

BENCHMARK (BAHAMAS) LTD.**CONSOLIDATED BALANCE SHEET**
(Expressed in Bahamian Dollars, unaudited)

	June 30, 2012	December 31, 2011 (audited)
FIXED ASSETS	49,112	75,247
INVESTMENT PROPERTY	3,763,643	3,763,643
LONG-TERM INVESTMENT	106,548	75,000
CURRENT ASSETS		
Cash at bank	478,905	1,893,824
Due from brokers	2,191,132	1,965,514
Customer advances	40,387,985	40,387,985
Dividends receivable	--	22,930
Other receivables	321,539	425,369
Loan receivable	2,058	10,558
Note receivable	300,000	300,000
Investments in securities (note 2)	<u>6,744,257</u>	<u>6,670,705</u>
	50,425,876	51,676,885
CURRENT LIABILITIES		
Bank overdraft	327,007	448,220
Payables and accrued expenses	300,999	214,125
Due to customers	48,416,204	48,699,703
Investments – sold short (note 2)	1,605,600	1,368,600
Current portion of bank loan	<u>65,886</u>	<u>96,000</u>
	50,715,696	50,826,648
NET CURRENT (LIABILITIES)/ASSETS	(289,820)	850,237
PREFERRED SHARE LIABILITY	1,000,000	1,000,000
LONG-TERM BANK LOAN	588,995	1,379,367
	<u>\$ 2,040,488</u>	<u>\$ 2,384,760</u>

Shareholders' Equity

Ordinary shares	49,591	49,591
Preference shares	5,000,000	5,000,000
Contributed surplus	4,056,273	4,056,273
Retained deficit	<u>(7,065,376)</u>	<u>(6,721,104)</u>
	<u>\$ 2,040,488</u>	<u>\$ 2,384,760</u>

BENCHMARK (BAHAMAS) LTD.**CONSOLIDATED STATEMENT OF OPERATIONS**

(Expressed in Bahamian dollars, unaudited)

	Three months ended	
	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Investment income	7,910	105,868
Fees and commissions	459,387	294,788
	<u>467,297</u>	<u>400,656</u>
General administrative expenses	<u>357,758</u>	<u>377,845</u>
Net investment loss	109,539	22,811
Realized and unrealized gain and loss on investments		
Net realized (loss)/gain on investment	1,174	31,700
Net movement in unrealized loss on investments	<u>(508,168)</u>	<u>(40,861)</u>
Net realized and unrealized loss on investments	<u>(506,994)</u>	<u>(9,161)</u>
<u>Net income/(loss) for the period</u>	<u>\$(397,455)</u>	<u>\$13,650</u>
Deficit per share	\$(0.08)	\$0.00
	Six months ended	
	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Investment income/(loss)	105,646	250,313
Fees and commissions	620,290	486,423
	<u>725,936</u>	<u>736,736</u>
General administrative expenses	<u>773,652</u>	<u>755,317</u>
Net investment loss	(47,716)	(18,581)
Realized (loss) gain and unrealized (loss) on investments		
Net realized gain/(loss) on investment	971	51,841
Net realized gain on forex	--	--
Net movement in unrealized loss on investments	<u>(297,527)</u>	<u>(304,860)</u>
Net realized and unrealized loss on investments	<u>(296,556)</u>	<u>(253,019)</u>
<u>Net deficit for the period</u>	<u>\$(344,272)</u>	<u>\$(271,600)</u>
Deficit per share	\$(0.07)	\$(0.05)

BENCHMARK (BAHAMAS) LTD.**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

Six months ended June 30, 2012 with comparative figures for the six months ended

June 30, 2011

(Expressed in Bahamian dollars, unaudited)

	Number of Shares	Ordinary Shares	Preference Shares	Contributed Surplus	Retained Earnings	Total
Balance at December 31, 2010	4,959,111	49,591	1,000,000	4,056,273	(4,219,570)	1,886,294
Net deficit for the period	--	--	--	--	(271,600)	(271,600)
<u>Balance at June 30, 2011</u>	<u>4,959,111</u>	<u>\$49,591</u>	<u>\$2,000,000</u>	<u>\$4,056,273</u>	<u>\$(4,491,170)</u>	<u>\$1,614,694</u>
Balance at December 31, 2011	4,959,111	49,591	5,000,000	4,056,273	(6,721,104)	2,384,760
Net income for the period	--	--	--	--	(344,272)	(344,272)
<u>Balance at June 30, 2012</u>	<u>4,959,111</u>	<u>\$49,591</u>	<u>\$5,000,000</u>	<u>\$4,056,273</u>	<u>\$(7,065,376)</u>	<u>\$2,040,488</u>

BENCHMARK (BAHAMAS) LTD.**CONSOLIDATED STATEMENT OF CASH FLOWS**
(Expressed in Bahamian dollars, unaudited)

	Six months ended	
	June 30, 2012	June 30, 2011
Cash flows from operating activities:		
Net deficit for the period	\$ (344,272)	\$ (271,600)
Adjustments for:		
Net realized loss/(gain)	(971)	(51,841)
Net movement in unrealized (gain)/loss on investments	297,527	304,860
Depreciation and amortization	26,135	30,009
Cash (used)/provided by operations before changes in operating assets and liabilities	(21,581)	11,428
Decrease/(increase) in dividends receivable	22,930	(45,860)
Decrease/(increase) in other receivables	103,830	438,160
Decrease/(increase) in loan receivable	8,500	(10,000)
Decrease/(increase) in customer advances	--	4,971
(Decrease)/increase in due to customers	(283,499)	(367,110)
Increase in payables and accrued expenses	86,874	170,818
Net cash provided by operating activities	(82,946)	202,407
Cash flows from investing activities:		
Purchase of fixed assets	--	(15,303)
Increase in long term investment	(31,548)	--
Purchase of securities	(303,585)	(130,109)
Increase in investment property	--	(43,473)
Sale of securities	170,477	234,762
Net cash (used)/provided by investing activities	(164,656)	45,877
Cash flows from financing activities:		
Bank loan repayments	(820,486)	(68,934)
Net cash used by financing activities	(820,486)	(68,934)
Net (decrease)/increase in cash & cash equivalents	(1,068,088)	179,350
Cash & cash equivalents, beginning of period	3,411,118	4,123,731
Cash & cash equivalents, end of period	\$2,343,030	\$4,303,081

Cash & cash equivalents comprise of cash at bank and brokers less bank overdraft and amounts due to brokers.

BENCHMARK (BAHAMAS) LTD.

EXPLANATORY NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Expressed in Bahamian dollars, unaudited)

1. Accounting policies

These interim financial statements have been prepared in accordance with International Financial Reporting Standards using the same accounting policies and methods of computation as compared with the 2011 audited financial statements.

The consolidated financial statements include the accounts of Benchmark (Bahamas) Ltd. and its wholly owned subsidiaries Benchmark Advisors (Bahamas) Ltd, Alliance Investment Management Ltd (“Alliance”) and Benchmark Properties Ltd (“Properties”).

2. Investments

Investments are comprised of publicly traded equities in the following industries:

Industry	June 30, 2012			December 31, 2011		
	Cost	Fair Value	%	Cost	Fair Value	%
<i>Unrestricted</i>						
Biotechnology	85,693	15,517	--	54,371	108	--
Construction	173,250	81,250	2	173,250	62,000	1
Entertainment	139,661	28,574	--	139,661	28,574	--
Financial services	4,210,725	5,409,924	80	4,130,925	5,168,325	77
Industrial	1,868,646	816,619	12	1,822,593	1,033,793	16
Insurance	214,434	1,892	--	214,434	1,748	--
Technology	21,692	--	--	21,692	570	--
Utilities	89,406	44,848	1	89,406	46,220	1
Wholesale & retail	176,961	67,366	1	176,961	78,484	1
Other	368,712	278,266	4	368,712	200,250	3
<i>Restricted</i>						
Industrial	199,180	--	--	199,180	50,633	1
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