

Inovent B.S.C.

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

31 MARCH 2013 (UNAUDITED)

Inovest B.S.C.

Administration and contact details as at 31 March 2013

Commercial registration number

48848 obtained on 18 June 2002

Board of Directors

Samir Yaqoob Al-Nafisi	- Chairman
Fareed Soud Al-Fozan	- Vice-Chairman
Ahmed Rashed Al-Qattan	- Managing Director
Abdul Rahman Yousif Fakhro	- Independent Director
Mohammed Ebrahim Al-Nughaimish	- Director
Jamal Abdul Rahman Al-Rowaiyeh	- Director
Bashar Naser Al-Tuwaijri	- Director
Dr. Mohammed Abdulla Fahad Al-Madi	- Director
Talal Khalid Al-Nesef	- Director

Board Secretary

- Riyadh Mahmood Mulla

Sharia'a Supervisory Board

Sheikh Dr. Mohamed Abdul Razzaq Al-Tabtabaei	- Chairman
Sheikh Dr. Anwar Shuaib Al-Abdulsalam	- Vice-Chairman
Sheikh Adnan Ali Al-Mulla	- Member.

Executive Committee Members

Samir Yaqoob Al-Nafisi	- Chairman
Ahmed Rashed Al-Qattan	- Vice-Chairman
Talal Khalid Al-Nesef	
Abdul Rahman Yousif Fakhro	
Bashar Naser Al-Tuwaijri	

Audit Committee Members

Fareed Soud Al-Fozan	- Chairman
Mohammed Ebrahim Al-Nughaimish	- Vice-Chairman
Dr. Mohammed Abdulla Fahad Al-Madi	
Jamal Abdul Rahman Al-Rowaiyeh	

Nomination & Remuneration Committee Members

Samir Yaqoob Al-Nafisi	- Chairman
Fareed Soud Al-Fozan	- Vice-Chairman
Ahmed Rashed Al-Qattan	

Risk Committee Members

Mohammed Ebrahim Al-Nughaimish	- Chairman
Dr. Mohammed Abdulla Fahad Al-Madi	- Vice-Chairman
Fareed Soud Al-Fozan	
Jamal Abdul Rahman Al-Rowaiyeh	

Inovest B.S.C.

Administration and contact details as at 31 March 2013

Registered office Bahrain Financial Harbour, East Tower,
PO Box 18334
Manama
Kingdom of Bahrain

Bankers Bahrain Islamic Bank
Ithmaar Bank
Kuwait Finance House
Khaleeji Commercial Bank
Al Baraka Islamic Bank

Auditors Ernst & Young
P.O. Box 140
14th Floor, The Tower
Bahrain Commercial Complex
Manama, Kingdom of Bahrain

Registrars Fakhro Karvy Computershare W.L.L.
Al Zamil Tower, Manama Center
Manama
Kingdom of Bahrain

Kuwait Clearing Company S.A.K.
PO Box 22077
Safat 13081
State of Kuwait



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Sharia Supervisory Board Report on the Activities of Inovest BSC For the Financial Period Ending on 31 March 2013

In the name of Allah, the Beneficent, the Merciful, Prayers and Peace Upon the Last Apostle and Messenger, Our Prophet Mohammed, His Relatives and Companions.

The Shari'a Supervisory Board "The Board" of INOVEST B.S.C. has reviewed the Company activities and compared them with the issued Fatwas and Rulings during the Financial Period Ending on 31 March 2013 and found them compatible with them.

The Board believes that he has expressed its opinion in respect of the activities carried out by INOVEST and it is the responsibility of the management to ensure the implementation of such decisions.

A representative of the company's management explained and clarified the contents of the Financial Period Ending on 31 March 2013. The report of the Board has been prepared based on the information provided by the company.

The Board is satisfied that the activities and services carried by INOVEST are in compliance with the Glorious Islamic Sharia'a.

Praise be to Allah, Lord of the Worlds. Prayers be upon Prophet Mohammed Peace Be Upon Him, Relatives and Companions.

On behalf of the Committee,

Shaikh Dr. Mohammed A. Razaiq Al Tabtabaee
Chairman

Shaikh Adnan Ali Mulla
Vice Chairman

Shaikh Anwar Shuaib Abdul Salam
Member

REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE DIRECTORS OF INOVEST B.S.C.

Introduction

We have reviewed the accompanying interim condensed consolidated financial statement of Inovert B.S.C. (c) ("the Company") and its subsidiaries (together the "Group") comprising interim consolidated statement of financial position as at 31 March 2013, and the related interim consolidated statements of income, changes in equity and cash flows for the three-month period then ended and explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with the accounting policies disclosed in note 2. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing. Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with the accounting policies disclosed in note 2.

Emphasis of matter

Without qualifying our opinion, we draw attention to note 14 to the interim condensed consolidated financial statements which discusses the uncertainty related to the outcome of a legal case between the Group and an investor in a project managed by the Group.

REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS TO THE DIRECTORS OF INOVEST B.S.C. (continued)

Other matters

The consolidated financial statements of the Group for the year ended 31 December 2012 were audited by another auditor who expressed an unmodified audit opinion dated 6 February 2013 on those consolidated financial statements. In addition, the interim condensed consolidated financial statements of the Group for the period ended 31 March 2012 were reviewed by another auditor who expressed an unmodified review conclusion dated 9 May 2012 on those interim condensed consolidated financial statements.

Ernst & Young

8 May 2013

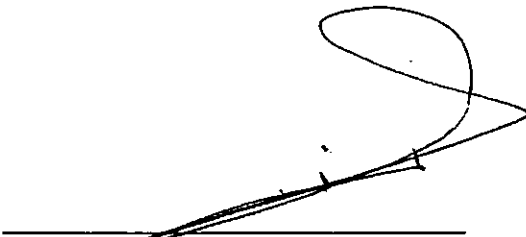
Manama, Kingdom of Bahrain

Inovest B.S.C.

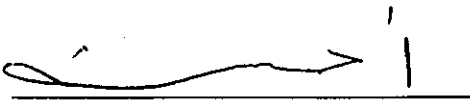
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2013 (Unaudited)

	Note	<i>Unaudited</i> 31 March 2013 US\$ '000	<i>Audited</i> 31 December 2012 US\$ '000
ASSETS			
Cash and cash equivalents		5,253	6,109
Mudaraba and Murabaha investments		4,025	3,760
Trade and other receivables	4	68,670	67,946
Available-for-sale investments	5	29,111	26,611
Investment in joint venture and associates	6	90,637	90,811
Investment in real estate	7	87,292	89,598
Property, plant and equipment	8	7,632	7,706
TOTAL ASSETS		292,620	292,541
LIABILITIES AND OWNERS' EQUITY			
LIABILITIES			
Trade and other payables	9	82,107	82,052
Ijara and Murabaha financing	10	39,268	39,268
TOTAL LIABILITIES		121,375	121,320
OWNERS' EQUITY			
Share capital	11	114,604	114,604
Less: Treasury shares		(651)	(651)
		113,953	113,953
Share premium		30,760	30,760
Statutory reserve		21,473	21,473
Share option reserve		29	28
Retained earnings		5,030	5,007
TOTAL OWNERS' EQUITY		171,245	171,221
TOTAL LIABILITIES AND OWNERS' EQUITY		292,620	292,541



 Samir Yaqoob Al-Nafisi
 Chairman



 Ahmed Rashed Al-Qattan
 Managing Director

The attached explanatory notes 1 to 15 form part of these interim condensed consolidated financial statements.

Inovest B.S.C.

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the three months ended 31 March 2013 (Unaudited)

	Note	Unaudited	
		Three month period ended	
		31 March 2013 US\$ '000	31 March 2012 US\$ '000
Income			
Income from investment in real estate		465	268
Income from investments		142	95
Income from advisory services		4,601	1,220
Net (loss) / income from construction contracts		(590)	950
Share of (loss) / profit from investment in joint venture and associates	6	(174)	2,409
Other income		219	133
Total operating income		4,663	5,075
Operating expenses			
Staff costs		(1,272)	(1,495)
General and administrative expenses		(488)	(1,065)
Ijara and Murabaha financing costs		(837)	(1,095)
Property related expenses		(63)	(19)
Depreciation	8	(190)	(242)
Provisions	14	(1,790)	-
Total operating expenses		(4,640)	(3,916)
Net income for the period		23	1,159
Basic and diluted earnings per share (cents)		0.00	0.41


 Samir Yaqoob Al-Nafisi
 Chairman


 Ahmed Rashed Al-Qattan
 Managing Director

Inovest B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the three months ended 31 March 2013 (Unaudited)

	Share capital US\$ '000	Treasury shares US\$ '000	Share premium US\$ '000	Statutory reserve US\$ '000	Share option reserve US\$ '000	Retained earnings US\$ '000	Total equity US\$ '000
At 1 January 2013	114,604	(651)	30,760	21,473	28	5,007	171,221
Net income for the period	-	-	-	-	-	23	23
Stock option charge	-	-	-	-	1	-	1
At 31 March 2013	114,604	(651)	30,760	21,473	29	5,030	171,245
At 1 January 2012	114,604	(651)	30,760	21,473	474	14,031	180,691
Net income for the period	-	-	-	-	-	1,159	1,159
Stock option charge	-	-	-	-	27	-	27
At 31 March 2012	114,604	(651)	30,760	21,473	501	15,190	181,877

Inovest B.S.C.

INTERM CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months ended 31 March 2013 (Unaudited)

	Note	Unaudited	
		Three month period ended	
		31 March 2013 US\$ '000	31 March 2012 US\$ '000
OPERATING ACTIVITIES			
Net profit for the period		23	1,159
Adjustments for non-cash items:			
Depreciation	8	256	291
Stock option charge		1	27
Share of loss / (profit) from investment in joint venture and associates	6	174	(2,409)
Profit on sale of property, plant and equipment		-	(7)
Realised gains on sale of investment in real estate		(249)	(204)
Operating income / (loss) before changes in operating assets and liabilities		205	(1,143)
Changes in operating assets and liabilities:			
Trade and other receivables		(724)	1,217
Trade and other payables		55	(1,591)
Net cash used in operating activities		(464)	(1,517)
INVESTING ACTIVITIES			
Purchase of available-for-sale investments	5	(2,500)	(40)
Net movement in Mudaraba and Murabaha investments		(265)	2,582
Proceeds from sale of investment in real estate		3,183	797
Purchase of investment in real estate		(628)	-
Purchase of property, plant and equipment	8	(182)	(105)
Proceeds from sale of property, plant and equipment		-	7
Net cash (used in) / from investing activities		(392)	3,241
NET MOVEMENT IN CASH AND CASH EQUIVALENTS		(856)	1,724
Cash and cash equivalents at beginning of the period		6,109	11,139
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		5,253	12,863
Cash and cash equivalents comprise of:			
Cash and bank balances		4,630	7,510
Murabaha receivables		623	5,353
		5,253	12,863

The attached explanatory notes 1 to 15 form part of these interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2013 (Unaudited)

1 INCORPORATION AND ACTIVITIES

a) Incorporation

Inovest BSC ("the Company") is a public shareholding company registered with the Ministry of Industry and Commerce in the Kingdom of Bahrain and operates under commercial registration number 48848 obtained on 18 June 2002. The Company commenced commercial operations on 1 October 2002. Under the terms of its Memorandum and Articles of Association, the duration of the Company is for 50 years, renewable for further similar periods unless terminated earlier by the operation of law or as provided in the Memorandum and Articles of Association. The registered office of the Company is Bahrain Financial Harbour, East Tower, 20th floor, Manama, Kingdom of Bahrain.

The Company is listed on the Bahrain Bourse and cross-listed on the Kuwait Stock Exchange.

The Company has been issued an Investment Business Firm License – Category 1 (Islamic Principles) by the Central Bank of Bahrain (CBB), to operate under the Islamic Sharia'a principles, and is supervised and regulated by the CBB.

b) Activities

The principal activities of the Company together with its subsidiaries ("the Group") include:

- Engaging directly in all types of investments, including direct investment and securities, and various types of investment funds.
- Establishing and managing various investment funds.
- Dealing in financial instruments in the local, regional and international markets.
- Providing information and studies related to different types of investments for others.
- Providing financial services and investment consultations to others.
- Establishing joint ventures with real estate, industrial and services companies inside or outside the Kingdom of Bahrain and committing to operate under the Islamic Sharia'a principles.
- Engaging in contracting activities.
- Engaging in the management of commercial and industrial centers and residential buildings, property leasing, development and their maintenance.
- Having interest or participating in any way with companies and other entities engaged in similar activities that may work and co-operate to achieve the Company's objectives inside and outside the Kingdom of Bahrain, and also merge its activities with the above mentioned entities and/or buy or join with them.

The number of staff employed by the Group as at 31 March 2013 was 555 (31 December 2012: 552).

The interim condensed consolidated financial statements were approved on 8 May 2013.

2 ACCOUNTING POLICIES

The interim condensed consolidated financial statements of the Group for the three month period ended 31 March 2013 have been prepared in accordance with the guidance given by the International Accounting Standard 34 - "Interim Financial Reporting". The interim condensed consolidated financial statements do not contain all information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2012. These interim condensed consolidated financial statements are presented in US dollars, which is the functional currency of the Group. All values are rounded to US dollar thousands unless otherwise indicated.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2013 (Unaudited)

2 ACCOUNTING POLICIES (continued)

The interim condensed consolidated financial statements include the financial statements of the Company and its subsidiaries. All intercompany balances and transactions are eliminated in full on consolidation.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2012, which were prepared in accordance with the Financial Accounting Standards ("FAS") issued by Accounting and Auditing Organisation for Islamic Financial ("AAOIFI"), the Shari'a rules and principles as determined by the Shari'a Supervisory Board of the Company, the Bahrain Commercial Companies Law, Central Bank of Bahrain ("CBB") and the Financial Institutions Law and the CBB Rule Book (Volume 2 and applicable provisions of Volume 6) and CBB directives. In accordance with the requirements of AAOIFI, for matters for which no AAOIFI standards exist, the Group uses the relevant International Financial Reporting Standards ("IFRS").

The following FAS has been adopted since the date of the last audited consolidated financial statements of 31 December 2012.

Financial Accounting Standard (FAS 26) "Investment in Real Estate"

The Group has adopted FAS 26 issued by AAOIFI which is mandatorily applicable effective 1 January 2013. FAS 26 prescribes rules in respect of the recognition, measurement, presentation and disclosure of investment in real estate that is acquired for the purpose of earning periodical income or held for future capital appreciation or both.

The adoption of FAS 26 did not have any material effect on the classification and measurement of the Group's direct investment in real estate. It has only resulted in certain changes in nomenclature.

3 CYCLICALITY OF OPERATIONS

The interim consolidated net income for the three months ended 31 March 2013 may not represent a proportionate share of the annual net profit or loss due to the variability of income and operating expenses.

4 TRADE AND OTHER RECEIVABLES

	<i>Unaudited</i> 31 March 2013 US\$ '000	<i>Audited</i> 31 December 2012 US\$ '000
Trade receivables	32,494	32,418
Amounts due from related parties (Note 12)	35,644	35,033
Prepayments and other receivables	4,803	4,761
Rents receivable	396	399
Advances to contractors and suppliers	735	737
	74,072	73,348
Less: provision for impaired receivables	(5,402)	(5,402)
	68,670	67,946

Amounts due from related parties are unsecured, bear no profit and have no fixed repayment terms.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2013 (Unaudited)

5 AVAILABLE-FOR-SALE INVESTMENTS

	<i>Unaudited</i> 31 March 2013 US\$ '000	<i>Audited</i> 31 December 2012 US\$ '000
Opening balance (before impairment provision)	32,369	32,329
Purchases during the period/year	2,500	40
	34,869	32,369
Less: provision for impairment	(5,758)	(5,758)
Closing balance	29,111	26,611

6 INVESTMENT IN JOINT VENTURE AND ASSOCIATES

	<i>Unaudited</i> 31 March 2013 US\$ '000	<i>Audited</i> 31 December 2012 US\$ '000
Opening balance	90,811	90,999
Dividends received during the period/year	-	(319)
Disposals during the period/year	-	(752)
Share of (losses)/profits	(174)	883
Closing balance	90,637	90,811

7 INVESTMENT IN REAL ESTATE

	<i>Unaudited</i> 31 March 2013 US\$ '000	<i>Audited</i> 31 December 2012 US\$ '000
Opening balance	89,598	97,716
Transferred to property, plant and equipment	-	(1,939)
Purchases during the period/year	628	947
Disposals during the period/year	(2,934)	(5,441)
Unrealised fair value losses on investment in real estate	-	(1,685)
Closing balance	87,292	89,598

Investment in real estate is stated at fair value determined based on valuations performed by independent property valuers. This includes investment in real estate currently under development amounting to US\$ 2.4 million (2012: NIL) which is carried at cost.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2013 (Unaudited)

8 PROPERTY, PLANT AND EQUIPMENT

	<i>Buildings on leasehold</i> US\$ '000	<i>Machinery, equipment and fixtures</i> US\$ '000	<i>Computer hardware and software</i> US\$ '000	<i>Motor vehicles</i> US\$ '000	<i>Capital work-in- progress</i> US\$ '000	<i>Total</i> US\$ '000
Cost						
At 1 January 2013	4,284	4,586	1,267	1,138	2,071	13,346
Additions	-	17	7	158	-	182
At 31 March 2013	4,284	4,603	1,274	1,296	2,071	13,528
Accumulated depreciation						
At 1 January 2013	384	3,306	1,145	805	-	5,640
Charge for the period	43	154	14	45	-	256
At 31 March 2013	427	3,460	1,159	850	-	5,896
Net book amount						
At 31 March 2013	3,857	1,143	115	446	2,071	7,632
At 31 December 2012	3,900	1,280	122	333	2,071	7,706

Depreciation on property, plant and equipment charged to the interim consolidated statement of income is as follows:

	<i>Unaudited</i> <i>Three month period ended</i>	
	<i>31 March 2013</i> US\$ '000	<i>31 March 2012</i> US\$ '000
Depreciation charged to expenses	190	242
Depreciation charged to contract costs	66	49
	256	291

9 TRADE AND OTHER PAYABLES

	<i>Unaudited</i> <i>31 March 2013</i> US\$ '000	<i>Audited</i> <i>31 December 2012</i> US\$ '000
Lease rent payables	50,105	50,105
Accruals and other payables	23,392	18,694
Amounts due to related parties (Note 12)	4,325	5,748
Trade payables	3,227	6,455
Retentions payable	1,057	1,049
Advances received	1	1
	82,107	82,052

Trade payables are generally payable within 60 to 90 days of the suppliers' invoice date.

Lease rent payables represent amounts payable to the Ministry of Industry and Commerce by one of the subsidiaries of the Group. This amount is non-current in nature.

Amounts due to related parties are unsecured, bear no profit and have no fixed repayment terms.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2013 (Unaudited)

10 IJARA AND MURABAHA FINANCING

	<i>Unaudited</i> 31 March 2013 US\$ '000	<i>Audited</i> 31 December 2012 US\$ '000
Ijara payable	2,947	2,947
Murabaha payable	36,321	36,321
Total Ijara and Murabaha financing	39,268	39,268

The Group has obtained Ijara and Murabaha financing to fund the acquisition of investments, purchase of properties and to meet working capital requirements. These liabilities bear market rates of profit and are repayable in accordance with the repayment terms agreed with the respective bankers.

The above financial facilities are secured against the following assets:

	<i>Unaudited</i> 31 March 2013 US\$ '000	<i>Audited</i> 31 December 2012 US\$ '000
Trade receivables (Note 4)	15,125	15,125
Available-for-sale investments (Note 5)	5,305	5,305
Investment in joint venture and associates (Note 6)	-	10,557
Investment in real estate (Note 7)	49,829	57,287
	70,259	88,274

11 SHARE CAPITAL

	<i>Unaudited</i> 31 March 2013 US\$ '000	<i>Audited</i> 31 December 2012 US\$ '000
Authorised		
375,000,000 (31 December 2012: 375,000,000) ordinary shares of US\$0.40 each	150,000	150,000
Issued and fully paid-up		
Opening balance		
286,511,225 (31 December 2012: 286,511,225) ordinary shares of US\$0.40 each	114,604	114,604
Treasury shares		
Less: 1,627,825 (31 December 2012: 1,627,825) treasury shares of US\$0.40 each	(651)	(651)
Closing balance		
284,883,400 (31 December 2012: 284,883,400) ordinary shares of US\$ 0.40 each	113,953	113,953

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2013 (Unaudited)

12 RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include entities over which the Group exercises significant influence, major shareholders, directors and executive management of the Group. The Group's transactions with related parties are authorised by the management.

The following are the transactions entered into with the related parties during the three months ended 31 March:

	<i>Unaudited</i>				<i>Unaudited</i>
	<i>Three month period ended 31 March</i>				
	<i>2013</i>				
<i>Associates / Jvs</i>	<i>Key management personnel</i>	<i>Other related parties</i>	<i>Total</i>	<i>31 March 2012</i>	
<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	
Income					
Income from advisory services	46	3	4,273	4,322	1,325
Income from construction contracts	(61)	1	311	251	950
Other income	61	-	-	61	75
Share of (losses)/profits from investment in joint venture and associates	(174)	-	-	(174)	2,409
Expenses					
General and administrative expenses	8	-	58	66	47

A summary of the amounts due from related parties as at 31 March 2013 and 31 December 2012 is as follows:

	<i>Unaudited</i>				<i>Audited</i>
	<i>31 March 2013</i>				
	<i>Associates / Jvs</i>	<i>Key management personnel</i>	<i>Other related parties</i>	<i>Total</i>	
<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	
Available-for-sale investments	-	-	6,794	6,794	6,794
Investment in joint venture and associates	90,637	-	-	90,637	90,811
Trade and other receivables	25,719	310	9,615	35,644	35,033
Murabaha receivables	-	-	-	-	4
Trade and other payables	-	30	4,295	4,325	5,748

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2013 (Unaudited)

13 SEGMENTAL INFORMATION**Operating segments**

The Group's operating segments are:

- Investment and related services - This division is involved in investment and other related services. This division contributes 94% of the Group's revenue, net of eliminations.
- Construction contracts – This division is involved in undertaking construction contracts and contributes -8% of the Group's revenue, net of eliminations.
- Development and sale of industrial plots – This division is involved in sale and development of industrial plots and contributes 10% of the Group's revenue, net of eliminations.
- Property and facility management services – This division is involved in facility management of the properties. The division is the smallest of the Group's four divisions and contributes 4% of the Group's revenue, net of eliminations.

As at, and for the three month period ended, 31 March 2013 (Unaudited)

	<i>Investments and related services</i> US\$ '000	<i>Construction contracts</i> US\$ '000	<i>Development and sale of industrial plots</i> US\$ '000	<i>Property and facility management services</i> US\$ '000	<i>Eliminations</i> US\$ '000	<i>Total</i> US\$ '000
Net revenues from external customers	4,554	(590)	330	182	-	4,476
Inter-segment transactions	-	142	-	37	(179)	-
Income from investments	-	142	-	-	-	142
Share of (losses)/profits from investment in joint venture and associates (Note 6)	(271)	-	97	-	-	(174)
Other income	111	52	56	-	-	219
Total revenue	4,394	(254)	483	219	(179)	4,663
Segment profit	421	(579)	294	29	(142)	23
Reportable segment assets	270,539	29,981	63,540	2,347	(73,787)	292,620
Reportable segment liabilities	57,360	8,169	62,012	1,188	(7,354)	121,375

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2013 (Unaudited)

13 SEGMENTAL INFORMATION (continued)

For the three month period ended, 31 March 2012 (Unaudited)

	<i>Investments and related services</i>	<i>Construction contracts</i>	<i>Development and sale of industrial plots</i>	<i>Property and facility management services</i>	<i>Eliminations</i>	<i>Total</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>
Net revenues from external customers	1,064	950	236	188	-	2,438
Inter-segment transactions	-	-	-	34	(34)	-
Income from investments	24	64	7	-	-	95
Share of profits/(losses) from investment in joint venture/associates (Note 6)	2,437	-	(28)	-	-	2,409
Other income	72	7	22	32	-	133
	3,597	1,021	237	254	(34)	5,075
Segment profit	467	617	14	61	-	1,159

As at 31 December 2012 (Audited)

Reportable segment assets	273,640	31,843	63,266	2,107	(78,315)	292,541
Reportable segment liabilities	59,126	8,604	62,032	976	(9,418)	121,320

14 CONTINGENT LIABILITIES AND COMMITMENTS

The Group's contingent liabilities and capital commitments are as follows:

	<i>Unaudited 31 March 2013 US\$ '000</i>	<i>Audited 31 December 2012 US\$ '000</i>
Contingent liabilities	21,886	5,886
Operating lease commitment	3,479	3,818
	25,365	9,704

Contingent liabilities

Contingent liabilities arise in the ordinary course of business and include acceptances and guarantees provided on behalf of related parties.

An investor who invested in a project managed by the Group has filed a lawsuit in Bahrain against the Group claiming an amount of either US\$ 18.98 million or US\$ 23.7 million which includes the invested amount, compensation and lawyer fees. The concerned court has issued a verdict in favor of the investor mandating the Group to pay a total amount of US\$ 17.79 million to the investor; US\$ 16 million for the invested sum and US\$ 1.79 million for the compensation and fees. The Group has the right to file an appeal against the issued verdict. Accordingly, the Group has booked a provision for US\$ 1.79 million in its interim condensed consolidated financial statements and the remaining amount of US\$ 16 million is shown as a contingent liability.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2013 (Unaudited)

14 CONTINGENT LIABILITIES AND COMMITMENTS (continued)**Operating lease commitments**

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	<i>Unaudited</i>	<i>Audited</i>
	<i>31 March</i>	<i>31 December</i>
	<i>2013</i>	<i>2012</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>
Not later than 1 year	760	961
Later than 1 year but not later than 5 years	2,719	2,857
	<u>3,479</u>	<u>3,818</u>

15 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments includes trade and other receivables, mudaraba and murabaha investment, cash and cash equivalents, and certain liabilities of the Group. The carrying amount of financial instruments of the Group as of 31 March 2013 is not materially different from its fair value.

Financial instruments also include available-for-sale investments comprising of equity investments in unlisted companies which are not traded on active markets, and the fair value of which cannot be measured reliably, and are therefore stated at cost less impairment, if any. These investments are primarily in closely-held companies located in the Gulf Co-operation Council countries and the United States of America. In the opinion of Group's management, the fair value of these investments is not significantly different from the carrying value as at 31 March 2013.