Citadel Capital Company
(Egyptian Joint Stock Company)

Separate financial statements
for the year ended December 31, 2014
&
Auditor's report

kpmg **Hazem Hassan**
Public Accountants & Consultants

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Auditor’s report

To the shareholders of Citadel Capital Company

We have audited the accompanying separate financial statements of Citadel Capital Company (Egyptian Joint Stock Company), which comprise the separate balance sheet as at December 31, 2014 and the separate 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, 2014 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, April 29, 2015

Citadel Capital Company
(Egyptian Joint Stock Company)
Separate balance sheet
as at December 31, 2014

	Note	31/12/2014 EGP	31/12/2013 EGP
Current assets			
Cash and cash equivalents	(4)	258 755 014	221 456 439
Due from related parties (net)	(5)	1 557 801 522	1 414 146 063
Loans to subsidiaries	(15-1)	416 061 844	519 975 202
Other debit balances	(6)	5 705 988	2 309 034
Total current assets		2 238 324 368	2 157 886 738
Current liabilities			
Due to related parties	(7)	457 027 372	42 514 767
Current portion of long-term loans	(19)	1 086 800 651	921 477 765
Tax Authority		59 519 037	36 615 589
Other credit balances	(8)	63 644 571	58 827 116
Expected claims provision	(9)	191 090 676	194 090 676
Total current liabilities		1 858 082 307	1 253 525 913
Working capital		380 242 061	904 360 825
Non - current assets			
Available-for-sale investments	(10)	23 766 164	23 766 164
Investments in subsidiaries and associates	(11)	5 142 836 403	2 698 191 548
Payments for investments	(12)	3 532 161 183	3 891 688 249
Fixed assets (net)	(13)	21 089 479	22 160 968
Projects under construction	(14)	681 959	-
Loans to subsidiaries	(15-2)	162 689 196	148 990 801
Deferred tax	(16)	620 572	788 824
Total non - current assets		8 883 844 956	6 785 586 554
Total investment		9 264 087 017	7 689 947 379
Financed through:			
Equity			
Share capital	(17)	8 000 000 000	4 358 125 000
Reserves	(3.10/3.12)	(131 796 012)	89 578 478
Retained loss		(241 439 209)	(251 929 613)
		7 626 764 779	4 195 773 865
Net (loss) profit for the year		(45 603 979)	10 490 404
Net equity		7 581 160 800	4 206 264 269
Shareholders' credit balances	(18)	836 842 865	2 323 160 875
Total equity		8 418 003 665	6 529 425 144
Non - current liabilities			
Long term loans	(19)	846 083 352	1 160 522 235
Total non - current liabilities		846 083 352	1 160 522 235
Total equity and non - current liabilities		9 264 087 017	7 689 947 379

The accompanying notes from page 5 to 39 are an integral part of these financial statements and are to be read therewith.

" Auditor's report "attached

Chairman	Managing Director	Chief Financial Officer
Ahmed Heikal	Hisham Hussein El Khazindar	Moataz Farouk

Citadel Capital Company

(Egyptian Joint Stock Company)

Separate income statement

for the year ended December 31, 2014

		For the year ended	
	Note	**31/12/2014**	**31/12/2013**
		EGP	**EGP**
Dividend income	(20)	6 217 800	31 230 000
Advisory fee	(22.1)	82 092 554	95 404 015
Administrative and general expenses	(23)	(149 738 863)	(137 752 678)
Fixed assets depreciation	(13)	(1 855 179)	(2 581 637)
Expected claims provision	(9)	-	(1 600 000)
Net operating loss		(63 283 688)	(15 300 300)
Finance income (net)	(21)	17 847 961	25 694 967
Net (loss) profit before tax		(45 435 727)	10 394 667
Deferred tax	(16)	(168 252)	95 737
Net (loss) profit for the year		(45 603 979)	10 490 404
Earnings per share	(26)	(0.04)	0.02

The accompanying notes from page 5 to 39 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 year ended December 31, 2014

	Note	Share capital	Reserves: Legal reserve	Reserves: Share based payment reserve	Retained (loss) earnings	Net (loss) profit for the year	Shareholders' credit balances	Total
		EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance as at December 31, 2012		4 358 125 000	89 578 478	-	(185 528 480)	(66 401 133)	-	4 195 773 865
Carrying 2012 loss forward		-	-	-	(66 401 133)	66 401 133	-	-
Shareholders' credit balances	(18)	-	-	-	-	-	2 323 160 875	2 323 160 875
Net profit for the year ended December 31, 2013		-	-	-	-	10 490 404	-	10 490 404
Balance as at December 31, 2013		4 358 125 000	89 578 478	-	(251 929 613)	10 490 404	2 323 160 875	6 529 425 144
Carrying 2013 profit forward		-	-	-	10 490 404	(10 490 404)	-	-
Share-based payment reserve	(3.12)	-	-	(221 374 490)	-	-	-	(221 374 490)
Shareholders' credit balances	(18)	-	-	-	-	-	2 154 214 550	2 154 214 550
Share capital increase	(17,18)	3 641 875 000	-	-	-	-	(3 640 532 560)	1 342 440
Net loss for the year ended December 31, 2014		-	-	-	-	(45 603 979)	-	(45 603 979)
Balance as at December 31, 2014		8 000 000 000	89 578 478	(221 374 490)	(241 439 209)	(45 603 979)	836 842 865	8 418 003 665

The accompanying notes from page 5 to 39 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 year ended December 31, 2014

	Note	For the year ended 31/12/2014 EGP	For the year ended 31/12/2013 EGP
Cash flows from operating activities			
Net (loss) profit before tax		(45 435 727)	10 394 667
Adjustments to reconcile net (loss) profit to net cash provided from (used in) operating activities :			
Fixed assets depreciation		1 855 179	2 581 637
Unrealized foreign currency differences		(21 239 520)	(9 014 073)
Interest income		(53 479 049)	(61 884 992)
Consultancy fees		6 366 179	-
Formed provisions		-	1 600 000
Interest expense		2 639 285	-
Provisions used		(3 000 000)	(2 837 229)
Operating loss before changes in current assets and liabilities		(112 293 653)	(59 159 990)
Assets			
Due from related parties		(124 127 490)	(68 797 019)
Other debit balances		(3 396 954)	(621 646)
Liabilities			
Due to related parties		275 213 369	(15 209 775)
Tax Authority		22 903 448	13 774 815
Other credit balances		4 817 455	(3 998 173)
Net cash provided from (used in) operating activities		63 116 175	(134 011 788)
Cash flows from investing activities			
Payments for investments		(36 733 506)	(14 153 847)
Payments for purchasing fixed assets		(783 690)	(61 398)
Payments for projects under construction		(681 959)	-
Payments for purchasing available- for- sale investments		-	(543)
Proceeds from loans to subsidiaries		159 850 000	-
Net cash provided from (used in) investing activities		121 650 845	(14 215 788)
Cash flows from financing activities			
Issue of share capital		1 342 440	-
Payments for loans		(212 991 901)	-
Payments for shareholders' credit balances		(2 139 135)	-
Net cash used in financing activities		(213 788 596)	-
Net change in cash and cash equivalents during the year		(29 021 576)	(148 227 576)
Cash and cash equivalents at the beginning of the year	(4)	287 776 590	369 684 015
Cash and cash equivalents at the end of the year	(4)	258 755 014	221 456 439

Non-cash transactions note (4).

The accompanying notes from page 5 to 39 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 year ended December 31, 2014

1. Company background

- Citadel Capital Company - an Egyptian Joint Stock Company - founded in accordance with the applicable Egyptian laws and in pursuance to law no. (159) of 1981 and its executive regulations. The Company has registered in the commercial register at Giza under number 11121 on April 13, 2004. The purpose of the Company represented as follows:
  - Providing consultancy in financial and financing fields for different companies and preparing and presenting the feasibility studies in the economical, engineering, technological, marketing, financing, managing, 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.
- On October 20, 2013 the extra ordinary general assembly has agreed on amending the statute of the Company in accordance with the Capital Market Law and its executive regulations on the basis that the Company is involved in establishing other companies and participating in the capital increases of other companies pursuant to the provision of article no.(27) of the Capital Market Law and article no.(122) of its executive regulations, provided that required legal procedures for amending the statute of the company will take place after completing the required legal procedures for the aforementioned capital increase.

- The Company will be known as "Qalaa Holdings" in the English language. Qalaa has been the firm's Arabic name since it was founded in 2004. Subsequently to the successful completion of the capital increase to EGP 8 billion, the company has transformed its business model from being a private equity company to an investment company with a focus on business segments of energy, cement, agrifoods, transportation & logistics, and mining. The required procedures to amend the Company's commercial register are taking place.

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 board approved the financial statements on April 29, 2015.

2.2 Basis of measurement

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

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

2.3 Functional and presentation currency

These financial statements presented in Egyptian pounds (EGP), 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 based on historical experience and various other factors that 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 reviewed on an ongoing basis. Revisions to accounting estimates recognized in the period in which the estimate 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 described in the following notes:

- Note no. (9) – provisions.
- Note no. (11) – measurement of the recoverable amount of investments in subsidiaries and associates.
- Note no. (16) – recognition of deferred tax.

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 balance sheet, 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 transactions

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	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 bring 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 recorded in the income statements.

3.5 Investments

3.5.1 Investments at fair value through income statement

An investment classified as at fair value through income statement if it held for trading or designated as such upon initial recognition. Financial investments 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 recognized in income statement when incurred. Financial instruments at fair value through income statement measured at fair value, and changes therein 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 note no. (3.6) 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 valued by an accepted valuation techniques including the use of new objective techniques or discounted cash flow analysis or option pricing models or other valuation techniques – if the company cannot estimate the fair value, it can be stated at cost less impairment loss.

3.5.3 Investments in subsidiaries and associates

Investments in subsidiaries and associates 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 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 calculated by reference to its current fair value.
- Individually significant financial assets tested for impairment on an individual basis. The remaining financial assets assessed collectively in groups that share similar credit risk characteristics.

  All impairment losses recognized in income statement. Any cumulative loss in respect of an available-for-sale financial asset recognized previously in equity 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 recognized in income statement. For available-for-sale financial assets that are equity securities, the reversal 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, 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 and cash flow statement has been prepared in indirect method.

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 Share-based payments

For equity-settled share-based payment transactions, the entity shall measure the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the entity cannot estimate reliably the fair value of the goods or services received, the entity shall measure their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

The entity shall settle the grant of equity instruments during the vesting period with the amount that would otherwise have been recognized for services received. The entity accounted for any settlements as a deduction from equity based on the final share price when the options are exercised.

3.13 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 and at the balance sheet date, the changes in fair value include as follows:-

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.

3.14 Lending

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

3.15 Revenues

Revenues comprise the fair value of the consideration received or receivable for services in the ordinary course of the Company’s activities. Revenue is shown net of sales tax, rebates, and discounts.

The Company recognises revenues when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company’s activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction, and the specifics of each arrangement.

3.15.1 Gains (losses) on sale of investments

Gains (losses) resulted from sale of financial investments & investments property are recognized on transaction date and measured by the difference between cost and selling price less selling commission and expenses.

3.15.2 Dividend income

Dividend 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.

3.15.3 Management fee

Management fee is calculated based on agreed percentage in accordance with contract term with a managed companies using accrual basis of accounting.

3.15.4 Advisory fee

Advisory fee is calculated based on agreed percentage in accordance with contract term with a managed companies using accrual basis of accounting.

3.15.5 Interest income

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

3.16 Expenses

3.16.1 Interest expense

Interest expense on interest - bearing borrowing is recognized in the income statement during the period the company was charged these expenses using the effective interest rate method.

3.16.2 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 only. Contributions are charged to income statement using the accrual basis of accounting.

3.16.3 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.

3.17 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.

3.18 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

	31/12/2014 EGP	31/12/2013 EGP
Cash on hand	44 820	451 869
Banks – current accounts	258 710 194	221 004 570
Cash and cash equivalents as previously presented in the balance sheet	258 755 014	221 456 439
Effect of exchange rate changes	--	66 320 151
Cash and cash equivalents adjusted	258 755 014	287 776 590

Non-cash transactions

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

- EGP 2 167 786 602 from change in payments for investments and the change in investments in subsidiaries and associates (transferred from payments for investments to investments in subsidiaries and associates).

- EGP 1 112 034 597 from change in investment in subsidiaries and associates and shareholders' – credit balances (represents the value of investments purchased by the Company to one of its subsidiaries Citadel Capital for International investments Ltd).

- EGP 23 750 000 from change in due from related parties and shareholders' – credit balances – (represents the value of employees bonus have been charged to Citadel Capital Ltd. BVI -indirectly subsidiary- Subsidiary to Citadel Capital Holding for Financial Investments-Free Zone).

- EGP 13 778 325 from change in investment in subsidiaries and associates and shareholders' –credit balances (represents the value of investment in Pharos Holding Co.).

- EGP 221 374 490 from change in reserves and change in investments in subsidiaries (represents the change in share based payments reserve).

- EGP 3 640 532 560 from change in capital and shareholders' – credit balances (represents the value of the increase in capital from shareholders' – credit balances).

- EGP 848 954 639 from change in payments for investments and investments in subsidiaries (represents the value of amounts transferred from investment in Citadel Capital for International Investments Ltd. to investment in Citadel Capital Holding for Financial Investment – Free Zone).

- EGP 11 082 156 from change in payments for investments and due to related parties (represents the value of amounts transferred from Citadel Capital for International Investments Ltd. current account to payment for investment in Citadel Capital Holding for Financial Investment – Free Zone).

- EGP 6 334 811 from change in shareholders' – credit balances and due to related parties (represents the value of amounts settled by Citadel Capital for International Investments Ltd. on behalf of the Company).

- EGP 3 575 000 from change in payments for investments and due from related parties (represents the value of amount transferred from Citadel Capital Joint Investment Fund Management Ltd. current account to investment in Citadel Capital Holding for Financial Investment – Free Zone).

- EGP 60 000 000 from change in payments for investments and due from related parties (represents the value of payments for investments in ASEC Cement Company).
- EGP 19 997 300 from change in due to related parties and shareholders'-credit balances (closing shareholders' – credit balances of Citadel Capital Partners Ltd. in current account).
- EGP 805 382 204 from change in payments for investments and change in shareholders' – credit balances (represents the value of investments purchased by the Company to one of its subsidiaries Citadel Capital for International Investments Ltd).
- EGP 42 532 000 from change in due to related parties and payments under investments (represents the value of investments in many strategically and specialized sectors as energy, mining, cement and nutrition).

5. Due from related parties

	Nature of transaction		31/12/2014	31/12/2013
	Advisory fee	Finance		
	EGP	EGP	EGP	EGP
Mena Home Furnishings Mall	18 807 739	--	18 807 739	12 152 777
Falcon Agriculture Investments Ltd.	54 005 619	--	54 005 619	34 838 945
Golden Crescent Investments Ltd.	27 279 037	--	27 279 037	26 477 835
Citadel Capital Transportation Opportunities Ltd.	4 852 083	--	4 852 083	3 028 873
Logria Holding Ltd. *	39 352 892	--	39 352 892	38 197 073
Mena Glass Ltd.	16 237 649	--	16 237 649	10 507 159
Silverstone Capital Investment Ltd.	6 889 455	--	6 889 455	6 689 876
Sabina for Integrated Solutions	7 865 000	--	7 865 000	7 634 000
ASEC Cement Company	17 875 000	79 918 945	97 793 945	133 783 175
Citadel Capital Financing Corp. *	46 937 720	--	46 937 720	45 559 129
Valencia Trading Holding Ltd.	10 725 006	--	10 725 006	10 410 001
Citadel Capital Transportation Opportunities II Ltd.	15 706 387	--	15 706 387	7 622 535
Citadel Capital Holding for Financial Investments-Free Zone	--	952 758 861	952 758 861	922 707 073
ASEC Company for Mining (ASCOM)	--	158 319 300	158 319 300	115 352 473
United Foundries Company	--	71 166 782	71 166 782	58 963 434
National Development and Trading Company	--	44 753 935	44 753 935	3 550 087

	Nature of transaction Advisory fee	Finance	31/12/2014	31/12/2013
	EGP	EGP	EGP	EGP
Ledmore Holdings Ltd.	4 562 133	--	4 562 133	2 702 245
Africa Railways Limited	8 563 298	--	8 563 298	1 960 550
Mena Joint Investment Fund GP	12 010 356	--	12 010 356	9 870 510
Citadel Capital Joint Investment Fund Management Ltd.	5 763 393	--	5 763 393	7 430 298
Africa JIF HOLD CO I	1 823 250	--	1 823 250	1 281 472
Africa JIF HOLD CO III	3 261 980	--	3 261 980	4 165 889
Mena JIF HOLD CO I	1 824 630	--	1 824 630	1 281 466
Crondall Holdings Ltd.	12 633 070	--	12 633 070	12 262 028
International Company for Mining Consultation	--	136 000	136 000	--
Total			1 624 029 520	1 478 428 903
Accumulated impairment *			(66 227 998)	(64 282 840)
Net			1 557 801 522	1 414 146 063

* Accumulated impairment on due from related parties represented in:

	Balance as at 1/1/2014	Foreign currency translation differences	Balance as at 31/12/2014
	EGP	EGP	EGP
Logria Holding Ltd.	38 197 073	1 155 819	39 352 892
Citadel Capital Financing Corp.	26 085 767	789 339	26 875 106
Balance	64 282 840	1 945 158	66 227 998

6. Other debit balances

	31/12/2014	31/12/2013
	EGP	EGP
Deposits with others	175 500	221 152
Impress	3 197 970	594 377
Letters of guarantee’s margin	715 000	694 000
Taxes deducted by others	868 058	648 259
Prepaid expenses	144 000	144 000
Sundry debit balances	605 460	7 246
Balance	5 705 988	2 309 034

7. Due to related parties

	31/12/2014 EGP	31/12/2013 EGP
Citadel Capital Partners Ltd. *	4 174 167	110 770 360
Citadel Capital for International Investments Ltd.	452 853 205	(68 255 593)
Balance	457 027 372	42 514 767

* The main shareholder of the Company – 27.60%.

8. Other credit balances

	31/12/2014 EGP	31/12/2013 EGP
Accrued expenses	18 055 767	38 747 640
Accrued interest	32 683 393	3 817 000
Suppliers	9 606 813	13 018 972
Prior years dividends payable	2 893 919	2 893 919
National Authority for Social Insurance	362 436	307 342
Sundry credit balances	42 243	42 243
Balance	63 644 571	58 827 116

9. Expected claims provision

	31/12/2014 EGP	31/12/2013 EGP
Balance at the beginning of the year	194 090 676	195 327 905
Formed during the year	--	1 600 000
Provisions used during the year	(3 000 000)	(2 837 229)
Balance	191 090 676	194 090 676

This provision represents contingent claims from some 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 these parties, and the management periodically reviews this provision and adjusts the provision amount according to the latest discussions with these parties.

10. Available-for-sale investments

	31/12/2014	31/12/2013
	EGP	EGP
Arab Swiss Engineering Company – ASEC	17 479	17 479
Modern Company for Isolating Materials	43 396	43 396
EFG Capital Partners Fund II	7 734 489	7 734 489
EFG Capital Partners Fund III	15 970 800	15 970 800
Balance	23 766 164	23 766 164

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

11. Investments in subsidiaries and associates

	Percentage	31/12/2014	Percentage	31/12/2013
	%	EGP	%	EGP
11.1 Investments in subsidiaries				
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	2 828 721 099	100	397 854 569
National Development and Trading Company *	47.65	668 170 587	47.65	668 170 587
United Foundries Company *	29.29	103 699 040	29.29	103 699 040
International Company for Mining Consultation	99.99	62 500	99.99	62 500
ASEC Cement Company *	0.000002	543	0.000002	543
Balance		4 946 006 316		2 515 139 786
11.2 Investments in associates				
ASEC Company for Mining (ASCOM)	39.22	183 051 762	39.22	183 051 762
Pharos Holding Co.**/***	27	13 778 325	--	--
Balance		196 830 087		183 051 762
Total		5 142 836 403		2 698 191 548

* The Company has the power to govern the operational and financial policies of these companies as it holds direct and indirect shares so far these companies become subsidiaries companies to the group.

** The Company has the power to govern this company as it holds direct and indirect shares so far this company become associate company to the group.

*** On February 3, 2015 the Company announced that it has signed an agreement to sell its entire shares (direct / indirect) in Pharos Holding Co. amounting 80% in total sale price approximately to EGP 40 million.

- Investments in subsidiaries and associates are represented in unlisted securities in the Stock Exchange except ASEC Company for Mining (ASCOM) which has market value of EGP 154 987 675 as at December 31, 2014 against EGP 158 694 200 as at December 31, 2013.

12. Payments for investments

	31/12/2014	31/12/2013
	EGP	EGP
Citadel Capital Holding for Financial Investments-Free Zone ***	2 601 927 086	1 711 426 754
Citadel Capital for International Investments Ltd. */**	827 702 097	2 180 261 495
ASEC Cement Company	60 000 000	--
Others ****	42 532 000	--
Balance	3 532 161 183	3 891 688 249

* Note (18).

** An amount EGP 2 167 786 602 has been transferred to investments in subsidiaries note (11).

*** EGP 848 954 639 has been transferred from investment in Citadel Capital for International Investments Ltd. (subsidiary 100%) due to transfer of shares owned by Citadel Capital for International Investments Ltd. to the Citadel Capital Ltd. BVI (subsidiary company to Citadel Capital Holding for Financial Investments-Free Zone) note (11).

**** Represents payments for investments in strategically and specialized sectors as energy, mining, cement and nutrition.

13. Fixed assets (net)

	Building and constructions*	Computers	Furniture, fixture and equipments	Vehicles	Total
	EGP	EGP	EGP	EGP	EGP
Cost as at 1/1/2014	33 742 368	7 881 723	22 791 143	539 800	64 955 034
Additions	--	644 990	138 700	--	783 690
Total cost as at 31/12/2014	33 742 368	8 526 713	22 929 843	539 800	65 738 724
Accumulated depreciation as at 1/1/2014	11 809 826	7 818 521	22 625 919	539 800	42 794 066
Depreciation during the year	1 687 118	60 030	108 031	--	1 855 179
Accumulated depreciation as at 31/12/2014	13 496 944	7 878 551	22 733 950	539 800	44 649 245
Carrying amounts at 31/12/2014	20 245 424	648 162	195 893	--	21 089 479
Carrying amounts at 31/12/2013	21 932 542	63 202	165 224	--	22 160 968

* Buildings and constructions represent the value of the headquarter of the Company.

14. Projects under construction

	31/12/2014	31/12/2013
	EGP	EGP
Computer programs	681 959	--
Balance	681 959	--

15. Loans to subsidiaries

Loans to subsidiaries are represented in loans granted to subsidiaries as follows:

	Note	31/12/2014	31/12/2013
		EGP	EGP
Current			
National Development and Trading Company *	15.1	416 061 844	519 975 202
Non – current			
United Foundries Company	15.2	162 689 196	148 990 801
Balance		578 751 040	668 966 003

* The loan has been transferred to current loan as it will be due within a year ending on September 21, 2015.

15.1 The Company has granted two subordinating loans to National Development and Trading Company 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 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

- According to the Assignment Agreement dated January 20, 2014 which is related to the subordinated interest bearing US.$ denominated convertible shareholders' loan agreement on December 28, 2009. An amount of US.$ 13 000 000 represented in US.$ 8 350 941 (principle amount) and US.$ 4 649 059 (accrued interest amount) are waived to Al Olayan Saudi Investments Ltd.
- According to the Assignment Agreement dated March 24, 2014 which is related to the subordinated interest bearing US.$ denominated convertible shareholders' loan agreement on December 28, 2009. An amount of US.$ 10 000 000 represented in US.$ 6 462 231 (principle amount) and US.$ 3 537 769 (accrued interest amount) are waived to Al Olayan Saudi Investments Ltd.

The balance of the two loans after the Assignment Agreement became:
US.$ 58 190 468 (equivalent to EGP 416 061 844) at December 31, 2014 against US.$ 74 924 381 (equivalent to EGP 519 975 202) at December 31, 2013 included accrued interest during the year amounted to US.$ 6 266 087 (equivalent to EGP 44 802 522) at December 31, 2014 against US.$ 7 727 626 (equivalent to EGP 53 629 724) at December 31, 2013.

15.2 The Company has signed a subordinating convertible loan contract with United Foundries Company on June 2, 2010 with an amount of US.$ 11 563 187 for the 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%.

On January 9, 2012 the board of directors of United Foundries Company decided to convert the convertible loan contract to a subordinating loan that will be settled on 10 years with annual interest rate of 6% in purpose of ending a loan commission amounted to US.$ 1 421 320 (equivalent to EGP 8 641 626) at the transaction date. The value of the subordinating loan for united foundries Company is US.$ 22 753 734 (equivalent to EGP 162 689 196 as at December 31, 2014) against US.$ 21 468 415 (equivalent to EGP 148 990 801 as at December 31, 2013) including accrued interest during the year amounted to US.$ 1 285 319 (equivalent to EGP 9 190 031 as at December 31, 2014) against US.$ 1 217 669 (equivalent to EGP 8 450 623 as at December 31, 2013).

16. Deferred tax

	31/12/2014 EGP	31/12/2013 EGP
Fixed assets – depreciation	620 572	788 824

- The Company has carried-forward tax losses from previous years with an amount of EGP 145 705 818 and the related deferred tax assets amounted EGP 43 711 745 were not recognized due to the lack of reasonable assurance of future of benefit from these assets.

17. Share capital

- The Company’s authorized capital is EGP 6 Billion and the issued and paid-in capital is EGP 4 358 125 000 represents 871 625 000 shares distributed to 653 718 750 ordinary shares and 217 906 250 preferred shares with par value EGP 5 per share.
- The Company's extra-ordinary general assembly meeting held on October 20, 2013 approved the increase of the authorized capital from EGP 6 billion to EGP 9 billion and the increase of the issued capital from EGP 4 358 125 000 to EGP 8 billion, with an increase of EGP 3 641 875 000 by issuing 728 375 000 new shares at par value of EGP 5 per share, distributed over 182 093 750 preferred shares and 546 281 250 ordinary shares, without issuance costs. The purpose of this capital increase is to finance the acquisition of additional shares in its related companies, financing the Company’s share contribution in the

capital increases of some of its related companies and entering into new investments and settlement of some of Company's liabilities .

The Board of Directors approved in its meeting held on February 13, 2014 to cover the subscription of the unsubscribed Company's shares in the capital increase through offsetting the shareholders' credit balances that are payable by the Company (note 18) against the subscription price of the shares. the commercial register has been updated with the increase on April 16, 2014.

- 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 -after increase- is represented as follows:

Shareholders' name	**Percentage %**	**No. of Shares**	**Value in EGP**
Citadel Capital Partners Ltd.	27.60	441 557 022	2 207 785 110
Emirates International Investments Company	10.01	160 229 693	801 148 465
Others	62.39	998 213 285	4 991 066 425
	100	1 600 000 000	8 000 000 000

- On February 19, 2015 the Board of Directors decided to call an extra-ordinary general assembly of the Company to consider the approval of the increase of the Company's authorized capital from EGP 9 billion to EGP 10 billion as well as the increase of the Company's issued share capital from EGP 8 billion up to EGP 9.7 billion funded through the shareholders' credit balances owed to the existing shareholders with an amount of EGP 966 million in addition to the cash participation with an amount of EGP 734 million through issuance of an additional new shares equal to 340 million shares (255 million ordinary shares and 85 million preferred shares) The capital increase will take place at the par value of EGP 5 per share with total value of EGP 1.7 billion without issuance costs.
- The Company's extra-ordinary general assembly meeting held on March 25, 2014 approved the increase of the authorized capital from EGP 9 billion to EGP 10 billion and amendment of article 6 of the Statute and the increase of the issued capital from EGP 8 billion to EGP 9.7 billion, with an increase of EGP 1.7 billion in cash allowing the use of credit balances payable to existing shareholders after obtaining a confirmation from the economical performance sector of the General Authority for Investment and Free zone on these liabilities by issuing 340 million new shares at par value of EGP 5 per share, consisting of 85 million preferred shares and 255 million

ordinary shares, without issuance costs. The purpose of this capital increase is to use the proceeds of this increase as determined in details in the disclosure form prepared according to article no. 48 of the EGX listing rules which have been submitted to the Egyptian stock exchange and approved by the board of directors in its meeting held on February 19, 2015.

- Existing shareholders were invited - in accordance with the terms of the subscription rights - to subscribe in the capital increase on a pro-rata basis to their shareholdings before the increase and the shareholders in each class of shares shall have the right to subscribe to the same class of shares they currently hold on a pro-rata basis before the increase, provided that all shareholders of the same class have the same rights according to the article 29 of the Statute of the Company and allowing the use of the credit balances payable to existing shareholders at the date of the decision and to the extent of their share percentages before the increase according to the priority rights issued by the law.

18. Shareholders' credit balances

Shareholders' credit balances represent the amounts payable to the shareholders resulting from:

- The Company has purchased ownership share percentages in some of its investee companies from those shareholders through its subsidiary Citadel Capital for International Investments Ltd. (subsidiary 100%).
- Consultancy fee to the Company and its subsidiaries.

Shareholders' credit balances as at December 31, 2014 are represented in the following:-

Shareholders' name and description	31/12/2014 EGP	31/12/2013 EGP
(1)Shareholders' credit balances to be settled in cash		
Magdy Mohamed Mustafa Saleh	8 291 345	11 421 744
Khaled Abd EL Hamed Ali Abou Bakr	5 756 696	6 958 133
Tamer Abd EL Hamed Abou Bakr	5 004 561	6 625 696
Karnation Limited	3 427 599	4 537 908
Abdel Khalek Mohamed Mohamed Ayad	1 474 000	1 951 476
Others	1 140 319	2 073 475
Total shareholders' credit balances (1)	25 094 520	33 568 432
(2)Shareholders' credit balances to be settled through issuance o share capital increase		
(2-A)Against share percentages in investee companies		
Citadel Capital Partners Ltd.	135 270 985	547 233 410
Emirates International Investment Company LLC	--	596 548 465
DH Investors Limited	--	343 000 000
Mansour and Maghraby for Investment and Development S.A.E	--	155 135 015

Shareholders' name and description	31/12/2014 EGP	31/12/2013 EGP
Grouped Holdings Ltd	--	130 000 000
Mamdouh Mohamed Fathy Abbas	--	69 300 000
Kareem Sedky Sedky Mohamed EL Serafy	--	58 771 265
Magdy Mohamed Mustafa Saleh	--	31 312 775
Ledville Holdings Limited	--	39 487 820
Tamer Abd EL Hamed Abou Bakr	20 991 510	25 699 500
Khaled Abd EL Hamed Ali Abou Bakr	4 685 450	18 977 320
Karnation Limited	3 319 680	13 710 395
Ahmed Mokhtar Mohamed El Rashidi	--	26 698 000
Partex Trading Corp.	--	24 750 000
Mohamed Mokhtar Mohamed EL Rashidi	--	23 387 000
Adena Commercial Corp.	--	18 937 500
Power investment Europe	--	10 400 000
MZ Investments S.A.E.	--	9 996 393
Garth investing Limited	--	9 090 000
Hassan Mohamed Hassan Darwish	--	8 106 120
Abdel Khalek Mohamed Mohamed Ayad	2 211 650	5 896 000
Ahmed Moheb Mahmoud El Mehelmy	--	7 575 000
Hossam Hussien Nagy Aly Saad	--	6 999 995
Ahmed Ibrahim Wagih El Shamy	--	5 531 280
Ansan Wikfs Investments	31 120 405	--
Marwan Ahmed Hassan Gaber	7 947 045	--
Shady Ahmed Hassan Gaber	5 089 215	--
Mosafa Ahmed Hassan Gaber	5 089 215	--
Mariam Ahmed Hassan Gaber	4 457 080	--
Salma Ahmed Hassan Gaber	4 457 080	--
Jana Ahmed Hassan Gaber	4 457 080	--
Aidaroos Hassan Omar Al Esayi	27 119 395	--
Yacoub Youssef Mohamed	12 450 290	--
Raya Holding Company for Technology and Communication	20 831 250	--
DEG DEUTSCHE INVESTITONS UND ENTWICKLUNGSGESLLSCHAFT MBH	77 000 000	--
SJC Egypt Refining LLC	179 956 810	--
International Finance Corporation	166 684 520	--
Others	23 133 505	103 049 190
Total shareholders' credit balances (2-A)	736 272 165	2 289 592 443

Shareholders' name and description	31/12/2014 EGP	31/12/2013 EGP
(2-B)Against consultancy fee for the Company and its subsidiaries		
Adena Commercial Corp.	69 110 000	--
Osler Hoskin & Harconrt LLP	6 366 180	--
Total shareholders' credit balances (2-B)	75 476 180	--
Total shareholders' credit balances (2)	811 748 345	2 289 592 443
Balance (1+2)	836 842 865	2 323 160 875

- EGP 3 640 532 560 has been used during the year to increase the share capital - note (17).

19. Long term loans

On February 1, 2012 the Company has signed a long-term loan with an amount of US.$ 325 million with Citi Bank Group - syndication manager – along with other group of banks (represented in Arab African International Bank S.A.E, Arab International Bank, Banque du caire, Misr Bank S.A.E, and Piraeus Bank) and guaranteed by Overseas Private Investment Corporation (OPIC) for the purpose of expanding the Company's investments and refinancing the outstanding debts as at December 31, 2011 (which represented in the loan granted to the Company on May 15, 2008 with an amount of US.$ 200 million for a period of five years 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 "syndication manager"; loan is to be paid on three installments during the contract period begins from the third year to the end of contract on May 15, 2013. The loan balance is an amount of US.$ 171 957 803 (equivalent to EGP 1 032 984 912) as at December 31, 2011 until the date of the new contract)

The new loan amount is divided into three classes:-

- First tranche: Irrevocable amount of US.$ 175 million bearing variable interest rate (4.25 %+Libor rate) for 5 years begins from the date of the contract and payable on five equal annual installments.
- Second tranche: Irrevocable amount of US.$ 125 million bearing fixed interest rate (3.9 %+Libor rate on the date of withdrawal) for 10 years begins from the date of the contract and payable on nine equal annual installments with one-year grace period.
- Third tranche: Irrevocable amount of US.$ 25 million bearing fixed interest rate (3.9 %+Libor rate on the date of withdrawal) and the Company has the right to use it within three years begins from the date of the contract and payable on nine equal annual installments begins from the date of withdrawal with one year grace period.

According to the loan contract, the loan installments would be paid on December 20 each year.

The Company has used an amount of US.$ 300 million from funding granted to it till December 31, 2013. The Company has paid an amount of US.$ 30 037 259 and has been charged with US.$ 370 686 as extra expenses so the balance of the loan will be US.$ 270 333 427 as at December 31, 2014 (equivalent to EGP 1 932 884 003)

- The current installments are amounted to US.$ 152 000 091 (equivalent to EGP 1 086 800 651 as at December 31, 2014) against US.$ 132 777 776 (equivalent to EGP 921 477 765 as at December 31, 2013). Current installments are as following:-

	First tranche		Second tranche		Total
	Maturity date	**US.$**	**Maturity date**	**US.$**	
First installment	December 20, 2012	35 000 000	December 20, 2012	Grace period one year	35 000 000
Second installment	December 20, 2013	35 000 000	December 20, 2013	13 888 888	48 888 888
Third installment	December 20, 2014	35 000 000	December 20, 2014	13 888 888	48 888 888
Fourth installment	December 20, 2015	35 000 000	December 20, 2015	13 888 888	48 888 888
Add: bank charges					370 686
Total					182 037 350
Payment from the first installment					(30 037 259)
Balance					152 000 091

- The non-current installments are amounted to US.$ 118 333 336 (equivalent to EGP 846 083 352 as at December 31, 2014) against US.$ 167 222 224 (equivalent to EGP 1 160 522 235 as at December 31, 2013).
- The interest on loan charged to the income statement during the year is EGP 122 633 429 - note no. (21).

The loan guarantees are as follows:

- First degree lien contract of the shares owned by the Company in National Development and Trading Company.
- First degree lien contract of the shares owned by the Company in International Company for Mining Consulting.
- First degree lien contract of the shares owned by the Company in United Foundries Company.
- First degree lien contract of the shares of Citadel Capital Ltd. (One of the subsidiaries of Citadel Capital Holding for Financial Investments-Free Zone).
- First degree lien contract of Citadel Capital Ltd. (One of the subsidiaries of Citadel Capital Holding for Financial Investments-Free Zone) investments on 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 Ltd.
- Lotus Alliance Limited.
- Citadel Capital Financing Corp.
- Grandview Investment Holding
- Africa Railways Holding
- Citadel Capital for Promotion Company

20. Dividend income

The dividend income represents dividend distribution made by Citadel Capital International Investment Ltd. (subsidiary 100%) for the year ended December 31, 2014 according to the resolutions of the Board of directors amounted to EGP 6 217 800 as at December 31, 2014 against EGP 31 230 000 as at December 31, 2013.

21. Finance income (net)

	For the year ended	
	31/12/2014	**31/12/2013**
	EGP	**EGP**
Interest income - note (22.2)	119 241 870	132 212 080
Interest expense - note (19)	(122 633 429)	(115 513 186)
Foreign currency differences	21 239 520	8 996 073
Net	17 847 961	25 694 967

22. Related party transactions

22.1 Advisory fee

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

	For the year ended	
	31/12/2014	**31/12/2013**
	EGP	**EGP**
Company's name		
Mena Glass Ltd.	5 365 238	5 235 128
Mena Home Furnishings Mall	6 232 257	6 056 699
Citadel Capital Transportation Opportunities Ltd.	1 716 423	1 509 426
Falcon Agriculture Investments Ltd.	17 954 140	17 341 004
Sphinx Glass	2 337 338	5 532 499
ASEC Cement Company	17 720 411	17 290 778
Silverstone Capital Investment Ltd.	6 829 231	6 666 416
Citadel Capital Transportation Opportunities II Ltd.	7 784 541	7 595 765
Africa Railways Limited	8 489 253	7 401 687
Mena Joint Investment Fund GP	1 823 060	3 103 162
Citadel Capital Joint Investment Fund Management Ltd.	1 658 705	1 784 196
Africa JIF HOLD CO I	500 373	489 709
Africa JIF HOLD CO III	1 418 635	1 388 393
Mena JIF HOLD CO I	500 373	489 709
Ledmore Holdings Ltd.	1 762 576	1 346 375
Crondall Holdings Ltd.	--	12 173 069
Total	82 092 554	95 404 015

- The Company did not recognize advisory fees with an amount of EGP 11 205 938 and EGP 2 074 955 in the year ended December 31, 2014 (against EGP 43 327 784 and EGP 8 022 800 in the year ended December 31, 2013) related to Logria Holding Ltd. and Golden Crescent Investments Ltd. respectively in accordance with the signed contracts due to inadequate assurance concerning the revenue recognition and collection conditions.

22.2 Interest income

Interest income presented in financing income – note no. (21) included an amount of EGP 118 936 846 which represent the accrued interest income according to the signed contracts with some related parties as follows:

	For the year ended	
	31/12/2014	**31/12/2013**
	EGP	**EGP**
Company's name		
National Development and Trading Company (15.1)	44 368 589	53 444 618
United Foundries Company (22.2.1)	12 922 778	12 045 696
Citadel Capital Holding for Financial Investments-Free Zone	43 104 232	40 291 808
Citadel Capital for International Investments Ltd.	11 175 685	19 369 983
ASEC Company for Mining (ASCOM)	7 365 562	6 576 144
Total	118 936 846	131 728 249

22.2.1 Interest income related to United Foundries Company is represented as follows:

	For the year ended	
	31/12/2014	**31/12/2013**
	EGP	**EGP**
Subordinating loan interest – note no. (15.2)	9 110 460	8 440 374
Current account interest	3 812 318	3 605 322
Total	12 922 778	12 045 696

23. Administrative and general expenses

	For the year ended	
	31/12/2014	**31/12/2013**
	EGP	**EGP**
Wages , salaries and similar items	77 708 908	74 898 676
Consultancy	25 613 238	30 253 970
Advertising and public relations	9 716 853	5 955 723
Travel , accommodation and transportations	9 465 101	6 640 906
Donations	6 520 604	--
Management fees – note (24)	--	1 165 600
Other expenses	20 714 159	18 837 803
Total	149 738 863	137 752 678

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 – 27.60%) which states that Citadel Capital Partners Ltd. provides management duties for fees based on 10% of the net annual profit available for distribution. This agreement shall remain in effect as long as Citadel Capital Partners owns 15% or more preferred shares.

25. Tax status

Corporate tax

The Company submitted its tax returns on regular basis for the years from 2005 to 2013 according to tax law No. 91/2005. The Company's books have not been inspected yet.

Salaries tax

The Company deducts the salaries tax according to tax law no. 91/2005 and the Company's books inspected for the period from launch till the date of 31/12/2009 but the authority did not inform the Company with results yet. And the years from 2010/2013 have not been inspected yet.

Stamp tax

The Company was inspected till July 31, 2006 and paid all the accrued amounts according to the Internal Committee decision and for the period from August 1, 2006 to December 31, 2012 has been inspected and the dispute has transferred to Internal Committee in the Authority and 2013 has not been inspected yet.

Withholding tax

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

- On June 4, 2014 a new law No. 44/2014 has imposed a 5% temporary additional annual tax on amounts exceed EGP 1 million from the tax base on the income of natural persons or the profits of Corporate Buddies in accordance with income tax law , and it has been proven and collected in accordance with this provisions . This law will start working from June 5, 2014.

- On June 30, 2014 a Presidential Decree has issued law No. 53 for the year 2014, this law has amended some articles of the law on Income Tax promulgated by law No. 91/2005 the most important of these amended rules are :
  1- Impose taxes on dividends.
  2- Impose taxes on capital gains resulted from selling shares and securities.

On April 6, 2015 Ministry Decree No. 172 for the year 2015 was issued, amending the provisions of the executive regulations of the income tax law issued by the Decree of the Minister of Finance No.991/2005.

26. Earnings per share

	For the year ended	
	31/12/2014	**31/12/2013**
	EGP	**EGP**
Net (loss) profit for the year	(45 603 979)	10 490 404
The weighted average number of ordinary shares	1 041 353 938	653 718 750
Earnings per share	(0.04)	0.02

27. Reconciliations of effective tax rate

	31/12/2014	**31/12/2013**
	EGP	**EGP**
Net (loss) profit before tax	(45 435 727)	10 394 667
Tax reconciliations:		
Formed provisions and reserves	--	7 620 727
Provisions used	--	(2 837 229)
Fixed assets (taxable depreciation variances)	1 429 306	(360 272)
Tax losses carried forward	(145 705 818)	(160 523 711)
Net tax exposure (loss)	(189 712 239)	(145 705 818)
Income tax according to the tax return	--	--

28. 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 year 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.

29. Contingent liabilities and commitments

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

30. 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. The following are the significant risks related to those financial instruments and the policies and procedures followed by the company to reduce the effect of these risks:

30.1 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 related parties & other investments. 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.

30.2 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.

30.3 Market risk

A- 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 balance sheet date equivalent to EGP 2 388 294 081 and EGP 2 143 198 082 respectively and net foreign currencies balances at the balance sheet date are as follows:

Foreign currencies	Surplus (deficit) EGP
US.$	446 721 360
Euro	(201 625 361)

- As disclosed in note no. (3.1), the Company has used the prevailing exchange rates to revaluate monetary assets and liabilities at the balance sheet date.

B- 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.

C- Price risk

The Company is exposed to market price risk on equity instrument and according to the Company's investment policy, the following procedures are undertaken to reduce the effect of this risk.

- Performing the necessary studies before investment decision in order to verify that investment is made in potential securities.
- Diversification of investments in different sectors and industries.
- Performing continuous studies required to follow up the Company's investments and their development.

30.4 Capital risk management

The Company's objectives when managing capital are to safeguard the management's ability to continue as a going concern in order to provide returns to the benefits to the Company's shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, management may adjust the amount of distribution paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Management monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as current portion of long term loans, trade payable and due to related parties plus long term loans as shown on the balance sheet less cash and cash equivalents.

The gearing ratios at December 31, 2014 and December 31, 2013 were as follows:

	31/12/2014	**31/12/2013**
	EGP	**EGP**
Liabilities		
Due to related parties	457 027 372	42 514 767
Current portion of long term loans	1 086 800 651	921 477 765
Tax Authority	59 519 037	36 615 589
Other credit balances	63 644 571	58 827 116
Expected claims provision	191 090 676	194 090 676
Long term loans	846 083 352	1 160 522 235
Total	**2 704 165 659**	**2 414 048 148**
Less: Cash and cash equivalents	(258 755 014)	(221 456 439)
Net debt	**2 445 410 645**	**2 192 591 709**
Total equity	**8 418 003 665**	**6 529 425 144**
Gearing ratio	**29 %**	**34 %**

31. Subsequent events

31-1 Investments:

The Company has purchased financial investments from shareholders of the Company through the Company and its 100% owned subsidiary, Citadel Capital for International Investments Ltd. for the purpose of increasing the Company's ownership share percentages in some investee companies. The value of the investments purchased during the subsequent period to the balance sheet date is EGP 155 217 975 against EGP 736 272 165 during year 2014.

31-2 Shareholders' credit balances

The value of the credit balances owed to the shareholders in consideration for the purchase of the above-mentioned investments during the year is EGP 1 55 217 975 and represented as follows:

	EGP
Commercial International Bank Egypt – CIB	149 791 940
Petroleum Service and Investments Company - PICO	676 820
Kareem Ahmed Gamal Eldin Elbrolosy	906 685
Citadel Capital Partners Ltd.	388 580
Ahmed Ali Hassan Al Mofty	1 423 390
Khalid Abdel Latif Ahmed Fozan	589 840
Ayman Ali Hassan Al Mofty	1 440 720
Total	155 217 975

32. Comparative figures

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

	Balance as at 31/12/2013 (as previously reported)	Reclassification	Balance as at 31/12/2013 (as reclassified)
	EGP	EGP	EGP
Due from related parties	1 482 401 656	(68 255 593)	1 414 146 063
Due to related parties	110 770 360	(68 255 593)	42 514 767
Other credit balances	95 442 705	(36 615 589)	58 827 116
Tax Authority	--	36 615 589	36 615 589
Available-for-sale investments	23 766 707	(543)	23 766 164
Investments in subsidiaries and associates	2 698 191 005	543	2 698 191 548