

# Financial Results for Third Quarter 2010

## Condensed Consolidated Statement of Financial Position

as at 30 September 2010

US\$ 000's

	30 September 2010 (reviewed)	31 December 2009 (audited)	30 September 2009 (reviewed)
<b>ASSETS</b>			
Cash and bank balances	4,007	10,174	6,445
Placements with financial and other institutions	129,067	454,966	397,459
Financing receivables	14,400	29,173	83,515
Development property	-	-	561,498
Assets held-for-sale	28,702	-	-
Investment in associates	198,899	376,424	499,264
Investment securities	335,207	349,399	328,954
Investment property	222,135	-	-
Receivable from investment banking services	-	85,270	146,658
Other assets	322,865	336,180	433,224
<b>Total assets</b>	<b>1,255,282</b>	<b>1,641,586</b>	<b>2,457,017</b>
<b>LIABILITIES</b>			
Investors' funds	185,734	246,193	245,200
Placements from financial and other institutions	152,080	210,842	438,203
Financing liabilities	403,216	651,770	608,598
Liabilities related to assets held-for-sale	519	-	-
Payable towards development property	-	-	290,480
Other liabilities	208,890	96,584	71,170
<b>Total liabilities</b>	<b>950,439</b>	<b>1,205,389</b>	<b>1,653,651</b>
<b>Unrestricted investment accounts</b>	<b>1,877</b>	<b>2,875</b>	<b>3,917</b>
<b>EQUITY</b>			
Share capital	625,790	604,079	315,375
Share premium	206,203	202,316	180,382
Treasury shares	(18,344)	(52,371)	(17,364)
Statutory reserve	81,968	106,700	106,700
Other reserves	1,853	4,300	36,230
Investments fair value reserve	975	975	975
(Accumulated losses) / retained earnings	(595,479)	(432,677)	177,151
<b>Total equity</b>	<b>302,966</b>	<b>433,322</b>	<b>799,449</b>
<b>Total liabilities, unrestricted investment accounts and equity</b>	<b>1,255,282</b>	<b>1,641,586</b>	<b>2,457,017</b>
Restricted investment accounts	<b>48,848</b>	<b>50,042</b>	<b>54,776</b>

## Condensed Consolidated Income Statement

for the nine months ended 30 September 2010

US\$ 000's

	Nine months ended		Three months ended	
	30 September 2010 (reviewed)	30 September 2009 (reviewed)	30 September 2010 (reviewed)	30 September 2009 (reviewed)
<b>Continuing operations</b>				
Income from investment banking services	5,161	48,270	-	380
Placement, arrangement and management fees	6,007	3,798	915	220
Income from placements with financial and other institutions	921	3,112	257	814
Income from financing	716	1,091	414	356
Share of (losses) / profit from investment in associates	(2,526)	4,194	(1,053)	1,306
(Loss) / income from investment securities	(376)	(159)	-	79
Other income	6,134	9,119	-	-
<b>Total income</b>	<b>16,037</b>	<b>69,425</b>	<b>533</b>	<b>3,155</b>
Staff cost	12,864	38,372	4,509	13,347
Investment advisory expenses	5,671	15,248	943	3,353
Finance expense	35,998	31,367	12,076	9,751
Other expenses	19,406	20,021	6,397	5,853
Foreign exchange loss, net	2,839	1,090	10,823	498
<b>Total expenses</b>	<b>76,778</b>	<b>106,098</b>	<b>34,748</b>	<b>32,802</b>
Loss before impairment allowances	(60,741)	(36,673)	(34,215)	(29,647)
Impairment allowances	(101,539)	(80,927)	(81,539)	-
<b>Loss for the period from continuing operations</b>	<b>(162,280)</b>	<b>(117,600)</b>	<b>(115,754)</b>	<b>(29,647)</b>
Discontinued operations				
Loss / (profit) from discontinued operations	(522)	(3,826)	629	359
<b>LOSS FOR THE PERIOD</b>	<b>(162,802)</b>	<b>(121,426)</b>	<b>(115,125)</b>	<b>(29,288)</b>
<b>Earnings per share</b>				
Basic and diluted earnings per share (US cents)	<b>(8.88)</b>	<b>(12.84)</b>	<b>(6.26)</b>	<b>(3.09)</b>
<b>Continuing operations</b>				
Basic and diluted earnings per share (US cents)	<b>(8.84)</b>	<b>(12.43)</b>	<b>(6.29)</b>	<b>(3.13)</b>

The Board of Directors approved the interim financial information on 26 October 2010 and signed on its behalf by:

**Dr. Esam Yousif A. Janahi**  
Executive Chairman

**Edward Noel Pretty**  
Group Chief Executive Officer

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

## Condensed Consolidated Statement of Comprehensive Income

for the nine months ended 30 September 2010

US\$ 000's

	Nine months ended		Three months ended	
	30 September 2010 (reviewed)	30 September 2009 (reviewed)	30 September 2010 (reviewed)	30 September 2009 (reviewed)
Loss for the period	(162,802)	(121,426)	(115,125)	(29,288)
Other comprehensive income				
Transfer from investments fair value reserve on impairment	-	(157)	-	(406)
<b>Total comprehensive income for the period</b>	<b>(162,802)</b>	<b>(121,583)</b>	<b>(115,125)</b>	<b>(29,694)</b>

## Condensed Consolidated Statement of Changes in Equity

for the nine months ended 30 September 2010

US\$ 000's

	Share capital	Share premium	Treasury shares	Statutory reserve	Other reserves	Investments fair value reserve	Accumulated losses	Total equity
<b>30 September 2010 (reviewed)</b>								
Balance at 1 January 2010	604,079	202,316	(52,371)	106,700	4,300	975	(432,677)	<b>433,322</b>
Loss for the period	-	-	-	-	-	-	(162,802)	<b>(162,802)</b>
Total comprehensive income for the period	-	-	-	-	-	-	(162,802)	<b>(162,802)</b>
Conversion of murabaha to share capital	21,711	3,922	-	-	(633)	-	-	<b>25,000</b>
Share issue expenses	-	(35)	-	-	-	-	-	<b>(35)</b>
Share grants vesting expense, net of forfeitures	-	-	-	-	(1,814)	-	-	<b>(1,814)</b>
Sale of treasury shares	-	-	34,027	-	-	-	-	<b>34,027</b>
Loss on sale of treasury shares	-	-	-	(24,732)	-	-	-	<b>(24,732)</b>
<b>Balance at 30 September 2010</b>	<b>625,790</b>	<b>206,203</b>	<b>(18,344)</b>	<b>81,968</b>	<b>1,853</b>	<b>975</b>	<b>(595,479)</b>	<b>302,966</b>

	Share capital	Share premium	Treasury shares	Statutory reserve	Other reserves	Investments fair value reserve	Retained earnings	Total equity
<b>30 September 2009 (reviewed)</b>								
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	-	-	-	-	-	(157)	(121,426)	(121,583)
Total comprehensive income for the period	-	-	-	-	-	(157)	(121,426)	(121,583)
Issue of bonus shares	52,562	-	-	-	-	-	(52,562)	-
Share grants vesting expense	-	-	-	-	12,722	-	-	12,722
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)
<b>Balance at 30 September 2009</b>	<b>315,375</b>	<b>180,382</b>	<b>(17,364)</b>	<b>106,700</b>	<b>36,230</b>	<b>975</b>	<b>177,151</b>	<b>799,449</b>

## Condensed Consolidated Statement of Cash flows

for the nine months ended 30 September 2010

US\$ 000's

	30 September 2010 (reviewed)	30 September 2009 (reviewed)
<b>OPERATING ACTIVITIES</b>		
Proceeds of income from investment banking services	5,161	100,364
Placements with / received from financial institutions, net	(30,071)	(506,502)
Cash received from waterpark operations	4,902	5,329
Disbursement of financing of projects, net	(7,336)	(31,355)
Investors' funds, net	(32,365)	(293,792)
Placement, arrangement and management fees received	4,520	3,798
Income from placements and financing received	1,335	3,112
Payment for expenses and project costs	(60,730)	(37,090)
<b>Cash flows from operating activities</b>	<b>(114,584)</b>	<b>(756,136)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of investment securities	(6,882)	(41,128)
Proceeds from sale of available-for-sale investments	31,274	-
Proceeds from sale of investment in associate	40,000	-
Dividends received	2,230	17,950
Payments for development property	-	(16,208)
(Payments for) / proceeds from disposal of equipment and capital work-in-progress	(307)	1,540
<b>Cash flows from investing activities</b>	<b>66,315</b>	<b>(37,846)</b>
<b>FINANCING ACTIVITIES</b>		
Financing liabilities, net	(232,500)	(10,957)
Finance expense paid	(27,937)	(29,808)
Cash paid to charitable organisations	(631)	(359)
Board remuneration paid	-	(3,000)
Proceeds from sale of treasury shares	9,295	-
Dividends paid	(193)	(55,316)
(Payments) / receipts from unrestricted investment accounts, net	(1,001)	1,788
<b>Cash flows from financing activities</b>	<b>(252,967)</b>	<b>(97,652)</b>
<b>(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(301,236)</b>	<b>(891,634)</b>
Cash and cash equivalents at 1 January	325,552	1,289,538
<b>CASH AND CASH EQUIVALENTS at 30 September</b>	<b>24,316</b>	<b>397,904</b>
<b>Cash and cash equivalents comprise:</b>		
Cash and bank balances	4,007	6,445
Cash and bank balances classified as assets held-for-sale	1,309	-
Placements with financial and other institutions	19,000	391,459
	<b>24,316</b>	<b>397,904</b>