Citadel Capital Company

(Egyptian Joint Stock Company)

Consolidated financial statements
for the period ended September 30, 2013
&
Review report

KPMG Hazem Hassan
Public Accountants & Consultants

Contents | **Page**

KPMG

Hazem Hassan
Public Accountants & Consultants

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

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

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, 2013 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 interim consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company as at September 30, 2013 and of its consolidated financial performance and its consolidated cash flows for the nine months then ended in accordance with Egyptian Accounting Standards.

Hassan Bay

KPMG Hazem Hassan

Cairo, December 11, 2013

KPMG Hazem Hassan
Public Accountants and Consultants
11

Citadel Capital Company

(Egyptian Joint Stock Company)

Consolidated statement of financial position

as at September 30, 2013

	Note	30/9/2013 LE	31/12/2012 LE
Assets			
Fixed assets (net)	(5)	97 609 169	105 188 091
Investment property	(6)	24 000 000	24 000 000
Projects under construction	(7)	169 321 249	127 421 364
Investments in associates	(8)	1 156 911 479	1 166 764 237
Available-for- sale investments (net)	(9)	1 461 773 632	1 298 984 482
Payments for investments (net)	(10)	846 088 088	748 225 186
Loans to related parties	(11)	944 696 588	822 145 410
Other investments	(12)	-	28 616 041
Deferred tax	(24)	682 808	693 087
Total non-current assets		4 701 083 013	4 322 037 898
Investments at fair value through profit or loss	(13)	3 616 798	3 891 605
Other assets	(14)	9 173 001	12 544 732
Due from related parties (net)	(15)	1 180 087 647	1 060 342 664
Trade and other receivables	(16)	62 671 886	58 131 787
Cash and cash equivalents	(17)	266 026 958	255 212 963
Total current assets		1 521 576 290	1 390 123 751
Total assets		6 222 659 303	5 712 161 649
Equity			
Share capital	(18)	4 358 125 000	4 358 125 000
Reserves	(19)	349 762 253	207 464 895
Retained loss		(2 724 746 910)	(2 022 909 901)
Net loss for the period / year		(249 057 815)	(691 740 235)
Total equity attributable to equity holders of the Company		1 734 082 528	1 850 939 759
Non - controlling interests	(20)	521 047 076	438 252 202
Total equity		2 255 129 604	2 289 191 961
Liabilities			
Long term loans	(21)	2 124 771 286	1 923 023 521
Long term liabilities	(23)	10 787 486	10 787 486
Total non-current liabilities		2 135 558 772	1 933 811 007
Bank overdraft	(22)	6 732 212	-
Short term loans	(21)	819 232 699	543 265 577
Due to related parties	(25)	463 173 687	428 329 172
Trade and other payables	(26)	345 579 000	304 665 899
Expected claims provision	(27)	197 253 329	212 898 033
Total current liabilities		1 831 970 927	1 489 158 681
Total liabilities		3 967 529 699	3 422 969 688
Total equity and liabilities		6 222 659 303	5 712 161 649

The accompanying notes on pages 5 to 49 are integral part of these consolidated financial statements and are to be read therewith.

Review report "attached"

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

Citadel Capital Company

(Egyptian Joint Stock Company)

Consolidated income statement

for the period ended September 30, 2013

	Note	For the period		For the period	
		from 1/7/2013 to 30/9/2013	from 1/1/2013 to 30/9/2013	from 1/7/2012 to 30/9/2012	from 1/1/2012 to 30/9/2012
		LE	LE	LE	LE
Advisory fee	(35.1)	21 726 972	52 151 914	14 615 932	47 643 337
Share of (loss) profit of equity accounted investees	(28)	(5 841 699)	(29 832 008)	(65 603 092)	(200 833 397)
Net results of other operations	(29)	(1 436 410)	2 705 272	270 223	(15 945 975)
Total operating profit / (loss)		14 448 863	25 025 178	(50 716 937)	(169 136 035)
Administrative and general expenses	(30)	(40 363 958)	(142 258 950)	(43 177 110)	(142 071 969)
Other expenses	(31)	(29 871 409)	(107 331 303)	(17 972 896)	(40 443 160)
Net operating loss		(55 786 504)	(224 565 075)	(111 866 943)	(351 651 164)
Finance costs (net)	(32)	(26 843 523)	(31 791 355)	(21 814 263)	(65 050 105)
Net loss before tax		(82 630 027)	(256 356 430)	(133 681 206)	(416 701 269)
Income tax		(48 366)	(39 165)	(331 160)	(796 034)
Net loss for the period		(82 678 393)	(256 395 595)	(134 012 366)	(417 497 303)
Attributable to:					
Equity holders of the Company		(80 740 608)	(249 057 815)	(130 731 532)	(409 810 669)
Non - controlling interests		(1 937 785)	(7 337 780)	(3 280 834)	(7 686 634)
		(82 678 393)	(256 395 595)	(134 012 366)	(417 497 303)
Earnings per share	(33)	(0.09)	(0.29)	(0.15)	(0.47)

The accompanying notes on pages 5 to 49 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, 2013

	Note	Share capital	Reserves				Retained loss	Net loss for the year / period	Total	Non-controlling interests	Total equity
			Legal reserve	Fair value reserve -AFS	F.C. translation reserve	Company's share of changes in associates' equity					
		LE	LE	LE	LE	LE	LE	LE	LE	LE	LE
Balance as at December 31, 2011		4 358 125 000	89 578 478	(739 595)	170 806 715	(72 310 103)	(1 093 810 353)	(773 536 460)	2 678 113 682	379 713 881	3 057 827 563
Carrying 2011 loss forward		-	-	-	-	-	(773 536 460)	773 536 460	-	-	-
Exchange differences relating to foreign operations	(3.3)	-	-	-	(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		-	-	-	-	-	(91 341 737)	-	(91 341 737)	-	(91 341 737)
Changes in non-controlling interests		-	-	-	-	-	-	-	-	11 412 097	11 412 097
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
Balance as at December 31, 2012		4 358 125 000	89 578 478	(638 202)	194 224 837	(75 700 218)	(2 022 909 901)	(691 740 235)	1 850 939 759	438 252 202	2 289 191 961
Carrying 2012 loss forward		-	-	-	-	-	(691 740 235)	691 740 235	-	-	-
Exchange differences relating to foreign operations	(3.3)	-	-	-	142 616 674	-	-	-	142 616 674	(5 704 151)	136 912 523
Changes in the fair value of available -for- sale investments	(3.8.1)	-	-	(149 950)	-	-	-	-	(149 950)	-	(149 950)
Changes in non-controlling interests		-	-	-	-	-	-	-	-	95 836 805	95 836 805
Company's share in changes of associates equity	(3.1.4)	-	-	-	-	(169 366)	(10 096 774)	-	(10 266 140)	-	(10 266 140)
Net loss for the period ended September 30, 2013		-	-	-	-	-	-	(249 057 815)	(249 057 815)	(7 337 780)	(256 395 595)
Balance as at September 30, 2013		4 358 125 000	89 578 478	(788 152)	336 841 511	(75 869 584)	(2 724 746 910)	(249 057 815)	1 734 082 528	521 047 076	2 255 129 604

The accompanying notes on pages 5 to 49 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, 2013

	For the period ended 30/9/2013 LE	30/9/2012 LE
Cash flows from operating activities		
Net loss before tax	(256 356 430)	(416 701 269)
Adjustments to reconcile net loss to net cash used in operating activities :		
Depreciation	10 352 073	10 796 493
Company's share of (loss) profit of equity accounted investees	48 290 544	234 230 503
Net change in the fair value of investments at fair value through profit or loss	274 807	(219 985)
Foreign currencies translation differences	129 565 861	(32 126 883)
Foreign currencies exchange differences	(17 494 216)	(7 400 599)
Interest income	(21 732 801)	(36 336 667)
Interest expenses	15 955 061	14 147 321
Gain on sale of fixed assets	(373 066)	-
Provisions formed	136 739	-
Reversal of impairment loss on assets - (due from related parties)	(64 666 865)	-
Impairment in trade and other receivables - (due from related parties)	174 882 151	40 663 145
Impairment in available for sale investments	14 112 682	-
Provisions no longer needed	(17 408 211)	-
Operating profit (loss) before changes in working capital	15 538 329	(192 947 941)
Change in trade and other receivables	(259 967 111)	(318 662 375)
Change in other assets	3 371 731	8 925 810
Change in trade and other payables	85 895 037	(27 884 946)
Net cash used in operating activities	(155 162 014)	(530 569 452)
Cash flows from investing activities		
Payments for purchase of fixed assets	(2 367 969)	(1 522 914)
Payments for projects under construction	(12 150 470)	(40 887 596)
Proceeds from sale of fixed assets	559 749	368 357
Payments for other investments	(113 364 649)	(152 853 523)
Payments for purchase of investments in associates	(3 300 000)	(41 301 867)
Proceeds from refund of available for sale investments	-	2 625 637
Net cash used in investing activities	(130 623 339)	(233 571 906)
Cash flows from financing activities		
Proceeds from loans	232 121 730	795 779 394
Payments for loans	(8 864 050)	-
Proceeds from bank overdraft	6 732 212	-
Proceeds from capital related to non-controlling interests	49 115 240	-
Net cash provided from financing activities	279 105 132	795 779 394
Net changes in cash and cash equivalents during the period	(6 680 221)	31 638 036
Cash and cash equivalents at the beginning of the period - note (17)	272 707 179	173 641 321
Cash related to acquisition of subsidiaries	-	3 760 374
Cash and cash equivalents at the end of the period	266 026 958	209 039 731

The accompanying notes on pages 5 to 49 are integral part of these consolidated financial statements and are to be read therewith.

1. Reporting entity

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

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

The Company's basic activity extends to the region of the middle East and north East Africa, especially Egypt, Algeria, Libya, Syria and Sudan . The purpose of the Company is represented as follows:

- Providing consultancy in financial and financing fields for different companies and preparing and presenting the feasibility studies in the economical, technological, engineering, marketing, financing, management, borrowing contracts arrangements fields and financing studies in addition to preparing and presenting studies and consultancy regarding projects' promotion and offering the necessary technical support in different fields except legal consultancy.
- Working as an agent in contracting and negotiation in different fields and steps especially negotiation in the management contracts, participation and technical support.
- Managing, executing and restructuring of projects.

The consolidated financial statements of the Company for the period ended September 30, 2013 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in associates.

2. Basis of preparation

2.1 Statement of compliance

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

The financial statements were approved by the Board of Directors on December 11, 2013.

2.2 Basis of measurement

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

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

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

2.3 Functional and presentation currency

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

2.4 Use of estimate and judgements

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

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

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

- Note (8) measurements of the recoverable amounts of investments in associates.
- Note (27) provisions.

3. Significant accounting policies

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

3.1 Basis of consolidation

3.1.1 Subsidiaries

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

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

3.1.2 Loss exceeding non-controlling

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

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

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

3.1.4 Associates

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

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

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

3.2 Foreign currency transactions

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

3.3 Foreign operations

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

3.4 Recognition and disposals of the financial assets and liabilities

3.4.1 Recognition

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

3.4.2 Disposals

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

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

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

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

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

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

3.5 Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks. Derivatives are recognized initially at fair value; attributable transaction costs are recognized in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below:

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

3.6 Lending

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

3.7 Cash and cash equivalents

For the purpose of preparing cash flow statement, cash and cash equivalents are represented in the cash, banks current accounts and deposits with original maturities of three months or less.

3.8 Investments

3.8.1 Available-for-sale financial investments

Available-for-sale investments are valued at fair value, with any resultant gain or loss being recognized in equity, except for impairment losses which is recognized in the income statement. When these investments are derecognized, the cumulative gain or loss previously recognized directly in equity is recognized in the income statement. The fair value of investments available-for-sale identifies, based on quoted price of the exchange market at the balance sheet date, investments that are not quoted, and whose fair value cannot be measured reliably are valued by an accepted valuation techniques including the use of new objective techniques or discounted cash flow analysis or option pricing models or other valuation techniques – if the company cannot estimate the fair value, it can be stated at cost less impairment loss.

3.8.2 Financial assets at fair value through profit or loss

An instrument is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition.

Upon initial recognition attributable transaction costs are recognised in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

3.8.3 Other

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

3.9 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

3.10 Fixed assets depreciation

Fixed assets are stated at historical cost and presented in the balance sheet net of accumulated depreciation and impairment (note 3.15), and are depreciated using the straight line method and recognized in income statement over the estimated productive life for each type of asset. The following are the estimated productive lives, for each class of assets, for depreciation calculation purposes:

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

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

3.11 Gains and losses from disposal of fixed assets

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

3.12 Projects under construction

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

3.13 Investment property

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

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

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

3.14 Intangible assets

3.14.1 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.

3.14.2 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.

3.14.3 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.

3.14.4 Amortization

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

3.15 Impairment

3.15.1 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.

3.15.2 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.

3.16 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.

3.17 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.

3.18 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.

3.19 Trade and other payables

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

3.20 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.

3.21 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.

3.22 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.

3.23 Dividends

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

3.24 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.

3.25 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.

3.26 Employees benefits

3.26.1 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.

3.26.2 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.

3.27 Revenue

Revenue recognition

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

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

3.27.1 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.

3.27.2 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.

3.27.3 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.

3.27.4 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.

3.27.5 Interest income

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

3.27.6 Management fee

Management fee is recognized upon rendering the service.

3.27.7 Advisory fee

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

3.27.8 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 (net)

	Buildings	Lease hold improvements	Machinery and equipment	Furniture & fixtures	Computer equipment	Transportation means	Total
	LE	LE	LE	LE	LE	LE	LE
Cost as at 1/1/2013	34 854 566	8 020 464	90 208 507	28 071 300	8 328 301	3 093 601	172 576 739
Transferred to projects under construction	--	(7 887 930)	--	--	--	--	(7 887 930)
Additions	--	--	2 236 161	82 522	49 286	--	2 367 969
Disposals	--	--	(250 643)	(19 602)	--	--	(270 245)
Foreign currency translation differences	106 092	12 608	10 394 472	557 416	56 976	310 627	11 438 191
Cost as at 30/9/2013	34 960 658	145 142	102 588 497	28 691 636	8 434 563	3 404 228	178 224 724
Accumulated depreciation and impairment as at 1/1/2013	10 128 361	137 668	24 579 578	23 199 431	7 882 162	1 461 448	67 388 648
Depreciation *	1 283 471	828	7 479 269	1 108 325	251 350	228 830	10 352 073
Disposals	--	--	(71 016)	(12 546)	--	--	(83 562)
Foreign currency translation differences	680	6 646	2 689 292	135 234	32 916	93 628	2 958 396
Accumulated depreciation as at 30/9/2013	11 412 512	145 142	34 677 123	24 430 444	8 166 428	1 783 906	80 615 555
Carrying amounts							
At 30/9/2013	23 548 146	--	67 911 374	4 261 192	268 135	1 620 322	97 609 169
At 31/12/2012	24 726 205	7 882 796	65 628 929	4 871 869	446 139	1 632 153	105 188 091

* Depreciation for the period is included in administrative and general expenses under other expenses–note (30).

- The land item with a balance of LE 24 million as at December 31, 2012 has been reclassified to investment property as the Company holds it for unspecified future purpose –note (6).
- Projects under construction item with a balance of LE 127 421 364 as at December 31, 2012 has been reclassified to a separate item –note (7).

6. Investment property

	30/9/2013	31/12/2012
	LE	LE
Land *	24 000 000	24 000 000

* Reclassified from fixed assets note (5).

Investment property balance with an amount of LE 24 million represents the value of land owned by National Company for Touristic and Property Investment - one of subsidiaries 99.88% - in Smart village.

7. Projects under construction

	30/9/2013	31/12/2012
	LE	LE
Balance at the beginning of the period / year *	127 421 364	20 889 151
Acquisition of subsidiaries	--	68 565 550
Additions during the period / year	12 150 470	37 966 663
Transferred from fixed assets	7 887 930	--
Foreign currency translation differences	21 861 485	--
Balance at the end of the period / year	169 321 249	127 421 364

* Reclassified from fixed assets note (5).

Projects under construction are represented in the following:

- An amount of LE 148 346 847 related to Sabina for Integrated Solutions – one of subsidiaries 96% – represents the value of developing and improving agricultural lands in Sudan
- An amount of LE 20 974 402 related to National Company for Touristic Property Investment – one of subsidiaries 99.88%.

8. Investments in associates

The Group investments in associates are represented in:

	Percentage		Carrying amount	
	2013	2012	30/9/2013	31/12/2012
	%	%	LE	LE
El Kateb for Marketing & Distribution Co.	48.88	48.88	2 810 808	434 785
Pharos Holding Co. *	53.00	53.00	91 994 596	91 140 296
Elsharq Book Stores Co.	40.00	40.00	14 659 039	15 313 441
ASEC Company for Mining (ASCOM)	39.22	39.22	107 727 921	118 062 774
Silverstone Capital Investments Ltd.	41.81	41.81	262 012 212	251 361 875

	Percentage		Carrying amount	
	2013	**2012**	**30/9/2013**	**31/12/2012**
	%	**%**	**LE**	**LE**
Dar El-Sherouk Ltd. *	58.51	58.51	137 241 193	140 384 623
Crondall Holdings Ltd.	47.67	47.67	139 632 446	131 740 449
National Development and Trading Company ***	49.81	49.81	--	--
United Foundries Company ***	29.95	29.95	--	--
Mena Home Furnishings Mall	32.13	32.13	73 696 647	87 841 662
Citadel Capital Transportation Opportunities Ltd.	37.90	34.16	132 160 939	142 551 181
Tawazon for Solid Waste Management (Tawazon)	25.48	25.48	20 769 111	24 852 493
Mena Glass Ltd.	21.03	21.03	146 976 160	133 852 139
Tanmeyah Company S.A.E **	51.00	51.00	5 361 497	7 663 147
Ledmore Holdings Ltd.	35.00	35.00	21 868 910	21 565 372
Balance			1 156 911 479	1 166 764 237

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

** The Company does not consolidate this company 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 Company has stopped recognizing its share of losses for National Development and Trading Company ,United Foundries Company - because there losses exceeded the investment value according to the Egyptian Accounting Standards no.(18) – (investments in associates) which states that if an investor's share of losses of an associates equals or exceeds its interest in the associates, the investor discontinues recognizing its share of future losses after the investor's interest is reduced to zero. The unrecorded share of the Company of loss of National Development and Trading Company and United Foundries Company LE 143 505 601 and LE 27 366 965 according to those companies financial results for the period ended September 30, 2013.

Summary of financial statements of associates

30//9/2013	Current assets LE	Non-current assets LE	Total assets LE	Current liabilities LE	Non-current liabilities LE	Total liabilities LE	Revenues LE	Expenses LE
El Kateb for Marketing & Distribution Co.	10 820 389	9 778 106	20 598 495	9 799 269	225 310	10 024 579	4 470 795	6 361 091
Pharos Holding Co.	139 668 591	186 176 642	325 845 233	85 375 255	100 267 393	185 642 648	39 162 585	37 798 568
Elsharq Book Stores Co.	9 863 884	5 453 215	15 317 099	3 974 573	373 545	4 348 118	16 503 123	17 993 939
ASEC Company for Mining (ASCOM)	241 396 302	848 256 179	1 089 652 481	492 860 052	313 715 907	806 575 959	429 015 945	465 102 469
Silverstone Capital Investments Ltd.	1 872 786 520	957 890 794	2 830 677 314	1 251 441 958	260 643 174	1 512 085 132	967 164 368	918 631 972
Dar El-Sherouk Ltd.	129 816 794	119 677 947	249 494 741	84 031 474	3 477 390	87 508 864	43 954 767	46 795 336
Crondall Holdings Ltd.	46 441 928	216 599 156	263 041 084	481 847 065	--	481 847 065	39 800 617	26 189 692
National Development and Trading Co.	1 651 003 775	5 791 367 571	7 442 371 346	4 401 498 342	1 755 356 366	6 156 854 708	1 545 262 587	1 821 083 348
United Foundries Company	403 652 557	89 522 724	493 175 281	436 235 512	151 929 473	588 164 985	99 394 971	169 227 781
Mena Home Furnishings Mall	27 299 338	640 181 146	667 480 484	285 412 607	206 675 017	492 087 624	12 498 667	62 082 276
Citadel Capital Transportation Opportunities Ltd.	95 830 971	711 667 804	807 498 775	214 000 982	356 991 122	570 992 104	32 417 422	93 356 033
Tawazon for Solid Waste Management Company (Tawazon)	101 906 115	123 062 664	224 968 779	91 526 552	8 421 293	99 947 845	60 975 236	76 434 428
Mena Glass Ltd.	236 392 014	1 320 320 551	1 556 712 565	369 969 464	328 858 963	698 828 427	323 630 252	303 721 938
Tanmeyah Company S.A.E.	41 330 812	17 875 677	59 206 489	63 175 669	--	63 175 669	48 273 079	43 935 055
Ledmore Holdings Ltd.	6 899 033	147 764 897	154 663 930	40 500 881	16 160 516	56 661 397	340 821	10 143 626

- Note no. (28).

9. Available-for-sale investments

	30/9/2013	31/12/2012
	LE	LE
Orient Investment Properties Ltd.	878 997 731	802 452 210
Logria Holding Ltd. *	447 850 000	408 850 000
Golden Crescent Investment Ltd. *	436 602 075	398 581 575
Falcon Agriculture Investments Ltd.	365 994 292	293 960 861
EFG Capital Partners Fund II & III	23 705 289	23 705 289
Sphinx Turnaround	23 579 503	18 823 033
Modern Company for Isolating Materials	43 396	43 396
Arab Swiss Engineering Company (ASEC)	34 958	34 958
Medcom National Company	1 000	1 000
Underscore International Holdings	689	629
Valencia Regional Investment Ltd.	689	629
TAQA Arabia (note 26)	169 415 420	146 978 713
Arab Refinery Company	122	122
ASEC Cement Company	543	--
Total	2 346 225 707	2 093 432 415
Accumulated impairment *	(884 452 075)	(794 447 933)
Net	1 461 773 632	1 298 984 482

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

	Balance as at 1/1/2013	Formed during the period **	Foreign currency translation Differences	Balance as at 30/9/2013
	LE	LE	LE	LE
Logria Holding Ltd.	408 850 000	--	39 000 000	447 850 000
Golden Crescent Investment Ltd.	385 597 933	14 112 682	36 891 460	436 602 075
Balance	794 447 933	14 112 682	75 891 460	884 452 075

** Note (31.1).

10. Payments for investments

	30/9/2013	31/12/2012
	LE	LE
Grandview Investment Holding	85 298 497	77 870 470
Fund Project	2 837 229	2 035 911
Pharos Holding Co.	18 621 911	18 621 911
Nile Valley Petroleum Ltd.	41 829 190	38 186 590
Citadel Capital Transportation Opportunities II Ltd.	20 670	18 870
Mena Joint Investment Fund	64 344 167	58 740 902
Africa Joint Investment Fund	98 722 159	90 125 164
Falcon Agriculture Investments Ltd.	--	40 161 650
Ambiance Rail Company (PTY) Limited	--	218 202 452
KU Railways Holdings Limited	533 160 230	203 116 435
ASEC Emirates for Mining *	38 191 339	34 865 533
Citadel Capital Al Qalaa - Saudi Arabia	996 308	909 547
Valencia Regional Investment Ltd.	257 727	235 284
Total	884 279 427	783 090 719
Accumulated impairment *	(38 191 339)	(34 865 533)
Net	846 088 088	748 225 186

11. Loans to related parties

	note no.	30/9/2013	31/12/2012
		LE	LE
National Development and Trading Company	11.1	482 760 598	422 667 591
United Foundries Company	11.2	143 901 231	127 377 193
Underscore International Holdings Ltd.	11.3	103 350 000	94 350 000
Valencia Regional Investment Ltd.	11.4	79 235 000	72 335 000
Others	11.5	135 449 759	105 415 626
Balance		944 696 588	822 145 410

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

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

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

The balance of the two loans is US.$ 70 066 850 (equivalent to LE 482 760 598 as at September 30, 2013) against US.$ 67 196 755 (equivalent to LE 422 667 591 as at December 31, 2012) including accrued interest during the period amounted to US.$ 2 870 095 (equivalent to LE 19 774 958 as at September 30, 2013) against US.$ 6 970 742 (equivalent to LE 43 845 967 as at December 31, 2012).

11.2 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 balance of the subordinating loan is US.$ 20 885 520 (equivalent to LE 143 901 231 as at September 30, 2013) versus US.$ 20 250 746 (equivalent to LE 127 377 193 as at December 31, 2012) including accrued interest during the period amounted to US.$ 634 774 (equivalent to LE 4 373 591 as at September 30, 2013) versus US.$ 1 122 392 (equivalent to LE 7 059 846 as at December 31, 2012).

11.3 On December 28, 2010, Citadel Capital for International Investments Ltd. (one of the subsidiaries - 100%) has granted Underscore International Holdings Ltd. (owned with a percentage of 10%) a loan with an amount of US.$ 15 Million (equivalent to LE 103 350 000 as at September 30, 2013 against LE 94 350 000 as at December 31, 2012) to purchase 4 754 098 shares - (2.83%) of National Development and Trading Company for a period of two years against interest equals to Internal Rate of Return (IRR) of Underscore International Holdings Ltd. less 1% as fees for the mentioned company, the interest will be due upon selling those shares.

11.4 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 79 235 000 as at September 30, 2013 against LE 72 335 000 as at December 31, 2012) to purchase 3 582 555 shares - (2.13%) of National Development and Trading Company for a period of two years against interest equals to Internal Rate of Return (IRR) of Valencia Regional Investments Ltd. less 1% as fees for the mentioned company, the interest will be due upon selling those shares.

11.5 Others

	30/9/2013	**31/12/2012**
	LE	**LE**
Safari Rail Company Ltd.	41 340 000	37 740 000
Bomi Holdings Ltd.	94 109 759	66 864 216
KU Railways Holding Ltd.	--	811 410
Balance	135 449 759	105 415 626

12. Other investments

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

13. Investments at fair value through profit or loss

	30/9/2013	**31/12/2012**
	LE	**LE**
Modern Shorouk for Printing Co.	1 342 709	1 530 660
Al Arafa Investment and Consulting	909 480	996 336
TAQA Arabia	1 364 609	1 364 609
Balance	3 616 798	3 891 605

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

14. Other assets

	Note no.	30/9/2013 LE	31/12/2012 LE
Biological assets	14.1	11 899	1 705 917
Inventory	14.2	9 161 102	10 838 815
Balance		9 173 001	12 544 732

14.1 Biological assets are represented in:

	30/9/2013 LE	31/12/2012 LE
Plants (cotton , corn , sun flower)	11 899	1 705 917

14.2 Inventory is represented in:

	30/9/2013 LE	31/12/2012 LE
Fertilizers	442 138	265 740
Chemicals	7 027 641	7 969 417
Seeds	177 128	1 306 968
Spare parts	1 386 895	1 296 690
Others	127 300	--
Balance	9 161 102	10 838 815

15. Due from related parties

	Nature of transaction		30/9/2013	31/12/2012
	Advisory fee LE	Finance LE	LE	LE
Logria Holding Ltd. *	37 921 878	2 197 745	40 119 623	36 626 606
Mena Home Furnishings Mall	10 557 469	141 776 150	152 333 619	106 515 556
Citadel Capital Transportation Opportunities Ltd.	2 631 242	143 935 972	146 567 214	128 332 139
Falcon Agriculture Investments Ltd.	30 268 754	272 354 969	302 623 723	212 634 638
Orient Investment Properties Ltd.	--	45 102	45 102	70 026
Golden Crescent Investment Ltd.	26 287 073	--	26 287 073	23 997 923
ASEC Cement Company	12 883 620	83 695 493	96 579 113	(6 455 253)
Sphinx Glass Ltd.	1 378 000	--	1 378 000	5 032 000

	Nature of transaction		30/9/2013	31/12/2012
	Advisory fee	Finance		
	LE	LE	LE	LE
Mena Joint Investment Fund	870 124	--	870 124	1 256 402
Africa Joint Investment Fund	1 500 807	--	1 500 807	751 787
Citadel Capital Transportation Opportunities II Ltd.	5 675 716	(3 209 142)	2 466 574	(2 986 289)
Africa JIF HOLD CO I	1 149 727	427 573	1 577 300	1 108 077
Africa JIF HOLD CO III	3 788 542	1 574 510	5 363 052	3 955 107
Mena JIF HOLD CO I	1 149 725	427 573	1 577 298	1 108 072
Grandview Investment Holding	--	32 516 163	32 516 163	49 076 448
ASEC Company for Mining (ASCOM)	--	112 868 314	112 868 314	96 084 159
Golden Crescent Finco Ltd. *	--	199 540 174	199 540 174	179 634 462
Emerald Financial Services Ltd. *	--	215 620 876	215 620 876	226 367 030
Nile Valley Petroleum Ltd.	--	148 657 104	148 657 104	134 574 758
Tawazon for Solid Waste Management (Tawazon)	--	1 178 142	1 178 142	1 132 137
National Development and Trading Company	--	--	--	15 176 505
United Foundries Company	--	58 234 142	58 234 142	64 453 083
Citadel Capital East Africa	--	26 044	26 044	23 776
Citadel Capital – ALQALAA Saudi Arabia	--	588 778	588 778	457 040
ESACO for Manufacturing, Engineering and Construction *	--	27 461 225	27 461 225	54 135 206
Valencia Regional Investments Ltd.	--	55 000	55 000	55 000
El Kateb for Marketing & Distribution Co.	--	1 001 676	1 001 676	4 301 673
Ledmore Holdings Ltd.	2 347 427	37 606 908	39 954 335	30 836 885
Nahda	--	4 443 023	4 443 023	4 056 113
Egyptian Company for international Publication.	--	10 452 855	10 452 855	4 250 000
Underscore International Holdings Ltd	--	55 000	55 000	55 000
ASEC for Manufacturing and Industrial Projects- ARESCO	--	957 045	957 045	855 440
Total			1 632 898 518	1 377 471 506
Accumulated impairment *			(452 810 871)	(317 128 842)
Net			1 180 087 647	1 060 342 664

* Impairment in due from related parties is represented in:

	Balance as at 1/1/2013	Formed during the period *	Reversal during the period *	Foreign currency translation Differences	Balance as at 30/9/2013
	LE	LE	LE	LE	LE
ESACO for Manufacturing, Engineering and Construction	54 135 206	2 455 053	(28 453 199)	(675 835)	27 461 225
Emerald Financial Services Ltd.	226 367 030	4 123 377	(36 213 666)	21 344 135	215 620 876
Logria Holding Ltd.	36 626 606	--	--	3 493 017	40 119 623
Golden Crescent Finco Ltd.	--	168 303 721	--	1 305 426	169 609 147
Balance	317 128 842	174 882 151	(64 666 865)	25 466 743	452 810 871

* Note (31.1).

16. Trade and other receivables

	30/9/2013	31/12/2012
	LE	LE
Prepaid expenses	823 865	1 228 375
Deposits with others	752 811	787 370
Advances to suppliers	9 196 632	8 592 444
Letters of guarantee margin	689 000	629 000
Imprest	1 788 674	1 144 604
Accrued revenue	2 337 559	2 337 559
Prepaid interest*	18 463 684	22 847 538
Debit balances under settlement	7 579 000	6 919 000
Sundry debit balances	21 040 661	13 645 897
Balance	62 671 886	58 131 787

* Prepaid interest item represents the interest on the loan obtained from Arab International Bank to the International Company for refinery consultancy (one of the subsidiaries – 100%) as the Company has settled the interest in advance according to the signed contract with the bank dated November 4, 2012 – note (21.4).

17. Cash and cash equivalents

	30/9/2013	31/12/2012
	LE	LE
Cash on hand	214 373	202 350
Banks - current accounts	265 743 685	254 947 713
Banks - time deposits	68 900	62 900
Total as presented in statement of financial position	266 026 958	255 212 963
Effect of foreign exchange differences	--	17 494 216
Balance	266 026 958	272 707 179

Non cash transactions

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

- LE 15 955 061 from changes in loans and interest expenses (represents the value of the interest due on loans during the period).
- LE 21 732 801 from Interest income and changes in other investments (represents the value of the interest due on other investments during the period).

18. Share capital

- The Company's authorized capital is LE 6 Billion and the issued and paid-in capital is LE 4 358 125 000 represents 871 625 000 shares distributed to 653 718 750 ordinary shares and 217 906 250 preferred shares with par value LE 5 per share.
- The preferred share has the advantage of triple voting right comparing with ordinary share on the decisions of the Company's extraordinary and ordinary general assembly meetings according to the decision of the Company's extraordinary general assembly meeting held on May 12, 2008 and also paragraph no.(3) of article no.(18) of the Company's article of associations. And those shares are owned by Citadel Capital Partners Ltd. the principle shareholder of the Company.

The shareholders' structure is represented as follows:

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

- The Company's extra-ordinary general assembly held on October 20, 2013 Approved the Company's authorized capital increase from LE 6 billion to LE 9 billion and increase the issued capital from LE 4 358 125 000 to LE 8 billion , with an increase of LE 3 641 875 000 by issuing 728 385 000 shares at par value of LE 5 per share , consisted of 182 093 750 preferred shares and 546 281 250 ordinary shares , without issuance expense .The purpose of this capital increase is for increasing the Company's share in its subsidiaries, financing the Company's share in the capital increase of some of its related companies and entering into new investments note (41).

19. Reserves

19.1 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.

19.2 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.

20. Non - controlling interests

	30/9/2013	31/12/2012
	LE	LE
Capital	574 294 221	479 099 845
Payments for capital increase	1 722 500	1 572 500
Other owners' equity	(37 810 523)	(27 685 147)
Foreign currency translation reserve	(9 821 342)	(4 117 192)
Net loss for the period / year	(7 337 780)	(10 617 804)
Balance	521 047 076	438 252 202

21. Loans and borrowings

	note no.	30/9/2013	31/12/2012
		LE	LE
Long term – loans	(21.1,2,3,4)	2 124 771 286	1 923 023 521
Short term – loans	(21.1,3,5)	819 232 699	543 265 577
Balance		2 944 003 985	2 466 289 098

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

The new loan amount is divided into three classes :-

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

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

The Company has used an amount of US.$ 300 million (equivalent to LE 2 067 000 000) till September 30, 2013 and the current stage instalment is amounted to US.$ 83 888 888 (equivalent to LE 577 994 438 as at September 30, 2013).

The interest on loan charged to the income statement during the period is LE 87 234 434 - note no. (32).

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

21.2 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 344 500 000 as at September 30, 2013 against LE 314 500 000 as at December 31, 2012) to purchase 50 million shares in Orient Investments Properties Ltd. Company (owned Company with a percentage of 31.76%). The loan is guaranteed by pledging the Company's share in Orient Investments Properties Ltd. in favour of the bank. The bank is entitled to transfer the ownership of those share in favour of the bank at any time against the facilities granted to the National Company for Refinery Consultants. The parties agreed on a return of US.$ 15 608 926 (equivalent to LE 107 545 500 as at September 30, 2013) against (LE 98 180 145 as at December 31, 2012) during the term of the contract provided that the accrued interest will be added to the loan principle, the accrued interest as at September 30, 2013 amounted to US.$ 8 667 826 (equivalent to LE 59 721 321) against US.$ 6 334 181 (equivalent to LE 39 841 998 as at December 31, 2012). The loan principle along with the outstanding accrued interest will be paid in full at the end of the contract on December 21, 2015. The total balance of the loan as at September 30, 2013 is US.$ 58 667 826 (equivalent to LE 404 221 321) against US.$ 56 334 181 (equivalent to LE 354 341 998 as at December 31, 2012).

21.3 Sabina for Integrated Solutions Company (one of the subsidiaries - 96%) signed a long - term loan contract with Khartoum Bank - Sudan amounted to US.$ 9.03 million. The Company has withdrawn an amount of US.$ 8 160 390 (equivalent to LE 56 225 087 as at September 30, 2013) against US.$ 8 994 027 (equivalent to LE 56 572 430 as at December 31, 2012) , and the current portion of loan on September 30, 2013 is amounted to US.$ 1 323 154 (equivalent to LE 9 116 531 as at September 30, 2013) and the non-current portion is amounted to US.$ 6 837 236 (equivalent to LE 47 108 556 as at September 30, 2013) .

21.4 International Company for Refinery Consultation Company – (one of the subsidiaries- 99.99%) has signed a long - term loan contract with Arab International Bank on November 4, 2012 with an amount of US.$ 26 768 628 (equivalent to L.E 184 435 847 as at September 30, 2013 against LE 168 374 670 as at December 31, 2012) for a period of three years bearing interest rate (5.2 % annually with total amount US.$ 3 820 781 (equivalent to LE 26 325 181 paid in advance) for the purpose of settling the outstanding loan balance due on United for Petroleum Refining Consultation Company – related company– and other financial requirements and the interest due on the loan till September 30, 2013 is US.$ 952 587 (equivalent to L.E 6 563 324).

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

21.5 Trimstone Assets Holdings Ltd. Company (one of the subsidiaries- 100%) has signed a short - term loan contract with Arab International Bank on March 6, 2013 with an amount not exceeding US.$ 35 million (equivalent to L.E 241 150 000 as at September 30, 2013). The Company has used an amount of US.$ 33 689 656 (equivalent to LE 232 121 730 as at September 30, 2013) with an interest rate (5 %+ US.$ Libor rate over six months the interest is payable every 6 months) and the loan shall be repaid on two semi annual instalments, the first instalment shall be due on September 2013 and the second instalment shall be due on March 2014. If payment of any amount of principle or interest due is improperly with held, unpaid amount shall bear default interest of an additional 1% over the applied interest rate from the due date till the day on which all sums are received.

The loan guarantee is represented in the following:

- A first degree lien contract of the shares owned by the borrower of TAQA Arabia Company covering 115% of the value of the liability in favour of Arab International Bank.
- A first degree lien contract over shares of Citadel Capital Company for Financial Consultancy covering 35% of the value of the loan in the favour of the bank.

22. Bank overdraft

Concord Agriculture CO. Ltd. – one of the subsidiaries-96% – obtained an overdraft from KCB Bank South Sudan Limited with amount of US.$ 977 099 (equivalent to LE 6 732 212 as at September 30, 2013) against debenture signed by the company on 29 April, 2013.

This balance with related interact, commission, fees and charges due on 30 April, 2014. The guarantees of this facility are represented in a first degree possessory pledge of all assets, buildings and machines owned or rented by Concord Agriculture CO. Ltd.

23. Long term liabilities

	30/9/2013	31/12/2012
	LE	LE
Creditors-purchase of investments *	10 787 486	10 787 486

* This balance represents the amount due on Tanweer for Marketing and Distribution Company (Tanweer) (subsidiary – 99.88%) against purchasing an investment in Dar El-Sherouk Ltd.-BVI.

24. Deferred tax

	30/9/2013	31/12/2012
	LE	LE
Fixed assets depreciation	682 808	693 087

The Company has carried-forward tax losses from previous years which were not recognized because it is not probable that future taxable profit will be available against which the Group can utilise the benefits thereform.

25. Due to related parties

	Nature of transaction		30/9/2013	31/12/2012
	Advisory fee	Finance		
	LE	LE	LE	LE
Citadel Capital Partners Ltd.*	--	267 288 341	267 288 341	255 980 135
Mena Glass Ltd.	(9 127 527)	36 904 804	27 777 277	26 383 543
Crondall Holdings Ltd.	(11 748 477)	15 773 305	4 024 828	4 468 434
National Company for Agricultural Investment (Gozour)	--	95 849 546	95 849 546	87 502 706
Silverstone Capital Investments Ltd.	(4 981 946)	70 309 852	65 327 906	50 211 152
Pharos Holding Co.	--	2 905 789	2 905 789	3 783 202
Balance			463 173 687	428 329 172

* The main shareholder of the Company – 26.11%.

26. Trade and other payables

	30/9/2013	31/12/2012
	LE	LE
Tax Authority	33 299 854	23 327 700
National Authority for Social Insurance	1 059 063	446 789
Accrued expenses	93 019 514	71 128 110
Dividend payable – previous years	2 927 699	2 926 499
Accrued interest	33 038 649	39 294 929
Suppliers	17 044 887	12 323 401
Notes payable *	117 228 024	146 978 713
Global service realty Ltd.	30 290 920	--
Sundry credit balances	17 670 390	8 239 758
Balance	345 579 000	304 665 899

* Notes payable amounted to LE 117 228 024 as at September 30, 2013 represents checks due on the company against purchase of 6 821 407 shares in TAQA Arabia (against LE 146 978 713 as at December 31, 2012) included in available-for- sale investments note (9).During the period the Company paid an amount LE 28 057 762 and US.$ 739 361 equivalent to LE 5 094 198.

27. Expected claims provision

	30/9/2013	31/12/2012
	LE	LE
Balance at the beginning of the period/year	212 898 033	206 560 345
Provisions formed during the period/year	136 739	7 000 000
Acquisition of subsidiaries	--	1 210 793
Foreign currency translation differences	1 626 768	1 063 874
Provisions used during the period/year	--	(2 936 979)
Provisions reversed	(17 408 211)	--
Balance	197 253 329	212 898 033

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

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

	For the period		For the period	
	from 1/7/2013 to 30/9/2013	from 1/1/2013 to 30/9/2013	from 1/7/2012 to 30/9/2012	from 1/1/2012 to 30/9/2012
	LE	LE	LE	LE
El Kateb for Marketing & Distribution Co.	(489 192)	(923 977)	(308 472)	(654 455)
Pharos Holding Co.	764 313	722 929	150 145	119 734
Elsharq Book Stores Co.	(478 622)	(596 327)	(205 978)	(421 744)
ASEC Company for Mining (ASCOM)	(10 253 179)	(14 153 856)	3 336 039	(1 360 374)
Silverstone Capital Investments Ltd.	7 761 463	20 290 651	4 122 807	31 418 869
Dar El-Sherouk Ltd.	1 445 936	(1 662 017)	974 976	(3 201 271)
Crondall Holdings Ltd.	4 291 117	6 488 821	5 095 020	27 070 388
National Development & Trading Company	--	--	(58 449 940)	(189 501 407)
United Foundries and Heat Treatment Company	--	--	(7 141 808)	(23 788 901)
Mena Glass Ltd.	1 422 455	4 186 718	(1 781 088)	(4 003 045)
Tanmeyah Company S.A.E	6 324 750	2 209 516	703 424	807 934
Mena Home Furnishings Mall	(5 775 574)	(15 931 214)	(4 759 582)	(13 889 181)
Citadel Capital Transportation Opportunities Ltd.	(8 666 467)	(23 094 027)	(5 449 185)	(17 285 779)
Tawazon for Solid Waste Management (Tawazon)	(1 446 148)	(3 938 244)	(772 090)	(3 044 928)
Ledmore Holdings Ltd.	(742 551)	(3 430 981)	(1 117 360)	(3 099 237)
Balance	(5 841 699)	(29 832 008)	(65 603 092)	(200 833 397)

29. Net results of other operation

Other operation are represented in the net results of Wafra Agricultural Company and its subsidiaries.

	For the period		For the period	
	from 1/7/2013 to 30/9/2013	from 1/1/2013 to 30/9/2013	from 1/7/2012 to 30/9/2012	from 1/1/2012 to 30/9/2012
	LE	LE	LE	LE
Sales	1 168 824	11 059 981	(1 245 348)	4 976 223
Cost of sales	(2 605 234)	(8 354 709)	1 515 571	(20 922 198)
Net profit (loss)	(1 436 410)	2 705 272	270 223	(15 945 975)

- Due to the unavailability of the disclosure requirements for the segment reporting of Wafra Agriculture S.A.E and given that the majority of the group's business is concentrated in the field of investments and financial consultancy except for the activities of Wafra Agriculture S.A.E which was consolidated at year 2012 that has different activity than other Group's activities and due to that 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, the Group has not disclosed the segment reporting.

30. Administrative and general expenses

	For the period		For the period	
	from 1/7/2013 to 30/9/2013	from 1/1/2013 to 30/9/2013	from 1/7/2012 to 30/9/2012	from 1/1/2012 to 30/9/2012
	LE	LE	LE	LE
Wages , salaries and similar items	17 076 507	48 323 920	16 119 105	47 591 827
Consultancy *	10 844 019	46 718 919	8 675 662	32 183 912
Advertising and public relations	896 115	3 933 827	1 210 459	4 535 766
Travel , accommodation and transportations	2 019 017	5 407 209	1 576 627	4 693 465
Management fee **	1 033 478	1 033 478	--	--
Other expenses	8 494 822	36 841 597	15 595 257	53 066 999
Total	40 363 958	142 258 950	43 177 110	142 071 969

* Consultancy expenses include an amount of US.$ 2 467 819 (equivalent to LE 16 872 404) for the period ended September 30, 2013 against US.$ 2 269 152 (equivalent to LE 13 705 678 for the period ended September 30, 2012) represents the advisory fees due according to the signed contract with Financial Holding International Co. (one of the group shareholders).

** The Company's extraordinary general assembly meeting held on May 12, 2008 approved the management contract with Citadel Capital Partners Ltd. (the principal shareholder 26.11 %) which states that the mentioned company provides management duties for fees based on 10% of the net annual profit available for distribution .This agreement shall remain in effect as long as Citadel Capital Partners owns 15% or more Preferred shares.

31. Other expenses

	Note no.	For the period		For the period	
		from 1/7/2013 to 30/9/2013	from 1/1/2013 to 30/9/2013	from 1/7/2012 to 30/9/2012	from 1/1/2012 to 30/9/2012
		LE	LE	LE	LE
Impairment loss on assets	(31.1)	(31 126 531)	(188 994 833)	(18 540 218)	(40 663 145)
Provisions formed	(27)	(1 197)	(136 739)	--	--
Net change in the fair value of investments at fair value through profit and loss		537 604	(274 807)	567 322	219 985
Provisions no longer needed	(27)	152 440	17 408 211	--	--
Reversal of Impairment on due from related parties	(15)	566 275	64 666 865	--	--
Total		(29 871 409)	(107 331 303)	(17 972 896)	(40 443 160)

31.1 Impairment loss on assets is represented in the following:

	For the period		For the period	
	from 1/7/2013 to 30/9/2013	from 1/1/2013 to 30/9/2013	from 1/7/2012 to 30/9/2012	from 1/1/2012 to 30/9/2012
	LE	LE	LE	LE
Impairment loss on available for sale investments *				
Golden Crescent Investments Ltd.	123 582	14 112 682	--	--
Balance	123 582	14 112 682	--	--
Impairment loss on due from related parties **				
Emerald Financial Services Ltd.	57 117	4 123 377	16 468 189	26 705 925
ESACO for Manufacturing, Engineering and Construction	21 498	2 455 053	2 072 029	13 957 220
Golden Crescent Finco Ltd.	30 924 334	168 303 721	--	--
Balance	31 002 949	174 882 151	18 540 218	40 663 145
Total	31 126 531	188 994 833	18 540 218	40 663 145

* Note (9).
** Note (15).

32. Finance costs (Net)

	For the period		For the period	
	from 1/7/2013 to 30/9/2013	from 1/1/2013 to 30/9/2013	from 1/7/2012 to 30/9/2012	from 1/1/2012 to 30/9/2012
	LE	LE	LE	LE
Interest income - note no. (35.2)	22 940 583	66 184 923	21 471 425	74 301 948
Interest expenses - note no.(21)	(43 296 477)	(115 470 494)	(29 567 158)	(146 752 652)
Foreign currency translation differences	(6 487 629)	17 494 216	(13 718 530)	7 400 599
Net	(26 843 523)	(31 791 355)	(21 814 263)	(65 050 105)

33. Earnings per share

	For the period		For the period	
	from 1/7/2013 to 30/9/2013	from 1/1/2013 to 30/9/2013	from 1/7/2012 to 30/9/2012	from 1/1/2012 to 30/9/2012
	LE	LE	LE	LE
Net loss for the period	(82 678 393)	(256 395 595)	(134 012 366)	(417 497 303)
Net loss for equity holders of the parent Company	(80 740 608)	(249 057 815)	(130 731 532)	(409 810 669)
Weighted average number of shares	871 625 000	871 625 000	871 625 000	871 625 000
Earnings per share	(0.09)	(0.29)	(0.15)	(0.47)

34. Finance income (expenses) recognised in equity

	For the period		For the period	
	from 1/7/2013 to 30/9/2013	from 1/1/2013 to 30/9/2013	from 1/7/2012 to 30/9/2012	from 1/1/2012 to 30/9/2012
	LE	LE	LE	LE
Foreign currency translation differences of foreign operations	(24 989 630)	136 912 523	(23 653 805)	(99 782 714)
Net change in the fair value of available-for-sale investment	(50 753)	(149 950)	322 969	162 638
Total finance income (expenses) recognised in equity (after tax)	(25 040 383)	136 762 573	(23 330 836)	(99 620 076)
Attributable to:				
Equity holders of the Company	(26 379 799)	142 466 724	(22 978 617)	(98 954 708)
Non - controlling interest	1 339 416	(5 704 151)	(352 219)	(665 368)
	(25 040 383)	136 762 573	(23 330 836)	(99 620 076)

35. Related party transactions

35.1 Advisory fee

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

	For the period		For the period	
	from 1/7/2013 to 30/9/2013	from 1/1/2013 to 30/9/2013	from 1/7/2012 to 30/9/2012	from 1/1/2012 to 30/9/2012
Company's name	LE	LE	LE	LE
Mena Glass Ltd.	1 047 649	3 105 958	907 166	2 707 823
Mena Home Furnishings Mall	1 043 326	3 088 802	901 529	2 690 987
Citadel Capital Transportation Opportunities Ltd.	237 829	704 347	217 980	650 663
Falcon Agriculture Investments Ltd.	4 394 406	13 028 083	3 805 143	11 358 083
Golden Crescent Investment Ltd.*	--	--	--	1 747 858
Orient Investment Properties Ltd.	--	--	--	3 709 746
Sphinx Glass Ltd.	--	2 459 071	1 083 795	3 235 047
ASEC Cement Company	3 074 157	9 015 690	2 661 770	7 859 051
Silverstone Capital Investment Ltd.	984 272	2 914 868	1 916 708	2 547 770
Citadel Capital Transportation Opportunities II Ltd.	1 422 594	4 217 558	1 274 727	3 804 954
Africa Joint Investment Fund	824 855	2 406 203	719 458	3 117 208

	For the period		For the period	
	from 1/7/2013 to 30/9/2013	from 1/1/2013 to 30/9/2013	from 1/7/2012 to 30/9/2012	from 1/1/2012 to 30/9/2012
Company's name	**LE**	**LE**	**LE**	**LE**
Mena Joint Investment Fund	474 253	1 383 509	414 339	2 117 292
Africa JIF HOLD CO I	124 648	366 309	107 811	307 883
Africa JIF HOLD CO III	353 383	1 038 541	305 660	907 796
Mena JIF HOLD CO I	124 648	366 309	107 811	307 883
Ledmore Holdings Ltd.	221 769	657 483	192 035	573 293
Sphinx Glass	1 251 631	1 251 631	--	--
Crondall Holding Ltd.	6 147 552	6 147 552	--	--
Total	21 726 972	52 151 914	14 615 932	47 643 337

* The Company did not recognize advisory fees with an amount LE 32 450 971 and LE 6 008 788 (against LE 28 586 877 and LE 3 528 856 as at September 30, 2012) 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.

35.2 Interest income

Interest income included in financing cost note no.(32) includes an amount of LE 65 462 139 represents accrued interest income according to signed contracts from other related parties as follows:

	For the period		For the period	
	from 1/7/2013 to 30/9/2013	from 1/1/2013 to 30/9/2013	from 1/7/2012 to 30/9/2012	from 1/1/2012 to 30/9/2012
Company's name	**LE**	**LE**	**LE**	**LE**
National Company for Trading and Development *	6 822 992	19 996 001	5 299 668	15 710 479
United Foundries Company **	2 109 027	6 321 112	1 689 690	10 646 195
Golden Crescent Finco Ltd.	--	--	17 945	5 728 789
Mena Home Furnishings Mall	1 554 880	4 437 540	958 874	4 309 750
Citadel Capital Transportation Opportunities Ltd.	894 507	3 037 938	1 857 855	3 972 362
Grandview Investment Holding	784 503	2 402 158	700 032	3 431 346
Orient Investments Properties Ltd.	5 091 531	14 939 889	6 123 174	16 230 220

	For the period		For the period	
	from 1/7/2013 to 30/9/2013	from 1/1/2013 to 30/9/2013	from 1/7/2012 to 30/9/2012	from 1/1/2012 to 30/9/2012
Company's name	**LE**	**LE**	**LE**	**LE**
Falcon Agriculture Investments Ltd.	3 920 644	11 333 933	4 629 261	11 764 204
ASEC Company for Mining (ASCOM)	1 040 163	2 993 568	--	--
Total	22 218 247	65 462 139	21 276 499	71 793 345

* Note (11.1)

** Note (11.2)

36. Tax status

Corporate tax

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

Salaries tax

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

Stamp tax

The Company was inspected till July 31, 2006 and paid all the accrued amounts according to the Internal Committee decision and for the period from August 1, 2006 to December 31, 2012 has been inspected and the dispute has transferred to Internal Committee in the Authority.

Withholding tax

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

37. Group entities

	Country of incorporation	Ownership interest	
		Direct	Indirect
		%	%
Citadel Capital Holding for Financial Investments–Free Zone	Arab Republic of Egypt–Free Zone	99.99	--
Citadel Capital for International Investments Ltd.	British Virgin Island	100.00	--
International for Mining Consultation	Arab Republic of Egypt	99.99	--
International for refinery Consultation	Arab Republic of Egypt	--	99.99
Arab Company for Financial Investments	Arab Republic of Egypt	--	94.00
Tanweer for Marketing and Distribution Company (Tanweer)	Arab Republic of Egypt	--	99.88
Financial Unlimited for Financial Consulting	Arab Republic of Egypt	--	99.88
Citadel Company for Investment Promotion	Arab Republic of Egypt	--	99.90
National Company for Touristic and Property Investment	Arab Republic of Egypt	--	99.88
United for Petroleum Refining Consultation	Arab Republic of Egypt	--	99.99
Specialized For Refining Consulting	Arab Republic of Egypt	--	99.99
Specialized For Real Estate Company	Arab Republic of Egypt	--	99.99
National Company for Refining Consultation	Arab Republic of Egypt	--	99.99
Citadel Capital Algeria	Republic of Algeria	--	99.99
Citadel Capital Ltd.	British Virgin Island	--	100.00
Valencia Trading Holding Ltd.	British Virgin Island	--	100.00
Andalusia Trading Investments	British Virgin Island	--	100.00
Lotus Alliance Limited	British Virgin Island	--	85.70
Citadel Capital Financing Corp.	British Virgin Island	--	100.00
Ambience Ventures Ltd.	British Virgin Island	--	100.00
Africa Railways Limited *	British Virgin Island	--	40.22
Sequoia Williow Investments Ltd.	British Virgin Island	--	100.00
Brennan Solutions Ltd.	British Virgin Island	--	100.00
Mena Enterprises Ltd.	British Virgin Island	--	100.00
Alcott Bedford Investments Ltd.	British Virgin Island	--	100.00
Eco-Logic Ltd.	British Virgin Island	--	100.00
Alder Burke Investments Ltd.	British Virgin Island	--	100.00
Black Anchor Holdings Ltd.	British Virgin Island	--	100.00
Cobalt Mendoza	British Virgin Island	--	100.00
Africa Railways Investments Ltd.	British Virgin Island	--	100.00
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

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

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

38. 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.

39. Contingent liabilities

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

40. 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.

40.1 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.

40.2 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.

40.3 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 .

40.4 Market risk

A- Foreign currencies risk

- The foreign currencies exchange risk represents the risk of fluctuation in exchange rates, which in turn affects the Company's cash inflows and outflows as well as the value of its assets and liabilities in foreign currencies.
- As disclosed in note no. (3.2) the Company has used the prevailing exchange rates to revaluate monetary assets and liabilities at the financial position date.

B- Interest rate risk

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

C- Price risk

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

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

41. Subsequent Events

On October 20, 2013 the Company's Extraordinary General Assembly has held and approved the following decisions:

- Increase the Company's authorized capital from LE 6 billion to LE 9 billion and increase the issued capital from LE 4 358 125 000 to LE 8 billion , with an increase of LE 3 641 875 000 by issuing 728 385 000 shares at par value of LE 5 per share without issuance costs, consisted of 182 093 750 preferred shares and 546 281 250 ordinary shares .The purpose of this capital increase is for increasing the Company's share in its related companies, financing the Company's share in the capital increase of some of its related companies and entering into new investments and amending articles 6 and 7 of the Company's Article of Association in the light of the aforementioned.

  Invite existing shareholders - in accordance with the terms of the underwriting rights - to subscribe in the capital increase by the same shareholder stake percentage in the issued share capital before the increase and the shareholder in each class of shares has the right to subscribe to the same class all by his contribution in this category before the increase, provided that all shareholders of the same class have the same rights according to the article (19) of the Statute of the Company. The shareholders had to pay the full amount of their contribution within the period of the underwriting in capital increase without issuance costs.

- Amending the status of the Company to work according to the Capital Market Law and its executive regulations as the Company is participating in the purposes of the establishment and in the capital increase of the companies pursuant to the provision of article no.27 of the Capital Market Law and article no.122 of its executive regulations. The required legal procedures for amending the status of the company will take place after finishing the required legal procedures for the aforementioned capital increase.

- Approval to change the company's name to reflect its transformation into an investment holding company in the light of what has been taken from decisions.

- Briefing the Extraordinary General Assembly of the company with the decisions of the Ordinary General Assembly held on June 2, 2013 , which has already been approved the valuation of the fair values determined by the independent financial advisor as well as the exchange contracts.

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

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

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

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

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

The Extra-ordinary General Assembly has approved the exchange contract with Emirates International Investments Co. to purchase 25 million shares of Grandview Investment Holding Corp. for LE 7.70 per share with total LE 192 500 000. This exchange contract is within the agenda of Extra-ordinary General Assembly according to article no. (206) in pursuance to law no. (159) for year 1981 and its executive regulations and this contract had to be approved by Company's General Assembly before signing it.

42. Comparative figures

Certain reclassification has been made to the comparative figures in order to conform to current period presentation.