

## Playing a Vital Role

Annual Report 2011

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His Royal Highness  
Prince Khalifa bin Salman  
Al Khalifa  
The Prime Minister



His Majesty  
King Hamad bin Isa  
Al Khalifa  
The King of the  
Kingdom of Bahrain



His Royal Highness  
Prince Salman bin Hamad  
Al Khalifa  
The Crown Prince,  
and Deputy Supreme Commander

**Bahrain Mumtalakat Holding Company B.S.C.(c)**

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Road 2813,  
The Seef District, 428

P.O. Box 820,  
Manama,  
Kingdom of Bahrain

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## Integrity

We conduct our day-to-day business with fairness, honesty and reliability.

## About Mumtalakat

**Bahrain Mumtalakat Holding Company B.S.C. (c) (“Mumtalakat”)** is the investment company for the Kingdom of Bahrain, and was established in June 2006 by Royal Decree as an independent holding company for the government of Bahrain’s strategic non-oil and gas related assets.

Mumtalakat was created to align and implement the execution of the government’s initiatives to pursue value-enhancing opportunities, improve transparency and help achieve operational excellence for its state-owned assets.



## OUR VISION

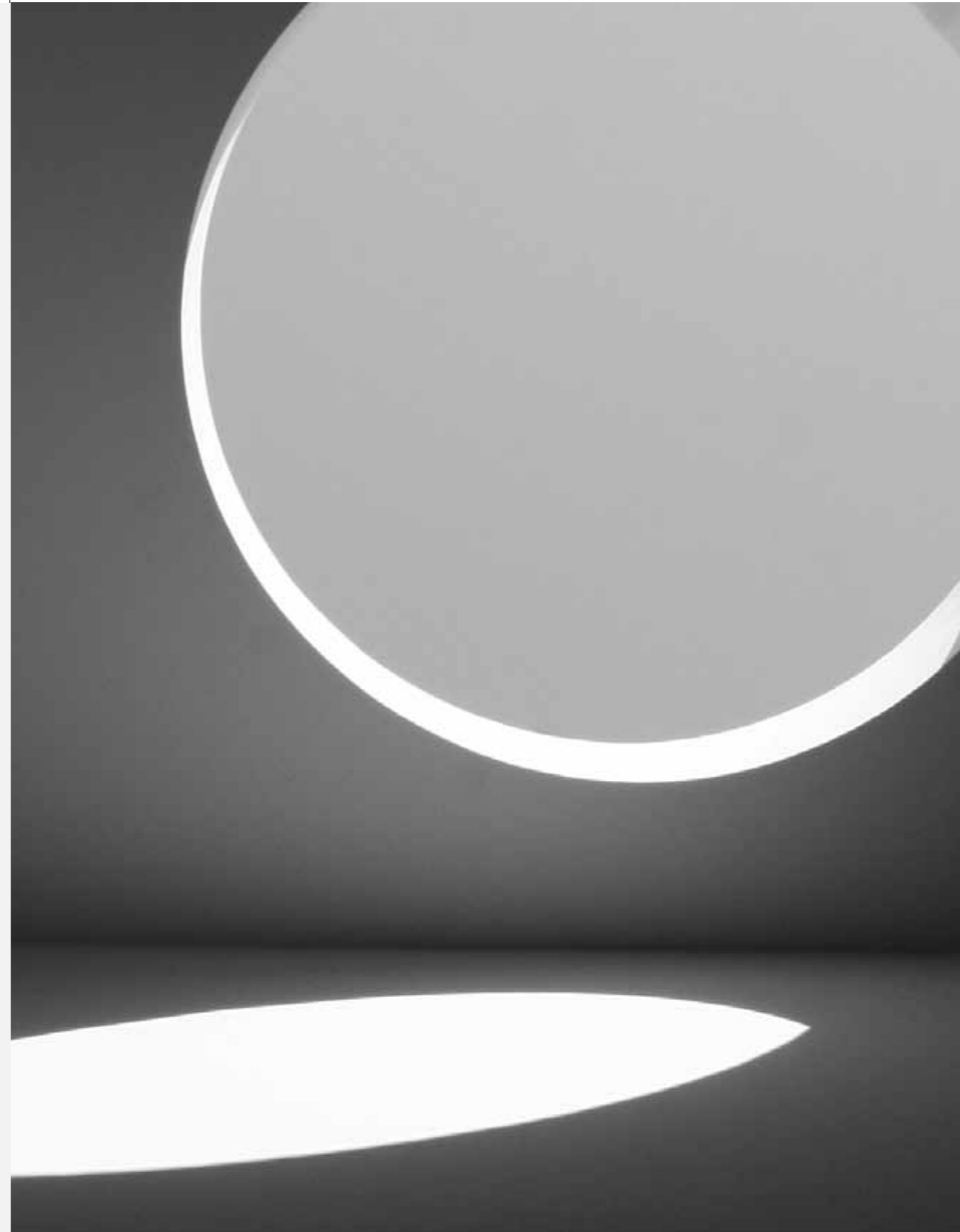
Mumtalakat’s vision, as the investment arm of the Kingdom of Bahrain, is to grow the wealth of Bahrain.

## OUR MISSION

- › **A DEDICATED TEAM:**  
Mumtalakat is attracting, developing and empowering talented individuals, drawn together by a unique culture, based on respect, openness and excellence.
- › **VALUE CREATION IN STRATEGIC ASSETS:**  
Mumtalakat is driving value creation in the strategic non-oil and gas related assets of Bahrain.
- › **A WELL DIVERSIFIED AND BALANCED PORTFOLIO:**  
Mumtalakat seeks investment opportunities across borders and asset classes, to build a well-diversified and balanced portfolio.
- › **A WELL GOVERNED INSTITUTION:**  
Mumtalakat is building a best-in-class organisation which is committed to the highest standards of transparency and corporate governance.

## Transparency

We always maintain the highest standards of international corporate governance and openness.



## Chairman's Introduction

**Despite the global and regional economic volatility that was experienced in 2011, Mumtalakat delivered a robust financial performance and continued to play its vital role in managing a portfolio of cornerstone assets for the Kingdom's economy.**

The appointment of a new Board of Directors in October 2011 emphasized the importance of these assets to Bahrain and reaffirms the strong links with the Kingdom's government.

During this volatile period, the portfolio of non-oil and gas related assets benefited from Mumtalakat's

commitment to drive value enhancement through transparency and strong corporate governance, while maintaining financial discipline and a prudent approach to investment.

We remain in a strong financial position and moving forward, Mumtalakat will continue to play



a vital role in the growth and diversification of Bahrain's economy. It is likely that future investments and partnerships will focus not only on the Kingdom but also across the wider region.

Khalid bin Abdulla Al Khalifa  
Chairman of the Board of Directors

## Letter From The Deputy Chief Executive Officer

**2011 can certainly be characterised as a challenging year. Globally, the economic uncertainty continued unabated while the MENA region faced its own economic, social and political challenges.**

In Bahrain, this volatile situation inevitably had an impact in some sectors, and the Kingdom did not reach the level of economic growth that had been anticipated.

Mumtalakat's portfolio of assets operated at full capability throughout this period, with the sole exception of Gulf Air B.S.C. ("Gulf Air"), which was affected by a downturn in passenger traffic to the region. Naturally this also affected its financial performance for the year.

Nevertheless, Mumtalakat continued to work closely with the Gulf Air management team to address these challenges and the legacy issues that

the airline faces, with the objective to create a sustainable airline that serves the needs of the Kingdom of Bahrain.

Mumtalakat's focus on value creation and protection, improving operational efficiencies and its emphasis on strong corporate governance has continued to support growth across all assets. These included Aluminium Bahrain B.S.C. ("Alba"), which achieved record production; Gulf Aviation Academy ("GAA"), which received industry recognition for the range and quality of its courses; and National Bank of Bahrain B.S.C. ("NBB"), which grew its assets and operating income.



The appointment of a new Board of Directors on 1st October 2011 further strengthened the organisation's links with the government. 2011 also saw the institution establish an external portfolio, consisting of several asset classes, each being managed by carefully selected global asset managers.

The financial outlook for Mumtalakat is robust, with a strong cash position and a conservative long-term debt profile. Moving forward, the focus will be on investments and

partnerships in the Kingdom and in the region, as Mumtalakat continues to focus on growing the wealth of Bahrain.

Mr. Mahmood Al Kooheji  
Deputy Chief Executive Officer

*Mr. Mahmood Al Kooheji was appointed as Chief Executive Officer in March 2012.*



## Teamwork

We work collaboratively as a team and build upon each others strengths to achieve our goals.



## Board of Directors



H.E. Shaikh Khalid bin Abdulla Al Khalifa  
*Deputy Prime Minister & Chairman of the Board of Directors*



H.E. Mr. Kamal bin Ahmed Mohammed  
*Transport Minister & Deputy Chairman of the Board of Directors*



H.E. Shaikh Ahmed bin Mohammed Al Khalifa  
*Minister of Finance for the Kingdom of Bahrain*



H.E. Shaikh Mohammed bin Essa Al-Khalifa  
*Political and Economic Affairs Advisor at HRH Crown Prince's Court*



Mr. Mahmood Hashim Al Kooheji  
*Chief Executive Officer, Mumtalakat*



Dr. Samer Al Jishi



H.E. Mr. Essam Abdulla Khalaf  
*Minister of Works*



Dr. Esam Abdulla Fakhro



Mr. Redha Abdulla Faraj



## **Accountability**

We take responsibility for our decisions and continually strive to improve our performance.

## Our Portfolio

	Ownership %
<b>SUBSIDIARIES</b>	
Aluminium Bahrain BSC (ALBA)	69.38%
Atbahrain	100.00%
Awali Real Estate Company	100.00%
Bahrain Airport Company	100.00%
Bahrain Food Holding Company	100.00%
Bahrain International Circuit Company	100.00%
Bahrain Real Estate Company (EDAMAH)	100.00%
Falcon Group Holding Company	100.00%
Gulf Air	100.00%
Gulf Air Holding Company	100.00%
Gulf Aviation Academy	100.00%
Gulf Technics	100.00%
Howar Island Development Company	100.00%
Tourism Project Company	100.00%
<b>ASSOCIATES</b>	
Bahrain Exhibitions and Conventions Company	33.33%
Bahrain Telecommunications Company (BATELCO)	36.67%
Durrat Khaleej Al Bahrain Company	50.00%
Gulf Aluminium Rolling Mill Company (GARMCO)	37.29%
Howar Holding Company	33.33%
McLaren Group Limited	50.00%
McLaren Automotive Limited	40.87%
National Bank of Bahrain	49.00%
Southern Area Development Company	28.13%

### NON TRADING INVESTMENTS

Al Jazeera Tourism Company	19.65%
Arab Company for Drug Industries & Medical Appliances (ACDIMA)	1.01%
Arab Maritime Petroleum Transport Co.	3.80%
Arab Petroleum Investment Corporation	3.00%
Arab Petroleum Services Company	3.00%
Arab Satellite Company (ARABSAT)	2.50%
Arab Shipbuilding & Repair Yard (ASRY)	18.82%
Bahrain International Golf Course	14.29%
Dar Almal Al-Islami	0.12%
Gulf International Bank (GIB)	0.44%
Gulf Investment Company (GIC)	16.67%
Oasis Capital Bank	3.89%
OCB Education Solutions	9.00%
The Arab Investment Company	1.71%
United Arab Shipping Company	1.59%

Note: Bahrain Food Holding Company holds Mumtalakats' stakes in Bahrain Flour Mill (65.7%), General Poultry Company (100%) and Bahrain Livestock Company (25%)

## Operational and Financial Review

**Mumtalakat's financial results for the year ending 31 December 2011 showed improved revenues and a significantly reduced operating loss.**

Mumtalakat reported an increase in 2011 consolidated revenue and gross profit by 8.4% and 5.5% respectively, compared to 2010, primarily due to strong performance of Aluminium Bahrain. Several restructuring initiatives were undertaken at Gulf Air to reduce operating losses, achieve cost efficiencies and improve the quality of the airline's product offering and customer service.

However, the regional geo-political situation and higher fuel costs significantly affected the operations of Gulf Air and resulted in a higher operating loss compared to 2010.

Nevertheless, Mumtalakat reduced its 2011 consolidated operating loss by almost 88% to BD5.9 million, from BD48.9 million in 2010.

The share of profit from associate companies declined by approximately 11% as a result of lower operating income in these companies. This, coupled with higher impairment losses (BD316.5 million in 2011 compared to BD191.2 million in 2010) resulted in a consolidated net loss of BD270.6 million in 2011 (2010: BD234.3 million).

From an operational perspective, the focus remained on value creation and protection in the portfolio, growth initiatives and emphasising corporate governance. Despite the global and regional economic challenges, which inevitably had an impact on existing assets, a number of the key portfolio companies achieved considerable success during the year:

- > Aluminium Bahrain remains a key contributor to Mumtalakat and to the local economy.
- > Gulf Aviation Academy exhibited strong momentum in 2011 and is an example of what Mumtalakat can do to create value.
- > National Bank of Bahrain also achieved steady growth in its quarterly income assets whilst cost to income ratio declined. NBB's net profit of BD45.64 million grew by 6.1% year on year as a result of the management's focus on business development whilst exercising effective control over operating costs.
- > McLaren Automotive Limited successfully launched the high-performance sports car,

- the MP4-12C, and broadened its shareholder's base.
- > Bahrain Telecommunications Company B.S.C. ("Batelco") maintained a steady position in its domestic markets but was impacted by the very competitive environment and therefore is exploring growth options beyond Bahrain.

Mumtalakat also made significant progress with the development and construction of an external portfolio managed by some of the world's leading asset managers. Following the approval of a Strategic Asset Allocation by Mumtalakat's Board of Directors in October 2010, a number of specialised asset managers were appointed to manage a portion

of the external portfolio that currently spans across ten different asset classes. Since its inception, the external portfolio has consistently beaten the benchmarks that had been set. The purpose of the external portfolio is to enhance the liquidity profile of Mumtalakat's assets, broaden its risk exposure and over time reduce volatility and generate more resilient financial results.

## Aluminium Bahrain B.S.C. ("Alba")

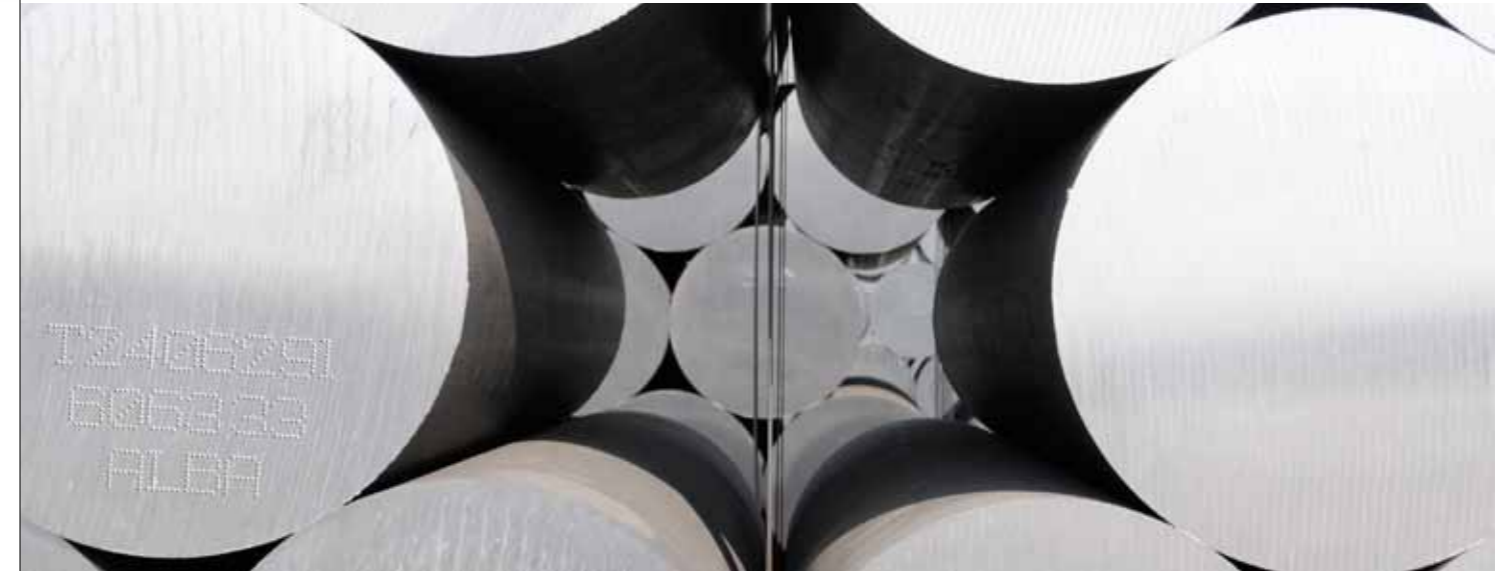
**Alba continued to deliver a solid performance in 2011 with the company's net income increasing by 54% to reach US\$564 million.**

The company's cash savings targets were exceeded by US\$3 million with annual savings reaching US\$75 million by year-end. The Company's strong financial performance was due to the management teams continued efforts to improve Alba's operational efficiency and favourable price environments for aluminium.

On efficiency, the management introduced a number of productivity and quality initiatives such as Six-Sigma and implemented

lean management techniques to build a suitable working and more productive environment.

The operational improvement initiatives resulted in the creation of additional value to the company of US\$246 million. In addition the company achieved in 2011 the highest metal production in its 40-year history with 881,310 metric tonnes, a substantial leap from 850,700 metric tonnes achieved the previous year.



Noticeably, Alba revenue increased by 4.5% by improving sales of higher value-added products, focusing on emerging markets and acquiring new clients. The company opened its first office in Hong Kong to better cater to the region's customer base.

The 2011 financial results and operating achievements reflect Mumtalakat's ability for sustainable improvement, its commitment to the future and growth through pro-active initiatives.

## Gulf Aviation Academy B.S.C. ("GAA")

**GAA is well positioned to address, out of Bahrain, the commercial aviation training needs of regional and international airlines.**

Gulf Aviation Academy, a fully owned subsidiary formed by Mumtalakat in 2009, offers a comprehensive range of training programmes for all aviation staff including pilots, cabin crew and ground staff. The training facility operates 24 hours a day, seven days a week with internationally qualified training staff.

The Academy plays a major role in supporting the economy of the Kingdom of Bahrain as it offers training and employment opportunities for Bahraini nationals who wish to be trained as pilots. This year GAA signed two major agreements with Bahrain's Labour Fund (Tamkeen) to offer training to over 180 Bahraini candidates

through the Ab-Initio Pilot Training Programme (APTP) and the Type Rating Training Programme (TRTP). The agreement value exceeded BD4.4 million.

GAA also increased its client base, acquiring 16 new clients in 2011, with the academy providing training services for new clients including Bahrain Air, Qatar Airways, Etihad Airways and Jazeera Airways. This was as a result of the quality programs delivered by GAA's qualified and experienced team.

The International Air Transport Association (IATA) awarded GAA two significant accreditations, "Regional Training Partner" and



"Authorised Training Center", which makes the academy the only independent aviation training provider in the MENA region with IATA RTP and ATC accreditation. This will enable the academy to offer a wide range of IATA approved courses.

The academy expanded its portfolio by adding an Embraer 170/190 full flight simulator to cater for the needs of regional airlines and airliners operating Embraer aircrafts, including Gulf Air and Royal Jordanian. The academy also purchased an Airbus A330 full flight simulator from CAE, which will be delivered next year.

At the Aviation Business Awards 2011, Gulf Aviation Academy was named as the "Training and Education Provider of the Year" as a recognition of the range of courses the academy offers and the quality of the training services it provides, positioning it as a key training center in the region for the aviation industry.

## Corporate Responsibility

We recognize the social and environmental impact of our investment decisions and act as a catalyst for positive change in our community.





## Corporate Governance

As a shareholder, Mumtalakat is committed to achieving a high level of corporate governance at its portfolio companies. Mumtalakat believes that good governance combined with skilled managers and capable board members will increase shareholder value. Furthermore, well-governed companies benefit employees, vendors and the community as a whole.

Mumtalakat recognises that the businesses it is responsible for took decades to build and currently employ thousands of Bahrainis. These businesses are a source of wealth and employment for current and future generations. It is a serious and important responsibility to be entrusted with such businesses and to be charged with increasing their value. By constantly striving to improve efficiencies and by remaining globally competitive, our companies and assets will be able to secure a safe and sustainable future for shareholders, employees and all other stakeholders.

In keeping with its commitment to corporate governance, Mumtalakat expects its nominee directors to ensure that portfolio companies are governed in accordance with the Bahrain Code of Corporate Governance and international best practices.



The Code was developed and put in to operation after several years of study involving a National Steering Committee on Corporate Governance. The committee consisted of experts from the government, academia, the banking and accounting sectors, other members of the business community in Bahrain, and international advisors.

A principal purpose of the Code is to define the relationship between the board of directors, the managers, and the shareholders of a company to ensure transparency, accountability, fairness and responsibility in firms of all sizes. Although the Code currently applies to listed companies, Mumtalakat expects its portfolio companies, whether listed or unlisted, to operate in compliance with the Code.

The Code is based upon nine core principles of corporate governance reflecting international best practices including the areas of board evaluation, internal control, remuneration of officers and directors, shareholder participation and publicly available written corporate governance guidelines. The Code supplements the Companies Law, but goes beyond the requirements of Companies Law on several points. Examples include the Code's recommendations that the Chairman of the Board and the CEO should not be the same person and that at least 50% of the members of the board of directors should be non-executive directors.

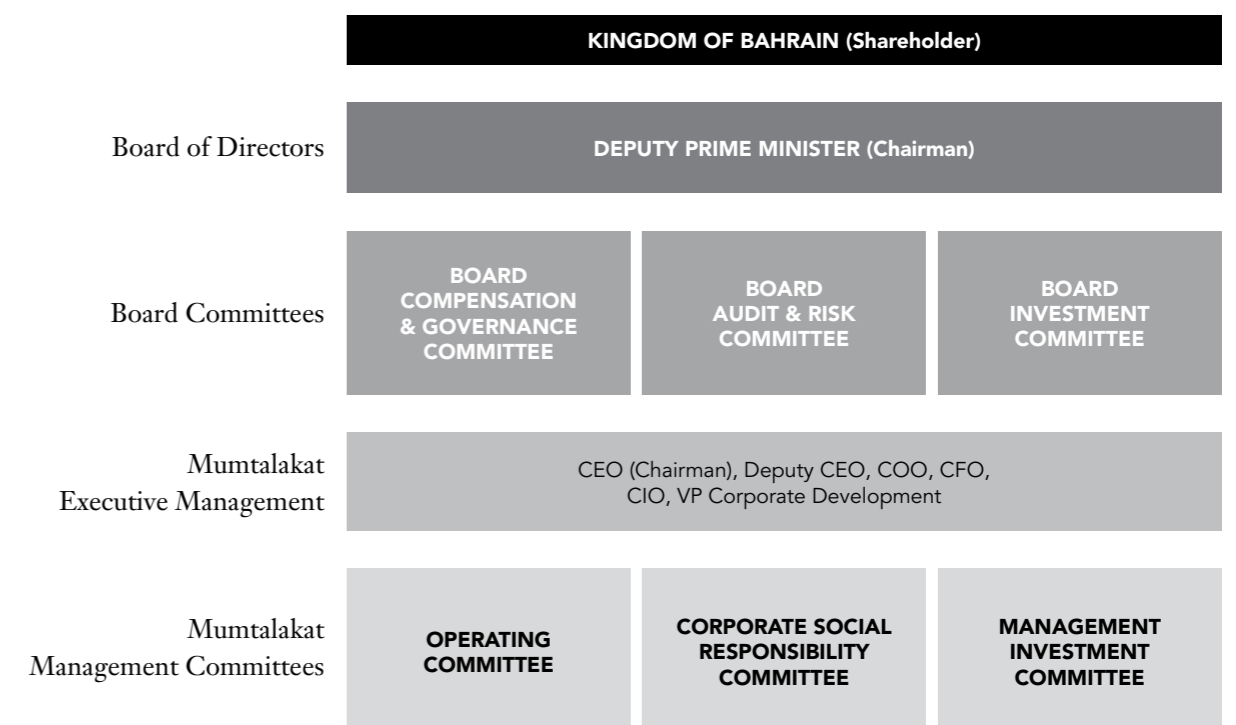
## Corporate Governance (CONT.)

The Code also calls for companies to operate within a “comply or explain” corporate governance framework, which means that companies should comply with the recommendations, or give an explanation in the case of non-compliance.

In the future, Mumtalakat will introduce a Directors’ Handbook that gives directors guidance as to Mumtalakat’s expectations and provides clear direction on the respective responsibilities of the shareholder, the directors, and executive management. In addition, Mumtalakat will provide its directors with other tools and analytical support to ensure that they have the best resources to fulfill their responsibilities. Finally, Mumtalakat will also implement a process for selecting and monitoring directors to ensure that the boards have the necessary skills and talents to run portfolio companies.

Mumtalakat is subject to regular audits of its operations from Ernst & Young, its external auditor, KPMG, its internal auditor, and the National Audit Court of the Kingdom of Bahrain.

The corporate governance structure of Mumtalakat is as follows:



## The Community

Mumtalakat is committed to supporting and developing the local community in Bahrain through involvement in a number of initiatives to support entrepreneurship, education, and community ties.

Mumtalakat has an active Corporate Social Responsibility Committee which meets regularly to assess what initiatives to undertake and determine how its charitable support can best be directed. The Committee is formed of members of Mumtalakat's senior management team and is supervised by the Board of Directors.

With the generous help of the Platinum Sponsors, Alba and Batelco, Mumtalakat supported the 6th annual Action Learning Programme in August 2011, an initiative that was organised by the Crown Prince's International Scholarship Program (CPISP). Teams, consisting of CPISP students and delegates from the participating organizations, presented recommendations to the real business challenges assigned to them at the launch of the program in June 2011. They also shared their experiences of personal growth and development via this project, which is based on the concept of Action Learning – an educational process where participants study their own actions and experiences to improve performance.



Six recipients of the Crown Prince International Scholarship Program (CPISP) along with ten University of Bahrain students completed a two-month summer internship at Mumtalakat.

In addition, Mumtalakat supported the Tamkeen Business Quiz Show, a series of events which gathered teams of participants from the Kingdom's leading companies across important sectors including: banking, insurance, telecommunications and industrials to compete against one another in a business-focused quiz challenge. The show successfully utilised the Holy Month of Ramadan to promote unity and team work among Bahraini businesses and the community at large, whilst also building awareness of Bahrain's key industries, companies and its talents.

Furthermore, Mumtalakat reaffirmed its on-going commitment towards gender equality through its support of Bahrain Women's Day.

## Shareholder Value

We make sound and commercially viable investment decisions.



## Financial Summary and Statements

**The Board of Bahrain Mumtalakat Holding Company (hereinafter referred to as the “Group”) is pleased to present its report along with the audited consolidated financial statements for the year ending 31 December 2011.**

### FINANCIAL HIGHLIGHTS

The Group registered a total comprehensive loss of BD281 million with an increase in revenue and gross margins of 8.4% and 5.5% respectively. The operating loss was BD6 million and net loss after taking into consideration interest expense, fair value gain/(loss) on derivatives and impairment losses was BD270.6 million compared to the net loss of BD234.3 million for the year ending 31 December 2010.

The Group's total assets and equity attributable to shareholder of the parent as at 31 December 2011 were BD4.2 billion and BD2.3 billion respectively (2010: BD5 billion and BD3 billion respectively).

The movement in equity attributable to shareholder of Bahrain Mumtalakat Holding Company is as follows:

	BD '000
Balance as at December 31, 2010	3,028,384
Total comprehensive income/(loss)	(345,821)
Contribution by the shareholder	14,650
Distribution of assets to shareholder	(384,128)
Balance as at December 31, 2011	2,313,085

The increase in Group revenues was primarily due to the strong performance of Alba. The increase in LME price of aluminium coupled with operational and cost efficiencies helped Alba improve its prior year net income of BD138 million in 2010 to BD212 million in 2011. Several restructuring initiatives were undertaken at Gulf Air to reduce operating losses, achieve cost efficiencies and improve the quality of the airline's product offering and customer service. However, the regional geo-political situation significantly affected the operations of Gulf Air and resulted in a higher operating loss of BD210.4 million in 2011 compared to BD139.7 million in 2010 (excluding one-off restructuring charges of BD48.4 million). The share of profit from associate companies declined by about 11% as a result of lower operating income in these companies. This coupled with higher impairment losses (BD316.5 million in 2011 compared to BD191.2 million in 2010) resulted in a net loss of BD270.6 million in 2011.

## Consolidated Statement of Financial Position

31 December 2011

	2011 BD '000	2010 BD '000
<b>ASSETS</b>		
Cash and bank balances	259,765	498,384
Derivative financial instruments	-	2,352
Trade accounts receivable, prepayments and other assets	160,598	167,660
Inventories	174,996	168,831
Investments carried at fair value through statement of income	62,664	2,607
Assets held for distribution	-	333,673
Non-trading investments	204,771	222,339
Investment in associates	859,762	920,901
Investment properties	213,588	473,634
Property, plant and equipment	1,340,745	1,352,099
Other assets	154,514	139,775
Goodwill	787,778	787,778
<b>TOTAL ASSETS</b>	<b>4,219,181</b>	<b>5,070,033</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
Borrowings	1,014,210	1,163,732
Derivative financial instruments	64,970	146,256
Trade accounts payable, accruals and other liabilities	390,144	303,691
Employees' end of service benefits	13,230	12,640
Obligations relating to acquired entities	171,352	196,103
<b>TOTAL LIABILITIES</b>	<b>1,653,906</b>	<b>1,822,422</b>
<b>Equity attributable to shareholder of the parent</b>		
Share capital	1,845,635	1,845,635
Capital contribution	1,116,937	1,486,415
Statutory reserve	21,252	21,252
Other reserves	(9,637)	368
Accumulated deficit	(661,102)	(325,286)
	2,313,085	3,028,384
<b>Non-controlling interests</b>	<b>252,190</b>	<b>219,227</b>
<b>Total equity</b>	<b>2,565,275</b>	<b>3,247,611</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>4,219,181</b>	<b>5,070,033</b>

## Consolidated Statement of Income

Year ended 31 December 2011

	2011 BD '000	2010 BD '000
Revenue	1,291,223	1,190,939
Direct costs	1,150,862	1,057,869
<b>GROSS PROFIT</b>	<b>140,361</b>	<b>133,070</b>
Dividend income	978	801
(Loss) gain on investments carried at fair value through statement of income	(1,548)	171
Other operating income	54,440	29,636
Selling and distribution expenses	(92,458)	(91,969)
Administrative expenses	(100,176)	(102,591)
Other operating expenses	(7,539)	(17,993)
<b>OPERATING LOSS</b>	<b>(5,942)</b>	<b>(48,875)</b>
Share of profit of associates	41,955	47,363
Interest income	10,050	5,475
Interest expense	(37,080)	(36,680)
Fair value gain (loss) on revaluation/settlement of derivatives (net)	36,898	(10,358)
Impairment losses	(316,531)	(191,253)
<b>NET LOSS FOR THE YEAR</b>	<b>(270,650)</b>	<b>(234,328)</b>
<b>Attributable to:</b>		
Shareholder of the parent	(335,816)	(265,106)
Non-controlling interests	65,166	30,778
	<b>(270,650)</b>	<b>(234,328)</b>

## Consolidated Statement of Comprehensive Income

Year ended 31 December 2011

	2011 BD '000	2010 BD '000
<b>LOSS FOR THE YEAR</b>	<b>(270,650)</b>	<b>(234,328)</b>
Other comprehensive income		
Movement in cumulative changes in fair values	(2,269)	8,991
Transfer to consolidated statement of income	2,417	3,538
Share of changes in equity of associates	(9,522)	3,976
Foreign currency translation	(578)	(3,275)
Total other comprehensive (loss) income for the year	(9,952)	13,230
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>	<b>(280,602)</b>	<b>(221,098)</b>
<b>Attributable to:</b>		
Shareholder of the parent	(345,821)	(251,951)
Non-controlling interests	65,219	30,853
	<b>(280,602)</b>	<b>(221,098)</b>

## Consolidated Statement of Cash Flows

Year ended 31 December 2011

	2011 BD '000	2010 BD '000
<b>OPERATING ACTIVITIES</b>		
Net loss for the year	(270,650)	(234,328)
Adjustments for:		
Depreciation	108,274	114,278
Fair value (gain) loss on derivatives	(36,898)	10,358
Loss (gain) on investments carried at fair value through statement of income	1,548	(171)
Gain on non-trading investments	(762)	(224)
(Gain) loss on sale of investment in associate	(21,748)	16,630
Share of profits of associates	(41,955)	(47,363)
Impairment loss on non-trading investments, investment in associates and investment properties	316,531	191,253
Provision for (write back of) impairment on trade accounts and other receivables	3,230	(4,833)
Loss on disposal and write-off of property, plant and equipment	7,603	1,613
Interest income	(10,050)	(5,398)
Interest expense	37,079	36,540
Employees end of service benefits	2,427	1,926
Operating profit before changes in operating assets and liabilities	94,629	80,281
Changes in operating assets and liabilities:		
Inventories	(5,361)	4,879
Trade accounts receivable, prepayments and other assets	10,587	2,523
Trade accounts payable, accruals and other liabilities	86,453	(56,247)
Cash from operating activities	186,308	31,436
Interest paid	(37,079)	(37,261)
Derivative financial instruments	(42,036)	(22,706)
Employees' end of service benefits paid	(1,837)	(2,818)
<b>Net cash from (used in) operating activities</b>	<b>105,356</b>	<b>(31,349)</b>
<b>INVESTING ACTIVITIES</b>		
Investment in associates	(15,105)	(1,600)
Purchase of non-trading and other investments	(62,151)	(454)
Proceeds from sale of non-trading investments and other investments	1,479	1,126
Proceeds from sale of investment in associate	-	12,784
Purchase of property, plant and equipment	(123,383)	(94,393)
Investment in properties	(150)	(353)
Proceeds from disposal of property, plant and equipment	19,244	4,822
Other assets	(15,045)	(47,364)
Dividends from associates	38,243	41,691
<b>Net cash used in investing activities</b>	<b>(156,868)</b>	<b>(83,741)</b>
<b>FINANCING ACTIVITIES</b>		
Capital contribution	14,650	400,000
Proceeds from borrowings	200,275	575,915
Repayment of borrowings	(343,175)	(393,617)
Dividend paid to non-controlling interests	(30,935)	(16,639)
Acquisition of non-controlling interests	(1,321)	(17,271)
Amount received from non-controlling interests	-	122,366
Interest received	4,478	5,398
Margin deposits with brokers and other deposits	(16,359)	(4,763)
Obligations relating to acquired entities	(24,751)	(14,089)
<b>Net cash (used in) from financing activities</b>	<b>(197,138)</b>	<b>657,300</b>
<b>(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(248,650)</b>	<b>542,210</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>475,263</b>	<b>(66,947)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>226,613</b>	<b>475,263</b>

## Consolidated Statement of Changes in Equity

31 December 2011

	Attributable to shareholder of the parent					Total	Non-controlling interests	Total equity
	Share capital	Capital contribution	Statutory reserve	Other reserves	Accumulated deficit			
	BD '000	BD '000	BD '000	BD '000	BD '000			
Balance at 31								
December 2009	1,845,635	992,326	21,252	(12,797)	(111,178)	2,735,238	150,926	2,886,164
(Loss) profit for the year	-	-	-	-	(265,106)	(265,106)	30,778	(234,328)
Other comprehensive income (loss)	-	-	-	13,165	(10)	13,155	75	13,230
Total comprehensive income (loss)	-	-	-	13,165	(265,116)	(251,951)	30,853	(221,098)
Contribution by the shareholder	-	494,089	-	-	-	494,089	-	494,089
Dividend paid to non-controlling interests	-	-	-	-	-	-	(16,639)	(16,639)
Acquisition of non-controlling interests	-	-	-	-	-	-	(17,271)	(17,271)
Amounts received from non-controlling interests	-	-	-	-	51,008	51,008	71,358	122,366
Balance at 31								
December 2010	1,845,635	1,486,415	21,252	368	(325,286)	3,028,384	219,227	3,247,611
(Loss) profit for the year	-	-	-	-	(335,816)	(335,816)	65,166	(270,650)
Other comprehensive income (loss)	-	-	-	(10,005)	-	(10,005)	53	(9,952)
Total comprehensive income (loss)	-	-	-	(10,005)	(335,816)	(345,821)	65,219	(280,602)
Contribution by the shareholder	-	14,650	-	-	-	14,650	-	14,650
Distribution of assets to the shareholder	-	(384,128)	-	-	-	(384,128)	-	(384,128)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(30,935)	(30,935)
Acquisition of non-controlling interests	-	-	-	-	-	-	(1,321)	(1,321)
<b>Balance at 31</b>								
<b>December 2011</b>	<b>1,845,635</b>	<b>1,116,937</b>	<b>21,252</b>	<b>(9,637)</b>	<b>(661,102)</b>	<b>2,313,085</b>	<b>252,190</b>	<b>2,565,275</b>