425 277	187 465 277	370 890 554	224 949 998	666 555	225 616 553	36 526 017	36 300 104
Elsharq Book Stores Co.	10 424 804	7 426 093	17 850 897	4 673 757	421 660	5 095 417	16 246 490	17 300 850
ASEC Company for Mining (ASCOM)	224 888 896	791 960 764	1 016 849 660	387 121 206	231 194 962	618 316 168	440 025 478	443 493 874
Silverstone Capital Investments Ltd.	1 683 430 503	935 454 020	2 618 884 523	1 055 241 274	268 523 996	1 323 765 270	932 923 177	857 776 397
Dar El-Sherouk Ltd.	154 209 207	83 354 735	237 563 942	57 516 749	3 233 125	60 749 874	33 799 000	30 270 323
Crondall Holdings Ltd.	730 564 088	183 035 087	913 599 174	434 824 956	--	434 824 956	98 632 655	41 849 921
National Development and Trading Co.	1 538 202 692	5 119 987 647	6 658 190 339	2 643 351 996	2 298 686 057	4 942 038 053	1 422 680 381	1 803 128 900
United Foundries Company	196 125 920	407 753 779	603 879 699	347 936 325	184 573 205	532 509 530	209 423 915	288 852 632
Mena Home Furnishings Mall	16 176 006	653 125 869	669 301 875	120 361 005	296 957 895	417 318 900	19 350 542	62 578 618
Citadel Capital Transportation Opportunities Ltd.	175 118 130	683 592 275	858 710 405	173 153 779	320 074 869	493 228 648	46 713 303	97 315 701
Tawazon for Solid Waste Management Company (Tawazon)	119 306 546	128 914 719	248 221 265	88 436 305	14 814 552	103 250 857	79 526 913	91 479 479
Mena Glass Ltd.	200 941 398	1 305 946 158	1 506 887 556	260 405 835	450 341 411	710 747 246	257 236 245	276 271 170
Tanmeyah Company S.A.E.	33 821 489	19 328 049	53 149 538	55 078 223	--	55 078 223	51 142 950	49 556 704
Ledmore Holdings Ltd.	10 333 234	130 452 529	140 785 763	30 127 835	11 240 260	41 368 095	575 861	9 412 716

- Note no. (19).

7. Other investments

	Note no.	30/9/2012 LE	31/12/2011 LE
Non-current investments			
Available-for-sale investments (net)	7.1	1 113 122 490	919 306 588
Payments for investments (net)	7.2	756 408 142	589 886 669
Loans to related parties	7.3	798 563 834	660 952 590
Others	7.4	36 780 656	45 351 056
		2 704 875 122	2 215 496 903
Current investments			
Investments at fair value through profit or loss	7.5	18 573 899	18 169 898
		2 723 449 021	2 233 666 801

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

	30/9/2012 LE	31/12/2011 LE
Orient Investment Properties Ltd.	775 661 277	605 569 252
Logria Holding Ltd. *	395 200 000	390 468 000
Golden Crescent Investment Ltd. *	385 274 400	380 661 246
Falcon Agriculture Investments Ltd.	282 930 588	266 345 377
EFG Capital Partners Fund II & III	23 705 289	26 330 926
Sphinx Turnaround	18 194 600	8 580 883
Modern Company for Isolating Materials	43 396	43 396
Arab Swiss Engineering Company (ASEC)	34 958	34 958
Medcom National Company	1 000	1 000
Underscore International Holdings	608	601
Valencia Regional Investment Ltd.	608	601
Total	1 881 046 724	1 678 036 240
Accumulated impairment *	(767 924 234)	(758 729 652)
Net	1 113 122 490	919 306 588

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

	Balance as at 1/1/2012	Foreign currency translation differences	Balance as at 30/9/2012
	LE	LE	LE
Logria Holding Ltd.	390 468 000	4 732 000	395 200 000
Golden Crescent Investment Ltd.	368 261 652	4 462 582	372 724 234
Balance	758 729 652	9 194 582	767 924 234

7.2 The payments for investments are as follows:

	30/9/2012	31/12/2011
	LE	LE
Grandview Investment Holding	75 270 662	74 369 395
Fund Project	4 233 647	2 035 911
Pharos Holding Co.	18 621 911	18 621 911
Nile Valley Petroleum Ltd.	36 911 680	36 469 710
Citadel Capital Transportation Opportunities II Ltd.	18 240	18 022
Mena Joint Investment Fund	56 779 758	20 960 118
Africa Joint Investment Fund	87 116 216	48 978 654
Falcon Agriculture Investments Ltd.	38 820 800	38 355 973
Ambiance Rail Company (PTY) Limited	168 357 474	166 341 615
KU Railways Holdings Limited	176 879 117	174 761 222
Asec Emirates for Mining *	35 511 930	33 297 970
Citadel Capital Al Qalaa - Saudi Arabia	879 180	868 653
Sphinx Turnaround Funds	--	8 104 163
Valencia Assets Holding Ltd.	--	1 322
Orient Investment Properties Ltd.	92 292 029	--
Valencia Regional Investment Ltd.	227 428	--
Total	791 920 072	623 184 639
Accumulated impairment *	(35 511 930)	(33 297 970)
Net	756 408 142	589 886 669

7.3 Loans to subsidiaries and associate companies are as follows:

	note no.	30/9/2012 LE	31/12/2011 LE
National Development and Trading Company	7.3.1	397 961 243	362 094 225
United Foundries Company	7.3.2	121 365 701	58 107 093
Underscore International Holdings Ltd.	7.3.3	91 200 000	90 108 000
Valencia Regional Investment Ltd.	7.3.4	69 920 000	69 082 800
Others		118 116 890	81 560 472
Balance		798 563 834	660 952 590

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 value of the two loans is US.$ 65 454 152 (equivalent to LE 397 961 243 as at September 30, 2012) against US.$ 60 276 705 (equivalent to LE 362 094 225 as at December 31, 2011) including accrued interest during the period amounted to US.$ 5 177 447 (equivalent to LE 31 478 877 as at September 30, 2012) against US.$ 11 243 186 (equivalent to LE 67 540 070 as at December 31, 2011).

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

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

On January 9, 2012 the board of directors of United Foundries Company decided to convert a convertible loan contract to current account as a subordinating loan that will be settled on 10 years with annual interest rate equals to 6% against end of loan commission amounted to US.$ 1 421 320 (equivalent to LE 8 641 626).

The value of loan is US.$ 19 961 464 (equivalent to LE 121 365 701 as at September 30, 2012) versus US.$ 9 672 908 (equivalent to LE 58 107 093 as at December 31, 2011) including accrued interest during the period amounted to US.$ 833 110 (equivalent to LE 5 065 308) versus US.$ 1 542 808 (equivalent to LE 9 267 956 as at December 31, 2011).

7.3.3 Citadel Capital for International Investments Ltd. (one of the subsidiaries - 100%) has granted Underscore International Holdings Ltd. (owned with a percentage of 10%) a loan as at December 28, 2010 with an amount of US.$ 15 Million (equivalent to LE 91 200 000 as at September 30, 2012 against LE 90 108 000 as at December 31, 2011) to purchase 4 754 098 shares - (2.83%) of National Development and Trading Company for a period of two years against interest equals to Internal Rate of Return

(IRR) of Underscore International Holdings Ltd. less 1% as fees for the mentioned company, the interest will be due when sell those shares.

7.3.4 Alder Burke Investments Ltd. (one of the subsidiaries - 100%) has granted Valencia Regional Investment Ltd. (owned with a percentage of 10%) a loan as at December 28, 2010 with an amount of US.$ 11 500 000 (equivalent to LE 69 920 000 as at September 30, 2012 against LE 69 082 800 as at December 31, 2011) to purchase 3 582 555 shares - (2.13%) of National Development and Trading Company for a period of two years against interest equals to Internal Rate of Return (IRR) of Valencia Regional Investments Ltd. less 1% as fees for the mentioned company, the interest will be due when sell those shares.

7.4 Other investments are represented in an amount of US.$ 6 049 450 (equivalent to LE 36 780 656 as at September 30, 2012 against US.$ 7 549 450 (equivalent to LE 45 351 056 as at December 31, 2011) blocked at Citibank – London for Ambiance venture Ltd. (one of the subsidiaries - 75%) to ensure the Ambiance venture Ltd. seriousness of payment of its due portion in KU Railways Holding Limited future capital increase.

7.5 Investments at fair value through profit or loss:

	30/9/2012 LE	31/12/2011 LE
Modern Shorouk for Printing Co.	1 600 430	1 399 664
Al Arafa Investment and Consulting	1 605 120	1 585 901
TAQA Arabia	15 368 349	15 184 333
Balance	18 573 899	18 169 898

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

8. Other assets

	Note no.	30/9/2012 LE	31/12/2011 LE
Biological assets	8.1	7 255 142	--
Inventory	8.2	18 471 046	--
Balance		25 726 188	--

8.1 Biological assets are represented in:

	30/9/2012	31/12/2011
	LE	LE
Plants (cotton , corn , sun flower)	7 255 142	--

8.2 Inventory is represented in:

	30/9/2012	31/12/2011
	LE	LE
Fertilizers	14 145 606	--
Chemicals	1 830 755	--
Seeds	1 351 590	--
Spare parts	1 143 095	--
Balance	18 471 046	--

9. Trade and other receivables

	Note no.	30/9/2012	31/12/2011
		LE	LE
Due from related parties (net)	9.1	1 017 254 549	903 563 564
Other receivables (net)	9.2	32 890 073	19 328 416
Balance		1 050 144 622	922 891 980

9.1 Due from related parties

	Nature of transaction		30/9/2012	31/12/2011
	Advisory fee	Finance		
	LE	LE	LE	LE
Logria Holding Ltd. *	33 463 719	1 940 268	35 403 987	34 980 352
Mena Home Furnishings Mall	3 991 503	96 161 274	100 152 777	57 574 182
Citadel Capital Transportation Opportunities Ltd.	994 876	122 026 013	123 020 889	20 988 192
Silverstone Capital Investments Ltd.	9 801 094	--	9 801 094	8 966 930
Falcon Agriculture Investments Ltd.	11 434 255	210 202 819	221 637 074	53 293 548
Orient Investment Properties Ltd.	--	40 590	40 590	114 022 516
Golden Crescent Investment Ltd.	23 196 721	--	23 196 721	21 175 667

	Nature of transaction		30/9/2012	31/12/2011
	Advisory fee	Finance		
	LE	LE	LE	LE
ASEC Cement Company	11 368 768	--	11 368 768	15 018 000
Sphinx Glass Ltd.	3 648 000	--	3 648 000	4 805 760
Mena Glass Ltd.	3 451 918	--	3 451 918	4 547 451
Mena Joint Investment Fund	800 985	--	800 985	346 374
Africa Joint Investment Fund	1 339 868	--	1 339 868	2 593 140
Citadel Capital Transportation Opportunities II Ltd.	5 008 472	--	5 008 472	5 961 449
Africa JIF HOLD CO I	686 567	--	686 567	372 789
Africa JIF HOLD CO III	2 534 436	--	2 534 436	1 603 015
Mena JIF HOLD CO I	686 567	--	686 567	372 789
Grandview Investment Holding	--	46 723 079	46 723 079	42 463 202
ASEC Company for Mining (ASCOM)	--	77 094 400	77 094 400	24 083 533
Golden Crescent Finco Ltd.	--	137 209 816	137 209 816	146 695 022
Emerald Financial Services Ltd. *	--	228 381 745	228 381 745	199 086 273
Nile Valley Petroleum Ltd.	--	130 081 600	130 081 600	128 524 043
Tawazon for Solid Waste Management (Tawazon)	--	923 740	923 740	2 745 525
National Development and Trading Company	--	18 302 249	18 302 249	4 082 996
United Foundries Company	--	58 136 194	58 136 194	46 635 557
Citadel Capital East Africa	--	22 977	22 977	22 707
Citadel Capital – ALQALAA Saudi Arabia	--	363 094	363 094	193 312
ESACO for Manufacturing, Engineering and Construction *	--	42 905 204	42 905 204	28 855 201
Arab Refining Company – note no. (14-4)	--	--	--	1 400 789
Valencia Assets Holding Ltd. – note no. (20)	--	--	--	188 250 476
Sabina for Integrated Solutions	--	--	--	6 607 920
Valencia Regional Investments Ltd.	--	25 001	25 001	216 680
El Kateb for Marketing & Distribution Co.	--	4 301 673	4 301 673	--

	Nature of transaction		**30/9/2012**	**31/12/2011**
	Advisory fee	**Finance**		
	LE	**LE**	**LE**	**LE**
Ledmore Holdings Ltd.	887 770	29 535 655	30 423 425	--
Nahda	--	3 920 694	3 920 694	--
Egyptian Company for international Publication.	--	1 500 000	1 500 000	--
Underscore International Holdings Ltd	--	25 001	25 001	--
ASEC for Manufacturing and Industrial Projects-ARESCO	--	826 880	826 880	--
Total			1 323 945 485	1 166 485 390
Accumulated impairment *			(306 690 936)	(262 921 826)
Net			1 017 254 549	903 563 564

* Impairment in due from related parties are represented in:

	Balance as at 1/1/2012	**Formed during the period**	**Foreign currency translation Differences**	**Balance as at 30/9/2012**
	LE	**LE**	**LE**	**LE**
ESACO for Manufacturing, Engineering and Construction	28 855 201	13 957 220	92 783	42 905 204
Emerald Financial Services Ltd.	199 086 273	26 705 925	2 589 547	228 381 745
Logria Holding Ltd.	34 980 352	---	423 635	35 403 987
Balance	262 921 826	40 663 145	3 105 965	306 690 936

9.2 Other receivables are represented in:

	30/9/2012	**31/12/2011**
	LE	**LE**
Prepaid expenses	506 729	197 887
Deposits with others	899 363	232 402
Advances to suppliers	13 647 543	11 228
Letters of guarantee margin	608 000	602 720
Imprest	2 822 546	515 793
Accrued revenue	2 337 559	2 403 045
Loans to others	--	12 014 400
Sundry debit balances	12 068 333	3 350 941
Balance	32 890 073	19 328 416

10. Cash and cash equivalents

	30/9/2012	31/12/2011
	LE	LE
Cash on hand	314 067	668 772
Banks - current accounts	206 925 832	159 034 272
Banks - time deposits	60 800	1 351 620
Total	207 300 699	161 054 664
Effect of foreign exchange differences	1 709 032	5 186 058
Balance	209 009 731	166 240 722

Non cash transactions

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

- LE 108 604 228 from due from related parties and other investments (represents the related parties' current account due transferred as other investments).
- LE 36 336 667 from proceeds from interest income and changes in other investments (represents the value of the interest due on other investments during the period).

11. Share capital

- The Company's authorized capital is LE 6 Billion and the issued and paid-in capital is LE 3 308 125 000 represents 661 625 000 shares distributed to 496 218 750 ordinary shares and 165 406 250 preferred shares with par value LE 5 per share.
- The Company's extraordinary general assembly meeting held on August 3, 2011 decided to increase the issued capital from LE 3 308 125 000 to be LE 4 358 125 000 with an increase of LE 1 050 000 000 by issuing new 210 000 000 shares with par value LE 5 each and accordingly the total number of shares after increase is 871 625 000 shares distributed to 653 718 750 ordinary shares and 217 906 250 preferred shares. The share capital increase was paid in full during October 2011. The commercial register was updated on October 23, 2011.
- The preferred share has the advantage of triple voting right comparing with ordinary share on the decisions of the Company's extraordinary and ordinary general assembly meetings according to the decision of the Company's extraordinary general assembly meeting held on May 12, 2008 and also paragraph no.(3) of article no.(18) of the Company's article of associations. And those shares are owned by Citadel Capital Partners Ltd. the principle shareholder of the Company.

The shareholders' structure is represented as follows:

Shareholder's name	Percentage %	No. of shares	Value in LE
Citadel Capital Partners Ltd.	28.23	246 027 220	1 230 136 100
Soliman Abd Elmohsen Abd allah Abnamy	15.16	132 100 000	660 500 000
Emirates International Investments Company	7.49	65 318 565	326 592 825
Others	49.12	428 179 215	2 140 896 075
	100	871 625 000	4 358 125 000

12. Reserves

12.1 Legal reserve

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

12.2 Fair value reserve

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

13. Non - controlling interests

	30/9/2012	31/12/2011
	LE	LE
Capital	424 684 108	404 516 257
Payments for capital increase	1 520 000	1 501 800
Other owners' equity	(33 523 225)	2 206 531
Foreign currency translation reserve	(2 220 273)	(1 554 898)
Net loss for the period / year	(7 686 634)	(26 955 809)
Balance	382 773 976	379 713 881

14. Loans and borrowings

	note	30/9/2012	31/12/2011
	no.	LE	LE
Long term – loans	(14.1,2,3)	1 995 343 994	1 142 441 436
Short term – loans	(14.1,3,4)	294 577 046	210 252 000
Balance		2 289 921 040	1 352 693 436

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 installments would be paid on December 20th each year.

The Company has used an amount of US.$ 300 000 000 (equivalent to LE 1 824 000 000) till September 30, 2012 and the current stage instalment is amounted to US.$ 35 million (equivalent to LE 212 800 000 as at September 30, 2012).

- The interest on loan charged to the income statement during the period is LE 131 641 437 including an amount LE. 69 345 000 represents loan's expenses and fees. - note no. (23).
- The loan guarantees are as follows:
  - First degree lien contract of the shares owned by the Company in National Development and Trading Company.
  - First degree lien contract of the shares owned by the Company in International Company for Mining Consulting.
  - First degree lien contract of the shares owned by the Company in United Foundries Company.
  - First degree lien contract of the shares of Citadel Capital Ltd. (One of the subsidiaries of Citadel Capital Holding for Financial Investments-Free Zone).
  - First degree lien contract of Citadel Capital Ltd. (One of the subsidiaries of Citadel Capital Holding for Financial Investments-Free Zone) investments on the following companies:
    - Orient Investments Properties Ltd.
    - Logria Holding Ltd.

- Golden Crescent Investments Ltd.
- Falcon Agriculture Investments Ltd.
- Silverstone Capital Investment Ltd.
- Mena Glass Ltd.
- Mena Home Furnishings Mall.
- Valencia Trading Holding Ltd.
- Andalusia Trading Investments Ltd.
- Citadel Capital Transportation Opportunities Ltd.
- Lotus Alliance Limited.
- Citadel Capital Financing Corp.
- Grandview Investment Holding
- Africa Railways Holding
- Citadel Capital for Promotion Company

14.2 On December 21, 2010 National Refining Consulting Company (one of the subsidiaries - 99.99%) obtained a long-term loan from Arab International Bank for five years with an amount of US.$ 50 million (equivalent to LE 304 000 000 as at September 30, 2012 against LE 300 360 000 as at December 31, 2011) to purchase 50 million shares in Orient Investments Properties Ltd. Company (owned Company with a percentage of 31.76%). The loan is guaranteed by pledging the Company's share in Orient Investments Properties Ltd. in favour of the bank. The bank is entitled to transfer the ownership of those share in favour of the bank at any time against the facilities granted to the National Company for Refinery Consultants. The parties agreed on a return of US.$ 15 608 926 (equivalent to LE 94 902 270 as at September 30, 2012) against (LE 93 765 940 as at December 31, 2011) during the term of the contract provided that the accrued interest will be added to the loan principle, the accrued interest as at September 30, 2012 amounted to US.$ 5 547 751 (equivalent to LE 33 730 326) against US.$ 3 220 889 (equivalent to LE 19 348 524 as at December 31, 2011). The loan principle along with the outstanding accrued interest will be paid in full at the end of the contract on December 21, 2015. The total balance of the loan as at September 30, 2012 is US.$ 55 547 751 (equivalent to LE 337 730 326) against US.$ 53 220 889 (equivalent to LE 319 708 524 as at December 31, 2011).

14.3 Sabina for Integrated Solutions Company (one of the subsidiaries - 96%)which was signed a long - term loan contract with Khartoum Bank Sudan amounted to US.$ 15 million. The Company has withdrawn an amount of US.$ 11 826 799 (equivalent to LE 71 906 938 as September 30, 2012 , and the current stage instalment on September 30, 2012 is amounted to US.$ 4 192 972 (equivalent to LE 25 493 270 as at September 30, 2012) and the non-current stage instalment is amounted to US.$ 7 633 827 (equivalent to LE 46 413 668 as at September 30, 2012) .

14.4 United for Petroleum Refining Consultation Company – (one of the subsidiaries- 99.99%) has signed a short - term loan contract with Arab International Bank as at September 12, 2011 with an amount of US.$ 28 500 000 (equivalent to LE 173 280 000 as at September 30, 2012) for a period of nine months bearing variable interest rate (5.5 %+Libor rate over six months) for the purpose of financing Arab Refinery Company – one of the subsidiaries of Orient Investment Properties Ltd. note no. (7.1) – to use it in financing the Egyptian Refining Company – one of the subsidiaries of Arab Refinery Company with an amount of US.$ 28 300 000 (equivalent to LE 172 064 000 as at September 30, 2012) to settle its liabilities which represent the insurance instalment due for NEXI (Nippon Export & Investment Insurance) and this finance mature when Egyptian Refining Company uses the loan obtained according to the signed contract from a group of international banks with an amount of US.$ 2.3 billion for the purpose of financing the project that relates to constructing a Petroleum Refining Lab .

The loan guarantees are as follows:

- First degree lien contract of United for Petroleum Refining Consultation Company shares in favour of the bank.
- Transferring of all United for Petroleum Refining Consultation Company accrued amounts due from Arab Refinery Company to the bank.
- A commitment from Arab Refinery Company to give priority for this loan over any other liability.
- A letter from NEXI Company as a Commitment for repayment of insurance instalment to Egyptian Refining Company in case of not withdrawn from the loan in the due dates.
- A commitment from Arab Refinery Company for repayment of insurance instalment from Egyptian Refining Company in case of repayment from NEXI Company to Egyptian Refining Company.
- The Company has the right to renew this contract for another period or several periods with the same conditions and guarantees listed in this contract or adding new better conditions and guarantees after agreement of both parties.

Arab Refinery Company paid in full the loan principle along with the outstanding accrued interest during the period with an amount of US.$ 29 873 600 (equivalent to LE 181 631 488) as at July 18, 2012.United for Petroleum Refining Consultation Company paid an amount of US.$ 19 999 940 (equivalent to L.E 121 599 635) to Arab International Bank. The total balance of the loan on United for Petroleum Refining Consultation Company as at September 30, 2012 is US.$ 9 257 200 (equivalent to LE 56 283 776) including an amount of US.$93 162 (equivalent to LE 566 425)

15. Long term liabilities

	30/9/2012	31/12/2011
	LE	LE
Creditors-purchase of investments *	10 787 486	21 859 566

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

16. Deferred tax

	30/9/2012	31/12/2011
	LE	LE
Fixed assets depreciation	1 001 107	1 759 385

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

17. Trade and other payables

	Note no.	30/9/2012	31/12/2011
		LE	LE
Due to related parties	17.1	538 239 026	303 276 132
Other payables	17.2	118 696 634	98 695 634
Balance		656 935 660	401 971 766

17.1 Due to related parties

	30/9/2012	31/12/2011
	LE	LE
Citadel Capital Partners Ltd.*	223 017 899	225 371 867
Mena Glass Ltd.	25 714 314	17 969 097
Crondall Holdings Ltd.	4 252 297	4 844 152
Citadel Capital Transportation Opportunities II Ltd.	14 826 785	33 916 651
Africa JIF Hold CO III	114 693	149 165
ASEC for Manufacturing and Industrial Projects- ARESCO	--	21 025 200
ASEC Cement Company	21 563 668	--
Falcon Agriculture Investments Ltd.	12 511 248	--
Gozor	84 581 318	--
Silverstone Capital Investments Ltd.	147 999 593	--
Pharos Holding Co.	3 657 211	--
Balance	538 239 026	303 276 132

* The main shareholder of the Company – 28.23%.

17.2 Other payables

	30/9/2012	31/12/2011
	LE	LE
Tax Authority	16 516 576	7 125 074
National Authority for Social Insurance	722 203	200 489
Accrued expenses	54 520 723	48 998 967
Dividends payable – previous years	2 926 079	2 925 933
Accrued interest	18 543 015	25 632 722
Suppliers	13 420 900	8 620 190
Sundry credit balances	12 047 138	5 192 259
Balance	118 696 634	98 695 634

18. Expected claims provision

	30/9/2012	31/12/2011
	LE	LE
Balance at the beginning of the period / year	206 560 345	220 448 101
Provisions formed during the period /year	--	30 515 920
Acquisition of subsidiaries*	1 210 793	--
Foreign currency translation differences	(284 790)	1 173 788
Provisions used during the period / year	--	(13 065 459)
Provisions no longer needed	--	(32 512 005)
Balance	207 486 348	206 560 345

*Note no. (20)

Expected claims provision related to expected claims were made by external party in connection with the Company's operations. The information usually required by Accounting Standards is not disclosed because the management believes that it would seriously prejudice the outcome of the negotiation with that external party. The management are reviewing the provision every year and the amount provided is adjusted based on latest development, discussions and agreements with the external party.

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

	For the period		For the period	
	from 1/7/2012 to 30/9/2012	from 1/1/2012 to 30/9/2012	from 1/7/2011 to 30/9/2011	from 1/1/2011 to 30/9/2011
	LE	LE	LE	LE
El Kateb for Marketing & Distribution Co.	(308 472)	(654 455)	(245 183)	(342 178)
Pharos Holding Co.	150 145	119 734	(2 738 581)	(1 099 518)
Elsharq Book Stores Co.	(205 978)	(421 744)	(166 834)	(581 173)
ASEC Company for Mining (ASCOM)	3 336 039	(1 360 374)	1 917 830	(22 124 732)
Silverstone Capital Investments Ltd.	4 122 807	31 418 869	14 583 156	36 699 609
Dar El-Sherouk Ltd.	974 976	(3 201 271)	(1 912 235)	(6 057 309)
Crondall Holdings Ltd.	5 095 020	27 070 388	927 509	4 888 028
National Development & Trading Company	(58 449 940)	(189 501 407)	(93 159 322)	(242 018 927)
United Foundries and Heat Treatment Company	(7 141 808)	(23 788 901)	(4 037 881)	(7 048 058)
Mena Glass Ltd.	(1 781 088)	(4 003 045)	(1 411 173)	(4 080 339)
Tanmeyah Company S.A.E	703 424	807 934	(1 569 449)	(10 414 758)
Mena Home Furnishings Mall	(4 759 582)	(13 889 181)	(4 775 679)	(15 778 431)
Citadel Capital Transportation Opportunities Ltd.	(5 449 185)	(17 285 779)	(985 653)	(19 060 081)
Tawazon for Solid Waste Management (Tawazon)	(772 090)	(3 044 928)	(1 146 846)	(3 685 982)
Ledmore Holdings Ltd.*	(1 117 360)	(3 099 237)	--	--
	(65 603 092)	(200 833 397)	(94 720 341)	(290 703 849)

* Note no.(6)

20. Acquisition of subsidiaries

- The Company has acquire a percentage of 99.99% of shares of Wafra Agriculture S.A.E (Egyptian Joint Stock Company) through Citadel Capital for International Investments Ltd. (one of the subsidiaries-100%) with par value amounted to LE 249 997 in addition to transferring the current account due on Valencia Assets Holding Ltd. – one of Wafra Agriculture S.A.E Company's subsidiaries with a percentage of 100% amounted to LE 188 250 476 to be investment in Wafra Agriculture S.A.E Company.
- Wafra Agriculture S.A.E Company owns several subsidiaries and then the consolidated financial statements of the Company for the period ended September 30, 2012 include the financial statements of the Wafra Agriculture S.A.E Company and its subsidiaries controlled as follows:

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

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

20.1 Net other operations results

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

	For the period		For the period	
	from 1/7/2012 to 30/9/2012	from 1/1/2012 to 30/9/2012	from 1/7/2011 to 30/9/2011	from 1/1/2011 to 30/9/2011
	LE	LE	LE	LE
Sales	(1 245 348)	4 976 223	--	--
Cost of sales	1 515 571	(20 922 198)	--	--
Net loss	270 223	(15 945 975)	--	--

21. Administrative and general expenses

- The Company's extraordinary general assembly meeting held on May 12, 2008 approved the management contract with Citadel Capital Partners Ltd. (the principal shareholder 28.23 %) 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 September 30, 2012 and September 30, 2011.
- Administrative and general expenses include an amount of US.$ 2 269 152 (equivalent to LE 13 705 678) for the period ended September 30, 2012 against US.$ 2 482 191 (equivalent to LE 14 665 777 for the period ended September 30, 2011) represents the advisory fees due according to the signed contract with Financial Holding International Co. (one of the group shareholders).

22. Other expenses

	For the period		For the period	
	from 1/7/2012 to 30/9/2012	from 1/1/2012 to 30/9/2012	from 1/7/2011 to 30/9/2011	from 1/1/2011 to 30/9/2011
	LE	LE	LE	LE
Impairment loss on trade and other receivables (note 9-1)	(18 540 218)	(40 663 145)	(5 471 626)	(15 817 732)
Net change in the fair value of investments at fair value through profit and loss	567 322	219 985	(1 136 972)	(1 186 806)
Provisions no longer needed	--	--	5 471 626	15 817 732
Total	(17 972 896)	(40 443 160)	(1 136 972)	(1 186 806)

23. Financing cost

	For the period		For the period	
	from 1/7/2012 to 30/9/2012	from 1/1/2012 to 30/9/2012	from 1/7/2011 to 30/9/2011	from 1/1/2011 to 30/9/2011
	LE	LE	LE	LE
Interest income - note no. (26-2)	21 471 425	74 301 948	10 632 929	29 224 897
Interest expenses - note no.(14)	(29 567 158)	(146 752 652)	(18 231 658)	(55 696 148)
Foreign currency translation differences	(13 718 530)	7 400 599	(587 911)	(6 634 895)
Net	(21 814 263)	(65 050 105)	(8 186 640)	(33 106 146)

24. Earnings per share

	For the period		For the period	
	from 1/7/2012 to 30/9/2012	from 1/1/2012 to 30/9/2012	from 1/7/2011 to 30/9/2011	from 1/1/2011 to 30/9/2011
	LE	LE	LE	LE
Net loss for the period	(134 012 366)	(417 497 303)	(154 832 206)	(446 644 888)
Net loss for equity holders of the parent Company	(130 731 532)	(409 810 669)	(134 719 364)	(422 452 597)
Weighted average number of shares	871 625 000	871 625 000	661 625 000	661 625 000
Earnings per share	(0.15)	(0.47)	(0.20)	(0.64)

25. Finance (expenses) income recognised in equity

	For the period		For the period	
	from 1/7/2012 to 30/9/2012	from 1/1/2012 to 30/9/2012	from 1/7/2011 to 30/9/2011	from 1/1/2011 to 30/9/2011
	LE	LE	LE	LE
Foreign currency translation differences	(23 653 805)	(99 782 714)	(6 003 482)	79 763 923
Net change in the fair value of available-for-sale investment	322 969	162 638	(794 735)	(747 373)
Total finance (expenses) income recognised in equity (after tax)	(23 330 836)	(99 620 076)	(6 798 217)	79 016 550
Attributable to:				
Equity holders of the Company	(22 978 617)	(98 954 708)	(6 510 025)	79 741 172
Non - controlling interest	(352 219)	(665 368)	(288 192)	(724 622)
	(23 330 836)	(99 620 076)	(6 798 217)	79 016 550

26. Related party transactions

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

26.1 Advisory fee

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

	For the period		For the period	
	from 1/7/2012 to 30/9/2012	from 1/1/2012 to 30/9/2012	from 1/7/2011 to 30/9/2011	from 1/1/2011 to 30/9/2011
Company's name	LE	LE	LE	LE
Mena Glass Ltd.	907 166	2 707 823	889 157	2 654 544
Mena Home Furnishings Mall	901 529	2 690 987	883 627	2 638 035
Citadel Capital Transportation Opportunities Ltd.	217 980	650 663	213 657	637 865
Falcon Agriculture Investments Ltd.	3 805 143	11 358 083	3 675 488	10 887 395
Golden Crescent Investment Ltd.*	--	1 747 858	863 278	2 577 278
Orient Investment Properties Ltd.	--	3 709 746	2 368 115	7 012 669
Sphinx Glass Ltd.	1 083 795	3 235 047	1 062 280	3 171 394
ASEC Cement Company	2 661 770	7 859 051	2 608 930	7 563 003
Silverstone Capital Investment Ltd.	1 916 708	2 547 770	316 061	943 587
Citadel Capital Transportation Opportunities ll Ltd.	1 274 727	3 804 954	1 157 465	3 012 145
Africa Joint Investment Fund	719 458	3 117 208	1 188 820	3 535 332

	For the period		For the period	
	from 1/7/2012 to 30/9/2012	from 1/1/2012 to 30/9/2012	from 1/7/2011 to 30/9/2011	from 1/1/2011 to 30/9/2011
Company's name	**LE**	**LE**	**LE**	**LE**
Mena Joint Investment Fund	414 339	2 117 292	877 024	2 501 687
Africa JIF HOLD CO l	107 811	307 883	--	--
Africa JIF HOLD CO lll	305 660	907 796	--	--
Mena JIF HOLD CO l	107 811	307 883	--	--
Ledmore Holdings Ltd.	192 035	573 293	--	--
Total	14 615 932	47 643 337	16 103 902	47 134 934

* The Company did not recognize advisory fees with an amount LE 28 586 877 and LE 3 528 856 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 71 793 345 represents accrued interest income according to signed contracts from other related parties as follows:

	For the period		For the period	
	from 1/7/2012 to 30/9/2012	from 1/1/2012 to 30/9/2012	from 1/7/2011 to 30/9/2011	from 1/1/2011 to 30/9/2011
Company's name	**LE**	**LE**	**LE**	**LE**
National Company for Trading and Development *	5 299 668	15 710 479	4 694 806	13 781 780
United Foundries Company	1 689 690	10 646 195	1 427 823	3 548 791
Golden Crescent Finco Ltd.	17 945	5 728 789	2 638 810	6 558 367
Mena Home Furnishings Mall	958 874	4 309 750	521 938	799 666
Citadel Capital Transportation Opportunities Ltd.	1 857 855	3 972 362	208 839	847 848
Grandview Investment Holding	700 032	3 431 346	729 695	2 247 085
Orient Investments Properties Ltd.	6 123 174	16 230 220	--	--
Falcon Agriculture Investments Ltd.	4 629 261	11 764 204	--	--
Total	21 276 499	71 793 345	10 221 911	27 783 537

* Note (7.3-1)

27. Tax status

Corporate tax

The Company submitted its tax returns on regular basis for the years from 2005 to 2011 according to tax law No. 91/2005. The Company's books have not been inspected yet.

Salaries tax

The Company deducts the salaries tax according to tax law no. 91 / 2005 and the Company's books inspected for the period from launch till the date of 31/12/2009 but the authority did not inform the Company with results yet. And the years from 2010/2011 have not been inspected yet.

Stamp tax

The Company was inspected till July 31, 2006 and paid all the accrued amounts according to the Internal Committee decision and no tax inspection for the period from 1/8/2006 to 31/12/2011 has been inspected and the dispute has transferred to internal committee in the authority.

Withholding tax

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

28. Group entities

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

	Country of incorporation	Ownership interest	
		Direct	Indirect
		%	%
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	--	45.49
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
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

* The Group owns preferred stocks which give the Group the authority to hire most of the board of directors of Africa Railways Limited that enables the Group to control the financial and operational polices so we can consolidate this subsidiary.

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 1 690 701 230 and LE 1 817 852 257 respectively, and net foreign currencies balances are as follows:

Foreign currencies	(Deficit) / Surplus LE
US.$	(127 168 312)
Euro	17 285

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

B- Interest rate risk

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

C- Price risk

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

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

32. Comparative figures

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