

GEFINOR S.A.
Société Anonyme
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Quarterly consolidated financial report for the period ended September 30, 2013
(prepared in compliance with Art 5 para 2 of law of January 2008)

MANAGEMENT REPORT

For the period ending September 30, 2013

1. Net Income:

Total consolidated assets at September 30, 2013 were USD 156.3 million compared with USD 189.8 million as of December 31, 2012. Consolidated equity was USD 106.2 million compared with USD 110.8 million as of December 31, 2012. Consolidated comprehensive loss attributable to the owner of the Company was USD 4.6 million compared with consolidated comprehensive loss of USD 18.6 million in the same period in 2012.

2. Investments

As at September 30, 2013, the Company holds three companies which have the responsibility for the management of their investments.

Gefinor Private Equity Limited, Gibraltar

Total consolidated assets of Gefinor Private Equity Limited at September 30, 2013 were USD 30.9 million (December 2012: USD 35.9 million), consolidated equity was USD 30.4 million (December 2012: USD 30.9 million) and net income was a loss of USD 0.5 million for the period (loss USD 17.5 million for the period in 2012).

➤ Gefus Capital Partners I, LP

The Partnership continues to be focused on finding realization events in an effort to wind down the remaining portfolio while maximizing cash returns. There are currently four remaining investments in the Partnership. MobiTV Inc. is the main remaining investment of the fund.

➤ Gefus Capital Partners II, LP

On July 29, 2013 the U.S. Small Business Administration (“SBA”) provided a follow-on commitment of USD 10.125 million to Gefus SBIC II. This amount, in addition to the original commitment of USD 14.875 million, brings total SBA commitments to USD 25 million.

➤ Gef Private Equity Partners, SPC

During the period under review, the Company invested USD 185 thousand in Gef Private Equity SPC and received USD 992 thousand in distributions. The remaining NAV is USD 5’850 thousand.

➤ MobiTV - Direct

During the period, Gefinor Private Equity Limited invested an additional USD 634 thousand in MobiTV Inc. Series A-1 preferred shares.

➤ Monterro I, AB

Gefinor Private Equity Limited has committed SEK 10 million (approx. USD 1.38 million) to Monterro I, AB Fund a Scandinavian growth equity fund, of which USD 390 thousand was funded during the period.

Gefinor Real Estate Limited, Gibraltar

Total consolidated assets of Gefinor Real Estate Limited at September 30, 2013 were USD 68.3 million, consolidated equity was USD 44.5 million (December 2012: USD 45.2 million) and net income was a loss of USD 0.7 million for the period (loss USD 1.3 million for the period in 2012) mainly related to the remaining discontinued operations of International Project Company Limited.

➤ Investments

In June 2013, the Development and Investment Company Ltd (The Garden City Project) distributed a dividend of USD 150 thousand to Gefinor Real Estate Limited.

The Escrow account on the sale of Real Estate Development Company SAL (REDCO) of USD 2'850 is expected to be received before year end 2013.

➤ Discontinued operations

In 2013, Gefinor Real Estate Limited initiated a sale process of the Société des Immeubles Modernes SAL (SIM), the company managing the restaurant in the Redco building.

Gefinor Advisors Limited, Gibraltar

Total consolidated assets of Gefinor Advisors Limited at September 30, 2013 were USD 126 million, consolidated equity was USD 42.2 million (December 2012: USD 45 million) and net income was a loss of USD 3.6 million for the period.

➤ Loan Portfolio

The loan portfolio was reduced by USD 26'913 thousand since December 31, 2012, mainly through the settlement in full of the loan to Gef Real Estate Holding of USD 29'086 thousand.

➤ Credit lines

The only remaining credit lines are the bank overdraft of CHF 4'250 thousand (USD 5'190 thousand) and the mortgage on the Geneva building of CHF 12'190 thousand (USD 13'105 thousand).

Dividend 2013

In June 2013, Gefinor SA made a dividend in kind by distribution of 1,166,667 shares to the shareholders consisting of 0.0912 per outstanding share at a book value of USD 3 per share for a total of USD 3.5 million. No gain has been recorded on this dividend in kind distribution, which has been accounted as a charge to retained earnings.

As September 30, 2013, Gefinor S.A. owned 448'858 (1.12%) of its own shares with a book value of USD 5.96 million.

In August 2013, an extraordinary meeting of the shareholders of Gefinor SA decided to pay a cash dividend of USD 3'500'000. The expected payment date is December 2013.

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

Period ended September 30, 2013

(expressed in thousands of US dollars except earnings per share)

	<u>30.09.2013</u>	<u>30.09.2012</u>
Operating Income		
Dividends	184	591
Real estate income	105	595
Net realised gains / (losses) on investments	-	(549)
Net unrealised gains / (losses) on investments	(79)	(8'627)
Foreign exchange gains / (losses)	(1'052)	(826)
Income (Loss) from Investments	<u>(842)</u>	<u>(8'816)</u>
Management fee income	1'657	1'607
Net commission income / (expenses)	(170)	(84)
Income from Services	<u>1'487</u>	<u>1'523</u>
Total Operating Income (Loss)	<u>645</u>	<u>(7'293)</u>
Operating Expenses		
Personnel	(3'729)	(2'644)
Office	(783)	(929)
Professional fees	(892)	(751)
Management fees	-	(160)
Other general administrative expenses	(560)	(430)
Depreciation	(92)	(65)
Total Operating Expenses	<u>(6'056)</u>	<u>(4'979)</u>
Net Operating Income (Loss)	<u>(5'411)</u>	<u>(12'272)</u>
Interest income	1'078	628
Interest expense	(684)	(700)
Net Interest	<u>394</u>	<u>(72)</u>
Share of results of associated companies	-	-
Other income / (expenses)	(167)	53
Income (Loss) Before Tax	<u>(5'184)</u>	<u>(12'291)</u>
Income tax expenses	(311)	(262)
Net Loss before discontinued operations	<u>(5'495)</u>	<u>(12'553)</u>
Profit (loss) from discontinued operations	(20)	(6'996)
Net Loss	<u>(5'515)</u>	<u>(19'549)</u>
Other Comprehensive Income, net of tax		
Exchange difference on translating foreign operations	933	901
Total Comprehensive Income (Loss) for the period	<u>(4'582)</u>	<u>(18'648)</u>
Weighted average shares outstanding	38'578'920	38'367'341
Basic and Diluted Earnings per share from continuing and discontinuing operations (expressed in USD dollars per share)	<u>(0.1429)</u>	<u>(0.5095)</u>
Basic and Diluted Earnings per share from continuing operations (in USD dollars per share)	<u>(0.1424)</u>	<u>(0.3272)</u>

GEFINOR S.A.
Société Anonyme
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

September 30, 2013

(expressed in thousands of US dollars)

	<u>30.09.2013</u>	<u>31.12.2012</u>
ASSETS		
Current Assets		
Cash and cash equivalents	33'134	45'510
Trading investments	7'804	3'096
Loans and advances	9'572	7'638
Trade receivables and other current assets	5'835	4'895
Assets classified as held for sale	133	135
Total Current Assets	<u>56'478</u>	<u>61'274</u>
Non-Current Assets		
Financial assets at fair value through P&L	34'776	35'082
Investments in associated companies	-	-
Loans and advances	24'455	53'302
Investment property	37'105	36'735
Property, plant and equipment	3'418	3'387
Intangible assets	39	60
Total Non-Current Assets	<u>99'793</u>	<u>128'566</u>
Total Assets	<u>156'271</u>	<u>189'840</u>
LIABILITIES		
Current Liabilities		
Bank overdrafts and short term bank debt	4'770	6'748
Client deposits	27'552	54'415
Trade and other payables	965	1'275
Current tax liabilities	423	550
Liabilities directly associated with assets classified as held for sale	220	202
Total Current Liabilities	<u>33'930</u>	<u>63'190</u>
Non-Current Liabilities		
Borrowings and other long term payable	14'106	13'830
Deferred tax liabilities	1'828	1'850
Provisions	166	147
Total Non-Current Liabilities	<u>16'100</u>	<u>15'827</u>
Equity		
Share capital	50'000	50'000
Reserves	38'948	38'948
Retained earnings	27'903	71'586
Treasury shares	(5'095)	(18'338)
Net income (loss)	(5'515)	(31'373)
Total Stockholders' Equity	<u>106'241</u>	<u>110'822</u>
Total Liabilities	<u>156'271</u>	<u>189'839</u>

