


CITADEL CAPITAL
القلعة




Local Insight
Regional Footprint
World-Class Expertise

Annual Report 2009

Citadel Capital at a Glance

More than
US$ 8.3 BILLION
in investments under control

US$ 2.5 BILLION
in returns to shareholders and co-investors since 2004

19 PLATFORM COMPANIES
covering 15 industries including:
Agriculture and Consumer Foods
Cement
Energy Distribution
Engineering and Construction
Financial Services
Glass Manufacturing
Media
Metallurgy
Mining
Petroleum Refining
Specialty Real Estate
Transportation and Logistics
Upstream Oil and Gas
Multisector Holdings

14 COUNTRIES
from Egypt to Kenya and Algeria to Pakistan

The Facts Speak for Themselves

Valuations		
Total net asset value (TNAV)	EGP 10.3 billion	US$ 1.9 billion
Total net asset value per share (TNAVPS)	EGP 15.50	US$ 2.83
Portfolio net asset value (PNAV)	EGP 6.8 billion	US$ 1.2 billion
Portfolio net asset value per share (PNAVPS)	EGP 10.33	US$ 1.89
Asset management value (AMV)	EGP 3.4 billion	US$ 0.62 billion
Asset management value per share (AMVPS)	EGP 5.17	US$ 0.94

Asset Management Business		
Total investments under control	EGP 45.5 billion	US$ 8.3 billion
Total assets under management	EGP 20.2 billion	US$ 3.7 billion
Total invested assets under management	EGP 15.9 billion	US$ 2.8 billion
Total invested third-party AUM	EGP 11.6 billion	US$ 2.1 billion
Third-party fee-earning assets under management	EGP 10.5 billion	US$ 1.9 billion
Total Citadel Capital principal investments (own balance sheet)	EGP 4.2 billion	US$ 0.76 billion

Track Record		
Investments made since 2004 (acquisitions and new company formations)	54	
Number of Platform Companies as at 31 December 2009	19	
Total number of countries in which Citadel Capital invests	14	
Number of industries in which Citadel Capital invests	15	
Total equity raised and invested since 2004	EGP 23.7 billion	US$ 4.3 billion
Cash returns to shareholders and LPs since 2004 (on equity investments of US$ 650 million)	EGP 13.8 billion	US$ 2.5 billion

Shareholder Structure		
Citadel Capital Partners (CCP)	42%	
Board members other than CCP	14%	
Shareholders owning more than 1%	20%	
Others	24%	
Number of shares outstanding	661,625,000	
Paid-in capital of Citadel Capital	EGP 3.3 billion	US$ 0.6 billion

Citadel Capital is the leading private equity firm in the Middle East and Africa with 19 Opportunity-Specific Funds controlling investments of more than US$ 8.3 billion in 15 industries spanning 14 countries

Annual Report 2009 Contents

$8.3 bn
in investments under control,
including committed equity and debt

$2.83
total net asset value per share
as of year-end 2009

$2.5 bn
in cash returns to shareholders and LPs
on investments of $ 650 mn

19
Opportunity-Specific Funds
active at year-end 2009

2009
a banner year

PEI 300 2009	Largest Private Equity Firm in Africa (PE assets under management, 2004-09)
emeafinance Europe • Middle East • Africa	Best Private Equity House in Africa
The Business of Asset Management and Asset Servicing global investor incorporating isf	Best Private Equity House in Africa
ACQUISITIONS MONTHLY	MENA Private Equity House of the Year
PRIVATE EQUITY WORLD MENA 2009	MENA Best Private Equity House Special Merit Award
AFRICAN BANKER	Private Equity Fund of the Year

CITADEL CAPITAL القلعة

Citadel Capital (CCAP.CA on the Egyptian Stock Exchange) is the leading private equity firm in the Middle East and Africa. The firm builds platform investments throughout the region in select industries through acquisitions, turnarounds, and greenfields executed via Opportunity Specific Funds. Citadel Capital's 19 OSFs control Platform Companies with investments of more than US$ 8.3 billion in 15 industries, including agriculture and consumer foods, cement production, energy distribution, construction and engineering, financial services, glass manufacturing, publishing, mining, metallurgy, specialty real estate, transportation and logistics, petroleum (exploration, production and refining), natural gas production and solid waste management.

www.citadelcapital.com

Chairman's Letter

Whether you are talking about global markets or our core Middle East and Africa footprint, it has become something of a cliché to refer to the year just past as "difficult." Although 2009 surely brought with it challenges, I am more convinced than ever that we will look back upon it as having been an outstanding vintage year for private equity investing. And as I will shortly explain, we expect 2010 to be a similarly strong year for new investments.

That isn't to say that we did not react in 2009 to the fallout from the global economic crisis: Throughout the first half of the year, we maintained a particular focus on nurturing our existing investments. Part of that task involved ensuring that all Platform Company business plans were fully funded, and part of it meant making sure Platform and Portfolio Company management was up to the challenges they faced.

In that respect, I note that we engaged five new chief executives for key Platform and Portfolio companies: Amr Bahaa joined the Sudanese Egyptian Bank (under Finance Unlimited) as managing director; Tarek Salah, Citadel Capital's Managing Director for greenfield projects, took over as CEO of ARESCO (under ASEC Holding); Alaa El-Bolock assumed new duties as General Manager and Board Member at ASEC Engineering (also under ASEC Holding); Paul Woodward joined us as head of ASCOM's Technical Calcium Carbonate plant in Minya; and Rob Bennett became TAQA Arabia's Gas Construction and Engineering arm.

By fall, it was clear that our platforms were on track, including those that we had identified at the end of 2008 as showing some signs of stress. Negotiations for the US$ 2.25 billion financing package for the Egyptian Refining Company (ERC) were on track, with promising feedback from development finance institutions and export credit agencies leading us to conclude we will finalize the facility in 2010. Meanwhile, we have secured project financing for Designopolis, Bonyan's innovative home furnishings destination, through an EGP 185 million syndicated loan. New steam technology is showing promising results at NOPC / Rally Energy, and the National Petroleum Company (NPC) is now cashflow positive. Indeed, we have recorded important production upticks at both NOPC and NPC even as we have opted to leave these as impaired on our Net Asset Valuation (NAV) at year end.

We knew by fall that we were on the right track when projections suggested median average sales growth of 23% and EBITDA growth of 25% at our five mature Platform Companies, including TAQA Arabia, ASCOM, ASEC Holding, Gozour and NOPC / Rally. By October, our focus had shifted to making new investments by executing from our strategy of incrementally building-out our platforms, thereby locking in future returns with lower up-front capital commitments and thus lower risks to both the firm and LPs.

View of the Four Seasons Nile Plaza in Cairo, Egypt, headquarters of Citadel Capital

In the latter part of the year, we executed three deals that we think have very exciting prospects. The first involved the creation of Wafra, our Sudanese agriculture platform, which now has long term-leases to more than 500,000 feddans of land in north and south Sudan including full irrigation rights. Rights to just under half of the land Wafra now controls were acquired in 2009 for portfolio company SEAC. Also last year, we engaged experienced management teams for both SEAC and sister company Sabina. Sabina is on track to have 2,000 feddans in production by June, while SEAC is presently engaged in on-site development work to have a significant area of land ready for seeding at the onset of the rainy season in mid-2011.

In November, we announced that we had acquired two innovative solid-waste management companies to serve as the nucleus of Tawazon, our eighteenth platform investment. Those two companies are ECARU and ENTAG. Based in Egypt and founded in 1997, ECARU has contracts to collect and process more than 500,000 tons per year of agricultural solid waste, particularly rice straw, which it converts into compost. ECARU is also studying the production of medium-density fiber board, fuel pellets and paper from rice straw. Moreover, its operations include a landfill built to the highest international standards in the 15th of May City. The company is also on the cutting edge of carbon credits trading, being one of the first Egyptian organizations to sign a greenhouse gas emission reduction purchase agreement with the World Bank. ENTAG, on the other hand, was established in 1995. It specializes in the design, manufacturing and erection of solid waste management systems. Equipment supplied is partly procured from the world's leading waste management equipment producers and partly designed and manufactured locally in Egypt.

Our last transaction of the year, finalized in 2010, was our investment in Rift Valley Railways (RVR) of Kenya and Uganda, where we acquired a 49% stake in Sheltam Railways, the largest single shareholder in RVR. Rift Valley has a 25-year concession to operate a century-old rail line with some 2,000 kilometers of track linking the Indian Ocean port of Mombasa with the interiors of Kenya and Uganda. Citadel Capital and our limited partners will look to inject more than US$ 250 million over the coming five years as part of the restructuring agreed in 1Q10.

In that sense, the RVR deal marks a turning point of sorts for Citadel Capital as we look to weight our new investments toward Africa, Saudi Arabia, the Levant and Iraq with a view to seeing our investments in Egypt proportionally decline to 40-50% of our portfolio in the years ahead.

Indeed, one of the joys of private equity investing is that we can take the long view: With investment horizons in the 5-10 year range, we see the macro-level drivers behind our strategy unchanged. For example, commodities will continue to be in high demand, supporting our investments in agriculture, oil and gas and mining.

Throughout the first nine months of 2009, our focus was on nurturing our existing investments, all of which are now fully on track.

2010 and 2011 will present unparalleled opportunities —we expect them to be strong vintage years for private equity investing.

The middle class across our Middle East and Africa footprint is large, fast-growing and essentially un-leveraged, supporting plays such as consumer foods, glass manufacturing, and microfinance. Energy prices will continue to be de-regulated and subsidy budgets trimmed, hence our investments in petroleum refining, energy distribution and fuel-efficient transportation.

A hallmark of our business model is that we are principal investors alongside the limited partners in the Opportunity-Specific Funds we raise. In this sense, we are an investment company that manages third-party money. To ensure our ability to invest over the coming decades, we opted to list Citadel Capital on the Egyptian Stock Exchange in December 2009, thereby ensuring our access to new capital. Although our share price came under some pressure in the final weeks of 2009, I am entirely confident that we will look back and say the listing was clearly the right decision at the right time.

Since we founded the firm in 2004, Citadel Capital has raised more than US$ 4.3 billion — and generated more than US$ 2.5 billion in cash returns to our shareholders and co-investors on investments of US$ 650 million. We have done this exclusively through the use of Opportunity-Specific Funds, raising a pool of capital to acquire or create a single platform company in a single industry. More and more institutional investors have taken note of the Citadel Capital story and the compelling fundamentals to which it is exposed.

With that in mind, we are now raising our first two standing sister funds: the MENA Joint Investment Fund and the Africa Joint Investment Fund. We completed dry close in October 2009 of the MENA Joint Investment Fund with the International Finance Corporation (IFC) and the European Investment Bank (EIB). Working with development finance institutions, the firm is also proceeding toward a first close of the Africa Joint Investment Fund. We are targeting a combined initial close of US$ 150 million for both funds.

The sister funds are intended to allow Citadel Capital to further expand its investor base and will match Citadel Capital's principal investments on a 2:1 basis in every transaction into which Citadel Capital enters from the closing of the funds onward.

OUTLOOK

We are optimistic. Cautiously optimistic. As I noted above, our held-at-cost investments are all on the right track. Moreover, the coming two years present unparalleled opportunities for the following reasons:

- Secular trends in the Middle East and Africa (MEA) continue to develop, including:

View of the River Nile at sunset in Uganda

a. Energy earnings flowing into the Gulf Cooperation Council (GCC) countries and around the region, estimated at US$ 450 billion in 2009;
b. Strong sovereign fiscal positions based on historic and projected earnings continue to support the substantial economic diversification and infrastructure spending programs announced by many regional governments;
c. Government legislative and fiscal support for private sector development remains strong;
d. The region's banking system, with a handful of exceptions, remains robust, with strong underlying systems and an average loan-to-deposit ratio of approximately 65%;
e. The essentially un-leveraged consumer class across the region stands at more than 320 million people — and growing; and
f. Energy-intensive industries continue to shift from southern Europe to North Africa despite Europe's slow recovery from the global financial crisis.

- The outlook for commodity plays in Middle East and Africa continues to be favorable, whether we are discussing oil and mining or soft commodities. We expect the coming period to witness stable, if not increasing, prices.

- Many regional governments have over-stretched balance sheets, a development that creates new room for the private sector.

- An under-developed private sector in many geographies leaves significant room for a limited number of private equity players such as ourselves.

- A large number of distressed sellers are disposing of good assets at reasonable prices.

- A large number of distressed assets are now in the market, allowing us to capitalize on our strength in distressed investing.

So why are we cautious, then? The fundraising environment is not ideal because risk appetite has yet to recover. In addition, the need to conserve cashflow from our own balance sheet to meet unforeseen obligations is causing us to restrain ourselves, leading to the question of why we do not increase our own capital. At this point, raising our capital would be highly dilutive for our shareholders.

Fellow shareholders, I look forward to an exciting year as we continue to create value across our unrivaled footprint, developments about which we will report to you regularly in our Quarterly Business Reviews.

Ahmed Heikal

Chairman and Founder

Who We Are

Citadel Capital (CCAP.CA on the Egyptian Stock Exchange), is the leading private equity firm in the Middle East and Africa. Citadel Capital's 19 Opportunity-Specific Funds control Platform Companies with investments of more than US$ 8.3 billion spanning 14 countries and 15 industries including energy, mining, agrifoods, cement, finance, transportation and retail.

The firm controls US$ 8.3 billion in investments spanning 14 countries and 15 industries.

Citadel Capital focuses on opportunities in the Middle East and Africa. In addition to its Cairo headquarters, the firm has an office in Algiers and is opening offices in Nairobi, Kenya. Citadel Capital is also opening an office in Dubai to be closer to its limited partners.

Since it began operations in 2004, the firm has raised and invested equity of more than US$ 4.3 billion, including over US$ 750 million of its own capital. In the same period, Citadel Capital has generated more than US$ 2.5 billion in cash proceeds from five successful exits (three full and two partial) on investments of US$ 650 million, more than any other private equity firm in the region.

To date, Citadel Capital has raised 19 Opportunity-Specific Funds (OSFs) that control platform investments in industries including energy, cement, specialty real estate, mining, finance, agribusiness, glass manufacturing, transportation, metallurgy and solid waste management. The firm has completed a total of 54 acquisitions and new company formations and pursues control investments across the deal-type spectrum, including turnarounds, buyouts, consolidations / industry roll-ups and greenfields.

In addition to founder Ahmed Heikal and co-founder Hisham El-Khazindar, the firm's leadership team includes managing directors Karim Sadek, Ahmed El Houssieny, Marwan Elaraby and Ahmed El Shamy. The firm employs 66 professionals, including a 38-strong team of investment professionals. The vast majority of senior staff are from the region and enjoy the benefits of having long relationships with key players in the MENA business community.

Citadel Capital's shareholders and the limited partners in its OSFs include leading investors and family offices from Egypt, the Gulf Cooperation Council and North Africa.

Citadel Capital generates revenue in two ways: Through dividends and capital gains on its principal investments as well as through fees earned as an asset manager. Asset management fees include a carried interest over a hard hurdle on capital gains Citadel Capital makes for limited partners in its OSFs as well as advisory fees on the equity it has under control. Advisory fees cover in part the cost of services the firm provides to Platform Companies, such as strategic input, debt financing expertise, project management and the recruitment of senior staff.

Citadel Capital shares have traded on the Egyptian Stock Exchange under the symbol CCAP.CA since December 2009.

Our Investment Footprint

Citadel Capital invests across the Middle East and Africa. To begin with, the dynamic Middle East and North Africa (MENA) region offers unique investment opportunities for those with the local insight to identify them and the world-class expertise to capitalize on them. With a population of 322 million, the MENA region is the third-largest in the world: twice as large as Russia and more than four times larger than the United Kingdom. More than 60% of the population is under the age of 30, further supporting the region's attractive demographics.

Citadel Capital sees key macro forces supporting growth across MENA, including Energy earnings flowing into the GCC and around the region; strong sovereign fiscal positions in our key markets; economic diversification and infrastructure spending programs announced by many regional governments; government legislative and fiscal support for private sector development; a sound regional banking system; a fast-growing and essentially un-leveraged consumer class; and the continuing shift of energy-intensive industries from Southern Europe to North Africa.

The African continent is home to some 53 countries and is more than three times the size of the United States. While Africa accounts for 15% of the world's population, it represented only about 2% of global GDP in 2008.

While much of the world looks at Africa as a pure "commodities play" — leveraging high global commodity prices against relatively accessible untapped natural resources across the continent — Citadel Capital believes African investors must themselves take the lead on large-scale infrastructure and industry investments that will catalyze economic development and have a multiplier effect across regional economies.

As in the Middle East, the firm sees substantial opportunities presented by the strong growth of the continent's consumer base, which is leading to increased consumption and which will translate into stronger demand for consumer finance.

The International Monetary Fund's forecast for 2010 projects global growth will be in the range of 3.1%, with the G7 economies growing at a more modest 1.3-1.5%. By contrast, both Africa and the Middle East are projected to grow well in excess of 4.0%. Against this background, reform-minded governments continue to liberalize and open key industries to private participation.

This unique combination of growth and liberalization creates a range of attractive investment opportunities not available in more mature economies.

Business Model and Strategy

Citadel Capital acquires or creates national champions that serve as platforms for regional expansion in specific industries. For each deal, the firm raises an Opportunity-Specific Fund (OSF). To date, Citadel Capital has raised 19 OSFs that control Platform Companies in 15 industries with investments of more than US$ 8.3 billion. The firm has long pursued an incremental approach to investment that has served it well during the challenging global economic climate that prevailed in 2008-09.

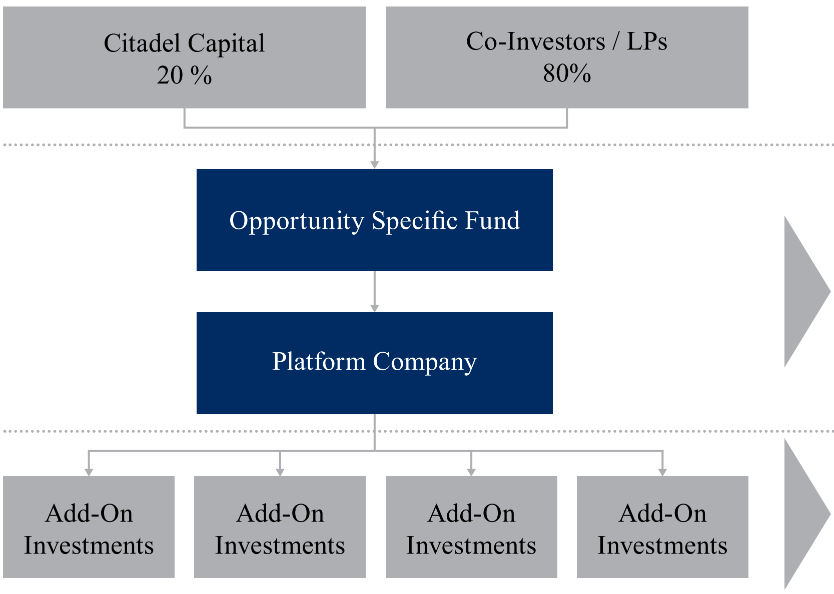
> Citadel Capital has invested more than US$ 750 million as a principal investor in its own Opportunity-Specific Funds.

Citadel Capital is a control investor and is majority owned by its senior management and staff. It is also a principal investor in its own transactions, with equity of more than US$ 750 million committed to its own deals. The firm's investment footprint spans the Middle East and Africa, with a particular emphasis on opportunities in North and East Africa.

Citadel Capital deploys a hybrid business model that incorporates aspects of a traditional investment firm with characteristics of an asset manager. As a principal investor, Citadel Capital contributes 10-20% of the equity in each of its funds, with the balance being third-party money from leading MENA and global limited partners.

As a result, the firm generates revenues from two different streams: Through capital gains on its principal investments as well as from the asset management side of the business, where the firm earns an advisory fee on assets under management as well as a carried interest over a hard hurdle on the capital gains it makes for the LPs in its Opportunity-Specific Funds.

TYPICAL TRANSACTION STRUCTURE



- Citadel Capital is an investor as well as an asset manager, typically taking a 20% equity stake or a minimum of 10% stake in its investments.

- Opportunity Specific Funds setup on a deal-by-deal, industry-by-industry basis
- Control of OSFs through shareholder agreements
- Platform Company established / acquired to act as holding company
- Acts as a basis for follow-on investments (horizontal and vertical)

- Add-ons to capture the full value chain
- Strategic vision to build regional leaders in a variety of industries

Kenya's Mount Kilmanjaro at sunrise as seen from Amboseli.

Among the industries on which the firm currently focuses are cement, mining, energy, food, transportation and logistics, and metallurgy.

ACQUISITION TYPES

Citadel Capital takes a flexible approach to the structures it uses to pursue investments across the region, giving it more latitude to invest throughout the business cycle relative to traditional buyout firms. The common theme running through all of its investments is the firm's commitment to raising OSFs that create and control platforms for regional growth.

The firm's willingness to pursue an incremental approach to building its platform investments (and its continued ability to raise debt) has allowed it to capitalize on opportunistic investments despite global economic conditions in the past two years.

Citadel Capital creates value for the firm and its co-investors by pursuing opportunities through leveraged buyouts (e.g. Egyptian Fertilizers Company [EFC]), distressed investments (ASEC Holding, Elmisrieen), consolidation plays / industry roll-ups (TAQA Arabia, Gozour) and greenfield investments (Nile Logistics, ERC).

> The firm's flexible approach to deal structures gives it more latitude to invest throughout the business cycle than traditional buyout firms.

DISCIPLINED INVESTMENT PROCESS

Due Diligence

- Commit resources early
- Quick identification of material issues
- Significant 3rd party review
- Secure exclusivity subject to due diligence
- Incorporate hedges on key risks

Focus on generating proprietary or advantaged situations

Post-Acquisition Value Enhancement

Organic Growth

- Strengthen / incentivise management team
- Improve financial management
- Operational improvements
- Build industry leaders through commitment of capital and expertise
  - Organic growth
  - Add-on acquisitions
- Build platform companies to exploit market opportunities

Grow and enhance business to build domestic champions

Regional Expansion

- Transformation of local players into regional champions
- Apply expertise in new markets
- Accelerate value creation

Leverage on domestic strengths to build regional champions

Exit Management

- Early identification of exit options
- Focus on scale to facilitate exit via public market or strategic players
- Flexible approach and readiness to sell at the right value

Focus on exit planning and keeping a flexible approach

Key Events of 2009

January 2009 SEAC forms in early 2009 and contracts 250,000 feddans of land in southern Sudan. Together with Sabina, Citadel Capital's approximately 254,000 feddan agricultural land bank in northern Sudan, SEAC is part of the firm's new agriculture platform with total committed equity of US$ 40 million.

April 2009 Sphinx Private Equity Management holds a successful first close of the US$ 100 million Sphinx Turnaround Fund (STF) with investments from fund sponsor Citadel Capital as well as anchor investors International Finance Corporation, European Investment Bank and Swiss Investment Fund for Emerging Markets.

June 2009 Bonyan announces that it has completed construction on phase 1 of its Designopolis furnishings, design and home accessories mall in Sixth of October City. Construction is completed on schedule in less than 18 months. The first phase is fully leased by major international and national tenants.

June 2009 Gozour announces that it has acquired the Nile Company for Food Products (Enjoy), Egypt's second-largest brand of dairy and juice products.

June 2009 TAQA Arabia unveils its plans to launch a new chain of retail petrol filling stations under the TAQA Arabia brand name. With first stations launched in 2009 in Beheira, Assiut, Sharkeya, Kafr El-Sheikh and Ismaliyya, the company plans to roll out a network of 45 points of presence over a five-year period. TAQA Arabia is the exclusive distributor for Castrol products in Egypt.

July 2009 Gozour Portfolio Company Rashidi El-Mizan announces it has begun production at the Middle East and Africa's most advanced jam and tomato paste factory. The EGP 30 million facility feeds a distribution network that reaches 91% of Egypt's consumer market and exports to 34 countries.

July 2009 Nile Logistics acquires 51% of Sudanese river transport company Keer Marine. Included in the purchase price are 21 multipurpose river barges and pushers and two strategic plots of land in Kosti, 300 kilometers south of Khartoum, that are being developed into ports with storage facilities.

July 2009 The spin-off of Mashreq Petroleum from TAQA Arabia is completed. Mashreq holds a lease on a 210,000-square-meter plot of land in East Port Said near the entrance to the Suez Canal. The company announces at the time that dredging, shore protection and site leveling are complete, in addition to engineering and design of the tank farm, layout and marine engineering.

July 2009 Greenfield microcredit lender Tanmeyah opens for business with a 15-branch network. By year's end, that network has grown to 48 branches with more than 200 employees covering seven Egyptian governorates. Its loan book at year's end is worth more than US$ 9.1 million and covers 32,000 clients.

The Pyramids of Giza, looking toward Cairo

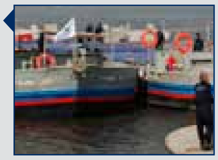
August 2009 River Valley-Keer Marine's 21 barges and pushers start operations. The company has finalized a renewable contract to transport approximately 25% of the UN World Food Programme's needs (approx. 56,000 tons p.a.) between Kosti, Bor, Malakal and Juba.

October 2009 ASCOM Precious Metals Mining (APM) has consolidated all exploration operations under one entity. APM is following on exploration projects in Ethiopia and pursuing new exploration rights in Sudan. In October 2009, APM acquires a strategic 9% stake in GMA Resources, a UK-listed gold exploration and production company that owns 52% of a promising exploration and production operation in Southern Algeria.

November 2009 Citadel Capital announces it has acquired ECARU (a leading agricultural and municipal solid waste management firm) and ENTAG (which provides turn-key solid waste management solutions) as the nucleus of its eighteenth Platform Company under its ECO-LOGIC Opportunity-Specific Fund. The Platform Company is subsequently named Tawazon.

November 2009 Gozour announces it has made its first cross-border acquisition with an agreement to take a 75% stake in Al-Musharraf, Sudan's leading producer of halawa, biscuits and flour, for an enterprise value of US$ 19 million.

November 2009 The National River Ports Management Company (NRPMC) completes construction of Tanash Port (North Cairo) with initial capacity of 1 million tons and 35,000 TEUs. The Port officially opened on schedul in 1Q10. NRPMC has also received final approvals / completed licensing of Tebbin and Alex ports.



November 2009 Citadel Capital sells 6% of ASEC Holding to Emirates International Investment Company (EIIC) for EGP 276.6 million, implying a share price of EGP 28.52, bringing Citadel Capital's ownership below 50%.

December 2009 Citadel Capital announces the creation of Berber for Electrical Power, a 42 MW plant that marks a major milestone for TAQA Arabia's power-generation business and secures vital energy production for Takamol, the most technologically advanced cement plant in Sudan. Takamol is part of ASEC Cement, a Citadel Capital portfolio company, and will begin operating in summer 2010.

December 2009 Citadel Capital shares begin trading on the Egyptian Stock Exchange under the stock symbol CCAP.CA.

December 2009 Citadel Capital announces its expansion into East Africa with the acquisition of a 17.5% indirect stake in Rift Valley Railways, which has a concession to operate the storied Kenya-Uganda rail line.

Executive Committee

Ahmed Heikal | Chairman and Founder

Prior to founding Citadel Capital, Mr. Heikal was an executive board member and Managing Director of EFG Hermes Holding, which he helped transform from a small financial consultancy into the leading investment bank in the Arab world and the second-largest full-service investment bank in global emerging markets. He was head of asset management (1994-95), head of securities (1997-99), head of investment banking (1996-97) and head of private equity (1999-2001). There, he spearheaded highly successful private equity investments, one leading to the creation of Egypt's leading IT company (Raya Holding) and another to the nation's largest natural gas distribution company (Genco). He also raised three rounds of finance for regional mobile telecommunications operator Orascom Telecom and led the IPOs of Orascom Construction Industries, Orascom Hotels and Ezz Steel, and the latter's subsequent convertible bond to finance the acquisition of ANSDK. Mr. Heikal holds a Master's degree and a PhD in Industrial Engineering and Engineering Management from Stanford University.

Hisham El-Khazindar | Managing Director and Co-Founder

Prior to co-founding Citadel Capital in 2004, Mr. El-Khazindar was Executive Director of Investment Banking at EFG Hermes, where he advised on key transactions including the IPOs of Orascom Construction Industries, Ezz Steel and Orascom Telecom. In 1999, he was on secondment to Goldman Sachs in London, where he advised European firms on strategic options and M&A transactions. Mr. El-Khazindar sits on the boards of leading regional companies including ASEC Holding and El Sewedy Cables. He is the Chairman of the Capital Markets and Investment Committee at the American Chamber of Commerce in Egypt and a board member of the Egyptian Capital Markets Association. He holds a BA in Economics from the American University in Cairo and an MBA from Harvard Business School.

Karim Sadek | Managing Director

Prior to joining Citadel Capital, Mr. Sadek was Managing Director of the Arab Investment Company (ABIC), one of the largest private-equity firms in Egypt. During his tenure, Mr. Sadek returned a substantial part of the firm's total investments (valued at over EGP 500 million [US$ 90.91 million]) to ABIC's shareholders in the form of dividends and share buybacks. Mr. Sadek holds a Master's in International Securities, Investment and Banking from the Business School for Financial Markets at the University of Reading in the United Kingdom. He has extensive experience in corporate banking and credit risk assessment through his work both at the Commercial International Bank (CIB) and Arab Bank.

Ahmed El Houssieny | Managing Director

Mr. El Houssieny joined Citadel Capital in 2005 after serving as Director of Investment Banking at Barclays Bank Egypt. Mr. El Houssieny was also an executive committee member personally responsible for setting the bank's strategic direction and evaluating non-organic growth options. Previously, Mr. El Houssieny worked with Citigroup Investment Bank's North West Africa Team, where he spearheaded the origination, structuring and execution of complex corporate financing solutions for large businesses and financial institutions. He holds a BA in Political Science and Business Administration from the American University in Cairo and an MBA, with distinction, from the Maastricht School of Management.

Marwan Elaraby | Managing Director

Prior to joining Citadel Capital in 2005, Mr. Elaraby was a partner at Shearman & Sterling LLP in New York, one of the leading global law firms, focusing on high-yield and leveraged acquisition finance as well as oil & gas transactions. Mr Elaraby was earlier an executive director at EFG Hermes, the premier regional investment bank, where he worked as an investment banker advising clients on numerous capital markets and M&A transactions. Mr Elaraby studied Economics at the American University in Cairo and Yale University and also holds a Juris Doctor from Columbia University School of Law.

Ahmed El Shamy | Managing Director and Chief Financial Officer

Prior to joining Citadel Capital, Mr. El Shamy previously served as Founder and Chief Financial Officer of Fayrouz International (FI), where he was responsible for all finance, accounting and information technology functions as well as working with Fayrouz International's president to develop new business. Before starting up FI, Mr. El Shamy was Chief Financial Officer for Al-Ahram Beverages Company (ABC), where he led the development of systems and financial reporting, transforming ABC from manual public-sector standards and systems to automated systems compliant with International Accounting Standards and ultimately with Heineken reporting standards. Mr. El Shamy holds a BA from Helwan University's Faculty of Commerce.

Managing Directors

Tarek Salah El-Din Atteya | Managing Director for Greenfield Projects

Mr. Atteya joined Citadel Capital in 2007. Mr. Atteya worked with Arab Consulting Engineers in the Project Management Department, where he managed projects including the US$ 750 million CityStars multi-purpose real estate development and a US$ 107 million float glass factory in Tenth of Ramadan City. He holds a BSc in Engineering from Cairo University and an MBA from the Arab Academy for Technology and Maritime Transport in Cairo.

Mr. Atteya is presently on secondement to ARESCO, a platform company of ASEC Holding, where he is serving as managing director and chief executive officer.

Abdalla ElEbiary | Managing Director

Before joining Citadel Capital in February 2006, Mr. ElEbiary was a banker with the Investment Banking Division at Merrill Lynch & Co., where he participated in merger and acquisition transactions in addition to public and private financing, including the comprehensive financing of telecom and media companies such as Clearwire and Valor Communications Group. Previously, he was Business Analysis Manager at the Corporate Finance Department of the MeadWestvaco Corporation. He sits on the boards of Citadel Capital platform companies including Nile River Transportation Company (NRTC), ASEC Cement and Gozour. Mr. ElEbiary holds a BA in Economics from the American University in Cairo and an MBA from Columbia University in New York.

Stephen A. Murphy | Managing Director of Citadel Capital Institutional Fundraising

Mr. Murphy joined Citadel Capital in 2008. Prior to joining the firm, Mr. Murphy was head of private placements at Citigroup Global Markets. With more than 20 years of experience in private equity fundraising and investment banking, Mr. Murphy held a range of positions with Salomon Brothers / Salomon Smith Barney in New York, Tokyo and London starting in 1985. Originally a mergers and acquisitions specialist who headed Salomon's European M&A practice in the early 1990s, Mr. Murphy's career has covered a wide range of advisory as well as public and private fundraising activities. He executed Salomon's first lead-managed IPO in Europe and has handled yankee and convertible bond funding and private placements for both general partners and private companies. Before re-joining Citigroup in 2001, he held the post of Managing Director of E*Trade International Capital, where he was, among other things, responsible for setting up the company's online distribution of equity offerings via its web portal.

Alaa El-Afifi | Managing Director

Prior to joining Citadel Capital in 2006, Mr. El-Afifi was part of the UK Mergers and Acquisitions and the Industrials and Natural Resources teams at Goldman Sachs & Co in London. There, he worked on a number of high-profile investment banking deals and advised clients including Mittal Steel, Petroplus, Saint-Gobain, BP, Shell, BG, InterGen, MOL, SAS, ICI and Odeon Cinemas on mergers and acquisitions, equity and debt market strategies and raid-defense activities. He started his career as an investment banker at EFG Hermes, the leading investment bank in the region. Mr. El-Afifi is a Chartered Financial Analyst (CFA) who holds a BA in Economics and Business Administration from the American University in Cairo and an MBA from the Wharton School of Business, with a concentration in Finance, Strategic and Entrepreneurial Management.

Shereef El Prince | Managing Director

Prior to joining Citadel Capital in 2006, Mr. El Prince served as Senior Manager of Strategic Planning and Investor Relations at Vodafone Egypt, where he helped grow market capitalization to US$ 4 billion from US$ 1.5 billion. Previously, he was Vice President of Investment Banking at EFG Hermes, where he managed and coordinated a number of merger & acquisition transactions including the valuation analysis for Heineken's US$ 287 million acquisition of a strategic share in Al-Ahram Beverages. He also led the US$ 1.6 billion listing of Vodafone Egypt on the Cairo and Alexandria Stock Exchange and helped coordinate a US$ 368 million listing of Orascom Telecom Global Depository Receipts on the London Stock Exchange. Mr. El Prince holds a BA in Economics from the American University in Cairo

Bassem Azab | Managing Director

Bassem Azab joined Citadel Capital in 2009 as a Managing Director and today manages equity placements across the Arab world. Azab was formerly Managing Director at Beltone Financial's brokerage group, where he led Gulf Cooperation Council and MENA coverage. He previously served as Head of High Net Worth and Arab Institutions at EFG Hermes, the Arab world's leading investment bank. He began his career in finance with the former Egyptian American Bank (today Crédit Agricole Egypt) and Citibank-Egypt, where he worked in corporate finance.

Amr El-Barbary | Managing Director

Amr El-Barbary joined Citadel Capital as a Managing Director in 2009 after a career that spanned principal finance, corporate finance, and derivatives trading and structuring at Deutsche Bank and Citigroup. Prior to Citadel Capital, Mr. El-Barbary was part of the Emerging Markets Trading and Special Situations division at Deutsche Bank focusing on opportunities in MENA and Africa. Born in Egypt, he completed his Bachelor's in Mechanical Engineering at the American University in Cairo with a stint at Pennsylvania State University.

Board of Directors

Citadel Capital adheres to the same world-class standards of corporate governance to which it holds its Platform Companies. In the 12 months since our last Annual Report, the Board of Directors has taken decisive steps to create a new, more representative Board of Directors that will better safeguard the interests of its shareholders.

In addition to the firm's Founder, Co-Founder and the four other Managing Directors on the Executive Committee, Citadel Capital's Board of Directors now includes seven non-executive members nominated by the firm's shareholders.

CHAIRMAN AND FOUNDER

Ahmed Heikal

NON-EXECUTIVE MEMBERS

Alaa Arafa
(Joined 2009)

Hisham Abdel Ahmid
Emirates International Investments Company
(Joined 2009)

Sari Mouris
Olayan Financing (Joined 2010)

Karim El-Sirafy
Power Investments (Joined 2010)

Sheikh Tariq Al Qassimi
(Joined 2009)

Madgy El Dessouky
Cape Collard Investments (Joined 2010)

Sheikh Mohamed bin Sehim Al Thani
(Joined 2009)

EXECUTIVE MEMBERS

Hisham El-Khazindar
Managing Director and Co-Founder

Karim Sadek
Managing Director

Ahmed El Houssieny
Managing Director

Marwan Elaraby
Managing Director

Ahmed El Shamy
Managing Director and Chief Financial Officer


Sometimes a river can be more than just a body of water.
Where Insight Meets Expertise
Citadel Capital is the leading private equity firm in the Middle East and Africa with 19 Opportunity-Specific Funds controlling Platform Companies in 15 industries spanning 14 countries with investments of more than US$ 8.3 billion — including Nile Logistics, a fast-growing transportation and logistics company capitalizing on a major but virtually unused channel: The River Nile.
CITADEL CAPITAL
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Local Insight • Regional Footprint • World-Class Expertise


Sometimes a green field can mean more than just "farmland."
Where Insight Meets Expertise
Citadel Capital is the leading private equity firm in the Middle East and Africa with 19 Opportunity-Specific Funds controlling Platform Companies in 15 industries spanning 14 countries with investments of more than US$ 8.3 billion — including Gozour, an integrated regional agriculture and consumer foods platform that owns some of the region's leading food brands and is expanding through several greenfield plays.
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Platform Companies

Contents

ASEC Holding

ASEC Holding (ASEC) is a leading regional cement, engineering and construction group with operations in the Middle East and Africa. With 32 years of experience, ASEC's portfolio of services includes plant engineering, technical management, automation and construction. Portfolio Company ASEC Cement is emerging as a leading regional cement production group that will control 14 million tons of cement per annum by 2014 in five countries spanning from Algeria to Iraq-Kurdistan.

ASEC Holding's construction, engineering and management groups provide full-spectrum turnkey solutions and installation management services to industry, with a particular focus on the cement sector. ASEC Holding's integrated services offer a one-stop shop to regional cement, industrial and energy producers, providing construction, contracting and operational management services through portfolio companies ARESCO, ASEC Engineering and Management, ASEC Automation and ESACO, as well as environmental protection technologies through ASENPRO.

OPERATIONAL DEVELOPMENTS

ASEC Cement owns two assets in Egypt, including a stake in Misr Qena Cement Co. and a license to build a 1.5 million tons per annum plant in Minya. The company has entered four other markets, namely Algeria, Sudan, Iraq-Kurdistan and Syria, and is well on its way to becoming a substantial regional player producing 14 million tons of cement by 2014.

In Algeria, where demand for cement outstrips the country's production capacity, ASEC Cement has established a strong presence by acquiring a 35% stake and management control of Algeria's government-owned Zahana Cement Company and continues building a US$ 579 million, 3.2 MTPA greenfield cement plant in the central Algerian region of Djelfa. Construction at Djelfa is now underway, with the first phase set for completion in 2011. Prominent partners in the Djelfa project include the Hayel Saeed Group and the Danish International Investments Funds, while the Banque Exterior d'Algerie has provided a US$ 180 million bank loan to finance the plant. The Djelfa plant will create 600 direct and 800 indirect jobs.

ASEC Cement's 1.6 MTPA Al-Takamol plant in Sudan entered the final stages of operational testing in the final quarter of 2009 and should begin operations in 2010. Al-Takamol will serve Sudan's sizable local market. In Kurdistan, Northern Iraq, ASEC Cement acquired an 85% stake in GRD Cement Company in a deal that will allow ASEC Cement to construct a US$ 333 million greenfield cement plant. In Syria, ASEC Cement has obtained a greenfield license to build a 1.6 MTPA plant that is anticipated to come online in 2013. The company is also exploring the Ethiopian market. ASEC Cement also established a Ready Mix Concrete Company in 4Q09.

To continue its expansions and exploring new markets, ASEC Cement is evaluating new opportunities in Sub-Saharan Africa.

In 2009, ASEC Engineering managed eight plants in Egypt with a total production capacity of 15 MPTA, more than 30% of total cement capacity in Egypt. In addition, it completed five large consultancy projects during the year and continues expanding its operation into Algeria, Sudan and other countries.

ESACO, a civil contractor and steel fabrication firm, won five large-scale civil and mechanical development contracts throughout Egypt and Algeria in 2009. ARESCO, the group's turnkey contractor, announced in September 2009 that it had completed construction of a second production line at Sinai Grey Cement's facility in Al-Arish, Sinai.

Industry: Engineering, Construction and Cement
Investment date: December 2004
Investment type: Distressed and Greenfield
Citadel Capital ownership: 49.8%

ASCOM
GEOLOGY & MINING

ASCOM Geology & Mining

A regional mining, quarrying and mining services company, ASCOM specializes in the management of quarry operations for the cement industry as well as the exploration of precious minerals. The company now has mining and service operations spanning from Egypt to Ethiopia, Syria, the United Arab Emirates, Algeria and Sudan. ASCOM provides mining services and raw material supplies to more than 65% of the Egyptian cement industry.

ASCOM explores for and produces industrial minerals and precious metals including gold and copper. The company has also moved up the value chain within the industrial minerals sector including the production of calcium carbonate and glasswool. The company's growth strategy is based on two premises: the construction boom in the Middle East and North Africa region, which has necessitated a significant increase in cement production capacity, and the presence of undiscovered mineral reserves in Africa. ASCOM currently produces 28 million tons of raw material each year.

OPERATIONAL DEVELOPMENTS

ASCOM was originally the geological and mining arm of ASEC Holding, a company that was acquired by Citadel Capital and its co-investors in 2004. Citadel Capital spun off ASCOM as a separate company in February 2007, allowing ASCOM's scope and vision to expand significantly. In just three years, ASCOM has grown to include six subsidiaries in six different markets in the MENA region.

Over 2009, ASCOM focused on expanding its quarry business in Egypt and starting its operations in Sudan. The company secured renewal for all contracts as well as the acquisition of a number of new contracts. This has resulted in an increase of almost 100% in profits from this segment.

ASCOM's aggregates mining operations faced challenges in the UAE and Algeria last year. There are signs of slow recovery with a new trend of consolidation of mining companies in a traditionally fragmented industry. ASCOM agreed at the end of 2009 to increase its holding in ASCOM UAE to 69% from 49%.

ASCOM's first manufacturing plant, the Minya Calcium Carbonate plant, was commissioned in 2009. With new management on board in this ASCOM subsidiary led by Paul Woodward as CEO, the company is focusing on penetrating strategic export markets and has secured a number of strong commercial agreements for its products.

ASCOM established ASCOM Precious Metals Mining (APM) to consolidate all exploration operations under one entity headed by Kenneth Crichton as CEO. APM is following on exploration projects in Ethiopia and pursuing new exploration rights in Sudan. In October 2009, APM acquired a strategic 9% stake in GMA Resources, a UK-listed gold exploration and production company that owns 52% of a promising exploration and production operation in Southern Algeria.

ASCOM's consolidated results have dropped from 2008 despite a remarkable achievement in the quarry management sector, largely as a result of a slow start at the Calcium Carbonate plant and quarry management operations in Sudan.

Industry: Mining
Investment date: December 2004 (Spun-off December 2006)
Investment type: Consolidation and Greenfield
Citadel Capital ownership: 44.6%

NILE
LOGISTICS

Nile Logistics

Nile Logistics is Citadel Capital's Platform Company in the regional logistics, river transport and port management sector. Nile Logistics encompasses three portfolio companies: Nile Cargo (previously known as National River Transportation Company); National River Port Management Company (NRPMC); and River Valley-Keer Marine.

Nile Cargo currently operates a fleet of 31 refurbished river barges and is building a further 62 custom designed state-of-the-art, fuel-efficient, environmentally friendly barges. Port manager NRPMC is building and operating a network of river ports at strategic locations along Egypt's navigable waterways.

River Valley-Keer Marine (Nile Logistics' arm in the underserved Sudanese market) operates a fleet of 21 barges and a port in Kosti, 300 km south of Khartoum. Nile Logistics acquired River Valley-Keer Marine in July 2009 in a deal that included the purchase of 21 multipurpose river barges and pushers and two strategic plots of land that are being developed into ports with storage facilities. The Sudanese assets will serve as the nucleus for a larger fleet of barges and for additional river ports.

Nile Logistics looks to capitalize on the region's underdeveloped and underutilized river transport sector and provide seamless door-to-door service for industrial and agricultural producers and traders in Egypt, Sudan, Uganda, Ethiopia and Kenya.

OPERATIONAL DEVELOPMENTS

Nile Cargo began operations in May 2008 after winning an EGP 20 million (US$ 3.6 million) contract to transport 750,000 tons of coal and coke on the River Nile for Al-Nasr Company for Coke & Chemicals.

Nile Cargo's first state-of-the-art barges will be operational by 2010, joining its 31 refurbished vessels already in service on the River Nile. Nile Cargo's larger and more versatile barges — designed to meet the highest global standards by leading national and international consultants — will be built by Alexandria Shipyard and Arab Contractors Shipyard in Helwan. The new 100-meter barges will have a carrying capacity of 1,500-1,600 tons or 92 TEUs per barge.

In Alexandria, NRPMC holds an 81,000 square-meter plot of land on the Nubariya Canal half a kilometer south of the entrance to Alexandria Port and adjacent to the international coastal highway. NRPMC has reclaimed the land area and is now finalizing the foundation and civil works. In Tebbin (15 kilometers south of Cairo) NRPMC acquired a 55,373 sq.m plot and is designing the first phase of the port. In 2008, it won a public tender to rent a 27,500 sq.m. river port for a period of 15 years in Tanash, Imbaba.

At the end of 2009, both NRPMC and Nile Cargo had adopted more south-facing strategies. NRPMC has moved from a three-port approach to a strategy that will emphasize smaller ports in a larger, nationwide network stretching into Upper Egypt. Nile Cargo is similarly targeting higher volumes and routes into the south of Egypt.

NRPMC completed construction of Tanash Port (North Cairo) with initial capacity of 1 million tons and 35,000 TEUs. Capacity will expand to 2 million tons and 110,000 TEUs. In February 2010 the company announced the inauguration of the Port and the start of a strategic five-year contract to transport up to 2 million tons of wheat annually along the River Nile for the General Company for Silos and Storage (GCSS).

NRPMC also intends to construct ports in Beni Suef (mid-2010), Minya (mid-2010), Assiut and Aswan. Already, plots in Minya and Beni Suef have been identified and licensing is underway.

Industry: Transportation and logistics
Investment date: September 2006
Investment type: Greenfield
Citadel Capital ownership: 25.0%

Rift
Valley

Rift Valley Railways

Citadel Capital owns an indirect stake in Rift Valley Railways (RVR) of Kenya-Uganda. RVR has a 25-year concession to operate a century-old rail line with some 2,000 kilometers of track linking the Indian Ocean port of Mombasa in Kenya with the interiors of both Kenya and Uganda, including Kampala.

Citadel Capital acquired a 49% stake in Sheltam Railways Company, the largest single shareholder and lead investor in Rift Valley Railways of Kenya and Uganda, in late 2009. Sheltam owns 35% of Rift Valley Railways (RVR), giving Citadel Capital an effective ownership of 17.5% of RVR.

Across its core African footprint, Citadel Capital sees transport costs being a major impediment to economic growth: High costs and systemic inefficiency greatly reduce the competitiveness of African businesses, as East African Community reports clearly underline.

Transport prices in East Africa are among the highest in the world, studies find, with transport to Uganda from Kenya presently costing more than US$ 0.13 per ton/kilometer (the standard industry metric) due in large part to heavy reliance on trucking. A lack of operating capacity has resulted in rail capturing less than 10% of East Africa's transport market.

Citadel Capital and fellow RVR shareholder Trans-Century agreed to the restructuring of RVR in March 2010. The agreement includes a US$ 250 million capital expenditure program that will upgrade critical infrastructure across RVR's footprint.

Industry: Transportation and logistics
Investment date: December 2009
Investment type: Consolidation
Citadel Capital ownership: n/a

Gozour

Gozour is a regional multi-category integrated agri-foods platform. The group includes three primary lines of business: agriculture, dairy, and dry consumer foods. Gozour Portfolio Companies include Dina Farms, Rashidi El-Mizan, Elmisrieen, El-Aguizy International and Mom's Foods in Egypt as well as confectioner Al-Musharraf in Sudan.

In Egypt and the region, investment in the agri-foods sector is heavily fragmented. There are very few professionally managed, large-scale investments, which has left the arena wide open for well-financed players to introduce new levels of specialization and economies of scale to the market.

OPERATIONAL DEVELOPMENTS

Dina Farms is Egypt's largest private farm with 10,000 feddans and the country's leading producer of fresh milk with an annual capacity of 45,000 tons (projected to rise to 60,000 tons per annum in 2010) and more than 6,000 head of cattle. It is a key supplier of diverse fruit and vegetable products both locally and regionally. Dina supplies milk to leading local producers of processed dairy products.

Confectioner Rashidi El-Mizan is a market leader in halawa and tahina. Its management team helped transform the company from a small, three-generation-old family business into a regional player. Elmisrieen is a popular manufacturer of a variety of cheese products that enjoy strong brand equity on the Egyptian market. El-Aguizy International, acquired in August 2008, is a leading grower and exporter of produce, including grapes, green beans and strawberries. Gozour has also acquired specialty food-products exporter Mom's Foods.

As Citadel Capital builds Gozour into the first made-in-Egypt regional foods group, it remains on the lookout for further acquisitions and investment in all three lines of business.

Gozour announced in June 2009 that it had acquired the Nile Company for Food Products (Enjoy), Egypt's second-largest brand of dairy and juice products. Neither party specified a selling price. In July, Gozour portfolio company Rashidi El-Mizan announced it had begun production at the Middle East and Africa's most advanced jam and tomato paste factory. The EGP 30 million facility feeds a distribution network that reaches 91% of Egypt's consumer market and exports to 34 countries. The jam brand was the subject of a successful Ramadan advertising campaign.

Gozour announced in November 2009 that it had made its first cross-border acquisition with an agreement to take a 75% stake in Al-Musharraf, Sudan's leading producer of halawa, biscuits and flour, for an enterprise value of US$ 19 million.

Industry: Agriculture and consumer foods
Investment date: September 2007
Investment type: Consolidation
Citadel Capital ownership: 20.0%

WAFRA

Wafra

Wafra is Citadel Capital's Platform Company for agricultural production in Sudan and includes the rights to more than 500,000 feddans of land through investments held under portfolio companies Sabina (254,000 feddans in northern Sudan) and Sudanese Egyptian Agricultural Crops Company (SEAC, 250,000 feddans in southern Sudan).

These projects will engage in large-scale cultivation of cash crops including grain sorghum, maize, sunflower, rice and various grain legumes and together comprise one of the largest agricultural projects in Sudan.

Wafra continues to explore complementary regional development initiatives and expects to develop into a significant player in the agriculture sector.

OPERATIONAL DEVELOPMENTS

Citadel Capital created Sabina in September 2008 as a portfolio company for investment in Sudanese agricultural production. Sabina holds Citadel Capital's agricultural investment near Kosti, where it has obtained a 30-year lease, renewable for similar periods, on a 254,000-feddan plot of fertile land, 37 kilometers of which are located directly on the Nile. Sabina's holdings are located in Sudan's White Nile State, which lies approximately 300 kilometers south of Khartoum. Part of the land has been designated specifically for the cultivation of sugar cane and the rest will be used for various cash crops.

SEAC, a second Wafra portfolio company, was formed in early 2009 under a contract for 250,000 feddans of land in southern Sudan. The plot is in close proximity to a river port owned by Keer Marine, Citadel Capital's Platform Company in the Sudanese river transportation and logistics sector. SEAC holds approximately 250,000 feddans of agricultural land near the city of Bentiu in South Sudan's Unity State (Welayet Al-Wehda). The land is located approximately 600 kilometers north of the South Sudan capital of Juba.

In 2009, Citadel Capital engaged industry expert Peter Schuurs, who had previously served in both Botswana and Sudan, to lead SEAC. At Sabina, head count rose from zero to 37 by year's end with the appointment of Managing Director John Elgin (an Australian national with 20 years of experience) as well as experienced chief financial officer, chief operations manager and field development manager, among other new hires.

By year's end, Sabina had 32,000 feddans of land under cultivation and had taken delivery of a significant amount of equipment. SEAC has completed detailed technical, financial and marketing assessments and is now in the procurement phase, with on-site development activities scheduled to begin in early 2010 with a view to having a significant area of land ready for seeding at the onset of the rainy season in mid-2010.

Sabina is on track to have 2,000 feddans under cultivation by June, while SEAC will be ready to seed a significant area of land by the onset of the rainy season in mid-2011.

Finally, Wafra announced in April 2010 that portfolio company El-Nahda for Integrated Solutions had signed an agreement with the White Nile Governorate for a 30-year lease on 60,000 feddans of land in Ed Dueim (150 kilometers south of Khartoum) on which it will build Sudan's first large-scale commercial rice farm.

The farm will produce rice primarily for domestic consumption in Sudan (a net importer of rice) while allowing any excess rice to be exported to other nations in Africa and the Middle East.

The farm will grow high-quality long-grain rice, which El-Nahda will process at a new mill to be constructed on site.

Industry: Agriculture and consumer foods
Investment date: September 2007
Investment type: Consolidation
Citadel Capital ownership: 100%
Targeted citadel capital ownership: 49%

National Petroleum Company

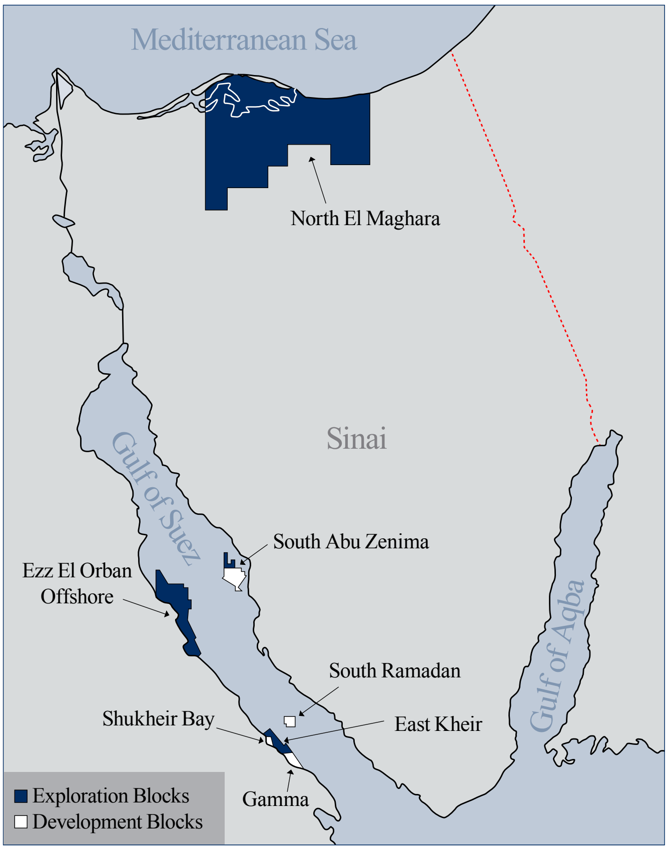
The National Petroleum Company (NPC) is an upstream oil and gas exploration and production Platform Company with a MENA footprint. In 2006, NPC acquired 100% of Petzed Project Management and Investments Ltd. (Petzed), holding 100% of the productive Shukheir Offshore Concession, which consists of the Gamma and Shukheir Bay fields located in the Gulf of Suez. In addition to the Shukheir Offshore Concession, Petzed holds four more offshore concessions in the Gulf of Suez, including the South Abou Zenima (SAZ), East Kheir, South Ramadan and Ezz El Orban Concessions. Petzed also holds the North Maghara Concession located onshore northern Sinai. Moreover, NPC also holds shares in Nile Valley Petroleum Limited (NVPL), which owns participating interests in three exploration blocks in Sudan, and in National Oil Petroleum Company (NOPC), which has a heavy oil asset in Egypt and a gas field in Pakistan.

OPERATIONAL HISTORY

Based on local, regional and global supply gaps in the energy sector, Citadel Capital saw a compelling opportunity to create a large-scale oil and gas exploration and production company that would consolidate small independent operators and assets in Egypt and the region. Through Petzed, NPC's six concessions cover approximately 3,670 square kilometers in the Gulf of Suez and Northern Sinai.

With a combination of exploration and production assets — as well as assets such as SAZ, which includes the Muzhil Field discovery, that are classified as production under development — NPC has balanced exploration and risk with a number of mitigating factors.

Based on the Ryder Scott Company (RS) reserves report audited in December of 2009, the Muzhil field 2P reserves consist of 8.5 million barrels of oil (mmbo). Production from the Muzhil field is expected to commence in 2Q2011 and reach 6,240 barrels of oil per day (BOPD) by 3Q2011.



Within SAZ, significant upside potential also lies primarily in the EE84-2 field, adjacent to the Muzhil field. According to an RS resource report audited in March of 2010, P50 recoverable resources in SAZ are estimated at 91 mmbo.

Citadel Capital's target is to create an entity with a daily production volume in excess of 50,000 BOPD.

In December of 2009, NPC announced that production from the Shukheir Bay-5 ST well, in the Shukheir Bay field of the Shukheir Offshore Concession, increased from 60 to 1,600 BOPD from the Lower Rudeis sandstone. The development raised total production at NPC to 1,908 BOPD. As of 1 March 2010, NOPC / Rally Energy CEO Mohamed Farid has assumed duties as CEO of NPC.

Industry: Upstream Oil & Gas
Investment date: December 2005
Investment type: Consolidation
Citadel Capital ownership: 14.9%

RALLY ENERGY CORP.

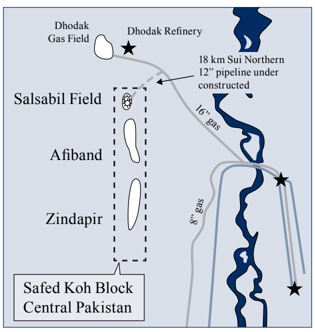
NOPC / Rally Energy Group

The National Oil Production Company (NOPC) is a Cairo-based upstream oil and gas exploration and production company. In 2007, NOPC acquired 100% of Canada's Calgary-based Rally Energy, which has a 100% operating interest in the Issaran oil field, a significant heavy oil development opportunity in Egypt. Rally also holds a 30% stake in the Safed Koh block in Pakistan, where it is participating in the development of a natural gas discovery. NOPC is a Citadel Capital platform company with paid-up capital of US$ 626 million.

In September 2007, Citadel Capital, the National Petroleum Company (NPC) and a group of co-investors acquired 100% of Calgary-based Rally Energy Corp., an independent oil producer with operations in Canada, Egypt and Pakistan, for US$ 868 million.

OPERATIONAL HISTORY

Since acquiring Rally Energy, Citadel Capital has recruited a management team in NOPC that has tripled the reserves base of the asset and is currently focused on capitalizing on this reserves growth by increasing the production base. Moreover, the management team is currently focused on further maximizing value in Issaran by developing the untapped Western and Eastern flanks of the field to further grow production and the reserves base.



Probable reserves now stand at 395 million BOE (barrels of oil equivalent) split between the Issaran Field — located onshore in the Gulf of Suez region and operated by the Group's fully owned Scimitar Production Egypt Ltd with 329 million barrels of oil — and the Salsabil Field in central Pakistan's Punjab province, with 66 million BOE (equivalent to 460 BCF of natural gas).

A number of interventions in the second half of 2009 helped raise total production by 80% since December 2009 to 6,100 BOEPD from both the Egyptian and Pakistani operations. This was a direct result of key achievements in enhancing production from the Zeit Sands project and of switching to steamflooding and carefully increasing the volume of steam injected, which led to an increase in core production in the South area of the field to 2,600 BOPD from a previous level of 2,000 BOPD at the end of December 2009.

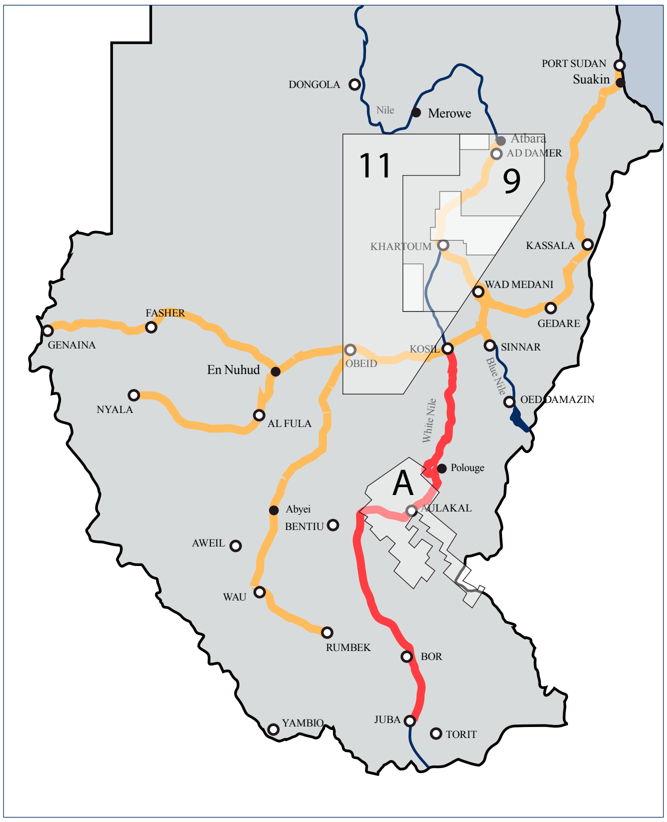
The steamflooding method is expected to open the potential for exploitation of the reserves base in the coming period. Based on the dynamic model results, the next step is to plan a new steamflood pilot in North Issaran to further enhance existing oil recovery.

Industry: Heavy Oil
Investment date: September 2007
Investment type: Consolidation
Citadel Capital ownership: 14.9%

Nile Valley Petroleum Limited

Nile Valley Petroleum Limited (NVPL) is Citadel Capital's Sudanese oil and gas exploration and production Platform Company. In June 2008, NVPL acquired participating interests in three highly promising blocks (Blocks A, 9 and 11) and is currently engaged in the exploration of all three assets. The three blocks cover a total area of 263,718 km^2.

NVPL acquired 58% of the contractor's share in Block A located in Sudan's southern region. NVPL also acquired 36% of the contractor's share in each of Blocks 9 and 11 both located in Sudan's central region, with an option to acquire an additional participating interest of 28% in each of the blocks.



Block A is optimally located at the junction of the Muglad and Melut basins. Both basins are considered to be among the world class hydrocarbon mature basins and contain the majority of Sudan discovered oil fields.

To the west of Block A and along the south extension of Muglad basin are Blocks 1 & 5A which consist of several discovered oil fields. The Panour-N1 well is the most recent discovery in Block- 5A which is located about 17 km to the west of the Block A boundary.

Blocks 9 and 11 lie in the fairly unexplored northern part of the country. Six prospective basins, including Khartoum Basin, have been identified by gravity and seismic profiles in Block 9. In 2009, a gas discovery was made in Block 8, located 100 km to the south east of Block 9, which is on trend with the Khartoum Basin.

Block 11 also consists of several basins that represent the north west extension of the Melut basin. In 2009, a discovery well in Block 7 was located about 95 km to the south east of the Block.

Sudapak Operating Company, a joint venture between the contractors, is operating all three Blocks.

Industry: Upstream Oil & Gas
Investment date: June 2008
Investment type: Acquisition
Citadel Capital ownership: 12%

Egyptian Refining Company (ERC)

The Egyptian Refining Company (ERC) is building a state-of-the-art US$ 3.5 billion greenfield second-stage oil refinery in the Greater Cairo Area, which will produce over 4 million tons of refined products, including over 2 million tons of EURO V diesel, the cleanest fuel of its type in the world. ERC's production will be sold to the Egyptian General Petroleum Corporation (EGPC) under a 25-year offtake agreement at international prices.

OPERATIONAL DEVELOPMENTS

ERC will harness the potential created by the Egyptian government's gradual deregulation of the energy sector, which remains one of the largest deficit markets for oil products in the Middle East. Despite rising demand due to Egypt's rapid economic growth, most of Egypt's refineries are aging and are only capable of producing heavy, lower-value products.

One of the largest private-sector industrial development projects in Africa, ERC is a partnership between Citadel Capital and its co-investors and EGPC, which owns 15% of the project. EGPC's Cairo Oil Refinery Company (CORC) will provide ERC with fuel oil as feedstock.

ERC will improve the environmental impact of products produced by the existing CORC units by preventing approximately 93,000 tons of sulfur from being released into the atmosphere of Greater Cairo. ERC will also invest in improvements to CORC's environmental performance, particularly the emission of greenhouse gases.

An estimated 8,000 workers are to be employed during the construction phase of the project; 700 permanent jobs will open by the time the refinery is operational.

Regulatory and environmental approvals for the project have been obtained and ERC has signed a lump-sum turnkey contract with GS Engineering & Construction / Mitsui & Co. The facility is expected to be fully operational by the end of 2013.

With construction in place, Citadel Capital engaged throughout 2009 in negotiations with export credit agencies and development finance institutions for a US$ 2.35 billion financing facility. The debt facility is expected to close in 2010.

Industry: Petroleum Refining
Investment date: June 2007
Investment type: Greenfield
Citadel Capital ownership: 8.2%

TAQA
Arabia

TAQA Arabia

TAQA Arabia is the parent company of a full-service energy distribution group with a focus on gas and electricity distribution and fuels marketing. From its base in Egypt, TAQA Arabia has expanded into the UAE, Qatar, Libya, Jordan, Sudan and Syria.

Rapid industrial growth in Egypt and the region has provided an opportunity for TAQA Arabia to satisfy unmet industrial demand for energy. As governments deregulate their energy sectors and reduce subsidies, there are ample opportunities for an experienced and well-financed group such as TAQA Arabia to become a market leader.

OPERATIONAL DEVELOPMENTS

TAQA Arabia's gas distribution arm has licenses for natural gas distribution in four concessions representing 11 Egyptian governorates, where it currently distributes approximately 4 billion cubic meters of natural gas per year, primarily to industrial users. TAQA Arabia's construction arm has successfully connected 750,000 households to the national gas grid. The gas distribution arm also has operations in the UAE, Qatar, Libya, Jordan and Syria.

TAQA Arabia also owns Global Energy, a private-sector Egyptian company with a license to generate and distribute electricity. TAQA Arabia plans to grow the company so that it may supply the unmet industrial demand for electricity.

TAQA Arabia has also made a small strategic foray into the oil marketing and fuel products distribution business to meet the complete energy needs of its industrial customers. The first privately owned Egyptian company with a license to market petroleum products in Egypt (including fuels and lubricants), TAQA Arabia is now rolling out TAQA Arabia-branded retail filling stations showcasing Castrol brands.

TAQA Arabia unveiled in June 2009 its plans to launch a new chain of retail petrol filling stations under the TAQA Arabia brand name. With first stations launched in 2009 in Beheira, Assiut, Sharkeya, Kafr El-Sheikh and Ismaliya, the company plans to roll out a network of 45 points of presence over a five-year period. TAQA Arabia is the exclusive distributor for Castrol products in Egypt.

In the final quarter of 2009, TAQA Arabia and ASEC Cement, in partnership with the Sudanese Pension Fund, established Berber for Electrical Power. The company built and began operating in 2Q10 a captive 42 MW power plant, providing all of the electricity needs for Takamol, ASEC Cement's 1.6 million ton per annum greenfield cement plant in Sudan, under a 20-year offtake agreement.

Industry: Energy Distribution
Investment date: June 2006
Investment type: Industry Roll-Up
Citadel Capital ownership: 34.4%

Mashreq Petroleum

Mashreq traces its origins to TAQA Arabia, Citadel Capital's full-service regional energy distribution platform, which acquired a lease for a strategic 210,000 square meter plot of land in East Port Said near the entrance to the Suez Canal in 2008. Since that time the company has been working to develop a one-of-a-kind Egyptian hub for the storage and bunkering of petroleum products.

In the first quarter of 2009, Mashreq was spun off as a distinct platform company, reducing TAQA Arabia's capital by US$ 25 million.

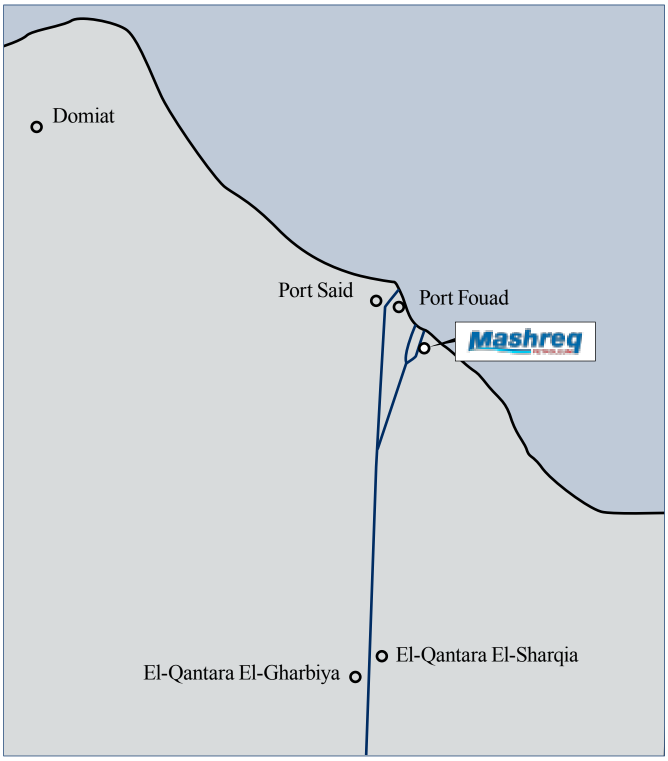
OPERATIONAL DESCRIPTION

Mashreq has obtained the necessary permits from the Port Said Port Authority and completed the majority of the infrastructure preparations necessary for the launch of the project, including dredging, shore protection and site leveling, as well as engineering and design of the tank farm, layout and marine engineering.

To date, Egypt has not been getting the maximum benefit from its strategic location on the Suez Canal. With Mashreq, Egypt will be able to capitalize on the heavy traffic that transits the Canal each year. The land that Mashreq holds is also conveniently located within close proximity to the Maersk's Suez Canal container terminal, giving it even greater access to vessels as they load and unload cargo.

As ships are waiting for their convoys to pass through the Canal, Mashreq will be able to provide them with fuel as well as other services. Mashreq will also house a 500,000 cubic meter tank terminal that will be able to store, blend and trade in refined products.

Mashreq will be the first project of its kind in Egypt and the only tank terminal on the Eastern Mediterranean.



Industry: Energy Distribution
Investment date: March 2007
Investment type: Greenfield
Citadel Capital ownership: 27.3%

GlassWorks

GlassWorks is platform for glass investments in the Middle East and Africa. GlassWorks currently owns a 35% stake in Misr Glass Manufacturing S.A.E. (MGM), a leading manufacturer and exporter of glass containers in the Middle East and North Africa, and 51% of Sphinx Glass, a state-of-the-art, EGP 1.1-billion (US$ 200 million) greenfield float glass plant in Egypt.

Globally, the glass industry relies on the same set of natural advantages, including energy and price competitiveness, as well as raw materials such as high-silicon-content sand — all of which are present in Egypt and other select regional markets. GlassWorks is investing in both float and container glass projects that will service both rapidly growing domestic demand and export markets.

OPERATIONAL DEVELOPMENTS

MGM was a state-owned company that was acquired by El-Zayat Group in 2004. In the years since, the company has emerged as Egypt's leading manufacturer of glass containers and has invested approximately US$ 54.5 million to upgrade its technology base and expand capacity.

Sphinx Glass is in the process of constructing a new world-class facility with licensed production technologies from PPG Industries Inc., a global market leader in high-quality float glass. When complete, the 220,000 square-meter state-of-the-art factory will have a production capacity of 198,000 tons per annum, making it the largest float glass manufacturer in Egypt.

The factory will sell to both the local and export markets, splitting its initial production evenly between the two. GlassWorks is interested in pursuing other glass investments in Egypt and the region as opportunities arise.

Minor restructuring took place in 2009 to bring the corporate structure in line with Citadel Capital's single-platform investment structure via the formation of GlassWorks SAE, which has direct ownership of Sphinx Glass Ltd and Misr Glass Manufacturing SAE.

In 2009, revenue grew 22% year on year at GlassWorks SAE despite the difficult economic climate. Furthermore, the company maintained strong EBITDA margins, which improved slightly from 46% in 2008 to 47% in 2009.

As Sphinx Glass proceeded with final mechanical work on its state-of-the-art, EGP 1.1 billion, 198,000 ton-per-annum float glass facility in Sadat City, management moved to engage new commercial and human resources directors as the company significantly expands its talent pool. US-based technology provider PPG Industries has approved the mechanical completion of the plant, and commissioning began in 1Q10.

Misr Glass Manufacturing has approved a timeline for the construction of the United Glass Company container-glass facility, which will add 110,000 tons per annum of additional capacity. The first phase of the project is expected to be commissioned in 2011, with the second phase to follow in 2012.

Industry: Glass manufacturing
Investment date: September 2007
Investment type: Roll-up and greenfield
Citadel Capital ownership: 20.0%

Finance Unlimited

Finance Unlimited is an investment holding company for a number of discrete investments in the regional financial services industry. The company currently has exposure to the banking and corporate finance sectors through the Sudanese Egyptian Bank and Sphinx Egypt. Finance Unlimited also holds a stake in Pharos Capital, a leading Cairo-based investment bank and a top-10 Egyptian brokerage with active alternative investment and asset management practices.

Sphinx Egypt manages assets for Grandview (a Citadel Capital mid-cap industrial investment platform); through a separate vehicle, Sphinx Egypt's staff also manages the American University in Cairo's Education Endowment Fund.

The Sudanese Egyptian Bank's primary focus is on financing trade between Egypt and Sudan, thereby facilitating access to COMESA states for Egyptian exporters. The bank has a full banking license and is planning the rollout of retail banking services.

Greenfield microcredit lender Tanmeyah opened in July 2009 with a 15-branch network. By year's end, that network had grown to 48 branches and more than 200 employees covering seven Egyptian governorates as its loan portfolio reached US$ 9.1 million and a client base passed 32,000.

OPERATIONAL DEVELOPMENTS

Finance Unlimited's Sphinx Private Equity Management held a successful first close in April 2009 of the targeted US$ 100 million Sphinx Turnaround Fund (STF) with investments from fund sponsor Citadel Capital as well as anchor investors IFC, EIB and SIFEM. The Sphinx Turnaround Fund will invest in Egypt-based small and medium-sized enterprises that are distressed, in default, or in need of restructuring. In some instances, the Fund may also consider investing in companies that are in need of expansion capital to pursue specific growth opportunities.

Last year, Citadel Capital spun-off Sphinx Private Equity Management to Pharos Holding, another Portfolio Company under Finance Unlimited.

Also in July 2009, Pharos Asset Management launched the Pharos Fund I equities fund.

A new Managing Director for the Sudanese Egyptian Bank (SEB) was engaged in 4Q09, while in 1Q10 City of London investor Amr Seif joined Finance Unlimited from Investec Asset Management, where he had started and led the company's MENA equity practice and was portfolio manager for Investec's MENA and Africa-Middle East funds.

Industry: Financial Services
Investment date: September 2006
Investment type: Greenfield
Citadel Capital ownership: 100%

BONYAN
DEVELOPMENT AND TRADE

Bonyan for Real Estate & Development

Bonyan is a specialty real estate developer operating in Egypt. The company is building two state-of-the-art commercial real estate projects, namely design, furniture and home accessories malls under its Designopolis brand. The Sixth of October City Designopolis in Western Cairo opened in late 2008, while plans for the New Cairo (east) property continue.

Bonyan will also operate the malls, with tenants including leading names in the national and global home furnishings and accessories market.

The malls will showcase a wide range of brands under one roof to capitalize on the highly fragmented industry that now serves Cairo's real estate sector. The concept also addresses the increasingly sophisticated demand patterns of a new generation of homeowners who expect to purchase global brands close to home.

In Egypt alone, there are 635 million square meters of land currently being developed into new communities in east and west Cairo.

OPERATIONAL DEVELOPMENTS

In September 2007, Bonyan purchased a 116,000 square meter plot of land from the Sixth of October Development Company (SODIC) to be developed into its flagship mall. The facility includes retail space and offices as well as designated areas for galleries, food outlets, special events and seminars. Bonyan has soft-launched Designopolis and began regular operations in the fourth quarter of 2009.

Bonyan is currently studying opportunities in Saudi Arabia, Qatar and the UAE, where rapid growth in the real estate sector has created strong demand patterns.

In 2H09, Bonyan announced it was nearing completion of a debt facility to fund the completion of work on Designopolis. The EGP 185 million syndicated loan facility closed in 1Q10.

Bonyan announced in June 2010 that eighty local and international brands are set to open in phase one of the open air mall in Sixth of October City which will eventually house a total of 300 outlets. The first and second phases are fully leased by major international and national tenants.

Industry: Specialty Real Estate
Investment date: August 2007
Investment type: Greenfield
Citadel Capital ownership: 30.7%

Tawazon

Tawazon is Citadel Capital's Platform Company for investment in the regional solid waste management industry. The sector is rapidly developing throughout the region with a limited number of large companies and often inefficient and incomplete operations translating into significant pockets of unserved demand.

This investment platform holds the Egyptian Company for Solid Waste Recycling (ECARU) and the Engineering Tasks Group (ENTAG), leading waste management enterprises with extensive operations in Egypt as well as international exposure to Malaysia, Sudan, Libya and Syria.

OPERATIONAL DESCRIPTION

Established in 1997, ECARU presently collects and processes more than 500,000 tons per year of agricultural solid waste, particularly rice straw. Although the company currently focuses on the conversion of rice straw into compost, it has pioneered a technology to produce animal fodder and is also investigating the feasibility of producing medium-density fiber board, fuel pellets and paper from rice straw.

ECARU also specializes in municipal and agricultural solid waste management. The company's operations in the South of Cairo process up to 1,500 tons of municipal waste per day, producing compost and extracting recyclable materials. Its operations also include a landfill built to the highest international standards in Cairo's Fifteenth of May City. ECARU focuses on sorting and composting municipal solid waste and plans to expand into waste collection in the future.

ECARU became one of the first Egyptian organizations to sign a greenhouse gas emission reduction purchase agreement with the World Bank in the summer of 2008, agreeing to sell 325,480 tons of carbon dioxide equivalent greenhouse gas emission reductions to the Carbon Fund for Europe. The company is one of only a handful of similar UN-backed clean development mechanism (CDM) projects operating in Egypt to date.

ECARU's sister-company ENTAG, established in 1995, specializes in designing, manufacturing and erecting solid waste management systems. Equipment supplied is partly procured from the world's leading waste management equipment producers and partly designed and manufactured locally in Egypt.

Industry: Solid Waste Management
Investment date: November 2009
Investment type: Consolidation
Citadel Capital ownership: 100%
Targeted citadel capital ownership: 25%

Tanweer

Tanweer is Citadel Capital's investment vehicle in the media and retail sector. It owns a number of investments in leading regional companies, namely the publishing house Dar El-Shorouk, book retailer Diwan and *Al-Mal* newspaper.

Founded in 1968, Dar El-Shorouk is one of the most prominent publishing houses in the Arab world. It owns copyrights to more than 4,000 titles and is the most award winning publisher in the region. The publishing house has the exclusive Arab-world rights to best-selling authors including the works of Egyptian Nobel laureates Naguib Mahfouz and Ahmed Zewail. It also owns the license to print and publish oxford educational books. In addition, Dar El-Shorouk owns nine retail bookstores, a TV production arm and has recently expanded in the publications space.

Diwan has emerged as Egypt's premiere chain of boutique bookstores since it opened in 2002. Today, the company has 12 branches, mostly in Cairo and Alexandria and has plans for both national and regional expansion as it forges partnerships with writers, publishers and cultural centers. Diwan also has distribution rights to five international music labels and distributes music CDs to local retailers.

Al-Mal newspaper is a specialized newspaper with in-depth coverage of local banking, financial markets, and several industrial and commercial businesses.

OPERATIONAL DEVELOPMENTS

In early 2009, Dar El-Shorouk expanded its publishing platform and further opened four bookstores over the course of the year, nearly doubling its retail presence to nine outlets. During the year, Diwan expanded with six new retail points of presence and today operates 12 bookstores as it continues its national and regional expansion.

Industry: Media and Retail
Investment date: April 2007
Investment type: Consolidation
Citadel Capital ownership: 100%

United Foundries

United Foundries (UCF) is Citadel Capital's Platform Company in the metallurgy and foundry sectors with a combined production capacity of 52,000 tons of molted metal per year. Originally a part of ASEC Holding, United Foundries was spun off as its own entity in late 2008 and includes portfolio company assets Amreya Metal Company (91% stake) and Alexandria Automotive Casting (100%). United is a specialist in the manufacture of grinding media and castings for a full range of industrial applications.

UCF derives more than half of its revenues from export sales and has a production capacity nearly four-times larger than its nearest challenger in the Egyptian market. Today, United Foundries has strategic relationships with major global cement producers including Italcementi, Cemex, Lafarge and Holcim.

Citadel Capital and its co-investors have committed more than EGP 103 million to an expansion program that has seen United Foundries expand its production capacity to 30,000 tons per year from 7,000 tons in 2006.

OPERATIONAL DEVELOPMENTS

UCF's Alexandria Automotive Casting (AAC) was established in 2001 as a free-zone company specializing in the production of high-performance automotive cast parts. Today, it has the capacity to produce 1,800 tons per month of grey and ductile iron castings in a variety of different grades. United Foundries is currently implementing an expansion plan that will see AAC increase its total production capacity to 40,000 tons per annum by the end of 2010.

Meanwhile, Amreya Metal Company (AMC), established in 1979 to produce a range of cast products, currently has a production capacity of more than 6,000 tons of gray iron castings.

Though the deal was completed in late 2008, the spin-off of United Foundries from ASEC Holding took effect in 1Q09.

In December 2009, Citadel Capital announced the sale of 6% of United Foundries to Emirates International Investment Company (EIIC) for US$ 4.7 million. As a result of this transaction Citadel Capital's ownership of UCF dropped below 50%, and the firm will no longer consolidate ASEC Holding's financial results.

Industry: Metallurgy
Investment date: Spun off from ASEC Holding in December 2008
Investment type: Consolidation
Citadel Capital ownership: 49.3%

Grandview Investment Holding

Grandview Investments Holdings Corp. (Grandview) is an investment company established by Citadel Capital and co-investors to invest in mid-cap companies in the Middle East and North Africa region with a focus on Egypt. It has invested in key industries including packaging and building materials. Grandview targets companies with an enterprise value of less than US$ 60 million. Grandview is managed by Sphinx Capital, a private equity management company.

Grandview has an initial paid-in capital of US$ 103 million and has invested approximately 80% of its committed capital in highly successful transactions in key industries.

Grandview targets mid-sized companies that are primarily focused on serving the Egyptian market. Citadel Capital's internal valuation of Grandview's portfolio already shows a substantial appreciation in value against acquisition cost.

The rapid economic growth as well as the political liberalization that is currently taking place in the MENA region has provided ample opportunities for investment in smaller cap companies in a variety of high-growth industries.

OPERATIONAL DESCRIPTION

All of Grandview's funds are managed by Sphinx Egypt, a dedicated private equity management company formed by Citadel Capital and Marianne Ghali (who also manages the American University in Cairo's Educational Endowment Fund) to leverage the knowledge and expertise gained by Citadel Capital in larger investments.

The firm targets the acquisition of controlling interests in mid-sized industrial companies with proven management, stable cash flows and strong potential for expansion and exports. The firm has a broad outlook on opportunities, being equally interested in pursuing distressed assets.

Grandview's current portfolio includes investments in a broad variety of sectors including printing and packaging, specialty building materials, oil services, textiles and electrical cables as well as restaurants and hospitality.

Post-acquisition, Sphinx Egypt maintains a close working relationship with its Portfolio Companies, assisting them with financial engineering and strategic repositioning as well as investment and divestment strategies.

Industry: Multi-sector
Investment date: May 2005
Investment type: Consolidations, Buyouts
Citadel Capital ownership: 13%

Our Performance

Contents

Valuing Citadel Capital

Citadel Capital disseminates semi-annually (at the first-half and year-end marks) a total NAV (TNAV) that captures i) the portfolio net asset value (PNAV) of the firm's principal investments and ii) the present value of the Citadel Capital's carried interest in the capital gains of the limited partners in its funds, as well as of the advisory fees Citadel Capital earns (AMV).

Citadel Capital's Value Per Share (TNAV) (EGP 15.50) = PNAVPS of Citadel Capital Principal Investments (EGP 10.33) + Asset Management Value Per Share (AMVPS) (EGP 5.17)

A) PORTFOLIO NET ASSET VALUE

For the purposes of the PNAV calculation, management divides Citadel Capital's principal investments into four categories:

1. **Investments Held at Cost (13% of PNAV)**
   These are investments that are not yet operational or are at a very early stage of development and which are accordingly held at cost. Examples include Nile Logistics, the Egyptian Refining Company (ERC), Wafra, Mashreq Petroleum, and Nile Valley Petroleum. While some of these investments have already begun operations (notably Nile Logistics, which is serving contracts from an evolving network of ports using refurbished barges while it builds out a custom-designed fleet), the firm has opted to hold them at cost in the interest of being conservative.

2. **Investments Having a Market Value (45% of PNAV)**
   These include investments that are listed on the Egyptian Exchange (EGX), such as ASCOM, for which the NAV uses the closing share price on the date at which the NAV is calculated. This category also includes investments on which there has been a transaction in the previous six months, but which are not listed. Examples of this latter category include TAQA Arabia and ASEC Holding.

3. **Investments at Fair Value (38% of PNAV)**
   Those are investments which are in a mature stage of development and which have fully funded business plans. Examples include Gozour, GlassWorks, United Foundries, Bonyan and Grandview. Management has calculated an NAV for these investments using the following assumptions:
   a. Applying a 10x multiple to 2014 earnings for all investments (10x being an average of the industry averages)
   b. Discounting the resultant figure by 20% annually.
   The fair value method uses the current business plans of the underlying companies and does not incorporate any future enhancements of those plans that might result in great improvements in Platform Company profitability.

4. **Impaired Investments (4% of PNAV)**
Citadel Capital has run an impairment on two upstream oil and gas investments, namely the National Oil Production Company (NOPC / Rally Energy Group) and the National Petroleum Company (NPC) as a result of delays in the expected performance of the underlying assets. Management notes that these impairments remain unchanged from the 9M09 NAV to

Cairo skyline

the FY09 NAV despite notable increases in production at both investments. Citadel Capital management will continue to monitor the progress of the assets over the course of 2010 with a view to reviewing this impairment at the half-year mark, at which time the NAV will next be updated.

B) ASSET MANAGEMENT BUSINESS

Citadel Capital believes that the PNAV reflects only the firm's principal investments in its Platform Companies and does not capture its value as an asset manager, where Citadel Capital records income from a carried interest in its limited partners' capital gains as well as from advisory fees.

Accordingly, management calculates an asset management value (AMV) that values the asset management business as equivalent to one-half of the total value of Citadel Capital's principal investments as reflected in the portfolio net asset value (PNAV, above).

Accordingly, the total net asset value (TNAV) of Citadel Capital is calculated as the sum of PNAV and AMV.

The AMV captures the value of both advisory fees and, in particular, the carried interest using a model Citadel Capital transaction with a four-year investment horizon, a total equity investment of US$ 100 million (split as 20% Citadel Capital and 80% limited partners), an a gross equity IRR of 35%. Other assumptions include a carried interest of 20% over a 12% hard hurdle and a 1% annual advisory fee.

In this model, the asset management business contributes approximately one-third of Citadel Capital's total gain. (See next page for Model Transaction.)

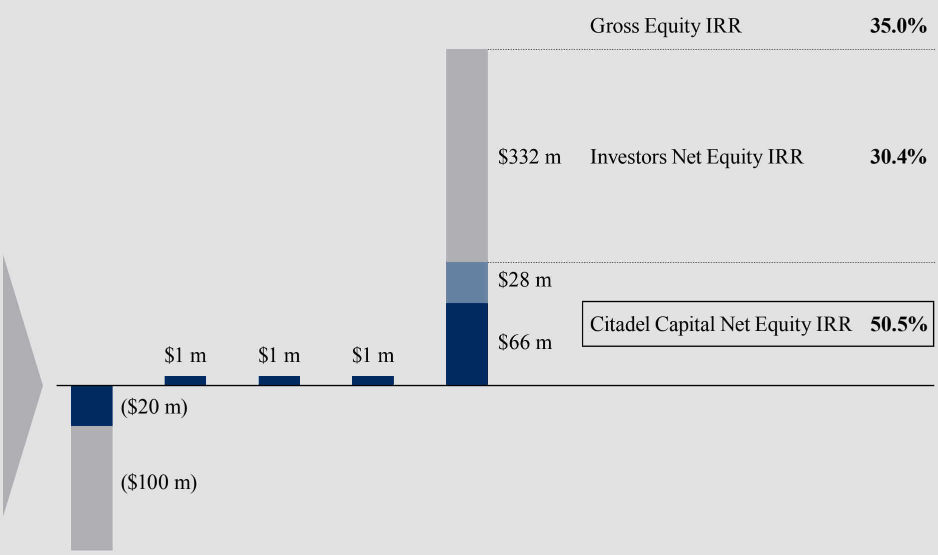
An alternative approach yielding the same results is to discount at 20% per annum the expected carried interest and advisory fees to be earned by Citadel Capital over the coming five years, assuming the following:

1. A target gross IRR of 35%;
2. Third Party fee-earning AUM increasing by US$ 1 billion during 2010 as committed capital is drawn and transactions in the pipeline are executed;
3. Subtracting the impact of an historical agreement structured in 2004 that entitles anchor limited partners to 34.8% of the carried interest and advisory fees from Citadel Capital's Opportunity-Specific Funds. Management is presently in negotiations for Citadel Capital to buy back the right to these asset management fees.

MODEL TRANSACTION: IMPACT OF FEES AND CARRY ON CITADEL CAPITAL INVESTMENTS

Constants	
Citadel Capital Ownership	**20%**
Hurdle Rate	**12%**
Carried Interest	**20%**
Annual Advisory Fee	**1%**

Assumptions	
Total Equity Invested	**US$ 100 m**
Investment Horizon	**4 Years**
Gross Equity IRR	**35%**



Net Asset Value of Citadel Capital

		Pro-forma Investment Cost	
Platform Company		**Investment Cost**	**Ownership**
ASEC Holding	Engineering, Construction & Cement	772	49.8%
ASEC Holding (Convertible)	Engineering, Construction & Cement	278	49.8%
ASCOM Mining & Geology	Mining	169	44.6%
Nile Logistics	Transportation and Logistics	150	25.0%
Rift Valley Railways	Transportation and Logistics	83	n/a
Gozour	Agriculture and Consumer Foods	206	20.0%
Gozour Real Estate*	Real Estate	76	20.0%
Wafra	Agriculture and Consumer Foods	57	37.5%
National Petroleum Company	Upstream Oil & Gas	360	14.9%
NPC (Convertible)	Upstream Oil & Gas	52	N/A
NOPC / Rally Energy Group	Heavy Oil	359	10.4%
NOPC / Rally Energy Group (Convertible)	Heavy Oil	72	N/A
Nile Valley Petroleum	Upstream Oil & Gas	28	10.0%
Egyptian Refining Company	Petroleum Refining	141	8.2%
TAQA Arabia	Energy Distribution	208	34.4%
Mashreq	Energy Distribution	38	27.3%
GlassWorks	Glass Manufacturing	139	20.0%
Finance Unlimited	Financial Services	207	100.0%
Bonyan	Specialty Real Estate	148	30.7%
Tawazon	Solid Waste Management	38	100.0%
Tanweer	Media	148	100.0%
United Foundries Company	Metallurgy	184	49.3%
Grandview	Mid-Cap / Multisector	70	13.0%
Total Investments		**EGP 3,984**	
Cash and Other Assets			
Due to CCP			
Due from Platform Companies and Related Parties			
Due to Platform Companies and Related Parties			
Bank Debt			
Total			
Portfolio Net Asset Valuation			
Asset Management Business		0.5x PNAV	
Total Net Asset Valuation			

* These calculation are pro-forma reflecting a number of transactions and adjustments currently taking place

The highrise district, Doha, Qatar

Citadel Capital Portfolio and Total Net Asset Valuation					
Method	**Summary Valuation Assumptions**	**Investment Value**	**Multiple**	**% Valuation**	**Value / Share**
Market Value	Valuation based on transaction executed in December 2009	2,384	3.1x	34.8%	3.6
Fair Value	Conversion in 2014 at par, discounted @ 17% p.a.	1,116	4.0x	16.3%	1.7
Market Value	Stock price as of December 31st 2009	236	1.4x	3.5%	0.4
Cost		150	1.0x	2.2%	0.2
Cost		83	1.0x	1.2%	0.1
Fair Value	10x 2014E earnings, discounted @ 20% p.a.	423	2.1x	6.2%	0.6
Fair Value	40 million square meters @ EGP 30 / sqm	264	3.5x	3.9%	0.4
Cost		57	1.0x	0.8%	0.1
Impaired	60% impairment on investment cost	140	0.4x	2.0%	0.2
Cost		52	1.0x	0.8%	0.1
Impaired	50% impairment on investment cost	180	0.5x	2.6%	0.3
Cost		72	1.0x	1.1%	0.1
Cost		28	1.0x	0.4%	0.0
Cost		141	1.0x	2.1%	0.2
Market Value	Valuation based on transaction executed on 4 October 2009	375	1.8x	5.5%	0.6
Cost		38	1.0x	0.6%	0.1
Fair Value	10x 2014E earnings, discounted @ 20% p.a.	199	1.4x	2.9%	0.3
Fair Value	Sum of the Parts of Sudanese Egyptian Bank and Pharos (Tanmeyah held at Cost)	308	1.5x	4.5%	0.5
Fair Value	10x 2013E earnings, discounted @ 20% p.a.	245	1.7x	3.6%	0.4
Cost		38	1.0x	0.6%	0.1
Cost		148	1.0x	2.2%	0.2
Market Value	Valuation based on transaction executed in December 2009	222	1.2x	3.3%	0.3
Fair Value	10x 2014E earnings, discounted @ 20% p.a.	154	2.2x	2.2%	0.2
		EGP 7,052	**1.8x**	**103.1%**	**10.66**
		468.1		6.8%	0.71
		(305.1)		-4.5%	(0.46)
		536.7		7.8%	0.81
		(103.9)		-1.5%	(0.16)
		(807.9)		-11.8%	(1.22)
		(212.1)		**-3.2%**	**(0.32)**
		6,840		**100%**	**10.33**
		3,420			5.17
		10,260			**15.50**

Management Discussion & Analysis

> With existing investments on track by fall, new deals in the pipeline came to fruition in the fourth quarter of 2009.

A cautious pace-out of investments in the first half of 2009 came as the firm continued to refrain from significant new acquisitions amid fallout from the global economic crisis. Instead, Citadel Capital had focused since August 2007 on nurturing its existing Platform Companies. This strategy was rewarded by median average sales growth of 23% and EBITDA growth of 25% in the year ending 31 December 2009 at Citadel Capital's five mature Platform Companies, which include TAQA Arabia (gas distribution), ASCOM Mining and Geology (mining), NOPC / Rally Energy (heavy oil), ASEC Holding (construction, engineering and cement) and Gozour (agriculture and consumer foods).

Citadel Capital controlled total investments, representing committed equity plus committed debt, of US$ 8.3 billion (EGP 45.5 billion) at year-end 2009.

NEW INVESTMENTS

With existing investments on track, the pace of new investments accelerated in 4Q09 as management executed its strategy of incrementally building-out platforms, thereby locking in future returns with lower up-front capital commitments and lower risks to both the firm and LPs.

Citadel Capital made new investments of US$ 151.0 million (EGP 830.0 million) in FY09, broken down as 28% to new platforms, 18% in existing platforms, 8% in additional investments in existing oil and gas convertibles and 46% in interest-bearing loans to Platform Companies in the amount of EGP 391.7 million (US$ 71.2 million). New platform investments included:

- Citadel Capital is targeting committed equity of US$ 40 million for the creation of Tawazon, its eighteenth Platform Company, beginning with the acquisition of ECARU (agricultural and municipal solid waste management) and ENTAG (turn-key solid waste engineering company) in November 2009. The firm will target a 25% ownership as a principal investor. Citadel Capital's principal investment in Tawazon stood at EGP 37.8 million (4.4% of new investments) at year-end.

- The firm is targeting committed equity of US$ 70 million for Rift Valley Railways of Kenya and Uganda. Work began with the acquisition of 49% of Sheltam Railways, the largest single shareholder in Rift Valley Railways of Kenya and Uganda. Citadel Capital has targeted a 100% stake in Sheltam. The firm's principal investment in Rift Valley Railways stood at EGP 83.1 million (9.7% of new investments) at year-end. In March 2010, Citadel Capital and RVR shareholder Trans-Century agreed a restructuring of RVR that includes a capital expenditure program of US$ 250 million.

- Citadel Capital is targeting committed equity of US$ 40 million to build Wafra (with the firm targeting a 49% ownership stake as a principal investor), a Sudanese agriculture platform with total land under control of more than 500,000 feddans in both North and South Sudan. Wafra now includes Portfolio Companies Sabina and SEAC. Citadel Capital's principal equity investment stood at EGP 18.7 million (2.25% of new investments), but is valued at EGP 57 million including dues to Citadel Capital from Wafra.

Karakorum Mountain Range
as seen from Passu, Pakistan

Separate from its investments in new platform companies last year, Citadel Capital made follow-on investments in existing platforms including ASEC Holding, Nile Valley Petroleum (NVPL), and Mashreq Petroleum.

EXITS

Management was clearly biased in 2009 toward acquiring businesses at the same attractive valuations that spoke against significant exits of any major Platform Company. Citadel Capital recorded EGP 271.4 million (US$ 48.9 million) in gains from the sale of some of its principal investments in FY09, a 37.4% rise over EGP 197.5 million (US$ 35.6 million) the previous year.

CITADEL CAPITAL PRINCIPAL INVESTMENTS AS AT 31 DECEMBER 2009

Platform Company	Industry	% CC Ownership	Invest. Cost (in EGP mn)
ASEC Holding	Engineering, Construction and Cement	49.8	668.2
ASEC Holding (Convertible)	Engineering, Construction and Cement	49.8	400.3
ASCOM Mining & Geology	Mining	44.6	168.9
Nile Logistics	Transportation and Logistics	25.0	114.8
Rift Valley Railways	Transportation and Logistics	n/a	83.1
Gozour	Agriculture and Consumer Foods	20.0	186.4
Wafra	Agriculture and Consumer Foods	100	18.7
National Petroleum Company	Upstream Oil and Gas	14.9	323.2
National Petroleum Company (Convertible)	Upstream Oil and Gas	n/a	52.4
NOPC / Rally Energy Group	Heavy Oil	10.4	359.1
NOPC / Rally Energy Group (Convertible)	Heavy Oil	n/a	72.1
Nile Valley Petroleum	Upstream Oil and Gas	33.2	104.0
Egyptian Refining Company	Petroleum Refining	8.2	175.7
TAQA Arabia	Energy Distribution	34.4	212.4
Mashreq	Energy Distribution	27.3	34.0
GlassWorks	Glass Manufacturing	20.0	110.5
Finance Unlimited	Financial Services	100.0	161.5
Bonyan	Specialty Real Estate	30.7	71.5
Tawazon	Solid Waste Management	100.0	37.8
Tanweer	Media	100.0	148.2
United Foundries Company	Metallurgy	49.3	174.5
Grandview	Mid-Cap / Multisector	13.0	69.9
Funds and Others	Various	n/a	62.2
	Total Principal Investments		**3,809.3**
Loans to Platforms			440.7
	Total Citadel Capital Investments		**4,250.0**

Citadel Capital published its first portfolio net asset value in FY09.

The TNAV captures the present-day value of the firm's principal investments and of the asset management business.

Sales included a partial exit of 6% of ASEC Holding and United Foundries, on-market sales of ASCOM shares and the spin-off of Sphinx Private Equity Management to Pharos Capital, a Portfolio Company of Citadel Capital's Finance Unlimited Platform Company.

In the case of ASEC Holding, the sale of a 6% stake to Emirates International Investment Company (EIIC), a leading regional investor based in Abu Dhabi (which is also a shareholder in Citadel Capital with board representation), reduced Citadel Capital's shareholding to 49% from 55%. This will allow the firm to treat ASEC Holding as an associate, and not a subsidiary, going forward. This is part of the firm's policy of not consolidating any of its Platform Companies.

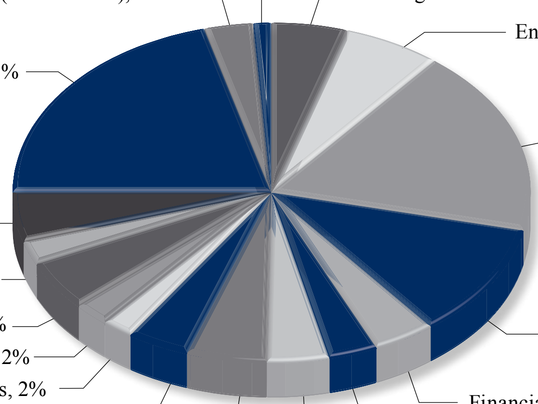
Since inception, Citadel Capital has generated cash returns of US$ 2.5 billion to shareholders and limited partners on investments of US$ 650 million.

PRINCIPAL INVESTMENTS AS AT YEAR END

Citadel Capital's total principal investments (including interest-bearing loans to its Platform Companies) stood at EGP 4.2 billion (US$ 757.2 million) in FY09, a 24.0% rise from US$ 610.6 million (EGP 3.4 billion) the previous year.

Management notes that Citadel Capital has an outstanding balance of interest-bearing loans and convertible notes to its Platform Companies in the amount of US$ 175.5 million (EGP 965 million). Accordingly, Citadel Capital's total investments break down as: equity (77%), convertible notes (12%), and loans extended to Platform Companies (11%). The firm extended loans and convertible notes to a number of platform and portfolio companies in 2009 to bridge short-term funding gaps resulting from co-investor delays on outstanding capital calls. US$ 72.8 million (EGP 400.3 million) of the US$ 81.3 million (EGP 477.3 million) in loans extended in FY08 were restructured in 2009 into convertible notes with improved terms of agreement.

CITADEL CAPITAL PRINCIPAL INVESTMENTS BY INDUSTRY



View of Riyadh, Saudi Arabia, at night from the Kingdom Tower

PORTFOLIO NET ASSET VALUE AS AT YEAR END

Citadel Capital disseminates a total portfolio net asset value (TNAV) semi-annually at the first half and full-year marks that consists of i) the portfolio net asset value (PNAV) of its principal investments in the companies controlled by its Opportunity-Specific Funds and ii) an asset management value (AMV) that values the asset-management component of the business.

The net asset value of Citadel Capital's principal investments in its OSFs stood at US$ 1.2 billion (EGP 6.8 billion) as at 31 December 2009. This represents a rise of 10.87% from 30 September 2009. PNAV per share (PNAVPS) stood at US$ 1.89 (EGP 10.33) at year end against US$ 1.71 (EGP 9.41) at 9M09.

Investments held at cost accounted for 13% of Citadel Capital's PNAV at year-end 2009. Investments having a market value accounted for 45%, while investments held at fair value accounted for 38%. Impaired investments including NOPC / Rally Energy Group and the National Petroleum Company accounted for 4% of PNAV.

Management notes that at the time of Citadel Capital's listing on the EGX, the firm published a 9M09 PNAV Table that carried ASEC Holding at fair value. In the FY09 update published here, ASEC Holding is carried at market value, reflecting a transaction that valued ASEC Holding at US$ 5.18 (EGP 28.50) per share (3.1x the investment multiple, as opposed to 2.3x as at 9M09). The ASEC Holding convertible note and United Foundries have both changed in value as a result of this same transaction. TAQA Arabia is also carried at market value in the wake of a small sale by a limited partner in 4Q09 that management does not believe adequately reflects TAQA Arabia's strong growth potential.

The change in ASCOM's valuation between 9M09 and FY09 was a function of both share price and the on-market sale by Citadel Capital of shares, while the appreciation in Bonyan's value reflects Citadel Capital having increased its ownership to 30% at year-end from 24% at 9M09.

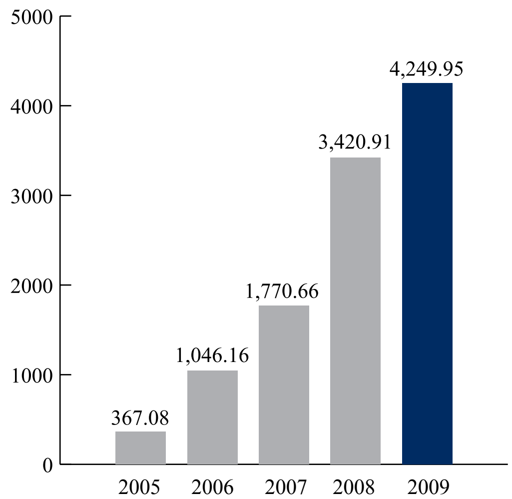
New additions to the PNAV include Rift Valley Railways (transportation and logistics) and Tawazon (solid waste management), both of which are Platform Companies that were formed in 4Q09. Management also notes that write-downs on NOPC / Rally and NPC remain unchanged despite promising increases in production at both investments.

ASSET MANAGEMENT BUSINESS AS AT YEAR END

Citadel Capital's 19 OSFs recorded total assets under management (committed by Citadel Capital and limited partners) of US$ 3.7 billion at 31 December 2009, a rise of 4.4% from US$ 3.5 billion the previous year. AUM split as 20.3% committed from Citadel Capital as a principal investor and 79.7% from the limited partners in its OSFs.

Total invested assets under management (drawn equity) stood at EGP 16.0 billion (US$ 2.9 billion) at year end, representing a 9.5% increase over FY08. Third-party invested assets under management stood at US$ 2.1 billion, a 5.4% rise from US$ 2.0 billion the previous year. The balance represents Citadel Capital

CITADEL CAPITAL PRINCIPAL INVESTMENTS



The firm completed a dry close of the MENA Joint Investment Fund and is working toward a combined US$ 150 million first close of the MENA and Africa Joint Investment Funds.

principal investments of US$ 757.2 million (EGP 4.2 billion). Third-party fee-earning assets under management stood at US$ 1.9 billion at year-end.

The firm earns a 1% advisory fee per annum on fee-earning assets under management, resulting in revenue of EGP 103.6 million in FY09, up 42.5% from EGP 72.7 million the previous year. Revenue from the carried interest was nil in 2009, as it was in 2008. Management notes that while Citadel Capital typically earns a carried interest of 20% on LP capital gains over a hard hurdle rate of 12% on most investments, some older investment vehicles have a carried interest of 15% over a hurdle of 15%.

Management also notes that an historical agreement structured in 2004 entitles anchor limited partners to 34.8% of the carried interest and advisory fees from Citadel Capital's Opportunity-Specific Funds. Management is presently in negotiations for Citadel Capital to buy back the right to these advisory fees.

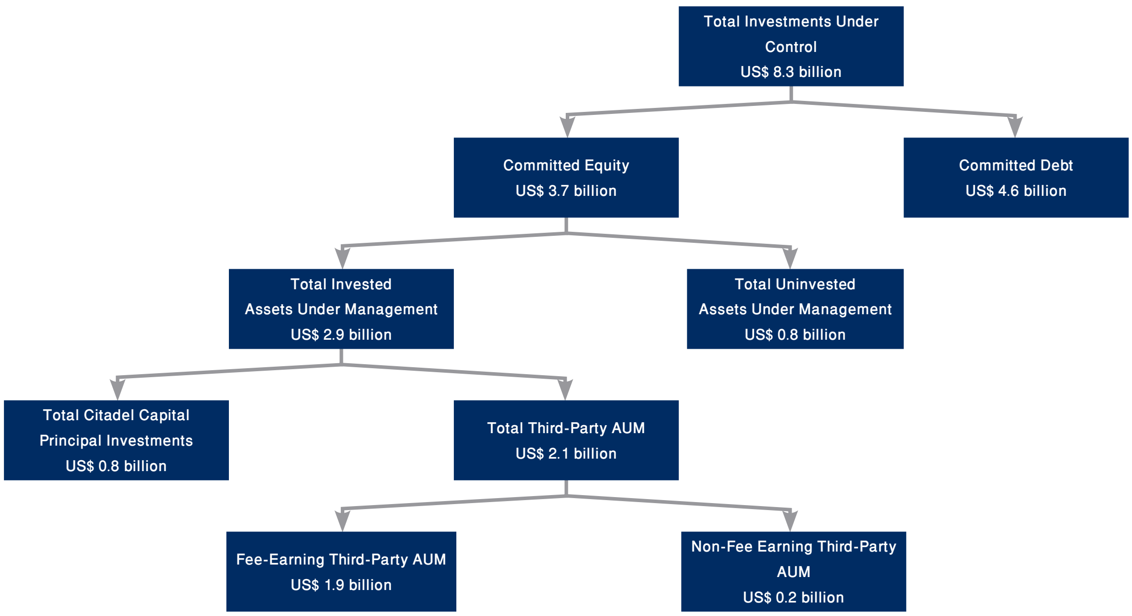
Including equity that had been drawn into exited funds, Citadel Capital has raised a total of US$ 4.3 billion in equity since inception, a gain of 4.9% over the comparative figure at year-end 2008. Since inception, Citadel Capital has generated cash returns of US$ 2.5 billion for shareholders and limited partners on investments of US$ 650 million.

TOTAL NET ASSET VALUATION AT YEAR END

In addition to the PNAV of the firm's principal investments, the total net asset value (TNAV) calculated semi-annually includes the present value of Citadel Capital's carried interest in the capital gains of the limited partners in its funds, as well as of the advisory fees Citadel Capital earns. These are together referred to as the asset management value (AMV). The AMV may be calculated based on carry and fees contributing one-third of Citadel Capital's gain on a model transaction, or as being one-half of PNAV.

For the year ending 31 December 2009, the asset management value (AMV) as estimated by the firm's management stood at US$ 0.62 billion (EGP 3.4 billion). Asset management

BREAKDOWN OF CITADEL CAPITAL'S US$ 8.3 BILLION IN INVESTMENTS UNDER CONTROL



value per share (AMVPS) for the period stood at US$ 0.94 (EGP 5.17).

Accordingly, the total net asset value (TNAV) of Citadel Capital was US$ 1.9 billion (EGP 10.3 billion) for the year ending 31 December 2009. TNAVPS was US$ 2.83 (EGP 15.50).

OTHER ACTIVITIES

Despite the spillover of the global economic crisis into Citadel Capital's Middle East and Africa footprint, the firm made substantial progress on new fundraising in 2009, including some activity not captured in our analysis of assets under management and invested assets under management. Notably, management completed a dry close in October 2009 of the new MENA Joint Investment Fund with the International Finance Corporation (IFC) and the European Investment Bank (EIB). Working with development finance institutions, the firm is also proceeding toward a first close of its new Africa Joint Investment Fund.

Citadel Capital is targeting a combined initial close of US$ 150 million for both funds. The sister funds are intended to allow Citadel Capital to further expand its investor base and will match Citadel Capital's principal investments on a 2:1 basis in every transaction into which Citadel Capital enters from the closing of the funds onward.

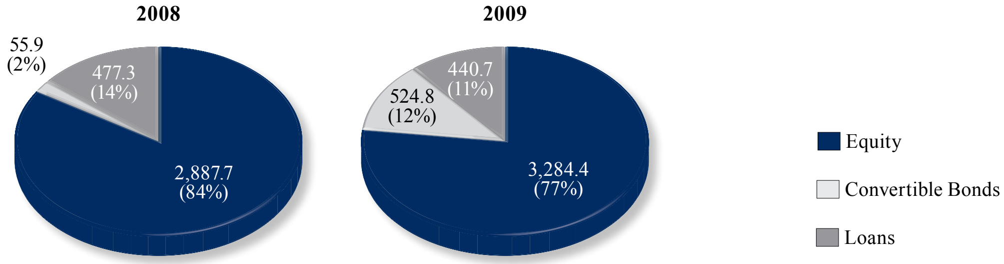
In April 2009, Sphinx Private Equity Management (a subsidiary of Citadel Capital that has since been spun off to Pharos Holding, a Portfolio Company under Finance Unlimited) held first close on its US$ 100 million Sphinx Turnaround Fund, which will target distressed small and medium enterprises in Egypt. The EIB and IFC each invested US$ 17 million, while Citadel Capital sponsored the fund with a US$ 10 million investment. The Geneva-based Swiss Investment Fund for Emerging Markets has committed a further US$ 7.5 million.

Throughout 2009, the firm engaged in negotiations with development finance institutions and export credit agencies to finalize the debt package for the Egyptian Refining Company (ERC). The US$ 2.25 billion debt facility is expected to close in 2010.

Over the course of 2009, management expanded the headcount at Citadel Capital by 18 investment professionals, a development driven in part by the need for increased reporting and communication after listing on the Egyptian Exchange in December 2009. The professional staff now stands at 66, including 38 investment professionals, a figure management expects to rise in the coming years with the staffing of its new East African office in Nairobi, Kenya.

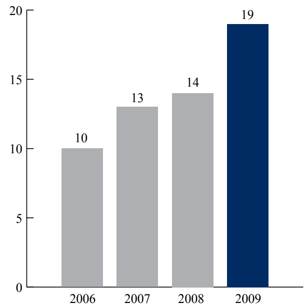
TOTAL CITADEL CAPITAL INVESTMENTS

(including convertible / capitalized loans, in EGP mn)

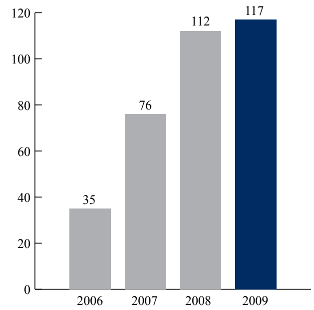


An Unrivaled Track Record

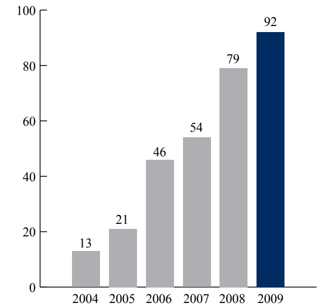
NUMBER OF PLATFORM COMPANIES



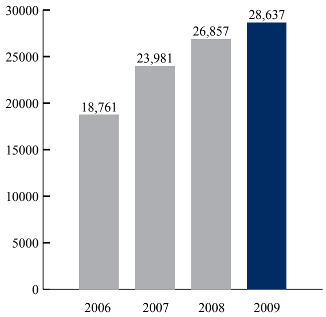
NUMBER OF OPERATING COMPANIES



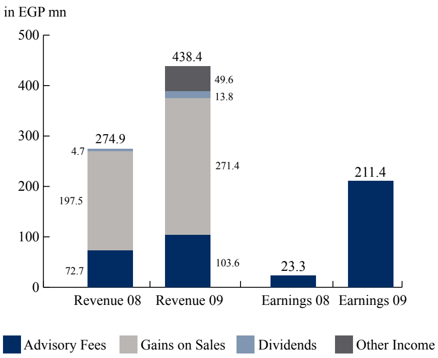
CITADEL CAPITAL HEADCOUNT



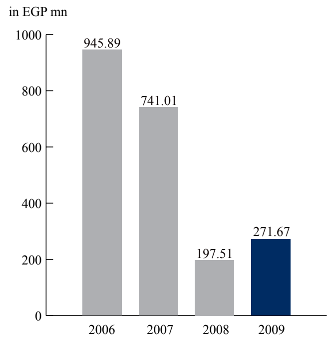
EMPLOYEES AT OPERATING COMPANIES



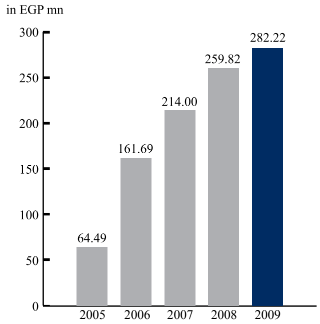
REVENUE AND NET EARNINGS



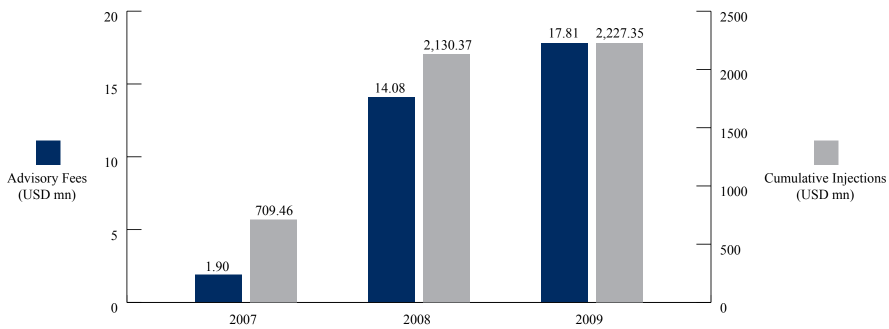
CAPITAL GAINS



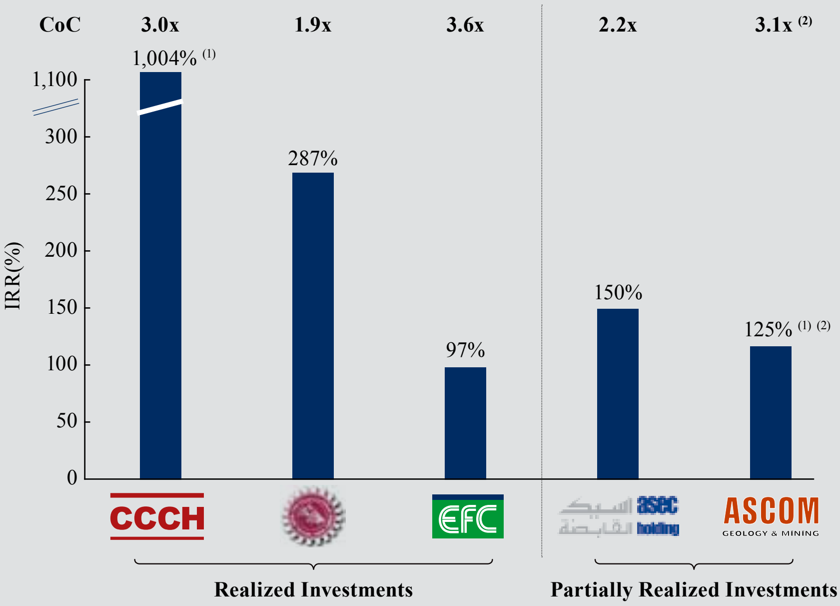
TOTAL TAXES PAID BY PORTFOLIO COMPANIES



ADVISORY FEES VS FEE-EARNING AUM



PROVEN ABILITY TO MAKE EXITS



- Generated $2.5 billion in realized value from 5 successful exits on investments of US$ 650 million
- Full exits:
  - 3 investments
  - Value of $1.8 billion
  - IRR of 167%
  - Cash on cash of 3.0x
- Partial exits:
  - 2 investments
  - Value of $832 million
  - IRR of 133%
  - Cash on cash of 2.3x

(1) The high IRR is due to the short duration of the holding period for this investment (2) Multiple of investment and IRR based on market values as at 4 October 2009

Egyptian Fertilizers Company (EFC)

Citadel Capital and a group of co-investors acquired leading urea fertilizer producer EFC in July 2005 with a view to creating value by expanding EFC's production capacity and using it as a platform for regional consolidation. In less than two years, the management team completed planning to double EFC's production capacity to 1.3 million tons per annum and positioned the fertilizer producer to pursue new ventures in Algeria, Nigeria and Libya. In June 2007, Citadel Capital agreed to sell EFC in a deal worth US$ 1.41 billion. At the time, the transaction was Egypt's largest M&A deal and the biggest private equity sale in the Middle East.

Helwan Portland Cement Company

Citadel Capital acquired Helwan Portland Cement Company (HPCC) in 2004 as part of ASEC Holding. Post-acquisition, Citadel Capital worked to closely align ASEC Holding's operational and strategic plans while simultaneously establishing new internal control systems and restructuring the firm's finances. In August 2005, the firm spun off HPCC and sold its 68% stake in the company to Suez Cement, the local subsidiary of Italcementi, at an enterprise value of US$ 795 million, yielding considerable returns to Citadel Capital and its co-investors in a period of less than six months.

Corporate Social Responsibility

Giving Back to Our Communities

Citadel Capital's leadership team and employees are strongly motivated by the desire to leave the communities in which they do business better places than they found them. Citadel Capital's formal funding for community development initiatives — as distinct from the personal philanthropy of the managing partners and staff — has totaled more than US$ 30 million since 2004.

The firm has a particular interest in supporting education. In 2007, it endowed the Citadel Capital Scholarship Foundation to grant academic scholarships to talented young Egyptian men and women interested in pursuing Master's degrees and PhDs at international universities. Up to 20 students each year receive generous scholarships to follow their dreams at some of the most prestigious educational institutions worldwide. The only condition: They must return to work in Egypt upon graduation.

Citadel Capital also donated US$ 250,000 to establish the Citadel Capital Financial Service Center (CCFSC) at the American University in Cairo (AUC). The center opened in 2006 as the Middle East's first institution dedicated to providing financial and analytical education that prepares students for careers in securities trading, risk management and asset allocation. The CCFSC also strives to provide students, researchers and professionals with the knowledge and skills to lead the region's emerging financial services industry.

More than 800 students have thus far benefitted from CCFSC services including stock market simulations, Reuters certification workshops, guest lectures, project and research assistance, and real-time access to financial databases, among many other services. Today there are at least 50 graduates of CCFSC who work with financial institutions, NGOs and business associations in Egypt. Well over 100 faculty have also used its services.

Last year, the firm took solid steps toward the rollout of a foundation that will focus on building and developing Egyptian schools targeting lower-middle income segments of the population. The foundation will work to deliver a quality Egyptian national curriculum education in both rural and urban settings.

Citadel Capital's platform companies are also active participants in their communities. Sabina, Citadel Capital's Portfolio Company for investment in Sudanese agricultural production, has put in place a fund of US$ 1.58 million for social infrastructure improvements near Kosti, in Sudan's White Nile State. where the company has obtained a 99-year lease on a 254,000-feddans of land. The company will not only provide new employment opportunities for local residents, it will also become actively engaged in training and education. Sabina will allocate US$ 395,000 each year for the next four years to rehabilitate schools and establish vocational training programs for farmers.

ASEC Cement, Citadel Capital's portfolio company for investment for the regional cement industry is currently in the process of completing a turnaround of the Zahana Cement Company in Algeria. Since taking over the management of the partially privatized plant in 2006, ASEC Cement has significantly improved both technical efficiency and working conditions. Prior to ASEC Cement's involvement in Zahana, the plant's dilapidated pipes not only accounted for a 3% loss in production but were also in breach of environmental standards. Today, ASEC Cement has not only improved the overall efficiency of the plant, it has also significantly upgraded on-site working conditions affecting employee health and safety. Regular training sessions to develop the capabilities of ASEC Cement's Algerian workforce have also been introduced.

The Egyptian Refining Company (ERC), Citadel Capital's state-of-the-art US$ 3 billion greenfield second-stage oil refinery in the Greater Cairo Area, which is still in its pre-financial close phase, has already established a community development office. The current role of the office is to communicate with local residents about the refinery, assess available skills and collect information regarding training and community education programs. The community development office's scope of service will broaden gradually as the project moves into the implementation phase.

Financial Statements

Citadel Capital (S.A.E.) — Fiscal Year Ending December 31, 2009

Contents

Citadel Capital
(Egyptian Joint Stock Company)

Unconsolidated Financial Statements for the year ended December 31, 2009 & Auditor's Report

AUDITOR'S REPORT
To the shareholders of Citadel Capital company

REPORT ON THE FINANCIAL STATEMENT
We have audited the accompanying financial statements of Citadel Capital Company (Egyptian Joint Stock Company), which comprise the unconsolidated balance sheet as at December 31, 2009 and the unconsolidated statements of income, changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS
These financial statements are the responsibility of Company's management. Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Egyptian Accounting Standards and in the light of the prevailing Egyptian laws, management responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; management responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Egyptian Standards on Auditing and in the light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

OPINION
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Citadel Capital Company as at December 31, 2009 and of its financial performance and its cash flows for the year then ended in accordance with the Egyptian Accounting Standards and the Egyptian laws and regulations relating to the preparation of these financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The Company maintains proper books of account, which include all that is required by law and by the statutes of the Company, and the financial statements are in agreement thereto.

The financial information included in the Board of Directors' report, prepared in accordance with Law no. 159 of 1981 and its executive regulations, is in agreement with the Company's books of account.

KPMG Hazem Hassan
Cairo, March 15, 2010

Citadel Capital (Egyptian Joint Stock Company)
Unconsolidated Balance Sheet as at December 31, 2009

	Note	31/12/2009 LE	31/12/2008 LE
Current assets			
Cash and cash equivalents	(4)	248 428 433	125 693 812
Due from related parties (net)	(5)	611 466 323	662 172 430
Other debit balances	(6)	17 194 821	24 653 867
Total current assets		**877 089 577**	**812 520 109**
Current liabilities			
Due to related parties	(7)	305 128 943	138 043 382
Other credit balances	(8)	39 923 273	22 981 045
Provisions	(9)	14 312 225	11 212 225
Total current liabilities		**359 364 441**	**172 236 652**
Working capital		**517 725 136**	**640 283 457**
Non - current assets			
Available-for-sale investments	(10)	30 685 943	40 425 542
Investments in subsidiaries and associates (net)	(11)	2 351 676 028	2 183 855 959
Payments for investments (net)	(12)	1 026 582 003	719 319 152
Fixed assets (net)	(13)	83 901 410	78 717 695
Loans to associates	(14)	400 349 686	-
Deferred tax assets (liabilities)	(15)	687 237	(393 132)
Total non - current assets		**3 893 882 307**	**3 021 925 216**
Total investment		**4 411 607 443**	**3 662 208 673**
Financed through:			
Equity			
Share capital	(16)	3 308 125 000	2 750 000 000
Legal reserve	(3.9)	79 011 015	77 845 487
Hedging reserve	(17)	(16 882 076)	(3 554 169)
Retained earnings		22 145 027	-
		3 392 398 966	2 824 291 318
Net profit for the year		211 349 252	23 310 555
Total equity		**3 603 748 218**	**2 847 601 873**
Non - current liabilities			
Loans	(17)	807 859 225	814 606 800
Total non - current liabilities		**807 859 225**	**814 606 800**
Total shareholders' equity and non - current liabilities		**4 411 607 443**	**3 662 208 673**

The accompanying notes from page 61 to page 75 are an integral part of these financial statements and are to be read therewith .

Board Member / CFO	Managing Director	Chairman
Ahmed El Shamy	**Hisham Hussein El-Khazindar**	**Ahmed Heikal**

Citadel Capital (Egyptian Joint Stock Company)
Unconsolidated Income Statement for the year ended December 31, 2009

	Note	For the year ended 31/12/2009 LE	31/12/2008 LE
Advisory fee	(23.1)	103 652 826	72 735 099
Dividend income	(23.2)	240 459 012	-
Gains on sale of investments	(18)	45 877 586	197 512 058
Other operating income	(23.6)	48 921 813	4 701 576
Total operating income		**438 911 237**	**274 948 733**
General and administrative expenses	(25)	(204 056 190)	(176 832 074)
Impairment loss on assets	(20)	(20 694 627)	(17 894 845)
Expected claims provisions	(9)	(3 100 000)	(11 212 225)
Net operating income		**211 060 420**	**69 009 589**
Net finance expense	(19)	(791 537)	(47 325 094)
Net profit before income tax		**210 268 883**	**21 684 495**
Deferred tax income	(15)	1 080 369	1 626 060
Net profit for the year		**211 349 252**	**23 310 555**
Earnings per share	**(21)**	**0.34**	**0.05**

The accompanying notes from page 61 to page 75 are an integral part of these financial statements and are to be read therewith .

Citadel Capital (Egyptian Joint Stock Company)
Unconsolidated Statement of Changes in Equity for the year ended December 31, 2009

	Note	Share capital LE	Legal reserve LE	Hedging reserve LE	Retained earnings LE	Net profit for the year LE	Total LE
Balance as at December 31,2007		**1 650 000 000**	**47 848 353**	**-**	**14 221 991**	**599 942 681**	**2 312 013 025**
Profit appropriation for the year 2007	(3.9)	-	29 997 134	-	(14 221 991)	(599 942 681)	(584 167 538)
Payment of capital	(16)	1 100 000 000	-	-	-	-	1 100 000 000
Changes in fair value of cash flow hedges	(17)	-	-	(3 554 169)	-	-	(3 554 169)
Net profit for 2008		-	-	-	-	23 310 555	23 310 555
Balance as at December 31, 2008		**2 750 000 000**	**77 845 487**	**(3 554 169)**	**-**	**23 310 555**	**2 847 601 873**
Profit appropriation for the year 2008	(3.9)	-	1 165 528	-	22 145 027	(23 310 555)	-
Payment of capital	(16)	558 125 000	-	-	-	-	558 125 000
Changes in fair value of cash flow hedges	(17)	-	-	(13 327 907)	-	-	(13 327 907)
Net profit for 2009		-	-	-	-	211 349 252	211 349 252
Balance as at December 31,2009		**3 308 125 000**	**79 011 015**	**(16 882 076)**	**22 145 027**	**211 349 252**	**3 603 748 218**

The accompanying notes from page 61 to page 75 are an integral part of these financial statements and are to be read therewith .

Citadel Capital (Egyptian Joint Stock Company)
Unconsolidated Cash Flow Statement for the year ended December 31, 2009

	For the year ended	
	31/12/2009 LE	31/12/2008 LE
Cash flows from operating activities		
Net profit before tax	210 268 883	21 684 495
Adjustments to reconcile net profit to net cash provided from (used in) operating activities :		
Fixed assets depreciation	8 673 210	7 535 777
Gains on sale of investments in subsidiaries	(45 036 600)	(197 512 058)
Impairment loss on assets	20 694 627	17 894 845
Provisions	3 100 000	11 212 225
Unrealized foreign currency differences	(3 954 480)	26 286 800
Gains on sale of available-for-sale investments	(840 986)	-
Other revenue	-	(945 218)
Operating profit (loss) before changes in working capital	**192 904 654**	**(113 843 134)**
Increase in assets		
Due from related parties	(108 991 920)	(622 212 244)
Other debit balances	(2 704 531)	(6 215 199)
Increase (decrease) in liabilities		
Due to related parties	167 085 561	141 836 314
Other credit balances	15 209 197	(8 988 035)
Net cash provided from (used in) operating activities	**263 502 961**	**(609 422 298)**
Cash flows from investing activities		
Payments to purchase fixed assets	(13 856 925)	(14 944 453)
Payments to purchase investments in subsidiaries and associates	(3 035 195)	(804 654 643)
Proceeds from sale of investments in subsidiaries and associates	31 395 640	179 967 835
Payments for investments	(309 239 788)	(357 668 339)
Proceeds from sale of available-for-sale investments	10 580 585	-
Loans to associates	(400 349 686)	-
Payments to purchase available-for-sale investments	-	(21 580 800)
Net cash used in investing activities	**(684 505 369)**	**(1 018 880 400)**
Cash flows from financing activities		
Proceeds from issuing of share capital	558 125 000	1 100 000 000
Dividends paid	(145 545)	(97 863 440)
Payments for / proceeds from loans	(2 793 095)	703 720 000
Hedging reserve	(11 449 331)	(2 500 035)
Banks overdraft	-	(100 000 000)
Net cash provided from financing activities	**543 737 029**	**1 603 356 525**
Net change in cash and cash equivalent during the year	122 734 621	(24 946 173)
Cash and cash equivalent at the beginning of the year	125 693 812	150 639 985
Cash and cash equivalent at the end of the year	**248 428 433**	**125 693 812**

The accompanying notes from page 61 to page 75 are an integral part of these financial statements and are to be read therewith .

Citadel Capital (Egyptian Joint Stock Company)
Notes to the Unconsolidated Financial Statements for the year ended December 31, 2009

Translation of Financial Statements originally issued in Arabic

1. COMPANY BACKGROUND

Citadel Capital Company - an Egyptian Joint Stock Company - was founded in accordance with the Egyptian applicable laws & in pursuance to executive regulation of Law no.159/1981 & the Company has been registered under the number of 11121 on 11 April 2004. The purpose of the Company is represented as follows:

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the Egyptian Accounting Standards and relevant Egyptian laws and regulations.

2.2 Basis of measurement

The financial statements are prepared on the historical cost basis, except for the following assets and liabilities which are measured as fair value

- Financial instruments at fair value through income statement.
- Available-for-sale investments.
- Derivative financial instruments (hedging reserve).

2.3 Functional and presentation currency

These financial statements are presented in Egyptian pounds (LE), which is the Company's functional currency. All financial information presented in Egyptian pounds.

2.4 Use of estimates and judgments

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 recognized in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are described in the following notes:

- Note (11) – measurement of the recoverable amount of investments in subsidiaries and associates.
- Note (15) – recognition of deferred tax.
- Note (9) – provisions.

2.5 Consolidated financial statements

The company has subsidiaries and according to the Egyptian Accounting Standard No. 17 "Consolidated Financial Statements" and the article No. 188 of the executive regulation of law No. 159/1981, the Company is required to prepare consolidated financial statements which present fairly the financial position, the result of operations and cash flows for the group as a whole.

3. SIGNIFICANT ACCOUNTING POLICIES APPLIED

The following accounting policies have been consistently applied by the Company to all periods presented in these financial statements. Certain comparative figures have been reclassified to conform to the current year's presentation of the financial statements (note 28).

3.1 Foreign currency translation

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

3.2 Fixed assets depreciation

Fixed assets are stated at historical cost and presented in the balance sheet net of accumulated depreciation and impairment (note 3.5). 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.

3.3 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.

3.4 Investments

3.4.1 Investments at fair value through income statement

An investment is classified as at fair value through income statement if it is held for trading or is designated as such upon initial recognition. Financial investments are designated at fair value through income statement if the Company manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction costs are recognized in income statement when incurred. Financial instruments at fair value through income statement are measured at fair value, and changes therein are recognized in income statement.

3.4.2 Available-for-sale investments

Available-for-sale financial assets are valued at fair value, with any resultant gain or loss being recognized in equity, except for impairment losses which is recognized in the income statement. When these investments are derecognized, the cumulative gain or loss previously recognized directly in equity is recognized in the income statement. The fair value of investments available - for - sale identifies, based on quoted price of the exchange market at the balance sheet date, investments that are not quoted, and whose fair value cannot be measured reliably, are stated at cost.

3.4.3 Investments in subsidiaries and associates

Investments in subsidiaries and associates are stated at cost less impairment (note 3.5). At each balance sheet date, management assesses the investments' recoverable amount and in case that the recoverable amount is less than the carrying amount then an impairment loss is recognized in the income statement.

3.5 Impairment of assets

3.5.1 Financial assets

- 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 amortized 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 current 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 recognized in income statement. Any cumulative loss in respect of an available-for-sale financial asset recognized previously in equity is transferred to income statement.

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

3.5.2 Non-financial assets

The carrying amounts of the company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognized in income statement.
The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less cost to sell.

Impairment losses recognized 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 amortization, if no impairment loss had been recognized.

3.6 Cash and cash equivalents

For the purpose of preparing the Cash Flows Statement, cash and cash equivalents are represented in the cash and banks current accounts.

3.7 Interest-bearing borrowings

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

3.8 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of a past event and it's 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.

3.9 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 stopped 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.

3.10 Issued capital

3.10.1 Repurchase of share capital

When share capital recognized as equity is repurchased, the amount of the consideration paid, including directly attributable cost, is recognized as a change in equity.

Repurchased shares are classified as treasury stock and presented as a deduction from total equity.

3.10.2 Dividends

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

3.11 Derivative financial instruments

The Company uses derivative financial instruments to hedge its exposure to interest rate risks arising from operational, financial and investment activities. Derivatives are recognized initially at fair value; attributable transaction costs are recognized in income statement when incurred.

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, 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.

3.12 Loans

The loans to others 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.

3.13 Revenues

3.13.1 Gains (losses) on sale of investments

Gains (losses) 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.

3.13.2 Dividend income

Dividend income is recorded when declared.

3.13.3 Management fee
Management fees are recognized upon rendering the service according to accrual basis.

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

3.13.5 Credit interest
The credit interest is recognized in income statement according to accrual bases by using the effective interest rate.

3.14 Expenses
3.14.1 Interest expense
Interest expense on interest - bearing borrowing is recognized in the income statement using the effective interest rate method.

3.14.2 Employees pension
The Company contributes to the government social insurance system for the benefit of its personnel in accordance with the social insurance law. Under this law, the employees and the employers contribute into the system on a fixed percentage-of-salaries basis. The Company's liability is confined to the amount of its contribution. Contributions are charged to income statement using the accrual basis of accounting.

3.14.3 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 substantively 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.

3.15 Earnings per share
The Company presents basic 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 year.

3.16 Profit sharing to employees
The Company pays 10% of its cash dividends as profit sharing to its employees provided that it will not exceed total employees annual salaries. Profit sharing is recognized as a dividend distribution through equity and as a liability when approved by the Company's shareholders.

4. CASH AND CASH EQUIVALENTS

	31/12/2009 LE	31/12/2008 LE
Cash on hand	68 565	250 211
Banks - current account	248 359 868	125 443 601
Balance	**248 428 433**	**125 693 812**

Non cash transactions

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

- LE 1 878 576 from changes in other credit balances and changes in fair value of cash flow hedges reserve (represents the unpaid amount of December according to the bank claim).
- LE 255 502 914 from payments to purchase investments in subsidiaries and change in due from related parties (represents the transfer from related parties' current account to investments in subsidiaries).
- LE 10 163 577 from payments for investments and changes in other debit balances (represents the transfer from other debit balances to payments for investments).
- LE 558 150 from payment to purchase investments in subsidiaries and payments for investments (represents the transfer from proceeds from sale of investments in subsidiaries to payments for investments).
- LE 195 687 040 from payments to purchase investments in subsidiaries and proceeds from sale of investments in subsidiaries (represents purchasing of shares in United Foundries versus selling National Development and Trading Company shares).
- LE 98 106 000 from proceeds from sale of investments in subsidiaries and due from related parties (represents the investments sold to Citadel Capital Holding for Financial Investments-Free Zone that were deducted from its current account).

5. DUE FROM RELATED PARTIES

	31/12/2009			31/12/2008		
	Nature of transaction		Balance	Nature of transaction		Balance
	Advisory fee	Finance		Advisory fee	Finance	
	LE	LE	LE	LE	LE	LE
National Development and Trading Company	--	59 232 051	59 232 051	--	428 290 325	428 290 325
Citadel Capital for Scholarship*	--	2 301 113	2 301 113	--	2 301 113	2 301 113
Mena Home Furnishings Mall	3 450 513	--	3 450 513	2 729 634	7 815 750	10 545 384
Falcon Agriculture Investments Ltd.	13 903 434	--	13 903 434	14 482 613	62 175	14 544 788
Golden Crescent Investments	6 591 082	--	6 591 082	5 016 261	--	5 016 261
Orient Investments Properties Ltd.	27 177 005	--	27 177 005	12 821 164	50 912 925	63 734 089
Regional Investments Holding	6 817 887	--	6 817 887	4 609 181	30 272 550	34 881 731
CC Holding for Financial Investments-Free Zone	--	213 616 287	213 616 287	--	56 056	56 056
Logria Holding	34 335 141	--	34 335 141	28 615 481	--	28 615 481
Mena Glass Ltd.	3 817 404	--	3 817 404	8 958 182	27 520 500	36 478 682
Silverstone Capital Investment Ltd.	1 228 523	--	1 228 523	--	--	--
Sabina for Integrated Solutions	38 338 300	--	38 338 300	--	--	--
United Foundries	--	36 097 048	36 097 048	--	--	--
Sphinx Glass Ltd.	4 381 520	--	4 381 520	--	--	--
Asec Cement Holding	12 816 991	787 031	13 604 022	--	--	--
ASEC for Mining (ASCOM)	--	31 207 600	31 207 600	--	--	--
Citadel Capital for International Investments Ltd.	--	117 668 506	117 668 506	--	--	--
Arab Refinery Company	--	--	--	--	17 000	17 000
Citadel Capital for Promotion	--	--	--	--	4 400	4 400
Grandview Investment Holding	--	--	--	--	11 010 340	11 010 340
Citadel Capital Ltd. *	--	--	--	--	7 896 885	7 896 885
National Co. for Building Materials *	--	--	--	--	6 472	6 472
Cordoba Management Investment Ltd.	--	--	--	--	3 550 144	3 550 144
National Refinery Company *	--	--	--	--	1 977 674	1 977 674
Citadel for Projects *	--	--	--	--	5 084 651	5 084 651
Citadel for River Transport *	--	--	--	--	761 616	761 616
Egyptian Co. for Petroleum Production*	--	--	--	--	875	875
National Co. for Transportation and Storage*	--	--	--	--	659 213	659 213
Mena Development Ltd.*	--	--	--	--	67 764	67 764
Mena Enterprises Ltd.*	--	--	--	--	67 084	67 084
Tanweer for Marketing and Distribution	--	--	--	--	3 000 000	3 000 000
Arab Company for Financial Investments	--	--	--	--	19 851 201	19 851 201
Total			**613 767 436**			**678 419 229**
Impairment *			(2 301 113)			(16 246 799)
Net			**611 466 323**			**662 172 430**

* Note (20)

6. OTHER DEBIT BALANCES

	31/12/2009 LE	31/12/2008 LE
Deposits with others	1 419 652	1 419 652
Employees' loans	826 627	504 592
Advances to suppliers	1 785 883	3 851 967
Prepaid expenses	475 440	261 170
Letters of guarantee's margin	547 690	550 410
Sundry debit balances	12 139 529	18 066 076
Balance	**17 194 821**	**24 653 867**

7. DUE TO RELATED PARTIES

	31/12/2009 LE	31/12/2008 LE
Citadel Capital Partners Ltd.*	305 128 943	138 043 382

* The main shareholder of the company with a percentage of 40.95%

8. OTHER CREDIT BALANCES

	31/12/2009 LE	31/12/2008 LE
Tax Authority	284 538	591 474
Accrued expenses	31 914 294	13 807 517
Accrued interest	2 665 113	4 733 629
Suppliers	2 091 727	506 849
Prior years dividends payable	2 893 919	3 039 464
Social Insurance Association	12 745	241 175
Sundry credit balances	60 937	60 937
Balance	**39 923 273**	**22 981 045**

9. PROVISIONS

	31/12/2009 LE	31/12/2008 LE
Provisions at the beginning of the year	11 212 225	--
Formed during the year	3 100 000	11 212 225
Balance at the end of the year	**14 312 225**	**11 212 225**

Provision represents contingent liability from External Party regarding the Company's activities. The usual information related to provisions according to the Accounting Standards has not been disclosed because management believes that disclosure will affect its negotiations with this party, and the management periodically reviews this provision and adjusts the provision amount according to the latest discussions with the party.

10. AVAILABLE-FOR-SALE INVESTMENTS

	31/12/2009 LE	31/12/2008 LE
Arab Swiss Engineering Company (ASEC)	17 479	17 479
Modern Company for Isolating Materials	43 396	43 396
Horus Private Equity Fund II	14 654 268	18 783 867
Horus Private Equity Fund III	15 970 800	15 970 800
Pharos Fund	--	5 610 000
Balance	**30 685 943**	**40 425 542**

The available-for-sale investments are represented in unlisted investments in the Stock Exchange.

11. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

	Percentage %	31/12/2009 LE	Percentage %	31/12/2008 LE
National Development and Trading Company	49.50	668 170 587	53.81	648 936 576
ASEC for Mining (ASCOM)	44.64	163 687 999	49.99	183 313 836
Citadel Capital Holding for Financial Investments-Free Zone	99.99	1 345 352 547	99.99	1 345 352 547
Citadel Capital – Algeria*	99.99	6 194 250	99.99	6 194 250
United Foundries	49.29	174 459 040	--	--
Citadel Capital For International Investment Ltd.	100	5 855	--	--
Arab Co. for Financial Investments		--	94	58 750
Citadel for Projects*		--	99.88	249 700
National Company for Building Materials*		--	99.88	249 700
National Company for Transportation & Storage		--	79.88	199 700
Total		**2 357 870 278**		**2 184 555 059**
Impairment*		(6 194 250)		(699 100)
Net		**2 351 676 028**		**2 183 855 959**

- Investments in subsidiaries and associates are represented in unlisted securities in the Stock Exchange except ASEC for Mining (ASCOM) which has market value of LE 236 023 425 as at December 31, 2009 versus LE 306 938 600 as at December 31, 2008.

* Note (20)

12. PAYMENTS FOR INVESTMENTS

	31/12/2009 LE	31/12/2008 LE
Citadel Capital – Algeria*	9 413 070	8 444 179
Glass Rock	5 211 925	2 632 063
Citadel Capital Holding for Financial Investments - Free Zone	651 176 519	350 555 431
Fund Project	19 414 025	7 231 216
ASCOM Algeria*	3 285 594	3 285 594
Citadel Capital for International Investments Ltd.**	348 378 910	--
Forestry Project	2 400 624	--
Sudan Sugar Project**	--	6 457 950
AROCO STEEL*	--	932 199
Lotus Management Investment Ltd.**	--	32 825 561
Capella Management Investment Ltd.**	--	33 962 056
Grandview Investment Holding **	--	72 410 592
Mena Home Furnishings Mall **	--	86 127 550
Regional Investment Holding ***	--	115 386 960
Total	**1 039 280 667**	**720 251 351**
Impairment	(12 698 664)	(932 199)
Net	**1 026 582 003**	**719 319 152**

* Note (20)
** Note (23-3)
*** Note (23-4)

13. FIXED ASSETS

	Land LE	Building and constructions LE	Computer and software LE	Furniture and fixture LE	Vehicles LE	Assets under* construction LE	Total LE
Cost as at 1/1/2009	24 000 000	33 742 368	4 743 499	17 855 483	539 800	13 044 692	93 925 842
Additions during the year	--	--	2 304 750	4 512 819	--	7 039 356	13 856 925
Total cost as at 31/12/2009	**24 000 000**	**33 742 368**	**7 048 249**	**22 368 302**	**539 800**	**20 084 048**	**107 782 767**
Accumulated depreciation as at 1/1/2009	--	3 374 237	2 721 428	8 988 778	123 704	--	15 208 147
Depreciation during the year	--	1 687 118	1 939 364	4 911 778	134 950	--	8 673 210
Accumulated depreciation as at 31/12/2009	--	5 061 355	4 660 792	13 900 556	258 654	--	23 881 357
Net cost as at 31/12/2009	**24 000 000**	**28 681 013**	**2 387 457**	**8 467 746**	**281 146**	**20 084 048**	**83 901 410**
Net cost as at 31/12/2008	**24 000 000**	**30 368 131**	**2 022 071**	**8 866 705**	**416 096**	**13 044 692**	**78 717 695**

* Assets under construction represent payments for preparations of the two purchased lands at Smart Village for the purpose of constructing a new headquarters.

14. LOANS TO ASSOCIATES

The Company granted a subordinated loan to National Company for Development and Trading – (one of the associates - 49.5%) as at December 28, 2009 with an amount of US.$ 73 097 863 (equivalent to LE 400 349 686) for a period of five 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 guarantees are presented in First rank lien part of National Company for Development and Trading shares in the following companies:

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

15. DEFERRED TAX ASSETS (LIABILITIES)

	Assets 31/12/2009 LE	Liabilities 31/12/2008 LE
Fixed assets (depreciation)	687 237	(393 132)
Total deferred tax assets (liabilities)	**687 237**	**(393 132)**

16. SHARE CAPITAL

- The Company's authorized capital is LE 6 billion.
- The Board of directors of the Company held on June 12, 2008 decided to increase the issued capital with an amount of LE 1.1 billion to be LE 2.75 billion by issuing new 220 million shares with par value LE 5, accordingly the total number of shares after increase is 550 million shares. The share capital increase was paid in full. The commercial register was updated on June 22, 2008.
- 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. 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.	40.95	270 943 477	1 354 717 385
Emirates International Investments Company	10.64	70 391 132	351 955 660
Others	48.41	320 290 391	1 601 451 955
	100	**661 625 000**	**3 308 125 000**

17. LOANS

On May 15, 2008 the 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 & Stanely Bank and Citi Bank London - manager bank) 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 installments:

- 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.$ 147 503 008 (equivalent to the amount of LE 807 859 225 as at December 31, 2009) versus of US.$ 148 millions (equivalent to the amount of LE 814 606 800 as at December 31, 2008).

The loan guarantees are as follows:

1- First rank lien contract for shares of National Development and Trading.
2- First rank lien contract of 11 159 500 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.
    - Al chark Book Stores.
    - El Kateb for Marketing and Distribution.
    - Pharos Holding Company.

- **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 stabilizing the labor interest on loan by 4.195 % interest rate on the amount of US. $ 74 millions that equal 50 % of the withdrawal amount of the loan according to its conditions.

18. GAINS ON SALE OF INVESTMENTS

	For the year ended	
	31/12/2009	31/12/2008
	LE	LE
Gains on sale of investments in subsidiaries *	45 036 600	197 512 058
Gains on sale of available-for-sale investment	840 986	--
Total	**45 877 586**	**197 512 058**

* Gains arising from sale of shares in these companies:

	Selling price of investment LE	Cost of investment LE	Net LE
National Development and Trading Company	293 793 040	(260 526 243)	33 266 797
ASEC for Mining (ASCOM)	31 395 640	(19 625 837)	11 769 803
United Foundries	21 228 000	(21 228 000)	--
	346 416 680	**(301 380 080)**	**45 036 600**

19. FINANCE EXPENSE

	For the year ended	
	31/12/2009 LE	31/12/2008 LE
Credit interest *	36 454 063	9 521 174
Debit interest	(30 709 598)	(45 367 163)
Foreign currency differences	(6 536 002)	(11 479 105)
Net	**(791 537)**	**(47 325 094)**

* Note (23-7)

20. IMPAIRMENT LOSS ON ASSETS

	For the year ended	
	31/12/2009 LE	31/12/2008 LE
Impairment of due from related parties		
Citadel Capital for Scholarship	2 301 113	--
Citadel for Projects	--	5 084 651
Citadel Capital Ltd.	--	7 621 450
National Co. for Transportation and Storage	--	659 213
National Refinery Company	--	1 977 674
Egyptian Co. for Petroleum Production	--	875
National Co. for Building Materials	--	6 472
Citadel for River Transport	--	761 616
Mena Development Ltd.	--	67 764
Mena Enterprises Ltd.	--	67 084
	2 301 113	**16 246 799**
Impairment of investments in subsidiaries and associates		
Citadel for Projects*	(249 700)	249 700
National Co. for Building Materials *	(249 700)	249 700
Citadel Capital-Algeria **	6 194 250	--
National Co. for Transportation and Storage	--	199 700
	5 694 850	**699 100**
Impairment of payments for investments		
AROCO Steel	--	932 199
Citadel Capital - Algeria **	9 413 070	--
Ascom Algeria	3 285 594	--
	12 698 664	**932 199**
Impairment of investment at fair value through profit and loss		
Abu- Qir Fertilizers Co.	--	16 747
Balance	**20 694 627**	**17 894 845**

* Impairment is reversed as the company is re-operated during the year.

** In the light of development in the activities of the other subsidiaries in Algeria and concentrating the activities of Citadel Capital – Algeria in providing advisory services solely to those subsidiaries, so the purpose of this investment has been ended then impaired.

21. EARNINGS PER SHARE

	For the year ended	
	31/12/2009 LE	31/12/2008 LE
Net profit for the year	211 349 252	23 310 555
The weighted average number of shares	620 871 566	445 726 027
Earnings per share	**0.34**	**0.05**

22.RECONCILIATION OF EFFECTIVE TAX RATE

	LE Partially	LE Totally
Profit before tax		210 268 883
Tax rate		20%
Calculated tax based on accounting profit		42 053 777
Tax exemption	(50 445 763)	
Non deductible expenses	4 298 703	
Fixed assets (taxable depreciation variances)	422 392	
Total tax differences		(45 724 668)
Income tax according to the tax return		Nil
Effective tax rate		Nil

23.RELATED PARTIES

23.1 Advisory fee presented in the income statement represents the advisory services rendered to the related parties according to signed contracts as follows:

Company's name	For the year ended 31/12/2009 LE	31/12/2008 LE
Mena Glass Ltd.	3 864 440	5 543 064
Mena Home Furnishings Mall	3 492 207	2 282 874
Regional Investments Holding	3 921 714	3 552 874
Falcon Agriculture Investment Ltd.	12 795 523	11 864 838
Logria Holding	34 765 817	28 694 878
Golden Crescent Investment Ltd.	6 676 234	4 923 781
Orient Investment Ltd.	14 609 280	12 567 570
Sphinx Glass Ltd.	4 436 500	3 305 220
Asec Cement Holding	17 862 131	--
Silverstone Capital Investment Ltd.	1 228 980	--
Total	**103 652 826**	**72 735 099**

23.2 Dividend income presented in the income statement represents dividends from subsidiaries as follows:

Company's name	Percentage%	For the year ended 31/12/2009 LE	31/12/2008 LE
Citadel Capital Holding for Financial Investments-Free Zone *	99.99	226 635 479	--
Arab Co. for Financial Investments	94.00	13 823 533	--
Total		**240 459 012**	**--**

* Interim dividends income according to the resolutions of the general assembly meeting held on June 2009 and December 2009.

23.3 During the year the Company transferred its share in the following investments to Citadel Capital for International Investment Ltd. (a wholly owned subsidiary) by the book value with a total amount of LE 348 316 485 as follows:

Company name	LE
Lotus management Investment Ltd.	32 825 561
Capella Management Investment Ltd.	33 962 056
Grandview Investment Holding	69 923 892
Mena Home Furnishings Mall	71 517 621
Sudan Sugar Project (Valencia Assets Holding Ltd.)	18 717 100
Citadel for Projects	37 803 235
National Co. for Building Materials	249 700
Arab Company for Financial Investment	235 000
Ambience Venture Ltd.	83 082 320
Total	**348 316 485**

23.4 During the year the Company transferred its share in Regional Investments Holding to Citadel Capital Holding for Financial Investments-Free Zone (wholly owned subsidiary) with a total amount of LE 114 777 160.

23.5 During the year the Company sold the following investments to both Shipwright Holding Corp and Illion Venture Limited (subsidiaries) with their book value with a total amount of LE 119 334 000 as follows :

	LE
National Development and Trading Company	98 106 000
United Foundries	21 228 000
Total	**119 334 000**

23.6 Other operating income include an amount of LE 39 098 500 (equivalent to the amount of US.$ 7 000 000) which represents the value consultancy and studies presented by the Company for Sabina for Integrated Solutions (an associate), according to a singed contract.

23.7 Credit interest (note 19) includes an amount of LE 34 329 861 which represents the accrued interest income according to signed contracts with related parties as follows:

Company's name	For the year ended 31/12/2009 LE	31/12/2008 LE
Citadel Capital for International Investments Ltd.	11 059 123	--
Citadel Capital Holding for Financial Investments - Free Zone	3 808 363	--
National Development and Trading Company	19 014 549	--
United Foundries	447 826	--
Total	**34 329 861**	**--**

24.TAX STATUS

Corporate tax

- The Company's books have not been inspected yet.
- The Company submitted its tax returns on regular basis for the year 2005 to 2008 according to tax law no. 91/2005.

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.

Stamp tax

The Company was inspected till July 31, 2006 and paid all the accrued amounts according to the tax authority Internal Committee decision and no tax inspection for the period from 1/8/2006 to 31/12/2008 has taken place yet.

Withholding tax

The Company applies the withholding tax provisions on its transactions according to tax law No. 91/2005.

25.MANAGEMENT FEES

The Company's extraordinary meeting held on May 12, 2008 approved the management contract with Citadel Capital Partners Ltd. (the principal shareholder of - 40.95 %) which states that Citadel Capital Partners Ltd. provides management duties for fees based on 10% of the net annual profit available for distribution. The management fees is LE 23 483 250 as at December 31, 2009 versus LE 2 590 062 as at December 31, 2008.

26.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 did not start to apply it till now.

27. FINANCIAL INSTRUMENTS AND MANAGEMENT OF RELATED RISKS:

The Company's financial instruments are represented in the financial assets and liabilities. Financial assets include cash balances with banks and debtors while financial liabilities include banks over draft and creditors. Note (no. 3) of notes to financial statements includes significant accounting policies applied regarding basis of recognition and measurement of the important financial instruments and related revenues and expenses by the Company to minimize the consequences of such risks.

27.1 Liquidity risk

Liquidity risk is represented in the factors, which may affect the Company's ability to pay part of or full amount of its liabilities. According to the Company's policy, sufficient cash balances are retained to meet the Company's current liabilities which minimize the liquidity risk.

27.2 Foreign currencies risk

- The foreign currencies exchange risk represents the risk of fluctuation in exchange rates, which in turn affects the Company's cash inflows and outflows as well as the value of its assets and liabilities in foreign currencies.
- As disclosed in note (3.1) the Company has used the prevailing exchange rates to revaluate monetary assets and liabilities at the balance sheet date.

27.3 Financial instruments' fair values

The financial instruments' fair value does not substantially deviated from their book values at the balance sheet date, according to the accounting policies to the assets and liabilities, which is included in the accompanying notes of the financial statements.

28. COMPARATIVE FIGURES

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

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