

GEFINOR S.A.
Société Anonyme
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Quarterly consolidated financial report for the period ended September 30, 2014
(prepared in compliance with Art 5 para 2 of law of January 2008)

MANAGEMENT REPORT

For the period ending September 30, 2014

1. Net Income:

Total consolidated assets at September 30, 2014 were USD 145.9 million compared with USD 155.7 million as of December 31, 2013. Consolidated equity was USD 99.1 million compared with USD 100.6 million. Consolidated comprehensive loss attributable to the owner of the Company was USD 1.6 million compared with consolidated comprehensive loss of USD 4.6 million in the same period in 2013.

2. Investments

Gefinor Private Equity Limited, Gibraltar

➤ Gefus Capital Partners I, LP

The partnership continues to be focused on finding realization events in an effort to wind down the remaining portfolio while maximizing cash returns.

➤ Gefus Capital Partners II, LP

During the period, Gefinor Private Equity Limited invested an additional USD 4'804 thousand in Gefus Capital Partners II, LP. The partnership has now called 64% of its committed capital. On November 18, 2014 M/A-COM Technology Solutions Holdings Inc. (Nasdaq:MTSI) (MACOM), a leading supplier of high performance RF, microwave and millimeter wave products, announced that it entered into a definitive agreement to acquire Binoptics Corporation, a Gefus II portfolio company, in an all cash transaction valued at USD 230 million.

➤ Gef Private Equity Partners, SPC

During the period under review, the Company invested USD 47 thousand in Gef Private Equity SPC and received USD 533 thousand in distributions. The remaining NAV is USD 5'689 thousand.

➤ Monterro I, AB

Gefinor Private Equity Limited has committed SEK 10 million (approx. USD 1.38 million) to Monterro I, AB Fund a Scandinavian growth equity fund targeting software companies in the Nordic region., of which USD 148 thousand was funded during the period.

➤ Gef Opportunities

During the period Gefinor Private Equity Limited invested USD 2 million in Gef Opportunities Fund, a securities fund managed by Gefinor Capital Inc. in New York.

For the period ending September 30, 2014 the net result is a loss of USD 1.5 million.

Gefinor Real Estate Limited, Gibraltar

➤ Sale of Lebanese Real estate

In June 2014, Gefinor Real Estate Limited (GREL) has, in a first step, sold its interest in Globe Holding SAL (Globe) to Lebanese investors. In a second step, GREL has sold to Globe

its interest in International Project Company Limited Inc., which owns the interests in the lands in Byblos, Kfardebian and Aramoun.

GREL has provided the financing to Globe through a loan (bonds) for a total of USD 25 million. GREL as bond holder will keep the same economical rights and benefits in the assets sold as the Globe shareholders.

The sale of the interest of 7.7% in the Garden City Project in Beirut (formerly New City) has been cancelled by mutual agreement between GREL and Globe.

➤ Others

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

For the period ending September 30, 2014 the net result is a loss of USD 0.7 million.

Gefinor Finance Holding Limited, Gibraltar

The finance activity regroups the operations of Gefinor Management Limited, Gefinor Finance SA, and Gefinor Finance SAL.

Gef Real estate Holding SA settled USD 8.5 million and the Company agreed to extend the outstanding principal of USD 15'394 thousand until December 31, 2014. The loan is guaranteed by a pledge of Gefinor SA shares held by GRESA.

For the period ending September 30, 2014 the net result is a profit of USD 1.5 million.

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

Period ended September 30, 2014

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

	<u>30.09.2014</u>	<u>30.09.2013</u>
Operating Income		
Dividends	279	184
Real estate income	464	105
Net realised gains / (losses) on investments	94	-
Net unrealised gains / (losses) on investments	(1'705)	(79)
Foreign exchange gains / (losses)	2'567	(1'052)
Income (Loss) from Investments	1'699	(842)
Management fee income	146	1'657
Net commission income / (expenses)	(35)	(170)
Income from Services	111	1'487
Total Operating Income (Loss)	1'810	645
Operating Expenses		
Personnel	(988)	(3'729)
Office	(343)	(783)
Professional fees	(359)	(892)
Management fees	(600)	-
Other general administrative expenses	(72)	(560)
Depreciation	(81)	(92)
Total Operating Expenses	(2'443)	(6'056)
Net Operating Income (Loss)	(633)	(5'411)
Interest income	1'338	1'078
Interest expense	(602)	(684)
Net Interest	736	394
Other income / (expenses)	1	(167)
Income (Loss) Before Tax	104	(5'184)
Income tax expenses	(255)	(311)
Net Income (Loss) before discontinued operations	(151)	(5'495)
Profit (loss) from discontinued operations	-	(20)
Net Income (Loss)	(151)	(5'515)
Other Comprehensive Income, net of tax		
Revaluation of available -for-sale investments	-	-
Exchange difference on translating foreign operations	(1'453)	933
Total Comprehensive Income (Loss) for the year	(1'604)	(4'582)
Weighted average shares outstanding	39'551'142	38'578'920
Basic and Diluted Earnings per share from continuing and discontinuing operations (expressed in USD dollars per share)	(0.0038)	(0.1430)
Basic and Diluted Earnings per share from continuing operations (in USD dollars per share)	(0.0038)	(0.1424)

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
 September 30, 2014
 (expressed in thousands of US dollars)

	<u>30.09.2014</u>	<u>31.12.2013</u>
ASSETS		
Current Assets		
Cash and cash equivalents	14'773	26'805
Trading investments	3'790	1'822
Loans and advances	37'107	32'665
Trade receivables and other current assets	4'728	4'256
Total Current Assets	<u>60'398</u>	<u>65'548</u>
Non-Current Assets		
Financial assets at fair value through P&L	38'083	36'455
Available for sale investments	3'211	9'759
Investment in associated companies	471	-
Loans and advances	26'976	1'305
Investment property	13'684	39'157
Property, plant and equipment	3'078	3'410
Intangible assets	39	39
Total Non-Current Assets	<u>85'542</u>	<u>90'125</u>
Total Assets	<u><u>145'940</u></u>	<u><u>155'673</u></u>
LIABILITIES		
Current Liabilities		
Bank overdrafts and short term bank debt	5'785	8'579
Client deposits	24'719	27'434
Trade and other payables	1'414	3'072
Current tax liabilities	272	352
Total Current Liabilities	<u>32'190</u>	<u>39'437</u>
Non-Current Liabilities		
Borrowings and other long term payable	12'945	13'904
Deferred tax liabilities	1'504	1'596
Provisions	204	189
Total Non-Current Liabilities	<u>14'653</u>	<u>15'689</u>
Equity		
Share capital	50'000	50'000
Reserves	35'448	35'448
Reserves for revaluation AFS investments	-	(154)
Retained earnings	18'896	27'560
Treasury shares	(5'096)	(5'096)
Net income (loss)	(151)	(7'211)
Total Stockholders' Equity	<u>99'097</u>	<u>100'547</u>
Total Liabilities	<u><u>145'940</u></u>	<u><u>155'673</u></u>

