ARAB TECHNICAL CONSTRUCTION COMPANY PJSC
AND ITS SUBSIDIARIES
DUBAI - UNITED ARAB EMIRATES

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND REVIEW REPORT FOR THE PERIOD FROM JANUARY 1, 2006 TO MARCH 31, 2006

Arab Technical Construction Company PJSC
and its Subsidiaries
Dubai - United Arab Emirates

Interim Condensed Consolidated Financial Statements and Review Report
For the Period from January 1, 2006 to March 31, 2006

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Ref.: 31875FS05-PJSC-March2006

Report on Review of Interim Financial Statements

The Shareholders
Arab Technical Construction Company PJSC
Dubai
United Arab Emirates

We have reviewed the accompanying interim condensed consolidated balance sheet of **Arab Technical Construction Company PJSC (the "Company") and its Subsidiaries (collectively the "Group"),** as at March 31, 2006 and the related interim condensed consolidated statements of income, changes in shareholders' equity and cash flows for the period from January 1, 2006 to March 31, 2006. These financial statements are the responsibility of the Directors of the Company. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with International Standard on review engagements (ISRE 2400). This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Group personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

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 presented fairly in all material respects, in accordance with International Accounting Standard No.34.

Deloitte & Touche

Saba Sindaha (Reg. No. 410)

Dubai
April 24, 2006

Arab Technical Construction Company PJSC
and its Subsidiaries
Dubai - United Arab Emirates

Interim Condensed Consolidated Balance Sheet
As of March 31, 2006
(In Arab Emirates Dirhams)

	Note	March 31, 2006 (reviewed)	December 31, 2005 (audited)
Assets			
Current assets			
Cash and cash equivalents		**195,427,270**	93,907,569
Other financial assets		**27,589,649**	27,825,420
Trade and other receivables		**912,402,106**	936,194,657
Due from related parties	7	**30,925,105**	29,576,492
Inventories		**92,652,883**	95,405,616
Other current assets		**38,679,761**	32,012,789
Total current assets		**1,297,676,774**	1,214,922,543
Non-current assets			
Available for sale investments		**7,074,354**	11,659,723
Intangible assets	9	**98,237,097**	101,040,097
Goodwill		**88,896,366**	88,896,366
Retentions receivable – non-current portion		**95,555,518**	128,629,676
Other non-current assets		**14,176,890**	13,140,145
Property, plant and equipment	10	**343,150,093**	331,484,165
Total non-current assets		**647,090,318**	674,850,172
Total Assets		**1,944,767,092**	1,889,772,715
Liabilities and Shareholders' Equity			
Current liabilities			
Bank borrowings		**1,619,781**	-
Trade and other payables		**1,244,833,780**	1,217,627,383
Due to related parties	7	**8,354,655**	9,066,453
Total current liabilities		**1,254,808,216**	1,226,693,836
Non-current liabilities			
Provision for employees' end of service indemnity		**35,822,218**	32,041,556
Retentions payable – non-current portion		**46,479,777**	57,080,473
Total non-current liabilities		**82,301,995**	89,122,029
Total Liabilities		**1,337,110,211**	1,315,815,865
Capital and reserves			
Share capital	13	**400,000,000**	400,000,000
Statutory reserve		**20,285,351**	16,585,671
Fair value adjustment reserve		**4,803,373**	8,100,140
Retained earnings		**182,568,157**	149,271,039
Total Shareholders' Equity		**607,656,881**	573,956,850
Total Liabilities and Shareholders' Equity		**1,944,767,092**	1,889,772,715

The accompanying notes form an integral part of these consolidated financial statements.

The financial statements on pages 2 to 14 were approved and authorized for issue by the Board of Directors on April 24, 2006 and signed on their behalf by:

…….....
Sheikh Butti Bin Maktoum Bin Juma Al Maktoum
Chairman

Arab Technical Construction Company PJSC
and its Subsidiaries
Dubai - United Arab Emirates

Interim Condensed Consolidated Income Statement
For the period from January 1, 2006 to March 31, 2006
(In Arab Emirates Dirhams)

	Period from January 1, 2006 to March 31, 2006 (reviewed)	Period from January 1, 2005 to March 31, 2005 (un-audited)
Revenue	**646,652,442**	470,194,949
Direct costs	**(580,380,949)**	(430,275,556)
Gross profit	**66,271,493**	39,919,393
Other operating income	**7,335,664**	807,447
General and administrative expenses	**(37,455,091)**	(20,578,506)
Changes in fair value of non-current retentions	**854,099**	(899,814)
Profit from operations	**37,006,165**	19,248,520
Finance costs	**(9,367)**	(2,902,340)
Profit for the period	**36,996,798**	16,346,180
Basic earnings per share (AED) (based on profit for the period and 400 million shares in issue throughout the period)	**0.09**	0.04

The accompanying notes form an integral part of these financial statements.

Interim Condensed Consolidated Statement of Changes in Shareholders' Equity
For the period from January 1, 2006 to March 31, 2006
(In Arab Emirates Dirhams)

	Share capital	Statutory reserve	Fair value adjustment reserve	Retained earnings	Total
Balance at December 31, 2004 (audited)	400,000,000	237,701	-	2,139,307	402,377,008
Profit for the period	-	-	-	16,346,180	16,346,180
Transfer to statutory reserve	-	1,634,618	-	(1,634,618)	-
Balance at March 31, 2005 (un-audited)	**400,000,000**	**1,872,319**	**-**	**16,850,869**	**418,723,188**
Balance at December 31, 2005 (audited)	400,000,000	16,585,671	8,100,140	149,271,039	573,956,850
Profit for the period	-	-	-	36,996,798	36,996,798
Realised profit on sale of investments transferred to income statement	-	-	(1,387,831)	-	(1,387,831)
Loss on available for sale investments recognized directly in equity	-	-	(1,908,936)	-	(1,908,936)
Total income recognized for the period	-	-	-	-	33,700,031
Transfer to statutory reserve	-	3,699,680	-	(3,699,680)	-
Balance at March 31, 2006 (reviewed)	**400,000,000**	**20,285,351**	**4,803,373**	**182,568,157**	**607,656,881**

The accompanying notes form an integral part of these financial statements.

Arab Technical Construction Company PJSC and its Subsidiaries
Dubai - United Arab Emirates

Interim Condensed Consolidated Cash Flow Statement
For the period from January 1, 2006 to March 31, 2006
(In Arab Emirates Dirhams)

	Period from January 1, 2006 to March 31, 2006	Period from January 1, 2005 to March 31, 2005
	(reviewed)	(un-audited)
Operating activities		
Profit for the period	**36,996,798**	16,346,180
Adjustments for:		
Depreciation of property, plant and equipment	**21,020,770**	7,670,361
Amortization of intangible assets	**2,803,000**	2,750,000
Provision for employees' end of service indemnity	**4,405,614**	6,143,145
Gain on sale of investments in securities	**(1,387,831)**	-
Gain on sale of property, plant and equipment	**(758,776)**	(103,452)
Finance costs	**9,367**	2,902,340
Changes in fair value of non-current retentions receivable and payable	**(854,099)**	899,814
Operating profit before changes in operating assets and liabilities	**62,234,843**	36,608,388
Decrease/(increase) in financial assets	**235,771**	(85,845,995)
Decrease/(increase) in trade and other receivables	**23,792,549**	(97,618,935)
(Increase)/decrease in due from related parties	**(1,348,613)**	2,197,538
Decrease in inventories	**2,752,734**	43,669,178
(Increase)/decrease in other current assets	**(6,666,972)**	2,018,548
Increase in trade and other payables	**27,206,397**	56,113,934
Decrease in due to related parties	**(711,798)**	(900,148)
Decrease in retention receivable – non-current portion	**34,081,689**	3,895,317
(Decrease)/increase in retention payables – non-current portion	**(10,754,128)**	11,402,602
Increase in other non-current assets	**(1,036,745)**	(2,219,161)
Cash generated from operations	**129,785,727**	(30,678,734)
Employees' end of service indemnity paid	**(624,952)**	(4,741,078)
Interest paid	**(9,367)**	(2,902,340)
Net cash from operating activities	**129,151,408**	(38,322,152)
Investing activities		
Purchase of property, plant and equipment	**(35,411,723)**	(40,822,236)
Proceeds from sale of investments in securities	**2,676,433**	-
Acquisition of investment in subsidiaries, net of cash acquired	**-**	(201,121,621)
Proceeds from disposal of property, plant and equipment	**3,483,802**	177,189
Net cash used in investing activities	**(29,251,488)**	(241,766,668)
Cash flow from financing activities		
Settlement of current accounts of previous shareholders of subsidiary	**-**	(72,114,071)
Repayments of borrowings	**-**	(39,418,659)
New bank loans raised	**1,619,781**	15,198,374
Net cash from financing activities	**1,619,781**	(96,334,356)
Net increase/(decrease) in cash and cash equivalents	**101,519,701**	(376,423,176)
Cash and cash equivalents at the beginning of the period	**93,907,569**	406,558,436
Cash and cash equivalents at the end of the period	**195,427,270**	30,135,260
	========	=========

The accompanying notes form an integral part of these financial statements.

1. Establishment and operations

Arab Technical Construction Company PJSC (the "Company") is a Public Joint Stock Company established under the laws of the United Arab Emirates pursuant to a trade license issued by the Department of Economic Development, Dubai.

The principal object of the Company is to invest in the construction sector through the acquisition of contracting and related companies.

The Company's shares are listed on the Dubai Financial Market (DFM).

The registered office of the Company is P.O. Box 72,122 Dubai, U.A.E.

The Company has the following subsidiaries:

Name of subsidiary and domicile	Percentage of holding	Principal activities
Arabtec Construction LLC, Dubai, U.A.E.	100%	Civil construction and related works.
Austrian Arabian Ready Mix Concrete Co. LLC, Dubai, U.A.E.	100%	Manufacture and transportation of ready mix concrete products.

The Company and its subsidiaries, referred to collectively in these financial statements as the "Group" are primarily engaged in the construction of high-rise towers, buildings and residential villas, in addition to the execution of related services such as drainage, electrical and mechanical works.

2. Basis of preparation

The interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) No. 34: Interim Financial Reporting. These financial statements are presented in United Arab Emirates Dirhams (AED) since that is the currency of the country in which the Group is domiciled.

The consolidated financial statements incorporate the financial statements of the Group and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

2. Basis of preparation (continued)

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

3. Significant accounting policies

The interim condensed consolidated financial statements have been prepared on the historical cost basis, except for the revaluation of certain properties and financial instruments. The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended December 31, 2005.

4. Segment information

All of the Group's operations currently relate to the construction sector.

5. Results for the period

The results for the first quarter ended March 31, 2006 reflect the results of the Group's continuing projects and any new projects commenced during the first quarter and are not significantly affected by any seasonal or cyclical operations.

Discretionary bonuses totaling AED 5 million were approved by management during the period and charged in arriving at the result for the quarter ended March 31, 2006.

6. Bonus shares

Based on the results for the year ended December 31, 2005, the Directors have proposed a bonus share issue of 30% (120 million shares of AED 1 each), for which approval will be sought at the Annual General Meeting of the shareholders scheduled for April 29, 2006. This will require an increase in the authorized share capital of the Company for which shareholders' approval will also be sought.

7. Related party transactions

a) The Group entered into a variety of transactions with companies and entities that fall within the definition of a related party as contained in International Accounting Standard No. 24: Related Party Disclosures. Related parties comprise the Group's major shareholders, directors and entities related to them, companies under common ownership and/or common management and control, their partners and key management personnel. Management decides on the terms and conditions of the transactions and services received/rendered from/to related parties as well as on other charges.

b) At the balance sheet date, due from related parties comprised the following:

	March 31, 2006 (reviewed) AED	December 31, 2005 (audited) AED
Amounts due from joint venture partners	**9,219,936**	184,962
Energy Management Services, Dubai, U.A.E.	**161,672**	250,590
Specialized and Interactive Systems, Dubai, U.A.E.	**-**	1,135
Pino Meroni M.E. LLC, Dubai, U.A.E.	**162,490**	29,173
Depa Interiors LLC, Dubai, U.A.E.	**-**	348,106
Mr. Riad Kamal – a director and major shareholder	**-**	13,940
House of Equipments LLC, Dubai, U.A.E.	**150,000**	-
First Group/Kamal/Malhas joint venture, Dubai, U.A.E.	**9,791,977**	11,889,324
Sulaiman Al Bassam/Malhas joint venture, Dubai, U.A.E.	**11,439,030**	16,859,262
	30,925,105	29,576,492

c) At the balance sheet date, due to related parties comprised the following:

	March 31, 2006 (reviewed) AED	December 31, 2005 (audited) AED
Amounts due to joint venture partners	**4,959,032**	7,187,625
Depa LLC, Abu Dhabi, U.A.E.	**1,923,615**	1,878,828
Depa Interiors LLC, Dubai, U.A.E.	**1,467,642**	-
Mr. Riad Kamal – a director and major shareholder	**4,366**	-
	8,354,655	9,066,453

7. Related party transactions (continued)

d) The nature of significant related party transactions and the amounts involved were as follows:

	March 31, 2006	December 31, 2005
	(reviewed)	(audited)
	AED	AED
Contract revenue	**38,394,522**	148,656,582
Share of projects net contribution payable to senior management – see Note 7(e) below	**4,000,000**	13,500,000
Sub-contracting costs	**109,312**	377,720
Wages and salaries	**101,232**	218,271
Bank charges	**1,283**	30,396
Rent income	**251,250**	198,895
Rent expense	**-**	25,684
Miscellaneous charges	**-**	303,271
Division income	**358,700**	158,730
Realised profit arising from investments held in trust by a director/shareholder	**-**	762,603
Purchase consideration for shares in Arabtec Construction LLC paid to directors/shareholders of the Group [see Note 7(f) below]	**-**	330,000,000
Interest paid to directors/shareholders of the Group relating to settlement of the proceeds of sale of shares in Arabtec Construction LLC [see Note 7(g) below]	**-**	4,880,791
Fair value (decrease)/increase arising on investments held in trust by a director/shareholder	**(881,096)**	5,008,494
	=========	=========

e) The share of projects net contribution payable to senior management is based on the terms of agreements entered into between the Group and certain members of senior management and are included as direct costs for those particular contracts.

f) The purchase consideration for the acquisition of 100% of the shares of Arabtec Construction LLC was determined based on an independent valuation agreed by a committee appointed by the UAE Ministry of Economy and Planning and approved by the shareholders in an Extra-ordinary General Assembly held on January 12, 2005.

g) The interest paid to certain directors/shareholders of the Group relating to their proceeds from the purchase of shares of Arabtec Construction LLC is in accordance with the terms of the Share Purchase Agreement approved by the shareholders at the Extra-ordinary General Assembly held on January 12, 2005.

7. Related party transactions (continued)

h) The remuneration of directors and other members of key management during the period were as follows:

	Period from January 1, 2006 to March 31, 2006 (reviewed)	Period from January 1, 2005 to March 31, 2005 (un-audited)
Management fees to directors	**225,000**	-
Short term benefits	**604,571**	597,590
Post-employment benefits	**10,500**	10,500
Discretionary bonuses	**5,000,000**	-

The remuneration of director and key executives is determined by the Board of Directors having regard to individual performance and market trends.

i) Amounts due from key management personnel included in other current assets:

	March 31, 2006 (reviewed) AED	December 31, 2005 (audited) AED
At January 1,	**5,459,976**	200,000
Advances during the period	**-**	5,398,854
Repayment during the period	**(18,000)**	(266,684)
Interest charged	**76,760**	127,806
	5,518,736	5,459,976

j) Amounts due to key management personnel included in trade and other payables:

	March 31, 2006 (reviewed) AED	December 31, 2005 (audited) AED
Accrued during the period	**225,000**	900,000

8. Joint ventures

The Group had the following significant interests in joint ventures:

a) A 40% share in the Abu Dhabi Investment Authority Head Quarter joint venture project.

b) A 50% share in the Six Construct/Arabtec joint venture projects (3 joint ventures).

c) A 30% share in the Samsung/Six Construct/Arabtec joint venture project.

The Group is entitled to a proportionate share of the joint ventures' assets and revenues and bears a proportionate share of the liabilities and outgoings.

The following amounts are included in the Group's financial statements as a result of the proportionate consolidation of the joint ventures:

	March 31, 2006 (reviewed) AED	December 31, 2005 (audited) AED
Current assets	**105,271,241**	96,879,323
Non-current assets	**38,481,925**	34,212,479
Current liabilities	**100,822,713**	80,647,565
Commitments	**2,093,058**	2,093,058
Contingent liabilities	**226,188,915**	225,764,21

	Period from January 1, 2006 to March 31, 2006 (reviewed) AED	Period from January 1, 2005 to March 31, 2005 (un-audited) AED
Revenue	**60,348,403**	18,338,278
Expenses	**54,636,340**	17,426,870

9. Intangible assets

	Leasehold property benefit	Arabtec brand	Total
	AED	AED	AED
Cost			
At December 31, 2005	2,040,097	110,000,000	112,040,097
At March 31, 2006	**2,040,097**	**110,000,000**	**112,040,097**
Amortization			
At December 31,2005	-	11,000,000	11,000,000
Charge for the period	53,000	2,750,000	2,803,000
At March 31, 2006	**53,000**	**13,750,000**	**13,803,000**
Carrying amount			
At March 31, 2006 (reviewed)	**1,987,097**	**96,250,000**	**98,237,097**
At December 31, 2005 (audited)	**2,040,097**	**99,000,000**	**101,040,097**

10. Property, plant and equipment

During the period, the Group spent approximately AED 34.6 million to purchase various types of property, plant and equipment.

Also, the Group disposed of plant and office equipment with a net book value of AED 2.7 million for proceeds of AED 3.4 million.

11. Operating lease arrangements

The Group as lessee:

	Period from January 1, 2006 to March 31, 2006	Period from January 1, 2005 to March 31, 2005
	(reviewed)	(un-audited)
	AED	AED
Minimum lease payments under operating leases recognized as expense in income statement for the period	**4,582,563**	4,419,868

At the balance sheet date, the Group had outstanding commitments under cancelable operating leases, which fall due as follows:

	March 31, 2006	December 31, 2005
	(reviewed)	(audited)
	AED	AED
Within one year	**8,619,212**	13,201,775
In the second to fifth years inclusive	**1,743,804**	1,743,804
Later than five years	**5,667,363**	5,667,363
	16,030,379	20,612,942

Operating lease payments represents rentals payable by the Group for land, certain labour camps and rented vehicles.

12. Commitments and contingencies

	March 31, 2006 (reviewed) AED	December 31, 2005 (audited) AED
Commitments		
Commitments for the acquisition of property, plant and equipment	**27,998,346**	27,143,793
Contingent liabilities		
Performance and bid bonds	**934,694,957**	874,345,375
Advance payment bonds	**482,727,718**	434,138,105
Financial guarantees	**20,339,947**	42,455,877
Retention bonds	**121,285,139**	93,794,684
Labour guarantees	**37,500,590**	37,337,005
Letters of credit	**73,775,963**	61,434,635

13. Share capital

The share capital comprises of 400,000,000 authorized, issued and fully paid shares of AED 1 each.

14. Comparative amounts

The interim condensed consolidated financial statements for the current period are for 3 months from January 1, 2006 to March 31, 2006. The corresponding amounts presented for the 3 months ended March 31, 2005 have been reclassified to conform to the current period presentation. The income statement for the period ended March 31, 2005 has been restated to take into account the effect of the acquisition accounting for the subsidiaries acquired which was finalized by the Group subsequent to the period ended March 31, 2005. The acquisition accounting adjustments had an effect of reducing the previously stated prior period result by AED 4.6 million, being the effect of amortisation of intangible assets acquired and additional depreciation on the fair value of property, plant and equipment acquired.