



CONSOLIDATED FINANCIAL INFORMATION

For the year ended 31 December 2012

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2012 / US\$ 000's

	31 December 2012	31 December 2011
ASSETS		
Cash and bank balances	3,216	3,820
Placements with financial institutions	14,767	3,001
Equity-accounted investees	235,383	230,442
Investment securities	174,017	220,265
Investment property	259,404	259,404
Assets held-for-sale	88,139	-
Other assets	115,531	108,913
Total assets	890,457	825,845
LIABILITIES		
Investors' funds	31,428	58,887
Placements from financial and other institutions	126,017	116,713
Financing liabilities	232,827	331,077
Liabilities held-for-sale	42,655	-
Other liabilities	73,871	83,882
Total liabilities	506,798	590,559
Equity of investment account holders	2,353	1,898
OWNERS' EQUITY		
Share capital	595,087	321,031
Treasury shares	(2,995)	(12,852)
Share premium	13,235	145,708
Statutory reserve	66,356	79,408
Accumulated losses	(291,280)	(301,687)
Investments fair value reserve	-	403
Other reserves	903	1,377
Total owners' equity	381,306	233,388
Total liabilities, equity of investment account holders and owners' equity	890,457	825,845

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

for the year ended 31 December 2012 / (US\$ 000's)

	Share capital	Treasury shares	Share premium	Statutory reserve	Accumulated losses	Investments fair value reserve	Other reserves	Total
2012								
Balance at 1 January 2012	321,031	(12,852)	145,708	79,408	(301,687)	403	1,377	233,388
Profit for the year	-	-	-	-	10,027	-	-	10,027
Changes in fair value of investment securities	-	-	-	-	-	(403)	-	(403)
Total recognised income and expense					10,027	(403)		9,624
Conversion of Murabaha to share capital	274,056	(37,876)	(132,473)	-	-	-	-	103,707
Transfer to retained earnings on settlement of convertible murabaha	-	-	-	-	380	-	(380)	-
Sale of treasury shares	-	47,733	-	-	-	-	-	47,733
Loss on sale of treasury shares	-	-	-	(13,052)	-	-	-	(13,052)
Share grants vesting expenses, net of forfeitures	-	-	-	-	-	-	(94)	(94)
Balance at 31 December 2012	595,087	(2,995)	13,235	66,356	(291,280)	-	903	381,306

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

for the year ended 31 December 2012 / (US\$ 000's) (continued)

	Share capital	Treasury shares	Share premium	Statutory reserve	Accumulated losses	Investments fair value reserve	Other reserves	Total
2011								
Balance at 1 January 2011	145,780	(24,674)	206,203	88,298	(302,068)	975	1,769	116,283
Profit for the year	-	-	-	-	381	-	-	381
Changes in fair value of investment securities	-	-	-	-	-	(572)	-	(572)
Total recognised income and expense					381	(572)		(191)
Conversion of Murabaha to share capital	175,251	-	(60,495)	-	-	-	(253)	114,503
Sale of treasury shares	-	11,822	-	-	-	-	-	11,822
Loss on sale of treasury shares	-	-	-	(8,890)	-	-	-	(8,890)
Share grants vesting expense, net of forfeitures	-	-	-	-	-	-	(139)	(139)
Balance at 31 December 2011	321,031	(12,852)	145,708	79,408	(301,687)	403	1,377	233,388

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2012 / (US\$ 000's)

	2012	2011
Management and other fees	2,985	7,921
Income from placements with financial institutions	130	2,091
Share of profits of equity-accounted investees	4,941	2,595
Gain on acquisition of assets held-for-sale	10,369	-
Income from investment securities, net	2,050	11,841
Foreign exchange gain, net	5,466	2,120
Other income, net	37,639	44,810
Total income	63,580	71,378
Staff cost	8,245	10,513
Investment advisory expenses	4,309	6,000
Finance expense	19,267	30,501
Other expenses	11,332	15,863
Total expenses	43,153	62,877
Profit before provision for impairment	20,427	8,501
Impairment allowances	(10,400)	(8,120)
Profit for the year	10,027	381
Earnings per share		
Basic and diluted earnings per share (US cents)	0.68	0.04

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2012 / (US\$ 000's)

	2012	2011
OPERATING ACTIVITIES		
Placements with financial institutions, net	(1,264)	(7,145)
Financing to projects, net	(4,475)	(2,975)
Receipts from financing receivables	-	450
Investors' funds, net	(1,220)	(3,566)
Management and other fees received	860	343
Income received from placements with financing institution	130	893
Payments for expenses and project costs	(19,470)	(20,434)
Cash used in operating activities	(25,439)	(32,434)
INVESTING ACTIVITIES		
Advance for acquisition of investment securities	-	(3,770)
Net cash paid for acquisition of subsidiary held-for-sale	(33,226)	-
Acquisition of investment securities	(460)	-
Proceeds from sale of investment securities	6,285	3,500
Dividends received	956	4,860
Cash (used in) / generated from investing activities	(26,445)	4,590
FINANCING ACTIVITIES		
Financing liabilities, net	(24,772)	(1,045)
Finance expense paid	(19,824)	(23,001)
Proceeds from issue of convertible murabaha	60,210	10,491
Payment for share issue expenses	-	(11,740)
Proceeds from sale of treasury shares	34,681	-
Dividends paid	(50)	(548)
Payments to charitable organisations	(77)	(130)
Cash generated / (used in) financing activities	50,168	(25,973)
DECREASE IN CASH AND CASH EQUIVALENTS	(1,716)	(53,817)
Cash and cash equivalents at 1 January	6,821	60,638
CASH AND CASH EQUIVALENTS at 31 December	5,105	6,821
Cash and cash equivalents comprise:		
Cash and bank balances	3,216	3,820
Cash and bank balances included in assets held-for-sale	1,889	-
Placements with financial institutions	-	3,001
	5,105	6,821

The financial statements were approved by the Board of Directors on 21 February 2013 and signed on its behalf by:

Esam Yousif Janahi
Chairman

Ahmed Al Mutawa
Vice Chairman

Hisham Alrayes
Acting Chief Executive Officer

These statements have been extracted from the consolidated financial statements for the year ended 31 December 2012 which were audited by KPMG.