GULF FINANCE HOUSE BSC

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

30 September 2012

Commercial registration	:	44136 (registered with Central Bank of Bahrain as a Islamic wholesale investment Bank)
Registered Office	:	Bahrain Financial Harbour Office :2901, 29th Floor Building 1398, East Tower, Block:346, Road:4626 Manama, Kingdom of Bahrain Telephone +973 17538538
Directors	:	Dr. Esam Yousif A. Janahi, *Chairman* Mosabah Saif Al Mautairy Ahmed Al Mutawa Azzam Al Felaij Naif Al Khodari
Auditors	:	KPMG Fakhro, Bahrain

GULF FINANCE HOUSE BSC

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the nine months ended 30 September 2012

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Independent auditors' report on review of condensed consolidated interim financial information

To
The Board of Directors
Gulf Finance House BSC
Manama
Kingdom of Bahrain

11 November 2012

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Gulf Finance House BSC (the "Bank") and its subsidiaries (together the "Group") as at 30 September 2012, the condensed consolidated statements of income, changes in owners' equity, cash flows, changes in restricted investment accounts and sources and uses of charity and zakah fund for the nine month period then ended, and explanatory notes (the "condensed consolidated interim financial information"). The Board of Directors of the Bank is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with the Financial Accounting Standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*. A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Auditing Standards for Islamic Financial Institutions 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with the Financial Accounting Standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions.

Emphasis of matter

Without qualifying our conclusion, we draw attention to note 2 in the condensed consolidated interim financial information which discusses material uncertainty relating to the Group's liquidity position which, may cast significant doubt about the appropriateness of the going concern assumption used in the preparation of the condensed consolidated interim financial information.

KPMG

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 September 2012

US$ 000's

	Note	**30 September 2012 (reviewed)**	31 December 2011 (audited)	30 September 2011 (reviewed)
ASSETS				
Cash and bank balances		15,558	3,820	4,632
Placements with financial institutions		21,252	3,001	11,506
Financing receivables		-	-	15,148
Investment in associates		231,544	230,442	227,242
Investment securities	5	185,377	220,265	223,816
Investment property		259,404	259,404	259,404
Other assets	6	119,475	108,913	132,518
Total assets		**832,610**	825,845	874,266
LIABILITIES				
Investors' funds		26,479	58,887	57,313
Placements from financial and other institutions	7	125,379	116,713	120,507
Financing liabilities	8	236,353	331,077	330,371
Other liabilities		76,033	83,882	128,640
Total liabilities		**464,244**	590,559	636,831
Equity of investment account holders		**2,342**	1,898	1,899
OWNERS' EQUITY				
Share capital	4	556,393	321,031	319,097
Treasury shares		(1,356)	(12,852)	(12,858)
Share premium		36,829	145,708	146,157
Statutory reserve		67,044	79,408	79,413
Accumulated losses		(293,762)	(301,687)	(297,930)
Investments fair value reserve		-	403	403
Other reserves		876	1,377	1,254
Total owners' equity (page 4)		**366,024**	233,388	235,536
Total liabilities, equity of investment account holders and owners' equity		**832,610**	825,845	874,266

The Board of Directors approved the condensed consolidated interim financial information consisting of pages 2 to 14 on 11 November 2012.

Dr. Esam Yousif A. Janahi
Chairman

Mosabah Saif Al Mautairy
Director

CONDENSED CONSOLIDATED INCOME STATEMENT
for the nine months ended 30 September 2012 US$ 000's

	Nine months ended		Three months ended	
	30 September 2012 (reviewed)	30 September 2011 (reviewed)	**30 September 2012 (reviewed)**	30 September 2011 (reviewed)
Management and other fees	2,260	2,916	650	1,949
Income from placements with financial institutions	77	814	30	212
Share of profit / (loss) of associates	1,090	(670)	278	(480)
Income from financing	-	1,198	-	1,198
(Loss) / income from investment securities, net	(465)	12,274	825	-
Foreign exchange gain / (loss), net	5,697	(910)	3,711	7,591
Other income (note 9)	32,697	35,042	3,234	6,729
Total income	**41,356**	50,664	**8,728**	17,199
Staff cost	6,100	7,332	1,743	2,418
Investment advisory expenses	3,737	2,255	728	1,379
Finance expense	14,298	24,829	2,321	6,414
Other expenses	9,676	12,110	2,135	3,554
Total expenses	**33,811**	46,526	**6,927**	13,765
PROFIT FOR THE PERIOD	**7,545**	4,138	**1,801**	3,434
Earnings per share				
Basic earnings per share (US cents)	**0.56**	0.47	**0.13**	0.34
Diluted earnings per share (US cents)	**0.56**	0.47	**0.13**	0.34

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY
for the nine months ended 30 September 2012

US$ 000's

30 September 2012 (reviewed)	**Share Capital**	**Treasury shares**	**Share premium**	**Statutory reserve**	**Accumu-lated losses**	**Invest-ments fair value reserve**	**Other reserves**	**Total owners' equity**
Balance at 1 January 2012	321,031	(12,852)	145,708	79,408	(301,687)	403	1,377	233,388
Profit for the period	-	-	-	-	7,545	-	-	7,545
Transfer to income statement on disposal	-	-	-	-	-	(403)	-	(403)
Total recognised income and expense	**-**	**-**	**-**	**-**	**7,545**	**(403)**	**-**	**7,142**
Conversion of Murabaha to capital (note 4)	235,362	(26,781)	(108,879)	-	-	-	-	99,702
Transfer to retained earnings on settlement of convertible murabaha	-	-	-	-	380	-	(380)	-
Sale of treasury shares	-	38,277	-	-	-	-	-	38,277
Loss on sale of treasury shares	-	-	-	(12,364)	-	-	-	(12,364)
Share grants vesting expense, net of forfeitures (note 10)	-	-	-	-	-	-	(121)	(121)
Balance at 30 september 2012	**556,393**	**(1,356)**	**36,829**	**67,044**	**(293,762)**	**-**	**876**	**366,024**

30 September 2011 (reviewed)	Share capital	Treasury shares	Share premium	Statutory reserve	Accumu-lated losses	Invest-ments fair value reserve	Other reserves	Total owners' equity
Balance at 1 January 2011	145,780	(24,674)	206,203	88,298	(302,068)	975	1,769	116,283
Profit for the period	-	-	-	-	4,138	-	-	4,138
Transfer to income statement on disposal	-	-	-	-	-	(572)	-	(572)
Total recognised income and expense	-	-	-	-	4,138	(572)	-	3,566
Conversion of Murabaha to capital	173,317	-	(60,046)	-	-	-	(253)	113,018
Sale of treasury shares	-	11,816	-	-	-	-	-	11,816
Loss on sale of treasury shares	-	-	-	(8,885)	-	-	-	(8,885)
Share grants vesting expense, net of forfeitures (note 10)	-	-	-	-	-	-	(262)	(262)
Balance at 30 september 2011	319,097	(12,858)	146,157	79,413	(297,930)	403	1,254	235,536

The condensed consolidated interim financial information consists of pages 2 to 14.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
for the nine months ended 30 September 2012 US$ 000's

	Nine months ended 30 September 2012 (reviewed)	Nine months ended 30 September 2011 (reviewed)
OPERATING ACTIVITIES		
Placements with / from financial institutions, net	13,210	(5,355)
Disbursement of financing to projects, net	(4,222)	(2,975)
Receipts from financing receivables	-	450
Investors' funds, net	(6,174)	(3,525)
Management and other fees received	666	164
Income received from placements with financial institution	77	814
Payment for expenses and project costs	(17,543)	(16,525)
Cash used in operating activities	**(13,986)**	(26,952)
INVESTING ACTIVITIES		
Proceeds from sale of investment securities	6,156	3,381
Advance for acquisition of investment securities	(6,343)	(3,770)
Dividends received	956	4,005
Cash generated from investing activities	**769**	3,616
FINANCING ACTIVITIES		
Financing liabilities, net	(22,081)	445
Finance expense paid	(16,630)	(20,197)
Proceeds from issue of convertible murabaha	56,101	10,427
Payments for share issue expenses	-	(11,291)
Proceeds from sale of treasury shares	25,860	-
Dividends paid	(44)	(511)
Cash paid to charitable organization	-	(37)
Cash generated from / (used in) financing activities	**43,206**	(21,164)
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**29,989**	(44,500)
Cash and cash equivalents at 1 January	6,821	60,638
CASH AND CASH EQUIVALENTS at 30 September	**36,810**	16,138
Cash and cash equivalents comprise:		
Cash and bank balances	15,558	4,632
Placements with financial institutions	21,252	11,506
	36,810	16,138

The condensed consolidated interim financial information consists of pages 2 to 14.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN RESTRICTED INVESTMENT ACCOUNTS
for the nine months ended 30 September 2012

30 September 2012 (reviewed)	**Balance at 1 January 2012**			**Movements during the period**						**Balance at 30 September 2012**		
Company	No of units (000)	Average value per share US$	Total US$ 000's	Investment/ (withdrawal) US$ 000's	Revaluation US$ 000's	Gross income US$ 000's	Dividends paid US$ 000's	Bank's fees as an agent US$ 000's	Administration expenses US$ 000's	No of units (000)	Average value per share US$	**Total US$ 000's**
Mena Real Estate Company KSCC	150	0.36	54	-	-	-	-	-	-	150	0.36	54
Al Basha'er Fund	93	6.63	617	-	34	-	-	-	-	93	7.00	651
Pan European Fund	36	797.67	28,597	-	(197)	-	-	-	-	36	792.19	28,400
Oman Development Company	523	3.12	1,628	-	-	-	-	-	-	523	3.12	1,628
			30,896	**-**	**(163)**	**-**	**-**	**-**	**-**			**30,732**

The condensed consolidated interim financial information consists of pages 2 to 14.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN RESTRICTED INVESTMENT ACCOUNTS
for the nine months ended 30 September 2012 *(continued)*

30 September 2011 (reviewed)	Balance at 1 January 2011			Movements during the period						Balance at 30 September 2011		
Company	No of units (000)	Average value per share US$	Total US$ 000's	Investment/ (withdrawal) US$ 000's	Exchange Revalua-tion US$ 000's	Gross income US$ 000's	Dividends paid US$ 000's	Bank's fees as an agent US$ 000's	Administration expenses US$ 000's	No of units (000)	Average value per share US$	Total US$ 000's
Mena Real Estate Company KSCC	150	0.35	53	-	2	-	-	-	-	150	0.37	55
Kuwait National Real Estate Investment & Services Company KSCC	250	0.35	88	-	3	-	-	-	-	250	0.37	92
Gulf Holding Company	10,000	0.25	2,455	-	89	-	-	-	-	10,000	0.25	2,544
Gulf North Africa Holding Company KSCC	11,500	0.24	2,794	-	101	-	-	-	-	11,500	0.25	2,895
Gulf Real Estate Development Company	936	12.05	11,272	-	0	-	-	-	-	936	12.05	11,272
Al Basha'er Fund	93	7.59	704	-	(84)	-	-	-	-	93	6.67	620
Pan European Fund	35.85	815.39	29,233	-	388	-	-	-	-	35.85	824.85	29,571
Oman Development Company	522.50	3.12	1,628	-	-	-	-	-	-	522.50	3.12	1,629
			48,227	-	448	-	-	-	-			48,676

The condensed consolidated interim financial information consists of pages 2 to 14.

CONDENSED CONSOLIDATED STATEMENT OF SOURCES AND USES OF CHARITY AND ZAKAH FUND

for the nine months ended 30 September 2012 US$ 000's

	30 September 2012 (reviewed)	30 September 2011 (reviewed)
Sources of charity and zakah fund		
Non-Islamic income	1	3
Total sources	**1**	**3**
Uses of charity and zakah fund		
Contributions to charitable organisations	-	37
Total uses	**-**	**37**
Excess of sources over uses	**1**	**(34)**
Undistributed charity and zakah fund at 1 January	10,503	10,625
Undistributed charity and zakah fund at 30 September	**10,504**	10,591
Represented by:		
Charity fund	7,703	7,790
Zakah payable	2,801	2,801
	10,504	10,591

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the nine months ended 30 September 2012

1 Reporting entity

The condensed consolidated interim financial information for the nine months ended 30 September 2012 comprise the financial information of Gulf Finance House BSC (the "Bank") and its subsidiaries (together referred to as "the Group").

2 Basis of preparation

The condensed consolidated interim financial information has been prepared in accordance with Financial Accounting Standards ('FAS') issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI). In line with the requirement of AAOIFI and the CBB Rule Book, for matters that are not covered by FAS, the Group uses guidance from the relevant International Financial Reporting Standard. Accordingly, the condensed consolidated interim financial information has been presented in condensed form in accordance with the guidance provided by International Accounting Standard 34 – 'Interim Financial Reporting'. The condensed consolidated interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 December 2011.

Going concern

As at 30 September 2012, the Group had accumulated losses of US$ 293.76 million and, as of that date, its current contractual obligations exceeded its liquid assets. As a result, the ability of the Group to meet its obligations when due depends on its ability to achieve a timely disposal of assets. These factors indicates the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern.

The Group has successfully restructured certain financial liabilities by extending the tenure of its obligations and the management is currently in discussions with its lenders of the remaining facilities to restructure and extend the tenure of those debts as well (refer note 8). To improve its liquidity position, the Group has issued additional capital through the issue of convertible murabaha instruments (refer note 4).

To further address the liquidity issues, the management has put in place an asset sale and liquidity plan to generate liquidity to support its operations and repayment of the Group's obligations. The Group is also evaluating other options to arrange liquidity and strengthen its position over the next twelve months.

The Board of Directors' have reviewed the Group's future plans and are satisfied with the appropriateness of the going concern assumption for preparation of the condensed consolidated interim financial information.

Accounting polices

The accounting policies and methods of computation applied by the Group in the preparation of the condensed consolidated interim financial information are the same as those used in the preparation of the audited consolidated financial statements for the year ended 31 December 2011.

Estimates

In preparing these condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation were similar to those applied to the audited consolidated financial statements for the year ended 31 December 2011.

Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the audited consolidated financial statements for the year ended 31 December 2011.

2 *Basis of preparation*

Seasonality

Due to the inherent nature of the Group's business, the nine month results reported in this condensed consolidated interim financial information may not represent a proportionate share of the overall annual results.

3 The condensed consolidated interim financial information has been reviewed, not audited. The comparatives for the condensed consolidated statement of financial position have been extracted from the audited consolidated financial statements for the year ended 31 December 2011 and the reviewed condensed consolidated interim financial information for the nine months ended 30 September 2011. The comparatives for the condensed consolidated statements of income, cash flows, changes in owners' equity, changes in restricted investment accounts and sources and uses of charity and zakah fund have been extracted from the reviewed condensed consolidated interim financial information for the nine months ended 30 September 2011.

4 During the period, the paid up capital of the Bank was increased from US$ 321,031 thousand to US$ 556,393 thousand as a result of exercise of conversion option by the holders of the convertible murabaha (note 8). As per the terms of the convertible murabaha, 765.40 million shares of par value US$ 235,362 thousand has been issued on conversion. As the effective conversion price is below the par value per share, the resulting difference and the related share issue expenses has been adjusted against the share premium account.

5 **Investment securities**

	30 September 2012 US$ 000's (reviewed)	31 December 2011 US$ 000's (audited)	30 September 2011 US$ 000's (reviewed)
Equity type investments			
At fair value through income statement			
- Quoted securities	1,061	990	3,140
- Unquoted funds	3,650	4,202	2,500
At fair value through equity			
- Quoted securities	-	475	475
- Unquoted securities *	180,666	214,598	217,701
	185,377	220,265	223,816

* Unquoted equity securities classified as fair value through equity mainly include investments in private equity investments managed by external investment managers and investments in projects promoted by the Group. In the absence of reliable measure of fair value, these investments are carried at cost less impairment. During the period, the Group has settled a liability (investors' fund) of US$ 25.78 million with an associate by transfer of an investment of equal amount.

6 Other assets

	30 September 2012 US$ 000's (reviewed)	31 December 2011 US$ 000's (audited)	30 September 2011 US$ 000's (reviewed)
Financing to projects	71,192	66,970	66,970
Equipment	1,924	2,454	2,045
Advance for Investment	10,113	3,770	3,770
Reimbursement right (note 12)	35,000	35,000	35,000
Prepayments and other receivables	1,246	719	24,733
	119,475	108,913	132,518

Other assets are net of impairment allowances of US$ 135,907 thousand (31 December 2011: US$ 135,907 thousand).

7 Placements from financial and other institutions

This includes US$ 84 million of funds placed by a non-financial entity in 2010, which is currently subject to regulatory sanctions. Accordingly, the funds have been been frozen until such sanctions are formally lifted.

8 Financing liabilities

	30 September 2012 US$ 000's (reviewed)	31 December 2011 US$ 000's (audited)	30 September 2011 US$ 000's (reviewed)
Murabaha financing	87,116	102,832	100,606
Wakala financing	45,265	51,535	51,783
Sukuk liability	103,972	162,190	162,137
Convertible Murabaha (2009)	-	14,520	14,346
Convertible Murabaha (others)	-	-	1,499
	236,353	331,077	330,371

During the period, the Group has repurchased /settled financing of US$ 79.46 million and has realised a gain of US$ 25.35 million which was included in "other income". Of the total repurchased / settled financing during the period, US$ 56.31 million has been settled by issue of convertible murabaha.

(a) Murabaha financing

Murabaha financing comprise medium-term financing from a syndicate of banks. The financing is repayable in August 2013 (extendable by 1 year provided 25% of the facility is repaid in 2012) and carries a profit rate of 2.50% over the benchmark rate (LIBOR) payable semi annually and an additional profit mark up of 1.25% payable at maturity. The Murabaha financing facilities are secured by a pledge over the Group's investment in an associate of carrying value of US$ 162.47 million. The Group is currently negotiating to restructure the facility with the lenders.

7 *Financing liabilities (continue)*

(b) *Wakala financing*
Wakala financing is a syndicate facility from a number of financial institutions. During the period, the Group renegotiated the facility. As per the revised terms, the balance is repayable over a period of six years till April 2018 at an agreed profit rate of 8%. The Wakala financing facility is secured by a pledge over the Group's investment property of carrying value of US$ 203 million.

(c) *Sukuk liability*
The Sukuk are backed by a pool of assets of the Group and has a liquidity facility provided by the Bank to support timely payments of distributions. The Sukuk are traded on the London Stock Exchange's Gilt Edged and Fixed Interest Market.

During the period, the Group obtained approval of the sukuk holders to restructure and extend the term of the facility to 2018. The Group is in the process of finalizing the documentation of the restructuring. The revised terms include the extension of the tenure for a period of 6 years with periodic repayment starting July 2014, with final installment in July 2018. The restructured terms propose a profit rate of LIBOR plus a margin of 3%, with a minimum profit rate of 5%. The periodic profit payments would be made semi annually. During the period, the Group was in technical breach of certain financial covenants of the Sukuk programme.

(d) *Convertible murabaha (2009 series)*
During the period, the Group has settled the outstanding convertible murabaha Notes.

(e) *Convertible Murabaha (bilateral)*
During the period, the Group has entered into bilateral convertible murabaha agreements with certain strategic investors to raise additional capital. The convertible murabaha provide for returns of 12% p.a. to the holder and has a tenure of 42 months from the date of issue, unless converted into ordinary shares of the Bank at the option of the holder, at an exchange price of US$ 0.31 per share. The agreement also provides additional share based incentives on early conversion. During the period, the Bank received subscription of US$ 127.42 million and all the note holders have exercised their option to convert the notes to share capital resulting in issue of 765,403,615 number of equity shares as per the terms of the convertible murabaha.

9 Other income

Other income primarily includes US$ 25.35 million from settlement of financing liabilities (note 8) and gain on sale of equipment of US$ 1.5 million.

10 Share-based employee compensation scheme

During the period, 700 thousand share awards were forfeited due to non-satisfaction of service conditions by outgoing employees of the Bank. A net release of US$ 121 thousand (30 September 2011: release of US$ 262 thousand) was recognised as part of staff costs, during the period, net of effect of forfeitures. As at 30 September 2012, 2.79 million share awards were outstanding to be exercised in future periods.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the nine months ended 30 September 2012

11 Segment reporting

30 September 2012 (reviewed)	**Development infrastructure**	**Banking**	**Unallocated**	**Total**
Segment revenue	5,627	28,612	7,117	41,356
Segment expenses	9,906	19,547	4,358	33,811
Segment result	(4,279)	9,065	2,759	7,545
Segment assets	530,300	297,907	4,403	832,610
Segment liabilities	311,388	115,187	35,668	464,244

30 September 2011 (reviewed)	Development infrastructure	Banking	Unallocated	Total
Segment revenue	928	41,592	8,144	50,064
Segment expenses	15,922	22,175	8,429	46,526
Segment result	(14,994)	19,417	(285)	4,138
31 December 2011 (audited)				
Segment assets	553,797	267,039	5,009	825,845
Segment liabilities	381,650	160,523	48,386	590,559

12 Commitments and contingencies

The commitments contracted in the normal course of business of the Group:

	30 September 2012 US$ 000's (reviewed)	31 December 2011 US$ 000's (audited)	30 September 2011 US$ 000's (reviewed)
Commitments to invest	613	613	6,613
Commitments to extend finance	77,636	82,636	16,500

The Group potentially has a commitment under a constructive obligation to extend finance to one of its projects of up to US$ 26.5 million (31 December 2011: US$ 23 million).

Based on the Group's assessment of the likelihood that a project will not be able to meet the financing obligation when they fall due, the Group has estimated that its financial guarantee of US$ 35 million may be enforced. Accordingly, the Group has recognized a provision of US$ 35 million (31 December 2011: US$ 35 million) towards these liabilities until revised / renegotiated terms are agreed with the lenders of the project company and included in other liabilities and recognised an equivalent amount of 'reimbursement right' receivable included in 'other assets'.

11 Commitments and contingencies (continue)

In the opinion of the management, the facilities that are due are being renegotiated and based on the current status of discussions, it is not expected that the Group will have to make payments against any of these guarantees. In the event any payment is required to be made, the Group will repay the existing lenders and the amounts will be recovered from the future cash flows generated from the operation of the relevant project.

Performance obligations
During the ordinary course of business, the Group may enter into performance obligations in respect of its infrastructure development projects. It is the usual practice of the Group to pass these performance obligations, wherever possible, on to the companies that own the projects. In the opinion of the management, no liabilities are expected to materialise on the Group at 30 September 2012 due to the performance of any of its projects.

Contingencies
The Group has contingent claims arising from the decision to not proceed with a project development agreement. The Group is currently negotiating with the counter party for an amicable settlement. While liability is not admitted, if defence against the action is unsuccessful, the claim and associated costs could amount to approximately US$ 36 million. The management do not expect any significant liability to arise on final closure.

13 Appropriations, if any, are made only at the year end.

14 Certain prior period amounts have been regrouped to conform to the current period's presentation. Such regrouping did not affect previously reported profit or owners' equity.