

CAPIVEST

EQUITABLE ALLIANCE

Second Quarter - 2011

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION At 30 June 2011 (Unaudited)

	Audited	
	30 June 2011	31 December 2010
	USD '000	USD '000
ASSETS		
Cash and balances with banks	3,527	5,331
Due from financial institutions	13,390	24,256
Murabaha receivables	-	3
Receivable from Ijara investors	27,054	27,040
Investments at fair value through equity	28,365	31,404
Development property	38,331	38,440
Investment in associates	2,265	1,835
Investment properties	19,247	20,016
Other assets	4,038	5,614
TOTAL ASSETS	136,217	153,939
LIABILITIES AND OWNERS' EQUITY		
Liabilities		
Due to financial institutions	27,276	32,285
Due to non financial institutions	-	4,627
Other liabilities	23,679	26,389
Total liabilities	50,955	63,301
Owners' Equity		
Share capital	100,000	63,635
Share premium	-	67,815
Investment reserves	(357)	1,794
Statutory reserve	5,094	5,094
Accumulated losses	(24,700)	(53,240)
Equity attributable to the parent	80,037	85,098
Non-controlling interest	5,225	5,540
Total equity	85,262	90,638
TOTAL LIABILITIES AND OWNERS' EQUITY	136,217	153,939
OFF BALANCE SHEET ITEMS :		
Equity of Investment Account Holders	361	361

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY For the period ended 30 June 2011 (Unaudited)

	Attributable to equity holders of the parent								Total	Non-controlling interest	Total equity
	Share capital	Share premium	Statutory reserve	Investment fair value reserve	Investment property fair value reserve	Accumulated losses	Total				
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000			
Balance at 1 January 2011	63,635	67,815	5,094	(1)	1,795	(53,240)	85,098	5,540	90,638		
Issue of shares	36,365	(36,365)	-	-	-	-	-	-	-	-	
Transfer to accumulated losses	-	(31,450)	-	-	-	31,450	-	-	-	-	
Net movement in investment fair values reserves	-	-	-	(1,743)	(408)	-	(2,151)	-	(2,151)	-	
Total income and expense for the period recognised directly in equity	-	-	-	(1,743)	(408)	-	(2,151)	-	(2,151)	-	
Net loss for the period	-	-	-	-	-	(2,910)	(2,910)	(48)	(2,958)	-	
Total loss for the period	-	-	-	(1,743)	(408)	(2,910)	(5,061)	(48)	(5,109)	-	
Net movement in non-controlling interest	-	-	-	-	-	-	-	(267)	(267)	-	
Balance at 30 June 2011	100,000	-	5,094	(1,744)	1,387	(24,700)	80,037	5,225	85,262		
	Attributable to equity holders of the parent								Total	Non-controlling interest	Total equity
	Share capital	Share premium	Statutory reserve	Investment fair value reserve	Investment property fair value reserve	Accumulated losses	Total				
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000			
Balance at 1 January 2010	63,635	67,815	5,094	-	-	2,639	(9,045)	130,138	8,990	139,128	
Net movement in investment fair values reserves	-	-	-	(1)	(508)	-	(509)	-	(509)	-	
Total income and expense for the period recognised directly in equity	-	-	-	(1)	(508)	-	(509)	-	(509)	-	
Net loss for the period	-	-	-	-	-	-	(9,461)	(9,461)	(13)	(9,474)	
Total loss for the period	-	-	-	(1)	(508)	(9,461)	(9,970)	(13)	(9,983)	-	
Net movement in non-controlling interest	-	-	-	-	-	-	-	-	(1,076)	(1,076)	
Balance at 30 June 2010	63,635	67,815	5,094	(1)	2,131	(18,506)	120,168	7,901	128,069		

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION For the period ended 30 June 2011 (Unaudited)

	Three months ended 30 June		Six months ended 30 June	
	2011 USD '000	2010 USD '000	2011 USD '000	2010 USD '000
INCOME				
Profit from Islamic finances	28	66	68	125
Profit on Islamic finances	(6)	(20)	(21)	(43)
Net income on Islamic finances	22	46	47	82
Investment banking services income	20	1,883	40	1,943
Income from investments	80	-	145	-
Share of results of associates	366	(1,016)	431	(902)
Other income	270	288	599	900
Total income	758	1,201	1,262	2,023
EXPENSES				
Staff costs	1,482	2,760	3,093	4,646
Investment advisory expenses	116	61	161	160
Provision (recovery of provision) for impairment	1,013	4,975	(372)	5,038
Other expenses	708	869	1,338	1,653
Total expenses	3,319	8,665	4,220	11,497
NET LOSS FOR THE PERIOD	(2,561)	(7,464)	(2,958)	(9,474)
ATTRIBUTABLE TO :				
Equity holders of the parent	(2,540)	(7,452)	(2,910)	(9,461)
Non-controlling interest	(21)	(12)	(48)	(13)
	(2,561)	(7,464)	(2,958)	(9,474)
Basic and diluted loss per share	(0.98)	(3.16)	(1.18)	(4.01)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS for the period ended 30 June 2011 (Unaudited)

	Six months ended 30 June	
	2011 USD '000	2010 USD '000
OPERATING ACTIVITIES		
Net loss for the period	(2,958)	(9,474)
Adjustments for:		
Non-controlling interest	48	13
Depreciation and amortization	156	252
Allowance for doubtful murabaha receivables (Recovery of provision) provision for impairment	(31)	(34)
Share of results of associates	(372)	5,038
Gain on sale of investments	(431)	902
	(65)	-
Operating loss before changes in operating assets and liabilities	(3,653)	(3,303)
Working capital adjustments:		
Murabaha receivables	34	2,141
Development property	(543)	(1,699)
Receivable from Ijara investors	(15)	1,231
Other assets	2,800	1,732
Due to financial institutions	(5,009)	1,389
Due to non financial institutions	(4,627)	(230)
Other liabilities	(2,710)	(1,610)
Net changes in non controlling interest	(315)	(1,089)
Net cash flows used in operating activities	(14,038)	(1,438)
INVESTING ACTIVITIES		
Purchase of associate	-	(239)
Proceeds from liquidation/sale of investments at fair value through equity	1,361	-
Sale of fixed assets	7	28
Net cash flows from (used in) investing activities	1,368	(211)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(12,670)	(1,649)
Cash and cash equivalents at the beginning of the period	29,587	34,168
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	16,917	32,519
Cash and cash equivalents comprise:		
Cash and bank balances	3,527	4,881
Due from financial institutions	13,390	27,638
	16,917	32,519

The above has been extracted from 30 June 2011 interim condensed consolidated financial statements reviewed by ERNST & YOUNG. The reviewed interim condensed consolidated financial statements are available on CAPIVEST website at www.capivest.com