CITADEL CAPITAL
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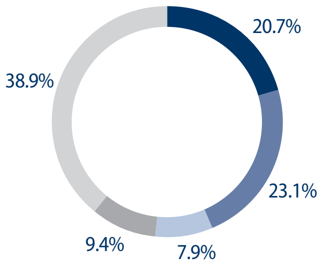
1Q13 Business Review
CAIRO, EGYPT: 9 JULY 2013

Citadel Capital Reports 1Q13 Results

Aggregate revenues of the firm's five core sectors stabilizes at EGP 1.4 bn in 1Q13; the platforms' aggregate EBITDA comes in at EGP 40.5 mn compared to EGP 41.3 million in 1Q12.

SECTOR AGGREGATE REVENUES (1Q13)
(in EGP mn)



Energy	291.5
Agrifoods	324.8
Transportation	110.5
Mining	131.8
Cement	547.8
TOTAL	**1,406.4**

1Q13 Highlights

- Citadel Capital reports a consolidated net loss of EGP 126.42 million in 1Q13 as opposed to EGP 159.25 million in the same quarter of the previous year, a narrowing of 20.6%. Factors underpinning the loss include: 1) Other Expenses amounting to EGP 83.26 million, primarily in the form of additional impairments on intercompany balances related to the fully impaired National Petroleum Company. And, 2) The firm consolidated a Share of Associates Results of negative EGP 11.46 million in the quarter, an improvement from consolidated losses of EGP 67.65 million in the same quarter last year. Putting aside impairments losses would have been at EGP 43.2 million, a 72% improvement over 1Q12.
- Total aggregate revenues from the operational platforms in the firm's five core sectors stabilized at EGP 1.4 billion in 1Q13 as improvements in the Agrifoods and Cement sectors were outweighed by dips in revenues in Transportation (as freight volumes in East Africa fell temporarily as the market sagged on political risk worries) and Energy sectors.
- Aggregate EBITDA for the operational core platforms came in at EGP 40.5 million in 1Q13 compared to EGP 41.3 million the same quarter of last year. A significant drop in EBITDA from the Energy sector pushed aggregate EBITDA down; the drop was offset somewhat by major improvements in the Agrifoods sector (which saw a 151.5% EBITDA growth) and the Cement segment (212.6% EBITDA growth). In all, three of the firm's five core sectors saw year-on-year EBITDA improvements, namely Cement, Agrifoods and Transportation.
- **Energy**: Aggregate sector revenues dropped 9.2% year-on-year in 1Q13 to EGP 291.5 million as EBITDA fell 56.9% to EGP 18.7 million. Factors contributing to the performance in the quarter included declining power generation and distribution volumes (expected to turn around going forward on new projects), lower sales at TAQA Marketing due to the fuel shortages witnessed in the country, and a declining contribution from Tawazon's turnkey contracting business. Another factor was one-off revenues for Tawazon's waste management business in 1Q12, for sales of EGP 15 million. The decline in EBITDA owes particularly to the end of operations at the power plant for the South Valley Cement project.
- **Agrifoods**: Aggregate sector revenues rose 7.2% to EGP 324.8 million while EBITDA climbed 151.5%, both on the back of significant operational progress at Gozour in Egypt and lower losses at Wafra, a newly operational greenfield in Sudan and South Sudan. Sales at Gozour surged on both national marketing efforts and new products at Rashidi El-Mizan; improving revenues at RIS in Sudan; and fast-rising sales at Enjoy on the back of new packaging, logos and product formulations. The sector's farm and fresh milk platforms also reported strong sales growth in the quarter.
- **Transportation**: Aggregate sector revenues fell 14.5% to EGP 110.5 million, while EBITDA was largely stable at negative EGP 31.3 million. This came as turnaround play Rift Valley Railways in Kenya and Uganda reported a dip in revenues as the market sagged on since-resolved fears of electoral violence in Kenya, while Nile Logistics in Egypt saw revenues sag 22.2% as new revenues from

anchorage operations in the Port of Alexandria compensated for a near complete halt of river transport operations in the first quarter due to lock maintenance.

- **Mining**: Sector revenues eased 3.1% to EGP 131.8 million while EBITDA fell 53.2% to EGP 5.7 million. Results reflect the preponderance of pre-operational and newly operational greenfields in the portfolio as well as the end of ASCOM's quarrying contract at Al-Takamol Cement in Sudan. ASCOM for Chemicals and Carbonates Mining (ACCM) reported double-digit growth in revenues and EBITDA and its highest-ever monthly operational EBITDA in the quarter and began commissioning of its new 5,000 TPM line.
- **Cement**: The Cement sector includes a Cement division and a Construction division. Aggregate sector revenues remained stable at EGP 547.8 million as revenues from the Construction division offset flagging revenues from the Cement division. As a whole, the Cement sector reports that EBITDA more than doubled to EGP 19.1 million in 1Q13. Individual companies within the cement division report improved performance, the impact of which on the sector's consolidated financial statements is muted by adverse foreign exchange swings. Perhaps most notable are Al-Takamol (Sudan)'s first-ever positive EBITDA, strong sales increases at Zahana (Algeria) and growth at ASEC Ready Mix. Moreover, ASEC Minya, the division's US$ 360 million greenfield facility in Egypt, started cement production in late June.
- Citadel Capital principal investments from its own balance sheet remain largely unchanged at US$ 1,150.5 million.

Summary of Performance of Operational Core Platform Companies (in EGP mn)

Item	Revenues		EBITDA		Revenue (change)	EBITDA (change)	Citadel Capital Ownership
	1Q12	1Q13	1Q12	1Q13			
ENERGY							
TAQA Arabia	284.2	274.4	44.5	22.7	(3.4%)	(49.0%)	33.84%
Tawazon	36.8	17.1	(1.0)	(3.9)	(53.5%)	(293.6%)	47.88%
Aggregate	**320.9**	**291.5**	**43.5**	**18.7**	**(9.2%)**	**(56.9%)**	
AGRIFOODS							
Gozour	299.9	322.4	26.8	34.0	7.5%	26.7%	19.95%
Wafra	3.0	2.4	(15.6)	(5.7)	(20.2%)	63.2%	100.00%
Aggregate	**302.8**	**324.8**	**11.2**	**28.2**	**7.2%**	**151.5%**	
TRANSPORTATION							
Nile Logistics	8.6	6.7	(9.1)	(7.2)	(22.2%)	20.7%	32.10%
Nile Barges (South Sudan)	n/a	4.5	n/a	1.1	-	-	32.10%
Africa Railways*	120.7	99.4	(22.8)	(25.2)	(17.7%)	(10.7%)	28.19%
Aggregate	**129.3**	**110.5**	**(31.9)**	**(31.3)**	**(14.5%)**	**1.6%**	
MINING							
ASCOM	136.0	131.8	12.3	5.7	(3.1%)	(53.2%)	39.22%
Aggregate	**136.0**	**131.8**	**12.3**	**5.7**	**(3.1%)**	**(53.2%)**	
CEMENT							
ASEC Cement**	220.5	186.3	7.8	13.5	(15.5%)	74.2%	54.78%
Construction / Plant Management	323.8	361.4	(1.7)	5.6	11.6%	437.6%	54.78%
Aggregate	544.3	**547.8**	**6.1**	**19.1**	**0.6%**	212.6%	
Accumulated Total	**1,433.3**	**1,406.4**	**41.3**	**40.5**	**(1.9%)**	**(2.0%)**	

* To calculate segment revenues and EBITDA, figures for Africa Railways have been converted at average yearly exchange rates of EGP 6.016 : USD 1 in 1Q12 and EGP 6.615 : USD 1 in 1Q13.

** Al-Takamol Cement Co.'s acquisition of Berber for Electrical Power is reflected in 1Q12 and 1Q13 for fair comparison.

Sector Review: Energy

Citadel Capital's operational core Energy companies include TAQA Arabia (energy generation and distribution) and Tawazon (solid waste management / waste-to-energy). Pre-operational greenfields include Egyptian Refining Company (refining) and Mashreq (fuels bunkering).

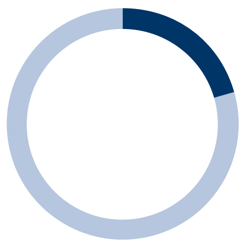
Key Metrics (Operational Core Platform Companies)

Item (in EGP mn unless otherwise stated)	1Q12	1Q13	% diff
Segment Revenues	320.9	291.5	(9.2%)
Segment EBITDA	43.5	18.7	(56.9%)
% of Total Group Revenues	24.0%	20.7%	-
TAQA Arabia Revenues	284.2	274.4	(3.4%)
TAQA Arabia EBITDA	44.5	22.7	(49.0%)
Tawazon Revenues	36.8	17.1	(53.5%)
Tawazon EBITDA	(1.0)	(3.9)	293.6%
TAQA Arabia Power Arm Revenues	67.7	57.3	(15.4%)
TAQA Arabia Power Arm EBITDA	20.9	5.2	(75.3%)
TAQA Arabia Gas Distribution Revenues	42.1	46.6	10.7%
TAQA Arabia Gas Distribution EBITDA	22.9	23.9	4.4%
TAQA Arabia Gas Construction Revenues	54.9	54.7	(0.4%)
TAQA Arabia Gas Construction EBITDA	5.3	0.3	(95.1%)
TAQA Marketing Revenues	127.8	112.3	(12.2%)
TAQA Marketing EBITDA	1.8	(0.4)	(122.9%)
ECARU Revenues	30	16	(45.8%)
ECARU EBITDA	(2.9)	(2.3)	21.7%
ENTAG Revenues	6.5	0.7	(89.0%)
ENTAG EBITDA	1.8	(1.7)	(191.3%)
Total Electricity Generated (million kW/hr)	54.3	37.4	(31.1%)
Total Electricity Distributed (million kW/hr)	59.8	68.4	14.4%
Gas Distribution (in BCM)	1.4	1.2	(18.1%)
Gas Construction (# converted customers)	24,334	16,359	(32.8%)

Key Metrics (Operational Core Platform Companies) *Cont'd*

Item (in EGP mn unless otherwise stated)	1Q12	1Q13	% diff
Fuel Distribution (gasoline, diesel, in '000 liters)	79,925	73,038	(8.6%)
Fuel Distribution (fuel oil, in '000 liters)	18,559	14,573	(21.5%)
Operational Filling Stations (#)	18	22	22.2%
Total Industrial Clients (gas and electricity)	247	292	18.2%
Total Household Clients (gas and electricity)	398,767	490,468	23.0%
Tawazon Agricultural Waste Collected (tons)	57,244	86,181	50.6%

SECTOR PERCENT OF GROUP REVENUES (1Q13)



Energy	20.7%
Others	79.3%

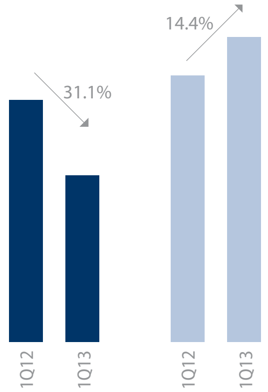
Energy Division Operational and Financial Performance

Energy segment revenues dropped 9.2% year-on-year in 1Q13 while EBITDA fell 56.9% on falling power generation and distribution volumes; lower sales at TAQA Marketing; and a sharp fall-off in revenues from Tawazon's turnkey contracting business.

TAQA Arabia

- **TAQA Arabia** revenues eased 3.4% while EBITDA dropped 49.0% in 1Q13, largely on the back of exceptionally lower EBITDA in the Power segment due to the end of operations at the power plant supplying South Valley Cement project and the resultant impairment charged against assets dedicated to that facility.
- The **Power Arm** (generation and distribution) segments report a combined 75.3% year-on-year reduction in first-quarter EBITDA to EGP 5.2 million from EGP 20.9 million as a result of a 31.1% drop in the volume of electricity generated. The latter was due predominantly to the halt of delivery to South Valley Cement as the latter sourced its power needs from an alternate government supplier. This was partially offset by an increase in the volume of electricity distributed, which rose 14.4% on improvement in occupancy rates at Nabq, a key mixed-use development near Sharm El-Sheikh International Airport. TAQA Arabia operates a 120 MVA electrical substation at Nabq that is expandable to 160 MVA and upgradable to 375 MVA, positioning it to cater to long-term demand growth.
- The drop in power generation volumes is expected to reverse as management is reassigning equipment from South Valley to other projects expected to come on stream over the coming period. Moreover, E-Styrenics, the division's first project in the petrochemicals industry, began operations in 4Q12 with total volumes of 15 million kw/hr. (NB: any reassignment of South Valley Cement assets may result in a future reversal of impairments.)
- The **Gas Distribution** division, the company's strongest generator of cashflow, recorded a 10.7% rise in 1Q13 revenues to EGP 46.6 million, while EBITDA inched up 4.4% to EGP 23.9 million. This came despite a 18.1% drop in gas distribution volumes for the quarter as higher industrial gas prices outweighed a shortage of supply nationwide.
- TAQA Arabia's **Gas Construction** operations continued to be negatively impacted in 1Q13 by ongoing unrest. Revenues for 1Q13 were on par with those in the same quarter of the previous year at EGP 54.7 million despite a 32.8% year-on-year contraction in customers converted in the consumer segment,

ELECTRICITY COMPARISON (1Q12 TO 1Q13)
(mn kW/hr)



■ Total Electricity Generated

1Q12	54.3
1Q13	37.4

■ Total Electricity Distributed

1Q12	59.8
1Q13	68.4

CNG AND GAS DISTRIBUTION (1Q12 TO 1Q13)
(BCM)

1Q12	1.4
1Q13	1.2

largely on the back of delays in actual delivery times and in finalization of permits. Meanwhile, EBITDA for the segment fell 95.1% year on year to EGP 0.3 million as a result of higher overall costs due to the devaluation of the Egyptian pound.

- TAQA Arabia's **Fuels Marketing** division saw a drop in both revenues and EBITDA as distribution volumes fell on the back of national shortages of diesel. Meanwhile, lube sales eased as a result of the slowdown in economic growth.

Tawazon

- Solid waste management play **Tawazon** reported a 53.5% year-on-year drop in 1Q13 revenues, noting that 1Q12 revenues included non-recurring sales related to ECARU (details below). Also contributing to the drop in revenues in 1Q13 was a delay in project delivery by ENTAG. EBITDA also fell as a result of ENTAG's construction related business. Notable, however, is that the second half of the year is invariably the most profitable for Tawazon due to the cyclical nature of ECARU's agricultural waste operations, as most waste collection (rice straw, cotton stalks, corn stalks) occurs after the harvest season.
- **ECARU** reported 7% year-on-year revenue growth in 1Q13 if one-time revenues of EGP 15 million from exceptional sales of rice straw and compost are set aside. This growth reflects increasing demand from energy-intensive users, such as cement companies, as they seek less expensive and more available alternative sources of energy. ECARU is currently in the final stages of finalizing a biomass / refuse-derived fuel (RDF) contract with another multinational cement producer for the supply of a minimum of 200,000 tons per year. EBITDA in 1Q13, though negative, witnessed a marginal improvement of 21.7% year-on-year. One-time revenues in 1Q12 were mainly as a result of having demand for rice straw exceptionally high during this quarter because of growth in the livestock industry. Similarly, two major clients of compost purchased large 'one-off' quantities to cultivate new land for farming. These clients have maintained their relationships with ECARU, but on lower, more consistent volumes.
- **ENTAG**, however, witnessed a sharp drop in both revenues and EBITDA as a result of the company's revenue model, which is largely based on securing 'one-off' contracts and, as a result, delivers very lumpy revenues. In 2011, the Arab Spring caused many countries to slow down investment spending and ENTAG's plans were disrupted. The company's contract with the municipality of Tartous, Syria for the supply of a material recovery facility with a capacity of 500 tons per day was signed in mid-2011. Although activity remained low, ENTAG did supply two compost-turning machines to the Tartous project in 1Q12, which constituted 90% of the revenues realized for the quarter (EGP 6.5 million). Business remained subdued in 1Q13 with a modest equipment supply delivery worth EGP 430,000 to the Tartous project. The company expects to complete the remaining portion of the project by 2014 and continues to seek new projects in the region.

Energy Division: Status of Pre-Operational Greenfields

(Greenfield core platform companies in construction phase)

Egyptian Refining Company

- Overall cumulative progress at the **Egyptian Refining Company (ERC)** is at 14.56% as of May 2013 compared with planned 14.75%. On the Engineering side, the contractor reports cumulative progress at 52.79% compared with planned cumulative progress of 51.42%. ERC is currently working on a revised construction schedule with the contractor.

Mashreq:

- **Mashreq Petroleum** has successfully signed a 30-year concession agreement (in addition to a three-year grace period for construction) with the East Port Said Port Authority in May 2013 that will allow it to build the first independent tank terminal in Egypt and provide liquid bulk petroleum products storage / bunkering and blending services. The concession is on a build-operate-transfer (BOT) system for 25 years, extendable by one year for every five years during which the project achieves at least 90% of its throughput targets.

Sector Review: Agrifoods

Citadel Capital's operational core Agrifoods companies include Gozour (multicategory agriculture and consumer foods) and Wafra (agriculture in Sudan and South Sudan).

Key Metrics (Operational Core Platform Companies)

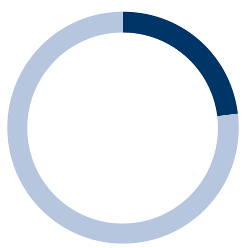
Item (in EGP mn unless otherwise stated)	1Q12	1Q13	% diff
Segment Revenues	302.8	324.8	7.2%
Segment EBITDA	11.2	28.2	151.5%
% of total Group Revenues			
Gozour Revenues	299.9	322.4	7.5%
Gozour EBITDA	26.8	34.0	26.7%
Wafra Revenues	2.98	2.4	(20.2%)
Wafra EBITDA	(15.6)	(5.7)	63.2%
Rashidi El-Mizan Revenues	114.5	127.2	11.0%
Rashidi El-Mizan EBITDA	15.2	16.4	8.0%
Rashidi for Integrated Solutions Revenues	30.5	31.4	3.2%
Rashidi for Integrated Solutions EBITDA	2.2	1.5	(31.3%)
Dina Farms Revenues	77.5	88.7	14.5%
Dina Farms EBITDA	24.0	25.3	5.4%
Enjoy Revenues	52.3	66.6	27.5%
Enjoy EBITDA	(4.4)	(2.6)	42.4%
ICDP Revenues	14.8	19.2	29.5%
ICDP EBITDA	0.6	0.9	49.5%
Rashidi El-Mizan Tons Sold (all SKUs in tons)	8,089	7,978	(1.4%)
Rashidi Sudan Tons Sold (all SKUs in tons)	1,816	2,439	34.3%
Dina Farms Tons Sold (raw milk in tons)	15,963	15,300	(4.1%)
Dina Farms Tons Sold (agricultural in tons)	13,681	15,836	15.8%
No. of Dina Farms Total Herd	13,607	14,688	7.9%
Of which milking cows	6,179	6,493	5.1%
Enjoy Tons Sold (all SKUs in SKU)	9,913	12,264	23.7%

Key Metrics (Operational Core Platform Companies) *Cont'd*

Item (in EGP mn unless otherwise stated)	1Q12	1Q13	% diff
ICDP Tons Sold (all SKUs in SKU)	2,219	2,393	7.9%
Elmisrieen Tons Sold (all SKUs in SKU)	-	-	
Total Land Planted in Egypt (in feddans) for the Period[1]	4,794	4,230	(11.8%)
Crops (in feddans)	4,361	3,741	(14.2%)
Orchards (in feddans)	433	489	12.9%
Total Developed in Sudan since inception (in feddans)	11,850	17,033	43.7%
Total Planted in Sudan in the period (in feddans)	4,000	0	(100.0%)
Land Use in Sudan (in feddans, excludes community use)	4,000	7,033	75.8%
Total Developed Land in South Sudan in the Period	0	300	-
Total Planted Land in South Sudan	0	2,500	-

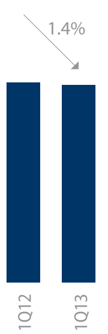
[1] Amount of land varies each quarter due to the seasonality of the crops

SECTOR PERCENT OF GROUP REVENUES (1Q13)



- Agrifoods 23.1%
- Others 76.9%

RASHIDI EL-MIZAN COMPARISON (1Q12 TO 1Q13)
(tons sold, SKUs)



1Q12	8,089
1Q13	7,978

Agrifoods Foods Division Operational and Financial Performance

The sector saw a 7.2% rise in aggregate revenues to EGP 324.8 million, while EBITDA climbed 151.5% to EGP 28.2 million on the back of significant progress at Gozour (Egypt) and lower losses at Wafra (newly operational greenfield in Sudan and South Sudan).

Gozour

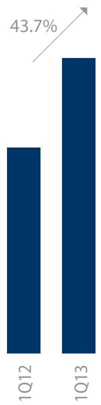
On a consolidated basis, integrated multi-category agriculture and consumer foods platform **Gozour** reported 1Q13 revenues of EGP 322.4 million, a 7.5% improvement over the same period of the previous year. The company recorded EBITDA of EGP 34.0 million, an increase of 26.7% over 1Q12 driven by higher sales and savings in overheads. Comparing with 4Q12, revenues are up 20.6%, while EBITDA is significantly higher by 113.8%.

- In Egypt, leading regional confectioner **Rashidi El-Mizan (REM)** reported an 11.0% rise in sales compared to the first quarter of last year, driven by national marketing efforts to support the categories including spreads, 'big bar' and jams as well as new product launches for molasses and honey. EBITDA rose 8.0% year-on-year in 1Q13, mainly driven by weight reductions, price increases, reduction of discounts to the local market, and a favorable sales mix. Comparing 1Q13 to 4Q12, revenues fell 1.8%, while EBITDA rose 2.6%.
- Confectioner **Rashidi for Integrated Solutions (RIS)** in Sudan reported an increase of 3.2% in revenues compared to 1Q12. EBITDA fell 31.3% on a significant drop in profitability to 7.3% compared to 12.6% last year as the company grew its sesame trading business, which yields lower margins than fast-moving consumer goods operations. Quarter-on-quarter, 1Q13 revenues were 323% higher than the final quarter of 2012, while EBITDA moved into the black again at EGP 1.5 million from a loss of EGP 0.8 million in 4Q12 due to production interruptions.
- Milk and juice producer **Enjoy** posted a strong 27.5% year-on-year improvement in revenues, a promising start for the year given the national milk and juice

DINA FARMS TOTAL MILK COWS

1Q12	6,179
1Q13	6,493

LAND USE: TOTAL DEVELOPED IN SUDAN SINCE INCEPTION (feddans)



1Q12	11,850
1Q13	17,033

markets have grown by 4% and 13%, respectively, in 2013 which is significantly lower than last year. The juice category was the primary sales driver in 1Q13 following its relaunch the previous quarter with new packaging designs and a rebranded Enjoy logo. The juice category offers a new value proposition and improved product formulations, leading to more than double the sales volume with no marketing support. At the EBITDA level, losses narrowed to EGP 2.6 million compared to EGP 4.4 million in the same quarter of the previous year. Comparing 1Q13 to the final quarter of 2012, revenues rose 13% and EBITDA climbed c. 60%. Nevertheless, Enjoy still suffers from low profitability and high fixed overhead costs that are not being absorbed by the current level of sales. The company continues to suffer from working capital constraints that are impeding growth in a turn-around stage.

- **Dina Farms** recorded 14.5% sales growth in 1Q13 driven by higher milk prices as well as better prices and yields in the agricultural segment. EBITDA rose 5.4% year-on-year, and the company's latest batch of 1,000 imported pregnant heifers arrived at the farm in 4Q12. Comparing 1Q13 to 4Q12, revenues and EBITDA rose 69.3% and 63.2%, respectively, primarily due to the seasonality of the agriculture sector and low production level of the dairy farm last year as a result of the nationwide foot and mouth disease outbreak.
- **Investment Co. for Dairy Products (ICDP)**, which markets Dina Farms' fresh dairy produce (the nation's leading fresh milk brand), witnessed a 29.5% year-on-year hike in sales, while EBITDA rose 49.5% on high sales and better profitability. Gross profit margin increased to 35.5% in 1Q13 from 30.6% in the same period last year, driven by higher selling prices, lower overhead costs and better materials prices.

Wafra

Concord Agriculture in South Sudan is continuing to develop the 4,000 feddans that have been in development since 3Q12. The development of this land has required that all melon holes be filled in and that drainage be set up. Work has begun on leveling and drainage operations, with 300 feddans complete. The company has a target of 1,000 feddans fully prepared for 2H13.

Meanwhile in Sudan, Wafra portfolio company **Sabina** halted development and planting to carry out additional soil testing. KETS has been commissioned to carry out a soil analysis and feasibility study for the project and is expected to submit its report by 3Q13. That said, sales were made from the company's inventory, and Sabina further collected revenues from farming projects for other parties. Margins on farming projects for other parties are very high, allowing Sabina to make a stronger contribution to Wafra's EBITDA. Overall, negative EBITDA at Wafra owes to the ongoing high OPEX expected of a greenfield operation in its earliest stages of operations.

Sector Review: Transportation

Citadel Capital's operational core Transportation companies include Rift Valley Railways (the national railway of Kenya and Uganda) and Nile Logistics (river transportation in Egypt, Sudan and South Sudan).

Key Metrics (Operational Core Platform Companies)

Item (in EGP mn unless otherwise stated)	1Q12	1Q13	% diff
Segment Revenues*	129.3	110.5	(14.5%)
Segment EBITDA	(31.9)	(31.3)	1.6%
% of total Group Revenues	9.7%	7.9%	-
Nile Logistics Revenues	8.6	6.7	(22.2%)
Nile Logistics EBITDA	(9.1)	(7.2)	20.7%
Africa Railways Revenues (USD mn)	20.1	15.0	(25.1%)
Africa Railways EBITDA (USD mn)	(3.8)	(3.8)	0.7%
Nile Barges (South Sudan) Revenues	n/a	0.7	n/a
Nile Barges (South Sudan) EBITDA	n/a	0.2	n/a
Ton-Kilometer Rail (millions)	316.8	259.1	(18.2%)
Ton-Kilometer Water Egypt (millions)	49.5	2.8	(94.3%)
Ton-Kilometer Water South Sudan	n/a	11.8	n/a
Revenues per Net Ton Kilometer (cents/NTK) (rail)	6.2	5.7	(8.8%)
Barges in Service Egypt	37	43	16.2%
Barges in Service South Sudan	n/a	9.0	n/a

* To calculate segment revenues and EBITDA, figures for Africa Railways have been converted at average yearly exchange rates of EGP 6.016 : USD 1 in 1Q12 and EGP 6.615 : USD 1 in 1Q13.

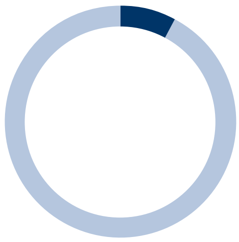
Transportation Operational and Financial Performance

The Transportation division posted a 14.5% decline in aggregate revenues in 1Q13 as a result of developments in both Egypt and East Africa. Rift Valley Railways of Kenya and Uganda reported a 25% dip in revenues, following the drop in the overall transport market in Mombasa on fears of violence during Kenya's recent elections, which have since passed peacefully. Meanwhile, Nile Logistics' barges suffered stoppages due to maintenance of locks, which reduced revenues by 22.2% year-on-year in 1Q13. Segment EBITDA is still negative as a result of high diesel subsidies impacting margins at Nile Logistics and the impact of the still-underway turnaround program at Rift Valley Railways.

Nile Logistics

- Barges effectively ceased operating in 1Q13 due to maintenance of locks by the state, leading to a 94.3% decrease in ton-kilometers compared to both 1Q12 and

SECTOR PERCENT OF GROUP REVENUES (1Q13)



Transportation	7.9%
Others	92.1%

4Q12. By comparison, revenues fell a substantially more modest 22.2% to EGP 6.7 million, bolstered by operating income from the newly installed floating crane in the Port of Alexandria (see FY12 Business Review). This also resulted in an improvement of 20.7% in operating EBITDA in 1Q13 compared to 1Q12.

- Management notes that utilization rates at Nile Logistics will surge as the Government of Egypt continues to phase out subsidies for diesel fuel, making the economics of shipping via river as opposed to roads substantially more cost effective.

Africa Railways

- Revenues at Rift Valley Railways of Kenya and Uganda dropped 25.1% to US$ 15.0 million in 1Q13 compared to the same period last year as a reflection of the drop in the wider transport market. Fearing a repeat of the post-election violence seen in 2007, shippers elected to minimize their cargo arrivals at Mombasa Port to a bare minimum.
- In spite of the dip in revenues, EBITDA remained flat due to increased fuel efficiency and aggressive cost controls. Following the peaceful conclusion of the Kenyan election, RVR has seen a dramatic increase in volumes as shippers push through consignments held up in 1Q13.
- Also in 1Q13, RVR drew down US$ 45.3 million of the senior facility allowing it to complete the second year of investments in the turnaround program.
- In 2Q13, the company is expected to aggressively increase volumes and revenues on the back of capacity expansion initiatives including:
  - Addition of two rehabilitated locomotives into the operational fleet after years of non-operation;
  - Overhaul of two locomotives, ensuring a higher reliability performance;
  - Installation of micro-processor system on four engines, adding 20% extra hauling capacity to RVR's locomotives;
  - Completion of the installation of 73 kilometers of new rails between Mombasa and Nairobi.

Sector Review: Mining

Citadel Capital's operational core Mining sector company is ASCOM, which includes operating companies ASCOM (as standalone and leading provider of quarrying services), ASCOM for Chemicals and Carbonates Manufacturing (ACCM), ASCOM Precious Metals (APM), GlassRock, and ASCOM Sudan.

Key Metrics (Operational Core Platform Companies)

Item (in EGP mn unless otherwise stated)	1Q12	1Q13	% diff
Segment Revenues (mn EGP)	136.0	131.8	(3.1%)
Segment EBITDA (mn EGP)	12.3	5.7	(53.2%)
% of total Group Revenues	10.2%	9.7%	-
ACCM Revenues (mn USD)	2.9	4.2	43.6%
ACCM EBITDA (mn USD)	0.6	1.0	64.2%
GlassRock Revenues (mn USD)	0.0	0.7	6739.6%
GlassRock EBITDA (mn USD)	(0.5)	(0.8)	-
Egypt Quarrying Revenues (mn EGP)	79.9	72.6	(9.1%)
Egypt Quarrying EBITDA (mn EGP)	4.8	4.7	(2.4%)
Other Quarry Management Revenues ex-Egypt (mn EGP)*	38.5	26.1	(32.2%)
Other Quarry Management EBITDA ex-Egypt (mn EGP)*	7.1	(0.2)	-

Volumes Sold

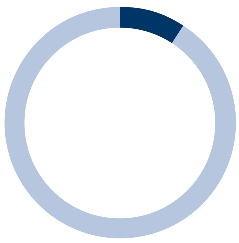
	1Q12	1Q13	% diff
ACCM (thousand tons)	42.8	50.2	17.4%
GlassRock (tons)	-	590	0.0%
Egypt Quarrying Business (million tons)	9.3	8.0	(13.4%)

Percentage of Production Exported

	1Q12	1Q13	Diff in bps
ACCM	55%	58%	3
GlassRock	0%	14%	14

* Other results include Algeria, Sudan and UAE

SECTOR PERCENT OF GROUP REVENUES (1Q13)



Mining	9.4%
Others	90.6%

ACCM VOLUMES SOLD COMPARISON (1Q12 TO 1Q13)
(thousand tons)

1Q12	42.8
1Q13	50.2

EGYPT QUARRYING BUSINESS VOLUMES SOLD COMPARISON (1Q12 TO 1Q13)
(million tons)

1Q12	9.3
1Q13	8.0

Mining Operational and Financial Performance

ASCOM's 3.1% drop in revenues and 53.2% in EBITDA in 1Q13 compared to the same period of last year largely reflects the impact of pre-operational and newly operational greenfields. The company's financial results were also impacted by the end of ASCOM's quarrying contract at Al-Takamol Cement in Sudan.

- **ASCOM for Chemicals and Carbonates Mining (ACCM)**, which produces technical calcium carbonate for the global paints, paper and polymers industries, saw year-on-year growth in revenues (up 43.6%) and EBITDA (64.2%) to US$ 4.2 million and US$ 1.0 million, respectively. Growth was backed by a 17.4% rise in volumes sold and better prices. The company's sales split is now at 60% export to 40% domestic against a 45:55 ratio in the first quarter of last year. In March 2013, ACCM posted its highest-ever monthly operational EBITDA at close to US$ 0.2 million due to a revised product mix, better cost management and the implementation of a new logistics plan. The company's new 5,000-ton-per-month line began commissioning at the end of 1Q13 and is currently fully operational; the wet grinding line is expected to be installed early in 2H13.
- **GlassRock Insulation Co.** reported negative EBITDA of US$ 0.8 million in 1Q13 on the back of a newly operational glasswool line (operational as of November 2012) and its rockwool facility (which began production in May 2012). The company is targeting both domestic sales and exports to key markets in Europe, North Africa, the Gulf Cooperation Council (GCC) countries and Turkey. Rockwool and glasswool play an important role in the conservation of energy in a wide range of industries. By helping reduce waste energy, they curb the use of fuels that contribute to climate change through the emission of greenhouse gasses. The products are broadly used in the construction, HVAC, industrial, marine and automotive sectors as well as the agricultural sector.
- In Egypt, ASCOM's quarrying business reported lower 1Q13 sales revenues (down 9.1%) and EBITDA (off 2.4%) to reach EGP 72.6 million and EGP 4.7 million, respectively. This came on the back of fuel shortages at client plants which impacted demand as well as the expiration of the company's contract with Torah Cement in February 2013. New contracts are coming on-line beginning in 2Q13, including at Minya Cement Co., and Assiut Building Materials (BMIC). Moreover, certain existing contracts are now being re-negotiated to secure better terms in light of the current fuel shortages and foreign exchange fluctuations.
- ASCOM's quarrying businesses outside Egypt saw a 32.2% drop in sales revenues and slipped into negative EBITDA territory as a result of the ending of its contract at Al-Takamol Cement in Sudan.
- Among ASCOM's projects under development, management notes that **ASCOM Precious Metals Mining (APM)** continues to meet its business objectives.

GLASSROCK VOLUMES SOLD COMPARISON (1Q12 TO 1Q13)
(tons)

1Q12	INOPERATIONAL
1Q13	590

APM's holdings include three gold concessions in Ethiopia (at which the company has completed 35,000 m of drilling with early results that potentially indicate a commercially significant gold discovery) and a concession in Sudan's Blue Nile region. The company is also actively conducting negotiations for potential farm-in agreements in Sudan and other nations, primarily for gold.

Sector Review: Cement

Citadel Capital's operational core Cement platform company is ASEC Holding, which includes cement manufacturing (ASEC Cement with production facilities: Al-Takamol Cement in Sudan, Misr Qena Cement, ASEC Ready Mix and ASEC Minya (final commissioning) in Egypt, Zahana Cement Co. and Djelfa (under construction) in Algeria and greenfield license in Syria) and construction (ARESCO, ASEC Engineering, ASEC Automation and ASENPRO).

Key Metrics (Operational Core Platform Companies)

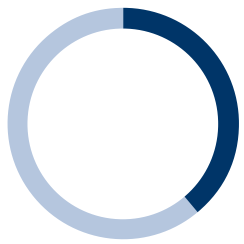
Item (in EGP mn unless otherwise stated)	1Q12	1Q13	% diff
Segment Revenues (Aggregate)	544.3	547.8	0.6%
Segment EBITDA (Aggregate)	6.1	19.1	212.6%
Segment Consolidated Revenues (Statutory)*	449.6	500 .1	11.2%
Segment Consolidated EBITDA (Statutory)*	(35.1)	(18.3)	47.9%
% of total Group Revenues	38.0%	38.9%	
Cement Segment Revenues**	220.5	186.3	(15.5%)
Cement Segment EBITDA**	7.8	13.5	74.2%
Misr Qena Cement Revenues	192.4	223.5	16.2%
Misr Qena Cement EBITDA	75.9	100.3	32.1%
Al-Takamol Cement Co. Revenues^	87.9	103.3	17.5%
Al-Takamol Cement Co. EBITDA^	(4.9)	1.1	123.5%
Zahana Cement Co. Revenues^	55.5	61.1	10.0%
Zahana Cement Co. EBITDA^	8.3	16.4	97.0%
ASEC Ready Mix Revenues	13.0	15.6	19.3%
ASEC Ready Mix EBITDA	1.3	1.8	41.3%
Construction and Management Segment Revenues	323.8	361	11.6%
Construction and Management Segment EBITDA	(1.7)	5.6	437.6%

* Consolidated revenues and EBITDA are the actual consolidated revenues and EBITDA figures of the group which reflects eliminations intra the whole cement and construction group. It also does not reflect Al-Takamol Cement Co.'s acquisition of Berber for Electrical Power, which has been formally completed but pending formal finalization was not finalized before the closing date of 1Q13 financials.

** Management has opted to reflect Al-Takamol Cement Co.'s acquisition of Berber for Electrical Power in both 1Q12 and 1Q13 revenue and EBITDA figures to allow a like-to-like comparison.

^ Per ASEC Cement's consolidation standards, Sudanese and Algerian revenues were consolidated based on: EGP 1.19 to the Sudanese pound in 1Q12 and 2.16 in 1Q13 • EGP 0.086 against the Algerian dinar in 1Q12 and 0.081 in 1Q13.

SECTOR PERCENT OF GROUP REVENUES (1Q13)



Cement Sector Operational and Financial Performance

The Cement sector includes a Cement division and a Construction division. Aggregate sector revenues remained stable at EGP 547.8 million as revenue from the Construction division offset flagging revenues from the Cement division. Across the sector, EBITDA more than doubled to 19.1 million in 1Q13 from EGP 6.1 million in the same quarter the previous year, due in part to a strong improvement in performance in the Cement segment. However, these figures do not fully reflect operational improvements in the quarter, as noted in the text below.

Cement Segment:

- ASEC Cement, which is targeting control of 12 MTPA of cement production capacity by 2018, saw major results improvements in 1Q13. Consolidated EBITDA climbed 74.2% to EGP 13.5 million as a result of improved contributions across the board at all consolidated subsidiaries. ASEC Ready Mix (Egypt) reported 41.3% growth in EBITDA, while Zahana Cement Company in Algeria rose 97%. EBITDA was also boosted by a first-time positive EBITDA contribution from Al-Takamol Cement and higher investment revenue from Misr Qena Cement (which is not fully consolidated, but investment income from which is recorded above the EBITDA line).
- That said, positive performance at ASEC Cement subsidiaries has been muted due to factors including (a) to allow for a more accurate year-on-year comparison, management has restated 1Q12 results to match 1Q13 results, reflecting the new cost structure at Al-Takamol Cement, one of the largest contributors to the results of ASEC Cement (see details below). This restatement had the impact of sharply improving 1Q12 results. Also, (b) the conversion of consolidated financial results into Egyptian pounds (EGP) from Sudanese pounds and Algerian dinars masked operational improvements reflected in the local-currency financials of Al-Takamol Cement and Zahana Cement Company. The EGP stood at 1.19 to the Sudanese pound in 1Q12 against 2.16 in 1Q13, while the EGP was 0.086 against the Algerian dinar in 1Q12 and 0.081 in the quarter just ended. The total impact of this conversion of revenues into EGP was a 15.5% drop in total consolidated revenues to EGP 186.3 million in 1Q13 despite the improved performances across all divisions.
- Notable in this respect is that ASEC Cement turned a net profit of EGP 71.6 million in 1Q13 due largely to a foreign exchange gain on the appreciation of the SDG against the USD. This has had a positive impact regarding Al-Takamol's USD-denominated obligations to related parties, while the devaluation of the EGP against the USD has benefitted monetary assets denominated in foreign currencies at the ASEC Cement standalone level. By comparison, ASEC Cement recorded FX losses of EGP 486.7 million in FY12 due to the sharp devaluation of the SDG against the USD earlier that year.

Within ASEC Cement:

- **Misr Qena Cement Co.** (MCQE on the EGX, not fully consolidated into ASEC Cement's results) saw revenues rise 16.2% year-on-year in 1Q13, driven by a 17% rise in prices in response to increases in fuel costs. Volumes sold in 1Q13 were unchanged from the same quarter last year, while the average ex-factory selling price for 1Q13 stood 17% higher at EGP 447 per ton. EBITDA margins reached very healthy levels of 45%, compared to 39% in 1Q12 and 35% in 4Q12. Due to the ongoing energy shortage, the company continues to study the option of using coal or petcoke to reduce reliance on heavy fuel oil, thereby avoiding the ongoing impact of fuel shortages as well as future exposure to rising heavy fuel oil prices. The company is also considering a waste heat recovery project to generate up to 10 MW of electricity.

- **ASEC Ready Mix** has become the first RM producer focused on the high-potential markets of Upper Egypt, where it now operates batch plants in Assiut, Qena, Sohag and Aswan. The company plans to add Minya and Beni Suef in 2013. Sales revenues have continued their steady rise in 2013, posting a gain of 19.3% year-on-year in 1Q13 to close the quarter at EGP 15.6 million. Rising revenues were supported by better selling prices, rising volumes and steady growth in its Upper Egypt client base. Average selling prices climbed 6% year-on-year in the first quarter, while EBITDA grew 41.3% to EGP 1.8 million. ASEC Ready Mix intends to capitalize on ASEC Cement as a platform for cement supply from Misr Qena Cement and later by ASEC Minya, which will allow more competitive pricing and help improve working capital management.
- In Algeria, **Zahana Cement Co.** reported a 97% rise in EBITDA to EGP 16.4 million and a 10% increase in revenues to EGP 61.1 million. EBITDA surged as a result of the reversal of EGP 11 million inventory provisions taken the previous year. This was partially offset by an 80% increase in fixed costs related to the previously capitalized costs of the dry line overhaul that took place in 1Q12. The dry line is subject to an annual overhaul that usually takes place in the first quarter of the year. Revenues increased on the back of a 14% year-on-year increase in volumes sold to 144,000 tons in 1Q13. The wet line, which contributes roughly to 20% of total volumes produced, was undergoing an overhaul in 2Q13.
- In Sudan, **Al-Takamol Cement Co.** has achieved positive EBITDA for the first time. The market in Sudan is showing signs of recovery, with cement consumption rising 12% in FY 2012 and 8% in 1Q13. Al-Takamol's sales revenues surged 17% year-on-year in the first quarter, backed by a 54% increase in average selling prices that offset a 16% drop in sales volumes as a result of fuel supply shortages earlier in the quarter. Rising prices came as a result of a new commercial strategy, and management reports that in March 2013 Al-Takamol signed a new service level agreement with the Nile Petroleum Company of Sudan to lock in a guaranteed supply of fuel and thus maintain stable production levels. May 2013 witnessed high clinker production levels approaching 100% of Al-Takamol Cement Company's capacity as a result of stable fuel supplies. With this, and in light of an improved cost structure following the acquisition of Berber for Electrical Power (which allowed the company to pay for electricity based on consumption rather than a take-or-pay agreement), Al-Takamol now appears poised for a far stronger financial performance this year. The company had previously been a major contributor of non-cash losses to ASEC Holding and, as a result, to Citadel Capital's consolidated results.

Construction, Consulting and Management Division:

- Despite improvements, the Construction, Consulting and Management Division is still suffering due to a weaker backlog and delays in the start of projects due to prevailing conditions in Egypt and regionally.
- ASEC Holding's Construction segment reported an 11.6% year-on-year improvement in 1Q13 revenues, which closed the quarter at EGP 361 million, while EBITDA was a positive EGP 5.6 million against a negative EGP 1.7 million in 1Q12. The turnaround of turnkey contractor ARESCO is the primary contributor to the improved performance, with revenues almost doubling year-on-year to EGP 209.5 million as the company books revenues from progress on certain existing projects in proportion to the level of project completion. EBITDA

stood at a positive EGP 11.4 million against a negative EGP 19.9 in the same quarter last year. The key challenge for ARESCO at present is securing a strong project backlog post-June 2013; the company sees particularly strong prospects in Saudi Arabia and Qatar.

- The division's primary challenge remains ASEC Engineering, which has provided cement plant management and consultancy services as well as upgrade projects, overhauls and specialist maintenance since 1975. While ASEC Engineering's top-line results have improved, the company nonetheless recorded a negative EBITDA of EGP 5.6 million in 1Q13 (versus negative EGP 6.1 million in 1Q12). Management is focusing on reducing its technical management headcount to optimize its ratio of employees per operating line and is currently reviewing existing contracts that are close to expiration. The company aims to improve profitability and cashflow through new contract terms with clients.

Cement & Construction Division Construction Update
(Greenfield core platform companies in construction phase)

- **ASEC Minya**, a US$ 360 million, 2 MTPA greenfield cement plant in Minya, Egypt, is now in the final commissioning phase. Cold-run testing began in January 2013, beginning with the crusher facility. Industrial Development Authority (IDA) approvals for diesel fuel and heavy fuel oil supplies were obtained in April. Clinker production began on 9 June, with kiln light-up a few days before. Clinker production reached 23,000 tons on 22 June, with cement production having begun at month's end. Notably, ASEC Minya (formerly referred to as the Arab National Cement Company, ANCC) will be the final new cement plant in Egypt to come online in 2013; no new capacity is expected to enter operations in the coming four years.
- **Zahana Cement Company,** a key brownfield investment of ASEC Cement located in western Algeria 40 kilometers away from the city of Wahran, achieved record results in 2012, reaching an important production milestone of 812,000 tons of cement for the year, a 20% improvement on the 2008 average of 650,000 tons which was achieved largely due to improvements in efficiency, investment in new equipment and an overall management restructuring. On that basis, a tender process for a new 4,500-tons-per-day production line has been launched for the fifth time with the participation of the five suppliers already shortlisted by GICA (the Algerian holding company that controls all public-sector entities operating in the building materials sector and ASEC Cement's partner in Zahana with a 65% majority stake). Related legal aspects must be clarified by an external legal advisor as the next step in the process.
- Also in Algeria, **ASEC Algeria**, which is building ASEC Cement's 3.4 MTPA, US$ 579 million greenfield cement plant in Djelfa, located 300 kilometers south of Algiers, continues to report construction delays after breaking ground on the project in 2009. The Algerian Investment Authority has renewed the project's approval for one year, extendable annually. A revised business plan has been submitted to the project's primary banker — the Banque Exterieure d'Algerie and is now with that institution's credit committee.

Key Metrics (Operational Non-Core Platform and Portfolio Companies)

Item (in EGP mn unless otherwise stated)	1Q12	1Q13	% diff
MENA Glass Consolidated (USD mn)*			
Revenues	11.1	13.9	26%
EBITDA	2.1	3.2	51%
Sphinx Glass			
Revenues	66.6	91.3	37%
EBITDA	14.0	22.6	61%
Volumes Sold (tons)	34,718	47,026	35%
Local	10,992	21,529	96%
Export	23,727	25,497	7%
MGM			
Revenues	68.3	76.4	12%
EBITDA	25.3	31.5	25%
Volumes Sold (tons)	21,755	23,922	10%
Local	11,106	16,459	48%
Export	10,649	7,463	(30%)
United Foundries Consolidated			
Revenues (adjusted)**	45.0	36.6	(19%)
EBITDA (adjusted)**	5.7	3.7	(35%)
United Company for Foundries (factory)			
Revenues	45.0	36.6	(19%)
EBITDA	5.7	3.7	(35%)
Amreyah Metals Company			
Revenues	10.2	12.6	23%
EBITDA	(1.7)	0.4	(125%)
Alexandria Automotive Company (EUR mn)			
Revenues	2.4	2.7	15%
EBITDA	(1.3)	(0.8)	(39%)
Finance Unlimited (Combined)			
Revenues	67.2	39.6	(41%)
EBITDA / Operating Income	24.9	(21.1)	(185%)
Pharos			
Revenues	12.0	10.2	(15%)
EBITDA	0.9	2.1	128%
Tanmeyah			
Revenues	15.6	15.6	0%
Operating Income	(1.1)	(26.5)	2407%
Sudanese Egyptian Bank (SDG mn)			
Revenues	18.00	11.36	(37%)
Operating Income	11.39	2.62	(77%)

* Mena Glass is the SPV (Special Purpose Vehicle) that consolidates 100% of Sphinx Glass and 31.8% of MGM as investment income above the EBITDA line.

**As of December 2012, Alexandria Automotive Company (AAC) and Amreyah Metals Company (AMC) have been reclassified as Investments Held for Sale, and they are therefore no longer consolidated. Accordingly, management has restated 1Q12 figures for better comparison with 1Q13.

Standalone Financial Performance

Citadel Capital reports a net profit of EGP 5.33 million on revenues of EGP 20.2 million in 1Q13, improving from a net loss of EGP 30.5 million in the same quarter of last year. The swing to a net profit in the first quarter came as a result of EGP 21.7 million in net financing gains relating to (a) a sharp Y-o-Y drop in finance expenses (1Q12 included EGP 66.6 mn in upfront fees related to new facilities) and (b) a more than tripling of FX gains as the Egyptian pound continued to weaken.

Revenues

Citadel Capital revenues in 1Q13 stood at EGP 20.2 million, a 17.2% drop from the same period last year. Netting out the impact of minor swings in advisory on various funds, the decline is wholly attributable to the elimination of advisory from Orient (Egyptian Refining Company, effective May 2012 as the company approached financial close) and Africa Railways (where 1Q12 advisory included 2011 fees).

Operating Expenses

OPEX rose 55.7% to EGP 35.8 million as a result of EGP 12.2 million in one-time expenditures related to the transformation program. Setting aside these fees, OPEX was essentially unchanged from 2012 levels (see table below). Notably, spending on salaries declined 8.9% to EGP 14.3 million.

Operating Expenses (in EGP mn)

Element	1Q12	1Q13
Salaries, Bonuses and Benefits	15.7	14.3
Travel	1.1	1.5
Consultancy Fees, Audit Fees, Publications and Events	2.8	17.3
Others	3.4	2.7
Total	**23.0**	**35.8**
One-Time Related to Transformation	0.0	12.2
Comparative Total	**23.0**	**23.6**

Forex and Others

Citadel Capital recorded an extraordinary foreign exchange gain of EGP 19.1 million due to the revaluation of intercompany balances held in USD.

EBITDA

EBITDA came in at EGP 3.5 million in 1Q13 from EGP 6.6 million in the same quarter of last year on the back of EGP 12.2 million in one-off OPEX outlays.

Interest Income / Expenses

Citadel Capital recorded a net interest gain of EGP 2.6 million in 1Q13 against expenses of EGP 36.0 million in the same quarter last year, which included the payment of one-time upfront fees of US$ 9.0 million (EGP 54.3 million) related to the refinancing of Citadel Capital's pre-existing US$ 175 million credit facility and the arrangement of new OPIC-backed debt. The upfront fees related to the OPIC loan represent 100% of the fees pertaining to the loan for the entire useful life of the facility.

Principal Investments

Principal investments rose 3.4% quarter-on-quarter to US$ 1.15 billion (EGP 7,017.6 million) on the back of new bridge and long-term finance extended to platform and portfolio companies. This included selective re-classification of some equity investments as finance. Citadel Capital's new investments in the period were limited entirely to bridge and long-term finance; neither the firm nor its limited partners made new equity investments in 1Q13.

Debt Position

The total debt of Citadel Capital (as distinct from that of its platform companies) stood at US$ 300 million (EGP 2.04 billion) as at 31 March 2013, with a debt-to-equity ratio of 48.5%.

Consolidated Financial Performance

Citadel Capital reports a net loss of EGP 126.42 million in 1Q13 as opposed to EGP 159.26 million in the same quarter of the previous year, a narrowing of 20.6%. Factors underpinning the loss include:

- The firm consolidated a **Share of Associates' Results** of negative EGP 11.46 million, an improvement from consolidated losses of EGP 67.65 million in the same quarter last year as losses from both ASEC Holding and United Foundries were excluded for accounting reasons. If results from ASEC Holding and United Foundries had been included, the firm would have realized a Share of Associates' Results of negative EGP 59.59 million, representing an improvement of 11.9%.
- The Share of Associates' Results contributed by core platforms stood at negative EGP 40.36 million (adjusted), a 34.7% improvement from 1Q12.

Citadel Capital's Share of Associates' Results

	1Q12	1Q13	Adjusted 1Q13
Core Platforms			
Nile Logistics	(5.64)	(7.27)	(7.27)
Tawazon	(0.61)	(1.08)	(1.08)
Mashreq	(0.51)	(0.82)	(0.82)
Asec Holding *	(64.59)	-	(39.17)
ASCOM	(2.79)	3.78	3.78
TAQA Holding	12.35	4.21	4.21
TOTAL CORE	**(61.79)**	**(1.19)**	**(40.36)**
Non-Core Platforms			
Finance Unlimited	9.19	(4.43)	(4.43)
Bonyan	(4.55)	(4.88)	(4.88)
Tanweer	(1.58)	(0.81)	(0.81)
United Foundries*	(7.38)	-	(8.95)
GlassWorks	(1.53)	(0.16)	(0.16)
TOTAL NON-CORE	**(5.86)**	**(10.27)**	**(19.23)**
TOTAL	**(67.65)**	**(11.46)**	**(59.59)**

* Losses from ASEC Holding and United Foundries will not be reported stating 1Q13 as per accounting standards which dictates that if losses from an associate exceed investment cost, then no further losses are to be recorded.

- Management notes that accumulated losses have now exceeded the initial investment costs of ASEC Holding, largely due to non-cash foreign exchange losses from Al-Takamol Cement Co. that have been consolidated into the company's income statement for the past two years following devaluation of the Sudanese pound.

- Also impacting results were Other Expenses amounting to EGP 83.26 million, primarily in the form of additional impairments on intercompany balances related to the fully impaired National Petroleum Company.
- Management further notes that OPEX rose 31.0% year-on-year in 1Q13, a figure that includes non-recurring expenses of EGP 12.2 million related to the transformation process and included in Citadel Capital Standalone OPEX (details below). OPEX includes: (a) the fully consolidated operational expenditures of Wafra, the firm's agrifoods platform in Sudan and South Sudan and the only fully consolidated platform company at present; (b) Citadel Capital standalone OPEX, inflated in 1Q13 by EGP 12.2 million in expenses related to valuation reports for select Citadel Capital platform and portfolio companies.

Revenues

Other than Citadel Capital advisory fees of EGP 14.9 million and Losses from Associates of EGP 11.46 (detail above), revenues further included EGP 2.0 million in gross profit from Wafra.

Debt and Net financing

Long-term borrowing and interest expenses are predominantly those of Citadel Capital SAE as well as other loans related to ERC (the latter appeared on the firm's balance sheet with the financial close of the project in June 2012) and Wafra. Net financing this quarter also includes EGP 22.9 million in FX gains resulting from dollar-denominated assets.

Summary of Citadel Capital Core and Non-Core Investments as at end 1Q13 ‡

Industry	Platform Company	Investments as in BS (EGP mn)	Adjustments	Total Investment Cost (EGP mn)	CC Principal Investment Cost (US$ mn)*	% of CC Principal Investments	CC % Ownership**	Co-Investors (US$ mn)
CORE INDUSTRIES								
ENERGY	TAQA Arabia	235.1	147.0	382.1	64.1	5.6%	33.84%	66.2
	ERC	350.1	541.7	891.8	154.8	13.5%	11.68%	677.7
	Mashreq Petroleum	39.4	-	39.4	6.8	0.6%	24.53%	20.1
	Tawazon	59.9	-	59.9	10.6	0.9%	47.88%	9.9
TRANSPORTATION	Nile Logistics	221.6	-	221.6	38.9	3.4%	32.10%	92.7
	Africa Railways	152.5	-	152.5	27.0	2.3%	28.19%	70.0
AGRIFOODS	Gozour	295.0	-	295.0	53.1	4.6%	19.95%	206.3
	Wafra	186.2	-	186.2	32.7	2.8%	100%	-
MINING	ASCOM	183.1	-	183.1	26.9	2.3%	39.22%	-
CEMENT	ASEC Holding	864.7	-	864.7	127.2	11.1%	54.78%	111.7
	ASEC Cement	1,315.8	-	1,315.8	193.6	-	54.78%	360.6
Eliminations^		(1,315.8)	-	(1,315.8)	(193.6)	-		(325.6)
NON-CORE INDUSTRIES								
Glass Manufacturing	GlassWorks	136.6	8.3	144.9	25.9	2.3%	21.03%	131.2
Metallurgy	UCF	106.5	-	106.5	15.7	1.4%	29.96%	32.6
Financial Services	Finance Unlimited	178.0	-	178.0	32.6	2.8%	99.88%	-
Mid-Cap Buyouts	Grandview	70.1	-	70.1	12.4	1.1%	13.01%	82.8
Specialty Real Estate	Bonyan	154.1	-	154.1	28.1	2.4%	32.13%	59.4
Media	Tanweer	165.0	-	165.0	30.4	2.6%	99.88%	-
Upstream Oil & Gas	NPC	323.2	31.0	354.2	63.4	5.5%	15.02%	357.7
Upstream Oil & Gas	NVPL	152.8	-	152.8	27.5	2.4%	15.00%	45.7
Upstream Oil & Gas	NOPC / Rally Group	359.1	-	359.1	65.0	5.6%	11.68%	561.9
Others		118.5	-	118.5	17.4	1.5%	-	-
Total Equity Investments		4,468 .0	727.9	5,195.9	860.6	74.7%	-	2,560.9
Cement Convertible	ASEC Holding	469.5	(136.3)	333.2	49.0	4.3%	-	49.6
Upstream Oil & Gas Convertible	GC Finco (NPC)	52.4	-	52.4	9.8	0.9%	-	35.7
Upstream Oil & Gas Convertible	EFSL (Rally)	81.5	-	81.5	14.6	1.3%	-	55.8
Total Convertibles		556.6	(114.2)	442.3	73.4	6.5%	-	142.6
Loans to Platforms		594.3	-	594.3	87.5	7.6%	-	-
OPIC Loans and Long-Term Receivables to Platforms		876.7	-	876.7	129.0	11.2%	-	-
Total		**6,425.9**	**613.7**	**7,017.6**	**1,150.5**	**100.0%**	**-**	**2,701.9**

‡ Citadel Capital principal investments are converted per exchange rates carried in Citadel Capital's balance sheet.

* Reflecting Citadel Capital's investment costs.

** Reflecting Citadel Capital's legal ownership.

^ These are eliminations representing the cross ownership of Citadel Capital in platform companies

Summary Standalone Income Statement (in EGP mn)

	1Q12	1Q13
Advisory Fees	24.39	20.20
Carry	0.00	0.00
Gain from the Sale of Investments	0.00	0.00
Dividend Income	0.00	0.00
Other Income	0.00	0.00
Total Revenues	**24.39**	**20.20**
OPEX	-23.00	-35.80
Management Earnout*	0.00	0.00
Income from Sale of Fixed Assets	0.00	0.00
Forex & Others	5.17	19.11
Impairment-Invest	0.00	0.00
Impairment Inter-Company	0.00	0.00
Provisions	0.00	0.00
EBITDA	**6.56**	**3.51**
Depreciation	-0.89	-0.78
EBIT	**5.67**	**2.73**
Net Interest	-35.97	2.58
Profit/Loss BT	**-30.30**	**5.31**
Income Tax		
Deferred Tax	-0.22	0.02
Profit/Loss AT	**-30.52**	**5.33**

* Citadel Capital pays Citadel Capital Partners a management incentive fee equal to 10% of the firm's net profits. This agreement has been effective since 1 January 2008 and will remain in effect so long as Citadel Capital Partners owns 15% or more of the preferred shares of Citadel Capital.

Summary Standalone Balance Sheet (in EGP mn)

	1Q12	FY12	1Q13
Fixed Assets (net)	27.11	24.68	23.90
Investments*	4,287.81	4,468.00	4,351.43
Convertibles	498.33	556.57	603.42
Long-Term Receivables	0.00	127.38	139.64
Deferred Taxable Assets	1.54	0.69	0.72
Total Non Current Assets	**4,814.78**	**5,177.33**	**5,119.11**
Due from Related Parties & Other Debit Balances	153.08	184.22	137.80
Related Parties - Loans	562.16	390.51	594.35
Related Parties - OPIC Loans	492.57	670.36	737.10
Cash & Cash Equivalents	193.82	222.71	252.73
Total Current Assets	**1,401.64**	**1,467.80**	**1,721.99**
Total Assets	**6,216.42**	**6,645.12**	**6,841.10**
Paid-In Capital	4,358.13	4,358.13	4,358.13
Reserves	89.58	89.58	89.58
Retained Earning	-185.53	-185.53	-251.93
Current year Profit / Loss	-30.52	-66.40	5.33
Dividend Distribution			
Total Equity	**4,231.65**	**4,195.77**	**4,201.10**
Long-Term Borrowing	1,334.14	1,359.34	1,468.58
Others			
Total Non Current Liabilities	**1,334.14**	**1,359.34**	**1,468.58**
Current Portion of Long-Term Debt	211.05	527.66	570.07
Due to Citadel Capital Partners	208.01	255.98	312.89
Accrued, Provision & Other Liabilities	231.57	306.37	288.46
Total Current Liabilities	**650.63**	**1,090.01**	**1,171.41**
Total Equity & Liabilities	**6,216.42**	**6,645.12**	**6,841.10**

* Citadel Capital's investments are recorded in its 1Q 2013 stand-alone financial statements under the following line items: Available-for-sale investments (EGP 23.8 million), Investments in Subsidiaries and Associates (EGP 2.698 billion), Payments for Investments (EGP 1.763 billion), and other investments (EGP 550 million). This results in total investments of EGP 5.094 billion (investments + convertibles + long term receivables).

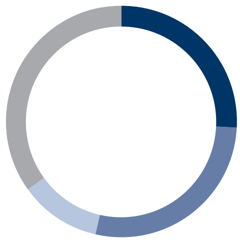
Summary Consolidated Income Statement (in EGP mn)

	1Q12	1Q13
Advisory Fees	17.75	14.91
Share of Associates' Results	(67.65)	(11.46)
Other Losses / Gains	(3.62)	2.00
Total Revenues	**(53.51)**	**5.44**
OPEX	(40.48)	(53.03)
Other Expenses	(9.86)	(83.26)
EBITDA	**(103.86)**	**(130.85)**
Depreciation	(4.44)	(3.40)
EBIT	**(108.30)**	**(134.25)**
Net Financing	(50.74)	7.81
Profit/Loss BT	**(159.03)**	**(126.44)**
Deferred Tax	(0.22)	0.02
Current Income Tax	-	
Profit/Loss AT	**(159.26)**	**(126.42)**

Summary Consolidated Balance Sheet (in EGP mn)

	1Q13	FY12
Fixed Assets (net)	281.6	256.6
Investments	3,445.5	3,242.6
Convertibles	941.0	822.1
Deferred Tax Assets	0.7	0.7
Total Non Current Assets	**4,668.8**	**4,322.0**
Investments	3.7	3.9
Due from Related Parties & Other Debit Balances	163.2	171.1
Related Parties - Loans	1,082.6	1,022.1
Cash & Cash Equivalents	316.9	255.2
Total Current Assets	**1,566.4**	**1,452.3**
Total Assets	**6,235.2**	**5,774.4**
Paid-in Capital	4,358.1	4,358.1
Reserves	336.1	207.5
Retained Earning	(2,716.1)	(2,022.9)
Net (Losses) Profit for the Period	(124.3)	(691.7)
Total Equity Attributable to the Majority Shareholders	**1,853.8**	**1,850.9**
Total Equity Attributable to Non-Controlling Shareholders	519.2	438.3
Total Equity	**2,373.0**	**2,289.2**
Long-Term Borrowing	2,084.6	1,923.0
Long-Term Liabilities	10.8	10.8
Total Non Current Liabilities	**2,095.4**	**1,933.8**
Current Portion of Long-Term Debt	749.1	543.3
Due to CCP	312.9	256.0
Due to Related Parties & Other Credit Balances	507.6	539.2
Provisions	197.2	212.9
Total Current Liabilities	**1,766.8**	**1,551.4**
Total Equity & Liabilities	**6,235.2**	**5,774.4**

SHAREHOLDER STRUCTURE
(as of 31 March 2013)



CCP	26
Board members other than CCP	28
Shareholders owning >1%	11
Others	35

Forward Looking Statements

Statements contained in this Business Review that are not historical facts are based on current expectations, estimates, projections, opinions and beliefs of Citadel Capital. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon. Certain information contained herein constitutes "targets" or "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "seek," "should," "expect," "anticipate," "project," "estimate," "intend," "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology. Actual events or results or the actual performance of Citadel Capital may differ materially from those reflected or contemplated in such targets or forward-looking statements. The performance of Citadel Capital is subject to risks and uncertainties.

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