GEFINOR S.A.
SOCIETE ANONYME DE TITRISATION

CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

JUNE 30, 2013

GEFINOR S.A.

Société Anonyme

TABLE OF CONTENTS

MANAGEMENT REPORT

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 period ended June 30, 2013.

Financial statements

Total consolidated assets at June 30, 2013 were USD 159.7 million compared with USD 189.9 million as of December 31, 2012. Consolidated stockholders' equity was USD 108.5 million at June 30, 2013 compared with USD 110.8 million at December 31, 2012. Consolidated profit attributable to the owners of the Company was a loss of USD 1.9 million for the period ending June 30, 2013 compared with a loss of USD 12.9 million for the period ending June 30, 2012. The Company's investment portfolio is valued at market value, as required by IFRS, and, accordingly, unrealised gains and losses are included in Income (Loss) from Investments.

Organisation and activities

Gefinor Advisors Limited, Gibraltar

The advisory activity regroups the operations of Gefinor Management Limited, Gefinor Finance SA, Gefinor Finance SAL and Gefinor Capital Advisors Limited, for the period ending June 30, 2013 the net result is a loss of USD 1.3 million.

Gefinor Private Equity Limited, Gibraltar

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

Through direct private equity activity, the Gefinor Private Equity Ltd invests and manages investors' funds as well as its 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 net result for the period is a profit of USD 128 thousand.

Investments

During the period, Gefinor Private Equity Limited invested an additional USD 634 thousand in MobiTV Inc. Serie A, preferred shares and USD 33 thousand in SmartINST SA a French technology company.

Gefinor Private Euqity Limited has committed SEK 10 million (approx. USD 1.38 million) to in Monterro I, AB Fund a Scandinavian growth equity fund, of which USD 87 thousand were funded during the period.

Gefinor Real Estate Limited, Gibraltar

The real estate holding owns investments in Lebanon in the form an interest of 7.7% in the Garden City project in Beirut (former New City) as well as substantial land for development in prime areas in Lebanon.

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

For the period ending June 30, 2013 the net result is a loss of USD 397 thousand.

Discontinued operations

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

G E F I N O R S. A.

Management representation
on the consolidated financial statements as at June 30, 2013

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 unaudited 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 period ended June 30, 2013 in accordance with International Financial Reporting Standards as adopted by EU;

- 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

GEFINOR S.A.

Société Anonyme

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

Year ended June 30, 2013

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

	Note	30.06.2013	30.06.2012
Operating Income			
Dividends	17	184	-
Real estate income	19	84	385
Net realised gains / (losses) on investments	18	-	79
Net unrealised gains / (losses) on investments	18	(49)	(7'157)
Foreign exchange gains / (losses)		791	1'212
Income (Loss) from Investments		**1'010**	**(5'481)**
Management fee income	20	979	1'254
Net commission income / (expenses)		(91)	(68)
Income from Services		**888**	**1'186**
Total Operating Income (Loss)		**1'898**	**(4'295)**
Operating Expenses			
Personnel		(2'327)	(1'574)
Office		(507)	(491)
Professional fees		(497)	(508)
Management fees		-	(110)
Other general administrative expenses		(352)	(243)
Depreciation		(59)	(74)
Total Operating Expenses		**(3'742)**	**(3'000)**
Net Operating Income (Loss)		**(1'844)**	**(7'295)**
Interest income	7	720	272
Interest expense	12	(530)	(509)
Net Interest		**190**	**(237)**
Share of results of associated companies		-	-
Other income / (expenses)		-	-
Income (Loss) Before Tax		**(1'654)**	**(7'532)**
Income tax expenses	15	(222)	(133)
Net Loss before discontinued operations		**(1'876)**	**(7'665)**
Profit (loss) from discontinued operations		(20)	(5'221)
Net Loss		**(1'896)**	**(12'886)**
Other Comprehensive Income, net of tax			
Exchange difference on translating foreign operations		(388)	-
Total Comprehensive Income (Loss) for the year		**(2'284)**	**(12'886)**
Weighted average shares outstanding		38'578'920	38'367'341
Basic and Diluted Earnings per share from continuing and discontinuing operations (expressed in USD dollars per share)		**(0.0491)**	**(0.3359)**
Basic and Diluted Earnings per share from continuing operations (in USD dollars per share)		**(0.0486)**	**(0.1998)**

The notes are an integral part of the consolidated financial statements

GEFINOR S.A.

Société Anonyme

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

June 30, 2013

(expressed in thousands of US dollars)

	Note	30.06.2013	31.12.2012
ASSETS			
Current Assets			
Cash and cash equivalents	5	36'089	45'510
Trading investments	6	7'783	3'096
Loans and advances	7	10'869	7'638
Trade receivables and other current assets	8	5'294	4'895
Assets classified as held for sale		133	135
Total Current Assets		**60'168**	**61'274**
Non-Current Assets			
Financial assets at fair value through P&L	6	35'458	35'082
Investments in associated companies		-	-
Loans and advances	7	24'156	53'302
Investment property	9	36'548	36'735
Property, plant and equipment	10	3'305	3'387
Intangible assets	11	39	60
Total Non-Current Assets		**99'506**	**128'566**
Total Assets		**159'674**	**189'840**
LIABILITIES			
Current Liabilities			
Bank overdrafts and short term bank debt	12	4'579	6'748
Client deposits	13	29'371	54'415
Trade and other payables		958	1'275
Current tax liabilities	15	425	550
Liabilities directly associated with assets classified as held for sale		220	202
Total Current Liabilities		**35'553**	**63'190**
Non-Current Liabilities			
Borrowings and other long term payable	12	13'589	13'830
Deferred tax liabilities	15	1'828	1'850
Provisions		165	147
Total Non-Current Liabilities		**15'582**	**15'827**
Equity			
Share capital	14	50'000	50'000
Reserves	14	38'948	38'948
Retained earnings		26'582	71'586
Treasury shares	14	(5'095)	(18'338)
Net income (loss)		(1'896)	(31'373)
Total Stockholders' Equity		**108'539**	**110'822**
Total Liabilities		**159'674**	**189'839**

The notes are an integral part of the consolidated financial statements

GEFINOR S.A.

Société Anonyme

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

June 30, 2013

(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 SA*
Balance, 01.01.2012	50'000	39'667	10'000	(32'640)	77'778	144'805
						-
Dividend	-	-	-	-	(7'000)	(7'000)
Sale of treasury shares		(10'719)		14'302	-	3'583
Loss for the year	-	-	-	-	(23'804)	(23'804)
Other comprehensive income, net of income tax (*)	-	-	-	-	807	807
Total comprehensive income for the year	**-**	**(10'719)**	**-**	**14'302**	**(22'997)**	**(22'997)**
Discontinued operations (see Note 25)	-	-	-	-	(7'570)	(7'570)
Balance, 31.12.2012	**50'000**	**28'948**	**10'000**	**(18'338)**	**40'212**	**110'822**

	Share capital	*Reserves*	*Legal reserve*	*Treasury shares*	*Retained earnings and net income for the year*	*Sub-total attributable to owners of Gefinor SA*
Balance, 01.01.2013	50'000	28'948	10'000	(18'338)	40'212	110'822
Dividend	-	-	-	13'242	(13'242)	-
Sale of treasury shares		-		-	-	-
Profit for the period	-	-	-	-	(1'876)	(1'876)
Other comprehensive income, net of income tax (*)	-	-	-	-	(388)	(388)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**(2'264)**	**(2'264)**
Discontinued operations (see Note 25)	-	-	-	-	(20)	(20)
Balance, 30.06.2013	**50'000**	**28'948**	**10'000**	**(5'096)**	**24'687**	**108'539**

(*) 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 (UNAUDITED)

For the period ended June 30, 2013

(expressed in thousands of US dollars)

	Note	30.06.2013	30.06.2012
Cash Flow from Operating Activities			
Receipts from customers		-	250
Real estate income paid by customers		84	385
Income from services paid by customers		690	868
Other operating assets and liabilities		-	-
Payments to suppliers and employees		(4'384)	(3'107)
Income taxes paid		(222)	(421)
Net Cash From Operating Activities		**(3'832)**	**(2'025)**
Cash Flow from Investing Activities			
Dividends received		232	-
Acquisition of investments		(2'297)	(373)
Purchase of subsidiaries		-	-
Sale of financial assets at fair value through P&L		-	65'800
Payments for property, plant and equipment		-	(4)
Net Cash Flow from Investing Activities		**(2'065)**	**65'423**
Cash flow from Financing Activities			
Interest received		43	13
Interest paid		(140)	(455)
(Increase) / decrease in loans and advances		-	(28'830)
Proceeds from borrowing		-	-
Repayment of borrowings		(2'000)	(2'000)
Increase /(decrease) in client deposits		(1'428)	31'900
Sale of treasury shares		-	3'910
Dividends paid		-	(7'000)
Net Cash Flow from Financing Activities		**(3'525)**	**(2'462)**
Net increase / (decrease) in cash equivalents		**(9'422)**	**60'936**
Cash and cash equivalents, beginning of period	5	**45'511**	**3'310**
Cash and cash equivalents, end of period	5	**36'089**	**64'246**

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.

NOTE 2 - ADOPTION OF NEW AND REVISED STANDARDS

The accounting policies that were used for the preparation of the consolidated financial statements at June 30, 2013 are the same as those used for the preparation of the consolidated financial statements at December 31, 2012.

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.

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.

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. Revenue recognition

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 3.6. below

3.6. 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 2012 and 2013.

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.

3.7. 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.

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.

3.8. 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 2011 and 2012.

3.9. Taxation

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

3.9.1. Current tax

Group tax expense results from taxable income of Gefinor SA, a securitization Company, and Group subsidiaries under tax law in their jurisdictions and corporate tax rates payable by Gefinor SA and 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

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.

3.9.3. 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.

3.10. 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.

3.11. 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.

3.12. Intangible assets

3.12.1. 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.

3.12.2. 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.

3.13. 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.

3.14. Provisions

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.

3.15. 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'.

3.15.1. 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.

3.15.2. 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.

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.

3.15.3. 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.

3.15.4. 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.

3.15.5. Impairment of financial assets

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

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.

3.15.6. 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.

3.16. Financial liabilities and equity instruments issued by the Group

3.16.1. 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.

3.16.2. 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.

3.16.3. 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.

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.

3.16.4. 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.

3.16.5. Derecognition of financial liabilities

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

<u>3.17. Assets held for sale</u>

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.

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 Group has defined the disclosures regarding the level 1, 2 and 3 as follows:

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 the trading investments in Bonds, the investment in Aquilus Inflection Fund and the investment in Netspend Inc.

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 following investments and corresponding valuation methods:

- Gefus Capital Partners I, LP, valued on the basis of effective ownership interest of the Group in the calculated Net Assets Value of the Fund as reported by the Manager of the Fund.
- Gefus Capital Partners II, LP, valued on the basis of effective ownership interest of the Group in the calculated Net Assets Value as reported by the Manager of the Fund.
- GEF Private Equity Partners SPC, valued on the basis of Group's commitment to total commitment of the Fund. Total commitments represent amounts reported by each partnership. Effective ownership of the Group and share of the calculated NAV of the fund is reported by the Manager of the Fund.

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. The Directors use their judgment in selecting an appropriate valuation technique for financial instruments not quoted in an active market. This level includes the following investments and corresponding valuation methods:

- New City Project valued on the basis of effective ownership interest of Gefinor Group in net assets of the company which is the owner of lands in Lebanon. Lands are measured at fair value as of the balance sheet date. The independent valuation of land was performed in October, 2012.
- Syrian Arab Company for Hotel and Tourism valued on the basis of effective ownership interest of the Group multiplied by recoverable amount of the company which was calculated on the basis of the discounted future cash flows.
- MobiTV Inc valued on the basis of the round of financing closed on February 2013.
- TAP Advisors, LLC valued on the basis of a Discounted Cash Flow.
- QFS Capital, LLC valued on the basis of a Discounted Cash Flow
- Western Resource Investment II, LLC valued on the basis of Capital Account of 2012 Tax return.
- Factor Advisors LLC valued on the basis of a Discounted Cash Flow.

There is no transfer between levels in 2013.

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 June 30, 2013 and December 31, 2012, the Company owns 17.34% 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 June 30, 2013 and December 31, 2012, the Company owns 57.19% in Gefus Capital Patners II, LP and 32.5% in Gef Capital II, LLC.

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 and are considered as Investment in Associtės as defined by IAS28.

4.4. Fair value of investment properties

Fair value of property investments is determined 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.

For the Geneva building a value per square meter for each floor based on the location, the building condition and the local market conditions has been considered to calculate the fair value.

The lands in Byblos, Kfardebian and the other Middle East land plots have been evaluated by the independent valuer after a visit on the site and after taking into consideration the location and the characteristics of the land, mainly the accessibility, the surroundings and the development potential of each lot. Based on these criterias each lot of each land plot is estimated on the basis on a price in US dollar per square meter.

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 2012 and 2013 by comparing their fair value to their carrying value. Based on these tests some impairments of intangible assets were recorded in 2012 and 2013 (see note 11).

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	30.06.2013	31.12.2012
Trading Investments		
Trading investments	6'049	1'500
Aquilus Inflection Fund Ltd	1'734	1'596
Netspend Inc.	-	-
	7'783	**3'096**
Financial assets at fair value through profit & loss		
Gefus Capital Partners I, LP.	1'023	1'049
Gefus Capital Partners II, LP.	1'537	1'537
GEF Private Equity Partners, SPC	6'291	6'595
Garden City project (New City)	23'428	23'428
MobiTV Inc.	739	105
Syrian Arab Company for Hotels and Tourism	115	115
QFS Capital LLC, (formerly Cenario)	250	250
TAP Advisors, LLC	1'016	1'056
Factor Advisors LLC	43	52
Western Resource Investment II, LLC	895	895
Others	121	-
	35'458	**35'082**

Trading investments consist of a corporate bond portfolio with an average maturity of two and half years.

In 2012, the Company invested an additional USD 1 million in the Aquilus Inflection Fund Ltd.

In 2012, the Company invested an additional amount for a total of USD 505 thousand in GEFPEP funds (2011 USD 732 thousand) and received distributions of USD 459 thousand (2011: USD 609 thousand).

In 2012, the Company sold 263’862 MobiTV Inc. shares at USD 3.22 per share, generating a loss of USD 180 thousand.

In 2012, the Company sold 68 thousand Netspend Inc. shares, generating a loss of USD 8 thousand.

In 2012, Gefinor Private Equity Limited committed an additional USD 5 million to the Gefus Capital Partners II, LP private equity fund.

In 2013, Gefinor Private Equity Limited invested an additional USD 634 thousand in MobiTV Inc. Serie A, preferred shares, USD 87 thousand in Monterro I, AB Fund a Scandinavian growth equity fund and USD 33 thousand in SmartINST SA.

NOTE 7 - LOANS AND ADVANCES

In $'000	**30.06.2013**	**31.12.2012**
Short-term loans and advances		
To third parties	44	3'033
To related parties		
Basmala Establishment	9'251	3'132
AK. Al Muhaidib	661	485
Gef Real Estate Holding S.A.	348	564
Others	565	424
	10'869	**7'638**
Long-term loans and advances to related parties		
Gef Real Estate Holding S.A.	23'567	52'653
Alexander Doll Company Inc.,	250	250
Loans to third parties	-	50
Loans and advances to personnel	275	285
Other loans to related parties	64	64
	24'156	**53'302**

The loan of USD 3 million recorded in Short-term loans to third parties, was arranged as advance for a potential investment in November 2012 and as the investment opportunity did not materialized the loan was repaid in February 2013.

Gef Real Estate Holding S.A. is a shareholder of the Company.

The loan agreement with Gefinor Management Limited for up to USD 24 million and with an outstanding principal of USD 23’567 thousand is repayable on June 30, 2014. The interest rate applicable is USD Libor 1 year + 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.

A second loan agreement with Gefinor Finance SA for a total amount of USD 29’086 thousand as of December 31, 2012 and guaranteed by a cash deposit of Mr. Khaled Ousseimi with Gefinor Finance SA in the same amount (see note 13) was settled in full on June 30, 2013.

Basmala Establishment is a shareholder of the Company, the loan of USD 9’251 thousand is a short term loan, the interest rate applicable is USD Libor 3 month.

AK Al Muhaidib is a shareholder of the Company, the loan of USD 661 thousand is a short term loan, the interest rate applicable is USD Libor 3 month.

Loans and advances to others of USD 565 thousand are short term loans with interest rate applicable of USD Libor 3 month.

The long-term loan repayment schedule is as follows:

In $ '000	30.06.2013	31.12.2012
In the second year	23'567	-
In the third year	-	23'567
In the fourth to fifth years inclusive	-	29'086
Subsequent years	589	649
	24'156	**53'302**
Loan interest rate ranges		
Libor 3 month +0.5%	9'956	6'650
Libor 1 year +1.5%	23'915	53'217
Interest rates between Libor+0.5% and Libor+3%	1'154	1'073
	35'025	**60'940**

Interest income on loans and advances is as follows:

In $'000	30.06.2013	30.06.2012
Gef Real Estate Holding S.A.	583	241
Other associated companies	42	9
Third parties	95	22
	720	**272**

NOTE 8 - TRADE RECEIVABLES AND OTHER CURRENT ASSETS

In $'000	30.06.2013	31.12.2012
Management fees receivable	641	449
Expenses to be reimbursed	195	197
Receivable on asset sale	3'540	3'540
Receivable from a related party	326	181
Trade receivables	84	3
Prepaid expenses	221	74
Other receivables and other current assets	287	451
	5'294	**4'895**

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

NOTE 9 - INVESTMENT PROPERTY

In $'000	**2011**	Additions - retirements	Translation adjustments	Fair value revaluation	**2012**
Gefinor Building, Geneva	18'665	-	-	(5'134)	13'531
Byblos land, Lebanon	8'745	-	-	1'749	10'494
Kfardebian land, Lebanon	10'772	-	-	-	10'772
Other Middle East real estate	2'753	(815)	-	-	1'938
Total	**40'935**	**(815)**	**-**	**(3'385)**	**36'735**

In $'000	**2012**	Additions - retirements	Translation adjustments	Fair value revaluation	**2013**
Gefinor Building, Geneva	13'531	-	(187)	-	13'344
Byblos land, Lebanon	10'494	-	-	-	10'494
Kfardebian land, Lebanon	10'772	-	-	-	10'772
Other Middle East real estate	1'938	-	-	-	1'938
Total	**36'735**	**-**	**(187)**	**-**	**36'548**

- 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 an undeveloped real estate with a surface area of 848,856 square meters in the Byblos area of Lebanon.
- The Kfardebian land is an undeveloped real estate in a prime location with a surface of 8,618 square meters in Fakhra, Lebanon.
- Other Middle East Real Estate consists of undeveloped land in Lebanon. In September 2012 the land in Ras El Kaymah was sold to the government of Ras El Khayma for net proceeds of USD 544 thousand.
- Rental income from investment properties is disclosed in Note 19.

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT

In $'000	**2011**	Additions	Retirements	Translation adjustments	**2012**
Cost	5'300	204	(14)	(91)	5'399
Accumulated depreciation	(1'882)	(162)	(15)	47	(2'012)
Total	**3'418**	**42**	**(29)**	**(44)**	**3'387**

In $'000	**2012**	Additions	Retirements	Translation adjustments	**2013**
Cost	5'399	24	-	(66)	5'357
Accumulated depreciation	(2'012)	(40)	-	-	(2'052)
Total	**3'387**	**(16)**	**-**	**(66)**	**3'305**

Property, plant and equipment include property investment held for own use for an amount of USD 1,290 thousand (2012: USD 1,290 thousand). The fair value of the property investment held for own use is USD 5,000 thousand (2012: USD 5,000 thousand). The charge for accumulated depreciation is disclosed on the line "depreciation" of the consolidated statement of comprehensive income.

NOTE 11 - INTANGIBLE ASSETS

In $'000	**2011**	Business combinations	Additions	Impairment amortization	**2012**
Goodwill:					
General Company for Car Services SAL	745	-	-	(745)	-
Intangible assets					
Other intangible assets	60	-	1	(1)	60
Total	**805**	**-**	**1**	**(746)**	**60**

In $'000	**2012**	Business combinations	Additions	Impairment amortization	**2013**
Intangible assets					-
Other intangible assets	60	-	-	(21)	39
Total	**60**	**-**	**-**	**-**	**39**

General Company for Car Services SAL, the company managing the parking within the Real Estate Development Company SAL building was sold and included in the Real Estate Development Company SAL sale transaction. Accordingly the Goodwill recognized for General Company Car Services in amount of USD 745 thousand was impaired in 2012.

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	30.06.2013	31.12.2012
Short-term bank debt	4'579	4'678
Current portion of long-term bank debt	-	2'000
Bank overdraft	-	70
	4'579	**6'748**

Long-term borrowing and other long term payable:

	30.06.2013	31.12.2012
Long-term borrowing (net of current portion)	400	400
Long-term payable related parties	84	84
Mortgages (a)	13'105	13'346
	13'589	**13'830**

Debt is repayable as follows:

In $ '000	30.06.2013	31.12.2012
On demand or within one year	4'579	6'748
In the second year	276	276
In the third to fifth years	828	828
Subsequent years	12'485	12'726
	18'168	**20'578**

(a) USD 13.3 million of debt of Gefinor Finance SA is secured by a mortgage on the Gefinor Building in Geneva.

Interest expenses by financing category were as follows:

In $'000	30.06.2013	30.06.2012
Interest on bank debts	220	315
Interest on mortgage financing	-	140
Interest on deposits	300	37
Interest on other financial liabilities	10	17
	530	**509**

NOTE 13 - CLIENT DEPOSITS

In $'000	30.06.2013	31.12.2012
Deposits from		
Third parties, on demand	15'269	9'241
Third parties, short-term deposits	5'459	5'765
Due on demand to related parties		
Guarantee deposit from related party	3'010	32'220
Due to related parties	5'633	7'189
	29'371	**54'415**

Client deposits from third parties, on demand, represent current accounts of third parties clients with Gefinor Finance SA or Gefinor Management Limited bearing an interest rate of Libor 48 hours less 50 basis points.

Client deposits from third parties, short term deposits, represent term deposits of 3, 6 or 12 months of third parties clients with Gefinor Finance SA bearing an interest rate of the Libor for the corresponding term period.

Guarantee deposit from related parties is the cash collateral for the loan of Gefinor Finance SA to Real Estate and Commercial Development SAL for an amount of USD 3’010 thousand. The Guarantee deposit is bearing an interest of 1.5%. The guarantee deposit for the loan of Gefinor Finance SA to Gef Real Estate Holding SA was settled on June 30, 2013 as Gef Real Estate Holding SA settled its loan.

The deposits due to related parties are current accounts with Gefinor Finance SA or bearing an interest rate of Libor 48 hours less 50 basis points.

NOTE 14 - EQUITY

14.1. Capital

At June 30, 2013 and December 31, 2012 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.

14.2. 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.

14.3. Other reserve

In accordance with Luxembourg company law, Gefinor SA has allocated an amount of USD 23,567,000 as non-distributable reserve in relation to the pledge of Gefinor SA shares given by Gef Real Estate Holding SA to a wholly-owned subsidiary.

14.4. Treasury shares and dividend distribution in own shares

In May 2012, Gefinor Finance SA purchased from Basmala Establishment 737’850 Gefinor SA shares at USD 8.64 per share and Gefinor Finance SA sold these shares to another shareholder in May 2012 (see Note 22). The loss of USD 378 thousand is booked against Retained earnings.

In June 2012, Gefinor SA declared and paid a dividend in cash of USD 7 million. In addition to the distribution, the Company gave the opportunity to the shareholders to purchase treasury shares from the Company at USD 3.- per share in the amount of the dividend distributed.

Shareholders representing 20.98 million shares (56.6% of the outstanding shares) used their share of the dividend of USD 3.96 million to purchase 1’320’599 treasury shares at USD 3 per share. The remaining shareholders representing 16.09 million shares (43.4% of the outstanding shares) have chosen to take their cash dividend.

As December 31, 2012, Gefinor S.A. owned 1,615,525 (4.04%) of its own shares with a book value of USD 18.3 million.

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

As June30, 2013, Gefinor S.A. owned 448’858 (1.12%) of its own shares with a book value of USD 5.96 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 at corporate tax rates payable by these subsidiaries.

In $'000	30.06.2013	31.12.2012
Current tax liabilities	171	180
Other tax liabilities	254	370
	425	**550**

In $'000	30.06.2013	31.12.2012
Deferred tax liabilities		
Geneva Building	1'529	1'551
Land Lebanon	299	299
	1'828	**1'850**

Deferred taxes of USD 1’529 thousand (2012: USD 1’551 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 (2012: 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	30.06.2013	31.12.2012
Trade payables	450	525
Accrued expenses	300	429
Management fees to be paid	24	107
Dividends to be paid	11	34
Others	173	180
	958	**1'275**

Provisions

The other provisions consisted of a provision for contingencies of Gefinor Finance S.A. In 2012 this provision has been reversed and taken to profit and loss.

In $'000	2011	Additions	Utilisation	Re-measurement	2012
Provision for charges	175	67	(95)	-	147
Other provisions	321	-	(321)	-	-
Total	**496**	**67**	**(416)**	**-**	**147**

In $'000	2012	Additions	Utilisation	Re-measurement	2013
Provision for charges	147	-	-	-	147
Other provisions	-	18	-	-	18
Total	**147**	**18**	**-**	**-**	**165**

NOTE 17 – DIVIDENDS

In 2013, the Company received a dividend of USD 150 thousand from Development & Investment Company SAL (Garden City Project) and a dividend of USD 12 thousand from TAP Advisors Inc and a dividend of USD 22 thousand received by International Project Company.

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

In $'000	30.06.2013	30.06.2012
Net realized gains / (losses) on investments		
Others	-	79
	-	**79**
Net unrealized gains / (losses) on investments		
Financial assets at fair value through P &L	-	(6'467)
Geneva Building	(187)	-
Investment property at fair value	-	(690)
Others investments	138	-
	(49)	**(7'157)**

NOTE 19 - REAL ESTATE INCOME

Real Estate income consists of the rental income of the Geneva building of USD 84 thousand (2012: USD 385 thousand).

NOTE 20 - MANAGEMENT FEE INCOME

In $'000	30.06.2013	30.06.2012
Third parties		
Third parties	-	30
Related parties		
Gef Private Equity Partners, SPC	210	184
Gefus Capital Partners I, LP	-	139
Gefus Capital Partners II, LP	653	606
Gef Real Estate Holding SA	-	50
Other related parties	116	245
	979	**1'254**

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., under which Gefinor Management Limited has a general assignment consisting of, inter alia, the administrative and financial management of the principals. The remuneration received in relation to this agreement 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.

NOTE 21 - COMMITMENTS

At June 30, 2013, the Company has funding commitments in Gef Private Equity Partners, SPC of USD 1.2 million (December 31, 2012 : USD 1.3 million), funding commintment in Gefus Capital Partners II, LP of USD 13.2 million (December 31, 2012 : USD 13.2 million) and a funding commitment in Monterro I, AB Fund of SEK 9.43 million.

The minimum lease payments under non-cancellable operating leases represent USD 173’347 no later than one year and USD 1’418’254 later than one year and no later than five years.

NOTE 22 - OTHER RELATED PARTY INFORMATION

Remuneration allocated to the Board of Directors in 2013 is USD 20 thousand (2012: USD 20 thousand).

NOTE 23 - ASSOCIATED COMPANIES

The Company used to classify its investment in the Egyptian Company for General Investments as associated company. In 2012, as the Company is unable to obtain updated financial statements, this investment is impaired in full for an amount of USD 215 thousand.

NOTE 24 - CONSOLIDATED SUBSIDIARIES

Subsidiaries	Country	Effective Interest % 2013	Effective Interest % 2012
Gefinor Advisors Limited	Gibraltar	100	100
Gefinor Management Limited	Cayman	100	100
Gefinor Finance SA	Switzerland	100	100
Gefinor Finance SAL	Lebanon	100	100
Gefinor Capital Advisors Ltd	Cayman	100	100
Gefinor Capital Advisors S.A.	Switzerland	100	100
Gefinor Capital Advisors Inc.	USA	100	100
Gefinor Private Equity Limited	Gibraltar	100	100
Gefinor (USA) Inc.	USA	100	100
Gefinor Ventures Management Inc.	USA	100	100
Alexander Doll Company Inc.	USA	72	72
Gefinor Real Estate Limited	Gibraltar	100	100
International Project Company Limited Inc.	Panama	100	100
Globe Holding SAL	Lebanon	100	100
Société des Immeubles Modernes SAL	Lebanon	100	100
Real Estate and Commercial Development SAL	Lebanon	80	80

Transactions during the year ended December 31, 2012

In December 2012, the Company created a new Gibraltar Holding, Gefinor Advisors Limited, including all the operating companies of the Group.

In 2012, Gefinor Real Estate Limited sold Real Estate Development Company SAL (REDCO), a 100% subsidiary and owner of the Gefinor building in Beirut as well as the companies General Company for Car Services SAL, the company managing the parking in the building and Building Services SAL, the company managing the electrical generators in the building.

NOTE 25 –DISCONTINUED OPERATIONS

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

For the period ended June 30, 2013, the Net income of the discontinued operations was a loss of USD 20 thousand (June 30, 2012: Loss of USD 5’221 thousand).

<u>**June 30, 2012**</u>	**REDCO**	**ADC**	**SIM**	**TOTAL**
Operating Income				
Revenues	1'909	-	251	2'160
Redco dividend	15'000	-	-	15'000
Impairment investment valuation	(14'995)	-	-	(14'995)
ADC loan and asset impairement	-	(4'250)	-	(4'250)
IPCO subsidary sales	(745)			(745)
Total Operating Income	**1'169**	**(4'250)**	**251**	**(2'830)**
Total Operating Expenses	(600)	-	(291)	(891)
				-
Net Operating Income	**569**	**(4'250)**	**(40)**	**(3'721)**
Interest income	-	-	-	-
Interest expenses	-	-	-	-
Withholding taxes on dividend	(1'500)	-	-	(1'500)
Net Loss from discontinued operations	**(931)**	**(4'250)**	**(40)**	**(5'221)**

<u>**June 30, 2013**</u>	**REDCO**	**ADC**	**SIM**	**TOTAL**
Operating Income				
Gross profit	-	-	274	274
Income from investments	-	-	-	-
Income from services	-	-	-	-
Total Operating Income	**-**	**-**	**274**	**274**
Total Operating Expenses	-	-	(293)	(293)
Net Operating Income	**-**	**-**	**(19)**	**(19)**
Goodwill impairment	-	-	-	-
Net interest	-	-	-	-
Income tax expense	-	-	(1)	(1)
Net Loss from discontinued operations	**-**	**-**	**(20)**	**(20)**

Assets and liabilities classified as discontinued are as follows:

	Dec. 31, 2012	June 30, 2013
Current assets		
Cash and cash equivalents	1	1
Inventories	30	28
Trade receivables and other current assets	-	-
Totoal current assets	**31**	**29**
Non-current assets		
Property, plant and equipment	104	104
Total non-current assets	**104**	**104**
Total Assets	**135**	**133**
Current Liabilities		
Bank overdrafts and short term bank debt	-	1
Trade and other payables	182	199
Current tax liabilities	20	20
Total Current Liabilities	**202**	**220**
Equity		
Share capital	-	-
Retained earnings	-	-
Net income (loss)	(67)	(87)
Total Stockholders' Equity	**(67)**	**(87)**
Total Liabilities	**135**	**133**

The cash flows from discontinued operations are as follows:

	June 30, 2012	June 30, 2013
Cash Flow from Operating Activities		
Other operating assets and liabilities	2'210	(20)
Income taxes paid	(1'500)	-
Net Cash Flow fromOperating Activities	**710**	**(20)**
Cash flow from Financing Activities		
Interest received	-	-
Interest paid	(1'082)	-
Sale of assets	43'675	-
Dividend paid	(13'500)	-
Repayment of borrowings	(29'661)	-
Net Cash Flow from Financing Activities	**(568)**	**-**
Net increase / (decrease) in cash equivalents	**142**	**(20)**

NOTE 26 - BUSINESS SEGMENTS

The Group is active in three business segments: private equity, real estate and advisory and correspond exactly to the three investments held by Gefinor SA.

The Private Equity segment includes all investments held by Gefinor Private Equity Limited.
The Real Estate segment includes all investments held by Gefinor Real Estate Limited.
The Advisory segment includes all the operating companies held by Gefinor Advisors Limited.
The Corporate segment includes all the expenses incurred in the Luxembourg Securitization Company.

The figures presented below present the financial statements of the three investments held by Gefinor SA and correspond to the statements reviewed by the management and the Board of each investment.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Specific business segment information for 2013 and 2012 in accordance with the requirements of IFRS 8, is as follows:

NET ASSETS 2012	**Private Equity**	**Real Estate**	**Advisors**	**Corporate**	**Consolidation**	**Total**
in $'000	Dec. 31, 2012	Dec. 31, 2012	Dec. 31, 2012	Dec. 31, 2012	Dec. 31, 2012	Dec. 31, 2012
Segment current assets	1'101	2'807	48'536	20	8'675	61'139
Segment financial investments	13'117	23'543	17	-	(1'595)	35'082
Segment loans and advances	20'267	18'468	91'021	-	(76'454)	53'302
Segment investment property	-	23'204	13'530	-	-	36'734
Segment property, plant & Equipm.	105	101	3'286	-	(105)	3'387
Segment intangible assets	60	-	-	-	-	60
Assets classified as held for sale	-	135			-	135
Total Assets	**34'650**	**68'258**	**156'390**	**20**	**(69'479)**	**189'839**
Segment current liabilities	260	22'697	95'944	15'314	(71'227)	62'988
Segment Non-current liabilities	3'474	181	15'444	2'000	(5'272)	15'827
Liabilities classified as held for sale	-	202			-	202
Total Liabilities	**3'734**	**23'080**	**111'388**	**17'314**	**(76'499)**	**79'017**
Total Net Assets	**30'916**	**45'178**	**45'002**	**(17'294)**	**7'020**	**110'822**

NET ASSETS 2013 in $'000	Private Equity June 30, 2013	Real Estate June 30, 2013	Advisors June 30, 2013	Corporate June 30, 2013	Consolidation June 30, 2013	Total June 30, 2013
Segment current assets	402	2'799	43'519	19	13'296	60'035
Segment financial investments	13'632	23'543	17	-	(1'734)	35'458
Segment loans and advances	17'332	14'000	50'792	-	(57'968)	24'156
Segment investment property	-	23'204	13'343	-	1	36'548
Segment property, plant & Equipm.	105	104	3'201	-	(105)	3'305
Segment intangible assets	39	-	-	-	-	39
Assets classified as held for sale	-	133	-	-	-	133
Total Assets	**31'510**	**63'783**	**110'872**	**19**	**(46'510)**	**159'674**
Segment current liabilities	(9)	19'090	55'487	13'768	(53'003)	35'333
Segment Non-current liabilities	475	383	15'214	-	(490)	15'582
Liabilities classified as held for sale	-	220			-	220
Total Liabilities	**466**	**19'693**	**70'701**	**13'768**	**(53'493)**	**51'135**
Total Net Assets	**31'044**	**44'090**	**40'171**	**(13'749)**	**6'983**	**108'539**

NET INCOME 2012 in $'000	Private Equity June 30, 2012	Real Estate June 30, 2012	Advisors June 30, 2012	Corporate June 30, 2012	Consolidation June 30, 2012	Total June 30, 2012
Gross profit	-	-	-	-	-	-
Profit or loss of associates	-	-	-	-	-	-
Dividends	-	-	-		-	-
Real estate income	-	385	-	-	-	385
Realised gain /(losses) on investments	79	-	-	-	-	79
Unrealised gain /(losses) on investments	(6'467)	(690)	1'212	-	-	(5'945)
Income from services	-	-	1'186	-	-	1'186
Total Operating Income	**(6'388)**	**(305)**	**2'398**	**-**	**-**	**(4'295)**
Operating expenses	(20)	(130)	(2'736)	(40)	-	(2'926)
Depreciation	-	-	(74)	-	-	(74)
Net Operating Income	**(6'408)**	**(435)**	**(412)**	**(40)**	**-**	**(7'295)**
Interest income	-	-	272	-	-	272
Interest expenses	(5)	(5)	(469)	(35)	5	(509)
Non operating income / (expenses)	-	-	-	-	-	-
Income Before Tax	**(6'413)**	**(440)**	**(609)**	**(75)**	**5**	**(7'532)**
Taxes	(9)	-	(124)	-	-	(133)
Net Loss before discontinued ops.	**(6'422)**	**(440)**	**(733)**	**(75)**	**5**	**(7'665)**
Profit (loss) from discontinued ops.	(4'250)	(971)	-		-	(5'221)
Net Loss	**(10'672)**	**(1'411)**	**(733)**	**(75)**	**5**	**(12'886)**

GEFINOR S.A.

Société Anonyme

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

June 30, 2013

- continued -

NET INCOME 2013 in $'000	**Private Equity** June 30, 2013	**Real Estate** June 30, 2013	**Advisors** June 30, 2013	**Corporate** June 30, 2013	**Consolidation** June 30, 2013	**Total** June 30, 2013
Gross profit	-	-	-	-	-	-
Profit or loss of associates	-	-	-	-	-	-
Dividends	13	172	-		(1)	184
Real estate income	-	-	84	-	-	84
Realised gain /(losses) on investments	-	-	-	-	-	-
Unrealised gain /(losses) on investments	138	-	557	-	47	742
Income from services	(1)	-	1'022	(1)	(132)	888
Total Operating Income	**150**	**172**	**1'663**	**(1)**	**(86)**	**1'898**
Operating expenses	(19)	(137)	(3'491)	(184)	148	(3'683)
Depreciation	-	-	(59)	-	-	(59)
Net Operating Income	**131**	**35**	**(1'887)**	**(185)**	**62**	**(1'844)**
Interest income	12	27	1'331	0	(650)	720
Interest expenses	(10)	(439)	(540)	(166)	625	(530)
Non operating income / (expenses)	-	-	1	-	(1)	-
Income Before Tax	**133**	**(377)**	**(1'095)**	**(350)**	**36**	**(1'653)**
Taxes	(5)	-	(215)	(2)	-	(222)
Net Loss before discontinued ops.	**128**	**(377)**	**(1'310)**	**(352)**	**36**	**(1'875)**
Profit (loss) from discontinued ops.	-	(20)	-		-	(20)
Net Income (Loss)	**128**	**(397)**	**(1'310)**	**(352)**	**36**	**(1'895)**