GULF FINANCE HOUSE BSC

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

31 MARCH 2012

Commercial registration	:	44136 (registered with Central Bank of Bahrain as a Islamic wholesale investment Bank)
Registered Office	:	Bahrain Financial Harbour PO Box 10006, Manama, Kingdom of Bahrain Telephone +973 17538538
Directors	:	Dr. Esam Yousif A. Janahi, *Chairman* Mosabah Saif Al Mautairy Said Al Malki Ahmed Al Mutawa Azzam Al Felaij Naif Al Khodari
Company Secretary	:	Dr. Haider Majali
Auditors	:	KPMG Fakhro, Bahrain

GULF FINANCE HOUSE BSC

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the three months ended 31 MARCH 2012

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Independent auditors' report on review of condensed consolidated interim financial information

To
The Board of Directors
Gulf Finance House BSC
Manama
Kingdom of Bahrain

14 May 2012

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Gulf Finance House BSC (the "Bank") and its subsidiaries (together the "Group") as at 31 March 2012 and the condensed consolidated statements of income, changes in owners' equity, cash flows, changes in restricted investment accounts and sources and uses of charity and zakah fund for the three month period then ended (the "condensed consolidated interim financial information"). The Board of Directors of the Bank is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with the Financial Accounting Standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions. Our responsibility is to express a conclusion on this condensed consolidated interim financial information 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 condensed consolidated 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 Auditing Standards for Islamic Financial Institutions and consequently 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 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with the Financial Accounting Standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions.

Emphasis of matter

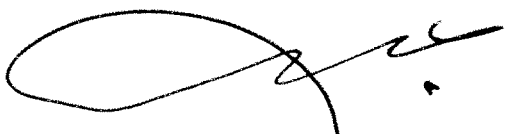
Without qualifying our conclusion, we draw attention to note 2 in the condensed consolidated interim financial information which discusses material uncertainties relating to the Group's liquidity position which, may cast significant doubt about the appropriateness of the going concern assumption used in the preparation of the condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 March 2012

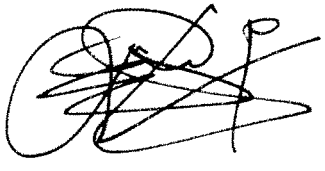
US$ 000's

	Note	31 March 2012 (reviewed)	31 December 2011 (audited)	31 March 2011 (reviewed)
ASSETS				
Cash and bank balances		6,423	3,820	1,883
Placements with financial institutions		-	3,001	39,040
Financing receivables		-	-	13,950
Investment in associates		230,420	230,442	225,235
Investment securities	5	193,308	220,265	247,293
Investment property		259,404	259,404	259,404
Other assets	6	109,492	108,913	198,013
Total assets		**799,047**	825,845	984,818
LIABILITIES				
Investors' funds		27,526	58,887	124,250
Placements from financial and other institutions		132,856	116,713	131,759
Financing liabilities	7	293,860	331,077	338,409
Other liabilities		84,854	83,882	170,317
Total liabilities		**539,096**	590,559	764,735
Equity of investment account holders		**2,345**	1,898	1,885
OWNERS' EQUITY				
Share capital	4	353,449	321,031	288,491
Treasury shares		(525)	(12,852)	(24,674)
Share premium		135,981	145,708	154,097
Statutory reserve		67,990	79,408	88,298
Accumulated losses		(300,685)	(301,687)	(290,129)
Investments fair value reserve		-	403	403
Other reserves		1,396	1,377	1,712
Total owners' equity (page 4)		**257,606**	233,388	218,198
Total liabilities, equity of investment account holders and owners' equity		**799,047**	825,845	984,818

The Board of Directors approved the condensed consolidated interim financial information consisting of pages 2 to 14 on 14 May 2012.



Dr. Esam Yousif A. Janahi
Chairman



Mosabah Saif Al Mautairy
Director

CONDENSED CONSOLIDATED INCOME STATEMENT
for the three months ended 31 March 2012 US$ 000's

	Note	**31 March 2012** (reviewed)	31 March 2011 (reviewed)
Management and other fees		1,035	556
Income from placements with financial institutions		41	306
Share of (loss) / profit of associates		(25)	374
Income from investment securities		(31)	7,310
Foreign exchange loss,net		(2,552)	(6,623)
Other income	8	14,454	25,132
Total income		**12,922**	27,055
Staff cost		1,934	2,799
Investment advisory expenses		1,278	790
Finance expense		5,115	7,183
Other expenses		3,593	4,344
Total expenses		**11,920**	15,116
PROFIT FOR THE PERIOD		**1,002**	11,939
Earnings per share			
Basic earnings per share (US cents)		**0.094**	1.680
Diluted earnings per share (US cents)		**0.085**	1.500



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY
for the three months ended 31 March 2012

US$ 000's

	Share capital	Treasury shares	Share premium	Statutory reserve	Accumulated losses	Investments fair value reserve	Other reserves	Total owners' equity
31 March 2012 (reviewed)								
Balance at 1 January 2012	321,031	(12,852)	145,708	79,408	(301,687)	403	1,377	233,388
Profit for the period	-	-	-	-	1,002	-	-	1,002
Transfer to income statement on disposal	-	-	-	-	-	(403)	-	(403)
Total reocgnised income and expense	**-**	**-**	**-**	**-**	**1,002**	**(403)**	**-**	**599**
Conversion of Murabaha to capital (note 4)	32,418	-	(9,727)	-	-	-	-	22,691
Sale of treasury shares	-	12,327	-	-	-	-	-	12,327
Loss on sale of treasury shares	-	-	-	(11,418)	-	-	-	(11,418)
Share grants vesting expense, net of forfeitures (note 9)	-	-	-	-	-	-	19	19
Balance at 31 March 2012	**353,449**	**(525)**	**135,981**	**67,990**	**(300,685)**	**-**	**1,396**	**257,606**

	Share capital	Treasury shares	Share premium	Statutory reserve	Accumulated losses	Investments fair value reserve	Other reserves	Total owners' equity
31 March 2011 (reviewed)								
Balance at 1 January 2011	145,780	(24,674)	206,203	88,298	(302,068)	975	1,769	116,283
Profit for the period	-	-	-	-	11,939	-	-	11,939
Change in fair value of investment securities	-	-	-	-	-	(572)	-	(572)
Total recognise income and expense	-	-	-	-	11,939	(572)	-	11,367
Conversion of Murabaha to capital (note 4)	142,711	-	(52,106)	-	-	-	-	90,605
Share grants vesting expense, net of forfeitures (note 9)	-	-	-	-	-	-	(57)	(57)
Balance at 31 March 2011	288,491	(24,674)	154,097	88,298	(290,129)	403	1,712	218,198

The condensed consolidated interim financial information consists of pages 2 to 13.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
for the three months ended 31 March 2012 US$ 000's

	Three months ended	
	31 March 2012 (reviewed)	31 March 2011 (reviewed)
OPERATING ACTIVITIES		
Placements with / from financial institutions, net	12,721	(719)
Disbursement of financing of projects, net	-	(1,542)
Receipts from financing receivables	-	450
Investors' funds, net	(4,746)	(1,843)
Management fees received	650	197
Income received from placements with financial institution	42	306
Payment for expenses and project costs	(2,833)	(16,754)
Cash generated from / (used in) operating activities	**5,834**	(19,905)
INVESTING ACTIVITIES		
Proceeds from sale of investment securities	742	847
Cash generated from investing activities	**742**	847
FINANCING ACTIVITIES		
Financing liabilities, net	(3,505)	1,769
Finance expense paid	(4,374)	(7,178)
Proceeds from issue of convertible murabaha	-	5,153
Proceeds from sale of treasury shares	909	-
Dividends paid	(4)	(401)
Cash used in from financing activities	**(6,974)**	(657)
DECREASE IN CASH AND CASH EQUIVALENTS	**(398)**	(19,715)
Cash and cash equivalents at 1 January	6,821	60,638
CASH AND CASH EQUIVALENTS at 31 March	**6,423**	40,923
Cash and cash equivalents comprise:		
Cash and bank balances	6,423	1,883
Placements with financial and other institutions (note 5)	-	39,040
	6,423	40,923

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN RESTRICTED INVESTMENT ACCOUNTS
for the three months ended 31 March 2012

31 March 2012 (reviewed)

	Balance at 1 January 2012			**Movements during the period**						**Balance at 31 March 2012**		
Company	No of units (000)	Average value per share US$	Total US$ 000's	Investment/ (withdrawal) US$ 000's	Revaluation US$ 000's	Gross income US$ 000's	Dividends paid US$ 000's	Bank's fees as an agent US$ 000's	Administration expenses US$ 000's	No of units (000)	Average value per share US$	**Total US$ 000's**
Mena Real Estate Company KSCC	150	0.35	53	-	-	-	-	-	-	150	0.35	53
Al Basha'er Fund	93	6.63	617	-	135	-	-	(75)	-	93	7.28	677
Pan European Fund	35.85	797.67	28,597	-	-	-	-	-	-	35.85	797.67	28,597
Oman Development Company	522.50	3.12	1,628	-	-	-	-	-	-	522.50	3.12	1,628
			30,895	**-**	**135**	-	-	**(75)**	-			**30,955**

The condensed consolidated interim financial information consists of pages 2 to 14.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN RESTRICTED INVESTMENT ACCOUNTS
for the three months ended 31 March 2012 *(continued)*

31 March 2011 (reviewed)

Company	Balance at 1 January 2012			Movements during the period						Balance at 31 March 2011		
	No of units (000)	Average value per share US$	Total US$ 000's	Investment/ (withdrawal) US$ 000's	Revaluation US$ 000's	Gross income US$ 000's	Dividends paid US$ 000's	Bank's fees as an agent US$ 000's	Administration expenses US$ 000's	No of units (000)	Average value per share US$	Total US$ 000's
Mena Real Estate Company KSCC	150	0.35	53	-	1	-	-	-	-	150	0.36	54
Kuwait National Real Estate Investment & Services Company KSCC	250	0.35	88	-	2	-	-	-	-	250	0.36	90
Gulf Holding Company	10,000	0.25	2,455	-	48	-	-	-	-	10,000	0.25	2,503
Gulf North Africa Holding Company KSCC	11,500	0.24	2,794	-	54	-	-	-	-	11,500	0.25	2,848
Gulf Real Estate Development Company	936	12.05	11,272	-	-	-	-	-	-	936	12.05	11,272
Al Basha'er Fund	93	7.59	704	-	(25)	-	-	-	-	93	7.30	679
Pan European Fund	35.85	815.39	29,233	-	2,043	-	-	-	-	35.85	872.42	31,276
Oman Development Company	522.50	3.12	1,628	-	-	-	-	-	-	522.50	3.12	1,628
			48,227	-	2,123	-	-	-	-			50,350

CONDENSED CONSOLIDATED STATEMENT OF SOURCES AND USES OF CHARITY AND ZAKAH FUND

for the three months ended 31 March 2012

US$ 000's

	Three months ended	
	31 March 2012 (reviewed)	31 March 2011 (reviewed)
Sources of charity and zakah fund		
Non-Islamic income	-	-
Total sources	-	-
Uses of charity and zakah fund		
Contributions to charitable organisations	-	-
Total uses	-	-
Excess of sources over uses		
Undistributed charity and zakah fund at 1 January	10,503	10,631
Undistributed charity and zakah fund at 31 March	**10,503**	10,631
Represented by:		
Charity fund	7,702	7,830
Zakah payable	2,801	2,801
	10,503	10,631

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the three months ended 31 March 2012

1 Reporting entity
The condensed consolidated interim financial information for the three months ended 31 March 2012 comprise the financial information of Gulf Finance House BSC (the "Bank") and its subsidiaries (together referred to as "the Group").

2 Basis of preparation
The condensed consolidated interim financial information has been prepared in accordance with Financial Accounting Standards ('FAS') issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI). In line with the requirement of AAOIFI and the CBB Rule Book, for matters that are not covered by FAS, the Group uses guidance from the relevant International Financial Reporting Standard. Accordingly, the condensed consolidated interim financial information has been presented in condensed form in accordance with the guidance provided by International Accounting Standard 34 – 'Interim Financial Reporting'. The condensed consolidated interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 December 2011.

Going concern
As at 31 March 2012, the Group had accumulated losses of US$ 300.69 million and, as of that date, its current contractual obligations exceeded its liquid assets. As a result, the ability of the Group to meet its obligations when due depends on its ability to achieve a timely disposal of assets. These factors indicates the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern.

The Group is currently in the process of discussions with its lenders to restructure and extend the tenure of a substantial portion of its obligations. To improve its equity and liquidity positions, the Group is in the process of issuing additional capital through the issue of a new series of convertible murabaha instruments. During the period convertible murabaha note holders of US$ 23.02 million have subscribed and exercised their option to convert the notes into equity shares of the Group (refer note 7). As at 31 March 2012, the Group's capital adequacy ratio was 14.12%.

To further address the liquidity issues, the management has put in place an asset sale and liquidity plan to generate liquidity to support repayment of the Group's obligations and its operations. The Group is also evaluating other options to arrange liquidity and strengthen its position over the next twelve months.

The Board of Directors' have reviewed the Group's future plans and are satisfied with the appropriateness of the going concern assumption for preparation of the condensed consolidated interim financial information.

Accounting polices
The accounting policies and methods of computation applied by the Group in the preparation of the condensed consolidated interim financial information are the same as those used in the preparation of the audited consolidated financial statements for the year ended 31 December 2011.

Estimates
In preparing these condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation were similar to those applied to the audited consolidated financial statements for the year ended 31 December 2011.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the three months ended 31 March 2012

2 *Basis of preparation (continue)*

Financial risk management
The Group's financial risk management objectives and policies are consistent with those disclosed in the audited consolidated financial statements for the year ended 31 December 2011.

3 The condensed consolidated interim financial information is not audited but has been reviewed by KPMG. The comparatives for the condensed consolidated statement of financial position have been extracted from the audited consolidated financial statements for the year ended 31 December 2011 and the reviewed condensed consolidated interim financial information for the three months ended 31 March 2011. The comparatives for the condensed consolidated statements of income, cash flows, changes in owners' equity, changes in restricted investment accounts and sources and uses of charity and zakah fund have been extracted from the reviewed condensed consolidated interim financial information for the three months ended 31 March 2011.

4 During the period, the paid up capital of the Bank was increased from US$ 321,031 thousand to US$ 353,449 thousand as a result of exercise of conversion option by the holders of the convertible murabaha (note 7). As per the terms of the convertible murabaha, 105 million shares of par value US$ 32,418 thousand has been issued on conversion. As the effective conversion price is below the par value per share, the resulting difference and the related share issue expenses has been adjusted against the share premium account. Subsequent to the period end, the Group had issued convertible murabaha amounting to US$ 35 million which together with the convertible murabaha outstanding at 31 March 2012 was converted into equity of the Bank by issue of 237 million million shares.

5 **Investment securities**

	31 March 2012 US$ 000's (reviewed)	31 December 2011 US$ 000's (audited)	31 March 2011 US$ 000's (reviewed)
Equity type instruments			
Fair value through income statement			
- Quoted securities	973	990	3,140
- Unquoted funds	4,162	4,202	2,500
- Unquoted securities	-	-	20,220
Fair value through equity			
- Quoted securities	-	475	475
- Unquoted securities *	188,173	214,598	220,958
	193,308	220,265	247,293

* Unquoted equity securities classified as fair value through equity mainly include investments in private equity investments managed by external investment managers and investments in projects promoted by the Group. In the absence of reliable measure of fair value, these investments are carried at cost less impairment. During the quarter, the Group has settled a liability (investors' fund) of US$ 25.78 million with an associate by transfer of an investment of equal amount.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the three months ended 31 March 2012

6 Other assets

	31 March 2012 US$ 000's (reviewed)	31 December 2011 US$ 000's (audited)	31 March 2011 US$ 000's (reviewed)
Financing to projects	66,970	66,970	64,496
Equipment	2,956	2,454	5,773
Reimbursement right (note 11)	35,000	35,000	121,111
Prepayments and other receivables	4,566	4,489	6,633
	109,492	108,913	198,013

Other assets are net of impairment allowances of US$ 135,907 thousand (31 December 2011: US$ 135,907 thousand).

7 Financing liabilities

	31 March 2012 US$ 000's (reviewed)	31 December 2011 US$ 000's (audited)	31 March 2011 US$ 000's (reviewed)
Murabaha financing	102,516	102,832	100,585
Wakala financing	47,328	51,535	60,616
Sukuk liability	115,888	162,190	152,116
Convertible Murabaha (2009)	14,945	14,520	24,093
Convertible Murabaha (2010)	13,183	-	999
	293,860	331,077	338,409

(a) Murabaha financing

Murabaha financing comprise a medium-term financing from a syndicate of banks of US$ 100 million (31 December 2010: US$ 100 million). The financing is repayable in August 2013 (extendable by 1 year provided 25% of the facility is repaid in 2012) and carries a profit rate of 2.50% over the benchmark rate (LIBOR) payable semi annually and an additional profit mark up of 1.25% payable at maturity. The Murabaha financing facilities are secured by a pledge over the Group's investment in an associate of carrying value of US$ 161.89 million. The Group is currently negotiating to restructure the facility.

(b) Wakala financing

Wakala financing is a syndicate facility from a number of financial institutions. During the year, the Group renegotiated the facility. As per the revised terms, the balance is repayable over a period of two years till April 2013 at an agreed profit rate of 8%. The Wakala financing facility is secured by a pledge over the Group's investment property of carrying value of US$ 203 million. The Group has deferred the instalment due in April and currently commenced negotiation for restructuring the facility.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the three months ended 31 March 2012

7 *Financing liabilities (continue)*

(c) Sukuk liability

The Sukuk have a tenure of 5 years maturing in June 2012 and returns based on an agreed spread of 175 bps over the benchmark rate (LIBOR). The Sukuk are backed by a pool of assets of the Group and has a liquidity facility provided by the Bank to support timely payments of distributions. The Sukuk are traded on the London Stock Exchange's Gilt Edged and Fixed Interest Market.

During the period, the Group was in technical breach of certain financial covenants of the Sukuk programm and the Group is currently in advanced discussions with the sukuk note holders for revising the covenant terms. The revised terms include the extension of the tenure for a period of 6 years with periodic repayment semi annually in January and July starting July 2014, with final installment in July 2018. The restructured terms propose a profit rate of LIBOR plus a margin with a minimum profit rate of 5% and the differential between the profit rate and minimum rate being payable on the maturity date. The periodic profit payments would be made semi annually.

Further, during the period, the Group has repurchased Sukuk of US$ 46.3 million by issue of convertible murabaha resulting in a profit of US$ 11.1 million which is included under "Other income" (refer note 8).

(d) Convertible murabaha 2009

During 2009, the Group issued a compound financial instrument ("Notes") in the form of unsecured convertible murabaha facility. The Notes had tenure of 3 years maturing in October 2012 unless converted into ordinary shares of the Bank at the option of the holder, at an exchange price of US$ 1.52 per share (adjusted for the 2010 share consolidation). The Notes provide for returns of 8% p.a. payable quarterly to the holder.

(e) Convertible Murabaha 2010

In 2010, the Group launched a new series of convertible murabaha to raise additional capital. The new series of convertible murabaha provide for returns of 12% p.a. payable quarterly to the holder and has a tenure of 3.5 years from the date of issue, unless converted into ordinary shares of the Bank at the option of the holder, at an exchange price of US$ 0.31 per share. During the period, the Bank received subscription of US$ 36.19 million and note holders amounting to US$ 23.01 million have exercised their option to convert the notes to share capital resulting in issue of 105,423,548 number of equity shares as per the terms of the convertible murabaha. Subsequent to the period end, the outstanding amount at 31 March 2012 was converted into equity of the Bank (note 4).

8 Other income

Other income includes US$ 11.1 million from settlement of sukuk liability (note 7 (c)), gain on sale of equipment of US$ 1.5 million and reversal of excess provision of US$ 1.3 million.

9 Share-based employee compensation scheme

During the period, 200 thousand share awards were forfeited due to non-satisfaction of service conditions by outgoing employees of the Bank. A vesting charge amounting to US$ 19 thousand (31 March 2011: net reversal of US$ 57 thousand) was recognised as part of staff costs during the period, net of effect of forfeitures. As at 31 March 2012, 3.29 million share awards were outstanding to be exercised in future periods.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the three months ended 31 March 2012

10 Segment reporting

31 March 2012 (reviewed)	**Development infrastructure**	**Banking**	**Unallocated**	**Total**
Segment revenue	(781)	10,523	3,181	12,922
Segment expenses	3,758	6,866	1,296	11,920
Segment result	(4,539)	3,657	1,884	1,002
Segment assets	527,451	266,057	5,539	799,047
Segment liabilities	361,710	132,641	44,745	539,096

31 March 2011 (reviewed)	Development infrastructure	Banking	Unallocated	Total
Segment revenue	81	28,967	(2,626)	26,422
Segment expenses	4,708	7,031	2,744	14,483
Segment result	(4,627)	21,936	(5,370)	11,939
31 December 2011 (audited)				
Segment assets	553,797	267,039	5,009	825,845
Segment liabilities	381,650	160,523	48,386	590,559

11 Commitments and contingencies

The commitments contracted in the normal course of business of the Group:

	31 March 2012 US$ 000's (reviewed)	31 December 2011 US$ 000's (audited)	31 March 2011 US$ 000's (reviewed)
Commitments to invest	613	613	6,613
Commitments to extend finance	82,636	82,636	16,500

The Group potentially has a commitment under a constructive obligation to extend finance to one of its projects of up to US$ 23 million (31 December 2011: US$ 23 million).

Based on the Group's assessment of the likelihood that a project will not be able to meet the financing obligation when they fall due, the Group has estimated that its financial guarantee of US$ 35 million may be enforced. Accordingly, the Group has recognised a provision of US$ 35 million (31 December 2011: US$ 35 million) towards these liabilities until revised / renegotiated terms are agreed with the lenders of the project company and included in other liabilities and recognised an equivalent amount of 'reimbursement right' receivable included in 'other assets'.

NOTES TO THE CONDENSED CONSOLDIATD INTERIM FINANCIAL INFORMATION
for the three months ended 31 March 2012

11 Commitments and contingencies (continue)

In the opinion of the management, the facilities that are due are being renegotiated and based on the current status of discussions, it is not expected that the Group will have to make payments against any of these guarantees. In the event any payment is required to be made, the Group will repay the existing lenders and the amounts will be recovered from the future cash flows generated from the operation of the relevant project.

Performance obligations
During the ordinary course of business, the Group may enter into performance obligations in respect of its infrastructure development projects. It is the usual practice of the Group to pass these performance obligations, wherever possible, on to the companies that own the projects. In the opinion of the management, no liabilities are expected to materialise on the Group at 31 March 2012 due to the performance of any of its projects.

Contingencies
The Group has contingent claims arising from the decision to not proceed with a project development agreement. The Group is currently negotiating with the counter party for an amicable settlement. While liability is not admitted, if defence against the action is unsuccessful, the claim and associated costs could amount to approximately US$ 36 million. The management do not expect any significant liability to arise on final closure.

12 Due to the inherent nature of the Group's business, the three month results reported in this interim financial information may not represent a proportionate share of the overall annual results.

13 Appropriations, if any, are made only at the year end.

14 Certain prior period amounts have been regrouped to conform to the current period's presentation. Such regrouping did not affect previously reported profit or owners' equity.