ARABTEC HOLDING PJSC AND ITS SUBSIDIARIES
DUBAI - UNITED ARAB EMIRATES

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION AND REVIEW REPORT FOR THE PERIOD FROM JANUARY 1, 2007 TO SEPTEMBER 30, 2007

Arabtec Holding PJSC and its Subsidiaries
Dubai - United Arab Emirates

Interim Condensed Consolidated Financial Information and Review Report
For the Period from January 1, 2007 to September 30, 2007

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Report on Review of Interim Condensed Consolidated Financial Information

The Board of Directors
Arabtec Holding PJSC
Dubai
United Arab Emirates

Introduction

We have reviewed the accompanying interim condensed consolidated balance sheet of **Arabtec Holding PJSC** (the "Company") **and its Subsidiaries** (collectively the "Group") as at September 30, 2007 and the related interim condensed consolidated statements of income, changes in equity and cash flows for the nine month period then ended and accompanying notes. Management of the Company is responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standard No. 34 – Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with 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 and consequently 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 information is not prepared, in all material respects, in accordance with International Accounting Standard No. 34.

Deloitte & Touche

Anis F. Sadek
(Registration No. 521)

Dubai
October 29, 2007

Arabtec Holding PJSC and its Subsidiaries
Dubai - United Arab Emirates

Interim Condensed Consolidated Balance Sheet
At September 30, 2007
(In Arab Emirates Dirhams)

	Note	September 30, 2007 (reviewed)	December 31, 2006 (audited)
Assets			
Current assets			
Cash and cash equivalents		**808,303,697**	100,981,696
Other financial assets		**20,196,318**	27,987,391
Trade and other receivables		**1,367,518,897**	1,197,541,471
Due from related parties	6 (b)	**77,560,434**	24,982,583
Inventories		**204,614,475**	215,105,833
Other current assets		**72,556,053**	44,610,204
Deferred tax asset	7	**943,564**	-
Total current assets		**2,551,693,438**	1,611,209,178
Non-current assets			
Other financial assets		**21,128,249**	13,705,473
Intangible assets	9	**89,697,492**	89,828,097
Goodwill		**97,982,199**	88,896,366
Retentions receivable – non-current portion		**127,810,782**	105,957,186
Other non-current assets		**13,197,677**	9,523,556
Property, plant and equipment	10	**540,044,682**	415,948,933
Total non-current assets		**889,861,081**	723,859,611
Total Assets		**3,441,554,519**	2,335,068,789
Liabilities and Equity			
Current liabilities			
Bank borrowings		**71,391,914**	156,795,947
Trade and other payables		**2,058,151,977**	1,226,412,910
Due to related parties	6 (c)	**61,573,577**	8,044,354
Income tax payable		**116,743**	-
Total current liabilities		**2,191,234,211**	1,391,253,211
Non-current liabilities			
Bank borrowings		**13,529,178**	763,261
Provision for employees' end of service indemnity		**63,352,427**	47,758,972
Retentions payable – non-current portion		**55,964,549**	85,223,674
Total non-current liabilities		**132,846,154**	133,745,907
Total Liabilities		**2,324,080,365**	1,524,999,118
Capital and reserves			
Share capital	13	**598,000,000**	520,000,000
Statutory reserve		**72,605,589**	38,276,226
Fair value adjustment reserve		**8,322,651**	909,887
Retained earnings		**377,450,296**	224,486,032
Equity attributable to equity holders of the parent		**1,056,378,536**	783,672,145
Minority interest		**61,095,618**	26,397,526
Total Equity		**1,117,474,154**	810,069,671
Total Liabilities and Equity		**3,441,554,519**	2,335,068,789

The accompanying notes form an integral part of this interim condensed consolidated financial information.

The financial information on pages 2 to 17 was approved and authorized for issue by the Board of Directors on October 29, 2007 and signed on their behalf by:

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Sheikh Butti Bin Maktoum Bin Juma Al Maktoum
Chairman

Arabtec Holding PJSC and its Subsidiaries
Dubai - United Arab Emirates

Interim Condensed Consolidated Income Statement
For the Period from January 1, 2007 to September 30, 2007
(In Arab Emirates Dirhams)

	Nine month period ended September 30,		Quarter ended September 30,	
	2007	2006	**2007**	2006
	(reviewed)	(reviewed)	**(reviewed)**	(reviewed)
Revenue	**2,874,381,092**	2,061,920,423	**1,106,619,530**	648,380,503
Direct costs	**(2,394,815,268)**	(1,808,973,908)	**(892,605,653)**	(569,603,334)
Gross profit	**479,565,824**	252,946,515	**214,013,877**	78,777,169
Other operating income	**75,302,540**	28,237,754	**39,895,268**	10,312,432
General and administrative expenses	**(185,044,004)**	(121,514,831)	**(70,999,759)**	(39,942,362)
Changes in fair value of non-current retentions	**(4,759,768)**	(218,159)	**(2,549,244)**	(3,117,187)
Finance costs	**(3,054,268)**	(59,224)	**(579,396)**	(133,560)
Profit for the period before tax	**362,010,324**	159,392,055	**179,780,746**	45,896,492
Net deferred tax credit	**826,821**	-	**826,821**	-
Profit for the period	**362,837,145**	**159,392,055**	**180,607,567**	**45,896,492**
Attributable to:				
Equity holders of parent	**343,293,627**	159,050,692	**169,850,423**	45,671,316
Minority interest	**19,543,518**	341,363	**10,757,144**	225,176
	362,837,145	159,392,055	**180,607,567**	45,896,492
Basic earnings per share (AED) (based on profit for the period and 598 million shares in issue throughout the period – including 78 million bonus shares approved on April 9, 2007)	**0.57**	0.27	**0.28**	0.08

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Changes in Equity
For the Period from January 1, 2007 to September 30, 2007
(In Arab Emirates Dirhams)

	Share capital	Statutory reserve	Fair value adjustment reserve	Retained earnings	Attributable to equity holders of the parent	Minority interest	Total
Balance at December 31, 2005 (audited)	400,000,000	16,585,671	8,100,140	149,271,039	573,956,850	-	573,956,850
Profit for the period	-	-	-	159,050,692	159,050,692	341,363	159,392,055
Realised profit on sale of investments transferred to income statement	-	-	(1,387,831)	-	(1,387,831)	-	(1,387,831)
Unrealised loss on available-for-sale investments recognized directly in equity	-	-	(4,314,398)	-	(4,314,398)	-	(4,314,398)
Total income recognized for the period	-	-	-	-	-	-	153,689,826
Minority interest arising on the issue of shares in a subsidiary	-	-	-	-	-	21,810,221	21,810,221
Issue of bonus shares (Note 13)	120,000,000	-	-	(120,000,000)	-	-	-
Transfer to statutory reserve	-	15,905,069	-	(15,905,069)	-	-	-
Balance at September 30, 2006 (reviewed)	**520,000,000**	**32,490,740**	**2,397,911**	**172,416,662**	**727,305,313**	**22,151,584**	**749,456,897**
Balance at December 31, 2006 (audited)	520,000,000	38,276,226	909,887	224,486,032	783,672,145	26,397,526	810,069,671
Profit for the period	-	-	-	343,293,627	343,293,627	19,543,518	362,837,145
Unrealised gain on available-for-sale Investments recognized directly in equity	-	-	7,412,764	-	7,412,764	-	7,412,764
Total income recognized for the period	-	-	-	-	-	-	370,249,909
Minority interest arising on the issue of shares in subsidiaries	-	-	-	-	-	15,154,574	15,154,574
Dividends paid (Note 14)	-	-	-	(78,000,000)	(78,000,000)	-	(78,000,000)
Issue of bonus shares (Note 13)	78,000,000	-	-	(78,000,000)	-	-	-
Transfer to statutory reserve	-	34,329,363	-	(34,329,363)	-	-	-
Balance at September 30, 2007 (reviewed)	**598,000,000**	**72,605,589**	**8,322,651**	**377,450,296**	**1,056,378,536**	**61,095,618**	**1,117,474,154**

The accompanying notes form an integral part of this interim condensed consolidated financial information

Arabtec Holding PJSC and its Subsidiaries
Dubai - United Arab Emirates

Interim Condensed Consolidated Cash Flow Statement
For the Period from January 1, 2007 to September 30, 2007
(In Arab Emirates Dirhams)

	Nine month period ended September 30,	
	2007	2006
	(reviewed)	(reviewed)
Operating activities		
Profit for the period	**362,837,145**	159,392,055
Adjustments for:		
Net deferred tax credit	**(826,821)**	-
Depreciation of property, plant and equipment	**75,180,016**	56,909,457
Amortization of intangible assets	**9,130,605**	8,409,000
Provision for employees' end of service indemnity	**16,650,541**	14,127,752
Gain on sale of available for sale investments	**-**	(1,387,831)
Gain on sale of property, plant and equipment	**(1,070,643)**	(2,990,160)
Finance costs	**3,054,268**	59,224
Changes in fair value of non-current retentions receivable and payable	**4,759,768**	218,159
Operating cash flows before changes in operating assets and liabilities	**469,714,879**	234,737,656
Decrease in other financial assets	**7,791,073**	2,639,833
Increase in trade and other receivables	**(133,896,111)**	(78,017,271)
(Increase)/decrease in due from related parties	**(52,577,851)**	4,111,529
Decrease in inventories	**10,648,158**	21,046,381
Increase in other current assets	**(27,945,849)**	(18,964,948)
(Increase)/decrease in other non-current assets	**(3,674,122)**	841,676
Increase/(decrease) in trade and other payables	**818,906,286**	(51,421,349)
Increase/(decrease) in due to related parties	**29,552,700**	(6,779,552)
(Increase)/decrease in retention receivable – non-current portion	**(26,613,364)**	7,611,078
(Decrease)/increase in retention payables – non-current portion	**(29,259,125)**	13,083,656
Cash generated from operations	**1,062,646,674**	128,888,689
Employees' end of service indemnity paid	**(2,939,315)**	(1,952,658)
Interest paid	**(3,054,267)**	(59,224)
Net cash from operating activities	**1,056,653,092**	126,876,807
Investing activities		
Increase/(decrease) in loan due to a related party	**1,946,687**	(4,732,747)
Purchase of property, plant and equipment	**(205,474,243)**	(124,296,679)
Proceeds from disposal of property, plant and equipment	**7,411,618**	12,447,482
Acquisition of investment in subsidiaries, net of cash acquired (Note 15)	**(14,770,289)**	-
Investment in available for sale investment	**(1,956,699)**	-
Proceeds from sale of available for sale investment	**-**	2,676,433
Net cash used in investing activities	**(212,842,926)**	(113,905,511)
Financing activities		
Proceeds from issue of shares to minority interest – capital	**14,952,074**	21,810,222
(Repayments)/proceeds from bank borrowings	**(73,440,239)**	11,666,507
Dividends paid (Note 14)	**(78,000,000)**	-
Net cash (used in)/from financing activities	**(136,488,165)**	33,476,729
Net increase in cash and cash equivalents	**707,322,001**	46,448,025
Cash and cash equivalents at the beginning of the period	**100,981,696**	93,907,569
Cash and cash equivalents at the end of the period	**808,303,697**	140,355,594

The accompanying notes form an integral part of this interim condensed consolidated financial information.

1. Establishment and operations

Arabtec Holding 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 and the Ministry of Economy.

The principal object of the Company is to invest in the construction sector through the acquisition of construction 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 72122, Dubai, U.A.E.

The Company has the following subsidiaries over which it exercises effective control:

Name of subsidiary and domicile	Percentage of beneficial 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
House of Equipment Co. LLC, Dubai, UAE	33.33%	Trading and leasing of construction equipment
Arabtec Construction LLC, Doha, Qatar	49%	Civil construction and related works
Arabtec Precast LLC, Dubai, UAE	100%	Manufacture of pre cast panels
Nasir Bin Khalid Factory Readymix Concrete Co. LLC, Doha, Qatar	49%	Manufacture and transportation of readymix concrete product
Emirates Falcon Electromechanical Co. EFECO LLC, Dubai, UAE	55%	Electrical mechanical and plumbing contracts
Arabtec Engineering LLC, Dubai	100%	Infrastructure construction works
Arabtec International Company Limited (under formation), Mauritius	100%	Civil construction and related works
Arabtec Pakistan (Pvt) Limited (under formation), Pakistan	60%	Civil construction and related works

1. Establishment and operations (continued)

The investment in House of Equipment Co. LLC is held by one of the shareholders on trust and for the benefit of the Company.

The Company and its subsidiaries, referred to collectively in this financial information 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, provision of ready mix concrete and construction equipment supply and rental.

2. Basis of preparation

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

The interim condensed consolidated financial information incorporates the financial information of the Company 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.

Although the Group owns less than 50% of the equity shares in House of Equipment Co. LLC, Arabtec Construction LLC, Doha and Nasir Bin Khalid Factory Readymix Concrete Co. LLC, Doha, the Group has the power to govern the strategic operating and financial decisions of the companies.

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

Where necessary, adjustments are made to the financial information of subsidiaries to bring their accounting policies in 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 information has been prepared on the historical cost basis, except for the revaluation of certain 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, 2006. The interim financial information should be read in conjunction with the consolidated financial statements for the year ended December 31, 2006.

The preparation of interim condensed consolidated financial information require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended December 31, 2006.

Profits are recognized on projects in the early stages of completion if it is anticipated that these projects will, by the year end, be at a stage of completion sufficient to warrant profit recognition.

4. Segment information

Substantially all of the Group's operations currently relate to the construction sector and are performed in the Gulf Cooperation Council countries.

5. Results for the period

The results for the nine month period ended September 30, 2007 reflect the results of the Group's continuing projects and new projects commenced during the period and are not significantly affected by any seasonal or cyclical operations.

Costs that occur unevenly during the financial year are anticipated or deferred in the interim condensed consolidated financial information only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

The net deferred tax credit represents the sum of the taxes currently payable and deferred taxes arising on profits for the period in Qatar.

5. Results for the period (continued)

Discretionary bonuses for the year ended December 31, 2006 totaling AED 3 million were approved by Management during the period and were charged in arriving at the result for the nine month period ended September 30, 2007 (nine months ended September 30, 2006: AED 5 million).

6. 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 and entities 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:

	September 30, 2007 (reviewed) AED	December 31, 2006 (audited) AED
Joint ventures		
Amounts due from joint venture partners	**37,079,390**	18,286,943
Other related parties		
Pino Meroni M.E. LLC, Dubai, U.A.E.	**4,848**	157,837
First Group/Kamal/Malhas joint venture, Dubai, U.A.E.	**-**	4,737,803
Depa Interiors LLC, Dubai, U.A.E.	**30,885,662**	-
Nouman Fouad Trading, Dubai, U.A.E.	**-**	1,800,000
Al Waab City W.L.L., Doha, Qatar	**8,818,049**	-
National Industrial Contracting Company W.L.L., Doha, Qatar	**732,233**	-
Others	**40,252**	-
	40,481,044	6,695,640
	77,560,434	24,982,583

6. Related party transactions (continued)

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

	September 30, 2007 (reviewed) AED	December 31, 2006 (audited) AED
Joint ventures		
Amounts due to joint venture partners	**15,646,788**	3,667,685
Other related parties		
Depa LLC, Abu Dhabi, U.A.E.	**74,056**	3,543,541
Depa Interiors LLC, Dubai, U.A.E.	**-**	346,437
Specialised and Interactive System LLC, Dubai, U.A.E.	**-**	27,511
Mr. Riad Burhan Kamal – Chief Executive and major shareholder	**4,863**	459,180
NBK & Sons, Qatar	**27,397,879**	-
Mechanical Engineering Centre	**24,729**	-
Mr. Saad Faeq Munib Al Taher	**17,904,503**	-
Nouman Fouad Trading, Dubai, U.A.E.	**520,759**	-
	45,926,789	4,376,669
	61,573,577	8,044,354

6. Related party transactions (continued)

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

	Nine month period ended September 30,		Quarter ended September 30,	
	2007 (reviewed) AED	2006 (reviewed) AED	2007 (reviewed) AED	2006 (reviewed) AED
Joint ventures				
Manpower and other charges to joint ventures	**40,196,251**	-	**22,608,619**	-
Other related parties				
Contract revenue	**31,708,000**	95,689,073	**16,175,862**	31,711,484
Share of projects net contribution payable to a related party [see Note 6(e) below]	-	9,184,454	-	-
Sub-contracting costs	**528,351**	200,280	-	1,485
Wages and salaries	**151,453**	307,037	-	118,618
Interest received on loans	**256,239**	7,564	**152,218**	7,564
Bank charges	**1,959**	2,679	**451**	1,396
Rent income	**60,000**	311,250	-	-
Rent expense	-	32,250	-	32,250
Miscellaneous charges	**415,410**	959,456	-	264,918
Purchase of property, plant and equipment	**117,900**	-	-	-
Sale of property, plant and equipment	**3,260,941**	8,956,050	-	3,354,046
Cranes purchased/hired	**7,978,040**	-	**3,480,959**	-
Fair value increase/(decrease) arising on investments held in trust by a director/shareholder	**2,614,859**	(2,836,556)	**568,448**	(68,214)

e) The share of projects net contribution payable to a related party is based on the terms of agreements entered into between the Group and a related party and is included as direct costs for those particular contracts.

f) The Group has provided a loan (included in other long-term financial assets) of AED 4,238,772 to a minority shareholder in House of Equipment Co. LLC. Interest on the loan is charged at 7% per annum.

6. Related party transactions (continued)

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

	Nine month period ended September 30,		Quarter ended September 30,	
	2007	2006	**2007**	2006
	(reviewed)	(reviewed)	**(reviewed)**	(reviewed)
	AED	AED	**AED**	AED
Management fees to directors	**675,000**	675,000	**225,000**	225,000
Short term benefits	**12,608,524**	1,891,328	**4,542,415**	682,379
Post-employment benefits	**34,875**	34,875	**11,625**	11,625
Discretionary bonus	**3,000,000**	5,000,000	**3,000,000**	-

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

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

	September 30, 2007	December 31, 2006
	(reviewed)	(audited)
	AED	AED
At beginning of period/year	**3,280,125**	5,459,976
Repayment during the period/year	**(561,497)**	(2,415,144)
Interest charged during the period/year	**129,671**	235,293
At end of the period/year	**2,848,299**	3,280,125

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

	September 30, 2007	December 31, 2006
	(reviewed)	(audited)
	AED	AED
Accrued during the period/year	**-**	900,000

j) Included in trade and other payables is an amount of AED 15,010,270 (2006: AED 8,159,575) representing contributions from employees and directors towards a staff welfare scheme. The related assets of the scheme are included in the balance sheet under other receivables.

k) 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 (Note 8).

7. Deferred tax assets

The deferred tax assets are generally recognized for all temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. The carrying amount of the deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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.
c) A 30% share in the Samsung/Six Construct/Arabtec joint venture project.
d) A 50% share in Arabtec/Max Bogl joint venture projects.
e) A 50% share in Arabtec Engineering/WCT Engineering Berhad joint venture project.
f) A 50% share in Arabtec/Emirates Sunland Group joint venture project.

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

	September 30, 2007 (reviewed) AED	December 31, 2006 (audited) AED
Current assets	**445,724,128**	57,070,287
Non-current assets	**61,546,705**	58,844,575
Current liabilities	**379,319,741**	135,746,312
Non-current liabilities	**16,011,530**	19,538,754
Commitments	**-**	1,395,972
Contingent liabilities	**802,849,576**	229,782,392

	Nine month period ended September 30,		**Quarter ended September 30,**	
	2007 (reviewed) AED	2006 (reviewed) AED	**2007 (reviewed) AED**	2006 (reviewed) AED
Revenue	**470,211,022**	298,817,682	**171,393,340**	126,218,794
Expenses	**448,800,172**	284,697,613	**164,102,559**	120,964,355

9. Intangible assets

	Leasehold property benefit	Arabtec brand	Other intangibles	Total
	AED	AED	AED	AED
Cost				
At December 31, 2006	2,040,097	110,000,000	-	112,040,097
Additions	-	-	9,000,000	9,000,000
At September 30, 2007	**2,040,097**	**110,000,000**	**9,000,000**	**121,040,097**
Accumulated amortization				
At December 31, 2006	212,000	22,000,000	-	22,212,000
Charge for the period	205,605	8,250,000	675,000	9,130,605
At September 30, 2007	**417,605**	**30,250,000**	**675,000**	**31,342,605**
Carrying amount At September 30, 2007 (reviewed)	**1,622,492**	**79,750,000**	**8,325,000**	**89,697,492**
At December 31, 2006 (audited)	1,828,097	88,000,000	-	89,828,097

The intangible assets included above, arising on business combinations, have finite useful lives, over which the assets are amortized.

Amortization of the leasehold property benefit is based on the underlying lease, and commenced on January 1, 2006 for a period of 18 years.

The Arabtec brand value is amortized over the expected period of benefit of 10 years, following which continuing brand value will have been internally generated and not recognisable as an asset under International Financial Reporting Standards.

Other intangibles are amortized over the estimated period of benefit of 10 years and represent technological expertise, the trade name and the special historic and beneficial working relationship between the companies, that together form a set of complementary assets described as 'technological expertise' and which has been valued based on the price and quality differential for electro-mechanical services available to the Group as a result of the acquisition of Emirates Falcon Electromechanical Co. (L.L.C.) (Note 15).

10. Property, plant and equipment

During the period, the Group purchased approximately AED 206 million (2006: AED 124 million) of various types of property, plant and equipment and disposed of property, plant and equipment with a net book value of AED 6.3 million (2006: AED 9.5 million) for proceeds of AED 7.41 million (2006: AED 12.5 million).

11. Operating lease

The Group as lessee:

	Nine month period ended September 30,		Quarter ended September 30,	
	2007	2006	**2007**	2006
	(reviewed)	(reviewed)	**(reviewed)**	(reviewed)
	AED	AED	**AED**	AED
Minimum lease payments under operating leases recognized as expense for the period	**36,838,345**	17,555,220	**14,826,277**	6,355,288

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

	September 30, 2007	December 31, 2006
	(reviewed)	(audited)
	AED	AED
Within one year	**8,960,162**	21,732,643
In the second to fifth years inclusive	**1,743,804**	1,815,671
Later than five years	**4,969,937**	5,405,741
	15,673,903	28,954,055

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

12. Commitments and contingencies

	September 30, 2007 (reviewed) AED	December 31, 2006 (audited) AED
Commitments		
Commitments for the acquisition of property, plant and equipment	**111,314,195**	21,059,108
Contingent liabilities		
Performance and bid bonds	**2,167,332,168**	1,342,039,424
Advance payment bonds	**913,369,120**	438,107,365
Financial guarantees	**31,664,948**	30,833,448
Retention bonds	**359,451,094**	213,123,364
Labour guarantees	**11,902,850**	10,764,150
Letters of credit	**93,391,877**	76,802,106

13. Share capital

Following a bonus share issue of 15% (78 million shares of AED 1 each), for which approval was given at the Annual General Meeting of the shareholders held on April 9, 2007, the share capital comprises of 598,000,000 (2006: 520,000,000) authorized, issued and fully paid shares of AED 1 each.

During 2006, the Directors proposed a bonus share issue of 30% (120 million shares of AED 1 each), for which approval was given at the Extraordinary General Meeting of the shareholders held on May 29, 2006.

14. Dividends paid

Based on the results for the year ended December 31, 2006, the directors proposed a cash dividend of AED 78 million, for which approval has been received at the Annual General Meeting of the shareholders held on April 9, 2007.

15. Acquisition of subsidiary

On January 1, 2007, the Group acquired 55 per cent of the issued share capital of Emirates Falcon Electromechanical Co. (L.L.C.) for cash consideration of AED 18.33 million. This transaction has been accounted for using the purchase method of accounting in accordance with IFRS 3.

15. Acquisition of subsidiary (continued)

The net assets acquired in the transaction, and the goodwill arising, are as follows:

	AED
Net assets acquired at fair value:	
Property, plant and equipment	142,497
Inventories	156,800
Trade and other receivables	36,081,315
Bank and cash balances	3,113,044
Provision for employees' end of service indemnity	(1,882,229)
Trade and other payables	(12,832,781)
Due to related parties	(23,976,523)
Due from related parties	450,000
Bank overdraft	(802,123)
	450,000
Less: Minority interest	(202,500)
Goodwill	9,085,833
Other Intangible asset	9,000,000
Total consideration, satisfied by cash	18,333,333

	AED
Net cash outflow arising on acquisition:	
Cash consideration paid	(18,333,333)
Cash and cash equivalents acquired	3,563,044
	(14,770,289)

The goodwill arising on the acquisition of Emirates Falcon Electromechanical Co. (L.L.C.) is attributable to the anticipated future profitability of the company's products and services and the anticipated future operating synergies from the combination with the Group.

The other intangible assets represents technological expertise, the trade name and the special historic and beneficial working relationship with Arabtec, that together form a set of complementary assets described as 'technological expertise' and which has been valued based on the price and quality differential for electro-mechanical services available to the Group from the acquisition.

Emirates Falcon Electromechanical Co. (L.L.C.) contributed AED 18.5 million to the Group's profit for the period between the date of acquisition and the balance sheet date.