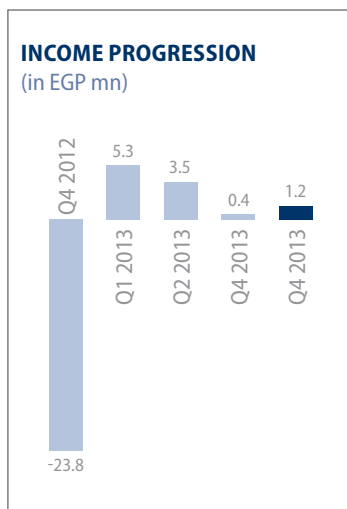


Citadel Capital Reports 4Q/FY13 Results

Firm swings to a profit on a full-year basis, calls for shareholder meeting to approve mechanism of capitalizing liabilities from c. EGP 3.5 bn in asset purchases, thus putting capital increase on track to close by 31 March 2014



Citadel Capital (CCAP.CA on the Egyptian Exchange), the leading investment company in Africa and the Middle East, announced today its standalone financial results for the fourth quarter and full-year 2013, reporting a net profit of EGP 10.5 million on revenues of EGP 126.6 million for FY13.

By comparison, the firm reported a net loss of EGP 66.4 million in FY12; the fourth quarter of the year just-ended marks the fourth consecutive quarter of profitability for the firm, driven by steady advisory fees, net financing gains and proceeds from dividends.

Citadel Capital will continue to report its Consolidated financial results as it continues its transformation into an investment company that should be judged by the consolidated performance of its investments. While it typically discloses both Standalone and Consolidated Financials in the same Business Review, the firm is reporting Standalone Financials only at this time to satisfy a regulatory requirement for the finalization of the ongoing EGP 3.64 billion capital increase.

The release of the standalone figure comes as the firm prepares for the second and final round of subscriptions to the capital increase. Citadel Capital disclosed earlier this month that it had completed its planned purchases of additional stakes in platform companies totaling approximately EGP 3.5 billion as part of its ongoing transformation into an investment company that will hold majority stakes in its subsidiaries in five core industries: energy, transportation, agrifoods, mining and cement.

“Prudent management mitigated risk across the board in 2013 — at Citadel Capital as a standalone entity and across our portfolio of core and non-core investments,” said Citadel Capital Chairman and Founder Ahmed Heikal. “The result has been improving financial performance, particular at the Citadel Capital standalone level and the level of our operational core platforms. We look forward to the successful conclusion of the capital increase in late March, which will propel us well down the road in our transformation into an investment company.”

Revenues

Citadel Capital revenues in 4Q13 stood at EGP 52.5 million, a decline of 13.7% from EGP 60.8 million in 4Q12. Quarter-on-quarter, revenues rose 59.8% on stable advisory fees and EGP 31.2 million in dividend proceeds from a fully-owned Citadel Capital subsidiary. On a full-year basis, revenues rose 1.9% y-o-y to EGP 126.6 million, despite the impact of non-recurring advisory fees generated in 1H12 on additional fees related to Orient.

Operating Expenses

Successful cost control efforts saw OPEX drop 14.6% in FY13 to EGP 137.8 million, from EGP 161.4 million in FY12. This came despite a rise in OPEX spending in 4Q13 to EGP 53.9 million — double the average of the three previous quarters — on one-time increases in personnel costs (driven by one-off severance expenses of EGP

8.5 million) related to 2012. Also included are EGP 12.6 million in one-time costs related to consultancy and legal fees arising from the ongoing capital increase process.

Operating Expenses (in EGP mn)

Element	4Q13	4Q12	FY13	FY12
Salaries, Bonuses and Benefits	30.4	70.0	76.8	115.5
Travel	2.3	2.0	6.5	6.0
Consultancy Fees, Audit Fees, Publications and Events	14.7	6.9	38.8	22.4
Others	6.4	7.9	14.4	17.6
Key Management Bonus	0.1	-	1.2	-
Total	53.9	86.8	137.8	161.4
Non-recurring Costs	12.6	26.2	35.1	26.2
Recurring Costs	41.3	60.6	102.7	135.2

Forex and Others

Citadel Capital recorded foreign exchange losses of EGP 0.2 million in 4Q13 compared to a gain of EGP 3.8 million in 4Q12, caused for the most part by the fluctuating rates of the Egyptian pound. In FY13 the firm reported forex gains of EGP 9.0 million, largely driven by an extraordinary foreign exchange gain in the first quarter of EGP 19.1 million primarily related to the revaluation of intercompany balances held in US dollars.

EBITDA

EBITDA came in at negative EGP 3.2 million in 4Q13, largely due to one-off OPEX as discussed above. On a full year basis, EBITDA improved to negative EGP 3.7 million in FY13 from negative EGP 36.0 million in FY12.

Interest Income / Expenses

Citadel Capital recorded a net interest gain of EGP 4.8 million in 4Q13, a 26.2% decrease from a net gain of EGP 6.5 million in 4Q12. Interest is largely derived from loans extended by Citadel Capital to platforms across the portfolio. In FY13, positive net interest was EGP 16.7 million, a significant improvement over negative net interest of EGP 26.0 million in FY12 which included the payment of one-time up front 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 up front fees related to the OPIC loan represent 100% of the fees pertaining to the loan for the entire useful life of the facility.

Balance Sheet

Investment Purchases

As of 31 December 2013, Citadel Capital had completed investment purchases of approx. EGP 2.2 billion (a figure that has since risen to c. EGP 3.5 billion, as noted above). These are primarily recorded in the firm's Standalone Balance Sheet under investments and convertibles.

Citadel Capital Ownership of:

Core Platform Companies	Pre-Capital Increase	Est. Post-Capital Increase*
TAQA Arabia	33.8%	62.5%
Tawazon	47.9%	47.9%
Egyptian Refining Company	11.7%	15.2%
Mashreq	24.5%	50.1%
Nile Logistics	37.9%	62.0%
Africa Railways	28.2%	28.2%
Gozour	20.0%	43.2%
Wafra	100.0%	100.0%
ASCOM	39.2%	39.2%
ASEC Holding	54.8%	69.2%
Non-Core Platform Companies		
GlassWorks	21.0%	47.6%
United Foundries	30.0%	67.4%
Finance Unlimited	99.9%	99.9%
Bonyan	32.1%	60.2%
Grandview	13.0%	42.8%

* Please note that:

1. Some additional swaps have taken place at the Portfolio Company level and are not reflected in this table.
2. The approximate post-capital-increase ownerships above were reached in February against c. EGP 3.5 billion in liabilities to co-investors and shareholders arising from these securities purchases.
3. Post-Capital Increase figures above are approximate and subject to change at any point up to the finalization of the capital increase process.

Capitalization of Purchase Liabilities

At a meeting held on 13 February 2014, Citadel Capital's Board of Directors accepted a report by its independent auditor (KPMG) certifying the EGP 3.7 billion in liabilities to co-investors and shareholders arising mainly from these securities purchases. As of the 31 December 2013 closing date, total liabilities totaled EGP 2.3 billion and were recorded under Shareholder Payables. Liabilities resulting from asset purchases should be capitalized during the second subscription round for the capital increase — expected to be completed in March 2014 — thereby resulting in full subscription to the share issuance.*

The asset purchases disclosed cover the platform companies and subsidiaries outlined in Citadel Capital's Form 16 submission on use of proceeds from the capital increase,

* Citadel Capital will capitalize an amount equivalent to the total value of the ongoing capital increase (EGP 3.64 billion), with the balance of the liabilities remaining due.

as approved by Egyptian Financial Services Authority (EFSA) and are noted in the table above.

In December 2013, Citadel Capital invited shareholders to subscribe to an EGP 3,641,875,000 capital increase at par (EGP 5 per share). The capital increase would see Citadel Capital's total issued capital rise to EGP 8,000,000,000 from EGP 4,358,125,000 through the issuance of 728,375,000 new shares.

This invitation was approved by the Egyptian Financial Supervisory Authority (EFSA) on 1 December 2013 and made public on 4 December 2013. The closing date for the first round of subscriptions took place on 13 February 2014, and the second round is expected to be completed in March 2014.

Debt and Equity Position

The total debt of Citadel Capital (as distinct from that of its platform companies) stood at US\$ 300 million (EGP 2.1 billion) as at 31 December 2013, with a debt-to-equity ratio of 31.8%. This compares to 44.9% as of 31 December 2012. The dramatic drop-off in debt-to-equity ratio owes to the increase in equity as result of Shareholder Loans of EGP 2.3 billion. As of year-end 2013, Shareholders' Equity amounted to EGP 6.5 billion; the figure is expected to swell to c. EGP 8 billion when the capital increase is completed.

Call for Shareholder Meeting

Citadel Capital's Board of Directors resolved today, 27 February 2014, to call for a general meeting of shareholders to approve the mechanism by which liabilities resulting from the firm's c. EGP 3.5 billion in investment purchases will be capitalized as part of the ongoing capital increase. The meeting is scheduled for 17 March 2014, placing the firm on track to complete the second and final subscription stage for the capital increase by the end of March 2014.

Citadel Capital's full standalone financial statements are now available for download at ir.citadelcapital.com.

Citadel Capital Investments by Industry/Platform (in EGP mm)

Industry	Platform	FY 2013				Total*	FY 2012				Total*
		Investment	Convertible	I/C	LT Loans		Investment	Convertible	I/C	LT Loans	
Engineering & Construction / Cement	ASEC Holding	1,004.94	564.88	226.24	-	1,796.06	924.35	422.67	47.99	-	1,395.01
		1,004.94	564.88	226.24	-	1,796.06	924.35	422.67	47.99	-	1,395.01
Upstream Oil & Gas	NOPC / Rally	359.08	-	-	-	350.89	359.08	-	2.01	-	361.09
	NPC	323.23	-	4.86	-	328.09	323.23	-	-	-	323.23
	NOPC Convertible	-	81.53	68.40	-	158.12	-	81.53	113.53	-	195.06
	NPC Convertible	-	52.37	68.48	-	120.85	-	52.37	64.59	-	116.96
	NVPL	154.01	-	-	-	154.01	152.77	-	-	-	152.77
		836.32	133.90	141.73	-	1,111.96	835.08	133.90	180.13	-	1,149.11
Energy Distribution	TAQA Arabia	532.84	-	(66.27)	-	466.57	235.13	-	(80.50)	-	154.63
	Mashreq	58.71	-	19.46	-	78.17	39.40	-	12.06	-	51.46
		591.55	-	(46.81)	-	544.74	274.53	-	(68.44)	-	206.10
Agriculture & Consumer Goods	Gozour	737.46	-	29.30	229.48	996.24	294.98	-	-	210.29	505.27
	Wafa	186.19	-	102.94	-	289.13	243.86	-	-	-	243.86
		923.65	-	132.24	229.48	1,285.37	538.84	-	-	210.29	749.13
Transportation & Logistics	Nile logistics	333.32	-	(3.14)	146.95	477.12	221.61	-	(9.89)	126.96	338.68
	Rift Valley Railways	115.39	-	44.50	-	159.89	115.39	-	26.05	-	141.44
		448.71	-	41.36	146.95	637.01	337.00	-	16.15	126.96	480.11
Petroleum Refining	ERC	473.21	-	(153.37)	-	319.84	277.85	-	19.82	-	297.68
	ASCOM	183.11	-	-	115.35	298.47	183.11	-	-	96.08	279.20
		656.32	-	(153.37)	115.35	618.31	461.96	-	19.82	96.08	576.88
Metallurgy	United Foundries	198.62	-	58.96	156.96	414.54	106.54	-	64.45	127.38	298.37
	Finance unlimited	214.53	-	(18.79)	46.21	241.95	177.99	-	(8.21)	39.12	208.90
		413.15	-	40.17	203.17	656.49	284.53	-	56.24	166.50	507.27
Media	Tanweer	165.00	-	4.15	62.13	231.28	165.00	-	0.05	53.53	218.58
	Bonyan	262.07	-	34.21	112.11	408.38	154.09	-	5.72	95.29	255.10
		427.07	-	38.36	174.24	639.66	319.09	-	6.27	148.82	513.68
Glass Manufacturing	Glass works	617.05	-	(35.83)	-	581.23	136.55	-	(30.31)	-	106.25
	Funds & others	108.49	-	192.86	-	301.35	117.74	-	162.40	-	280.14
		725.54	-	157.03	-	882.58	254.29	-	131.69	-	486.39
Multisector Holdings	Grand View	230.40	-	(4.70)	-	225.70	70.09	-	-	49.08	119.17
		86.44	-	-	-	86.44	86.44	-	-	-	86.44
Africa Fund		34.38	-	0.82	-	35.19	34.38	-	0.75	-	35.13
	Tawazon	48.39	-	-	-	48.39	48.39	-	-	-	48.39
		82.77	-	0.82	-	83.58	82.77	-	0.75	-	83.52
MENA Fund		6426.87	698.78	573.06	869.18	8567.89	4468.00	556.57	390.51	797.73	6212.82
		6,426.87	698.78	573.06	869.18	8,567.89	4,468.00	556.57	390.51	797.73	6,212.82

Summary Standalone Income Statement (in EGP mn)

	4Q12	FY12	1Q13	2Q13	3Q13	4Q13	FY13
Advisory fee	24.65	88.10	20.20	21.05	32.87	21.28	95.40
Dividends income	-	-	-	-	-	31.23	31.23
Other income	36.17	36.17	-	-	-	-	-
Total Revenues	60.82	124.27	20.20	21.05	32.87	52.51	126.63
OPEX	(86.76)	(161.42)	(35.80)	(23.25)	(23.78)	(53.76)	(136.59)
Management earn-out*	-	-	-	-	(1.03)	(0.13)	(1.17)
Forex & Others	3.76	8.18	19.11	1.77	(11.68)	(0.21)	9.00
Provisions	(7.00)	(7.00)	-	-	-	(1.60)	(1.60)
EBITDA	(29.18)	(35.96)	3.51	(0.43)	(3.62)	(3.18)	(3.72)
Depreciation	(0.79)	(3.33)	(0.78)	(0.77)	(0.54)	(0.49)	(2.58)
EBIT	(29.97)	(39.29)	2.73	(1.20)	(4.16)	(3.67)	(6.30)
Net Interest	6.47	(26.04)	2.58	4.73	4.64	4.75	16.70
Profit/Loss BT	(23.51)	(65.33)	5.31	3.53	0.48	1.08	10.39
Deferred Tax	(0.31)	(1.07)	0.02	0.01	(0.04)	0.11	0.10
Profit/Loss AT	(23.81)	(66.40)	5.33	3.54	0.43	1.19	10.49

* 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)

	FY12	FY13
Fixed Assets (net)	24.68	22.16
Investments*	4,468.00	6,426.87
Convertibles	556.57	698.78
Long-Term Receivables	127.38	156.96
Deferred Taxable Assets	0.69	0.79
Total Non Current Assets	5,177.33	7,305.56
Due from Related Parties & Other Debit Balances	184.22	199.43
Related Parties - Loans	390.51	573.06
Related Parties - OPIC Loans	670.36	712.22
Cash & Cash Equivalents	222.71	221.46
Total Current Assets	1,467.80	1,706.17
Total Assets	6,645.12	9,011.73
Paid-In Capital	4,358.13	4,358.13
Reserves	89.58	89.58
Shareholders Payable	-	2,323.16
Retained Earnings	(185.53)	(251.93)
Current Year Profit / Loss	(66.40)	10.49
Dividend Distribution	-	-
Total Equity	4,195.77	6,529.43
Long-Term Borrowing	1,359.34	1,160.52
Total Non Current Liabilities	1,359.34	1,160.52
Current Portion of Long-Term Debt	527.66	921.48
Due to Citadel Capital Partners	255.98	110.77
Accrued, Provision & Other Liabilities	306.37	289.53
Total Current Liabilities	1,090.01	1,321.78
Total Equity & Liabilities	6,645.12	9,011.73

** Citadel Capital's investments are recorded in its FY13 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 3.892 billion), and other investments (EGP 669 million). This results in total investments of EGP 7.283 billion (investments + convertibles + long term receivables).

SHAREHOLDER STRUCTURE
(as of 31 December 2013)



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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