

**GEFINOR S.A.**  
**Société Anonyme**  
**5 rue Guillaume Kroll**  
**L-1882 Luxembourg**

**R.C. B8282**

**Quarterly consolidated financial report for the period ended March 31, 2014**  
**(prepared in compliance with Art 5 para 2 of law of January 2008)**

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## MANAGEMENT REPORT

### For the period ending March 31, 2014

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#### 1. Net Income:

Total consolidated assets at March 31, 2014 were USD 153.3 million compared with USD 155.7 million as of December 31, 2013. Consolidated equity was USD 100.3 million compared with USD 100.6 million as of December 31, 2013. Consolidated comprehensive loss attributable to the owner of the Company was USD 0.3 million compared with consolidated comprehensive loss of USD 0.8 million in the same period in 2013.

#### 2. Investments

As at March 31, 2014, the Company holds three companies which have the responsibility for the management of their investments.

##### Gefinor Private Equity Limited, Gibraltar

Total consolidated assets of Gefinor Private Equity Limited at March 31, 2014 were USD 30.9 million (December 2013: USD 31.9 million), consolidated equity was USD 30.4 million (December 2013: USD 30.3 million) and net income was a profit of USD 70 thousand for the period (loss of USD 0.1 million for the period in 2013). The Gefinor Private Equity Limited'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.

##### ➤ Gefus Capital Partners II, LP

During the period under review the Gefinor Private Equity Limited invested an additional USD 1'487 thousand in Gefus Capital Partners II, LP. The company has a remaining funding commitment in Gefus Capital Partners II, LP of USD 9 million at March 31, 2014.

##### ➤ Gef Private Equity Partners, SPC

During the period under review, Gefinor Private Equity Limited invested USD 36 thousand in Gef Private Equity SPC and received USD 355 thousand in distributions. The remaining NAV is USD 6'200 thousand. The company has a remaining funding commitment in Gef Private Equity Partners, SPC of USD 1.1 million at March 31, 2014.

##### ➤ Monterro I, AB

Of its total commitment of SEK 10 million (approx. USD 1.38 million) Gefinor Private Equity Limited funded an additional USD 132 thousand during the period. The company has a remaining funding commitment in Monterro I, AB of USD 0.9 million at March 31, 2014

##### ➤ TAP Advisors, LLC

In agreement with the sale of the New York private equity business management executed in January 2014, the 4,4% interest in TAP Advisors LLC was sold for USD1.1 million and will be paid by a four year note to Gefinor (USA).

#### Gefinor Real Estate Limited, Gibraltar

Total consolidated assets of Gefinor Real Estate Limited at March 31, 2014 were USD 68.3 million, consolidated equity was USD 24.4 million (December 2013: USD 24.4 million) and net income was a profit of USD 30 thousand for the period (loss USD 0.3 million for the period in 2013).

#### ➤ Investments

In February 2014, the Development and Investment Company Ltd (The Garden City Project) distributed a dividend of USD 272 thousand to Gefinor Real Estate Limited.

In 2014, Gefinor Real Estate Limited sold the company Société des Immeubles Modernes SAL (SIM), the company managing the restaurant in the Redco building.

#### Gefinor Advisors Limited, Gibraltar

Total consolidated assets of Gefinor Advisors Limited at March 31, 2014 were USD 111 million, consolidated equity was USD 40 million (December 2013: USD 40.2 million) and net income was a loss of USD 1.1 million for the period of which an unrealised foreign exchange loss of USD 1 million resulting from an intercompany loan with a fully owned subsidiary. The net comprehensive income including the translation adjustment results in a loss of USD 0.3 million

The Geneva advisory operations were transferred to a new Swiss entity of which Gefinor Finance SA holds 44.5% and has funded CHF 445 thousand. The New York private equity management operations were sold to the management team and an investment partner. The net impact of these two transactions is a loss of USD 33 thousand for the period compensated by a substantial decrease of the overheads by almost USD 1.1 million in comparison to the same period of the previous year and by a positive impact of USD 600 thousand on the net operating income also in comparison to the same period of the previous year.

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Société Anonyme

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**

Period ended March 31, 2014

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

	<u>31.03.2014</u>	<u>31.03.2013</u>
<b>Operating Income</b>		
Dividends	272	13
Real estate income	111	-
Net realised gains / (losses) on investments	(33)	-
Net unrealised gains / (losses) on investments	367	(449)
Foreign exchange gains / (losses)	(1'115)	1'059
<b>Income (Loss) from Investments</b>	<b>(398)</b>	<b>623</b>
Management fee income	50	431
Net commission income / (expenses)	(10)	(6)
<b>Income from Services</b>	<b>40</b>	<b>425</b>
<b>Total Operating Income (Loss)</b>	<b>(358)</b>	<b>1'048</b>
<b>Operating Expenses</b>		
Personnel	(306)	(1'002)
Office	(81)	(259)
Professional fees	(158)	(313)
Management fees	(200)	-
Other general administrative expenses	(25)	(283)
Depreciation	(31)	(29)
<b>Total Operating Expenses</b>	<b>(801)</b>	<b>(1'886)</b>
<b>Net Operating Income (Loss)</b>	<b>(1'159)</b>	<b>(838)</b>
Interest income	389	342
Interest expense	(241)	(235)
<b>Net Interest</b>	<b>148</b>	<b>107</b>
Other income / (expenses)	(1)	5
<b>Income (Loss) Before Tax</b>	<b>(1'012)</b>	<b>(726)</b>
Income tax expenses	(91)	(167)
<b>Net Loss before discontinued operations</b>	<b>(1'103)</b>	<b>(893)</b>
Profit (loss) from discontinued operations	-	(50)
<b>Net Loss</b>	<b>(1'103)</b>	<b>(943)</b>
Other Comprehensive Income, net of tax		
Revaluation of available -for-sale investments	77	-
Exchange difference on translating foreign operations	736	171
<b>Total Comprehensive Income (Loss) for the year</b>	<b>(290)</b>	<b>(772)</b>
Weighted average shares outstanding	39'551'142	38'384'475
Basic and Diluted Earnings per share from continuing and discontinuing operations (expressed in USD dollars per share)	<b>(0.0279)</b>	<b>(0.0246)</b>
Basic and Diluted Earnings per share from continuing operations (in USD dollars per share)	<b>(0.0279)</b>	<b>(0.0233)</b>

GEFINOR S.A.  
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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
March 31, 2014  
(expressed in thousands of US dollars)

	<u>31.03.2014</u>	<u>31.12.2013</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	21'365	26'805
Trading investments	1'859	1'822
Loans and advances	35'169	32'665
Trade receivables and other current assets	4'820	4'256
<b>Total Current Assets</b>	<u>63'213</u>	<u>65'548</u>
<b>Non-Current Assets</b>		
Financial assets at fair value through P&L	37'149	36'455
Available for sale investments	9'194	9'759
Loans and advances	859	1'305
Investment property	39'426	39'157
Property, plant and equipment	3'399	3'410
Intangible assets	39	39
<b>Total Non-Current Assets</b>	<u>90'066</u>	<u>90'125</u>
<b>Total Assets</b>	<u><u>153'279</u></u>	<u><u>155'673</u></u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Bank overdrafts and short term bank debt	8'571	8'579
Client deposits	25'908	27'434
Trade and other payables	2'105	3'072
Current tax liabilities	273	352
<b>Total Current Liabilities</b>	<u>36'857</u>	<u>39'437</u>
<b>Non-Current Liabilities</b>		
Borrowings and other long term payable	14'049	13'904
Deferred tax liabilities	1'929	1'596
Provisions	189	189
<b>Total Non-Current Liabilities</b>	<u>16'167</u>	<u>15'689</u>
<b>Equity</b>		
Share capital	50'000	50'000
Reserves	35'448	35'448
Reserves for revaluation AFS investments	(77)	(154)
Retained earnings	21'084	27'560
Treasury shares	(5'096)	(5'096)
Net income (loss)	(1'104)	(7'211)
<b>Total Stockholders' Equity</b>	<u>100'255</u>	<u>100'547</u>
<b>Total Liabilities</b>	<u><u>153'279</u></u>	<u><u>155'673</u></u>

