

Financial Results for Second Quarter 2010



Condensed Consolidated Statement of Financial Position as at 30 June 2010 - US\$ 000's

	30 June 2010 (reviewed)	31 December 2009 (audited)	30 June 2009 (reviewed)
ASSETS			
Cash and bank balances	13,248	10,174	5,947
Placements with financial and other institutions	121,411	454,966	649,022
Financing receivables	15,000	29,173	68,310
Receivable from investment banking services	40,481	85,270	146,642
Development property	-	-	571,996
Assets held-for-sale	260,000	-	-
Investment in associates	199,952	376,424	497,960
Investment securities	340,207	349,399	329,367
Other assets	392,821	336,930	444,198
Total assets	1,383,120	1,642,336	2,713,442
LIABILITIES			
Investors' funds	188,902	246,193	264,867
Placements from financial and other institutions	142,865	210,842	636,599
Financing liabilities	411,923	652,520	607,874
Payable towards development property	-	-	301,926
Other liabilities	220,918	96,584	74,214
Total liabilities	964,608	1,206,139	1,885,480
Unrestricted investment accounts	1,874	2,875	4,129
EQUITY			
Share capital	625,790	604,079	315,375
Share premium	206,203	202,316	180,382
Treasury shares	(23,298)	(52,371)	(17,364)
Statutory reserve	85,268	106,700	106,700
Other reserves	2,054	4,300	30,920
Investments fair value reserve	975	975	1,381
(Accumulated losses) / retained earnings	(480,354)	(432,677)	206,439
Total equity	416,638	433,322	823,833
Total liabilities, unrestricted investment accounts and equity	1,383,120	1,642,336	2,713,442
Restricted investment accounts	45,713	50,042	52,582

Condensed Consolidated Income Statement for the six months ended 30 June 2010 - US\$ 000's

	Six months ended		Three months ended	
	30 June 2010 (reviewed)	30 June 2009 (reviewed)	30 June 2010 (reviewed)	30 June 2009 (reviewed)
Income from investment banking services	5,161	47,890	-	1,050
Placement, arrangement and management fees	5,092	3,578	1,061	2,036
Income from placements with financial and other institutions	664	2,298	260	879
Income from financing	302	735	-	362
Share of (losses) / profits from investment in associates	(1,473)	2,888	491	2,990
(Loss) / income from investment securities	(376)	(238)	(2,286)	1,233
Foreign exchange gain, net	7,984	(592)	5,762	(1,388)
Other income, net	8,561	11,406	2,159	11,301
Total income	25,915	67,965	7,447	18,463
Staff cost	8,802	25,646	5,208	9,309
Investment advisory expenses	4,728	11,895	2,438	5,566
Finance expense	23,922	21,616	11,548	10,259
Impairment allowances	20,000	80,927	20,000	37,927
Other expenses	16,140	20,019	8,434	9,804
Total expenses	73,592	160,103	47,628	72,865
LOSS FOR THE PERIOD	(47,677)	(92,138)	(40,181)	(54,402)
Earnings per share				
Basic and diluted earnings per share (US cents)	(2.67)	(9.74)	(2.22)	(5.75)

The Directors approved the interim financial information on 19th August 2010.

Esam Yousif A. Janahi
Chairman

Edward Noel Pretty
Chief Executive Officer

These statements have been extracted from the consolidated financial information for the six months ended 30 June, 2010, which were reviewed by KPMG.

Condensed Consolidated Statement of Comprehensive Income for the six months ended 30 June 2010 - US\$ 000's

	Six months ended		Three months ended	
	30 June 2010 (reviewed)	30 June 2009 (reviewed)	30 June 2010 (reviewed)	30 June 2009 (reviewed)
Loss for the period	(47,677)	(92,138)	(40,181)	(54,402)
Other comprehensive income				
Transfer from investments fair value reserve on impairment	-	249	-	249
Total comprehensive income for the period	(47,677)	(91,889)	(40,181)	(54,153)

Condensed Consolidated Statement of Cash flows for the six months ended 30 June 2010 - US\$ 000's

	30 June 2010 (reviewed)	30 June 2009 (reviewed)
OPERATING ACTIVITIES		
Proceeds of income from investment banking services	5,161	100,000
Placements with / received from financial institutions, net	(44,629)	(309,776)
Cash received from water park operations	2,596	2,287
Disbursement of financing of projects, net	(3,647)	(12,432)
Investors' funds utilised, net	(22,918)	(286,599)
Placement, arrangement and management fees received	193	3,578
Income from placements and financing received	664	3,033
Payment for operating expenses and project costs	(31,561)	(16,066)
Cash flows from operating activities	(94,141)	(515,975)
INVESTING ACTIVITIES		
Purchase of investment securities	(6,882)	(41,069)
Proceeds from disposal of investment securities	31,274	-
Dividends received	2,230	3,162
Payments for development property	-	(15,260)
(Payments for) / proceeds from disposal of equipment and capital work-in-progress	(190)	713
Distributions received from associates	-	14,708
Cash flows from investing activities	26,432	(37,746)
FINANCING ACTIVITIES		
Financing liabilities, net	(220,724)	(11,969)
Finance expense paid	(23,716)	(18,387)
Cash paid to charitable organisations	(631)	(360)
Board remuneration paid	-	(3,000)
Proceeds from sale of treasury shares	7,641	-
Dividends paid	(163)	(55,132)
Net (payments) / receipts from unrestricted investment accounts	(1,001)	2,000
Cash flows from financing activities	(238,594)	(86,848)
DECREASE IN CASH AND CASH EQUIVALENTS	(306,303)	(640,569)
Cash and cash equivalents at 1 January	325,552	1,289,538
CASH AND CASH EQUIVALENTS at 30 June	19,249	648,969
Cash and cash equivalents comprise:		
Cash and bank balances	13,248	5,947
Placements with financial and other institutions	6,001	643,022
	19,249	648,969

Condensed Consolidated Statement of Changes in Equity for the six months ended 30 June 2010 - US\$ 000's

	Share Capital	Share premium	Treasury shares	Statutory reserve	Other reserves	Investments fair value reserve	Accumulated losses	Total equity
30 June 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	-	-	-	-	-	-	(47,677)	(47,677)
Total comprehensive income for the period	-	-	-	-	-	-	(47,677)	(47,677)
Conversion of murabha to share capital	21,711	3,922	-	-	(633)	-	-	25,000
Share issue expenses	-	(35)	-	-	-	-	-	(35)
Share grants vesting expenses, net of forfeitures	-	-	-	-	(1,613)	-	-	(1,613)
Sale of treasury shares	-	-	29,073	-	-	-	-	29,073
Loss on sale of treasury shares	-	-	-	(21,432)	-	-	-	(21,432)
Balance at 30 June 2010	625,790	206,203	(23,298)	85,268	2,054	975	(480,354)	416,638

	Share capital	Share premium	Treasury shares	Statutory reserve	Other reserves	Investments fair value reserve	Retained earnings	Total equity
30 June 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	-	-	-	-	-	249	(92,138)	(91,889)
Total comprehensive income for the period	-	-	-	-	-	249	(92,138)	(91,889)
Issue of bonus shares	52,562	-	-	-	-	-	(52,562)	-
Share grants vesting expense	-	-	-	-	7,412	-	-	7,412
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 30 June 2009	315,375	180,382	(17,364)	106,700	30,920	1,381	206,439	823,833