

Financial Results

for the first quarter of 2010 fiscal year



Condensed Consolidated Statement of Financial Position

as at 31 March 2010

US\$ 000's

	31 March 2010 (reviewed)	31 December 2009 (audited)	31 March 2009 (reviewed)
ASSETS			
Cash and bank balances	5,430	10,174	18,749
Placements with financial and other institutions	156,701	454,966	743,491
Financing receivables	15,000	29,173	68,154
Receivable from investment banking services	85,270	85,270	245,883
Development property	-	-	591,996
Investment in associates	374,462	376,424	394,969
Investment securities	323,010	349,399	434,044
Other assets	341,294	336,930	445,215
Total assets	1,301,167	1,642,336	2,942,501
LIABILITIES			
Investors' funds	196,984	246,193	255,272
Placements from financial and other institutions	169,165	210,842	730,821
Financing liabilities	397,206	652,520	687,347
Payable towards development property	-	-	317,186
Other liabilities	91,760	96,584	72,631
Total liabilities	855,115	1,206,139	2,063,257
Unrestricted investment accounts	2,026	2,875	2,259
EQUITY			
Share capital	621,449	604,079	315,375
Share premium	205,398	202,316	180,382
Treasury shares	(52,371)	(52,371)	(17,364)
Statutory reserve	106,700	106,700	106,700
Other reserves	2,048	4,300	29,919
Investments fair value reserve	975	975	1,132
(Accumulated losses) / retained earnings	(440,173)	(432,677)	260,841
Total equity	444,026	433,322	876,985
Total liabilities, unrestricted investment accounts and equity	1,301,167	1,642,336	2,942,501
Restricted investment accounts	48,500	50,042	72,600

Condensed Consolidated Income Statement

for the three months ended 31 March 2010

US\$ 000's

	Three months ended 31 March 2010 (reviewed)	Three months ended 31 March 2009 (reviewed)
Income from investment banking services	5,161	46,840
Placement, arrangement and management fees	4,031	1,542
Income from placements with financial and other institutions	404	1,419
Income from financing	302	373
Share of losses from investment in associates	(1,964)	(101)
Income from investment securities	1,910	(1,472)
Foreign exchange gain, net	2,222	795
Other income, net	6,402	106
Total income	18,468	49,502
Staff costs	3,594	16,337
Investment advisory expenses	2,290	6,329
Finance expense	12,374	11,357
Provision for impairment	-	43,000
Other expenses	7,706	10,215
Total expenses	25,964	87,238
(LOSS) FOR THE PERIOD	(7,496)	(37,736)
Earnings per share (US cents)		
Basic and diluted earnings per share	(0.43)	(3.99)

The consolidated financial statements were approved by the Board of Directors on 9 May 2010 and signed on its behalf by:

Esam Yousif A. Janahi
Chairman

Edward Noel Pretty
Group Chief Executive Officer

These statements have been extracted from the condensed consolidated financial information for the three months ended 31 March 2009, which were reviewed by KPMG.

Condensed Consolidated Statement of Comprehensive Income

for the three months ended 31 March 2010

US\$ 000's

	Three months ended 31 March 2010 (reviewed)	Three months ended 31 March 2009 (reviewed)
(Loss) for the period	(7,496)	(37,736)
Other comprehensive income	-	-
Total comprehensive income for the period	(7,496)	(37,736)

Condensed Consolidated Statement of Changes in Equity

for the three months ended 31 March 2010

US\$ 000's

	Share capital	Share premium	Treasury shares	Statutory reserve	Other reserves	Investments fair value reserve	(Accumulated losses)	Total equity
31 March 2010 (reviewed)								
Balance at 1 January 2010	604,079	202,316	(52,371)	106,700	4,300	975	(432,677)	433,322
(Loss) for the period	-	-	-	-	-	-	(7,496)	(7,496)
Total comprehensive income for the period	-	-	-	-	-	-	(7,496)	(7,496)
Conversion of murabaha to share capital	17,370	3,117	-	-	(487)	-	-	20,000
Share issue expenses	-	(35)	-	-	-	-	-	(35)
Share grants vesting expense, net of forfeitures	-	-	-	-	(1,765)	-	-	(1,765)
Balance at 31 March 2010	621,449	205,398	(52,371)	106,700	2,048	975	(440,173)	444,026

	Share capital	Share premium	Treasury shares	Statutory reserve	Share grants reserve	Investments fair value reserve	Retained earnings	Total equity
31 March 2009 (reviewed)								
Balance at 1 January 2009	262,813	180,382	(17,364)	106,700	23,508	1,132	409,702	966,873
(Loss) for the period	-	-	-	-	-	-	(37,736)	(37,736)
Total comprehensive income for the period	-	-	-	-	-	-	(37,736)	(37,736)
Issue of bonus shares	52,562	-	-	-	-	-	(52,562)	-
Share grants vesting expense	-	-	-	-	6,411	-	-	6,411
Dividend declared for 2008	-	-	-	-	-	-	(52,563)	(52,563)
Charity contribution declared for 2008	-	-	-	-	-	-	(3,000)	(3,000)
Board remuneration declared for 2008	-	-	-	-	-	-	(3,000)	(3,000)
Balance at 31 March 2009	315,375	180,382	(17,364)	106,700	29,919	1,132	260,841	876,985

Condensed Consolidated Statement of Cash Flows

for the three months ended 31 March 2010

US\$ 000's

	Three months ended 31 March 2010 (reviewed)	Three months ended 31 March 2009 (reviewed)
OPERATING ACTIVITIES		
Proceeds of income from investment banking services	5,161	-
Placements with/ received from financial and other institutions, net	(43,537)	(206,717)
Cash received from 'water park' operations	530	-
Receipt of financing, net	-	1,408
(Disbursement)/ receipt of financing of projects, net	(1,508)	19,222
Investors' funds utilised, net	(29,249)	(283,510)
Placement, arrangement and management fees received	31	1,542
Income from placements and financing received	471	1,419
Payment for operating expenses and project costs	(16,486)	(23,497)
Cash flows from operating activities	(84,587)	(490,133)
INVESTING ACTIVITIES		
Purchase of investment securities	(6,882)	(39,933)
Proceeds from disposal of investment securities	21,217	-
Dividends received	242	1,929
Payments for acquisition of equipment	(166)	(1,681)
Distributions received from associates	-	14,709
Cash flows from investing activities	14,411	(24,976)
FINANCING ACTIVITIES		
Financing liabilities, net	(220,724)	51,660
Finance expense paid	(11,545)	(10,565)
Cash paid to charitable organisations	(631)	593
Board remuneration paid	-	(3,000)
Dividends paid	(114)	(51,191)
Net (payments)/ receipts from unrestricted investment accounts	(849)	314
Cash flows from financing activities	(233,863)	(12,189)
DECREASE IN CASH AND CASH EQUIVALENTS	(304,039)	(527,298)
Cash and cash equivalents at 1 January	325,552	1,289,538
CASH AND CASH EQUIVALENTS at 31 March	21,513	762,240
Cash and cash equivalents comprise:		
Cash and bank balances	5,430	18,749
Placements with financial and other institutions	16,083	743,491
	21,513	762,240