

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**

**Separate financial statements**  
**for the period ended September 30, 2011**  
**&**  
**Review report**

<b>Contents</b>	<b>Page</b>
Review report	
Separate statement of financial position	1
Separate income statement	2
Separate statement of changes in equity	3
Separate statement of cash flows	4
Accounting policies and notes to the separate financial statements	5 ~ 30



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### Review report

#### To the Board of Directors of Citadel Capital Company

##### *Introduction*

We have performed a limited review for the accompanying separate statement of financial position of Citadel Capital Company (Egyptian Joint Stock Company) as at September 30, 2011 and the related separate statements of income, changes in equity and cash flows for the nine months then ended and a summary of significant accounting policies and other explanatory notes. The Company's management is responsible for the preparation and fair presentation of these interim financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

##### *Scope of limited review*

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

##### *Conclusion*

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying interim separate financial statements do not present fairly, in all material respects, the financial position of the Company as at September 30, 2011 and of its financial performance and its cash flows for the nine months then ended in accordance with Egyptian Accounting Standards.

  
KPMG Hazem Hassan

Cairo December 22, 2011

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Separate statement of financial position**  
**as at September 30, 2011**

	note no.	30/9/2011 LE	31/12/2010 LE
<b>Current assets</b>			
Cash and cash equivalents	(4)	161 104 582	148 664 361
Due from related parties (net)	(5)	411 998 546	419 990 782
Other debit balances	(6)	9 395 018	9 858 234
Total current assets		582 498 146	578 513 377
<b>Current liabilities</b>			
Due to related parties	(7)	931 043 260	705 947 717
Current portion of long-term loans	(17)	227 492 530	96 194 363
Other credit balances	(8)	56 308 390	38 423 716
Expected claims provision	(9)	178 531 703	187 868 554
Total current liabilities		1 393 375 883	1 028 434 350
Excess of current liabilities over current assets		( 810 877 737)	( 449 920 973)
<b>Non - current assets</b>			
Available-for-sale investments	(10)	26 391 801	26 391 801
Investments in subsidiaries and associates	(11)	2 698 128 505	2 698 128 505
Payments for investments (net)	(12)	1 697 696 878	1 495 461 469
Fixed assets (net)	(13)	29 025 008	31 686 691
Other investments	(14)	404 059 708	384 588 746
Deferred tax	(15)	1 762 450	1 718 309
Total non - current assets		4 857 064 350	4 637 975 521
Total investment		4 046 186 613	4 188 054 548
<b>Financed through:</b>			
<b>Equity</b>			
Share capital	(16)	3 308 125 000	3 308 125 000
Legal reserve	(3.10)	89 578 478	89 578 478
Retained (losses) earnings		( 75 398 197)	222 926 816
		3 322 305 281	3 620 630 294
Net loss for the period / year		( 72 342 524)	( 298 325 013)
Net equity		3 249 962 757	3 322 305 281
<b>Non - current liabilities</b>			
Long term loans	(17)	796 223 856	865 749 267
Total non - current liabilities		796 223 856	865 749 267
Total equity and non - current liabilities		4 046 186 613	4 188 054 548

The accompanying notes from page 5 to 30 are an integral part of these financial statements and are to be read therewith.

Review report "attached"

Chairman  
Ahmed Heikal

Managing Director  
Hisham Hussein El Khazindar

CFO / Board Member  
Ahmed El Shamy

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Separate income statement**  
**for the period ended September 30, 2011**

	note no.	For the period		For the period	
		from 1/7/2011 to 30/9/2011	from 1/1/2011 to 30/9/2011	from 1/7/2010 to 30/9/2010	from 1/1/2010 to 30/9/2010
		LE	LE	LE	LE
Advisory fee	(21.1)	16 767 345	48 964 970	26 423 587	76 651 809
Gains on sale of investments	(18)	-	-	-	11 978 226
Other operating income	(21.3)	-	-	37 326 975	55 914 561
<b>Total operating income</b>		<b>16 767 345</b>	<b>48 964 970</b>	<b>63 750 562</b>	<b>144 544 596</b>
Administrative and general expenses	(23)	( 36 884 943)	( 111 978 876)	( 39 617 977)	( 129 364 758)
Fixed assets depreciation	(13)	( 1 029 079)	( 3 354 048)	( 2 157 998)	( 6 497 470)
<b>Net operating (loss) income</b>		<b>( 21 146 677)</b>	<b>( 66 367 954)</b>	<b>21 974 587</b>	<b>8 682 368</b>
Financing (costs) income - net	(19)	481 208	( 6 018 711)	( 2 012 048)	12 737 126
<b>Net (loss) profit before income tax</b>		<b>( 20 665 469)</b>	<b>( 72 386 665)</b>	<b>19 962 539</b>	<b>21 419 494</b>
Income tax		-	-	( 2 063 284)	( 2 063 284)
Deferred tax	(15)	( 12 952)	44 141	529 914	875 150
<b>Net (loss) profit for the period</b>		<b>( 20 678 421)</b>	<b>( 72 342 524)</b>	<b>18 429 169</b>	<b>20 231 360</b>
<b>Earnings per share</b>	(20)	<b>(0.03)</b>	<b>(0.11)</b>	<b>0.03</b>	<b>0.03</b>

The accompanying notes from page 5 to 30 are an integral part of these financial statements and are to be read therewith.

Citadel Capital Company

(Egyptian Joint Stock Company)

Separate statement of changes in equity

for the period ended September 30, 2011

	note no.	Share capital LE	Legal reserve LE	Hedging reserve LE	Retained earnings (losses) LE	Net profit (loss) for the year / period LE	Total LE
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
Profit appropriation for the year 2009	(3.10)	-	10 567 463	-	200 781 789	( 211 349 252)	-
Changes in fair value of cash flow hedges	(17)	-	-	( 12 052 492)	-	-	( 12 052 492)
Net profit for the period ended September 30, 2010		-	-	-	-	20 231 360	20 231 360
Balance as at September 30, 2010		3 308 125 000	89 578 478	( 28 934 568)	222 926 816	20 231 360	3 611 927 086
Balance as at December 31, 2010		3 308 125 000	89 578 478	-	222 926 816	( 298 325 013)	3 322 305 281
Carrying 2010 loss forward		-	-	-	( 298 325 013)	298 325 013	-
Net loss for the period ended September 30, 2011		-	-	-	-	( 72 342 524)	( 72 342 524)
Balance as at September 30, 2011		3 308 125 000	89 578 478	-	( 75 398 197)	( 72 342 524)	3 249 962 757

The accompanying notes from page 5 to 30 are an integral part of these financial statements and are to be read therewith.

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Separate statement of cash flows**  
**for the period ended September 30, 2011**

	<b>For the period ended</b>	
	<b>30/9/2011</b>	<b>30/9/2010</b>
	<b>LE</b>	<b>LE</b>
<b>Cash flows from operating activities</b>		
Net (loss) profit before tax	( 72 386 665)	21 419 494
<b>Adjustments to reconcile net (loss) profit to net cash provided from operating activities :</b>		
Fixed assets depreciation	3 354 048	6 497 470
Unrealized foreign currency differences	20 164 348	9 196 291
Credit interest	( 31 714 217)	( 25 123 681)
Gains on sale of investments in subsidiaries and associates	-	(9 575 740)
Gains on sale of available-for-sale investments	-	(2 402 486)
Provisions used	( 9 336 851)	-
Operating (loss) profit before changes in working capital	( 89 919 337)	11 348
<b>Decrease (increase) in assets</b>		
Due from related parties	9 521 116	77 500 916
Other debit balances	463 216	(1 750 175)
<b>Increase (decrease) in liabilities</b>		
Due to related parties	225 095 543	140 594 460
Other credit balances	17 884 674	( 15 555 847)
Net cash provided from operating activities	<u>163 045 212</u>	<u>200 800 702</u>
<b>Cash flows from investing activities</b>		
Payments for purchase of fixed assets	( 692 365)	( 441 333)
Payments for investments	(179 168 811)	( 456 082 902)
Proceeds from sale investments in subsidiaries and associates	-	29 434 477
Payments for purchasing of investments in subsidiaries and associates	-	( 39 222 500)
Proceeds from sale of available-for-sale investments	-	6 696 628
Payments for / proceeds from other investments	( 2 072 400)	63 119 265
Net cash used in investing activities	<u>( 181 933 576)</u>	<u>( 396 496 365)</u>
<b>Cash flows from financing activities</b>		
Proceeds from loans	31 328 585	106 700 717
Payments for hedging reserve	-	( 10 320 161)
Net cash provided from financing activities	<u>31 328 585</u>	<u>96 380 556</u>
Net change in cash and cash equivalents during the period	12 440 221	( 99 315 107)
Cash and cash equivalents at the beginning of the period	148 664 361	248 428 433
Cash and cash equivalents at the end of the period	<u>161 104 582</u>	<u>149 113 326</u>

The accompanying notes from page 5 to 30 are an integral part of these financial statements and are to be read therewith.

**Citadel Capital Company**  
**(Egyptian Joint Stock Company)**  
**Notes to the separate financial statements**  
**for the period ended September 30, 2011**

**1. Company background**

Citadel Capital Company - an Egyptian Joint Stock Company - was founded in accordance with the applicable Egyptian laws and in pursuance to law no.(159) of 1981 and its executive regulations. The Company has been registered in the commercial register at Giza under number 11121 on April 11, 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 law and regulations.

The financial statements were approved by the board of directors.

**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 at fair value

- Financial instruments at fair value through income statement.
- 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 year 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 no. (11) – measurement of the recoverable amount of investments in subsidiaries and associates.
- Note no. (15) – recognition of deferred tax.
- Note no. (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) of 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.

#### 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. The foreign currency exchange differences arising on the translation at the balance sheet date 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 no. (3.6), and are depreciated using the straight line method and recognized in income statement over the estimated productive life for each type of asset. The following are the estimated productive lives, for each class of assets, for depreciation calculation purposes:

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

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

### **3.3 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 Gains and losses from disposal of fixed assets**

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

### **3.5 Investments**

#### **3.5.1 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.

#### **3.5.2 Available-for-sale investments**

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

### **3.5.3 Investments in subsidiaries and associates**

Investments in subsidiaries and associates are stated at cost less impairment note no. (3.6). 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.

## **3.6 Impairment of assets**

### **3.6.1 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.

### **3.6.2 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.

### **3.7 Cash and cash equivalents**

Cash and cash equivalent includes the balances, which maturity not exceeding three months from the date of acquisition and the balances represented in cash on hand and banks-current accounts.

### **3.8 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.

### **3.9 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.

### **3.10 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.

### **3.11 Issued capital**

#### **3.11.1 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.

#### **3.11.2 Dividends**

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

### **3.12 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.

### **3.13 Lending**

Loans are stated at cost less any impairment losses in its value and the Company reevaluates the loans at each 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.

### **3.14 Revenues**

#### **3.14.1 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.

#### **3.14.2 Dividends income**

Dividends income is recognized in the income statement at the date that the Company has rights to receive dividends from investments and occurred after the acquisition date.

#### **3.14.3 Management fee**

Management fee is recognized upon rendering the service.

#### **3.14.4 Advisory fee**

Advisory fee is calculated based on agreed percentage in accordance with contract term with companies.

#### **3.14.5 Interest income**

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

### **3.15 Expenses**

#### **3.15.1 Interest expense**

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

#### **3.15.2 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.

#### **3.15.3 Income tax**

- Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.
- Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.
- Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or 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.

### 3.16 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 period.

### 3.17 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

	30/9/2011	31/12/2010
	LE	LE
Cash on hand	61 347	189 084
Banks – current accounts	161 043 235	148 475 277
Balance	<u>161 104 582</u>	<u>148 664 361</u>

### Non cash transactions

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

- LE 24 595 478 from proceeds from other investments and due from related parties (represents the transfer from other investments to one of the related parties).
- LE 23 066 598 from payments for investments and due from related parties (represents the transfer from related parties' current account to payments for investments).

Citadel Capital Company  
Notes to the separate financial statements  
for the period ended 30/9/2011

**5. Due from related parties**

	Nature of transaction		30/9/2011	31/12/2010
	Advisory	Finance		
	fee			
	LE	LE	LE	LE
Mena Home Furnishings Mall	8 910 649	--	8 910 649	4 867 303
Falcon Agriculture Investments Ltd.	10 947 018	--	10 947 018	13 620 957
Golden Crescent Investments Ltd.*	16 666 526	--	16 666 526	13 695 108
Orient Investments Properties Ltd.	47 869 526	--	47 869 526	39 716 159
Citadel Capital Transportation Opportunities I Ltd.	6 203 586	--	6 203 586	5 088 275
Logria Holding Ltd.*	32 766 374	--	32 766 374	31 881 898
Mena Glass Ltd.	3 379 986	--	3 379 986	4 315 533
Silverstone Capital Investment Ltd.	4 758 728	--	4 758 728	3 066 099
Sabina for Integrated Solutions	6 548 630	--	6 548 630	6 371 860
Sphinx Glass Ltd.	3 571 980	--	3 571 980	4 634 080
ASEC Cement Company	11 131 855	--	11 131 855	14 626 894
Citadel Capital Financing Corp.*	39 081 723	--	39 081 723	38 026 774
Valencia Trading Holding Ltd.	8 929 950	--	8 929 950	8 688 900
Citadel Capital Transportation Opportunities II Ltd.	4 273 260	--	4 273 260	741 725
Citadel Capital Holding for Financial Investments- Free Zone*	--	187 403 001	187 403 001	189 556 177
ASEC for Mining (ASCOM)	--	12 034 864	12 034 864	9 246 768
Citadel Capital for International Investments Ltd.*	--	15 263 273	15 263 273	66 921 097
National Company for Touristic and Property Investments	--	36 000 000	36 000 000	36 000 000
United Foundries Company	--	24 380 812	24 380 812	--
National Development and Trading Company	--	--	--	11 585 199
<b>Total</b>			<b>480 121 741</b>	<b>502 650 806</b>
Accumulated impairment *			<b>(68 123 195)</b>	<b>(82 660 024)</b>
<b>Net</b>			<b>411 998 546</b>	<b>419 990 782</b>

Citadel Capital Company  
Notes to the separate financial statements  
for the period ended 30/9/2011

\* Impairment on due from related parties are represented in:

	<b>Balance as at 1/1/2011</b>	<b>Amount used during the period</b>	<b>Foreign currency translation differences</b>	<b>Balance as at 30/9/2011</b>
	<b>LE</b>	<b>LE</b>	<b>LE</b>	<b>LE</b>
Logria Holding Ltd.	31 881 898	--	884 476	32 766 374
Golden Crescent Investments Ltd.	6 847 554	--	189 967	7 037 521
Citadel Capital Financing Corp.	27 554 865	--	764 435	28 319 300
Citadel Capital for International Investments Ltd.	11 375 707	(11 375 707)	--	--
Citadel Capital Holding for Financial Investments-Free Zone	5 000 000	(5 000 000)	--	--
<b>Balance</b>	<b>82 660 024</b>	<b>(16 375 707)</b>	<b>1 838 878</b>	<b>68 123 195</b>

**6. Other debit balances**

	<b>30/9/2011</b>	<b>31/12/2010</b>
	<b>LE</b>	<b>LE</b>
Deposits with others	221 152	1 419 652
Imprest	501 174	252 777
Advances to suppliers	504 490	234 047
Prepaid expenses	146 940	146 940
Letters of guarantee's margin	595 330	579 260
Sundry debit balances	7 425 932	7 225 558
<b>Balance</b>	<b>9 395 018</b>	<b>9 858 234</b>

**7. Due to related parties**

	<b>30/9/2011</b>	<b>31/12/2010</b>
	<b>LE</b>	<b>LE</b>
Citadel Capital Partners Ltd. *	931 043 260	705 947 717

\* The principal shareholder of the Company – 28.93%.

**8. Other credit balances**

	<b>30/9/2011</b>	<b>31/12/2010</b>
	<b>LE</b>	<b>LE</b>
Tax Authority	1 819 894	2 518 440
Accrued expenses	43 561 235	26 280 601
Accrued interest	6 965 361	3 274 852
Suppliers	795 747	3 307 561
Prior years dividends payable	2 893 919	2 893 919
National Authority for Social Insurance	229 991	106 100
Sundry credit balances	42 243	42 243
Balance	<u>56 308 390</u>	<u>38 423 716</u>

**9. Expected claims provision**

	<b>30/9/2011</b>	<b>31/12/2010</b>
	<b>LE</b>	<b>LE</b>
Balance at the beginning of the period / year	187 868 554	14 312 225
Formed during the period / year	--	173 556 329
Provisions used during the period / year	(9 336 851)	--
Balance	<u>178 531 703</u>	<u>187 868 554</u>

This provision represents contingent claims from one of the parties regarding the Company's activities. The usual information related to provisions according to the Accounting Standards has not been disclosed because management believes that disclosing could seriously affect the outcome of negotiations with this party, and the management periodically reviews this provision and adjusts the provision amount according to the latest discussions with this party.

**10. Available-for-sale investments**

	<b>30/9/2011</b>	<b>31/12/2010</b>
	<b>LE</b>	<b>LE</b>
Arab Swiss Engineering Company – ASEC	17 479	17 479
Modern Company for Isolating Materials	43 396	43 396
Horus Private Equity Fund II	10 360 126	10 360 126
Horus Private Equity Fund III	15 970 800	15 970 800
Balance	<u>26 391 801</u>	<u>26 391 801</u>

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

**11. Investments in subsidiaries and associates**

	Percentage	30/9/2011	Percentage	31/12/2010
	%	LE	%	LE
<b>11.1 Investments in subsidiaries</b>				
Citadel Capital Holding for Financial Investments-Free Zone	99.99	1 345 352 547	99.99	1 345 352 547
Citadel Capital for International Investments Ltd.	100	<u>397 854 569</u>	100	<u>397 854 569</u>
Balance		<u>1 743 207 116</u>		<u>1 743 207 116</u>
<b>11.2 Investments in associates</b>				
National Development and Trading Company	44.47	668 170 587	44.47	668 170 587
ASEC for Mining (ASCOM)	39.22	183 051 762	39.22	183 051 762
United Foundries Company	29.29	<u>103 699 040</u>	29.29	<u>103 699 040</u>
Balance		<u>954 921 389</u>		<u>954 921 389</u>
Total		<u>2 698 128 505</u>		<u>2 698 128 505</u>

- 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 100 899 859 as at September 30, 2011 versus LE 173 794 860 as at December 31, 2010.

**12. Payments for investments**

	30/9/2011	31/12/2010
	LE	LE
Citadel Capital Holding for Financial Investments- Free Zone	1 337 972 499	1 243 021 253
Citadel Capital for International Investments Ltd.	353 120 759	250 208 876
Fund Project	6 603 620	25 188 018
Forestry Project	--	2 400 624
Mammoth Project	--	<u>7 658 206</u>
Total	<u>1 697 696 878</u>	<u>1 528 476 977</u>
Impairment	--	<u>(33 015 508)</u>
Net	<u>1 697 696 878</u>	<u>1 495 461 469</u>

**13. Fixed assets**

	<b>Building and constructions</b>	<b>Computers</b>	<b>Furniture, fixture and equipments</b>	<b>Vehicles</b>	<b>Total</b>
	<b>LE</b>	<b>LE</b>	<b>LE</b>	<b>LE</b>	<b>LE</b>
Cost as at 1/1/2011	33 742 368	7 511 251	22 396 002	539 800	64 189 421
Additions during the period	--	297 224	395 141	--	692 365
<b>Total cost as at 30/9/2011</b>	<b>33 742 368</b>	<b>7 808 475</b>	<b>22 791 143</b>	<b>539 800</b>	<b>64 881 786</b>
Accumulated depreciation as at 1/1/2011	6 748 473	6 036 592	19 324 061	393 604	32 502 730
Depreciation during the period	1 265 340	951 721	1 035 775	101 212	3 354 048
<b>Accumulated depreciation as at 30/9/2011</b>	<b>8 013 813</b>	<b>6 988 313</b>	<b>20 359 836</b>	<b>494 816</b>	<b>35 856 778</b>
<b>Carrying amounts at 30/9/2011</b>	<b>25 728 555</b>	<b>820 162</b>	<b>2 431 307</b>	<b>44 984</b>	<b>29 025 008</b>
<b>Carrying amounts at 31/12/2010</b>	<b>26 993 895</b>	<b>1 474 659</b>	<b>3 071 941</b>	<b>146 196</b>	<b>31 686 691</b>

**14. Other investments**

Other investments are represented in loans granted to subsidiaries and associates as follows:

	<b>30/9/2011</b>	<b>31/12/2010</b>
	<b>LE</b>	<b>LE</b>
National Development and Trading Company *	--	313 082 482
Sequoia Willow Investments Ltd. *	349 379 296	--
United Foundries Company **	54 680 412	71 506 264
<b>Balance</b>	<b>404 059 708</b>	<b>384 588 746</b>

- \* The Company has granted two subordinating loans to National Development and Trading Company – (one of the associate companies - 44.47%) dated December 28, 2009 and September 21, 2010 with amounts of US.\$ 40 968 630 and US.\$ 8 064 887 respectively. The loans contracts period is five years, the principle of the two loans have to be paid with interest at the end of loans period, with 11.5% annual cumulative interest, according to loans contracts the Company has the right to convert the value of loans in addition to its interest due into capital increase in the capital of National Development and Trading Company with par value at the end of loans period.

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

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

The Company has transferred the total value of the two loans due from National Development and Trading Company in addition to the accrued interest to one of the subsidiaries - 100% Sequoia Willow Investments Ltd. as at January 10, 2011 according to the original contacts terms granted to National Development and Trading Company. The value of the two loans is US.\$ 58 686 661 (equivalent to LE 349 379 296 as at September 30, 2011) against US.\$ 54 048 697 (equivalent to LE 313 082 482 as at December 31, 2010) including accrued interest from the beginning of loans period amounted to US.\$ 9 653 144 (equivalent to LE 57 468 062 as at September 30, 2011) against US.\$ 5 015 180 (equivalent to LE 29 050 932 as at December 31, 2010).

- \*\* The Company has concluded a subordinating loan contract with United Foundries Company (one of the associate companies - 29.29%) on June 2, 2010 with an amount of US.\$ 11 563 187 for a period of three years, the principle of the loan has to be paid with interest at the end of the loan period, with 11.5% annual cumulative interest , according to the loan contract the Company has the right to convert the value of the loan in addition

to its interest due into capital increase in the capital of United Foundries Company with par value at the end of loan period.

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

The Company has transferred an amount of US.\$ 3 995 518 (equivalent to LE 23 254 510) from the loan's principle during the period in addition to an interest amounted to US.\$ 230 407 (equivalent to LE 1 340 968) to Financial Holding International Company (one of United Foundries Company's shareholders) in addition to settle an amount of US.\$ 357 406 (equivalent to LE 2 072 400) as additional contribution in this loan to become with an amount of US.\$ 9 184 891 (equivalent to LE 54 680 412 as at September 30, 2011) against US.\$ 12 344 416 (equivalent to LE 71 506 264 as at December 31, 2010) including accrued interest from the beginning of loan period amounted to US.\$ 1 259 816 (equivalent to LE 7 500 063 as at September 30, 2011) against US.\$ 781 229 (equivalent to LE 4 525 347 as at December 31, 2010).

**15. Deferred tax**

	30/9/2011	31/12/2010
	LE	LE
Fixed assets (depreciation)	<u>1 762 450</u>	<u>1 718 309</u>

**16. Share capital**

- The Company's authorized capital is LE 6 Billion and the issued and paid-in capital is LE 3 308 125 000 represents 661 625 000 shares distributed to 496 218 750 ordinary shares and 165 406 250 preferred shares with par value LE 5 per share.
- The preferred share has the advantage of triple voting right comparing with ordinary share on the decisions of the Company's extraordinary and ordinary general assembly meetings according to the decision of the Company's extraordinary general assembly meeting held on May 12, 2008 and also paragraph no.(3) of article no.(18) of the Company's article of associations. Those preferred shares are owned by Citadel Capital Partners Ltd. the principle shareholder of the Company.



The shareholders' structure is represented as follows:

Shareholders' name	Percentage %	No. of shares	Value in LE
Citadel Capital Partners Ltd.	28.93	191 406 250	957 031 250
Emirates International Investments Company	8.37	55 362 835	276 814 175
Others	62.70	414 855 915	2 074 279 575
	100	661 625 000	3 308 125 000
	=====	=====	=====

- The Company's extraordinary general assembly meeting held on August 3, 2011 decided to increase the issued capital from LE 3 308 125 000 to be LE 4 358 125 000 with an increase of LE 1 050 000 000 by issuing new 210 000 000 shares with par value LE 5 each and accordingly the total number of shares after increase is 871 625 000 shares distributed to 653 718 750 ordinary shares and 217 906 250 preferred shares. The share capital increase was paid in full during October 2011. The commercial register was updated on October 23, 2011.

#### 17. Long term 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 City Bank London "syndication manager" ) with an amount of US.\$ 200 millions for a period of five years (US.\$150 millions committed and US.\$ 50 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.\$ 191 064 225 till March 31, 2011 and the Company paid the first stage installment on May 15, 2011 amounted to US.\$ 19 106 422 , accordingly the balance of loan is US.\$ 171 957 803 (equivalent to LE 1 023 716 386 as at September 30, 2011) against an amount of US.\$ 166 064 225 (equivalent to LE 961 943 630 as at December 31, 2010), and the second stage installment due on May 15, 2012 is amounted to US.\$ 38 212 845 (equivalent to LE 227 492 530) against an amount of US.\$ 16 606 423 (equivalent to LE 96 194 363 as at December 31, 2010).

The loan guarantees are as follows:

- 1- First degree lien contract of the shares owned by the Company in National Development and Trading Company.
  - 2- First degree lien contract of 13 727 872 shares of ASEC for mining (ASCOM).
  - 3- First degree lien contract of the shares owned by the Company in Citadel Capital Ltd. (One of the subsidiaries of Citadel Capital Holding for Financial Investments-Free Zone).
  - 4- First degree lien contract of the investments owned by Citadel Capital Ltd. (One of the subsidiaries of Citadel Capital Holding for Financial Investments-Free Zone) in the following companies:
    - Orient Investments Properties Ltd.
    - Logria Holding Ltd.
    - Golden Crescent Investments Ltd.
    - Falcon Agriculture Investments Ltd.
    - Silverstone Capital Investment Ltd.
    - Mena Glass Ltd.
    - Mena Home Furnishings Mall.
    - Valencia Trading Holding Ltd.
    - Andalusia Trading Investments Ltd.
    - Citadel Capital Transportation Opportunities I Ltd.
    - Lotus Alliance Limited.
    - Citadel Capital Financing Corp.
  - 5- First degree lien pledge of the investments of Citadel Capital for International Investments Ltd. – (one of the subsidiaries – 100%) – in the Egyptian Sudanese Bank (Sudanese Joint Stock Company).
- The bank interest on loan recorded in the income statement during the period is LE 41 275 493 - note no. (19).

**Hedging contract for risk of interest rate swap**

On May 15, 2008 the Company signed a hedging contract with Citi Bank – London where by fixing the libor rate on the loan at an interest rate of 4.195 % on the value that equals 50 % of the amount used from the irrevocable portion the loan value in accordance with the terms of the loan granted.

Costs related to this contract are recognized in the item of financing costs – note no.(19) and that is mentioned in note no.(3.12).

**18. Gains on sale of investments**

	For the period		For the period	
	from 1/7/2011 to 30/9/2011	from 1/1/2011 to 30/9/2011	from 1/7/2010 to 30/9/2010	from 1/1/2010 to 30/9/2010
	LE	LE	LE	LE
Gains on sale of investments in subsidiaries	-	-	-	9 575 740
Gains on sale of available-for-sale investments	-	-	-	2 402 486
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11 978 226</b>

**19. Financing (costs) income**

	For the period		For the period	
	from 1/7/2011 to 30/9/2011	from 1/1/2011 to 30/9/2011	from 1/7/2010 to 30/9/2010	from 1/1/2010 to 30/9/2010
	LE	LE	LE	LE
Credit interest *	14 606 759	41 591 537	11 945 357	44 866 256
Debit interest **	(13 008 152)	(41 275 493)	(14 130 570)	(26 611 981)
Foreign currency differences	(1 117 399)	(6 334 755)	173 165	(5 517 149)
<b>Net</b>	<b>481 208</b>	<b>(6 018 711)</b>	<b>(2 012 048)</b>	<b>12 737 126</b>

\* Note no.(21.2).

\*\* Note no.(17).

**20. Earnings per share**

	For the period		For the period	
	from 1/7/2011 to 30/9/2011	from 1/1/2011 to 30/9/2011	from 1/7/2010 to 30/9/2010	from 1/1/2010 to 30/9/2010
	LE	LE	LE	LE
Net (loss) profit for the period	(20 678 421)	(72 342 524)	18 429 169	20 231 360
The weighted average number of shares	661 625 000	661 625 000	661 625 000	661 625 000
<b>Earnings per share</b>	<b>(0.03)</b>	<b>(0.11)</b>	<b>0.03</b>	<b>0.03</b>

## 21. Related party transactions

The Company transact with related parties on the same basis of transacting with another parties and related parties transactions are presented as follows:

21.1 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	Accrued	Advisory fee		Advisory fee recognized	
	advisory fee	Recognized		according contracts	
	according				
	to contracts				
	For the period	For the period		For the period	
	Ended	from 1/7/2011	from 1/1/2011	from 1/7/2010	from 1/1/2010
	30/9/2011	to 30/9/2011	to 30/9/2011	to 30/9/2010	to 30/9/2010
		LE	LE	LE	LE
Mena Glass Ltd.	3 361 459	1 125 943	3 361 459	1 090 708	3 096 808
Mena Home Furnishings Mall	3 886 894	1 301 941	3 886 894	1 245 422	3 464 763
Citadel Capital Transportation					
Opportunities I Ltd.	968 811	324 510	968 811	1 386 604	3 889 886
Falcone Agriculture Investments Ltd.	10 887 395	3 675 488	10 887 395	3 382 059	9 770 820
Logria Holding Ltd. *	26 978 201	--	--	8 919 613	26 189 597
Golden Crescent Investments Ltd. *	5 154 556	863 278	2 577 278	1 651 603	4 849 397
Orient Investment properties Ltd.	7 012 669	2 368 115	7 012 669	3 653 038	10 421 967
Sphinx Glass Ltd.	3 552 400	1 189 900	3 552 400	1 138 240	3 342 080
ASEC Cement Company	10 867 943	3 749 000	10 867 943	3 529 460	10 363 138
Silverstone Capital Investment Ltd.	1 598 758	535 514	1 598 758	426 840	1 263 353
Citadel Capital Transportation					
Opportunities II Ltd.	4 251 363	1 633 656	4 251 363	--	--
<b>Total</b>	<b>78 520 449</b>	<b>16 767 345</b>	<b>48 964 970</b>	<b>26 423 587</b>	<b>76 651 809</b>

\* The Company did not recognize advisory fees related to those Companies according to signed contracts due to inadequate assurance concerning the revenue recognition and collection conditions.

21.2 Credit interest – finance income note no.(19) includes an amount of LE 40 166 013 which represent the accrued interest income according to signed contracts with related parties as follows:

Company's name	For the period		For the period	
	from 1/7/2011 to 30/9/2011	from 1/1/2011 to 30/9/2011	from 1/7/2010 to 30/9/2010	from 1/1/2010 to 30/9/2010
	LE	LE	LE	LE
Sequoia Willow Investments Ltd.	9 354 821	27 461 433	--	--
National Development and Trading Company	--	--	6 502 389	22 401 667
United Foundries Company	2 038 291	5 066 083	1 390 127	2 722 014
Citadel Capital Holding for Financial Investments-Free Zone	2 077 863	5 391 412	3 914 245	16 329 932
Citadel Capital for International Investments Ltd.	729 695	2 247 085	(104 225)	2 628 449
<b>Total</b>	<b>14 200 670</b>	<b>40 166 013</b>	<b>11 702 536</b>	<b>44 082 062</b>

21.3 Other operating income presented in the income statement is represented in:

21.3.1 The amounts due from the subsidiaries due to bearing the Company all the direct and indirect pre-operation fees.

Company's name	For the period		For the period	
	from 1/7/2011 to 30/9/2011	from 1/1/2011 to 30/9/2011	from 1/7/2010 to 30/9/2010	from 1/1/2010 to 30/9/2010
	LE	LE	LE	LE
Citadel Capital Financing Corp.	--	--	17 626 600	17 626 600
Eco-Logic Ltd.	--	--	--	10 070 736
Valencia Trading Holding Ltd.	--	--	--	8 516 850
<b>Total</b>	<b>--</b>	<b>--</b>	<b>17 626 600</b>	<b>36 214 186</b>

21.3.2 The amounts due from Citadel Capital Financing Corp. as accrued management fees with an amount of LE 19 700 375 according to a signed contract for the period ended September 30, 2010.

## **22. Tax Status**

### **Corporate tax**

- The Company submitted its tax returns on regular basis for the years from 2005 to 2010 according to tax law No 91/2005. The Company's books have not been inspected yet.

The Supreme Council of the Armed Forces issued the Decree Law No. 51 of 2011 amending some provisions of the Income Tax Law promulgated by Law No. 91 of 2005 where the amendment of Article (49 / first paragraph) as follows: The tax base nearest ten pounds less is subject to tax in accordance with the following two tranches:

- First tranche: up to ten million pounds at 20%.
  - Second tranche: more than ten million pounds at 25%.
- instead of 20% of the entire tax base.

### **Salaries tax**

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

### **Stamp tax**

The Company was inspected till July 31, 2006 and paid all the accrued amounts according to the Internal Committee decision and no tax inspection for the period from 1/8/2006 to 31/12/2010 has been taken place yet.

### **Withholding tax**

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

**23. Administrative and general expenses**

Company's name	For the period		For the period	
	from 1/7/2011 to 30/9/2011	from 1/1/2011 to 30/9/2011	from 1/7/2010 to 30/9/2010	from 1/1/2010 to 30/9/2010
	LE	LE	LE	LE
Wages , salaries and similar items	25 796 782	78 388 125	16 521 652	81 057 032
Consultancy	4 001 484	10 122 139	692 056	5 392 614
Advertising and public relations	1 847 465	6 480 485	4 079 337	8 679 836
Travel , accommodation and transportation	1 809 804	5 302 704	7 048 327	15 617 087
Management fees –note no. (24)	--	--	2 276 940	2 477 183
Other expenses	3 429 408	11 685 423	8 999 665	16 141 006
<b>Total</b>	<b>36 884 943</b>	<b>111 978 876</b>	<b>39 617 977</b>	<b>129 364 758</b>

**24. Management fees**

The Company's extraordinary general assembly meeting held on May 12, 2008 approved the management contract with Citadel Capital Partners Ltd. (the principal shareholder of – 28.93 %) which states that Citadel Capital Partners Ltd. provides management duties for fees based on 10% of the net annual profit available for distribution. The total fees for the period ended September 30, 2011 are nil against an amount of LE 2 477 183 as at September 30, 2010 which was recorded in the administrative and general expenses.

**25. 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.

**26. Contingent liabilities and commitments**

The Company guarantees some of its related parties against the loans and credit facilities granted from banks.

**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 and debtors while financial liabilities include 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 Credit risk**

Credit risk is the risk that one party will fail to discharge his obligation and cause the other party to incur financial loss. The financial assets representing amounts due from customers. Strict credit control is maintained and further appropriate level of impairment loss is made. The credit risk on financial instrument by ensuring that investments are made only after careful credit evaluation for these assets.

**27.2 Liquidity risk**

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

**27.3 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. Assets and liabilities that have foreign currency position at the financial position date equivalent to LE 852 880 218 and LE 1 082 241 492 respectively, and net foreign currencies balances are as follows:

Foreign currencies	(Deficit) / surplus
	LE
US.\$	(235 807 406)
Euro	6 446 132



- As disclosed in note no. (3.1) the Company has used the prevailing exchange rates to revalue monetary assets and liabilities at the financial position date.

#### **27.4 Financial instruments' fair values**

According to the valuation bases used to evaluate the assets and liabilities of the company which have been stated in the accompanying notes to the financial position, the financial instruments' fair value does not substantially deviate from their book values at the financial position date .

#### **27.5 Interest rate risk**

The Company's income and operating cash flows are substantially independent of changes in market interest rates. As the market dictates, the Company sometimes borrows at variable rates leaving certain exposure to changes in interest rate risk. And as mentioned in note no. (17) the Company has Hedging contract for risk of interest rate swap which decreases the effect of changes in interest rate over the Company's activities.

#### **28. Subsequent events**

During November 2011 OPIC has approved granting the Company loan with an amount of US.\$ 150 millions for a period of 10 years and the contract did not signed till the date of financial statements .