

# INTERIM CONSOLIDATED CONSOLIDATED FINANCIAL STATEMENTS 31 MARCH 2011 (UNAUDITED)

## INTERIM CONSOLIDATED FINANCIAL POSITION At 31 March 2011 (Unaudited)

	31 March 2011 (Unaudited) US\$ '000	(Restated)* 31 December 2010 (Audited) US\$ '000
<b>ASSETS</b>		
Cash and balances with banks	4,342	4,241
Due from banks	5,200	8,200
Mudaraba receivables	7,487	11,389
Ijarah receivables	7,446	7,771
Financing receivable	9,000	10,125
Investment in sukuk	165,124	164,486
Investment in equities and funds	19,899	20,250
Investment in properties	2,800	2,800
Property and equipment	5,705	5,799
Other assets	1,537	2,135
<b>TOTAL ASSETS</b>	<b>228,550</b>	<b>237,196</b>
<b>LIABILITIES AND OWNERS' EQUITY</b>		
<b>LIABILITIES</b>		
Due to Short Term Sukuk - investors	90,127	95,115
Due to banks	79,645	82,600
Other liabilities	3,026	4,058
<b>TOTAL LIABILITIES</b>	<b>172,798</b>	<b>181,773</b>
<b>OWNERS' EQUITY</b>		
Share capital	51,000	51,000
Reserves	10,352	10,364
Accumulated deficit	(5,600)	(5,961)
	55,752	55,423
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>	<b>228,550</b>	<b>237,196</b>

\* 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 three months ended 31 March 2011 (Unaudited)

	Three months ended	
	31 March 2011 US\$ '000	31 March 2010 US\$ '000
Income from investments	1,573	2,476
Income from Murabaha and due from banks	12	28
Income from financing receivable	196	246
Income from Mudaraba receivables	106	70
Income from Ijarah receivables	143	183
Net (loss) gain on investment at fair value through statement of income	(77)	341
Less: Return to Short Term Sukuk - investors	(484)	(626)
Less: Return to banks	(415)	(545)
	1,054	2,173
Investment banking fees	843	1,129
Ijarah income - net	75	6
Foreign exchange (loss) / gain	(62)	83
<b>OPERATING INCOME</b>	<b>1,910</b>	<b>3,391</b>
Staff costs	881	925
Depreciation	108	55
General and administrative expenses	291	496
<b>OPERATING EXPENSES</b>	<b>1,280</b>	<b>1,476</b>
<b>NET PROFIT FOR THE PERIOD BEFORE IMPAIRMENT PROVISION</b>	<b>630</b>	<b>1,915</b>
Specific impairment provision	269	77
Collective impairment provision	-	700
<b>NET PROFIT FOR THE PERIOD</b>	<b>361</b>	<b>1,138</b>

## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY For the three months ended 31 March 2011 (Unaudited)

	Reserves			Investments		(Accumulated deficit)/ Retained earnings		Proposed appropriations		Total equity	
	Share capital US\$ '000	Statutory reserve US\$ '000	General reserve US\$ '000	fair value reserve US\$ '000	Total reserves US\$ '000	Retained earnings US\$ '000	-	-	US\$ '000	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)	-	-	-	55,423	
Cumulative changes in fair value - net	-	-	-	(32)	(32)	-	-	-	-	(32)	
Loss recognised directly in equity	-	-	-	(42)	(42)	-	-	-	-	(42)	
Net profit for the period	-	-	-	-	361	-	-	-	-	361	
<b>Total income and expenses recognised during the period</b>	-	-	-	(32)	(32)	361	-	-	-	329	
<b>Balance at 31 March 2011</b>	<b>51,000</b>	<b>2,226</b>	<b>2,226</b>	<b>5,900</b>	<b>10,352</b>	<b>(5,600)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>55,752</b>	
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	-	-	-	27	27	-	-	-	-	27	
Changes due to adoption of FAS 25	-	-	-	(23)	(23)	-	-	-	-	(23)	
Directors' remuneration	-	-	-	-	-	140	(140)	-	-	-	
Income recognised directly in equity	-	-	-	-	-	4	(140)	-	-	-4	
Net profit for the period	-	-	-	-	-	1,138	-	-	-	1,138	
<b>Total income recognised during the period</b>	-	-	-	4	4	1,278	(140)	-	-	1,142	
<b>Balance at 31 March 2010</b>	<b>51,000</b>	<b>2,226</b>	<b>2,226</b>	<b>5,509</b>	<b>9,961</b>	<b>3,502</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>64,463</b>	

## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS For the three months ended 31 March 2011 (Unaudited)

	31 March 2011 US\$ '000	31 March 2010 US\$ '000
Net cash used in operating activities	(2,885)	(6,667)
Net cash used in investing activity	(14)	(136)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(2,899)</b>	<b>(6,803)</b>
Cash and cash equivalents at 1 January	12,441	26,876
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>	<b>9,542</b>	<b>20,073</b>

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

\* Reviewed by : External auditors ERNST & YOUNG, Unqualified opinion.

These Interim Consolidated Consolidated Financial Statements have been authorized for issuance in accordance with a resolution of the Board of Director dated 10/5/2011

Emad Al Monayea  
Chairman

Khalid Al Dossari  
Director

Ahmad Abbas  
Chief Executive Officer