



# INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30<sup>th</sup> June 2010 (Unaudited)

## INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

At 30<sup>th</sup> June 2010

	30 <sup>th</sup> June 2010 (Unaudited) US\$ '000	31 <sup>st</sup> December 2009 (Audited) US\$ '000
<b>ASSETS</b>		
Cash and balances with banks	4,590	3,676
Deposit with a bank	2,318	-
Due from banks	22,500	23,200
Mudaraba receivables	6,562	8,000
Ijarah receivables	9,398	10,000
Financing receivable	12,000	15,000
Investments	203,458	231,396
Other assets	5,685	5,780
Property & Equipment	3,590	1,351
<b>TOTAL ASSETS</b>	<b>270,101</b>	<b>298,403</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
Due to Short Term Sukuk - investors	100,527	123,584
Due to banks	104,496	109,205
Other liabilities	3,630	3,638
	<b>208,653</b>	<b>236,427</b>
<b>EQUITY</b>		
Share capital	51,000	51,000
Reserves	9,265	8,612
Retained earnings	1,183	2,224
Proposed appropriations	-	140
	<b>61,448</b>	<b>61,976</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>270,101</b>	<b>298,403</b>

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the six months ended 30<sup>th</sup> June 2010

	Three months ended		Six months ended	
	30 <sup>th</sup> June 2010 US\$ '000	30 <sup>th</sup> June 2009 US\$ '000	30 <sup>th</sup> June 2010 US\$ '000	30 <sup>th</sup> June 2009 US\$ '000
Income from investments	1,854	2,511	4,330	5,314
Income from Murabaha and due from banks	42	491	70	789
Income from financing receivable	284	50	530	50
Income from Mudaraba receivables	146	-	216	-
Income from Ijarah receivables	182	-	365	-
Net (Loss) / gain on held for trading investments	(214)	-	127	-
Net Loss from sale of available - for - sale - investments	(1,086)	-	(1,086)	-
Less: Return to Short Term Sukuk - investors	(573)	(871)	(1,199)	(1,787)
Less: Return to banks	(555)	(378)	(1,100)	(705)
Less: Return to non banks	-	(19)	-	(223)
	<b>80</b>	<b>1,784</b>	<b>2,253</b>	<b>3,438</b>
Investment banking fees	169	3,356	1,298	3,399
Ijarah income / (expense) - net	28	(369)	34	(838)
Foreign exchange (loss) / gain	-	(229)	83	(202)
<b>OPERATING INCOME</b>	<b>277</b>	<b>4,542</b>	<b>3,668</b>	<b>5,797</b>
Staff costs	970	748	1,895	1,616
Depreciation	73	21	128	45
General and administrative expenses	381	444	877	696
<b>OPERATING EXPENSES</b>	<b>1,424</b>	<b>1,213</b>	<b>2,900</b>	<b>2,357</b>
<b>NET (LOSS) / PROFIT FOR THE PERIOD BEFORE IMPAIRMENT PROVISION</b>	<b>(1,147)</b>	<b>3,329</b>	<b>768</b>	<b>3,440</b>
Specific impairment provision	1,172	1,440	1,249	1,440
Collective impairment provision	-	-	700	-
<b>NET (LOSS) / PROFIT FOR THE PERIOD</b>	<b>(2,319)</b>	<b>1,889</b>	<b>(1,181)</b>	<b>2,000</b>

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30<sup>th</sup> June 2010

	Share capital	Reserves					Retained earnings	Proposed appropriations	Total equity
		Statutory reserve	General reserve	Investments fair value reserve	Foreign exchange translations	Total reserves			
Balance at 1 <sup>st</sup> January 2010	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	
	51,000	2,226	2,226	4,160	-	8,612	2,224	140	61,976
Cumulative changes in fair value - net	-	-	-	653	-	653	-	-	653
Directors' remuneration	-	-	-	-	-	-	140	(140)	-
<b>Income recognised directly in equity</b>	-	-	-	<b>653</b>	-	<b>653</b>	<b>140</b>	<b>(140)</b>	<b>653</b>
Net loss for the period	-	-	-	-	-	-	(1,181)	-	(1,181)
<b>Total income and expenses recognised during the period</b>	-	-	-	<b>653</b>	-	<b>653</b>	<b>(1,041)</b>	<b>(140)</b>	<b>(528)</b>
<b>Balance at 30<sup>th</sup> June 2010</b>	<b>51,000</b>	<b>2,226</b>	<b>2,226</b>	<b>4,813</b>	-	<b>9,265</b>	<b>1,183</b>	-	<b>61,448</b>
Balance at 1 <sup>st</sup> January 2009	51,000	1,930	1,930	-	(504)	5,555	(245)	-	56,310
Cumulative changes in fair value - net	-	-	-	1,653	-	1,653	-	-	1,653
Foreign currency translation	-	-	-	-	187	187	-	-	187
<b>Income recognised directly in equity</b>	-	-	-	<b>1,653</b>	<b>187</b>	<b>1,840</b>	-	-	<b>1,840</b>
Net profit for the period	-	-	-	-	-	-	2,000	-	2,000
<b>Total income and expenses recognised during the period</b>	-	-	-	<b>1,653</b>	<b>187</b>	<b>1,840</b>	<b>2,000</b>	-	<b>3,840</b>
Balance at 30 <sup>th</sup> June 2009	51,000	1,930	1,930	3,852	(317)	7,395	1,755	-	60,150

Revised by external auditors ERNST & YOUNG, unqualified opinion.

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30<sup>th</sup> June 2010

	30 <sup>th</sup> June 2010 US\$ '000	30 <sup>th</sup> June 2009 US\$ '000
Net cash from / (used in) operating activities	2,581	(23,271)
Net cash used in investing activity	(2,367)	(624)
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>214</b>	<b>(23,895)</b>
Cash and cash equivalents at 1 <sup>st</sup> January	26,876	29,956
<b>CASH AND CASH EQUIVALENTS AT 30<sup>th</sup> JUNE</b>	<b>27,090</b>	<b>6,061</b>

Note: The full consolidated statement of cash flows is available on LMC's website.

Emad Al Monayea  
Deputy Chairman

Khalid Al-Dossari  
Director

Ahmed Abbas  
Chief Executive Officer