

5 June 2013
Ref: FD-1024/13

Mr. Fuad Rashid
Managing Director
Bahrain Stock Exchange
Kingdom of Bahrain

Subject: Interim consolidated financial results for the quarter ended 31 March 2013

We would like to inform you that Global Investment House Board meeting was held on Thursday 25th April 2013, to discuss the preliminary financial result for the first quarter ended 31st March 2013. Subsequent to the CMA approval received today, we are pleased to enclose the results as follow:

Key highlights*	3 months ended 31 March 2013	3 months ended 31 March 2012
Net (Loss) (attributed to the shareholders of the parent company)	KD (3.9) million	KD (11.0) million
Basic loss per share (EPS)	Kuwaiti (8) fils	Kuwaiti (22) fils
Total Assets (as at 31 March)	KD 499.5 million	KD 550.3 million

* Extracted from interim consolidated financial statements as at 31 March 2013 reviewed jointly by Ernst & Young and Grant Thornton.

Best regards,



Bader A. AL-Sumait
Chief Executive Officer

Enclosed: copy of CMA Approval.

Global Investment House – K.S.C. (Closed) and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED OF INCOME

For the period ended 31 March 2013 (Unaudited)

	Notes	Three months ended 31 March	
		2013 KD '000	2012* KD '000
CONTINUING OPERATIONS			
Fees and commission income	3	2,590	2,361
Interest and similar income		434	418
Net gain on financial assets designated at fair value through profit or loss		303	245
Net gain on sale of financial assets available for sale		-	9
Share of results of associates		(25)	(95)
Foreign exchange (loss) gain		(63)	17
Other operating income		49	47
REVENUE		3,288	3,002
Personnel expenses		1,833	2,368
Other operating expenses		823	943
Depreciation of property and equipment		496	543
Interest and similar expenses		34	46
Impairment charge on financial assets, investment in associates and intangible assets		31	228
Provision charge (reversal) for credit losses		93	(7)
EXPENSES		3,310	4,121
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS		(22)	(1,119)
LOSS FOR THE PERIOD FROM DISCONTINUED OPERATIONS	10	(4,907)	(10,340)
TOTAL LOSS FOR THE PERIOD		(4,929)	(11,459)
Attributable to:			
Equity holders of the Parent Company		(3,930)	(11,043)
Non-controlling interests		(999)	(416)
		(4,929)	(11,459)
BASIC AND DILUTED LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	4	(8) fils	(22) fils
BASIC AND DILUTED LOSS PER SHARE FROM CONTINUING OPERATIONS ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT COMPANY	4	(0) fils	(2) fils

* Amounts shown here do not correspond with the interim condensed consolidated financial information for the period ended 31 March 2012 and reflect adjustments made for discontinued operations as detailed in Note 10.

The attached notes 1 to 15 form part of this interim condensed consolidated financial information.

Global Investment House – K.S.C. (Closed) and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 31 March 2013 (Unaudited)

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2013</i>	<i>2012*</i>
	<i>KD '000</i>	<i>KD '000</i>
Loss for the period	(4,929)	(11,459)
Other comprehensive income (loss):		
Net unrealised gain arising on financial assets available for sale	6	53
Transferred to interim condensed consolidated statement of income on sale of financial assets available for sale	-	(9)
Net gain on financial assets available for sale	6	44
Exchange differences on translation of foreign operations	165	85
Other comprehensive (loss) income from discontinued operations	(132)	3,244
Other comprehensive income for the period	39	3,373
Total comprehensive loss for the period	(4,890)	(8,086)
Attributable to:		
Equity holders of the Parent Company	(3,829)	(8,211)
Non-controlling interests	(1,061)	125
	(4,890)	(8,086)

* Amounts shown here do not correspond with the interim condensed consolidated financial information for the period ended 31 March 2012 and reflect adjustments made for discontinued operations as detailed in Note 10.

The attached notes 1 to 15 form part of this interim condensed consolidated financial information.

Global Investment House – K.S.C. (Closed) and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2013 (Unaudited)

	Notes	31 March 2013 KD'000	(Audited) 31 December 2012 KD'000	31 March 2012 KD'000
ASSETS				
Cash and cash equivalents	5	41,402	43,558	68,104
Financial assets held for trading		-	-	6,907
Financial assets designated at fair value through profit or loss		15,226	14,898	99,881
Murabaha receivables		5,623	5,471	5,210
Loans and advances		8,884	9,076	11,264
Financial assets available for sale		656	1,152	37,669
Investments in associates		4,550	4,522	136,269
Investment properties and properties under development		681	679	55,187
Property and equipment		12,364	12,877	15,888
Intangible assets		7,999	7,998	18,025
Other assets	6	15,185	13,064	95,851
Disposal group held for sale	10	386,953	384,649	-
TOTAL ASSETS		499,523	497,944	550,255
EQUITY AND LIABILITIES				
Equity				
Share capital		52,385	52,385	131,243
Share premium		19,218	19,218	58,998
Treasury shares	7	(19,218)	(19,218)	(58,998)
Treasury shares reserve		-	-	1,059
Cumulative changes in fair values		(64)	(69)	(445)
Foreign currency translation reserve		87	(38)	(2,570)
Accumulated losses		(86,753)	(82,823)	(119,256)
Reserve of disposal group held for sale	10	(4,647)	(4,618)	-
(Deficit) equity attributable to equity holders of the Parent Company		(38,992)	(35,163)	10,031
Non-controlling interests		4,138	4,109	27,635
Non-controlling interests relating to disposal group held for sale		14,568	15,658	-
Total (deficit) equity		(20,286)	(15,396)	37,666
Liabilities				
Short term borrowings	8	4,717	4,939	418,591
Bonds	9	-	-	74,911
Other liabilities		6,543	9,031	19,087
Liabilities directly associated with disposal group held for sale	10	508,549	499,370	-
Total liabilities		519,809	513,340	512,589
TOTAL EQUITY AND LIABILITIES		499,523	497,944	550,255

Maha Khaled Al-Ghunaim
Chairperson and Managing Director

Hamad Tarek Al-Homaizi
Vice Chairman and Director

The attached notes 1 to 15 form part of this interim condensed consolidated financial information.

Global Investment House – K.S.C. (Closed) and its Subsidiaries
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the period ended 31 March 2013 (Unaudited)

	Note	<i>Three months ended 31 March</i>	
		<i>2013</i>	<i>2012</i>
		<i>KD '000</i>	<i>KD '000</i>
OPERATING ACTIVITIES			
Loss for the period from continuing operations		(22)	(1,119)
Loss for the period from discontinued operations		(4,907)	(10,340)
Loss for the period		(4,929)	(11,459)
Adjustments for:			
Depreciation on properties and equipment		505	553
Impairment charge (reversal) for credit losses		93	(7)
Impairment of financial assets, investment in associates and intangible assets		976	1,189
Interest and similar income		(442)	(454)
Dividend income		(917)	(598)
Interest and similar expense		4,609	6,201
Net loss on investment properties and properties under development		1,134	1,575
Share of results of associates		15	2,460
Net loss on disposal of associates		-	235
		1,044	(305)
Changes in operating assets and liabilities:			
Financial assets held for trading		(102)	943
Financial assets designated at fair value through profit or loss		(103)	3,421
Murabaha receivables		-	1,578
Loans and advances		285	857
Financial assets available for sale		550	1,463
Other assets		(1,550)	53
Other liabilities		(893)	(1,804)
Cash flows (used in) from operations		(769)	6,206
Interest and similar income received		261	283
Dividend income received		72	86
Interest and similar expenses paid		(25)	(4,980)
Net cash flows (used in) from operating activities		(461)	1,595
INVESTING ACTIVITIES			
Proceeds from capital redemption/disposal of associates		-	767
Proceeds from disposal of investment properties		(114)	(178)
Purchase of property and equipment		-	(52)
Net cash flows (used in) from investing activities		(114)	537
FINANCING ACTIVITIES			
Repayment of borrowings		(223)	(5,777)
Net cash flows used in financing activities		(223)	(5,777)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(798)	(3,645)
Cash and cash equivalents at 1 January		56,487	71,749
CASH AND CASH EQUIVALENTS AT 31 MARCH	5	55,689	68,104

The attached notes 1 to 15 form part of this interim condensed consolidated financial information.

Global Investment House – K.S.C. (Closed) and its Subsidiaries
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 March 2013 (Unaudited)

Attributable to the equity holders of the Parent Company

	Share capital KD '000	Share premium KD '000	Treasury shares KD '000	Treasury shares reserve KD '000	Cumulative changes in fair values KD '000	Foreign currency translation reserve KD '000	Accumulated losses KD '000	Reserve of disposal group held for sale KD '000	Sub total KD '000	Non-controlling interests KD '000	Non-controlling interests relating to disposal group KD '000	Total KD '000
At 1 January 2013	52,385	19,218	(19,218)	-	(69)	(38)	(82,823)	(4,618)	(35,163)	4,109	15,658	(15,352)
Loss for the period	-	-	-	-	-	-	(3,930)	-	(3,930)	(15)	(984)	(4,929)
Other comprehensive income (loss)	-	-	-	-	5	125	-	(29)	101	44	(106)	3
Total comprehensive income (loss) for the period	-	-	-	-	5	125	(3,930)	(29)	(3,829)	29	(1,090)	(4,890)
Balance at 31 March 2013	52,385	19,218	(19,218)	-	(64)	87	(86,753)	(4,647)	(38,992)	4,138	14,568	(20,281)
At 1 January 2012	131,243	58,998	(58,998)	1,059	(3,457)	(2,390)	(108,213)	-	18,242	27,510	-	45,752
Loss for the period	-	-	-	-	-	-	(11,043)	-	(11,043)	(416)	-	(11,459)
Other comprehensive income (loss)	-	-	-	-	3,012	(180)	-	-	2,832	541	-	3,373
Total comprehensive income (loss) for the period	-	-	-	-	3,012	(180)	(11,043)	-	(8,211)	125	-	(8,086)
Balance at 31 March 2012	131,243	58,998	(58,998)	1,059	(445)	(2,570)	(119,256)	-	10,031	27,635	-	37,663

The attached notes 1 to 15 form part of this interim condensed consolidated financial information.