

CONSOLIDATED FINANCIAL STATEMENTS

31st December 2010 (Audited)

CONSOLIDATED BALANCE SHEET

31st December 2010

	31 st December 2010 US\$ '000	31 st December 2009 US\$ '000
ASSETS		
Cash and balances with banks	4,241	3,676
Due from banks	8,200	23,200
Mudaraba receivables	11,389	8,000
Ijarah receivables	7,771	10,000
Financing receivable	10,125	15,000
Investments	183,536	231,396
Investment in properties	2,800	-
Property and equipment	5,799	1,351
Other assets	2,135	5,780
TOTAL ASSETS	235,996	298,403
LIABILITIES AND EQUITY		
LIABILITIES		
Due to Short Term Sukuk - investors	95,115	123,584
Due to banks	82,600	109,205
Other liabilities	4,058	3,638
TOTAL LIABILITIES	181,773	236,427
EQUITY		
Share capital	51,000	51,000
Reserves	9,184	8,612
(Accumulated deficit) / Retained earnings	(5,961)	2,224
Proposed appropriations	-	140
TOTAL EQUITY	54,223	61,976
TOTAL LIABILITIES AND EQUITY	235,996	298,403

CONSOLIDATED STATEMENT OF INCOME

Year ended 31st December 2010

	31 st December 2010 US\$ '000	31 st December 2009 US\$ '000
Income from investments	7,765	9,640
Income from Murabaha and due from banks	136	817
Income from financing receivable	998	626
Income from Mudaraba receivables	413	22
Income from Ijarah receivables	679	154
Net gain on held for trading investments	237	143
Net loss from sale of available-for-sale-investments	(1,113)	-
Less: Return to Short Term Sukuk - investors	(2,229)	(3,203)
Less: Return to banks	(2,053)	(1,823)
Less: Return to non banks	-	(223)
	4,833	6,153
Investment banking fees	1,409	5,687
Ijarah income / (expense) - net	88	(916)
Foreign exchange gain / (loss)	111	(141)
OPERATING INCOME	6,441	10,783
Staff costs	3,618	3,795
Depreciation	313	134
General and administrative expenses	1,876	1,536
OPERATING EXPENSES	5,807	5,465
NET PROFIT FOR THE YEAR BEFORE UNREALISED FAIR VALUE CHANGE AND IMPAIRMENT PROVISION	634	5,318
Unrealised fair value loss on available-for-sale-investments through statement of income	830	-
Specific impairment provision	3,674	1,807
Collective impairment provision	5,700	310
NET (LOSS) / PROFIT FOR THE YEAR	(9,570)	3,201

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31st December 2010

	Share capital	Reserves					Proposed appropriations	Total equity
		Statutory reserve	General reserve	Investments fair value reserve	Total reserves	(Accumulated deficit) / Retained earnings		
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	
Balance at 1 st January 2010	51,000	2,226	2,226	4,160	8,612	2,224	140	61,976
Cumulative changes in fair value	-	-	-	1,817	1,817	-	-	1,817
Transfer to (accumulated deficit) / retained earnings	-	-	-	(415)	(415)	415	-	-
Directors' remuneration	-	-	-	-	-	140	(140)	-
Total income and expenses recognised directly in equity	-	-	-	1,402	1,402	555	(140)	1,817
Net loss for the year	-	-	-	-	-	(9,570)	-	(9,570)
Transfer of unrealised fair value loss to reserve	-	-	-	(830)	(830)	830	-	-
Total income and expenses recognised during the year	-	-	-	572	572	(8,185)	(140)	(7,753)
Balance at 31st December 2010	51,000	2,226	2,226	4,732	9,184	(5,961)	-	54,223
Balance at 1 st January 2009	51,000	1,930	1,930	1,695	5,555	(245)	-	56,310
Cumulative changes in fair value	-	-	-	2,095	2,095	-	-	2,095
Transfer to statement of income	-	-	-	370	370	-	-	370
Directors' remuneration	-	-	-	-	-	(140)	140	-
Total income and expenses recognised directly in equity	-	-	-	2,465	2,465	(140)	140	2,465
Net profit for the year	-	-	-	-	-	3,201	-	3,201
Total income and expenses recognised during the year	-	-	-	2,465	2,465	3,061	140	5,666
Transfer to statutory reserve	-	296	-	-	296	(296)	-	-
Transfer to general reserve	-	-	296	-	296	(296)	-	-
Balance at 31st December 2009	51,000	2,226	2,226	4,160	8,612	2,224	140	61,976

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31st December 2010

	31 st December 2010 US\$ '000	31 st December 2009 US\$ '000
Net cash used in operating activities	(6,874)	(1,964)
Net cash used in investing activities	(7,561)	(1,116)
DECREASE IN CASH AND CASH EQUIVALENTS	(14,435)	(3,080)
Cash and cash equivalents at 1 st January	26,876	29,956
CASH AND CASH EQUIVALENTS AT 31st DECEMBER	12,441	26,876

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

These consolidated financial statements were extracted from the audited consolidated financial statements on which ERNST & YOUNG issued an unqualified opinion Dated 22/2/2011.
These consolidated financial statements have been authorized for issuance in accordance with a resolution of the Board of Directors Dated 22/2/2011.

Emad Al Monayea
Chairman

Khalid Al-Dossari
Director

Ahmed Abbas
Chief Executive Officer