GEFINOR S.A.
SOCIETE ANONYME DE TITRISATION

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2011

GEFINOR S.A.

Société Anonyme

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THE COMPANY

Gefinor S.A. is a company incorporated in Luxembourg and is subject to the laws and jurisdiction of Luxembourg, which is a member of the European Union. Gefinor S.A.'s shares are listed on the Luxembourg Stock Exchange.

Pursuant to a decision of the shareholders taken at an Extaordinary General Meeting held on 8 December 2010, at which the articles of association were amended, Gefinor SA operates as a securitization company under Luxembourg law as from the 1st of January 2011 and securitizes the investments of two investment vehicles.

The strucuture adopted by Gefinor allows to continue the international investment activities, ensures freedom to select countries and sectors, shift investments and adapt to the need of investments throughout the world. Generally speaking, the determination of the Company's strategies and the implementation of these strategies are carried out without government interferences.

LETTER OF THE CHAIRMAN

As I predicted in my last letter, 2011 has proven to be another year of instability and uncertainty in the global markets. Political unrest in the Middle-East coupled with sovereign debt concerns in both the Eurozone and in the US has produced a fragile recovery. Despite slight improvements in the US economy and unemployment, political counter currents in the US, Europe, the Middle East and China are dampening economic growth, creating further volatility in financial markets and preventing the necessary fiscal discipline to create a sustainable recovery. Unless the opposing political powers make some real compromises it is difficult to expect that markets in 2012 will be less volatile and that asset valuations will begin to improve. We are very cognisant of these circumstances, and are tracking them very closely. We do believe however that private equity investments entry values are becoming attractive. Gefinor remains focused and alert in the management and allocation of its investment resources and that of its investors.

Group performance in 2011 reflects this market uncertainty when compared with results for 2010 and 2009. Although there were some attractive new investment opportunities, we reported unrealized losses, as required by the application of IFRS, as the value of our investment portfolio was adjusted downward. This was particularly the case in our US private equity portfolio where a slow-down was not altogether unexpected given the economic and market performance in 2011. Net loss attributable to owners of the Company was consequently USD 22.5 million in 2011 as compared to a profit of USD 7.8 million in 2010 and total comprehensive loss attributable to owners of the Company 22.7 USD million in 2011 as compared to a profit of USD 11.7 million in 2010.

The Board has approved the payment of a cash dividend of $7.0 million from accumulated retained earnings, and we continue to stand ready to invest in attractive opportunities that present themselves in 2012 as market valuations are becoming more attractive.

During 2011, a number of quality investment opportunities have been reviewed and a steady level of growth equity investments from our new fund, Gefus Capital Partners II, LP have been maintained. Additional funds have been invested in Gef Private Equity Partners SPC (GEFPEP), our third party private equity fund program vehicle, and where we are now starting to see a pick-up in the pace of distributions. Funds under management and under advise in GEFPEP and Gefus Capital Partners I and II are same as last year, and with the final closing of Gefus Capital Partners II in the second quarter of 2011, we are confident that assets under management and advise will continue to grow and that we will be able to generate attractive risk adjusted returns for our clients and shareholders. In our Real Estate portfolio we continue to see improving valuations and are also actively looking to monetize mature assets at attractive valuations.

I remain confident that the strength of our investment professionals and the quality of our investment portfolio will enable us to continue to achieve our dual objectives of long term value creation, and capital preservation. As always, we are thankful for the unwavering support and confidence of our shareholders, partners, investors, investment professionals and staff.

Mohamed Ousseimi
Chairman and Chief Executive Officer

MANAGEMENT REPORT 2011

We are pleased to present to you the report of the Board of Directors on the consolidated financial statements and the unconsolidated accounts for the year ended December 31, 2011 to be presented to the Annual General Meeting of Shareholders on June 28, 2012.

Financial statements

Total consolidated assets at December 31, 2011 were USD 251 million compared with USD 276.6 million as of December 31, 2010. Consolidated stockholders' equity was USD 144.8 million compared with USD 167.5 million. Consolidated profit attributable to the owners of the Company was a loss of USD 22.5 million compared with consolidated profit attributable to the owners of the Company of USD 7.8 million in 2010. The Company's investment portfolio is valued at market value, as required by IFRS, and, accordingly, unrealised gains and losses are included in net income from investments.

On an unconsolidated basis total assets at December 31, 2011 were USD 107.8 million, compared with USD 132.6 million the previous year. The net profit was USD 19.5 million compared with a net profit of USD 1.4 million the previous year. Stockholders' equity was USD 93.5 million compared with USD 74 million at December 31, 2010.

Organisation and activities

Pursuant the conversion into a securitisation Company, Gefinor SA has restructured the chain of companies in which Company has a direct or indirect interest in order to separate the two types of investments held. Two new holding structures have been created in Gibraltar which will have responsibility for the management of the investments. The contribution of all the real estate assets and all the private equity assets of Gefinor to respectively "Gefinor Real Estate Limited " and "Gefinor Private Equity Limited" both incorporated in Gibraltar was executed in 2011. The transfer of all operating management functions to these holding companies is a consequence of the proposed changes of the object of Gefinor and the need to comply with the legislation governing securitisation companies.

In 2010, the Company already operated under the three headings of real estate, private equity and corporate services. This organisational structure already reflected the new legal structure of the Company of an investment securitisation company.

Gefinor Private Equity Limited

The private equity holding covers investment operations and management and advisory services.

Through our direct private equity activity, we invest and manage investors' funds as well as our own capital in equity interests in U.S. based growth companies at various stages of development, focusing on companies with innovative products and services that could be based on new technologies, business models, distribution systems or other such elements.

The performance of the Gefinor Private Equity investment portfolio reflects the difficult economic environment.

The operating income of ADC was disappointed at a loss of USD 1.4 million before interests, amortization and taxes. Accordingly ADC had to amortize its trade mark by USD 1 million and amortize its deferred tax asset of USD 980 thousand in full. In addition on Gefinor SA consolidated level the ADC Goodwill recognized in 2010 of USD 5.1 million was amortized in full. The total net impact of ADC on Gefinor SA consolidated financial statements is a loss of 8.8 million net of non-controlling interests in 2011. In 2011, Gefinor Private Equity Limited initiated a sale process of its 72.3% interest in Alexander Doll Company Inc. (ADC). A sale transaction is in the process of finalization and is expected to close by end of 2012, accordingly the Alexander Doll Company investment has been classified as discontinued operation.

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The MobiTV Inc. Valuation and expected exit proceeds directly for Gefinor SA and indirectly through Gefus Capital Partners I, LP were lowered impacting negatively the Gefinor Private Equity Limited portfolio directly by a value adjustment of USD 2.2 million on the direct holding of MobiTV shares and by a value adjustment of USD 2.8 million of Gefus Capital Partners I, LP interest of which MobiTV is the main remaining investment.

The Company realised a sale transaction for 40’000 from a total of 108’000 Netspend Inc. shares at an average price of USD 14.1 per share, generating a profit of USD 50 thousand.

In addition to direct investments, the private equity activity provides management and advisory services to a direct growth private equity fund, Gefus Capital Partners I, L.P. (Gefus), and is also the investment advisor to Gef Private Equity Partners SPC (GEFPEP), a segregated portfolio company which allows us and our investors to build customised portfolios of private equity fund investments.

In 2011, Gefinor Private Equity Limited launched the Gefus Capital Partners II, LP private equity fund. The Partnership had its initial closing of USD 22.5 million commitments of which Gefinor Private Equity Limited committed USD 10.8 million. In August 2011 the Fund made its first capital call for USD 2.5 million and made its first investment in September 2011 in Nextivity a telecom network equipment and a second investment in Binoptics.

With the launch Gefus Capital Partners II, LP the Assets under management increased, generating total fees for the Group of USD 1.8 million in comparison to USD 1.9 million for 2010.

Gefinor Real Estate Limited

The real estate holding owns investments in Beirut, Lebanon, where we have commercial property interests in the main business district as well as substantial land for development in prime areas in Beirut and other cities. After successive sales of its interests in the New City project in Beirut between 2008 and 2010, Gefinor retains a 7.7% interest with an original cost of USD 7.3 million and an estimated market value of USD 23.7 million. Other real estate properties in Lebanon and elsewhere in the Middle East have been valued on the basis of independent appraisals at year end.

In 2011, Gefinor Real estate Limited initiated a sale process of Real Estate Development Company SAL, the owner of the Gefinor building in Beirut. A sale transaction was closed in the first quarter of 2012 for a total amount of USD 95 million, accordingly the investment in Real Estate Development Company SAL has been classified as discontinued operations. The Real Estate Development Company Goodwill was amortized by USD 1.9 million reflecting the net loss of the transaction. In addition a provision for fees payable on the transaction of USD 1.2 million was recorded as well.

In 2011 the Gefinor Real Estate Limited result was impacted by the amortization in full of the intangible asset of the long term management contracts of Gefinor Management Limited. These contracts were previously amortized over a period of 20 years, the remaining balance representing USD 4.2 million was amortized in full in 2011.

The real estate portfolio in Lebanon benefited from appreciation in the valuation of Garden City (New City) generating an unrealized gain of USD 3.9 million and from the valuation of the Byblos Land generating an unrealized gain of USD 0.8 million in 2011.

Our financial services activities have been integrated into the real estate division and continue to be stable, with customer deposits through our financial services company of USD 21.1 million and a loan portfolio of USD 29.5 million.

Share capital

The Company has an issued share capital of 40 million shares at December 31, 2011 with a par value of USD 1.25 each, of which 37,063,876 shares are outstanding. Each share carries the same rights and entitles the holder to one vote at the general meeting of shareholders. The shares, which are in both registered and bearer form, are listed on the Luxembourg Stock Exchange. There are no restrictions on the purchase or transfer of shares.

From time to time, as approved by the Board and authorised periodically by the shareholders, the Company may purchase its own shares for trading or other purposes. No transaction has been recorded during the year. At year end, the Company owned 2.9 million of its own shares, representing 7.34% of the issued capital, with a book value of USD 32.6 million. In July 2011, Gefinor SA made a dividend in kind by distribution of 1,058,968 shares to the shareholders consisting of 0.0294 per outstanding share at a bookvalue of USD 11.12 per share for a total of USD 11.77 million.

Shareholders

The Company has been notified of the following significant holdings of voting rights based on total issued shares of 40,000,000:

Mr Khaled Ousseimi directly and indirectly holds 42.1% of the voting rights of the Company through his indirect control of Gef Real Estate Holding S.A. of Luxembourg, which holds 42.1% of the voting rights of the Company;

A.K. Al Muhaidib & Sons of Saudi Arabia holds directly 17.3% of the voting rights of the Company;

Fondation Ousseimi of Switzerland holds directly 11.5% of the voting rights of the Company;

Al Sharq Holdings of Kuwait holds directly 9% of the voting rights of the Company.

The Company is not aware of any agreements between shareholders which could result in restrictions on share transfer or voting rights.

Board of Directors, appointment and powers

The members of the Board of Directors are appointed or reappointed annually by the general meeting of shareholders. The articles of association may be amended only by an extraordinary meeting of shareholders. The Board of Directors has no power to increase or decrease the share capital, except as authorised by the shareholders.

End of service indemnities

The Company has no contractual arrangements for the payment of leaving indemnities to members of the Board of Directors, management or personnel for any reason whatsoever.

Takeover bids

The Company is not a party to any contractual arrangements containing conditions which would be automatically triggered in the event of a takeover bid.

Research and development activity

The Company has no research and development activity.

The Board of Directors

CORPORATE GOVERNANCE

General

The Corporate Governance Charter, which is updated periodically by the Board, may be consulted on the Company's web site at *www.gefinor.com*. It is based on the Ten Principles of Corporate Governance published in 2006 by the Luxembourg Stock Exchange, although it differs in certain respects in order to take account of the specificities of the Company. In addition, the Board is satisfied that the Company fulfils it responsibilities and obligations under the Luxembourg law on market abuse of May 9, 2006.

In derogation of the recommendation 1.3 of the Principle 1 of the Ten Principles of Corporate Governance, the executive management and the chairman of the Board is entrusted to the same person.

Share ownership and control

The Company has approximately 50 institutional and individual shareholders, most of whom hold their shares in bearer form. At April 15, 2012, based on total outstanding shares of 37,063,876, the Ousseimi family direct or indirect interests represented 45.6% of the outstanding capital. Two directors, Mr Sulaiman Al Muhaidib and Mr Khaled Al Fulaij, or persons whom they represent, have direct or indirect interests of 18.6% and 18.2% respectively of the outstanding shares. Gefinor S.A. owns 7.3% of its own capital. Readers are referred to the notes to the financial statements for information concerning financial relationships with related parties.

Financial statement presentation

The responsibilities of the Board of Directors are determined by law. In this respect the Board is responsible for the annual accounts and the fair representation thereof in accordance with EU directives as transposed into Luxembourg law, as well as of the consolidated accounts in accordance with International Financial Reporting Standards (IFRS), as set forth by EU Regulations.The Board of Directors considers that it has fully complied with these obligations.

The format of the audit report follows the requirements of the International Standards on Auditing (ISA) prepared by the International Federation of Accountants. The statements and opinions therein regarding the responsibilities of the Board of Directors are those of the auditors.

Directors and Officers

The Board met four times during 2011 in the presence of all the directors. The audit committee, comprised of two non-executive directors, met once during the year. There are no other permanent committees of the board.

Non-executive and non-shareholder Board members receive an annual attendance fee of USD 10,000 each. Total annual remuneration, direct and indirect, of officers of the Company is USD 1,093 thousand. There is no stock option program.

Financial reporting, internal control and risk management

The Company has invested in two holding structures which have the responsibility for the management of the investments, as a securitization company, Gefinor SA is a passive investor and is not involved in the management of the investments. The size of the Company, the limited number of its investments and its status of securitization company does not justify an internal audit function.

The Board of Directors follows closely the performance of its two investments and has appointed an audit committee which liaises with the external auditors for all accounting, financial and compliance matters. The Board relies on the periodical management reports of its two investments and on the audited financial statements and audit reports of its two investments, as well as the consolidated financial statements to assess the fair preparation and presentation of the financial statements, the financial performance, the risk management and the legal compliance of its investments.

DIRECTORS AND OFFICERS

Mohamed Ousseimi
Chairman and Chief Executive Officer

Mr Ousseimi began his career with State Street Research and Management Company before joining the investment banking division of Merrill Lynch in New York. He joined Gefinor in 1993. Mr Ousseimi serves on a number of Gefinor company boards and committees. He holds a BA in Political Economy from the University of California Berkeley and an MBA from the John E. Anderson School of Management at UCLA. Mr. Ousseimi has been a member of the Board, Chairman and Chief Executive Officer of Gefinor since February 2007.

Khaled Y. Al Fulaij
Non-executive Director

Mr Al Fulaij was Chairman and Managing Director of Kuwait Oil Company from 1992 to 1998. He is an advisor to the ruler of Kuwait and is a member of the Higher Council for Planning in the State of Kuwait. He also serves as a director on the boards of a number of companies. Mr Al Fulaij holds a degree in Mechanical Engineering from the University of Tulsa. He has been a member of the Board of Gefinor since 2006.

Sulaiman A. Al Muhaidib
Non-executive Director

Mr Al Muhaidib was elected Chairman of the Al Muhaidib Group in 1997. The group is a diversified multi-division business present in a wide area of economic activity (building & construction, food and retail, animal feed). It is one of the most prominent business groups in Saudi Arabia. Mr Al Muhaidib serves as Chairman of a number of companies, as well as having various directorships. He holds a degree in Science and Medicine from Riyadh University. Mr Al Muhaidib has been a member of the Board of Gefinor since 2006.

Yves Prussen
Non-executive independent Director

Mr Prussen has been a member of the Luxembourg bar since receiving his degree of Doctor at Law in 1971 and has been a partner with Elvinger, Hoss & Prussen since 1975. He has contributed numerous papers and articles to professional publications in the field of securities, tax and investment law and is a member of several professional organizations and corporate boards. Mr Prussen has been a member of the Board of Gefinor since 2004.

Damien Wigny
Non-executive independent Director

Mr Wigny worked with the United Nations, ministries of the Belgian government and as director of Asian Development Bank, before joining Kredietbank S.A. Luxembourgeoise in 1975, where he was Chairman of the Board from 1994 through 2002. He served as Chairman of the Association of International Bond Dealers from 1982 through 1986 and is currently Chairman of the Salle de Concert Grande-Duchesse Joséphine Charlotte in Luxembourg. Mr.Wigny has degrees in Law and Economics from the Catholic University of Louvain (UCL). He has been a member of the Board of Gefinor since 2004.

William Beckett
Chief Financial Officer

Mr Beckett worked in the investment banking division of Merrill Lynch before joining the private equity division of Gefinor in New York in 1993. He currently serves on the boards of The Alexander Doll Company, Inc., The Williams Club, and several Gefinor company boards and committees. Mr. Beckett holds a BA in Economics from Williams College and an MBA from the Graduate School of Business at Stanford University. He has been Chief Financial Officer since February 2007 and routinely acts as secretary to the Board.

FIVE YEAR FINANCIAL SUMMARY

Consolidated Statement of Financial Position (expressed in thousands USD)	**2011**	**2010**	**2009**	**2008**	**2007**
Total assets	250'955	276'643	252'784	246'838	375'639
Total liabilities	106'150	109'182	97'052	112'753	137'322
Total stockholder's equity	144'805	167'461	155'732	134'085	238'317
Consolidated Statement of Income					
Gross profit	1'358	812	-	-	-
Income from investments	(5'120)	11'637	31'891	26'976	32'474
Other income/expense (net)	1'514	2'097	1'828	2'170	2'255
Operating income	(2'248)	14'546	33'719	29'146	34'729
Operating expenses	(8'716)	(8'524)	(9'929)	(9'811)	(9'289)
Taxation	(820)	(303)	(1'843)	(886)	(1'728)
Net income before interests and non-controlling interest	(11'784)	5'719	21'947	18'449	23'712
Net interest	(364)	(389)	(1'234)	3'695	1'563
Non-controlling interest	-	-	-	-	(3'626)
Net income from discontinued operations	(10'305)	2'490	-	-	-
Net income	**(22'453)**	**7'820**	**20'713**	**22'144**	**21'649**
Average outstanding shares	37'063'876	36'004'908	36'004'908	38'422'094	37'709'213
Earnings per share (US dollars)	(0.6058)	0.2172	0.5753	0.5763	0.5741

REPORT OF THE RÉVISEUR D'ENTREPRISES AGRÉÉ

To the Shareholders of
Gefinor S.A.
Société Anonyme de Titrisation
5 rue Guillaume Kroll
Luxembourg.

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Gefinor S.A., Société Anonyme and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2011 and the consolidated statements of comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Responsibility of Board of Directors responsibility for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control the Board of Directors determines is necessary to enable the preparation of the comsolidated financial statement that are free from material misstatement, whether due to fraud or error

Responsibility of the réviseur d'entreprises agréé

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier*. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on judgement of the *réviseur d'entreprises agréé* including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the *réviseur d'entreprises agréé* considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of Gefinor S.A., Société Anonyme as of December 31, 2011, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on other legal and regulatory requirements

The consolidated management report, which is the responsibility of the Board of Directors, is consistent with the consolidated financial statements. The accompagnying Corporate Governance Statement on page xx, which is the responsibility of the Board of Directors, includes the information required by the law of 19 December 2002 on the commercial and companies regiter and on the accounting records and annual accounts of undertakings, as amended and the description included with respect to Article 68bis pararaphs c and d of the aforementioned law is consistent with the consolidated financial statements.

For Deloitte Audit. *Cabinet de révision agréé*

Raphael Charlier, Réviseur d'entreprises agréé
Partner

April 30, 2012

Management representation
on the consolidated financial statements as at December 31, 2011

In compliance with the requirements of the law of January 11, 2007, we hereby certify, to the best of our knowledge and belief, that:

- The attached consolidated financial statements of Gefinor S.A., Société Anonyme de Titrisation, give a true and fair view of the assets, liabilities, financial situation and profits and losses of the company and its subsidiaries as of and for the year ended December 31, 2011 in accordance with International Financial Reporting Standards;

- The annual accounts of Gefinor S.A., Société Anonyme de Titrisation, presented in this Annual Report and established in conformity with the Luxembourg legal and regulatory requirements relating to the preparation of annual accounts give a true and fair view of the assets, liabililities, financial position and loss of the company; and

- The management report presents fairly the operations, results and situation of the Company and its subsidiaries and a description of the principal risks and uncertainties with which they are faced.

Mohamed Ousseimi
Chief Executive Officer

William J. Beckett
Chief Financial Officer

April 27, 2012

GEFINOR S.A.

Société Anonyme

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended December 31, 2011

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

		31.12.2011	31.12.2010
Operating Income			
Sales		2'415	1'985
Cost of goods sold		(1'057)	(1'173)
Gross profit		**1'358**	**812**
Dividends	17	194	1'104
Real estate income	19	817	590
Net realised gains / (losses) on investments	18	(5'509)	3'499
Net unrealised gains / (losses) on investments	18	(1'349)	10'181
Foreign exchange gains / (losses)		727	(3'737)
Income from Investments		**(5'120)**	**11'637**
Management fee income	20	1'818	1'943
Net commission income / (expenses)		(310)	(11)
Income from Services		**1'508**	**1'932**
Total Operating Income		**(2'254)**	**14'381**
Operating Expenses			
Personnel		(4'431)	(5'501)
Office		(1'388)	(839)
Professional fees		(1'937)	(1'101)
Management fees		(70)	(359)
Other general administrative expenses		(710)	(574)
Depreciation	10	(180)	(150)
Total Operating Expenses		**(8'716)**	**(8'524)**
Net Operating Income		**(10'970)**	**5'857**
Interest income	7	527	575
Interest expense	12	(891)	(964)
Net Interest		**(364)**	**(389)**
Share of results of associated companies		-	-
Other income / (expenses)		6	165
Income Before Tax		**(11'328)**	**5'633**
Income tax expenses	15	(820)	(303)
Net Income before discontinued operations		**(12'148)**	**5'330**
Profit (loss) from discontinued operations	28	(10'305)	2'490
Net Income		**(22'453)**	**7'820**
Other Comprehensive Income, net of tax			
Exchange difference on translating foreign operations		(203)	3'909
Total Comprehensive Income for the year		**(22'656)**	**11'729**
Weighted average shares outstanding		37'063'876	36'004'908
Basic and Diluted Earnings per share from continuing and discontinuing operations (expressed in USD dollars per share)		**(0.6113)**	**0.3258**
Basic and Diluted Earnings per share from continuing operations (in USD dollars per share)		**(0.3278)**	**0.1481**

The notes are an integral part of the consolidated financial statements

GEFINOR S.A.

Société Anonyme

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2011

(expressed in thousands of US dollars)

		31.12.2011	31.12.2010
ASSETS			
Current Assets			
Cash and cash equivalents	5	2'955	11'130
Trading investments	6	37	643
Loans and advances	7	2'106	5'218
Trade receivables and other current assets	8	2'391	2'286
Assets classified as held for sale	28	119'180	130'528
Total Current Assets		**126'669**	**149'805**
Non-Current Assets			
Financial assets at fair value through P&L	6	51'383	52'555
Investments in associated companies	25	215	215
Loans and advances	7	27'426	23'964
Investment property	9	40'935	40'243
Property, plant and equipment	10	3'522	3'543
Intangible assets	11	805	6'318
Total Non-Current Assets		**124'286**	**126'838**
Total Assets		**250'955**	**276'643**
LIABILITIES			
Current Liabilities			
Bank overdrafts and short term bank debt	12	4'550	5'774
Client deposits	13	21'119	27'293
Trade and other payables	16	1'320	2'484
Current tax liabilities	15	793	457
Liabilities directly associated with assets classified as held for sale	28	49'502	48'356
Total Current Liabilities		**77'284**	**84'364**
Non-Current Liabilities			
Borrowings and other long term payable	12	25'661	21'806
Deferred tax liabilities	15	2'709	2'524
Provisions	16	496	488
Total Non-Current Liabilities		**28'866**	**24'818**
Equity			
Share capital	14	50'000	50'000
Reserves	14	49'667	49'667
Retained earnings		100'231	104'386
Treasury shares	14	(32'640)	(44'412)
Net income (loss)		(22'453)	7'820
Total Stockholders' Equity		**144'805**	**167'461**
Total Liabilities		**250'955**	**276'643**

The notes are an integral part of the consolidated financial statements

GEFINOR S.A.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

December 31, 2011

(expressed in thousands of US dollars)

	Share capital	*Reserves*	*Legal reserve*	*Treasury shares*	*Retained earnings and net income for the year*	*Sub-total attributable to owners of Gefinor S.A.*
Balance, 01.01.2010	50'000	39'667	10'000	(44'412)	100'477	155'732
Profit for the year	-	-	-	-	5'330	5'330
Other comprehensive income, net of income tax (*)	-	-	-		3'909	3'909
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**9'239**	**9'239**
Discontinued operations	-	-	-	-	2'490	2'490
Balance, 31.12.2010	**50'000**	**39'667**	**10'000**	**(44'412)**	**112'206**	**167'461**

	Share capital	*Reserves*	*Legal reserve*	*Treasury shares*	*Retained earnings and net income for the year*	*Sub-total attributable to owners of Gefinor S.A.*
Balance, 01.01.2011	50'000	39'667	10'000	(44'412)	112'206	167'461
Dividend	-	-	-	11'772	(11'772)	-
Profit for the year	-	-	-	-	(12'148)	(12'148)
Other comprehensive income, net of income tax (*)	-	-	-	-	(203)	(203)
Total comprehensive income for the year	**-**	**-**	**-**	**11'772**	**(12'351)**	**(12'351)**
Discontinued operations	-	-	-	-	(10'305)	(10'305)
Balance, 31.12.2011	**50'000**	**39'667**	**10'000**	**(32'640)**	**89'550**	**144'805**

(*) Other comprehensive income, net of income tax consists of the cumulative translation reserve

The notes are an integral part of the consolidated financial statements.

GEFINOR S.A.

Société Anonyme

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2011

(expressed in thousands of US dollars)

Cash Flow from Operating Activities			
Receipts from customers		2'415	1'985
Real estate income paid by customers		871	1'480
Income from services paid by customers		966	1'655
Other operating assets and liabilities		1	-
Payments to suppliers and employees		(9'761)	(9'220)
Income taxes paid		(291)	(5)
Net Cash From Operating Activities		**(5'799)**	**(4'105)**
Cash Flow from Investing Activities			
Dividends received		194	1'104
Acquisition of investments		(1'927)	(5'414)
Purchase of subsidiaries		-	(4'000)
Sale of financial assets at fair value through P&L		1'047	14'044
Payments for property, plant and equipment		(13)	(161)
Net Cash Flow from Investing Activities		**(699)**	**5'573**
Cash flow from Financing Activities			
Interest received		58	66
Interest paid		(330)	(629)
(Increase) / decrease in loans and advances		1'906	14'578
Proceeds from borrowing		6'069	-
Repayment of borrowings		(3'176)	(8'800)
Increase /(decrease) in client deposits		(6'204)	(7'289)
Dividends paid		-	-
Net Cash Flow from Financing Activities		**(1'677)**	**(2'074)**
Net increase / (decrease) in cash equivalents		**(8'175)**	**(606)**
Cash and cash equivalents, beginning of period	5	**11'130**	**11'736**
Cash and cash equivalents, end of period	5	**2'955**	**11'130**

The notes are an integral part of the consolidated financial statements.

NOTE 1 - GENERAL

Gefinor S.A. ("the Company") was incorporated in Luxembourg on December 31, 1968 as a "Holding" company under the law of July 31, 1929. Since January 1, 1984, the Company has been accepted for tax purposes as a "société holding milliardaire". In conformity with European Union requirements, the law on holding companies has been repealed, with the result that the fiscal regime was maintained for a transitional period until December 31, 2010 according to conditions defined by the law of December 22, 2006 amending the law of July 31, 1929. After considering the implications of this change, the Company has decided to adopt the legal form of a securitisation company under Luxembourg law. At an Extraordinary General Meeting of shareholders of Gefinor S.A., held on 8 December 2010, the articles of association of Gefinor were amended in order to make them compliant with the law on securitisation and the object and status of a securitisation company under Luxembourg law.

The registered office is at 5, rue Guillaume Kroll, Luxembourg. Since 1986, the shares of the Company have been quoted on the Luxembourg stock exchange. The activities of the Company and its subsidiaries ("the Group") are described in Note 24.

The Company's financial year coincides with the calendar year.

The financial statements are approved by the Board of Directors and authorized for issue on April 23, 2012.

NOTE 2 - ADOPTION OF NEW AND REVISED STANDARDS

The accounting policies that were used for the preparation of the consolidated financial statements at December 31, 2011 are the same as those used for the preparation of the consolidated financial statements at December 31, 2010.

2.1. New and revised IFRSs in issue but not yet effective

- Amendments to IFRS 7, *Disclosures – Transfers of Financial Assets*
  Makes amendments to IFRS 7 Financial Instruments: Disclosures resulting from the IASB's comprehensive review of off balance sheet activities.
  The amendments introduce additional disclosures, designed to allow users of financial statements to improve their understanding of transfer transactions of financial assets (for example, securitisations), including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. Management do not anticipate that these amendments to IFRS 7 will have a significant effect on the Group's disclosures.

- IFRS 9, *Financial Instruments*
  A revised version of IFRS 9 incorporating revised requirements for the classification and measurement of financial liabilities, and carrying over the existing derecognition requirements from IAS 39 Financial Instruments: Recognition and Measurement.
  The revised financial liability provisions maintain the existing amortised cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair

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value through profit or loss – in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss. Management anticipates that IFRS 9 will be adopted in the Group’s consolidated financial statements for the annual period beginning January 1, 2013 and that the application of the Standard will have no significant impact on amounts reported in the Group’s financial assets and financial liabilities.

- IFRS 10, *Consolidated Financial Statements*
  Requires a parent to present consolidated financial statements as those of a single economic entity, replacing the requirements previously contained in IAS 27 Consolidated and Separate Financial Statements and SIC-12 Consolidation - Special Purpose Entities.
  The Standard identifies the principles of control, determines how to identify whether an investor controls an investee and therefore must consolidate the investee, and sets out the principles for the preparation of consolidated financial statements.
  The Standard introduces a single consolidation model for all entities based on control, irrespective of the nature of the investee (i.e. whether an entity is controlled through voting rights of investors or through other contractual arrangements as is common in 'special purpose entities'). Under IFRS 10, control is based on whether an investor has:
    - Power over the investee
    - Exposure, or rights, to variable returns from its involvement with the investee, and
    - The ability to use its power over the investee to affect the amount of the returns

  Management anticipates that IFRS 10 will be adopted in the Group’s consolidated financial statements for the annual period beginning January 1, 2013 and that the application of the Standard will have no significant impact on amounts reported in the Group’s financial assets and financial liabilities.

- IFRS 11, *Joint Arrangements*
  Replaces IAS 31 Interests in Joint Ventures. Requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and then account for those rights and obligations in accordance with that type of joint arrangement. Joint arrangements are either joint operations or joint ventures:

  A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint operators recognise their assets, liabilities, revenue and expenses in relation to its interest in a joint operation (including their share of any such items arising jointly).

  A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (joint venturers) have rights to the net assets of the arrangement. A joint venturer applies the equity method of accounting for its investment in a joint venture in accordance with IAS 28 Investments in Associates and Joint Ventures (2011). Unlike IAS 31, the use of 'proportionate consolidation' to account for joint ventures is not permitted.

  Management anticipates that IFRS 11 will be adopted in the Group’s consolidated financial statements for the annual period beginning January 1, 2013 and that the application of the

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Standard will have no significant impact on amounts reported in the Group's financial assets and financial liabilities.

- IFRS 12, *Disclosure of Interests in Other Entities*
  Requires the extensive disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.
  In high-level terms, the required disclosures are grouped into the following broad categories:
  - Significant judgements and assumptions - such as how control, joint control, significant influence has been determined
  - Interests in subsidiaries - including details of the structure of the group, risks associated with structured entities, changes in control, and so on
  - Interests in joint arrangements and associates - the nature, extent and financial effects of interests in joint arrangements and associates (including names, details and summarised financial information)
  - Interests in unconsolidated structured entities - information to allow an understanding of the nature and extent of interests in unconsolidated structured entities and to evaluate the nature of, and changes in, the risks associated with its interests in unconsolidated structured entities

  IFRS 12 lists specific examples and additional disclosures which further expand upon each of these disclosure objectives, and includes other guidance on the extensive disclosures required

  Management anticipates that IFRS 12 will be adopted in the Group's consolidated financial statements for the annual period beginning January 1, 2013 and that the application of the Standard will have no significant impact on amounts reported in the Group's financial assets and financial liabilities.

- IFRS 13, *Fair Value Measurement*
  Replaces the guidance on fair value measurement in existing IFRS accounting literature with a single standard.
  The IFRS is the result of joint efforts by the IASB and FASB to develop a converged fair value framework. The IFRS defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. However, IFRS 13 does not change the requirements regarding which items should be measured or disclosed at fair value.
  IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements). With some exceptions, the standard requires entities to classify these measurements into a 'fair value hierarchy' based on the nature of the inputs:
  - Level 1 - quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date
  - Level 2 - inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
  - Level 3 - unobservable inputs for the asset or liability

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Entities are required to make various disclosures depending upon the nature of the fair value measurement (e.g. whether it is recognised in the financial statements or merely disclosed) and the level in which it is classified.

Management anticipates that IFRS 13 will be adopted in the Group's consolidated financial statements for the annual period beginning January 1, 2013 and that the application of the Standard will have no significant impact on amounts reported in the Group's financial assets and financial liabilities.

- *Amendments to IAS1, Presentation of Items of Other Comprehensive Income*

  The amendments:

  - Preserve the amendments made to IAS 1 in 2007 to require profit or loss and OCI to be presented together, i.e. either as a single 'statement of profit or loss and comprehensive income', or a separate 'statement of profit or loss' and a 'statement of comprehensiveincome' – rather than requiring a single continuous statement as was proposed in the exposure draft
  - Require entities to group items presented in OCI based on whether they are potentially reclassifiable to profit or loss subsequently. i.e. those that might be reclassified and those that will not be reclassified
  - Require tax associated with items presented before tax to be shown separately for each of the two groups of OCI items (without changing the option to present items of OCI either before tax or net of tax).

  Management anticipates that IAS1 will be adopted in the Group's consolidated financial statements for the annual period beginning January 1, 2013 and that the application of the Standard will have no significant impact on amounts reported in the Group's financial assets and financial liabilities.

- *Amendments to IAS12, Deferred Tax – Recovery of Underlying Assets*

  Amends IAS 12 Income Taxes to provide a presumption that recovery of the carrying amount of an asset measured using the fair value model in IAS 40 Investment Property will, normally, be through sale.

  As a result of the amendments, SIC-21 Income Taxes — Recovery of Revalued Non-Depreciable Assets would no longer apply to investment properties carried at fair value. The amendments also incorporate into IAS 12 the remaining guidance previously contained in SIC-21, which is accordingly withdrawn. Management anticipates that IAS12 will be adopted in the Group's consolidated financial statements for the annual period beginning January 1, 2013 and that the application of the Standard will have no significant impact on amounts reported in the Group's financial assets and financial liabilities.

- *Amendments to IAS32, Offsetting Financial Assets and Financial Liabilities*

  Amends IAS 32 Financial Instruments: Presentation to clarify certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas:

  - the meaning of 'currently has a legally enforceable right of set-off'

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- the application of simultaneous realisation and settlement
- the offsetting of collateral amounts
- the unit of account for applying the offsetting requirements

Management anticipates that IAS 32 will be adopted in the Group's consolidated financial statements for the annual period beginning January 1, 2013 and that the application of the Standard will have no significant impact on amounts reported in the Group's financial assets and financial liabilities.

- *IAS 19 (as revised in 2011), Employee Benefits*
  An amended version of IAS 19 Employee Benefits with revised requirements for pensions and other post-retirement benefits, termination benefits and other changes.
  The key amendments include:
  - Requiring the recognition of changes in the net defined benefit liability (asset) including immediate recognition of defined benefit cost, disaggregation of defined benefit cost into components, recognition of remeasurements in other comprehensive income, plan amendments, curtailments and settlements (eliminating the 'corridor approach' permitted by the existing IAS 19)
  - Introducing enhanced disclosures about defined benefit plans
  - Modifying accounting for termination benefits, including distinguishing benefits provided in exchange for service and benefits provided in exchange for the termination of employment and affect the recognition and measurement of termination benefits
  - Clarifying various miscellaneous issues, including the classification of employee benefits, current estimates of mortality rates, tax and administration costs and risk-sharing and conditional indexation features

  Management anticipates that IAS 19 will be adopted in the Group's consolidated financial statements for the annual period beginning January 1, 2013 and that the application of the Standard will have no significant impact on amounts reported in the Group's financial assets and financial liabilities.

<u>2.2. Standards, amendments and interpretations to existing standards that are effective in the current period and applicable to the Group</u>

The following new and revised IFRSs have been applied in the current year and have affected the amounts reported in these financial statements. Details of other new and revised IFRSs applied in these financial statements that have had no material effect on the financial statements are set out in section 2.2.

- Amendments to IAS 1 *Presentation of Financial Statements (as part of Improvements to IFRSs issued in 2010*
  The amendments to IAS 1 clarify that an entity may choose to disclose an analysis of other comprehensive income by item in the statement of changes in equity or in the notes to the financial statements. In the current year, for each component of equity, the Group has chosen to

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present such an analysis in the notes to the consolidated financial statements, with a single-line presentation of other comprehensive income in the consolidated statement of changes in equity. Such amendments have been applied retrospectively, and hence the disclosures in these consolidated financial statements have been modified to reflect the change.

- IAS 24 *Related Party Disclosures (as revised in 2009)*
  IAS 24 (as revised in 2009) has been revised on the following two aspects: (a) IAS 24 (as revised in 2009) has changed the definition of a related party and (b) IAS 24 (as revised in 2009) introduces a partial exemption from the disclosure requirements for government-related entities. This amendment has no material effect on the disclosures in the financial statements.

- Amendments to IFRS 3 *Business Combinations*
  As part of *Improvements to IFRSs* issued in 2010, IFRS 3 was amended to clarify that the measurement choice regarding non-controlling interests at the date of acquisition is only available in respect of non-controlling interests that are present ownership interests and that entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. All other types of non-controlling interests are measured at their acquisition-date fair value, unless another measurement basis is required by other Standards. In addition, IFRS 3 was amended to provide more guidance regarding the accounting for share-based payment awards held by the acquiree's employees. Specifically, the amendments specify that share-based payment transactions of the acquiree that are not replaced should be measured in accordance with IFRS 2 *Share-based Payment* at the acquisition date ('market-based measure'). This amendment has no material effect on the disclosures in the financial statements.

- Amendments to IAS 32 Classification of Rights Issues
  The amendments address the classification of certain rights issues denominated in a foreign currency as either equity instruments or as financial liabilities. Under the amendments, rights, options or warrants issued by an entity for the holders to acquire a fixed number of the entity's equity instruments for a fixed amount of any currency are classified as equity instruments in the financial statements of the entity provided that the offer is made pro rata to all of its existing owners of the same class of its non-derivative equity instruments. Before the amendments to IAS 32, rights, options or warrants to acquire a fixed number of an entity's equity instruments for a fixed amount in foreign currency were classified as derivatives. The amendments require retrospective application. This amendment has no material effect on the disclosures in the financial statements.

- Amendments to IFRIC 14 Prepayments of a Minimum Funding Requirement
  IFRIC 14 addresses when refunds or reductions in future contributions should be regarded as available in accordance with paragraph 58 of IAS 19; how minimum funding requirements might affect the availability of reductions in future contributions; and when minimum funding requirements might give rise to a liability. The amendments now allow recognition of an asset in the form of prepaid minimum funding contributions. This amendment has no material effect on the disclosures in the financial statements.

- IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments*
  The Interpretation provides guidance on the accounting for the extinguishment of a financial liability by the issue of equity instruments. Specifically, under IFRIC 19, equity instruments

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issued under such arrangement will be measured at their fair value, and any difference between the carrying amount of the financial liability extinguished and the consideration paid will be recognised in profit or loss. This interpretation has no material effect on the disclosures in the financial statements.

- IAS 27 (as revised in 2011), Separate Financial Statements
  Amended version of IAS 27 which now only deals with the requirements for separate financial statements, which have been carried over largely unchanged from IAS 27 Consolidated and Separate Financial Statements. Requirements for consolidated financial statements are now contained in IFRS 10 Consolidated Financial Statements.
  The Standard requires that when an entity prepares separate financial statements, investments in subsidiaries, associates, and jointly controlled entities are accounted for either at cost, or in accordance with IFRS 9 Financial Instruments.
  The Standard also deals with the recognition of dividends, certain group reorganisations and includes a number of disclosure requirements. This amendment has no effect on the discléosures in the financial statements.

- IAS 28 (as revised in 2011), *Investments in Associates and Joint Ventures*

  This Standard supersedes IAS 28 Investments in Associates and prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.
  The Standard defines 'significant influence' and provides guidance on how the equity method of accounting is to be applied (including exemptions from applying the equity method in some cases). It also prescribes how investments in associates and joint ventures should be tested for impairment. This amendment has no effect on the discléosures in the financial statements.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES

3.1. Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

3.2. Basis of preparation

The financial statements have been prepared on the historical cost basis except for the revaluation of certain financial instruments and non-current assets. The principal accounting policies are set out below.

3.3. Basis of consolidation

The consolidated financial statements incorporate the financial statements of Gefinor S.A. and entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non- controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39.

Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interests' share of changes in equity since the date of the combination. Losses applicable to the non-controlling interests in excess of the non-controlling's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the non-controlling interests have a binding obligation and are able to make an additional investment to cover the losses.

3.4. Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values at the date of exchange of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquired entity. The acquired entity's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3, "Business Combinations" are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations", which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

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Non-controlling interests in the acquired entity are initially measured at the non-controlling interests' proportionate share of the net fair value of the assets, liabilities and contingent liabilities recognised.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

3.5. Goodwill

Goodwill arising on the acquisition of a subsidiary or a jointly controlled entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated income statement.

An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3.6. Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations". Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is

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recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Where a Group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

Note 4.3. refers to entities over which the Group has a significant influence.

3.7. Revenue recognition

Revenue from the sale of goods is recognised upon shipment of product, which is when legal title passes to the customer.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Revenue from the sale of investments is recognised upon transfer of title.

Revenue from the provision of services is recognised when the service is provided.

The Group's policy for recognition of revenue from operating leases is described in Note 3.8. below

3.8. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. All leases have been classified as operating leases in 2010 and 2011.

When the Group acts as lessor, rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

3.9. Foreign currencies

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in US Dollars (USD), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

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In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity.

Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at balance-sheet date.

3.10. Retirement benefit costs

Contributions to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. All benefit plans are accounted for as defined contribution plans in 2010 and 2011.

3.11. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.11.1. Current tax

Gefinor S.A. as for securitization company is not subject to any raxarion. As a result, group tax expense results from taxable income of Group subsidiaries under tax law in their jurisdictions and corporate tax rates payable by these subsidiaries.

The tax currently payable is based on a combination of revenue, capital and taxable profit for the year. Taxable profit may differ from profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

3.11.2. Deferred tax

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Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

3.11.3. Current and deferred tax for the period

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. In the case of a business combination, the tax effect is taken into account in calculating goodwill or in determining the excess of the acquirer’s interest in the net fair value of the acquiree’s identifiable assets, liabilities and contingent liabilities over the cost of the business combination.

3.12. Property, plant and equipment

Properties held for administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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3.13. Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value.

Gains and losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

3.14. Intangible assets

3.14.1. Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are reported at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

3.14.2. Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

3.15. Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss.

3.16. Inventories

Inventories are stated at the lower of cost or market. Cost is determined using the first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3.17. Provisions

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Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.18. Financial assets

Investments are recognised and derecognised on the trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets ‘at fair value through profit or loss’ (FVTPL), ‘held-to-maturity’ investments, ‘available-for-sale’ (AFS) financial assets and ‘loans and receivables’.

3.18.1. Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest basis for debt instruments other than those financial assets designated as at FVTPL.

3.18.2. Financial assets at FVTPL

Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:
- it has been acquired principally for the purpose of sale in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

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A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments:

Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 4.

3.18.3. AFS financial assets

Unlisted shares are classified as being AFS and are stated at fair value. Fair value is determined in the manner described in Note 4. Gains and losses arising from changes in fair value are recognised directly in equity in the investments revaluation reserve with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the investments revaluation reserve is included in profit or loss for the period.

Dividends on AFS equity instruments are recognised in profit or loss when the Group’s right to receive the dividends is established.

The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the balance sheet date. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in profit or loss, and other changes are recognised in other comprehensive income.

3.18.4. Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

3.18.5. Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date.

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Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For unlisted shares classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:
- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- the probability that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

3.18.6. Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

<u>3.19. Financial liabilities and equity instruments issued by the Group</u>

3.19.1. Classification as debt or equity

Debt and equity instruments are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangement.

3.19.2. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

3.19.3. Treasury shares

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental transaction costs, is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued.
Treasury shares owned by the Company are carried at weighted average cost and recorded directly in equity as a reduction of capital and reserves in the balance sheet.

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Where such shares are subsequently reissued, any consideration received, net of any directly attributable to incremental transaction costs, is included in equity attributable to the Company's equity holders.

Under Luxembourg law, a company may own up to a maximum of 10% of its own capital, and available reserves available for distribution are decreased by an equivalent amount.

Any gain or loss on treasury shares is recorded in equity through profit (loss) brought forward.

3.19.4. Financial liabilities

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

3.19.5. Derecognition of financial liabilities

The Group derecognises financial liabilities when the Group's obligations have been discharged, cancelled or expired.

3.20. Assets held for sale

Assets, and disposal groups, are classified as held for sale and are measured at the lower of carrying and fair value less costs to sell.

Assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset, or and disposal group, is available for immediate sale in its present condition and is marketed for sale at a price that is reasonable in relation to its current fair value. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year form the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless whether the Group will retain a non controlling interest in its former subsidiary after the sale.

Assets and disposal groups are presented separately on the statement of financial position.

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NOTE 4 - CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period affected by the revision.

The following are the critical judgments that have the most significant effect on the amounts recognised in financial statements.

4.1. Valuation of treasury shares

Treasury shares are carried at weighted average cost and recorded directly in equity as a reduction of capital and reserves in the balance sheet.

4.2. Valuation of financial instruments

The carrying value less impairment of the trade receivables and other assets, and the loans and advances are assumed to approximate their fair value.

The carrying value of the financial liabilities are assumed to approximate their fair value.

The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid market is determined by reference to quoted market prices.

The Directors use their judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market.

In the case of unquoted market prices, the carrying value of financial assets at FVTPL is determined by reference to either;

- the most appropriate valuation model as described in the EVCA valuation principles or
- in the case of the New City project to an external valuation.

4.3. Investments in Private Equity and Real Estate

IAS 27 and IAS 28 require that controlled entities over which a company has significant influence shall normally be consolidated in the company's consolidated financial statements.

As at December 31, 2010 and December 31, 2011, the Company owns 17.3% of Gefus Capital Partners I L.P., indirectly 54.09% of K.U.S.A. LLC, indirectly 28.7% of Gefinor Acquisition I, LLC and 7.7% of the New City Project (represented by 9.6% of the Development and Investment Company Limited).

As at December 31, 2011, the Company owns 47.8% in Gefus Capital Patners II, LP, 32.5% in Gef Capital II, LLC.

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Because of the structure, organization, rules and regulations applicable to these entities, the Company has no control, as defined by IAS 27, over these investments. In addition, in accordance with the exemption provided by IAS 28.1 applicable to venture capital organizations, these investments have been designated at inception at fair value through profit and loss in accordance with IAS 39.

4.4. Fair value of investment properties

Fair value of property investments is determined either by a recent independent professional evaluation or on the basis of objective criteria relating to current local real estate market conditions. The independent valuations are performed by professional valuers who hold a recognised and relevant professional qualification and who have recent experience in the location and category of the investment property valued.

Buildings are valued on the basis of comparable properties in the same area and taking into consideration the characteristics of the construction and location.

Land held for development is attributed a value per square metre based on local market conditions and adjusted for the stage of completion of the infrastructure.

4.5. Impairment of Goodwill

Goodwill values are reviewed annually and an impairment adjustment may be recorded if necessary based on the updated Net Present Value or Discounted Cashflow of the individual components of the goodwill.

4.6. Useful life of property, plant and equipment

Depreciation on property, plant and equipment is charged to write off the cost over the estimated useful life using the straight-line method at 15% (furniture and equipment). Work of arts are not amortised.

4.7. Useful life of intangible assets

Intangible assets were tested for impairment in 2010 and 2011 by comparing their fair value to their carrying value. Based on these tests some impairments of intangible assets were recorded in 2010 and 2011 (see note 11).

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NOTE 5 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of current accounts and short term deposits with banks.

NOTE 6 - INVESTMENTS

In $'000	2011	2010
Trading Investments		
Precious metals	37	643
	37	**643**
Financial assets at fair value through profit & loss		
Garden City project (New City)	23'428	20'350
Gefus Capital Partners I, L.P.	9'714	12'519
Gefus Capital Partners II, L.P.	945	-
GEF Private Equity Partners, SPC	6'007	5'405
MobiTV Inc.	6'136	8'230
Syrian Arab Company for Hotels and Tourism	782	782
Latus Capital LLC, (dba Cenario)	750	750
TAP Advisors, LLC	1'077	1'076
Aquilus Inflection Fund Ltd	489	556
Netspend Inc.	551	1'385
Factor Advisors LLC	503	502
Western Resource Investment II, LLC	994	1'000
Others	7	-
	51'383	**52'555**

In 2010, the Company purchased 5,000 shares of Aquilus Inflection Fund for a total amount of USD 500 thousand and purchased 108,000 shares of Netspend Holding Inc. for a total amount of USD 1,400 thousand.

In 2010, the Company sold its interest in Wimba Inc. for an amout of USD 538 thousand generating a profit of USD 206 thousand (note 19).

In 2011, the Company invested an additional amount for a total of USD 732 thousand in GEFPEP funds (2010 USD 1,162 thousand) and received distributions of USD 609 thousand (2010: USD 307 thousand).

In 2011, Gefinor Private Equity Limited launched the Gefus Capital Partners II, LP private equity fund. The Partnership had its initial closing of which Gefinor Private Equity Limited committed USD 10.8 million. In August 2011 the Fund made its first capital call of which Gefinor Private Equity Limited has funded USD 1,195 thousand.

In 2011, the Company sold 40 thousand Netspend Inc. Shares, generating a profit of USD 50 thousand.

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NOTE 7 - LOANS AND ADVANCES

In $'000	2011	2010
Short-term loans and advances		
To third parties	348	675
To related parties		
Basmala establishment	864	-
Ak. Al Muhaidib	-	33
Alexander Doll Company Inc.	768	4'268
Others	126	242
	2'106	**5'218**
Long-term loans and advances to related parties		
Gef Real Estate Holding S.A.	23'567	23'567
Alexander Doll Company Inc.	3'500	-
Loan to third parties	50	50
Other loans to related parties	309	347
	27'426	**23'964**

Gef Real Estate Holding S.A. and AK. Al Muhaidib are shareholders of the Company.

The loan agreement with Gef Real Estate Holding S.A. (hereafter "GRESA") for up to USD 24 million is repayable on June, 2014. The interest rate applicable is USD Libor 3month + 1.5%. The loan is guaranteed by a pledge of Gefinor SA shares held by GRESA, under the terms of which the Company is empowered, inter alia, to require the provision of additional security, the redemption of the debt or the realisation of the shares in the event of the insufficiency of the underlying collateral or the default of the borrower in respect of his obligations under the agreement.

The long-term loan repayment schedule is as follows:

In $ '000	2011	2010
In the second year	-	-
In the third year	23'567	-
In the fourth to fifth years inclusive	-	23'567
Subsequent years	3'859	397
	27'426	**23'964**
Loan interest rate ranges		
Libor 3 month +0.5%	348	397
Libor 3 month +1.5%	23'567	23'567
Interest rates between Libor+0.5% and Libor+3%	5'617	5'218
	29'532	**29'182**

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Interest income on loans and advances is as follows:

In $'000	2011	2010
Mena Holdings S.A.	15	32
Gef Real Estate Holding S.A.	440	445
Other associated companies	10	3
Third parties	62	95
	527	**575**

NOTE 8 - TRADE RECEIVABLES AND OTHER CURRENT ASSETS

In $'000	2011	2010
Management fees receivable	238	229
Rental receivables	101	-
Expenses to be reimbursed	136	118
Receivable on asset sale	1'352	1'488
Receivable from a related party	202	82
Trade receivables	46	23
Prepaid expenses	34	66
Other receivables and other current assets	282	280
	2'391	**2'286**

Trade receivables from related party are due at receipt and bear no interests.

NOTE 9 - INVESTMENT PROPERTY

In $'000	2009	Additions - retirements	Translation adjustments	Fair value revaluation	2010
Gefinor Building, Geneva	16'923	-	1'845	-	18'768
Byblos land	7'950	-	-	-	7'950
Other Middle East Real Estate	13'710	-	-	(185)	13'525
Total	**38'583**	**-**	**1'845**	**(185)**	**40'243**

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In $'000	2010	Additions - retirements	Translation adjustments	Fair value revaluation	2011
Gefinor Building, Geneva	18'768	-	(103)	-	18'665
Byblos land	7'950	-	-	795	8'745
Other Middle East Real Estate	13'525	-	-	-	13'525
Total	**40'243**	**-**	**(103)**	**795**	**40'935**

- The Gefinor building in Geneva is owned by Gefinor Finance S.A. a wholly owned subsidiary. The Company owns four floors of the building (approximately 55% of the building).
- The Byblos land is undeveloped real estate with a surface area of 848,856 square meters in the Byblos area of Lebanon.
- Other Middle East Real Estate consists of undeveloped land in Lebanon and in the United Arab Emirates acquired through International Project Company Limited.
- Rental income from investment properties is disclosed in Note 19.

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT

In $'000	2009	Additions	Retirements	Translation adjustments	2010
Cost	4'746	168	-	342	5'256
Accumulated depreciation	(1'582)	(131)	-	-	(1'713)
Total	**3'164**	**37**	**-**	**342**	**3'543**

In $'000	2010	Additions	Retirements	Translation adjustments	2011
Cost	5'256	117	(19)	50	5'404
Accumulated depreciation	(1'713)	(180)	11	-	(1'882)
Total	**3'543**	**(63)**	**(8)**	**50**	**3'522**

Property, plant and equipment include property investment held for own use for an amount of USD 1,290 thousand (2010: USD 1,290 thousand). The fair value of the property investment held for own use is USD 8,000 thousand (2010: USD 8,000 thousand). The charge for accumulated depreciation is disclosed on the line “depreciation” of the consolidated statement of comprehensive income.

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NOTE 11 - INTANGIBLE ASSETS

In $'000	2009	Business combinations	Additions	Impairment amortization	2010
Goodwill:					
International Project Co. Ltd	2'179	-	-	(150)	2'029
Intangible assets					
Long term management contracts	5'167	-	-	(942)	4'225
Other intangible assets	-	-	65	(1)	64
Total	**7'346**	**-**	**65**	**(1'093)**	**6'318**

In $'000	2010	Business combinations	Additions	Impairment amortization	2011
Goodwill:					
International Project Co. Ltd	2'029	-	-	(1'284)	745
Intangible assets					-
Long term management contracts	4'225	-	-	(4'225)	-
Other intangible assets	64	-	-	(4)	60
Total	**6'318**	**-**	**-**	**(5'509)**	**805**

In 2010, the goodwill recorded in International Project Company Limited on the acquisition of Société des Immeubles Modernes and amounting to USD 150 thousand was amortized in full. The Goodwill of USD 1,284 thousand million recognized at the acquisition of International Project Company Inc. was tested for impairment. The financial position of International Project Company Ltd led to amortizing in full the Goodwill in 2011.

The long term management contracts of Gefinor Management Limited were based on an evaluation of the future cash flows generated by the management fees received from Gef Real Estate Holding S.A., Mena Holdings S.A. and Gefinor S.A (see also Note 20). The long term management contracts were amortized over a period of 20 years. In 2011 the value of these contracts was amortized in full. The impairment /amortization of intangible assets is disclosed on the line “Net realized gains / (losses) on investments” in the consolidated statement of comprehensive income (see Note 18).

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NOTE 12 - BANK OVERDRAFTS , BANK DEBT, BORROWINGS AND OTHER LONG TERM PAYABLES

Overdrafts and bank debt with maturity of less than 1 year:

In $ '000	2011	2010
Short-term bank debt	4'550	4'774
Current portion of long-term bank debt	-	1'000
	4'550	**5'774**

Long-term borrowing and other long term payable:

Long-term bank borrowing (net of current portion)	9'501	6'540
Long-term payable related parties (a)	2'795	2'592
Mortgages (b)	13'365	12'674
	25'661	**21'806**

Debt is repayable as follows:

In $ '000	2011	2010
On demand or within one year	4'550	5'774
In the second year	3'526	1'245
In the third to fifth years	4'578	5'762
Subsequent years	17'557	14'799
	30'211	**27'580**

(a) An agreement between a Group entity and Mr. Khaled Ousseimi was signed in 2009. On the basis of the terms and conditions of this agreement, the Group has a payable from Mr. Khaled Ousseimi proportional to the fair value of the Byblos Land, with a maximum amount of USD 2,879 thousand. This liability will be paid on the sale of the Byblos Land. In 2011 the payable was revalued proportionnally to the revaluation of the Byblos Land (see note 9).

(b) The Company has pledged 100% of the shares of the Real Estate Development Company SAL as guarantee for a loan of USD 25 million in 2011. USD 13.37 million of debt of Gefinor Finance SA is secured by a mortgage on the Gefinor Building in Geneva.

The weighted average interest rates paid were as follows:

	2011	2010
Short-term bank debt	2.96%	2.85%
Long-term bank debt	3.07%	2.86%
	3.03%	**2.86%**

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Interest expenses by financing category were as follows:

In $'000	2011	2010
Interest on bank debts	413	493
Interest on mortgage financing	328	170
Interest on deposits	144	298
Interest on other financial liabilities	6	3
	891	**964**

NOTE 13 - CLIENT DEPOSITS

In $'000	2011	2010
Deposits from		
Third parties, on demand	9'049	9'652
Third parties, short-term deposits	5'940	8'346
Due on demand to related parties		
Basmala Establishment	-	684
Other related parties	6'130	8'611
	21'119	**27'293**

In 2010 and 2011, the deposit from Basmala Establishment and deposits from other related parties are current accounts with Gefinor Finance SA or Gefinor Management Limited bearing an interest rate of Libor 48 hours less 50 basis points.

NOTE 14 - EQUITY

15.1. Capital

At December 31, 2011 and December 31, 2010 the authorised and issued capital is USD 50 million. The issued capital is fully paid and represented by 40 million shares with a par value of USD 1.25 each.

15.2. Legal reserve

The Company is required to appropriate to the legal reserve a minimum of 5% of the annual net profit, until such reserve equals 10% of the share capital. This reserve is not available for distribution, except upon dissolution of the Company.

15.3. Treasury shares and dividend distribution in own shares

Under Luxembourg law, a company may own up to a maximum of 10% of its own capital.

As at December 31, 2010, Gefinor S.A. owned 3,995,092 (9.99%) of its own shares with a book value of USD 44.4 million. No transaction in treasury shares were recorded in the year 2010.

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In July 2011, Gefinor SA made a dividend in kind by distribution of 1,058,968 shares to the shareholders consisting of 0.0294 per outstanding share at a bookvalue of USD 11.12 per share for a total of USD 11.77 million. No gain has been recorded on this distribution in kind which has been accounted aganst the retained earnings.

As December 31, 2011, Gefinor S.A. owned 2,936,124 (7.34%) of its own shares with a book value of USD 32.6 million.

NOTE 15 - TAXATION

Taxes for Gefinor S.A.,as a securitization company, are assessed on the basis of its net income reduced by amounts payable or committed to be paid to Gefinor's shareholders. As a result, group tax expense results from taxable income of Group subsidiaries under tax law of their juridictions and corporate tax rates payable by these subsidiaries.

In $'000	**2011**	**2010**
Current tax liabilities	543	457
Other tax liabilities	250	-
	793	**457**

In $'000	**2011**	**2010**
Deferred tax liabilities		
Geneva Building	2'709	2'524
	2'709	**2'524**

Deferred taxes of USD 2,709 thousand have been provided on the Geneva building related to the provision of a 24% deferred tax on the revaluation to fair value of the building.

Gefinor (USA) Inc. has tax losses available for carry forward for an amount of USD 7.8 million (2010: USD 7.8 million) from previous years which are not expected to be recoverable. Accordingly the Group has not recorded any deferred tax asset.

NOTE 16 - TRADE PAYABLES, OTHER PAYABLES AND PROVISIONS

Trade payables and other payables

In $'000	**2011**	**2010**
Trade payables	616	478
Accrued expenses	211	1'139
Management fees to be paid	188	792
Others	305	75
	1'320	**2'484**

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Provisions

In 2011 and 2010, other provisions consist of a provision for contingencies of Gefinor Finance S.A.

In $'000	2009	Additions	Utilisation	Re-measurement	2010
Provision for charges	104	64	(2)	-	166
Other provisions	322	-	-	-	322
Total	**426**	**64**	**(2)**	**-**	**488**

In $'000	2010	Additions	Utilisation	Re-measurement	2011
Provision for charges	166	15	(6)	-	175
Other provisions	322	-	-	(1)	321
Total	**488**	**15**	**(6)**	**(1)**	**496**

NOTE 17 – DIVIDENDS

In 2011, the Company received a dividend of USD 162 Thousand from TAP Advisors Inc. and USD 30 thousand from Latus Capital LLC. In 2010 the Company received a dividend of USD 1,030 thousand for The Development and Investment Company Limited and a dividend of USD 72 thousand from the Syrian Arab Company for Hotel and Tourism.

NOTE 18 - REALIZED AND UNREALIZED GAINS / (LOSSES) ON INVESTMENTS

	2011	2010
Net realized gains / (losses) on investments		
Sale of trading investments	-	3'499
Impairment of intangible long term contracts (see note 11)	(4'225)	-
Impairment Goodwill International Project Co. Ltd (see note 11)	(1'284)	-
	(5'509)	**3'499**
Net unrealized gains / (losses) on investments		
Garden City Project (New City)	3'078	5'940
Financial assets at fair value through P&L	(5'139)	5'517
Investment property at fair value (see notes 9 and 12)	592	(185)
Others and amortization of intangible assets	120	(1'091)
	(1'349)	**10'181**

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In 2010, the Company purchased in February and March a total of 2,432,813 shares of series A preferred stock of GridApp Systems Inc. for an amout of USD 1,550 thousand. The Company sold these shares in December 2010 for a total amout of USD 6,069 thousand generating a profit of USD 4,519 thousand of which USD 3,167 thousand is realized and USD 1,352 thousand is unrealized in escrow to be released in 2012.

NOTE 19 - REAL ESTATE INCOME

In $'000	2011	2010
Geneva Building	817	590
	817	**590**

NOTE 20 - MANAGEMENT FEE INCOME

In $'000	2011	2010
Third parties		
Third parties	72	34
Related parties		
Gef Private Equity Partners, SPC	410	439
Gefus Capital Partners I, LP	884	1'012
Gef Real Estate Holding S.A.	50	59
Mena Holdings S.A.	25	50
Other related parties	377	349
	1'818	**1'943**

Gef Private Equity Partners, SPC (GEFPEP) is a segregated portfolio company organized in the Cayman Islands through which Gefinor and third party investors can invest in private equity fund partnership investments principally in the US and Europe. The remuneration consists of a fee between 0.65% and 2% of capital commitments to the private equity funds depending on the nature of the fund and programme.

Gefinor Ventures Management Inc., a fully owned subsidiary of the Company, is the management company of Gefus Capital Partners I, LP, an exempted limited partnership established to invest either directly or indirectly through other entities, including a Small Business Investment Company (SBIC), in equity interests in US based companies. Under a management contract Gefinor Ventures Management Inc. performs certain functions related to the operations of the Partnership. The remuneration consists of a fee equal to 2.5% of the aggregate amount of capital commitments of Gefus Capital Partners I, LP.

Gefinor Capital Advisors Inc., a fully owned subsidiary of the Company, is the management company of Gefus Capital Partners II, LP, an exempted limited partnership established to invest either directly or indirectly through other entities, including a Small Business Investment Company (SBIC), in equity interests in US based companies. Under a management contract Gefinor Capital Advisors Inc. performs certain functions related to the operations of the Partnership. The remuneration consists of a fee equal to 2.5% of the aggregate amount of capital commitments of Gefus Capital Partners II, LP.

Gefinor Management Limited, a fully owned subsidiary of the Company has agreements with Gef Real Estate Holding S.A. and Mena Holdings S.A., under which Gefinor Management Limited has a general

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assignment consisting of, inter alia, the administrative and financial management of the principals. These agreements are valid for periods of 20 or 30 years, and may be renewed by tacit agreement for the same period in the absence of 12 months' notice given by either party. The remuneration received in relation to these agreements consists of a fixed management fee of USD 50 thousand per year.

Management fee income from other related parties consists mainly of a fixed management fee received by Gefinor Finance S.A. from Fondation Ousseimi for administrative and accounting services. The remuneration is CHF 175 thousand per year.

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NOTE 21 - RISK MANAGEMENT

Capital risk

Debt relationships are reviewed regularly by the Board.

As at December 31, 2011, Alexander Doll Company Inc. (ADC) is in violations of bank covenants related to its loan agreement dated September 9, 2011 with respect to the 'No Net Loss Provision' and the 'Fixed Charged Coverage Ratio'. The debt and the interest payable, subject to accelerated repayment, amounts to USD 4,662 thousand as at December 31, 2011. At the date of this report, the defaults have not been remedied and the loan has not been renegotiated. However, no repayment has been requested by the bank debtor. The loan agreement has been guaranteed by Gefinor USA.

Except as stated above, the Group is in compliance with all contractual obligations under its borrowing agreements, some of which impose minimum levels of capital maintenance and debt ratios. These ratios set the benchmarks for capital risk management. At a current level of 18.8%, the debt equity ratio, calculated as follows, is considered to be in line with the Company's investment financing needs.

In $'000	**2011**	**2010**
Debt	30'211	27'580
Cash	(2'955)	(11'130)
Net Debt	**27'256**	**16'450**
Equity	**144'805**	**167'461**
Net Debt to equity ratio	**18.8%**	**9.8%**

Categories of financial instruments

Details of the significant accounting policies and methods adopted for each class of financial asset and financial liability are disclosed in note 4.2 of the financial statements.

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In $'000	2011	2010
Cash and cash equivalents	2'955	11'130
Fair value through profit and loss		
Level 1 - Trading investment at FVTPL	1'077	2'584
Level 2 - Investments at FVTPL	16'666	17'924
Level 3 - Investments at FVTPL	33'677	32'690
Amortised cost		
Loans and advances	29'532	29'182
Trade and other receivables	2'391	2'286
Financial liabilities		
Amortised cost		
Bank loans	30'211	27'580
Deposits from clients	21'119	27'293
Trade and other payables	1'320	2'484

Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities. This level includes all trading investments at FVTPL, those being mainly the investment in Netspend Holding Inc. and in Aquilus Inflection Fund.

Level 2 fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability either directly or indirectly. This level includes the investments in Gefus Capital Partners I, LP, Gefus Capital Partners II, LP and in GEF Private Equity Partners SPC.

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data. This level includes the investments in New City Project, Syrian Arab Company for Hotel and Tourism, MobiTV Inc, TAP Advisors, LLC, Latus Capital, LLC, Western Resource Investment II, LLC and Factor Advisors LLC.

Reconciliation of Level 3 fair value measurement of financial assets

	2011	2010
Opening Balance	32'690	34'238
Total gains or losses in profit or loss	912	11'575
Purchases	75	2'102
Sales	-	(11'599)
Business combination	-	(3'626)
Closing Balance	**33'677**	**32'690**

All level 3 investments are unquoted securities at FVTPL. Total gains or losses for the period included in profit or loss for assets held at the end of the reporting period amount to USD 912 thousand for 2011 and USD 11,575 thousand for 2010.

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Credit risk

Apart from loans made to related companies through banking and financing subsidiaries, the Company has no significant concentrations of credit risk. All loans are fully performing.

In $'000	**2011**	Of which collateral	**2010**	Of which collateral
To third parties	398	300	950	670
To related parties				
Basmala Establishment	864	-	-	-
Alexander Doll Company Inc.	4'268	-	4'268	-
Gef Real Estate Holding S.A.	23'567	23'567	23'567	23'567
Other loans to related parties	435	-	397	-
	29'532	**23'867**	**29'182**	**24'237**
% of portfolio with collateral		80.8%		83.1%

The loan agreement with Gef Real Estate Holding S.A. for USD 23,567 thousand is guaranteed by a pledge of Gefinor S.A. shares held by Gef Real Estate Holding S.A.

The quality of the trade receivables and other current assets is as follows:

In $'000	**2011**	Fully performing	Past due
Management fees receivable	238	238	-
Rental receivables	101	101	-
Expenses to be reimbursed	136	136	-
Receivable on asset sale	1'352	1'352	-
Receivable from a related party	202	202	-
Trade receivables	46	46	-
Prepaid expenses	34	34	-
Other receivables and other current assets	282	282	-
	2'391	**2'391**	**-**

In $'000	**2010**	Fully performing	Past due
Management fees receivable	229	229	-
Rental receivables	-	-	-
Expenses to be reimbursed	118	118	-
Receivable on asset sale	1'488	1'488	-
Receivable from a related party	82	82	-
Trade receivables	23	23	-
Prepaid expenses	66	66	-
Other receivables and other current assets	280	280	-
	2'286	**2'286**	**-**

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Liquidity risk

The Company monitors its cash flow on a continuing basis in order to ensure that obligations are covered by available funding. Such monitoring may give rise, when required, to corrective measures such as the reprogramming of maturities and the consideration of the temporary or permanent reallocation of assets. The significant commitments of the Company arise from debt obligations and are estimated to be as follows over the next five years:

Liquidity analysis for the year ending December 31, 2010

In $'000	2011 Mandatory repayment	2012 Mandatory repayment	2013 Mandatory repayment	2014 Mandatory repayment	2015 Mandatory repayment
Principal repayment	(5'774)	(1'245)	(1'254)	(1'254)	(3'254)
Interests (estimate)	(1'380)	(1'225)	(1'131)	(1'034)	(937)
Total mandatory repayments	**(7'154)**	**(2'470)**	**(2'385)**	**(2'288)**	**(4'191)**

Cash planning	2011	2012	2013	2014	2015
Bank debts and borrowings	(7'154)	(2'470)	(2'385)	(2'288)	(4'191)
Deposits	(27'293)	-	-	-	-
Trade and other payables	(2'484)	-	-	-	-
Current tax liabilities	(457)	-	-	-	-
Total cash liabilities	**(37'388)**	**(2'470)**	**(2'385)**	**(2'288)**	**(4'191)**
Cash and cash equivalents	11'130	-	-	-	-
Trading investments	643	-	-	-	-
Loans and advances	5'218	-	-	23'567	-
Trade receivables and other current assets	2'286	-	-	-	-
Total cash assets	**19'277**	**-**	**-**	**23'567**	**-**

Other assets could be sold to match liabilities and commitments.

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Liquidity analysis for the year ending December 31, 2011

In $'000	2012 Mandatory repayment	2013 Mandatory repayment	2014 Mandatory repayment	2015 Mandatory repayment	2016 Mandatory repayment
Principal repayment	(4'550)	(3'526)	(1'526)	(2'776)	(276)
Interests (estimate)	(1'225)	(865)	(740)	(636)	(511)
Total mandatory repayments	**(5'775)**	**(4'391)**	**(2'266)**	**(3'412)**	**(787)**

	2012	2013	2014	2015	2016
Cash planning					
Bank debts and borrowings	(5'775)	(4'391)	(2'266)	(3'412)	(787)
Deposits	(21'119)	-	-	-	-
Trade and other payables	(1'320)	-	-	-	-
Current tax liabilities	(793)	-	-	-	-
Total cash liabilities	**(29'007)**	**(4'391)**	**(2'266)**	**(3'412)**	**(787)**
Cash and cash equivalents	2'955	-	-	-	-
Trading investments	37	-	-	-	-
Loans and advances	2'106	-	23'567	-	-
Sale of Subsidiary	93'825				
Trade receivables and other current assets	2'391	-	-	-	-
Total cash assets	**101'314**	**-**	**23'567**	**-**	**-**

Other assets could be sold to match liabilities and commitments.

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Market risk

(a) *Foreign exchange risk*

The Company has foreign exchange exposure through the non-US dollar assets and liabilities of certain subsidiaries, principally in Swiss francs, pounds sterling and euros. Real estate assets situated in Lebanon are valued in US dollars and are not considered to represent an exchange risk. The major assets in Swiss francs are the investment property and the property, plant and equipment in Geneva and at December 31, 2011, the Group foreign exchange exposure on a consolidated basis is as following:

In $'000	**2011**	**2010**
CHF exposure		
Assets	30'021	44'599
Liabilities	(23'249)	(47'330)
	6'772	**(2'731)**
EUR exposure		
Assets	520	2'807
Liabilities	(3'643)	(3'723)
	(3'123)	**(916)**
GBP exposure		
Assets	3	5
Liabilities	(122)	(115)
	(119)	**(110)**
LBP exposure		
Assets	151	1'199
Liabilities	(243)	(759)
	(92)	**440**

In view of the above, currency fluctuations have a marginal impact on the consolidated financial position.

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(b) *Interest rate risk*

The Company's principal interest rate risk derives from short and long term bank debt as well as assets held for customers and loans made, principally to related companies, by a subsidiary. Interest rates of financial assets and liabilities are generally based on a spread over the current interbank rate. An increase or decrease of 50 basis points on the USD interest rates would impact negatively the net income and equity of the Company by approximately USD 130 thousand (2010: USD 149 thousand).

The interest rates on components of the net financial assets are as follows:

	Dec. 31, 2011	Dec. 31, 2010
Financial assets		
Cash and cash equivalents	2'955	11'130
Loans - Libor	25'264	24'914
Fixed interest rate	-	-
Other interest rate	4'268	4'268
	32'487	**40'312**
Financial liabilities		
Bank debts - Libor 3 month	9'000	7'000
Bank debts - Libor - other terms	21'211	20'580
Deposits - Libor 3 month	9'049	9'652
Deposits - Libor other terms	12'070	17'641
	51'330	**54'873**
Net financial assets	**(18'843)**	**(14'561)**

(c) *Other*

The only other significant market risk to which the Company is exposed is the fluctuation in the valuation of real estate in Lebanon. As indicated in Note 9, the fair value of the Lebanese property investments increased in 2011 by USD 795 thousand (2010: decrease of USD 0.2 million (-1%)). An increase or a decrease of 10% in the Lebanese real estate market might impact the Company's property investments valuations in the same magnitude and accordingly impact positively or negatively the Company's financial statements by USD 2.2 million (2010: USD 2.1 million).

The private equity portfolio is not correlated to any standard index or standard group of indicies, nevertheless a variation of 10% of the private equity portfolio valuation would impact the financial statements by USD 5.1 million (2010: USD 5.2 million).

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NOTE 22 - COMMITMENTS

At December 31, 2011, the Company has funding commitments in Gef Private Equity Partners, SPC of USD 2.0 million (December 31, 2010 : USD 3.0 million) and funding commintment in Gefus Capital Partners II, LP of USD 9.6 million.

NOTE 23 - OTHER RELATED PARTY INFORMATION

Remuneration allocated to the Board of Directors in 2011 is USD 20 thousand (2010: USD 20 thousand).

The remuneration of Key management personnel during the year was as follows:

In $'000	**2011**	**2010**
Short-term benefits	1'093	1'505
Post-employment benefits	-	-
Other long-term benefits	-	-
Share based payments	-	-
	1'093	**1'505**

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NOTE 24 - CONSOLIDATED SUBSIDIARIES

Subsidiaries	Country	Effective Interest % 2011	Effective Interest % 2010
Gefinor Real Estate Limited	Gibraltar	100	-
Gefinor Private Equity Limited	Gibraltar	100	-
Real Estate Development Company SAL	Lebanon	100	100
Gefinor Management Limited	Cayman Isla	100	100
Gefinor Finance SA	Switzerland	100	100
Gefinor Finance SAL	Lebanon	100	100
Gefinor (USA) Inc.	USA	100	100
Gefinor Ventures Management Inc.	USA	100	100
Gefinor Capital Advisors Ltd	Cayman Isla	100	100
Gefinor Capital Advisors S.A.	Switzerland	100	100
Gefinor Capital Advisors Inc.	USA	100	100
International Project Company Limited Inc.	Panama	100	100
Globe Holding SAL	Lebanon	100	100
General Company for Car Services SAL	Lebanon	100	100
Building Services SAL	Lebanon	100	100
Société des Immeubles Modernes SAL	Lebanon	100	100
Real Estate and Commercial Development SAL	Lebanon	80	80
Alexander Doll Company Inc.	USA	72	72

Transactions during the year ended December 31, 2010

On July 1st 2010, the Company purchased an additional interest of 39.22% in The Kaizen Breakthrough Partnership Limited (KBP) for a total amount of USD 4,000 thousand. KBP’s only remaing investment was an interest in Alexander Doll Inc (ADC). In December 2010 KBP was dissolved and its interest in ADC was distributed to its stakeholders on pro rata basis. As of December 31, 2011 Gefinor SA owns 72.3% of ADC.

Transactions during the year ended December 31, 2011

As of January 1st 2011, the Company has restructured the chain of companies in which the Company has a direct or indriect interest in order to separate the two types of investments held. Two new holding structure have been created in Gibraltar, Gefinor Private Equity Limited and Gefinor Real Estate Limited, which have the responsability for the management of the investments.

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NOTE 25 - ASSOCIATED COMPANIES

In $'000	**2011**	**2010**
The Egyptian Company for General Investments, Egypt	215	215
	215	**215**

The Egyptian Company for General Investments, Egypt	**2011**	**2010**
Investment - shares	40	40
Investment %	33.33%	33.33%
Reported Assets	599	599
Reported Liabilities	-	-
Reported revenues	32	32
Reported Profit / (Loss)	25	25

The Company has not received the 2011 financial statements of the Egyptian Company for General Investments and has decided to keep 2010 figures which are the one included in the available Financial Statements of 2009 and applicable for 2011.

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NOTE 26 - BUSINESS SEGMENTS

The Group is active in two business segments: private equity and real estate. The private equity segment includes all investments held by Gefinor Private Equity Limited.

The real estate segment includes investments held by Gefinor Real Estate Limited.

The corporate segment includes all the expenses incurred in the Luxembourg Securitization Company.

The figures presented below are included in the measure of segment profit or loss reviewed by the management of the Group.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. Specific business segment information for 2011 and 2010 in accordance with the requirements of IFRS 8, is as follows:

NET INCOME 2010	**Private Equity**	**Real Estate**	**Corporate**	**Total**
in $'000	Dec 31, 2010	Dec 31, 2010	Dec 31, 2010	Dec 31, 2010
Gross profit	-	812	-	812
Dividends	-	74	1'030	1'104
Profit or loss of associates	-	-	-	-
Realised/unrealised gain /(losses) on investments	9'016	4'664	(3'737)	9'943
Real estate income	-	590	-	590
Income from services	1'319	433	-	1'752
Total Operating Income	**10'335**	**6'573**	**(2'707)**	**14'201**
Operating expenses	(4'862)	(2'911)	(421)	(8'194)
Depreciation	(19)	(131)	-	(150)
Net Operating Income	**5'454**	**3'531**	**(3'128)**	**5'857**
Interest income	-	575	-	575
Interest expenses	-	(631)	(333)	(964)
Non operating income / (expenses)	(17)	180	2	165
Income Before Tax	**5'437**	**3'655**	**(3'459)**	**5'633**
Taxes	(52)	(165)	(86)	(303)
Net Income	**5'385**	**3'490**	**(3'545)**	**5'330**

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NET ASSETS 2010	Private Equity	Real Estate	Corporate	Total
in $'000	Dec 31, 2010	Dec 31, 2010	Dec 31, 2010	Dec 31, 2010
Segment current assets	7'394	10'511	1'372	19'277
Segment financial investments	31'423	21'347	-	52'770
Segment loans and advances	395	23'569	-	23'964
Segment investment property	-	40'243	-	40'243
Segment property, plant & Equipm.	180	3'363	-	3'543
Segment intangible assets	65	6'253	-	6'318
Total Assets	**39'457**	**105'286**	**1'372**	**146'115**
Segment current liabilities	1'949	33'534	525	36'008
Segment Non-current liabilities	246	18'572	6'000	24'818
Total Liabilities	**2'195**	**52'106**	**6'525**	**60'826**
Total Net Assets	**37'262**	**53'180**	**(5'153)**	**85'289**

NET INCOME 2011	Private Equity	Real Estate	Corporate	Total
in $'000	Dec 31, 2011	Dec 31, 2011	Dec 31, 2011	Dec 31, 2011
Gross profit	-	1'358	-	1'358
Profit or loss of associates	-	-	-	-
Realised/unrealised gain /(losses) on investments	(4'944)	(993)	-	(5'937)
Real estate income	-	817	-	817
Income from services	1'155	353	-	1'508
Total Operating Income	**(3'789)**	**1'535**	**-**	**(2'254)**
Operating expenses	(4'087)	(3'882)	(567)	(8'536)
Depreciation	(34)	(146)	-	(180)
Net Operating Income	**(7'910)**	**(2'493)**	**(567)**	**(10'970)**
Interest income	3	524	-	527
Interest expenses	-	(804)	(87)	(891)
Non operating income / (expenses)	(64)	70	-	6
Income Before Tax	**(7'971)**	**(2'703)**	**(654)**	**(11'328)**
Taxes	(3)	(817)	-	(820)
Net Income	**(7'974)**	**(3'520)**	**(654)**	**(12'148)**

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NET ASSETS 2011	Private Equity	Real Estate	Corporate	Total
in $'000	Dec 31, 2011	Dec 31, 2011	Dec 31, 2011	Dec 31, 2011
Segment current assets	3'233	2'828	1'428	7'489
Segment financial investments	27'173	24'425	-	51'598
Segment loans and advances	3'809	23'617	-	27'426
Segment investment property	-	40'935	-	40'935
Segment property, plant & Equipm.	157	3'365		3'522
Segment intangible assets	61	744	-	805
Total Assets	**34'433**	**95'914**	**1'428**	**131'775**
Segment current liabilities	889	26'395	498	27'782
Segment Non-current liabilities	456	24'410	4'000	28'866
Total Liabilities	**1'345**	**50'805**	**4'498**	**56'648**
Total Net Assets	**33'088**	**45'109**	**(3'070)**	**75'127**

NOTE 27 – AUDIT FEES PAID TO THE GROUP AUDITOR

The audit fees expenses paid to the Group auditor are as follows:

In $'000	2011	2010
Audit fees	398	519
	398	**519**

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NOTE 28 –DISCONTINUED OPERATIONS

In 2011, Gefinor Real Estate Limited initiated a sale process of Real Estate Development Company SAL (REDCO), a 100% subsidiary and owner of the Gefinor building in Beirut. A sale transaction is in the process of finalization and is expected to close by end of April 2012 for a total amount of USD 95 million. The transaction will not include the loans recorded in the assets of REDCO. The impact of this sale transaction is recorded as discontinued operations in the financial statements as of December 31, 2011 in accordance with IFRS 5.

In 2011, Gefinor Private Equity Limited initiated a sale process of its 72.3% interest in Alexander Doll Company Inc. (ADC). A sale transaction is in the process of finalization and is expected to close by end of 2012. In accordance with IFRS 5, theses discontinued operations are recorded in the financial statements as of December 31, 2011 at fair value less cost to sell estimated at USD 1 million.

For the year 2010 the Net income of the discontinued operations is was a profit of USD 2,490 thousand:

	REDCO	ADC	TOTAL
Operating Income			
Gross profit	-	7'289	7'289
Income from Investments	4'839	-	4'839
Income from Services	(159)	-	(159)
Total Operating Income	**4'680**	**7'289**	**11'969**
Total Operating Expenses	(1'993)	(4'499)	(6'492)
Net Operating Income	**2'687**	**2'790**	**5'477**
Goodwill impairment	-	(478)	(478)
Net Interest	(997)	(242)	(1'239)
Other income / (expenses)	-	(125)	(125)
Income tax expenses	(462)	1	(461)
Non-controlling interests	-	(684)	(684)
Net Income	**1'228**	**1'262**	**2'490**

For the year 2011 the Net income of the discontinued operations is was a loss of USD 10,305 thousand:

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	REDCO	ADC	TOTAL
Operating Income			
Gross profit	-	8'405	8'405
Income from Investments	5'285	-	5'285
Income from Services	(7)	-	(7)
Total Operating Income	**5'278**	**8'405**	**13'683**
Total Operating Expenses	(2'569)	(10'097)	(12'666)
Net Operating Income	**2'709**	**(1'692)**	**1'017**
Goodwill impairment	(1'899)	(6'127)	(8'026)
Net Interest	(1'487)	(202)	(1'689)
Other income / (expenses)	(1'175)	(80)	(1'255)
Income tax expenses	(454)	(1'000)	(1'454)
Non-controlling interests	-	1'102	1'102
Net Income	**(2'306)**	**(7'999)**	**(10'305)**

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DISCONTINUED OPERATIONS 2010

Current assets	REDCO	ADC	TOTAL
Cash and cash equivalents	1'623	-	1'623
Loans and advances	-	-	-
Inventories	-	3'649	3'649
Trade receivables and other current assets	576	7'029	7'605
Totoal current assets	**2'199**	**10'678**	**12'877**
Non-current assets			
Investment property	100'000	-	100'000
Property, plant and equipment	277	729	1'006
Intangible assets	6'246	10'399	16'645
Total non-current assets	**106'523**	**11'128**	**117'651**
Total Assets	**108'722**	**21'806**	**130'528**
Current Liabilities			
Bank overdrafts and short term bank debt	-	4'517	4'517
Trade and other payables	150	2'604	2'754
Current tax liabilities	590	-	590
Total Current Liabilities	**740**	**7'121**	**7'861**
Non-Current Liabilities			
Borrowings and other long term payable	25'000	4'270	29'270
Deferred tax liabilities	9'670	-	9'670
Provisions	74	-	74
Total Non-Current Liabilities	**34'744**	**4'270**	**39'014**
Equity			
Share capital	20	1	21
Reserves	7	18'435	18'442
Retained earnings	71'983	(10'764)	61'219
Net income (loss)	1'228	1'262	2'490
Total Stockholders' Equity	**73'238**	**8'934**	**82'172**
Non-controlling interests	-	1'481	1'481
Total Liabilities	**108'722**	**21'806**	**130'528**

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DISCONTINUED OPERATIONS 2011

Current assets	**REDCO**	**ADC**	**TOTAL**
Cash and cash equivalents	443	-	443
Loans and advances	-	-	-
Inventories	-	3'336	3'336
Trade receivables and other current assets	451	6'290	6'741
Totoal current assets	**894**	**9'626**	**10'520**
Non-current assets			
Investment property	100'000	-	100'000
Property, plant and equipment	242	480	722
Intangible assets	4'348	3'590	7'938
Total non-current assets	**104'590**	**4'070**	**108'660**
Total Assets	**105'484**	**13'696**	**119'180**
Current Liabilities			
Bank overdrafts and short term bank debt	2'000	4'662	6'662
Trade and other payables	104	3'391	3'495
Current tax liabilities	785	-	785
Total Current Liabilities	**2'889**	**8'053**	**10'942**
Non-Current Liabilities			
Borrowings and other long term payable	23'000	4'271	27'271
Deferred tax liabilities	9'626	-	9'626
Provisions	1'284	-	1'284
Total Non-Current Liabilities	**33'910**	**4'271**	**38'181**
Equity			
Share capital	20	1	21
Reserves	7	18'437	18'444
Retained earnings	70'964	(9'446)	61'518
Net income (loss)	(2'306)	(7'999)	(10'305)
Total Stockholders' Equity	**68'685**	**993**	**69'678**
Non-controlling interests		379	379
Total Liabilities	**105'484**	**13'696**	**119'180**

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Cash flows from discontinuing operations were as follows:

		2011	2010
Cash Flow from Operating Activities			
Income paid by customers		26'189	7'345
Other operating assets and liabilities		1'523	57
Payments to suppliers and employees		(24'650)	(7'446)
Income taxes paid		(482)	(418)
Net Cash From Operating Activities		**2'580**	**(462)**
Cash Flow from Investing Activities			
Payments for property, plant and equipment		(138)	(456)
Net Cash Flow from Investing Activities		**(138)**	**(456)**
Cash flow from Financing Activities			
Interest received		29	20
Interest paid		(1'719)	(1'212)
(Increase) / decrease in loans and advances		(2'247)	(8'370)
Proceeds from borrowing		316	12'000
Repayment of borrowings		-	(247)
Net Cash Flow from Financing Activities		**(3'621)**	**2'191**
Net increase / (decrease) in cash equivalents		**(1'179)**	**1'273**
Cash and cash equivalents, beginning of period	5	**1'622**	**349**
Cash and cash equivalents, end of period	5	**443**	**1'622**

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GEFINOR S.A.
SOCIETE ANONYME DE TITRISATION

ANNUAL ACCOUNTS AND
REPORT OF THE RÉVISEUR D'ENTREPRISES AGRÉÉ

DECEMBER 31, 2011

5, rue Guillaume J.Kroll
L – 1882 Luxembourg
R.C.S Luxembourg : B 008.282

Gefinor S.A.

Société Anonyme de Titrisation

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REPORT OF THE REVISEUR D'ENTREPRISES AGREE

To the Shareholders of
Gefinor S.A., Société Anonyme de Titrisation
Luxembourg

Following our appointment by the General Meeting of the Shareholders held on June 24, 2011, we have audited the accompanying annual accounts of Gefinor S.A., Société Anonyme de Titrisation, which comprise the balance sheet as at December 31, 2011 and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Board of Directors' responsibility for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with the Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Responsibility of the Reviseur d'entreprises agrée

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier*. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the *réviseur d'entreprises agréé's* judgement, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the *réviseur d'entreprises agréé* considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the annual accounts. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of Gefinor S.A., Société Anonyme de Titrisation as of December 31, 2011, and of the results of its operations for the year then ended in accordance with the Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

Gefinor S.A.
Société Anonyme de Titrisation
BALANCE SHEET
December 31, 2011
(in US dollars)

ASSETS	December 31, 2011	December 31, 2010
FIXED ASSETS		
Financial assets (note 3)	106'410'672.75	131'176'554.08
CURRENT ASSETS		
Trade Debtors		
a) Becoming due and payable within one year (note 4)	1'409'843.00	1'409'843.00
Cash at banks and in hand	18'193.31	19'371.95
	107'838'709.06	132'605'769.03

LIABILITIES	December 31, 2011	December 31, 2010
CAPITAL AND RESERVES (note 5)		
Subscribed capital	50'000'000.00	50'000'000.00
Reserves		
Legal reserve	10'000'000.00	10'000'000.00
Other reserves	39'667'451.05	39'667'451.05
Treasury shares	-32'640'131.83	-44'412'403.68
Profit brought forward	6'997'344.90	17'344'860.31
Profit for the financial year	19'502'220.70	1'424'756.44
PROVISIONS (note 7)	0.00	4'190'000.00
OTHER CREDITORS		
a) Becoming due and payable within one year (note 6)	12'311'824.24	50'391'104.91
b) Becoming due and payable after more than one year (note 6)	2'000'000.00	4'000'000.00
	107'838'709.06	132'605'769.03

The underlying notes form an integral part of these annual accounts.

Gefinor S.A.

Société Anonyme de Titrisation

PROFIT AND LOSS ACCOUNT

for the year ended December 31, 2011

(in US dollars)

	2011	2010
CHARGES		
Interest payable and other financial charges (note 9)	501'763.68	1'313'101.81
Loss on disposal of financial assets	1'183'960.00	-
Other external charges (note 8)	2'024'638.59	4'578'234.91
Value adjustment of financial assets	5'580'633.33	-
PROFIT FOR THE FINANCIAL YEAR (note 5)	19'502'220.70	1'424'756.44
	28'793'216.30	7'316'093.16
INCOME		
Income from financial fixed assets	-	1'029'725.00
Other interest and other financial income (note 11)	4'504.30	26'005.72
Gain on disposal of financial assets (note 10)	24'598'712.00	6'054'463.44
Gain on dissolution of provisions (note 7)	4'190'000.00	-
Reversal on value adjustments on financial assets (note 3)	-	205'899.00
	28'793'216.30	7'316'093.16

The underlying notes form an integral part of these annual accounts.

NOTE 1 - GENERAL

Gefinor S.A., Société Anonyme, hereafter “the Company” was incorporated on December 31, 1968 as a “Société Anonyme Holding” company within the definition of the Luxembourg law of July 31, 1929. The registered office of the Company is in Luxembourg at 5, rue Guillaume Kroll. Since 1986, the shares of the Company have been quoted on the Luxembourg stock exchange.

As from January 1, 2011 the Company operates as a securitization company under Luxembourg law and its investments have been restrucuted accordingly.

The conversion into a securitisation Company was executed in two distinct, but related steps.

1. At an Extraordinary General Meeting of shareholders of Gefinor S.A., held on 8 December 2010, the articles of association of Gefinor were amended in order to make them compliant with the law on securitisation and the object and status of a securitisation company under Luxembourg law.

2. As of January 1st 2011, the Company has restructured the chain of companies in which Company has a direct or indirect interest in order to separate the two types of investments held. Two new holding structures have been created in Gibraltar which will have responsibility for the management of the investments. The contribution of all the real estate assets and all the private equity assets of Gefinor to two separate holding companies incorporated in Gibraltar was executed in 2011 (see Note 3).

The Company's financial year coincides with the calendar year.

The Company also prepares consolidated accounts which are published in accordance with the legal principles. These consolidated accounts are available at the registered office of the Company.

NOTE 2 - ACCOUNTING POLICIES

2.1. General principles

The annual accounts have been prepared in accordance with the laws and regulations of the Grand-Duchy of Luxembourg and in conformity with generally accepted accounting principles.

In accordance with article 26 of the Law of December 19, 2002, the annual accounts are presented with certain modifications to the legal format requirements in order to present the annual accounts with the utmost clarity.

Following article 65 of the Law of December 19, 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, certain financial information on investments is not disclosed.

2.2. Translation of foreign currencies

The Company maintains its records in US dollars (USD) and the balance sheet and the profit and loss account are expressed in this currency.

Income and expenses in currencies other than the US dollar are translated into US dollars at the exchange rates applicable on the transaction dates.

2.3. Valuation

Financial fixed assets: quoted participations
Quoted participations are valued individually at the lower of their acquisition cost and their market value.

Financial fixed assets: unquoted participations and shares in Group companies
Unquoted participations and shares in Group companies are valued individually at the lower of their acquisition cost and their value estimated by the Board of Directors.

Debtors
Debtors are valued at their nominal value. A value adjustment is recorded if their estimated realisable value is lower than their nominal value.

2.4. Revenue recognition

Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable.

Dividend income from investments is recognised only when the right to receive payment has been established.

2.5. Treasury shares

Treasury shares owned by the Company are carried at weighted average cost and recorded directly in equity as a reduction of capital and reserves in the balance sheet.

Where the Company purchases the Company's share capital (treasury shares), the consideration paid, including any directly attributable incremental transaction costs, is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued.

Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs, is included in equity attributable to the Company's equity holders.

Any gain or loss on treasury shares is recorded in equity through profit (loss) brought forward.

2.6. Provision

Provisions are made for value adjustments of financial assets where the reported net asset value of the financial asset is negative. The increase or decrease of provisions during the year is charged or credited in the profit and loss account to value adjustments in respect of financial assets.

2.7. Creditors

Creditors are valued at their nominal value.

NOTE 3 - FINANCIAL ASSETS

	2011 USD	2010 USD
Cost, at beginning of year	141'213'297.19	141'274'917.43
Additions	18'000'000.00	8'611'748.83
Disposals	(47'221'990.11)	(8'673'369.07)
Cost, at end of year	111'991'307.08	141'213'297.19
Value adjustments, at beginning of year	(10'036'743.11)	(10'242'642.11)
Additions	(5'580'633.33)	-
Reversals	10'036'742.11	205'899.00
Value adjustment, at end of year	(5'580'634.33)	(10'036'743.11)
Net Book value		
At beginning of the year	131'176'554.08	131'032'275.32
At end of the year	106'410'672.75	131'176'554.08

The reversal of previous years' value adjustments is shown in the profit and loss account for the year under value adjustments in respect of financial assets.

Transactions during the year ended December 31, 2010

- The Company sold a total interest of 6.72% in Development and Investment Company Limited for an amout of USD 6,344,019 generating a profit of USD 1,244,238 (note 10).
- The Company purchased a total of 2,432,813 shares of series A preferred stock of GridApp Systems Inc. for an amout of USD 1,550,000.
- The Company sold a total of 2,432,813 shares of series A preferred stock of GridApp Systems Inc for an amout of USD 6,069,440 generating a profit of USD 4,519,497 (note 10).
- The Company purchased a total interest of 39.22% in The Kaizen Breakthrough Partnership Limited for a total amount of USD 4,000,000.
- The Company purchased 108,000 shares of Netspend Holding Inc.for a total amount of USD 1,400,084.

- The Company sold a total of 520,677 shares of Wimba Inc for an amout of USD 538,426 generating a profit of USD 206,193 (note 10).
- The Company purchased 5,000 shares of Aquilius Inflection Fund for a total amount of USD 500,000.
- The Company invested a total of USD 1,161,665 in GEFPEP funds.
- The Company received USD 1,691,355 as distribution from Gefus Capital Partners I, LP.

<u>Transactions during the year ended December 31, 2011</u>

- As of January 01, 2011, the Company contributed in kind to Gefinor Private Equity Limited its interest in Gefus Capital Partners I, LP of USD 865,274.
- As of January 01, 2011, the Company contributed in kind to Gefinor Private Equity Limited its interest in Gef Private Equity Partnership of USD 5,077,306.73.
- As of January 01, 2011, the Company contributed in kind to Gefinor Private Equity Limited its interest in MobiTV Inc. of USD 1,685,004.
- As of January 01, 2011, the Company contributed in kind to Gefinor Private Equity Limited its interest in Aquilius Inflection Fund Ltd of USD 500,000.
- As of January 01, 2011, the Company contributed in kind to Gefinor Private Equity Limited its interest in Netspend Holdings Inc. of USD 1,400,084.10.
- As of January 01, 2011, the Company contributed in kind to Gefinor Private Equity Limited its interest in Alexander Doll Inc. of USD 7,040,079.50.
- As of January 01, 2011, the Company contributed in kind to Gefinor Private Equity Limited its interest in Gefinor Capital Advisors Limited, LP of USD 5,093,884.
- As of January 01, 2011, the Company contributed in kind to Gefinor Real Estate Limited its interest in Development and InvestmentCompany Limited of USD 7,329,671.15..
- As of January 01, 2011, the Company contributed in kind to Gefinor Real Estate Limited its interest in Real Estate Development Company SAL of USD 65,000,000.
- As of January 01, 2011, the Company contributed in kind to Gefinor Real Estate Limited its interest in Gefinor Finance SAL of USD 1.

- As of March 30, 2011, the Company sold to Gefinor Real Estate Limited its interest in Gefinor Management Limited for USD 14,100,000 generating a loss of USD 1,183,960 allocated to loss on disposal of Financial assets.
- As of March 30, 2011, Company sold to Gefinor Real Estate Limited its interest in Gefinor Finance SA for USD 44,000,000 generating a profit of USD 22,098,714 allocated to gain on disposal of Financial assets (see note 10).

- As of March 30, 2011, Company sold to Gefinor Real Estate Limited its interest in International Project Company Inc. for USD 2,500,000 generating a profit of USD 2,499,998 allocated to gain on disposal of Financial assets (see note 10).

- As of May 23, 2011, the Company purchased from Gefinor Finance SA 10,000 shares of Gefinor (USA) Inc. for a total amount of USD 14’100’000.
- As of May 23, 2011, the Company contributed in kind to Gefinor Private Equity Limited its interest in Gefinor (USA) Inc. of USD 14,100,000.
- As May 23, 2011, the Company contributed to a capital increase to Gefinor Private Equity Limited for USD 3,900,000.

	Country	December 31, 2011 Number of shares	December 31, 2011 Cost USD	December 31, 2011 Carrying amount USD	December 31, 2011 Effective interest %	December 31, 2010 Number of shares	December 31, 2010 Cost USD	December 31, 2010 Carrying amount USD	December 31, 2010 Effective interest %
Participating Interest									
Gefus Capital Partners I, L.P.	Cayman Islands		-	-			865'274.00	865'274.00	17.58%
Development and Investment Company Limited	Cayman Islands	-	-	-		77'225	7'329'671.75	7'329'671.75	9.65%
MobitV Inc.	USA	-	-	-		1'347'648	1'685'004.00	1'685'004.00	n/a
Gef Private Equity Partnership	Cayman Islands	0.00%	-	-		n/a	5'240'999.91	5'077'306.73	n/a
Netspend Holdings Inc.	USA	-	-	-		108'000	1'400'084.10	1'400'084.10	n/a
Aquilius Inflection Fund Ltd	Cayman Islands	-	-	-		5'000	500'000.00	500'000.00	n/a
			-	-			17'021'033.76	16'857'340.58	
Shares in affiliated undertakings									
Gefinor Real Estate Limited	Gibraltar	127'500	72'329'673.75	72'329'672.75	100.00%	-	-	-	
Gefinor Private Equity Limited	Gibraltar	48'000	39'661'633.33	34'081'000.00	100.00%	-	-	-	
Gefinor Management Limited	Cayman Islands	-	-	-		190'000	23'201'600.00	15'283'960.00	100.00%
Real Estate Development Company SAL	Lebanon	-	-	-		150'000	65'000'000.00	65'000'000.00	100.00%
Gefinor Finance S.A.	Switzerland	-	-	-		11'000	21'901'286.00	21'901'286.00	100.00%
Gefinor Finance SAL	Lebanon	-	-	-		20'000	1.00	1.00	100.00%
Gefinor (USA) Inc.	USA	-	-	-		100	1.00	1.00	100.00%
Gefinor Capital Advisors Limited	Cayman Islands	-	-	-		100	5'093'884.00	5'093'884.00	100.00%
International Project Company Limited	Panama	-	-	-		2	2.00	2.00	100.00%
Alexander Doll Company Inc.	USA	-	-	-		42'199	9'055'447.00	7'040'079.50	77.20%
			111'991'307.08	106'410'672.75			124'252'221.00	114'319'213.50	
			111'991'307.08	106'410'672.75			141'273'254.76	131'176'554.08	

NOTE 4 - DEBTORS

	2011 USD	2010 USD
Debtors due within one year		
Financial debtors	-	-
Other debtors (*)	1'409'843.00	1'409'843.00
	1'409'843.00	1'409'843.00

(*) Other debtors is mainly composed of an escrow account related to the Gridapp Systems Inc. sale. The Gridapp Systems Inc. interest was sold as of November 23, 2010 (see Note 3) for net proceeds of USD 4,717,108 received in 2010 and and an escrow of USD 1,352,332 to be received in 2012.

NOTE 5 – CAPITAL AND RESERVES

5.1. Subscribed capital

The Company was incorporated on December 31, 1968 with a capital of USD 1,260,000 and a share premium of USD 5,670,000. After successive increases, the issued capital was raised to USD 200,000,000 represented by 40,000,000 shares of USD 5 each.

At an Extraordinary General Meeting held on December 5, 2007, the shareholders approved a reallocation of the issued capital of the Company to bring it from USD 100 million to USD 50 million by the attribution of USD 50 million to a reserve account through the adjustment of the nominal value per share from USD 2.5 to USD 1.25.

On December 18, 2008, in execution of decisions taken at the Extraordinary General Meeting of December 5, 2007, (a) the Company repurchased for cancellation 8 million shares at a price of USD 11.11 per share, thereby reducing the issued capital by USD 10 million to 32 million shares and reducing the reserves by USD 79 million, and (b) reissued 8 million new shares on a pro rata basis to holders of outstanding shares, thereby increasing the issued capital by USD 10 million to 40 million shares.

Accordingly, at December 31, 2010 and 2011 the authorised and issued capital is USD 50 million. The issued capital is fully paid and represented by 40 million shares with a par value of USD 1.25 each.

5.2. Legal reserve

The Company is required to appropriate to the legal reserve a minimum of 5% of the annual net profit, until such reserve equals 10% of the share capital. This reserve is not available for distribution, except upon dissolution of the Company.

On December 18, 2008, the Board of Directors approved that the capital increase referred to above be executed by the incorporation of USD 10 million of the excess legal reserve and ratified by the Annual General Meeting of shareholders held in June 2009. Accordingly, the legal reserve was reduced from USD 20 million to USD 10 million, the minimum required being USD 5 million, equal to 10% of the share capital.

5.3. Treasury shares

As December 31, 2011, Gefinor SA owned 2,936,124 (7,34%) of its own shares with a book value of USD 32.6 million. In July 2011, Gefinor SA made a dividend in kind by distribution of 1,058,968 shares to the shareholders consisting of 0.0294 per outstanding share at a bookvalue of USD 11.12 per share for a total of USD 11.77 million. No gain has been recorded on this distribution in kind which has been accounted against the retained earnings.

As December 31, 2010, Gefinor SA owned 3,995,092 (9,99%) of its own shares with a book value of USD 44.4 million. No transaction on treasury shares was executed in 2010.

- continued -

	Subscribed capital	Other reserves	Legal reserve	Treasury shares	Profit Brought forward	Profit of the year	Total Capital and reserves
Balance 01.01.2010	50'000'000.00	39'667'451.05	10'000'000.00	(44'412'403.68)	12'251'862.76	5'092'997.55	72'599'907.68
Allocation of income					5'092'997.55	(5'092'997.55)	
Net income (loss) of the period	-	-	-	-	-	1'424'756.44	1'424'756.44
Balance 31.12.2010	**50'000'000.00**	**39'667'451.05**	**10'000'000.00**	**(44'412'403.68)**	**17'344'860.31**	**1'424'756.44**	**74'024'664.12**
Balance 01.01.2011	50'000'000.00	39'667'451.05	10'000'000.00	(44'412'403.68)	17'344'860.31	1'424'756.44	74'024'664.12
Allocation of income					1'424'756.44	(1'424'756.44)	-
Dividend paid	-	-	-	11'772'271.85	(11'772'271.85)	-	-
Net income (loss) of the period	-	-	-	-	-	19'502'220.70	19'502'220.70
Balance 30.12.2011	**50'000'000.00**	**39'667'451.05**	**10'000'000.00**	**(32'640'131.83)**	**6'997'344.90**	**19'502'220.70**	**93'526'884.82**

NOTE 6 – CREDITORS

	2011 USD	2010 USD
Becoming due and payable within one year		
Gefinor Finance SA	8'974'437.24	47'866'428.00
Kreditbank SA Luxembourgeoise USD	2'000'000.00	2'000'000.00
Trade payables	3'377.00	3'377.00
Deferred taxes	249'500.00	279'696.00
Audit fees	245'000.00	241'603.91
Management fee payable to subsidiary	839'510.00	0.00
Total other creditors becoming due and payable within one year	12'311'824.24	50'391'104.91
Becoming due and payable after more than one year		
Kreditbank SA Luxembourgeoise USD	2'000'000.00	4'000'000.00
Total other creditors becoming due and payable after more than one year one year	10'974'437.24	49'866'428.00

NOTE 7 - PROVISIONS

	2011 USD	2010 USD
Provision for Gefinor (USA) Inc.	-	3'000'000.00
Provision for Gefinor Finance SAL	-	1'190'000.00
	-	4'190'000.00

The provision have been reversed as these subsidiaries were disposed (see note 3)

NOTE 8 - OTHER EXTERNAL CHARGES

	2011 USD	2010 USD
Administrative expenses	573'349.57	421'037.14
Management fees	837'310.00	842'713.89
Exchange loss	611'064.29	3'228'542.88
Other taxes	2'914.73	85'941.00
	2'024'638.59	4'578'234.91

Administrative expenses include remuneration allocation to the Board of Directors of USD 20,000 in 2011 (2010: USD 20,000).

NOTE 9 – INTEREST PAYABLE AND OTHER FINANCIAL CHARGES

	2011 USD	2010 USD
Interest paid on bank debts	87'540.93	333'483.83
Interest paid to group companies	406'395.52	968'071.39
Bank commissions paid	7'827.23	11'546.59
	501'763.68	1'313'101.81

NOTE 10 - GAIN ON DISPOSAL OF FINANCIAL ASSETS

	2011 USD	2010 USD
Gain on sale of interest in Development and Investment Company Limited and in the Development and Construction Company SAL	-	1'244'238.10
Gain on sale of interest in Wimba Inc.	-	206'193.00
Gain on sale of interest of Gridapp Systems Inc.	-	4'519'496.46
Other gains on disposal of financial assets	-	84'535.88
Gain on sale of interest in Gefinor Finance SA	22'098'714.00	-
Gain on sale of International Project Company Inc.	2'499'998.00	-
	24'598'712.00	6'054'463.44

NOTE 11 - INCOME FROM FINANCIAL FIXED ASSETS

Income from financial assets consists of interests received from group companies.

NOTE 12 - CONTINGENT LIABILITIES, COMMITMENTS AND GUARANTEES

The Company has guaranteed a bank loan of USD 5 million made to Gefinor Finance S.A. maturing in 2016, and committed a maximum guarantee of USD 25 million for a loan to Real Estate Development Company SAL maturing in 2017 and with a current outstanding balance of USD 25 million.