Citadel Capital Company
(Egyptian Joint Stock Company)

Consolidated financial statements
for the period ended September 30 , 2010
&
Review report

Contents

KPMG

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Review report

To the Board of Directors of Citadel Capital Company

Introduction

We have performed a limited review for the accompanying consolidated statement of financial position of Citadel Capital Company (Egyptian Joint Stock Company) and its subsidiaries as at September 30, 2010 and the related consolidated income statement, consolidated statement of changes in equity and consolidated cash flows statement for the nine months then ended, and a summary of significant accounting policies and other explanatory notes. The Company's management is responsible for the preparation and fair presentation of these interim financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of limited review

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

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not present fairly, in all material respects, the consolidated statement of financial position of the Company as at September 30, 2010 and of its consolidated financial performance and its consolidated cash flows for the nine months then ended in accordance with Egyptian Accounting Standards.

KPMG Hazem Hassan

Cairo November 28, 2010

Citadel Capital Company
(Egyptian Joint Stock Company)
Consolidated statement of financial position
as at September 30, 2010

	note no.	30/9/2010 LE	31/12/2009 LE
Assets			
Fixed assets (net)	(5)	78 659 703	101 254 466
Intangible assets (net)	(6)	361	2 083 377
Investments in subsidiaries and associates	(7)	2 057 238 079	1 792 714 352
Other investments	(8)	2 118 520 960	1 887 266 921
Deferred tax assets	(15)	1 567 020	284 589
Total non-current assets		4 255 986 123	3 783 603 705
Inventories		-	978 990
Other investments	(8)	29 706 874	4 854 256
Trade and other receivables	(9)	825 388 423	863 408 238
Cash and cash equivalents	(10)	159 684 966	268 589 879
Total current assets		1 014 780 263	1 137 831 363
Total assets		5 270 766 386	4 921 435 068
Equity			
Share capital	(11)	3 308 125 000	3 308 125 000
Reserves	(12)	71 881 020	33 787 567
Retained earnings		305 272 703	93 302 536
Net (loss) profit for the period / year		(155 728 343)	159 110 191
Total equity attributable to equity holders of the company		3 529 550 380	3 594 325 294
Non - controlling interests		173 451 742	31 911 579
Total equity		3 703 002 122	3 626 236 873
Liabilities			
Long term loans	(13)	849 817 063	808 031 729
Long term liabilities	(14)	46 780 151	58 531 470
Total non-current liabilities		896 597 214	866 563 199
Banks overdraft		-	2 333 910
Short term loans	(13)	94 424 121	48 138
Trade and other payables	(16)	562 430 704	406 757 928
Expected claims provision	(17)	14 312 225	19 495 020
Total current liabilities		671 167 050	428 634 996
Total liabilities		1 567 764 264	1 295 198 195
Total equity and liabilities		5 270 766 386	4 921 435 068

The notes on pages 5 to 39 are integral part of these consolidated financial statements and to be read therewith .

Review report "attached"

Chairman	Managing Director	CFO / Board Member
Ahmed Heikal	Hisham Hussein El Khazendar	Ahmed EL Shamy

Citadel Capital Company

(Egyptian Joint Stock Company)

Consolidated income statement

for the period ended September 30, 2010

	note no.	For the period from 1/7/2010 to 30/9/2010 LE	For the period from 1/1/2010 to 30/9/2010 LE	For the period from 1/7/2009 to 30/9/2009 LE	For the period from 1/1/2009 to 30/9/2009 LE
Advisory fee	(26-1)	24 395 735	69 915 991	19 415 571	58 958 683
Gains on sale of investments	(18)	-	12 916 250	-	68 093 478
Share of (loss) profit of equity accounted investees	(19)	21 767 334	(19 479 088)	4 800 365	21 695 504
Other income		-	342	30 785 041	34 024 748
Total operating income		46 163 069	63 353 495	55 000 977	182 772 413
General and administrative expenses	(29)	(78 352 523)	(237 136 338)	(42 201 751)	(116 293 507)
Other expenses	(20)	418 091	(516 005)	3 254 954	(1 405 374)
Net operating (loss) profit		(31 771 363)	(174 298 848)	16 054 180	65 073 532
Net financing income (expense)	(21)	1 444 781	20 005 128	(2 191 127)	(22 758 598)
Net (loss) profit before income tax		(30 326 582)	(154 293 720)	13 863 053	42 314 934
Income tax	(22)	(1 531 943)	(1 183 853)	1 272 144	(125 890)
Net (loss) profit from continued operations (after tax)		(31 858 525)	(155 477 573)	15 135 197	42 189 044
Net loss from discontinued operations (after tax)	(4-6,23)	-	(5 093 933)	(36 226 412)	(57 582 090)
Net loss for the period		(31 858 525)	(160 571 506)	(21 091 215)	(15 393 046)
Attributable to:					
Equity holders of the Company		(29 640 121)	(155 728 343)	(2 465 439)	668 828
Non - controlling interests		(2 218 404)	(4 843 163)	(18 625 776)	(16 061 874)
		(31 858 525)	(160 571 506)	(21 091 215)	(15 393 046)
Earnings per share	(24)	(0.04)	(0.24)	(0.004)	0.001

The notes on pages 5 to 39 are integral part of these consolidated financial statements and to be read therewith .

Citadel Capital Company

(Egyptian Joint Stock Company)

Consolidated statement of changes in equity

for the period ended September 30, 2010

	note no.	Share capital	Reserves					Retained earnings	Net (loss) profit for the year / period	Total	Non-controlling interests	Total equity
			Legal reserve	Fair value reserve -AFS	F.C. translation reserve	Hedging reserve	Company's share of items recognized in associate equity					
		LE	LE	LE	LE	LE	LE	LE	LE	LE	LE	LE
Balance as at December 31,2008		2 750 000 000	77 845 487	(310 883)	(14 682 979)	(3 554 169)	-	185 519 412	(50 753 146)	2 944 063 722	2 968 653 214	5 912 716 936
Carrying 2008 loss forward	(3-19)	-	1 165 528	-	-	-	-	(60 478 056)	50 753 146	(8 559 382)	-	(8 559 382)
Notional capital distribution – NDT	(3-1-3)	-	-	-	-	-	-	(4 552 954)	-	(4 552 954)	-	(4 552 954)
Company's share of items recognized in associate equity -Silver Stone	(3-1-3)	-	-	-	-	-	10 346 912	-	-	10 346 912	-	10 346 912
Effective portion of changes in fair value of cash flow hedges	(3-4)	-	-	-	-	(9 263 403)	-	-	-	(9 263 403)	-	(9 263 403)
Exchange differences relating to foreign operations	(3-2)	-	-	-	(9 587 225)	-	-	-	-	(9 587 225)	(4 491 404)	(14 078 629)
Changes in the fair value of available -for- sale investments	(3-7-1)	-	-	312 109	-	-	-	-	-	312 109	869	312 978
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	161 621 220	161 621 220
Share capital increase	(11)	558 125 000	-	-	-	-	-	-	-	558 125 000	-	558 125 000
Net profit (loss) for the period ended September 30, 2009		-	-	-	-	-	-	-	668 828	668 828	(16 061 874)	(15 393 046)
Balance as at September 30, 2009		3 308 125 000	79 011 015	1 226	(24 270 204)	(12 817 572)	10 346 912	120 488 402	668 828	3 481 553 607	3 109 722 025	6 591 275 632
Balance as at December 31,2009		3 308 125 000	79 011 015	826 797	35 420 639	(16 882 076)	(64 588 808)	93 302 536	159 110 191	3 594 325 294	31 911 579	3 626 236 873
Carrying 2009 profit forward	(3-19)	-	10 567 463	-	-	-	-	140 643 645	(159 110 191)	(7 899 083)	(1 574 439)	(9 473 522)
Effective portion of changes in fair value of cash flow hedges	(3-4)	-	-	-	-	(12 052 492)	-	-	-	(12 052 492)	-	(12 052 492)
Exchange differences relating to foreign operations	(3-2)	-	-	-	38 936 177	-	-	-	-	38 936 177	202 512	39 138 689
Changes in the fair value of available -for- sale investments	(3-7-1)	-	-	(556 007)	-	-	-	-	-	(556 007)	-	(556 007)
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	147 755 253	147 755 253
The Company's share in changes of associates equity	(3-1-3)	-	-	-	-	-	1 198 312	71 326 522	-	72 524 834	-	72 524 834
Net loss for the period ended September 30, 2010		-	-	-	-	-	-	-	(155 728 343)	(155 728 343)	(4 843 163)	(160 571 506)
Balance as at September 30, 2010		3 308 125 000	89 578 478	270 790	74 356 816	(28 934 568)	(63 390 496)	305 272 703	(155 728 343)	3 529 550 380	173 451 742	3 703 002 122

The notes on pages 5 to 39 are integral part of these consolidated financial statements and to be read therewith .

Citadel Capital Company

(Egyptian Joint Stock Company)

Consolidated cash flows statement

for the period ended September 30, 2010

	For the period ended 30/9/2010 LE	For the period ended 30/9/2009 LE
Cash flows from operating activities		
Net (loss) profit before income tax	(154 293 720)	42 314 934
Adjustments to reconcile net (loss) profit to net cash provided from (used in) operating activities :		
Net loss from discontinued operations (before tax)	(5 093 933)	(29 549 496)
Depreciation and amortizations	7 131 485	120 495 475
Provisions formed	994 881	38 787 313
Share of loss (profit) of equity accounted investees	39 619 145	(69 594 994)
Net change in the fair value of investments at fair value through profit and loss	516 005	(4 046 081)
Foreign exchange differences	36 568 913	13 025 329
Gains on sale of investments in subsidiaries and associates	(10 513 764)	(63 741 327)
Gains on sale of available - for - sale investments	(2 402 486)	-
Credit interest	(25 123 681)	-
Provisions used	-	(31 221 750)
Reversal of provisions	-	(24 008 390)
Impairment loss on trade and other receivables	-	6 089 470
Loss on sale of fixed assets	-	(1 900 685)
Operating loss before changes in working capital	(112 597 155)	(3 350 202)
Change in trade and other receivables	(54 229 681)	(419 538 785)
Change in inventories	-	68 748 520
Change in investments at fair value through profit and loss	(25 368 623)	32 293 433
Change in trade and other payables	220 303 491	(58 207 311)
Net cash provided from (used in) operating activities	28 108 032	(380 054 345)
Cash flows from investing activities		
Payments for purchase of fixed assets	(4 786 312)	(829 923 128)
Proceeds from sale of fixed assets	-	70 655 066
Payments for purchasing other investments	(329 036 445)	(84 892 704)
Proceeds from sale of investments in subsidiaries and associates	29 434 477	48 639 616
Payments for purchase of investments in subsidiaries and associates	(163 576 635)	(53 277 289)
Proceeds from sale of available - for - sale investments	6 696 628	4 857 732
Proceeds from loans to associates	63 119 265	-
Proceeds from dividends	1 762 902	4 543 594
Payment for acquisition of intangible assets	-	(4 708 188)
Net cash used in investing activities	(396 386 120)	(844 105 301)
Cash flows from financing activities		
Proceeds from issuing of share capital	-	558 125 000
Proceeds from capital related to non - controlling interests	175 296 049	171 245 605
Dividends related to non - controlling interests	(1 574 439)	(14 648 025)
Proceeds from / payments for borrowings	106 700 717	(26 350 582)
Payment for hedging reserve	(10 320 161)	(7 624 575)
Dividends payout	-	(2 667 253)
Proceeds from banks overdraft	-	144 131 856
Net cash provided from financing activities	270 102 166	822 212 026
Net changes in cash and cash equivalents during the period	(98 175 922)	(401 947 620)
Cash and cash equivalents at the beginning of the period	268 589 879	1 158 070 019
Cash related to deconsolidation of subsidiaries	(10 728 991)	(2 542 360)
Cash and cash equivalents at the end of the period	159 684 966	753 580 039

The notes on pages 5 to 39 are integral part of these consolidated financial statements and to be read therewith .

1. Reporting entity

Citadel Capital Company (the "Company") is an Egyptian Joint Stock Company domiciled in the Arab Republic of Egypt. The address of the Company's registered office is 3 El Yemen St., Dokki - Giza.

The Company is a private equity firm operating in the Middle East and North Africa (MENA) region, with completed and committed transactions. The Company focuses primarily on the emerging economies of the MENA region, particularly Egypt, Algeria, Libya and Syria.

The Company also invest selectively in other areas that are a natural outgrowth of the primary market, including sub- Saharan Africa.

The consolidated financial statements of the Company for the period ended September 30, 2010 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.

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 and loss.
- Available-for-sale financial assets.
- Derivative financial instruments.

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

2.3 Functional and presentation currency

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

2.4 Use of estimate and judgements

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

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

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

- Note (6) measurements of the recoverable amounts of intangible assets and goodwill.
- Note (8-1) valuation of financial instruments.
- Note (17) 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 have been reclassified to conform with the current period presentation note no. (4-6).

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 minority interest

Losses that exceed the minority interest in the equity of a subsidiary may create a debit balance on minority interest 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 minorities and entities under common control

Business combinations arising from transfers of interests from minorities 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 recognize 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 faire value of the identifiable assets, liabilities and contingent liabilities of the associate recognized at the date of acquisition is recognized as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment..

3.2 Foreign currency translation

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

3.3 Foreign operations

As at the balance sheet date the assets and liabilities of these consolidated subsidiaries are translated to Egyptian Pound at the prevailing rate 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 rate prevailing during the period of the consolidated financial statements. Currency translation differences are recorded in the shareholders' equity section of the balance sheet as translation reserves adjustments.

3.4 Financial instruments

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

Cash flow hedges

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

Fair value hedges

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

3.5 Lending

The lending is stated at cost deducting from it any impairment loss in its value and the Company evaluate the loans at the balance sheet date, in case of impairment in the redeemable value of the loan less than its book value the loan is impaired by the value of impairment loss and recognized in income statement.

3.6 Cash and cash equivalents

For the purpose of preparing the Cash Flow Statement, cash and cash equivalents are represented in the cash, banks current accounts ,deposits and cheques under collection.

3.7 Investments

3.7.1 Available-for-sale financial investments

Available-for-sale financial 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 can not be measured reliably, are stated at cost less impairment loss.

3.7.2 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. Financial instruments are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. 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.

3.7.3 Other

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

3.8 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.

3.9 Fixed assets depreciation

Fixed assets are stated at historical cost and presented in the balance sheet net of accumulated depreciation and impairment (note 3.13). Depreciation is charged to the income statement over the estimated useful life of each asset using the straight-line method. The following are the estimated useful lives, for each class of assets, for depreciation calculation purposes:

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

3.10 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.

3.11 Gains & losses form 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 Intangible assets

3.12.1 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.

3.12.2 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.

3.12.3 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.

3.12.4 Amortisation

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

3.13 Impairment

3.13.1 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.

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

3.14 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.

3.15 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories are based on the weighted average or first-in first-out principles depending on the nature of the inventory, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.16 Trade and other payables

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

3.17 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 balance sheet date and amended (when necessary) to represent the best current estimate.

3.18 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 period of the borrowings on an effective interest rate basis.

3.19 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.

3.20 Dividends

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

3.21 Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or 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.

3.22 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.

3.23 Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

3.24 Employees benefits

3.24.1 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.

3.24.2 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.

3.25 Revenue

3.25.1 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.

3.25.2 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.

3.25.3 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.

3.25.4 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.

3.25.5 Interest income

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

3.25.6 Management fee

Management fee is recognized upon rendering the service according to accrual basis.

3.25.7 Advisory fee

Advisory fee is calculated based on agreed percentage in accordance with contract term with companies and recognized according to accrual basis.

3.26 Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative income statement is re-presented as if the operation had been discontinued from the start of the comparative period.

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 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.

4.3 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.

4.4 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.

4.5 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.

4.6 Comparative figures

The comparative figures include the value of assets, liabilities, of the following subsidiaries:

- Eco-Logic Ltd.
- Citadel Capital for projects.
- Engineering Tasks Group (ENTAG).
- Tanmeyah Company S.A.E

During the period, the company transferred these investments from subsidiaries to associates through restructuring the board of directors so, the value of assets and liabilities related to these subsidiaries are deconsolidated.

5. Fixed assets

	Land	Buildings	Lease hold improvements	Furniture & fixtures	Machines & equipment	Computer equipment & software	Transportation Means	Assets under construction*	Total
	LE	LE	LE	LE	LE	LE	LE	LE	LE
Cost as at 1/1/2010	24 675 000	38 740 236	3 862 787	24 220 081	2 234 634	9 777 720	2 072 805	22 934 529	128 517 792
Additions	--	--	3 091 458	629 294	--	805 257	46 245	214 058	4 786 312
Foreign currency translation differences	--	--	(3 334)	(1 332)	--	(1 451)	(2 538)	--	(8 655)
Deconsolidation of subsidiaries **	(675 000)	(4 997 868)	(6 742 086)	(2 275 521)	(2 234 634)	(3 116 464)	(1 462 105)	(2 430 760)	(23 934 438)
Cost as at 30/9/2010	24 000 000	33 742 368	208 825	22 572 522	--	7 465 062	654 407	20 717 827	109 361 011
Accumulated depreciation as at 1/1/2010	--	5 346 741	479 167	14 180 148	618 992	5 494 068	1 144 210	--	27 263 326
Depreciation	--	1 265 339	270 224	4 244 866	--	1 218 915	129 785	--	7 129 129
Foreign currency translation differences	--	--	(785)	(548)	--	(780)	(837)	--	(2 950)
Deconsolidation of subsidiaries **	--	(285 386)	(650 331)	(328 969)	(618 992)	(946 177)	(858 342)	--	(3 688 197)
Accumulated depreciation as at 30/9/2010	--	6 326 694	98 275	18 095 497	--	5 766 026	414 816	--	30 701 308
Carrying amounts									
At 30/9/2010	24 000 000	27 415 674	110 550	4 477 025	--	1 699 036	239 591	20 717 827	78 659 703
At 31/12/2009	24 675 000	33 393 495	3 383 620	10 039 933	1 615 642	4 283 652	928 595	22 934 529	101 254 466

* Assets under construction are represented in fixtures and constructions of a new headquarters.

** Note no. (4-6).

6. Intangible assets

	Goodwill	Others	Total
	LE	LE	LE
Cost			
Balance as at January 1, 2010	2 080 598	7 486	2 088 084
Foreign currency translation differences	--	(162)	(162)
Deconsolidation of subsidiaries *	(2 080 598)	--	(2 080 598)
Balance as at September 30, 2010	--	7 324	7 324
Amortisation and impairment loss			
Balance as at January 1, 2009	--	1 254 830	1 254 830
Amortisation	--	1 346 923	1 346 923
Deconsolidation of subsidiaries *	--	(2 597 046)	(2 597 046)
Balance as at December 31, 2009	--	4 707	4 707
Balance as at January 1, 2010	--	4 707	4 707
Amortisation	--	2 356	2 356
Foreign currency translation differences	--	(100)	(100)
Balance as at September 30, 2010	--	6 963	6 963
Carrying amounts			
At September 30, 2010	--	361	361
At December 31, 2009	2 080 598	2 779	2 083 377

6.1 Goodwill is related to the acquisition of the following subsidiaries:

	30/9/2010	31/12/2009
	LE	LE
Engineering Tasks Group (ENTAG)	--	2 080 598

6.2 Other intangible assets are represented in:

	30/9/2010	31/12/2009
	LE	LE
Licenses trade mark	361	2 779

Amortisation and impairment loss are recognised in General and Administrative expenses caption in the income statement.

* Note no. (4-6).

7. Investments in subsidiaries & associates

The Group investments in subsidiaries and associates are represented in:

	Percentage		Carrying amount	
	2010	**2009**	**30/9/2010**	**31/12/2009**
	%	**%**	**LE**	**LE**
El Kateb for Marketing & Distribution Co.	48.88	48.88	2 408 956	1 880 330
Pharos Holding Co. *	53.00	53.00	98 165 843	90 723 155
Elsharq Book Stores Co.	40.00	40.00	16 530 708	17 330 491
ASEC Company for Mining (ASCOM)	39.22	44.64	179 167 429	155 844 937
Silverstone Capital Investments Ltd.	40.11	38.81	319 264 617	290 283 211
Dar El-Sherouk Ltd. *	58.51	58.51	171 763 954	173 536 657
Crondall Holdings Ltd.	47.67	47.67	83 149 522	77 569 693
National Development & Trading Company	47.65	49.50	638 116 681	630 505 743
United Foundries and Heat Treatment Company	49.29	49.29	124 628 417	132 488 961
Mena Home Furnishings Malls	32.13	26.26	124 151 770	88 657 562
Regional Investments Holdings Ltd.	28.21	28.21	124 439 996	101 893 612
Eco-Logic Ltd.**	99.99	--	32 383 462	--
Mena Glass Ltd. ***	21.03	--	137 725 926	--
Tanmeyah Company S.A.E ****	51.00	--	5 090 911	--
Mena Fund GP	100	--	51 174	--
Africa Fund GP	100	--	199 010	--
Egyptian Company for Solid Waste Recycling (ECARU)	--	34.80	--	32 000 000
			2 057 238 079	1 792 714 352

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

** Investments in these companies were reclassified from investments in subsidiaries to investments in associates as the Companies' Board of Directors were restructured and the Company's voting right was reduced to less than the half (from 67% to 33%) according to these companies Board of Directors' meeting held as at January 1,2010.

*** Note no. (8-1)

**** Note no. (23)

Summary of financial statements of associates company

2010	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Revenues	Expenses
	LE	LE	LE	LE	LE	LE	LE	LE
El Kateb for Marketing & Distribution Co.	5 362 576	1 797 998	7 160 574	2 140 449	53 476	2 193 925	6 811 081	5 729 604
Pharos Holding Co.	263 082 248	184 035 090	447 117 338	294 259 988	587 842	294 847 830	69 951 542	55 908 736
Elsharq Book Stores Co.	11 536 805	9 702 934	21 239 739	5 109 773	568 072	5 677 845	15 001 442	17 000 899
ASEC Company for Mining (ASCOM)	324 456 880	610 937 120	935 394 000	279 183 891	156 723 326	435 907 217	414 710 097	408 198 066
Silverstone Capital Investments Ltd.	1 128 210 644	1 186 903 288	2 315 113 932	832 534 209	404 368 152	1 236 902 361	760 130 118	688 980 452
Dar El-Sherouk Ltd.	193 799 359	92 366 077	286 165 436	46 800 833	1 982 966	48 783 799	46 001 996	48 144 031
Crondall Holdings Ltd.	25 356 967	833 104 247	858 461 214	331 058 233	--	331 058 233	61 192 946	48 624 330
National Development & Trading Co.	2 375 836 476	4 652 967 819	7 028 804 295	2 005 562 752	1 451 703 697	3 457 266 449	1 548 534 662	1 630 464 969
United Foundries and Heat Treatment Co.	184 015 150	437 490 191	621 505 341	276 087 961	92 570 115	368 658 076	259 111 735	271 590 307
Mena Home Furnishings Mall	45 588 551	677 567 493	723 156 044	108 895 349	234 925 898	343 821 247	13 596 148	60 762 141
Regional Investments Holding Ltd.	166 581 593	633 953 963	800 535 556	60 167 546	195 338 954	255 506 500	41 197 060	91 869 050
Eco-Logic Ltd.	95 205 674	95 250 319	190 455 993	56 914 146	17 956 008	74 870 154	106 840 527	97 864 582
Mena Glass Ltd.	128 536 095	1 418 922 474	1 547 458 569	45 572 426	632 279 208	677 851 634	52 697 717	37 305 495
Tanmeyah Company S.A.E	4 795 739	17 099 703	21 895 442	12 554 168	166 109	12 720 277	18 225 480	33 103 198

Note no. (19).

8. Other investments

	note no.	30/9/2010 LE	31/12/2009 LE
Non-current investments			
Available-for-sale investments	8.1	807 114 604	787 605 694
Payments for investments	8.2	959 567 119	698 981 580
Convertible loans to associates	8.3	351 839 237	400 679 647
		2 118 520 960	1 887 266 921
Current investments			
Investments at fair value through profit and loss	8.4	29 706 874	4 854 256
		2 148 227 834	1 892 121 177

8.1 The amount represents the Group investments in a number of unlisted companies. The details of these available-for -sale investments are as follows:

	30/9/2010 LE	31/12/2009 LE
Horus Private Equity Fund II & III	26 330 926	30 625 068
Modern Company for Isolating Materials	43 396	43 396
Medcom National Company	1 000	1 000
Mena Glass Ltd. *	--	110 483 303
Orient Investment Properties Ltd.	152 534 945	41 349 226
Logria Holding Ltd.	369 590 000	355 998 500
Golden Crescent Investment Ltd.	258 579 379	249 070 243
Arab Swiss Engineering Company. (ASEC)	34 958	34 958
	807 114 604	787 605 694

* This investment was reclassified from available -for- sale investment to investment in associate according to acquisition of extra shares in the mentioned company accordingly the percentage increased from 20% to 21.03% which resulted in a significant influence over the financial and operational policies of the mentioned company.

8.2 The payments for investments are as follows:

	30/9/2010 LE	31/12/2009 LE
Grandview Investment Holding	70 392 924	67 804 258
Golden Crescent Investment Ltd.	101 728 226	97 987 218
Orient Investment Properties Ltd.	90 976 000	105 576 301
Falcon Agriculture Investments Ltd.	193 067 897	185 967 915
Glass Rock for Isolation	305 662	5 211 925

	30/9/2010	31/12/2009
	LE	LE
Fund Project	22 323 368	19 414 025
Pharos Holding Co.	18 621 911	18 621 911
Nile Valley Petroleum Ltd.	34 519 706	102 691 874
Forestry Project	2 400 624	2 400 624
Centum Investment Company Ltd.	25 020 140	7 456 657
Babcock &Brown Investment Holdings (Pty) Ltd.	7 677 556	6 333 619
Sheltam Rail Company (Pty) Ltd.	112 140 822	60 856 531
Primefuels Rail Investments Ltd.	71 392 859	3 202 004
Mirambo Rail Investments Ltd.	37 076 314	856 718
Mammoth Project	7 658 206	--
Citadel Capital Transportation Opportunities II Ltd.	17 058	--
Trans – Century Limited	23 031 210	--
United Foundries and Heat Treatment Co.	2 843 278	--
National Development & Trading Co.	103 623 378	--
Cobalt Mendoza	5 686	--
Citadel Capital East Africa Limited	78 354	--
Finance Unlimited	62 444	--
Valencia Assets Holding Ltd.	1 251	--
Mena Fund LP	7 734 922	--
Africa Fund LP	22 744 000	--
Sphinx Turn Around Funds	4 123 323	--
ASCOM Algeria *	--	3 285 594
Egyptian Company for Solid Waste Recycling (ECARU)	--	14 600 000
	959 567 119	702 267 174
Impairment *	--	(3 285 594)
	959 567 119	698 981 580

8.3 Convertible loans to associates

A- The Company has granted two subordinating loans to National Company for Development and Trading – (one of the associate companies - 47.65%)as follows:

1- A contract as at December 28, 2009 with an amount of US.$ 73 097 863 (equivalent to LE 400 349 686 as at December 31,2009) in addition to an interest amounted to US.$ 60 251 (equivalent to LE 329 961) and the Company has transferred an amount of US.$ 32 129 233 (equivalent to LE 176 443 876) from the loan principle for Financial Holding International (one of National Development & Trading Company's shareholders) to be US.$ 40 968 630 (equivalent to LE 232 947 630 as at September 30,2010) in addition to an interest amounted to US.$ 3 574 172 (equivalent to LE 20 322 742) to be US.$ 44 542 802 (equivalent to LE 253 270 372).

2- A contract as at September 21, 2010 with an amount of US.$ 8 080 132 (equivalent to LE 45 943 622 as at September 30, 2010) including an interest amounted to US.$ 15 132 (equivalent to LE 86 041) .

For a period of 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 Company for Development and Trading with par value.

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

ASEC Cement Holding Co.	41 050 000 shares
Arab Swiss Engineering Co. (ASEC)	899 900 shares

B- The Company has granted a subordinating loan to United Foundries – (one of the associate companies - 49.29%) as at June 2, 2010 with an amount of US.$ 9 255 231 (equivalent to LE 52 625 243 as at September 30, 2010) including an interest amounted to US.$ 485 916 (equivalent to LE 2 762 918) 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 with par value.

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

8.4 Investments at fair value through profit and loss:

	30/9/2010	31/12/2009
	LE	LE
Modern Shorouk for Printing Co.	2 461 871	3 045 658
Al Arafa Investment and Consulting	1 876 380	1 808 598
TAQA Arabia	25 368 623	--
	29 706 874	4 854 256

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

9. Trade and other receivables

	note no.	30/9/2010 LE	31/12/2009 LE
Due from related parties	9.1	740 704 382	797 578 922
Trade receivables		--	7 151 405
Other receivables	9.2	84 684 041	58 677 911
		825 388 423	863 408 238

9.1 Due from related parties

	30/9/2010 LE	31/12/2009 LE
Golden Crescent Investment Ltd.	11 792 991	6 591 082
Falcon Agriculture Investments Ltd.	14 139 910	13 965 608
Grandview Investment Holding	48 444 709	35 712 932
Orient Investment Properties Ltd.	38 850 281	27 177 005
Logria Holding Ltd.	27 533 127	35 978 211
Mena Home Furnishings Mall	11 622 525	88 683 367
Regional Investments Holdings Ltd.	16 386 094	123 506 955
ASEC for Mining (ASCOM)	4 681 964	31 207 600
ASEC Cement Company	10 578 706	13 604 022
Golden Crescent Finco Ltd.	183 971 087	144 589 289
Sabina for Integrated Solutions	6 254 600	30 080 697
Emerald Financial Services Ltd.	148 227 817	96 772 058
Sphinx Glass Ltd.	3 411 600	4 381 520
Silverstone Capital Investments Ltd.	7 103 577	1 228 523
Mena Glass Ltd.	3 160 040	4 501 725
Valencia Assets Holding Ltd.	99 875 113	18 568 399
Tanmeyah Company S.A.E	146 034	--
Nile Valley Petroleum Ltd.	102 022 367	--
Bacillas	2 046 960	--
Prosperities	454 880	--
National Development & Trading Co.	--	58 902 090
Citadel Capital for Scholarship *	--	2 301 113
Egyptian Company for Solid Waste Recycling (ECARU)	--	20 557 458
United Foundries	--	36 097 048
Others	--	5 473 333
	740 704 382	799 880 035
Impairment *	--	(2 301 113)
	740 704 382	797 578 922

9.2 Other receivables are represented in:

	30/9/2010	31/12/2009
	LE	LE
Prepaid expenses	5 848 131	1 146 934
Deposits with others	1 430 902	1 623 863
Advances to suppliers	690 688	2 556 248
Letters of guarantee margin	568 600	1 435 897
Imprest	797 430	931 237
Accrued revenue	2 337 559	3 203 555
Tax Authority	--	846 110
Loans to others	17 511 106	5 913 343
Letters of credit margin	--	5 916 734
Sundry debit balances	55 499 625	35 103 990
	84 684 041	58 677 911

10. Cash and cash equivalents

	30/9/2010	31/12/2009
	LE	LE
Cash	895 738	290 875
Cheques under collection	--	463 093
Banks - current accounts	156 736 104	258 578 185
Banks - time deposits	2 053 124	9 257 726
Cash and cash equivalents	159 684 966	268 589 879

Non cash transactions

- For the purpose of preparing statement of cash flows statement, The following transactions have been eliminated:-
- LE 1 732 331 from changes in other credit balances and changes in fair value of cash flow hedges reserve (represents the unpaid amount of September according to the bank claim).
- LE 8 881 138 from payments for investments and due from related parties (represents the transfer from related parties' current accounts to payments for investments).

- LE 16 364 604 from payments for purchase of investments in subsidiaries and associates and due to related parties (represents the unpaid amount from purchase of investments).
- LE 81 995 933 from payments for loans to associates and due from related parties (represents the transfer from related parties' current accounts to loans for associates).
- LE 6 859 054 from proceeds from loans to associates and changes of other debit balances (represents the uncollected portion of loans to associates).
- LE 106 466 656 from proceeds from loans to associates and payments for investments (represents the investments that the company has acquire against part of loans to associates).
- LE. 110 483 303 from available for sale investments and payments for purchase of investments in subsidiaries and associates (represents the investments which was reclassified from available for sale investments as investment in associates).

11. Share capital

	30/9/2010	31/12/2009
	LE	LE
On issue at the beginning of the period / year	3 308 125 000	2 750 000 000
Issued for cash during the period / year	--	558 125 000
On issue at end of the period / year	3 308 125 000	3 308 125 000

- The Company's authorized capital is LE 6 billion.
- The Board of directors of the Company held on December 12, 2008 decided to increase the issued capital with an amount of LE 275 500 000 to be LE 3 025 500 000 by issuing new 55 100 000 shares with par value LE 5 each, accordingly the total number of shares after increase is 605 100 000 shares. The share capital increase was paid in full. The commercial register was updated on March 4, 2009.
- The Board of directors of the Company held on April 5, 2009 decided to increase the issued capital with an amount of LE 282 625 000 to be LE 3 308 125 000 by issuing new 56 525 000 shares with par value LE 5 each, accordingly the total number of shares after increase is 661 625 000 shares. The share capital increase was paid in full during July. The commercial register was updated on July 26, 2009.

Accordingly the issued and paid-in capital is distributed as follows:

Shareholder's name	Percentage %	No. of shares	Value in LE
Citadel Capital Partners Ltd.	40.27	266 483 467	1 332 417 335
Emirates International Investments Company	8.36	55 362 835	276 814 175
Others	51.37	339 778 698	1 698 893 490
	100	661 625 000	3 308 125 000

12. Reserves

12.1 Legal reserve

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

12.2 Fair value reserve

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

13. Loans and borrowings

	30/9/2010 LE	31/12/2009 LE
Non-current liabilities:		
Secured	849 817 063	807 859 225
Unsecured *	--	172 504
	849 817 063	808 031 729
Current liabilities:		
Secured	94 424 121	--
Unsecured *	--	48 138
	94 424 121	48 138
	944 241 184	808 079 867

* Note no. (4-6,23)

- Secured loans are as follows:

The parent company obtained a long-term loan from a group of banks (represented in Arab African International Bank, Suez Canal Bank, Misr bank, Piraeus Bank, Morgan & Stanley Bank and City Bank London "syndication manager") with an amount of US.$ 200 millions for a period of five years (US.$113 millions committed & US.$ 87 millions uncommitted) bearing variable interest rate (2.5 %+Libor rate) for the first 3 years and (2.75 % +Libor rate) for the last 2 years

- Loan is to be paid on three instalments:
- The first stage 10% will be settled after three years.
- The second stage 20% will be settled at the end of the fourth year.

- The last stage 70% will be settled at the end of the loan period.
- The Company has withdrawn an amount of US.$ 166 064 225 (equivalent to the amount of LE 944 241 184 as at September 30, 2010) versus of US.$ 147 503 008 (equivalent to the amount of LE 807 859 225 as at December 31, 2009), and the current portion amounted to US.$ 16 606 423 (equivalent to LE 94 424 121) .

The loan guarantees are as follows:

1- First rank lien contract of shares of National Company for Development and Trading.
2- First rank lien contract of 9 805 622 shares of ASEC for mining (ASCOM).
3- First rank lien contract for shares of Citadel Capital Ltd. (one of the subsidiaries of Citadel Capital Holding for Financial Investments-Free Zone).
4- First rank lien contract for Investments of Citadel Capital Ltd. (one of the subsidiaries of Citadel Capital Holding for Financial Investments- Free Zone) in the following companies:
   - Orient Properties Ltd.
   - Logria Holding Ltd.
   - Golden Crescent Investment Ltd.
   - Falcon Agriculture Investment Ltd.
   - Silverstone Capital Investment Ltd.
   - Mena Glass Inc. Company.
   - Mena Home Furnishings Mall.
   - Valencia Trading Holding Ltd.
   - Andalusia Trading Investments.
   - Regional Investments Holding.
   - Lotus Alliance Limited.
   - Citadel Capital Financing Corp.

Hedging contract for risk of interest rate swap

On May 15, 2008 the Company signed a hedging contract with Citi Bank – London that results in fixing the libor interest rate on loan at 4.195 % interest rate on the amount of US.$ 74 millions that represents 50 % of the withdrawn amount of the loan according to its conditions.

14. Long term liabilities

	30/9/2010	31/12/2009
	LE	LE
Creditors-purchase of investments	46 780 151	58 531 470

This balance represents the amount due on Tanweer for Marketing and Distribution Company (Tanweer) -subsidiary- for purchasing investment in Dar El-Sherouk Ltd.-BVI- for interest of the previous company's shareholders.

15. Deferred tax assets

	30/9/2010	31/12/2009
	LE	LE
Fixed assets depreciation	1 567 020	284 589

16. Trade and other payables

	note no.	30/9/2010	31/12/2009
		LE	LE
Due to related parties	16.1	493 793 302	311 632 689
Other credit balances	16.2	68 637 402	95 125 239
		562 430 704	406 757 928

16.1 Due to related parties

	30/9/2010	31/12/2009
	LE	LE
Citadel Capital Partners Ltd.*	445 723 403	305 128 943
Crondall Holdings Ltd.	1 039 918	3 012 295
Mena Glass Ltd.	16 364 604	--
Africa Fund GP	447 966	--
Cobalt Mendoza	30 217 411	--
Pharos Holding Co.	--	13 155
Kimoniks	--	3 478 296
	493 793 302	311 632 689

* The main shareholder of the Company – 40.27%.

16.2 Other credit balances

	30/9/2010	31/12/2009
	LE	LE
Tax Authority	6 900 053	1 965 125
Social Insurance Authority	80 762	16 849
Accrued expenses	51 599 688	39 340 011
Dividends payable	2 913 919	2 924 873
Accrued interest	3 559 436	2 665 113
Suppliers	1 667 543	3 281 190
Advances from customers	--	934 331
Deposits from others	--	80 028
Notes payables	--	40 000 000

	30/9/2010	31/12/2009
	LE	LE
Sundry credit balances	1 916 001	3 917 719
	68 637 402	95 125 239

17. Expected claims provisions

	30/9/2010	31/12/2009
	LE	LE
Balance at the beginning of the period / year	19 495 020	197 630 021
Foreign currency differences	--	(790 670)
Acquisition of subsidiaries	--	4 468 000
Provisions used during the period / year	--	(31 221 750)
Reversal of provisions	--	(24 008 390)
Provisions formed during the period / year	994 881	42 510 453
Deconsolidation of subsidiaries *	(6 177 676)	(169 092 644)
Balance	14 312 225	19 495 020

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

* Note no. (4-6).

18. Gains on sale of investments

	For the period		For the period	
	from 1/7/2010 to 30/9/2010	from 1/1/2010 to 30/9/2010	from 1/7/2009 to 30/9/2009	from 1/1/2009 to 30/9/2009
	LE	LE	LE	LE
Gains on sale of investments in associates*	--	10 513 764	--	63 741 327
Gains on sale of available-for-sale investment	--	2 402 486	--	--
Gains on sale of investments at fair value through profit and loss	--	--	--	4 352 151
	--	12 916 250	--	68 093 478

* Gains on sale of investments from sale of shares in ASEC for Mining (ASCOM) (one of the associates owned by the Company with a percentage of 44.64%) and then to be 39.22% after sale:

	Selling price	Cost of investments	Net
	LE	LE	LE
ASEC for Mining (ASCOM)	29 434 477	(18 920 713)	10 513 764

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

	For the period		For the period	
	from 1/7/2010 to 30/9/2010	from 1/1/2010 to 30/9/2010	from 1/7/2009 to 30/9/2009	From 1/1/2009 to 30/9/2009
	LE	LE	LE	LE
El Kateb for Marketing & Distribution Co.	22 107	528 626	(521 464)	(806 569)
Pharos Holding Co.	1 058 402	7 442 687	1 240 524	(1 887 932)
Elsharq Book Stores Co.	(29 407)	(799 783)	74 291	(295 177)
ASEC Company for Mining (ASCOM)	(3 807 957)	2 554 149	(866 488)	5 417 321
Silverstone Capital Investments Ltd.	11 297 680	28 537 716	5 773 006	18 014 313
Dar El-Sherouk Ltd.	450 738	(1 253 304)	(702 574)	(2 887 517)
Crondall Holdings Ltd.	2 822 763	5 991 915	(196 930)	4 141 065
National Development & Trading Company	19 828 787	(39 039 791)	--	--
United Foundries	(2 210 364)	(4 809 008)	--	--
Mena Glass Ltd.	1 300 774	3 236 984	--	--
Eco-Logic Ltd.	86 783	8 965 173	--	--
Tanmeyah Company S.A.E	(2 776 189)	(4 983 243)	--	--
Mena Home Furnishings Mall	(5 576 646)	(13 626 070)	--	--
Regional Investments Holding Ltd.	(700 137)	(12 225 139)	--	--
	21 767 334	(19 479 088)	4 800 365	21 695 504

20. Other expenses

	For the period		For the period	
	from 1/7/2010 to 30/9/2010	from 1/1/2010 to 30/9/2010	from 1/7/2009 to 30/9/2009	from 1/1/2009 to 30/9/2009
	LE	LE	LE	LE
Net change in the fair value of investments at fair value through profit and loss	(418 091)	516 005	(3 246 661)	(3 903 431)
Impairment loss in trade and other receivables	--	--	(8 293)	5 308 805
	(418 091)	516 005	(3 254 954)	1 405 374

21. Finance income (expense)

	For the period		For the period	
	from 1/7/2010 to 30/9/2010	from 1/1/2010 to 30/9/2010	from 1/7/2009 to 30/9/2009	from 1/1/2009 to 30/9/2009
	LE	LE	LE	LE
Interest income Note no. (26-2)	15 734 929	52 593 016	1 914 994	4 270 052
Interest expenses	(14 130 570)	(26 611 981)	(7 127 861)	(24 047 026)
Foreign currency translation differences	(159 578)	(5 975 907)	3 021 740	(2 981 624)
	1 444 781	20 005 128	(2 191 127)	(22 758 598)

22. Income tax

	For the period		For the period	
	from 1/7/2010 to 30/9/2010	from 1/1/2010 To 30/9/2010	from 1/7/2009 to 30/9/2009	from 1/1/2009 to 30/9/2009
	LE	LE	LE	LE
Current income tax	(2 063 284)	(2 063 284)	1 267 773	(1 099 373)
Deferred tax	531 341	879 431	4 371	973 483
Income tax	(1 531 943)	(1 183 853)	1 272 144	(125 890)

23. Net results from discontinued operations

Results of discontinued operations for the period ended September 30, 2010 are represented in the operating results of the Tanmeyah Company S.A.E as Financial Unlimited Company (one of the subsidiaries) during April 2010 has entered a contract in which it granted third party the option to purchase 4% of Tanmeyah Company S.A.E shares owned by Financial Unlimited Company for Financial Consulting 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% after the exercise of the call option and accordingly it is reclassified from investments in subsidiaries into investments in associates and its operating results from the beginning of the period till the date of conversion to associates as results from discontinued operations.

Results from discontinued operations for the period ended September 30,2009 are represented in the operating results of the following:

- National Development & Trading Company-(direct subsidiary) and United Foundries and Heat Treatment Company-(indirect subsidiary) were transferred from investments in subsidiaries to investments in associates as the Company lost control over these companies through the sale of 11 820 000 shares and 2 122 800 shares respectively. This transaction led to decreasing in the Company's share in these companies (from 55.31% to 49.50%), and (from 55.31% to 49.29%) respectively and the board of directors has been restructured to reflect this contribution.

- Total shares of Sphinx Egypt were sold to Pharos Holding–one of the associates.
- Mena Home Furnishings Mall, Regional Investments Holding Ltd. were reclassified from investments in subsidiaries to investments in associates as the Companies Board of Directors have been restructured and reduced the Company's voting rights to less than half (from 57.11% to 42.80%) according to these companies Board of Directors' decisions as at December 25,2009.

	For the period ended	
	30/9/2010	30/9/2009
	LE	LE
Sales	--	1 421 925 194
Cost of sales	--	(1 213 230 903)
Gross profit	--	208 694 291
Other profit	4 278 174	76 745 359
General and administrative expenses	(7 905 992)	(227 551 292)
Other expenses	(1 433 598)	(17 069 159)
Net operating (loss) profit	(5 061 416)	40 819 199
Company's share in associates profit	--	47 899 490
Finance income	--	15 366 676
Finance expense	(32 517)	(133 634 861)
Net finance expense	(32 517)	(70 368 695)
Net loss before income tax	(5 093 933)	(29 549 496)
Income tax	--	(28 032 594)
Net loss from discontinued operations (after tax)	(5 093 933)	(57 582 090)

24. Earnings per share

	For the period		For the period	
	from 1/7/2010 to 30/9/2010	from 1/1/2010 to 30/9/2010	from 1/7/2009 to 30/9/2009	from 1/1/2009 to 30/9/2009
	LE	LE	LE	LE
Loss for the period	(31 858 525)	(160 571 506)	(21 091 215)	(15 393 046)
(Loss) profit for equity holders of the parent Company	(29 640 121)	(155 728 343)	(2 465 439)	668 828
Weighted average number of shares:				
Issued at January 1	661 625 000	661 625 000	550 000 000	550 000 000
Issued during the period	--	--	98 580 769	57 087 316
Weighted average number of shares as at September 30	661 625 000	661 625 000	648 580 769	607 087 316
Earnings per share	(0.04)	(0.24)	(0.004)	0.001

25. Finance income (expenses) recognised in equity

	For the period		For the period	
	from 1/7/2010 to 30/9/2010	from 1/1/2010 to 30/9/2010	from 1/7/2009 to 30/9/2009	from 1/1/2009 to 30/9/2009
	LE	LE	LE	LE
Foreign currency translation differences of foreign operations	1 892 498	74 559 327	6 008 236	(28 761 608)
Net change in the fair value of available-for-sale investment	394 484	270 791	--	2 095
Total finance income (expense) recognised in equity (net of tax)	2 286 982	74 830 118	6 008 236	(28 759 513)
Attributable to:				
Equity holders of the Company	2 228 022	74 627 606	669 958	(24 268 978)
Non - controlling interest	58 960	202 512	5 338 278	(4 490 535)
	2 286 982	74 830 118	6 008 236	(28 759 513)

26. Related party transactions

26.1 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 1/7/2010 to 30/9/2010	from 1/1/2010 to 30/9/2010	from 1/7/2009 to 30/9/2009	from 1/1/2009 to 30/9/2009
Company's name	LE	LE	LE	LE
Mena Glass Ltd.	861 332	2 445 549	982 204	2 895 316
Falcone Agriculture Investments Ltd.	3 382 059	9 770 820	3 182 892	9 655 372
Logria Holding Ltd.	8 919 613	26 189 597	8 648 157	26 233 794
Golden Crescent Investment Ltd.	1 651 603	4 849 397	1 601 335	5 096 715
Orient Investment Properties Ltd.	3 653 038	10 421 967	3 411 939	11 244 322
Sphinx Glass Ltd.	1 016 160	2 983 632	1 103 600	3 347 720
Silverstone Capital Investments Ltd.	255 642	756 630	485 444	485 444
Mena Home Furnishings Mall	845 269	2 351 535	--	--
Regional Investments Holding Ltd.	1 306 273	2 792 471	--	--
ASEC for Cement Company	2 504 746	7 354 393	--	--
Total	24 395 735	69 915 991	19 415 571	58 958 683

26.2 Interest income (note no. 21) includes an amount of LE 51 740 921 represents accrued interest income according to signed contracts from other related parties as follows:

	For the period		For the period	
	from 1/7/2010 to 30/9/2010	**from 1/1/2010 to 30/9/2010**	**from 1/7/2009 to 30/9/2009**	**from 1/1/2009 to 30/9/2009**
Company's name	**LE**	**LE**		
Golden Crescent Finco Ltd.	5 884 844	20 430 222	765 665	975 442
Grandview Investment Holding	(104 225)	1 448 610	475 338	1 002 439
National Company for Trading and Development	3 404 001	11 727 273	--	--
United Foundries and Heat Treatment	704 933	1 380 333	--	--
Emerald Financial services Ltd.	4 968 566	13 401 608	--	--
Mena Home Furnishings Mall	27 030	876 913	--	--
Regional Investments Holdings Ltd.	599 990	2 475 962	--	--
Mena Glass Ltd.	--	--	3 153	685 145
Falcone Agriculture Investments Ltd.	--	--	(48 315)	--
Total	15 485 139	51 740 921	1 195 841	2 663 026

27. Tax status

27.1 Corporate tax

The Company's books have not been inspected yet.

The Company submitted its tax returns on regular basis for the years from 2005 till 2009 according to tax law no. 91/2005.

27.2 Salaries tax

The Company deducts the salaries tax according to tax law no. 91/2005 and no tax inspection for salaries tax has taken place yet.

27.3 Stamp tax

The Company was inspected till July 31, 2006 and paid all the due amounts as per the Internal Committee decision and for the period from 1/8/2006 to 31/12/2009 haven't been inspected yet.

27.4 Withholding tax

The Company applies the withholding tax provisions on its transactions according to tax law no. 91/2005 and haven't been inspected yet.

28. Group entities

	Country of incorporation	Ownership interest	
		Direct	Indirect
		%	%
Citadel Capital Holding for Financial Investments–Free Zone	Arab Republic of Egypt–Free Zone	99.99	--
Citadel Capital for International Investments Ltd.	British Virgin Island	100.00	--
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 Co.	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
Tanmeyah Company S.A.E	Arab Republic of Egypt	--	51.00
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 for Financing Corp.	British Virgin Island	--	100.00
Ambience Ventures Ltd.	British Virgin Island	--	75.00
Africa Railways Limited	British Virgin Island	--	53.11
Seguoia Williow Investment Ltd.	British Virgin Island	--	100.00
Brennan Solution Ltd.	British Virgin Island	--	100.00
Mena Enterprises Ltd.	British Virgin Island	--	100.00

29. Management contract

The Company's extraordinary general assembly meeting held on May 12, 2008 approved the management contract with Citadel Capital Partners Ltd. (the principal shareholder of – 40.27 %) which states that Citadel Capital Partners Ltd. provides management duties for fees based on 10% of the net annual profit available for distribution amounted to LE 2 477 183 as at September 30, 2010 against LE 5 062 058 for the period ended September 30, 2009.

30. 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.

31. Financial instruments and management of related risks

The Group's financial instruments are represented in the financial assets and liabilities. Financial assets include cash and cash equivalents, other investments, and trade and other receivables while financial liabilities include; overdraft, 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.

31.1 Interest rate risk

Interest rate risk is the risk that the value of financial instrument will fluctuate due to changes in the market interest rates. The Group is exposed to interest rate risk on its loans and borrowings and time deposit; however, time deposits are short-term in nature.

31.2 Exchange rate risk

The exchange rate risk is represented in the fluctuations in exchange rates, which could affect the Group's cash inflows and outflows as well as the value of monetary assets and liabilities denominated in foreign currencies.

31.3 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge his obligation and cause the other party to incur financial loss. The Group's financial assets include trade receivables representing amounts due from customers, time deposits and investment balances; none of these assets has significant concentration of risk. Trade receivables are widely spread among customers' segmentation. Strict credit control is maintained and further appropriate level of impairment loss is made. The Group manages credit risk on investment by ensuring that investments are made only after careful credit evaluation for these investments.

32. Comparative figures

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