
Trafco Group B.S.C.
(Formerly General Trading and Food Processing
Company B.S.C.)

INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

30 JUNE 2012 (UNAUDITED)

REPORT ON THE REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF TRAFCO GROUP B.S.C. (FORMERLY GENERAL TRADING AND FOOD PROCESSING COMPANY B.S.C.)

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Trafco Group B.S.C. (formerly General Trading and Food Processing Company B.S.C.) ('the Company') and its subsidiaries ('the Group') as at 30 June 2012, comprising of the interim consolidated statement of financial position as at 30 June 2012 and the related interim consolidated statements of income, comprehensive income, cash flows and changes in equity for the six-month period then ended and explanatory notes. The Company's Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting" ('IAS 34'). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing. Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.



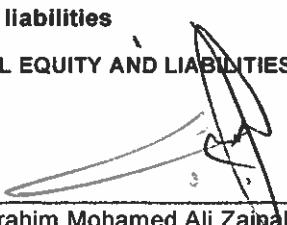
4 August 2012
Manama, Kingdom of Bahrain

Trafco Group B.S.C.
(Formerly General Trading and Food Processing Company B.S.C.)

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2012

	Notes	<i>Unaudited</i> 30 June 2012 BD	<i>Audited</i> 31 December 2011 BD
ASSETS			
Non-current assets			
Property, plant and equipment		9,661,359	9,883,034
Intangible assets		1,022	293
Investments in associates		1,735,853	1,985,642
Available-for-sale investments		8,927,824	8,984,476
		<u>20,326,058</u>	<u>20,853,445</u>
Current assets			
Inventories		8,535,945	10,310,526
Trade and other receivables		10,275,669	8,507,388
Bank balances and cash		701,301	666,351
		<u>19,512,915</u>	<u>19,484,265</u>
TOTAL ASSETS		<u>39,838,973</u>	<u>40,337,710</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	5	8,067,505	8,067,505
Treasury shares	6	(560,224)	(560,224)
Reserves		12,361,447	13,482,502
		<u>19,868,728</u>	<u>20,989,783</u>
Equity attributable to equity holders of the parent		<u>19,868,728</u>	<u>20,989,783</u>
Non-controlling interests		1,139,856	1,304,557
		<u>21,008,584</u>	<u>22,294,340</u>
Total equity		<u>21,008,584</u>	<u>22,294,340</u>
Non-current liabilities			
Term loans		1,063,666	1,541,997
Loans from non-controlling interests		627,000	627,000
Employees' end of service benefits		963,629	950,242
		<u>2,654,295</u>	<u>3,119,239</u>
Current liabilities			
Trade and other payables		7,155,582	5,564,275
Bank overdrafts		3,724,290	3,643,053
Term loans		1,363,093	1,389,266
Import loans		3,933,129	4,327,537
		<u>16,176,094</u>	<u>14,924,131</u>
Total liabilities		<u>18,830,389</u>	<u>18,043,370</u>
TOTAL EQUITY AND LIABILITIES		<u>39,838,973</u>	<u>40,337,710</u>


Ebrahim Mohamed Ali Zainal
Chairman


Yousuf Saleh Al Saleh
Vice Chairman


The attached notes 1 to 10 form part of these interim condensed consolidated financial statements.

Trafco Group B.S.C.
(Formerly General Trading and Food Processing Company B.S.C.)

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the period ended 30 June 2012 (Unaudited)

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>
<i>Note</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>
Sales	10,055,700	10,272,824	19,185,904	19,989,533
Cost of sales	(8,301,368)	(8,103,589)	(16,058,224)	(15,946,986)
GROSS PROFIT	1,754,332	2,169,235	3,127,680	4,042,547
Storage income	67,257	51,064	121,741	126,365
Other operating income	31,950	22,116	73,408	96,190
Selling and distribution expenses	(508,572)	(432,689)	(895,053)	(818,303)
General and administrative expenses	(292,298)	(269,857)	(558,527)	(516,216)
Personnel costs	(798,882)	(778,517)	(1,587,600)	(1,583,111)
Depreciation and amortisation	(107,517)	(111,628)	(214,799)	(222,479)
Direct operating costs - warehouse	(86,554)	(88,977)	(165,309)	(163,720)
PROFIT (LOSS) FROM OPERATIONS	59,716	560,747	(98,459)	961,273
Investment income (net)	120,771	39,909	625,909	525,384
Finance costs	(102,169)	(123,718)	(212,157)	(234,816)
Share of results of associates	(73,250)	116,960	(94,387)	268,400
Exchange gains - net	3,240	33,670	2,847	44,865
PROFIT OF THE GROUP FOR THE PERIOD BEFORE IMPAIRMENT OF AVAILABLE-FOR-SALE INVESTMENTS	8,308	627,568	223,753	1,565,106
Impairment of available-for-sale investments	(54,268)	(71,321)	(68,082)	(71,321)
(LOSS) PROFIT OF THE GROUP FOR THE PERIOD	(45,960)	556,247	155,671	1,493,785
of which (profit) loss attributable to non-controlling interests	(2,465)	(70,194)	164,371	(87,161)
(LOSS) PROFIT FOR THE PERIOD ATTRIBUTABLE TO TRAFCO EQUITY SHAREHOLDERS	(48,425)	486,053	320,042	1,406,624
BASIC AND DILUTED EARNINGS PER SHARE (in fils)	8	(1)	6	4
				18


Ebrahim Mohamed Ali Zainal
Chairman


Yousuf Saleh Al Saleh
Vice Chairman

The attached notes 1 to 10 form part of these interim condensed consolidated financial statements.

Trafco Group B.S.C.

(Formerly General Trading and Food Processing Company B.S.C.)

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2012 (Unaudited)

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	2012	2011	2012	2011
	BD	BD	BD	BD
(LOSS) PROFIT OF THE GROUP FOR THE PERIOD	(45,960)	556,247	155,671	1,493,785
Other comprehensive (loss) income				
<i>Cumulative changes in fair value:</i>				
Realised gain included in the interim consolidated statement of income upon disposal of available-for-sale investments (net)	(116,270)	(42,261)	(271,378)	(40,786)
Changes in fair value of available-for-sale investments	112,689	51,540	217,326	(540,989)
Changes in fair value of associates' available-for-sale investments	(785)	(12,789)	20,159	(14,117)
Foreign currency translation adjustment (net)	(7,585)	(7,513)	(673)	(14,710)
Other comprehensive loss for the period	(11,951)	(11,023)	(34,566)	(610,602)
TOTAL COMPREHENSIVE (LOSS) INCOME OF THE GROUP FOR THE PERIOD	(57,911)	545,224	121,105	883,183
of which loss (profit) attributable to non-controlling interests	1,252	(66,513)	164,701	(79,953)
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD ATTRIBUTABLE TO TRAFCO EQUITY SHAREHOLDERS	(56,659)	478,711	285,806	803,230

The attached notes 1 to 10 form part of these interim condensed consolidated financial statements.

Trafco Group B.S.C.

(Formerly General Trading and Food Processing Company B.S.C.)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 June 2012 (Unaudited)

	<i>Six-month period ended 30 June</i>	
	2012	2011
	BD	BD
OPERATING ACTIVITIES		
Profit of the Group for the period	155,671	1,493,785
Adjustments for:		
Depreciation	560,436	530,899
Amortisation and write off of intangible assets	950	-
Provision for employees' end of service benefits	92,306	80,783
Finance costs	212,157	234,816
Gain on disposal of property, plant and equipment	(8,368)	(2,293)
Investment income (net)	(625,909)	(525,384)
Share of results of associates	94,387	(268,400)
Impairment of available-for-sale investments	68,082	71,321
Foreign currency translation adjustment (net)	(673)	(14,710)
Operating profit before working capital changes	<u>549,039</u>	<u>1,600,817</u>
Working capital changes:		
Inventories	1,774,581	(2,411,958)
Trade and other receivables	(1,702,281)	(673,966)
Trade and other payables	1,533,462	941,803
Cash generated from (used in) operations	<u>2,154,801</u>	<u>(543,304)</u>
Finance costs paid	(210,097)	(239,420)
Directors' remuneration paid	(66,000)	(90,000)
Employees' end of service benefits paid	(78,919)	(67,399)
Net cash from (used in) operating activities	<u>1,799,785</u>	<u>(940,123)</u>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(340,519)	(541,685)
Intangible assets acquired	(1,679)	-
Purchase of available-for-sale investments	(170,867)	-
Proceeds from disposal of available-for-sale investments	373,607	261,297
Proceeds from disposal of property, plant and equipment	10,126	57,373
Dividends received	357,666	486,490
Dividends received from associates	167,706	127,776
Net cash from investing activities	<u>396,040</u>	<u>391,251</u>
FINANCING ACTIVITIES		
Dividends paid	(1,343,200)	(1,130,276)
Movement in term loans	(504,504)	(142,081)
Movement in import loans (net)	(394,408)	1,242,295
Net cash used in financing activities	<u>(2,242,112)</u>	<u>(30,062)</u>
DECREASE IN CASH AND CASH EQUIVALENTS	(46,287)	(578,934)
Cash and cash equivalents at 1 January	<u>(2,976,702)</u>	<u>(2,857,931)</u>
CASH AND CASH EQUIVALENTS AT 30 JUNE	<u>(3,022,989)</u>	<u>(3,436,865)</u>

Non-cash items:

- (i) Unclaimed dividends pertaining to prior years amounting to BD 384,200 (30 June 2011 (Unaudited): BD 120,267) have been excluded from the movement of trade and other payables above.

The attached notes 1 to 10 form part of these interim condensed consolidated financial statements.

Trafco Group B.S.C.
(Formerly General Trading and Food Processing Company B.S.C.)
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the period ended 30 June 2012 (Unaudited)

	Reserves												Total equity BD
	Attributable to equity holders of the parent											Total shareholders' equity BD	
	Share capital BD	Treasury shares BD	Share premium BD	Statutory reserve BD	General reserve BD	Cumulative changes in fair value BD	Retained earnings - distributable BD	Retained earnings - not distributable BD	Proposed appropriations BD	Total BD	Non-controlling interests BD		
Balance at 1 January 2012	8,067,505	(560,224)	3,386,502	2,624,772	1,050,000	4,025,444	836,233	102,690	1,456,861	13,482,502	20,989,783	1,304,557	22,294,340
Profit for the period	-	-	-	-	-	-	320,042	-	-	320,042	320,042	(164,371)	155,671
Other comprehensive loss	-	-	-	-	-	(34,236)	-	-	-	(34,236)	(34,236)	(330)	(34,566)
Total comprehensive (loss) income for the period	-	-	-	-	-	(34,236)	320,042	-	-	285,806	285,806	(164,701)	121,105
Dividends paid (note 7)	-	-	-	-	-	-	-	-	(1,406,861)	(1,406,861)	(1,406,861)	-	(1,406,861)
Transfer to general reserve	-	-	-	-	50,000	-	-	-	(50,000)	-	-	-	-
Balance at 30 June 2012	8,067,505	(560,224)	3,386,502	2,624,772	1,100,000	3,991,208	1,156,275	102,690	-	12,361,447	19,868,728	1,139,856	21,008,584
Balance at 1 January 2011	8,067,505	(560,224)	3,386,502	2,459,538	1,000,000	3,835,333	833,663	91,528	1,300,543	12,907,107	20,414,388	1,397,304	21,811,692
Profit for the period	-	-	-	-	-	-	1,406,624	-	-	1,406,624	1,406,624	87,161	1,493,785
Other comprehensive loss	-	-	-	-	-	(603,394)	-	-	-	(603,394)	(603,394)	(7,208)	(610,602)
Total comprehensive (loss) income for the period	-	-	-	-	-	(603,394)	1,406,624	-	-	803,230	803,230	79,953	883,183
Dividends paid (note 7)	-	-	-	-	-	-	-	-	(1,250,543)	(1,250,543)	(1,250,543)	-	(1,250,543)
Transfer to general reserve	-	-	-	-	50,000	-	-	-	(50,000)	-	-	-	-
Balance at 30 June 2011	8,067,505	(560,224)	3,386,502	2,459,538	1,050,000	3,231,939	2,240,287	91,528	-	12,459,794	19,967,075	1,477,257	21,444,332

The attached notes 1 to 10 form part of these interim condensed consolidated financial statements.

Trafco Group B.S.C.
(Formerly General Trading and Food Processing Company B.S.C.)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2012 (Unaudited)

1 ACTIVITIES

Trafco Group B.S.C. (formerly General Trading and Food Processing Company B.S.C.) ('the Company' or 'Trafco' or 'the parent company') is a public joint stock company, the shares of which are publicly traded and was incorporated in the Kingdom of Bahrain by Amiri Decree No. 10 of November 1977. The Company is also registered in the Kingdom of Bahrain in accordance with the provisions of the Bahrain Commercial Companies Law and operates under commercial registration (CR) number 8500. The Company has its registered office at PO Box 20202, Kingdom of Bahrain. The Company's main activity is trading in various kinds of food products.

The Company changed its name from General Trading and Food Processing Company B.S.C. to Trafco Group B.S.C. at the extraordinary general meeting of the shareholders held on 18 March 2012. The change in name of the Company was registered with the Ministry of Industry and Commerce on 7 May 2012.

The interim condensed consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 4 August 2012.

The Group comprises of the Company and its following subsidiaries and associates:

<i>Relationship / name</i>	<i>Country of incorporation</i>	<i>Ownership interest</i>		<i>Year-end</i>	<i>Principal activity</i>
		<i>30 June 2012</i>	<i>31 December 2011</i>		
Subsidiaries					
Bahrain Water Bottling & Beverages Company S.P.C. (BWBC)	Kingdom of Bahrain	100%	100%	31 December	Producing, bottling and marketing of sweet drinking water and beverages.
Bahrain Fresh Fruits Company S.P.C. (BFFC)	Kingdom of Bahrain	100%	100%	31 December	Trading in fresh fruits and vegetables.
Metro Markets Company S.P.C. (MMC)	Kingdom of Bahrain	100%	100%	31 December	Trading in food items and beverages.
Trafco Logistics Company S.P.C. (TLC)	Kingdom of Bahrain	100%	100%	31 December	Providing storage and logistics services.
Awal Dairy Company W.L.L. (ADC)	Kingdom of Bahrain	51%	51%	30 September	Production and supply of milk, juices, ice cream and tomato paste.
Kuwait Bahrain Dairy Company W.L.L. (KBDC)	State of Kuwait	50%*	50%*	30 September	Marketing and supply of milk, juices and associated products.
Associates					
Bahrain Livestock Company B.S.C. (c) (BLSC)	Kingdom of Bahrain	33%	33%	31 December	Trading in livestock.
Qatari Bahraini Food Trading Co. L.L.C. (QBC)	State of Qatar	50%	50%	31 December	Trading in foodstuff.
Saudi International Dairy Company	Kingdom of Saudi Arabia	26%*	26%*	30 September	Dormant.

* Effective ownership. Owned by Awal Dairy Company W.L.L.

The Group primarily operates in the Kingdom of Bahrain and partially in the State of Kuwait and State of Qatar.

Trafco Group B.S.C.

(Formerly General Trading and Food Processing Company B.S.C.)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2012 (Unaudited)

2 SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial statements for the six months period ended 30 June 2012 have been prepared in accordance with International Accounting Standard 34 - "Interim Financial Reporting" and in conformity with the Bahrain Commercial Companies Law, applicable requirements of the Central Bank of Bahrain Rule Book and rules and procedures of the Bahrain Bourse.

The interim condensed consolidated financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2011. In addition, results for the six months period ended 30 June 2012 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2012.

Significant accounting policies

The interim condensed consolidated financial statements have been prepared using accounting policies, which are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2011.

3 COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 June 2012, the Group had capital expenditure commitments of BD 127,294 (31 December 2011 (Audited): BD 214,125) and and 30 June 2011 (Unaudited): BD 218,746).

Guarantees in connection with the Group's trading activities, outstanding as of the period-end amounted to BD 523,404 (31 December 2011 (Audited): BD 512,450) and 30 June 2011 (Unaudited): BD 476,913.

The parent company has guaranteed repayment of bank facilities of two of its subsidiaries to a limit of BD 1,562,000 (31 December 2011 (Audited): BD 1,562,000) and 30 June 2011 (Unaudited) BD 1,256,000.

4 SEASONALITY OF RESULTS

Dividend income of BD 357,666 (30 June 2011 (Unaudited): BD 486,490) included in the investment income is of a seasonal nature. In addition, other operating income for the period ended 30 June 2012 amounting to BD 73,408 (30 June 2011 (Unaudited): BD 96,190) is non-recurring.

5 SHARE CAPITAL

	<i>Unaudited</i> 30 June 2012 <i>BD</i>	<i>Audited</i> 31 December 2011 <i>BD</i>
Authorised:		
100,000,000 shares of BD 0.100 each	10,000,000	10,000,000
Issued, subscribed and fully paid-up:		
80,675,052 (31 December 2011 (Audited): 80,675,052) shares of BD 0.100 each	8,067,505	8,067,505

Trafco Group B.S.C.

(Formerly General Trading and Food Processing Company B.S.C.)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2012 (Unaudited)

5 SHARE CAPITAL (continued)

a) Distribution of share capital is as follows:

Categories	30 June 2012 (Unaudited)			31 December 2011 (Audited)		
	Number of shares	Number of shareholders	% of total outstanding share capital	Number of shares	Number of shareholders	% of total outstanding share capital
Less than 1%	44,958,056	3,147	56	45,034,796	3,147	56
1% up to less than 5%	27,283,350	13	34	27,206,610	13	34
10% up to less than 20%	8,433,646	1	10	8,433,646	1	10
	80,675,052	3,161	100	80,675,052	3,161	100

b) The name and nationality of the major shareholder, holding more than 5% of the issued share capital of the Company and the number of shares held by him are as follows:

Name	Nationality	Number of shares	% of shareholding
Abdulhameed Zainal Mohamed Zainal	Bahraini	8,433,646	10.45

6 TREASURY SHARES

Treasury shares represent 2,516,129 (31 December 2011 (Audited): 2,516,129) shares, representing 3.12% (31 December 2011 (Audited): 3.12%) of the issued share capital, held by the Company.

The Bahrain Commercial Companies Law permits the holding of up to 10% of issued shares as treasury shares.

7 DIVIDENDS

At the annual general meeting of the shareholders held on 18 March 2012, a cash dividend of 18 fils per share, excluding treasury shares, totaling BD 1,406,861 for the year ended 31 December 2011 was declared and paid (30 June 2011: At the annual general meeting of the shareholders held on 31 March 2011, a cash dividend of 16 fils per share, excluding treasury shares, totaling BD 1,250,543 for the year ended 31 December 2010 was declared and paid). Dividends payable are included within trade and other payables in the interim consolidated statement of financial position at 30 June 2012 and 31 December 2011.

8 EARNINGS PER SHARE

Earnings per share is calculated by dividing the profit for the period attributable to ordinary equity holders of the parent company by the weighted average number of ordinary shares outstanding during the period, excluding the average number of ordinary shares purchased by the Company and held as treasury shares, as follows:

	Three-month period ended		Six-month period ended	
	30 June (Unaudited) 2012	2011	30 June (Unaudited) 2012	2011
(Loss) profit for the period attributable to TRAFCO equity shareholders – BD	(48,425)	486,053	320,042	1,406,624
Weighted average number of shares, net of treasury shares	78,158,923	78,158,923	78,158,923	78,158,923
Basic and diluted earnings per share (in fils)	(1)	6	4	18

Basic and diluted earnings per share are the same as the Company has not issued any instruments that would have a dilutive effect.

Trafco Group B.S.C.

(Formerly General Trading and Food Processing Company B.S.C.)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2012 (Unaudited)

9 SEGMENT REPORTING

For management purposes, the Group is organised into business units based on their products and services, and has six reportable operating segments as follows:

Imported foodstuff - Wholesale	Import and distribution of foodstuff.
Imported foodstuff - Retail	Import and distribution of foodstuff through supermarkets.
Investments	Investment in quoted and unquoted securities (including investments in associates).
Dairy products and beverages	Production, processing and distribution of dairy products and bottling of water.
Fruits and vegetables	Import and distribution of fruits, vegetables and other food items.
Storage and logistics	Providing of storage and logistics services.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained later in a table, is measured differently from operating profit or loss in the interim condensed consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers.

Segment assets include all operating assets used by a segment and consist primarily of property, plant and equipment, inventories, trade and other receivables and bank balances and cash. Whilst the majority of the assets can be directly attributed to individual business segments, the carrying amounts of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis.

Segment liabilities include all operating liabilities and consist primarily of term loans, employees' end of service benefits, trade and other payables, bank overdrafts and import loans.

Revenue from operations for the six-month period ended 30 June 2012 in the State of Kuwait amounted to BD 1,339,711 (2011 (Unaudited): BD 2,956,293) and loss for the six-month period ended 30 June 2012 amounted to BD 139,173 (2011 (Unaudited): profit of BD 63,389). The remaining revenue and profit for the period is generated from the primary geographical segment in the Kingdom of Bahrain.

At 30 June 2012, total assets in the State of Kuwait amounted to BD 1,009,619 (31 December 2011 (Audited): BD 1,121,526 and 30 June 2011 (Unaudited): BD 1,733,545) and total liabilities amounted to BD 926,477 (31 December 2011 (Audited): BD 1,038,384 and 30 June 2011 (Unaudited): BD 1,641,670). All remaining assets and liabilities arise from the primary geographical segment in the Kingdom of Bahrain.

**Trafco Group B.S.C.
(Formerly General Trading and Food Processing Company B.S.C.)**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2012 (Unaudited)

9 SEGMENT REPORTING (continued)

Three-month period ended 30 June (Unaudited)

	Imported foodstuff				Retail				Investments				Dairy products and beverages				Fruits and vegetables				Storage and logistics				Adjustments and eliminations				Total				
	Wholesale		Retail		2011		2012		2011		2012		2011		2012		2011		2012		2011		2012		2011		2012		2011		2012		
	BD		BD		BD		BD		BD		BD		BD		BD		BD		BD		BD		BD		BD		BD		BD				
Sales - third parties	4,426,575	4,648,133	1,072,973	1,080,692	-	-	3,868,786	3,861,848	687,366	682,151	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,055,700	10,272,824		
Sales - inter segments	432,449	411,228	367	728	-	-	19,538	34,086	64,082	49,470	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total sales	4,859,024	5,059,361	1,073,340	1,081,420	-	-	3,888,324	3,895,934	751,448	731,621	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Cost of sales	(3,671,368)	(3,670,430)	(928,229)	(918,447)	-	-	(3,185,373)	(2,981,646)	(637,183)	(625,315)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Gross profit	1,187,656	1,388,931	145,111	162,973	-	-	702,951	914,288	114,265	106,306	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Storage income	8,338	(2,877)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	86,168	113,091	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other operating income	4,828	3,003	7,128	9,134	-	-	20,790	13,487	447	1,907	-	-	-	-	-	4,277	925	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other expenses (excluding depreciation and amortisation)	(594,361)	(534,833)	(140,245)	(136,902)	-	-	(773,089)	(740,454)	(125,271)	(136,253)	-	-	-	-	-	(86,738)	(87,624)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Depreciation and amortisation	(32,629)	(33,729)	(19,849)	(24,491)	-	-	(24,430)	(22,743)	(24,342)	(24,412)	-	-	-	-	-	(6,267)	(6,253)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Profit (loss) from operations	573,812	820,495	(7,865)	10,714	-	-	(73,778)	164,578	(34,901)	(52,452)	-	-	-	-	-	(4,560)	20,139	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Investment income - net (including share of results from associates)	-	-	-	-	-	-	(162,050)	156,812	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance costs (net)	(52,165)	(67,494)	(1,691)	(3,109)	-	-	(48,963)	(51,422)	(9,976)	(11,082)	-	-	-	-	-	(38,001)	(42,672)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange gains	-	-	-	-	-	-	3,240	33,670	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment of available-for-sale investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit (loss) for the period	521,647	753,001	(9,546)	7,605	-	-	(119,501)	146,826	(44,877)	(63,534)	-	-	-	-	-	(42,561)	(22,633)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure	70,911	8,048	-	2,562	-	-	79,420	178,920	260	3,456	-	-	-	-	-	3,374	4,212	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Trafco Group B.S.C.

(Formerly General Trading and Food Processing Company B.S.C.)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2012 (Unaudited)

9 SEGMENT REPORTING (continued)

Six-month period ended 30 June (Unaudited)

	Imported foodstuff				Retail				Investments				Dairy products and beverages				Fruits and vegetables				Storage and logistics				Adjustments and eliminations				Total			
	Wholesale		2011		2012		BD		2011		2012		BD		2011		2012		BD		2011		2012		BD		2011		2012		BD	
	2012	BD	2011	BD	2012	BD	2011	BD	2012	BD	2011	BD	2012	BD	2012	BD	2011	BD	2012	BD	2011	BD	2012	BD	2011	BD	2012	BD	2011	BD		
Sales - third parties	8,803,367	9,151,164	2,111,204	2,225,358	-	-	-	-	6,885,064	7,173,034	1,386,269	1,439,977	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,185,904	19,989,533		
Sales - inter segments	867,014	863,723	3,324	2,238	-	-	-	-	30,597	45,109	119,756	113,811	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total sales	9,670,381	10,014,887	2,114,528	2,227,596	-	-	-	-	6,915,661	7,218,143	1,506,025	1,553,788	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Cost of sales	(7,269,448)	(7,244,202)	(1,830,261)	(1,900,141)	-	-	-	-	(5,884,410)	(5,670,518)	(1,270,067)	(1,332,737)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Gross profit	2,400,933	2,770,685	284,267	327,455	-	-	-	-	1,031,251	1,547,625	235,958	221,051	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Storage income	21,841	21,040	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Other operating income	18,082	3,003	18,876	19,748	-	-	-	-	41,582	82,702	962	3,842	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Other expenses (excluding depreciation and amortisation)	(1,194,918)	(1,087,161)	(276,434)	(276,493)	-	-	-	-	(1,425,192)	(1,402,383)	(251,697)	(269,829)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Depreciation and amortisation	(66,070)	(67,536)	(40,516)	(48,690)	-	-	-	-	(46,920)	(43,784)	(48,765)	(49,759)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Profit (loss) from operations	1,179,888	1,640,031	(13,807)	21,820	-	-	-	-	(399,279)	184,160	(63,542)	(94,695)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Investment income - net (including share of results from associates)	-	-	-	-	57,164	681,599	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Finance costs (net)	(107,923)	(126,077)	(3,370)	(8,540)	-	-	-	-	(100,665)	(99,153)	(21,448)	(21,948)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Exchange gains (losses)	-	-	-	-	-	-	-	-	2,847	44,865	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Impairment of available-for-sale investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Profit (loss) for the period	1,071,945	1,513,954	(17,177)	13,280	(10,918)	610,278	-	-	(487,097)	129,872	(84,990)	(116,643)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Capital expenditure	84,977	19,812	2,800	4,698	-	-	-	-	302,520	237,323	288	4,664	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
At 30 June (Unaudited)	15,427,667	15,796,927	1,156,495	1,156,106	13,967,291	14,167,772	10,944,838	12,036,191	2,272,102	2,299,725	4,900,156	5,120,533	39,838,973	39,838,973	39,838,973	39,838,973	39,838,973	39,838,973	39,838,973	39,838,973	39,838,973	39,838,973	39,838,973	39,838,973	39,838,973	39,838,973	39,838,973	39,838,973	39,838,973	39,838,973		
Assets	9,954,468	10,450,488	1,010,551	971,867	-	-	-	8,047,206	8,233,202	1,405,221	1,238,075	4,010,156	18,830,389	18,830,389	18,830,389	18,830,389	18,830,389	18,830,389	18,830,389	18,830,389	18,830,389	18,830,389	18,830,389	18,830,389	18,830,389	18,830,389	18,830,389	18,830,389	18,830,389	18,830,389		
Liabilities																																

Trafco Group B.S.C.
(Formerly General Trading and Food Processing Company B.S.C.)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2012 (Unaudited)

10 RELATED PARTY TRANSACTIONS

Related parties represent associated companies, major shareholders, companies having common directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

Transactions with related parties included in the interim consolidated statement of income for the three-month and six-month periods ended 30 June 2012 and 30 June 2011 respectively are as follows:

	Three-month period ended 30 June 2012 (Unaudited)			Six-month period ended 30 June 2012 (Unaudited)		
	Purchase of goods for sale BD	Other operating income BD	Other expenses BD	Purchase of goods for sale BD	Other operating income BD	Other expenses BD
Associated companies	2,541	4,646	-	2,541	13,224	-
Directors	187,735	229	83,222	394,307	619	147,427
	190,276	4,875	83,222	396,848	13,843	147,427
	Three-month period ended 30 June 2011 (Unaudited)			Six-month period ended 30 June 2011 (Unaudited)		
	Purchase of goods for sale BD	Other operating income BD	Other expenses BD	Purchase of goods for sale BD	Other operating income BD	Other expenses BD
Associated companies	5,003	3,498	-	7,667	6,178	-
Directors	217,392	-	99,300	397,169	31	150,512
	222,395	3,498	99,300	404,836	6,209	150,512

Trafco Group B.S.C.

(Formerly General Trading and Food Processing Company B.S.C.)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2012 (Unaudited)

10 RELATED PARTY TRANSACTIONS (continued)

Balances with related parties included in the consolidated statements of financial position as at 30 June 2012 and 31 December 2011 are as follows:

	<i>At 30 June 2012 (Unaudited)</i>		<i>At 31 December 2011 (Audited)</i>	
	<i>Due from related parties BD</i>	<i>Due to related parties BD</i>	<i>Due from related parties BD</i>	<i>Due to related parties BD</i>
Associated companies	280,861	1,325	318,393	2,191
Common directors	185,382	505,727	203,148	403,388
	466,243	507,052	521,541	405,579

Terms and conditions of transactions with related parties

Purchases from and sales to related parties are made at normal market prices. Outstanding balances at the period-end arose in the normal course of business, are unsecured, interest free and settlement occurs in cash.

For the six-month periods ended 30 June 2012 and 30 June 2011, the Group has not recorded any impairment of amounts owed by related parties.

Remuneration of key management personnel

The remuneration of directors and other members of key management personnel during the three-month and six-month periods ended was as follows:

	<i>Three-month period ended 30 June (Unaudited)</i>		<i>Six-month period ended 30 June (Unaudited)</i>	
	<i>2012 BD</i>	<i>2011 BD</i>	<i>2012 BD</i>	<i>2011 BD</i>
Short-term benefits	116,768	124,238	182,999	204,164
Employees' end of service benefits	3,139	4,854	6,278	8,502
	119,907	129,092	189,277	212,666

Trafco Group B.S.C.

(Formerly General Trading and Food Processing Company B.S.C.)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2012 (Unaudited)

10 RELATED PARTY TRANSACTIONS (continued)

The details of total ownership interest held by the directors along with the entities controlled, jointly controlled or significantly influenced by them are as follows:

	<i>Name</i>	<i>Relationship</i>	<i>Number of shares held</i>	
			<i>30 June 2012</i>	<i>31 December 2011</i>
			<i>(Unaudited)</i>	<i>(Audited)</i>
(i)	Ebrahim Mohamed Ali Zainal	Chairman	1,873,137	1,873,137
(ii)	Yousuf Saleh Al Saleh	Vice Chairman	542,227	542,227
(iii)	Khalid Abdulrahman Almoayed	Director and Executive Committee member	471,545	471,545
(iv)	Dr Esam Abdulla Fakhro	Director and Executive Committee member	1,583,161	1,583,161
(v)	Ibrahim Salahuddin	Director	295,809	295,809
(vi)	Sami Mohammed Jalal	Director	203,901	203,901
(vii)	Jehad Yousif Amin	Director	450,000	450,000
(viii)	Abdul Reda Mohamed Aldaylami	Director	250,184	250,184
(ix)	Ali Yousuf Abdulrahman Engineer	Director	211,075	211,075
(x)	Fouad Ibrahim Kanoo	Director	149,660	149,660

	<i>Name</i>	<i>Relationship</i>	<i>% of shareholding</i>	
			<i>30 June 2012</i>	<i>31 December 2011</i>
			<i>(Unaudited)</i>	<i>(Audited)</i>
(i)	Ebrahim Mohamed Ali Zainal	Chairman	2.32	2.32
(ii)	Yousuf Saleh Al Saleh	Vice Chairman	0.67	0.67
(iii)	Khalid Abdulrahman Almoayed	Director and Executive Committee member	0.58	0.58
(iv)	Dr Esam Abdulla Fakhro	Director and Executive Committee member	1.96	1.96
(v)	Ibrahim Salahuddin	Director	0.37	0.37
(vi)	Sami Mohammed Jalal	Director	0.25	0.25
(vii)	Jehad Yousif Amin	Director	0.56	0.56
(viii)	Abdul Reda Mohamed Aldaylami	Director	0.31	0.31
(ix)	Ali Yousuf Abdulrahman Engineer	Director	0.26	0.26
(x)	Fouad Ibrahim Kanoo	Director	0.19	0.19