

INTERIM CONSOLIDATED CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2011 (UNAUDITED)

INTERIM CONSOLIDATED FINANCIAL POSITION At 30 June 2011 (Unaudited)

	30 June 2011 (Unaudited) US\$ '000	(Restated)* 31 December 2010 (Audited) US\$ '000
ASSETS		
Cash and balances with banks	3,948	4,241
Murabaha receivable	3,185	-
Due from banks	5,000	8,200
Mudaraba receivables	19,390	11,389
Ijarah receivables	7,117	7,771
Financing receivable	7,875	10,125
Investment in sukuk	135,636	164,486
Investment in equities and funds	19,347	20,250
Investment in properties	2,800	2,800
Property and equipment	7,825	5,799
Other assets	2,068	2,135
TOTAL ASSETS	214,191	237,196
LIABILITIES AND OWNERS' EQUITY		
Liabilities		
Due to Short Term Sukuk - investors	90,202	95,115
Due to banks	64,528	82,600
Other liabilities	3,101	4,058
Total Liabilities	157,831	181,773
Owners' Equity		
Share capital	51,000	51,000
Reserves	10,389	10,384
Accumulated deficit	(5,029)	(5,961)
Total Owners' Equity	56,360	55,423
TOTAL LIABILITIES AND OWNERS' EQUITY	214,191	237,196

* Certain numbers shown here do not correspond to the 2010 consolidated financial statements and reflect the retrospective adjustments made as a result of the adoption of the new accounting standard issued by AAOIFI.

INTERIM CONSOLIDATED STATEMENT OF INCOME For the six months ended 30 June 2011 (Unaudited)

	Three months ended		Six months ended	
	30 June 2011 US\$ '000	30 June 2010 US\$ '000	30 June 2011 US\$ '000	30 June 2010 US\$ '000
Income from investments	2,002	1,854	3,575	4,330
Income from Murabaha and due from banks	13	42	25	70
Income from financing receivable	182	284	378	530
Income from Mudaraba receivables	99	146	205	216
Income from Ijarah receivables	135	182	278	365
Net (loss) / gain on investment at fair value through statement of income	(53)	(214)	(130)	127
Net loss on sale of investment through equity	(102)	(1,086)	(102)	(1,086)
Less: Return to Short Term Sukuk - investors	(557)	(573)	(1,041)	(1,199)
Less: Return to banks	(363)	(555)	(778)	(1,100)
	1,356	80	2,410	2,253
Investment banking fees	355	169	1,198	1,298
Ijarah income	399	355	761	691
Foreign exchange (loss) / gain	2	-	(60)	83
OPERATING INCOME	2,112	604	4,309	4,325
Staff costs				
Depreciation	800	970	1,681	1,895
Ijarah expense	115	73	223	128
General and administrative expenses	280	327	567	657
	346	381	637	877
OPERATING EXPENSES	1,541	1,751	3,108	3,557
NET PROFIT (LOSS) FOR THE PERIOD BEFORE IMPAIRMENT PROVISION				
	571	(1,147)	1,201	768
Specific impairment provision				
Collective impairment provision	-	1,172	269	1,249
	571	(2,319)	932	(1,181)

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

	Reserves			(Accumulated deficit/ Retained earnings)				Total equity US\$ '000
	Share capital US\$ '000	Statutory reserve US\$ '000	General reserve US\$ '000	Investments fair value reserve US\$ '000	Total reserves US\$ '000	Retained earnings US\$ '000	Proposed appropriations US\$ '000	
Balance at 1 January 2011	51,000	2,226	2,226	4,732	9,184	(5,961)	-	54,223
Changes due to adoption of FAS 25	-	-	-	1,200	1,200	-	-	1,200
Balance at 1 January 2011 (restated)	51,000	2,226	2,226	5,932	10,384	(5,961)	-	56,423
Cumulative changes in fair value - net	-	-	-	5	5	-	-	5
Income recognised directly in equity	-	-	-	5	5	-	-	5
Net profit for the period	-	-	-	-	932	-	-	932
Total income recognised during the period	-	-	-	5	5	932	-	937
Balance at 30 June 2011	51,000	2,226	2,226	5,937	10,389	(5,029)	-	56,360
Balance at 1 January 2010	51,000	2,226	2,226	4,160	8,612	2,224	140	61,976
Changes due to adoption of FAS 25	-	-	-	1,345	1,345	-	-	1,345
Balance at 1 January 2010 (restated)	51,000	2,226	2,226	5,505	9,957	2,224	140	63,321
Cumulative changes in fair value - net	-	-	-	653	653	-	-	653
Changes due to adoption of FAS 25	-	-	-	106	106	-	-	106
Directors' remuneration	-	-	-	-	140	(140)	-	-
Income recognised directly in equity	-	-	-	759	759	140	(140)	759
Net loss for the period	-	-	-	-	-	(1,181)	-	(1,181)
Total income and expenses recognised during the period	-	-	-	759	759	(1,041)	(140)	(422)
Balance at 30 June 2010	51,000	2,226	2,226	6,264	10,716	1,183	-	62,899

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS For the six months ended 30 June 2011 (Unaudited)

	30 June 2011 US\$ '000	30 June 2010 US\$ '000
Net cash from operating activities	1,941	2,581
Net cash used in investing activity	(2,249)	(2,367)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(308)	214
Cash and cash equivalents at 1 January	12,441	26,876
CASH AND CASH EQUIVALENTS AT 30 JUNE	12,133	27,090

Note: The Full consolidated statement of cash flows is available on LMC's website
* Reviewed by : External auditors ERNST & Young, Unqualified opinion. These Interim condensed consolidated Financial statements have been authorized for Issuance in accordance with a resolution of the Board of Director date 25/7/2011.

Emad Al Monayea
Chairman

Khalid Al Dossari
Director

Ahmad Abbas
Chief Executive Officer