

# Financial Results

## for the year ended 31 December 2009



### Consolidated Statement of Financial Position

as at 31 December 2009

	2009	2008
<b>ASSETS</b>		
Cash and bank balances	10,174	13,863
Placements with financial and other institutions	454,966	1,275,675
Financing receivables	291,173	69,189
Assets held-for-sale	-	611,996
Investment in associates	376,424	409,779
Investment securities	349,399	448,137
Receivable from investment banking services	85,270	222,343
Other assets	336,930	434,065
<b>Total assets</b>	<b>1,642,336</b>	<b>3,485,047</b>
<b>LIABILITIES</b>		
Investors' funds	246,193	538,784
Placements from financial and other institutions	210,842	937,538
Financing liabilities	652,520	634,895
Liabilities directly associated with assets held-for-sale	-	317,186
Other liabilities	96,584	87,826
<b>Total liabilities</b>	<b>1,206,139</b>	<b>2,516,229</b>
<b>Unrestricted investment accounts</b>	<b>2,875</b>	<b>1,945</b>
<b>EQUITY</b>		
Share capital	604,079	262,813
Treasury shares	(52,371)	(17,364)
Share premium	202,316	180,382
Statutory reserve	106,700	106,700
(Accumulated losses) / retained earnings	(432,677)	409,702
Investments fair value reserve	975	1,132
Other reserves	4,300	23,508
<b>Total equity</b>	<b>433,322</b>	<b>966,873</b>
<b>Total liabilities, unrestricted investment accounts and equity</b>	<b>1,642,336</b>	<b>3,485,047</b>
<b>Off-balance sheet items</b>		
Restricted investment accounts	50,042	74,222

### Consolidated Income Statement

for the year ended 31 December 2009

	2009	2008
Income from investment banking services	48,980	453,191
Placement, arrangement and management fees	2,580	33,233
Income from placements with financial and other institutions	3,752	29,555
Income from financing	1,513	1,533
(Loss) / income from investment in associates	(7,288)	94,968
(Loss) / income from investment securities	(4,027)	1,830
Other income, net	16,665	3,276
<b>Total income</b>	<b>62,175</b>	<b>617,586</b>
Staff cost	29,381	134,542
Investment advisory expenses	26,571	48,524
Finance cost	39,578	63,507
Other expenses	39,426	39,416
<b>Total expenses</b>	<b>134,956</b>	<b>285,989</b>
<b>(Loss) / profit before provision for impairment</b>	<b>(72,781)</b>	<b>331,597</b>
Provision for impairment	(655,598)	(39,712)
<b>(Loss) / profit for the year</b>	<b>(728,379)</b>	<b>291,885</b>
<b>Earnings per share (US cents)</b>		
Basic and diluted earnings per share	<b>(68.41)</b>	29.08

The consolidated financial statements were approved by the Board of Directors on 14 February 2010 and signed on its behalf by:

**Esam Yousif A. Janahi**  
Chairman

**Hamad A. Aziz Al-Shaya**  
Vice-Chairman

**Edward Noel Pretty**  
Acting Chief Executive Officer

These statements have been extracted from the consolidated financial information for the year ended 31 December 2009, which were audited by KPMG.

### Consolidated Statement of Comprehensive Income

for the year ended 31 December 2009

	2009	2008
<b>(Loss) / profit for the year</b>	<b>(728,379)</b>	291,885
<b>Other comprehensive income</b>		
Changes in fair value of available-for-sale investments	(157)	(1,667)
<b>Total comprehensive income for the year</b>	<b>(728,536)</b>	<b>290,218</b>

### Consolidated Statement of Cash Flows

for the year ended 31 December 2009

	2009	2008
<b>OPERATING ACTIVITIES</b>		
Income from investment banking services received	102,462	281,785
Placements with / received from financial and other institutions	(867,451)	586,625
Cash receipts from 'water park' operations	5,897	5,980
Financing, net	(12,121)	11,504
Financing of projects, net	(1,021)	(91,368)
Investors' funds, net	(292,799)	391,416
Placement, arrangement and management fees received	2,580	31,430
Income from placements and financing received	3,752	30,074
Payments for operating expenses and project costs	(86,370)	(255,188)
<b>Cash flows from operating activities</b>	<b>(1,145,071)</b>	<b>992,258</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of available-for-sale investments	(76,764)	(62,307)
Purchase of investment in associates, net	-	(113,003)
Dividends received from associates	14,708	28,252
Proceeds from partial disposal of associate	51,502	-
Payment for development property	(19,310)	-
Cash flows in relation to a subsidiary held-for-sale, net	-	(38,627)
Cash out flows on acquisition of a subsidiary	-	(8,351)
Proceeds from disposal of / (payments) for acquisition of equipment and capital work-in-progress	365	(11,939)
Dividends and other income on investment securities received	3,242	6,139
<b>Cash flows from investing activities</b>	<b>(26,257)</b>	<b>(199,836)</b>
<b>FINANCING ACTIVITIES</b>		
Financing liabilities, net	29,238	50,218
Proceeds from issue of shares	276,381	-
Finance cost paid	(38,019)	(63,700)
Acquisition of treasury shares, net	-	(14,993)
Cash paid to charitable organisations	(360)	(1,313)
Board remuneration paid	(3,000)	(5,000)
Dividends paid	(57,644)	(196,576)
Net receipts from unrestricted investment accounts	746	1,119
<b>Cash flows from financing activities</b>	<b>207,342</b>	<b>(230,245)</b>
<b>(Decrease) / increase in cash and cash equivalents</b>	<b>(963,986)</b>	<b>562,177</b>
Cash and cash equivalents at 1 January	1,289,538	727,361
<b>Cash and cash equivalents at 31 December</b>	<b>325,552</b>	<b>1,289,538</b>
Represented by:		
Cash and bank balances	10,174	13,863
Placements with financial and other institutions	315,378	1,275,675
	<b>325,552</b>	<b>1,289,538</b>

### Consolidated Statement of Changes in Equity

for the year ended 31 December 2009

2009	Share capital	Treasury shares	Share premium	Statutory reserve	Accumulated losses	Investments fair value reserve	Other reserves	Total equity
Balance at 1 January 2009	262,813	(17,364)	180,382	106,700	409,702	1,132	23,508	<b>966,873</b>
Loss for the year	-	-	-	-	(728,379)	-	-	<b>(728,379)</b>
Changes in fair value of available-for-sale investments	-	-	-	-	-	(157)	-	<b>(157)</b>
<b>Total comprehensive income for the year</b>	-	-	-	-	<b>(728,379)</b>	<b>(157)</b>	-	<b>(728,536)</b>
Increase in share capital	262,651	-	39,795	-	-	-	-	<b>302,446</b>
Issue of bonus shares	52,562	-	-	-	(52,562)	-	-	-
Share issue expenses	-	-	(21,808)	-	-	-	-	<b>(21,808)</b>
Equity component of convertible murabaha	-	-	-	-	-	-	1,266	<b>1,266</b>
Convertible options exercised	26,053	-	3,947	-	-	-	-	<b>30,000</b>
Share grants vesting expense, net of forfeitures	-	-	-	-	-	-	(20,474)	<b>(20,474)</b>
Dividend declared for 2008	-	-	-	-	(52,563)	-	-	<b>(52,563)</b>
Charity contribution declared for 2008	-	-	-	-	(3,000)	-	-	<b>(3,000)</b>
Board remuneration declared for 2008	-	-	-	-	(3,000)	-	-	<b>(3,000)</b>
Zakah contribution declared for 2008	-	-	-	-	(2,875)	-	-	<b>(2,875)</b>
Purchase of treasury shares	-	(35,007)	-	-	-	-	-	<b>(35,007)</b>
<b>Balance at 31 December 2009</b>	<b>604,479</b>	<b>(52,371)</b>	<b>202,316</b>	<b>106,700</b>	<b>(432,677)</b>	<b>975</b>	<b>4,300</b>	<b>433,322</b>

### Consolidated Statement of Changes in Equity

for the year ended 31 December 2009 (continued)

2008	Share capital	Treasury shares	Share premium	Statutory reserve	Retained earnings	Investments fair value reserve	Other reserves	Total equity
Balance at 1 January 2008	238,921	(8,926)	180,382	83,529	382,799	2,799	-	879,504
Profit for the year	-	-	-	-	291,885	-	-	291,885
Changes in fair value of available-for-sale investments	-	-	-	-	-	(1,667)	-	(1,667)
<b>Total comprehensive income for the year</b>	-	-	-	-	<b>291,885</b>	<b>(1,667)</b>	-	<b>290,218</b>
Issue of bonus shares	23,892	-	-	-	(23,892)	-	-	-
Share grants vesting expense	-	-	-	-	-	-	23,508	23,508
Dividend declared for 2007	-	-	-	-	(203,083)	-	-	<b>(203,083)</b>
Charity contribution declared for 2007	-	-	-	-	(3,000)	-	-	<b>(3,000)</b>
Board remuneration declared for 2007	-	-	-	-	(5,000)	-	-	<b>(5,000)</b>
Zakah contribution declared for 2007	-	-	-	-	(281)	-	-	<b>(281)</b>
Loss on sale of treasury shares	-	-	-	(6,555)	-	-	-	<b>(6,555)</b>
Purchase of treasury shares	-	(24,300)	-	-	-	-	-	<b>(24,300)</b>
Sale of treasury shares	-	15,862	-	-	-	-	-	<b>15,862</b>
Transfer to statutory reserve	-	-	-	29,726	(29,726)	-	-	-
<b>Balance at 31 December 2008</b>	<b>262,813</b>	<b>(17,364)</b>	<b>180,382</b>	<b>106,700</b>	<b>409,702</b>	<b>1,132</b>	<b>23,508</b>	<b>966,873</b>