ARABTEC HOLDING PJSC AND ITS SUBSIDIARIES
DUBAI - UNITED ARAB EMIRATES

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION AND INDEPENDENT AUDITOR'S REVIEW REPORT FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2010

Arabtec Holding PJSC and its Subsidiaries
Dubai - United Arab Emirates

Interim Condensed Consolidated Financial Information and Independent Auditor's Review Report For the Three Month Period Ended March 31, 2010

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Independent Auditor's Review Report

The Directors
Arabtec Holding PJSC
Dubai
United Arab Emirates

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of **Arabtec Holding PJSC** (the "Company") **and its Subsidiaries** (collectively the "Group") as at March 31, 2010 and the related interim condensed consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the three month period then ended. Management is responsible for the preparation and fair presentation of this interim condensed financial information in accordance with International Accounting Standard 34 – Interim Financial Reporting (IAS 34). Our responsibility is to issue a conclusion on this interim condensed consolidated financial information 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 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 34: Interim Financial Reporting.

Emphasis of matter

Without qualifying our conclusion we draw attention to Note 6 to the interim condensed consolidated financial information which describes a contractual dispute that is currently subject to arbitration proceedings, the probable outcome of which cannot currently be determined with reasonable certainty as the proceedings are at a preliminary stage.

Deloitte & Touche

Anis F. Sadek
(Registration No. 521)

Dubai
May 9, 2010

Arabtec Holding PJSC and its Subsidiaries
Dubai - United Arab Emirates

Interim Condensed Consolidated Statement of Financial Position
At March 31, 2010
(In Thousand Arab Emirates Dirhams)

	Note	March 31, 2010 (Un-audited)	December 31, 2009 (Audited)
Assets			
Current assets			
Cash and cash equivalents		**588,895**	634,051
Other financial assets		**186,364**	186,467
Trade and other receivables		**4,882,734**	4,678,301
Due from related parties	7(b)	**834,994**	720,392
Inventories		**539,310**	647,642
Other current assets		**176,927**	149,321
Deferred tax		**163**	164
Total current assets		**7,209,387**	7,016,338
Non-current assets			
Other financial assets		**57,829**	59,641
Investment in associate		**3,200**	3,200
Intangible assets	9	**181,920**	195,416
Goodwill		**252,265**	252,265
Retentions and trade receivables - non-current portion		**258,976**	211,499
Other non-current assets		**9,489**	9,389
Property, plant and equipment	10	**1,345,454**	1,362,714
Total non-current assets		**2,109,133**	2,094,124
Total Assets		**9,318,520**	9,110,462
LIABILITIES AND EQUITY			
Current liabilities			
Bank borrowings	11	**916,533**	769,756
Trade and other payables		**4,763,670**	4,846,602
Due to related parties		**370,937**	375,642
Income tax payable		**6,081**	8,620
Total current liabilities		**6,057,221**	6,000,620
Non-current liabilities			
Bank borrowings	11	**153,252**	187,127
Provision for employees' end of service indemnity		**140,439**	137,726
Retentions payable - non-current portion		**74,272**	56,971
Total non-current liabilities		**367,963**	381,824
Total Liabilities		**6,425,184**	6,382,444
Capital and reserves			
Issued share capital	15	**1,196,000**	1,196,000
Statutory reserve		**250,560**	237,107
Fair value adjustment reserve		**(4,003)**	(2,342)
Retained earnings		**1,082,040**	960,962
Equity attributable to equity holders of the Company		**2,524,597**	2,391,727
Non-controlling interests		**368,739**	336,291
Total Equity		**2,893,336**	2,728,018
Total Liabilities and Equity		**9,318,520**	9,110,462

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

The interim condensed consolidated financial information on pages 2 to 22 was approved by the Board of Directors and authorized for issue on May 9, 2010 and signed on their behalf by:

.....
Riad Kamal
Chief Executive Officer and Board Member

Arabtec Holding PJSC and its Subsidiaries
Dubai - United Arab Emirates

Interim Condensed Consolidated Statement of Income
For the Three Month Period Ended March 31, 2010
(In Thousand Arab Emirates Dirhams)

	Note	Three Month Period Ended March 31, 2010 (Un-audited)	2009 (Un-audited)
Revenue		**1,550,697**	1,865,487
Direct costs		**(1,294,051)**	(1,578,696)
Gross profit		**256,646**	286,791
Other operating income		**17,275**	24,874
Other income		**17,623**	7,616
General and administrative expenses		**(111,936)**	(104,694)
Changes in fair value of non-current retentions		**(2,468)**	(2,080)
Finance costs		**(7,472)**	(18,376)
Profit before tax		**169,668**	194,131
Income tax expense	12	**(189)**	(1,988)
Profit for the period		**169,479**	192,143
Attributable to:			
Owners of the Company		**134,531**	161,225
Non-controlling interests		**34,948**	30,918
		169,479	192,143
Basic earnings per share (AED) (based on profit for the period attributable to equity holders of the parent and 1,196 million shares in issue throughout the period)		**0.11**	0.13

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 Statement of Comprehensive Income
For the Three Month Period Ended March 31, 2010
(In Thousand Arab Emirates Dirhams)

	Three Month Period Ended March 31,	
	2010	2009
	(Un-audited)	(Un-audited)
Profit for the period	**169,479**	192,143
Other comprehensive income/(loss)		
Net unrealised loss on revaluation of Available-For-Sale financial assets during the period	**(1,661)**	(4,560)
Total comprehensive income for the period	**167,818**	187,583
Total comprehensive income attributable to:		
Owners of the Company	**132,870**	156,665
Non-controlling interests	**34,948**	30,918
	167,818	187,583

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 Statement of Changes in Equity
For the Three Month Period Ended March 31, 2010
(In Thousand Arab Emirates Dirhams)

	Attributable to owners of the Company						
	Share capital	Statutory reserve	Fair value adjustment reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance at December 31, 2008 (Audited)	**1,196,000**	**187,616**	**(5,941)**	**515,545**	**1,893,220**	**224,722**	**2,117,942**
Dividends paid to non-controlling interests	-	-	-	-	-	(17,235)	(17,235)
Total comprehensive income for the period	-	-	(4,560)	161,225	156,665	30,918	187,583
Transfer to statutory reserve	-	16,122	-	(16,122)	-	-	-
Balance at March 31, 2009 (Un-audited)	**1,196,000**	**203,738**	**(10,501)**	**660,648**	**2,049,885**	**238,405**	**2,288,290**
Balance at December 31, 2009 (Audited)	**1,196,000**	**237,107**	**(2,342)**	**960,962**	**2,391,727**	**336,291**	**2,728,018**
Dividends paid to non-controlling interests	-					(2,500)	(2,500)
Total comprehensive income for the period	-	-	(1,661)	134,531	132,870	34,948	167,818
Transfer to statutory reserve	-	13,453	-	(13,453)	-	-	-
Balance at March 31, 2010 (Un-audited)	**1,196,000**	**250,560**	**(4,003)**	**1,082,040**	**2,524,597**	**368,739**	**2,893,336**

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 Statement of Cash Flows
For the Three Month Period Ended March 31, 2010
(In Thousand Arab Emirates Dirhams)

	Three month period ended March 31,	
	2010	2009
	(Un-audited)	(Un-audited)
Net cash used in operating activities	**(116,303)**	(7,925)
Cash flows from investing activities		
Purchase of property, plant and equipment	**(57,593)**	(64,355)
Proceeds from sale of property, plant and equipment	**18,406**	8,131
Repayment of loan to a related party	**(69)**	(40)
Net cash used in investing activities	**(39,256)**	(56,264)
Cash flows from financing activities		
Dividends paid to non-controlling interests	**(2,500)**	(17,235)
Proceeds from bank borrowings (net)	**112,903**	252,097
Net cash from financing activities	**110,403**	234,862
Net (decrease)/increase in cash and cash equivalents	**(45,156)**	170,673
Cash and cash equivalents at the beginning of the period	**634,051**	757,437
Cash and cash equivalents at the end of the period	**588,895**	928,110

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 significant 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
Nasser Bin Khaled Factory Ready Mix Concrete Co. LLC, Doha, Qatar	49%	Manufacture and transportation of ready mix concrete product
Emirates Falcon Electromechanical Co. EFECO LLC, Dubai, UAE	55%	Electrical mechanical and plumbing contracts
Arabtec Engineering LLC, Dubai, UAE	80%	Infrastructure construction works
Arabtec Pakistan (Pvt) Limited, Pakistan	60%	Civil construction and related works
Target Engineering Construction Company, Abu Dhabi, UAE	60%	Civil construction and related works
Gulf Steel Industries FZC, Sharjah, UAE	55%	Fabrication of steel structures and profiles
Arabtec Saudi Arabia LLC, Saudi Arabia	45%	Civil construction and related works

1. Establishment and operations (continued)

The Company has the following associate over which it exercises significant influence:

Name of associate and domicile	Percentage of beneficial holding	Principal activities
Polypod Middle East LLC, Abu Dhabi, UAE	40%	Assembly of bathroom pods and other types of pods on the same concept.

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 investment in Arabtec Pakistan (Pvt) Limited is held by third parties on trust and for the benefit of the Company. The investment in Arabtec Engineering LLC, Dubai is held by two 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 readymix 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 Company owns less than 50% of the equity shares in House of Equipment Co. LLC, Dubai, Arabtec Construction LLC, Doha, Nasser Bin Khaled Factory Readymix Concrete Co. LLC, Doha and Arabtec Saudi Arabia LLC, Saudi Arabia, the Group has the power to govern the strategic operating and financial decisions of these companies and therefore treats them as subsidiaries..

2. Basis of preparation (continued)

The results of subsidiaries acquired or disposed of during the period are included in the interim condensed consolidated Statement of Income 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 condensed financial information has been prepared under the historical cost basis, except for revaluation of certain assets. 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, 2009.

The preparation of interim condensed consolidated financial information requires 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 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, 2009.

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

The Group has four reportable segments: business construction, precast and concrete production, drainage and electromechanical works and marine construction. The business construction segment primarily engages in the construction of high-rise towers, buildings and residential villas. The precast and concrete production segment produces ready mix concrete and precast mainly to serve the business construction segment. The drainage and electrocmechanical segment is involved in the execution of the drainage, electrical and mechanical works. The fourth segment is involved in marine construction.

The accounting policies of the operating segments are the same as those applied to the consolidated financial statements as at and for the year ended December 31, 2009. Arabtec Holding PJSC evaluates performance on the basis of profit or loss from operations before tax expense.

Arabtec Holding PJSC accounts for intersegment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices.

Arabtec Holding PJSC's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies. Most of the businesses were acquired/formed as individual units, and the management at the time of the acquisition was retained.

4. Segment information (continued)

Information about reportable segment profit or loss, assets and liabilities

March 31, 2010 (Un-audited)	Building construction AED'000	Precast and concrete production AED'000	Drainage and electro-mechanical works AED'000	Marine construction AED'000	All other AED'000	Total AED'000
Revenues from external customers	1,304,893	5,769	200,860	13,906	25,269	1,550,697
Inter-segment revenues	-	51,835	80,470	-	1,688	133,993
Other income	16,805	737	-	-	-	17,542
Interest expense	4,553	40	1,422	174	1,281	7,470
Depreciation	37,410	9,758	5,613	605	5,584	58,970
Reportable segment profit/ (loss) before tax	144,003	(1,066)	46,298	584	(110)	189,709
Income tax expense/ (credit)	541	(488)	136	-	-	189
Reportable segment assets	7,566,881	404,812	966,904	104,221	230,991	9,273,809
Expenditures for reportable segment non-current assets	43,922	6,762	6,621	51	238	57,594
Reportable segment liabilities	5,879,028	183,429	722,519	101,437	123,126	7,009,539

4. Segment information (continued)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities:

	March 31, 2010 AED'000 (Unaudited)
Revenues	
Total revenues for reportable segments	1,659,421
Other revenues	25,269
Elimination of intersegment revenues	(133,993)
Group's revenues	1,550,697
Profit	
Total profit for reportable segments	189,819
Other loss	(110)
Other corporate expenses	(20,041)
Income before income tax expense	169,668
Assets	
Total assets for reportable segments	9,042,818
Other assets	230,991
Corporate assets	650,622
Elimination of inter-segments receivables	(605,911)
Group's assets	9,318,520
Liabilities	
Total liabilities for reportable segments	6,886,414
Other liabilities	123,125
Corporate liabilities	21,556
Elimination of inter-segment payables	(550,966)
Elimination of payable to corporate headquarters	(54,945)
Group's liabilities	6,425,184

4. Segment information (continued)

Information about reportable segment profit or loss, assets and liabilities

March 31, 2009 (Un-audited)	Building construction AED'000	Precast and concrete production AED'000	Drainage and electro-mechanical works AED'000	Marine construction AED'000	All other AED'000	Total AED'000
Revenues from external customers	1,694,193	17,546	91,191	24,918	37,639	1,865,487
Inter-segment revenues	-	125,622	101,799	-	10,758	238,179
Interest income	7,616	-	-	-	-	7,616
Interest expense	15,125	41	-	436	2,774	18,376
Depreciation	39,661	9,835	5,048	1,283	11,566	67,393
Reportable segment profit before tax	158,099	20,367	29,307	3,841	1,072	212,686
Income tax expense	1,924	45	-	19	-	1,988
Reportable segment assets	7,673,970	404,990	641,038	123,797	305,305	9,149,100
Expenditures for reportable segment non-current assets	35,448	6,050	4,596	1,676	16,585	64,355
Reportable segment liabilities	6,442,338	187,638	505,710	117,775	194,977	7,448,438

4. Segment information (continued)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities:

	March 31, 2009 AED'000 (Un-audited)
Revenues	
Total revenues for reportable segments	2,066,028
Other revenues	37,639
Elimination of intersegment revenues	(238,180)
Group's revenues	1,865,487
Profit	
Total profit for reportable segments	211,613
Other profit	1,072
Other corporate expenses	(18,554)
Income before income tax expense	194,131
Assets	
Total assets for reportable segments	8,843,795
Other assets	305,305
Corporate assets	596,784
Elimination of inter-segments receivables	(404,924)
Group's assets	9,340,960
Liabilities	
Total liabilities for reportable segments	7,253,461
Other liabilities	194,977
Corporate liabilities	9,156
Elimination of inter-segment payables	(362,095)
Elimination of payable to corporate headquarters	(42,829)
Group's liabilities	7,052,670

4. Segment information (continued)

Geographical information

	March 31, 2010		March 31, 2009	
	Revenues	**Non-current assets**	Revenues	Non-current assets
	AED'000	**AED'000**	AED'000	AED'000
GCC Countries	**1,512,364**	**1,337,275**	1,860,297	1,362,177
Pakistan	**2,717**	**590**	168	1,666
Levant	**8,360**	**7,205**	5,022	7,653
Russia	**27,257**	**383**	-	-

a) Revenues are attributed to countries on the basis of the construction projects' location.
b) Non-current assets exclude financial instruments and corporate assets.

Information about major customers

Revenues from 4 customers of the building construction segment represent approximately AED 585 million (March 31, 2009: AED 697 million) of the Group's total revenues.

5. Results for the period

The results for the three month ended March 31, 2010 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.

Income tax expense arises from the Group's activities in Qatar and the Kingdom of Saudi Arabia.

6. Contract dispute

On December 25, 2008, the Arabtec Construction L.L.C. WCT Engineering Berhad (Dubai Branch) Joint Venture (the "Joint Venture") for the construction of the Nad Al Sheba racecourse in Dubai, in which the Group has a 50% share, received notice from the contract owner, Meydan L.L.C. ("Meydan") purporting to terminate the contract on January 9, 2009 for reasons which management consider did not justify such termination. Subsequently, by way of its notice dated January 10, 2009, the Joint Venture purported to terminate the contract on January 24, 2009 on a number of grounds including failure to pay certified amounts, the Joint Venture's exclusion from the site and Meydan's wrongful calls on the Performance Security and Advance Payment Guarantee.

6. Contract dispute (continued)

Notice of the call of the Performance Security amounting to AED 461.3 million (Group's share: AED 230.65 million) and the Advance Payment Guarantee amounting to AED 77.3 million (Group's share: AED 38.6 million) was received by the Joint Venture on December 29, 2008. Both securities were payable on demand and, on payment by the banks concerned, management has recorded a receivable for the net amount due from Meydan, pending resolution of the dispute. The corresponding liability recorded at the December 31, 2008 year end has since been converted into a loan taken from a bank on which Arabtec Construction L.L.C. is paying interest.

On January 11, 2009, the Joint Venture served its request for arbitration. Since then, the arbitration proceedings have commenced and the amount claimed by the Joint Venture is approximately AED 2.8 billion (Group's share: AED 1.4 billion). Management believes, based on continuing legal opinion received, that the prospects of success in the arbitration are good and that no additional provisions for the dispute are required at the end of the reporting period.

In accordance with the Group's accounting policy relating to contracts where the outcome cannot be estimated reliably, revenue has been recognised only to the extent of contract costs incurred to date, which management considers is not doubtful of recovery and therefore no provision has been made against the amounts due from the customer for contract work. No profit has been recognised on the contract to date pending the outcome of the Group's claim and conclusion of the arbitration proceedings.

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 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.

7. Related party transactions (continued)

b) At the interim condensed consolidated statement of financial position date, due from related parties comprised the following:

	March 31, 2010 AED'000 (Un-audited)	December 31, 2009 AED'000 (Audited)
Joint ventures		
Amounts due from joint venture partners	352,056	388,394
Other related parties		
Entities with common ownership and management		
Al Waab City W.L.L., Doha, Qatar	387,902	258,122
National Industrial Contracting Company WLL, Qatar	1,280	2,082
Nasser Bin Khaled Al-Thani and Sons Group its related parties, Qatar	17,074	43,930
Others	76,682	27,864
	482,938	331,998
	834,994	720,392

c) At the consolidated statement of financial position date, due to related parties comprised the following:

	March 31, 2010 AED'000 (Un-audited)	December 31, 2009 AED'000 (Audited)
Joint ventures		
Amounts due to joint venture partners	232,421	247,609
Other related parties		
Entities with common ownership and management		
Nasser Bin Khaled Al-Thani and Sons Group and its related parties, Qatar	49,774	43,137
WCT Engineering Berhad, Malaysia	8,483	8,298
Depa Interiors LLC, Dubai, UAE	17,421	17,520
Others	11,699	9,431
Current account of a director and major shareholder of the parent company		
Mr. Riad Kamal - a director and major shareholder	34,214	33,012
Current accounts of shareholders in subsidiaries	16,925	16,635
	138,516	128,033
	370,937	375,642

7. Related party transactions (continued)

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

	Three month period ended March 31,	
	2010	2009
	AED'000	AED'000
	(Un-audited)	(Un-audited)
Other related parties		
Contract and other revenue	**168,851**	200,987
Sub-contracting costs	**-**	24,670
Wages and salaries	**2,746**	321
Interest received on loans	**81**	40
Rent income	**766**	214
Purchase of property, plant and equipment	**241**	6,731
Sale of property, plant and equipment	**-**	180
Manpower and other charges to joint ventures	**17,275**	24,874
Equipment hire	**676**	-
Fair value loss arising on investments held in trust by a director/shareholder	**-**	(4,299)

e) The Group has provided loans (included in other financial assets) of AED 2.7 million (December 31, 2009: AED 2.7 million) to a non-controlling shareholder in House of Equipment Co. LLC and AED 1.7 million (December 31, 2009: AED 1.6 million) to the shareholders of Polypod Middle East LLC. Interest on the loans is charged at 7% per annum.

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

	Three month period ended March 31,	
	2010	2009
	AED'000	AED'000
	(Un-audited)	(Un-audited)
Management fees to directors	**500**	450
Short term benefits	**6,510**	15,903
Post-employment benefits	**30**	179

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

7. Related party transactions (continued)

g) Included in trade and other payables is an amount of AED 22.4 million (December 31, 2009: AED 21.7 million) representing contributions from employees and directors towards a staff welfare scheme. Assets of the scheme are included in the interim condensed consolidated statement of financial position under cash and cash equivalents AED 12.2 million (December 31, 2009: AED 12.2 million) and other current assets AED 10.2 million (December 31, 2009: AED 9.5 million).

8. Joint ventures

The Group had the following significant interests in joint ventures (JV):

	Share in JV
a) Samsung/Arabtec joint venture project	40%
b) Six Construct/Arabtec joint venture projects	50%
c) Samsung/Six Construct/Arabtec joint venture project	30%
d) Arabtec/Max Bogl joint venture projects	50%
e) Arabtec/Mace joint venture project	50%
f) Arabtec/Aktor joint venture projects	50%/60%
g) Arabtec/Emirates Sunland joint venture projects	50%
h) Arabtec/WCT Engineering joint venture projects	50%
i) Arabtec/Engineering Enterprises Company joint venture projects	50%
j) Arabtec/AMN Holdings joint venture project	60%
k) Arabtec/Dubai Contracting Company joint venture project	50%
l) Target Engineering and Construction Company LLC/Marintek Middle East and Asia FZE joint venture project	65%
m) Arabtec Engineering Services/WCT Engineering joint venture project	50%
n) Arabian Construction Company/Arabtec joint venture project	50%
o) Arabtec/National Projects and Construction joint venture project	50%

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 interim condensed consolidated financial information as a result of the proportionate consolidation of the joint ventures:

	March 31, 2010	December 31, 2009
	AED'000 (Un-audited)	AED'000 (Audited)
Current assets	**1,455,623**	1,765,663
Non-current assets	**109,179**	111,002
Current liabilities	**1,449,823**	1,592,249
Non-current liabilities	**42,346**	37,136
Contingent liabilities	**726,323**	839,333

8. Joint ventures (continued)

	Three month period ended March 31,	
	2010	2009
	AED'000	AED'000
	(Un-audited)	(Un-audited)
Revenue	**298,058**	177,811
Expenses	**282,298**	199,580

9. Intangible assets

During the period, amortization of intangible assets was approximately AED 13.5 million (during the same period in 2009: AED 11.9 million). There were no additions to intangible assets during the period.

10. Property, plant and equipment

During the period, the Group purchased approximately AED 57.6 million (during the same period in 2009: AED 64.4 million) of various types of property, plant and equipment and disposed of property, plant and equipment with a net book value of AED 14.5 million (during the same period in 2009: AED 6.7 million) for proceeds of AED 18.4 million (during the same period in 2009: AED 8.1 million).

11. Bank borrowings

During the period, the Group obtained new short-term bank loans in the amount of AED 73.6 million (during the same period in 2009: AED 89.6 million). The loans bear interest at variable market rates and are repayable within 1 year. The proceeds were used to meet short-term expenditure needs. Repayments of other bank loans amounting to AED 60.6 million (during the same period in 2009: AED 322.6 million) were made in line with agreed repayment terms.

12. Income tax charge

Interim period income tax is accrued based on the estimated average annual effective income tax rate on taxable income of 2.3% (3 months ended March 31, 2009: 6.9%).

13. Operating leases

The Group as lessee:

	Three month period ended March 31,	
	2010	2009
	AED'000	AED'000
	(Un-audited)	(Un-audited)
Minimum lease payments under operating leases recognized as expense for the period	**15,845**	17,465

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

	March 31, 2010	December 31, 2009
	AED'000	AED'000
	(Un-audited)	(Audited)
Within one year	**32,501**	42,351
In the second to fifth years inclusive	**5,918**	6,042
Later than five years	**750**	400
	39,169	48,793

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

14. Commitments and contingencies

	March 31, 2010	December 31, 2009
	AED'000	AED'000
	(Un-audited)	(Audited)
Commitments		
Commitments for the acquisition of property, plant and equipment	**37,283**	43,917
Contingent liabilities		
Performance and bid bonds	**2,868,575**	2,707,463
Advance payment bonds	**1,071,978**	1,193,268
Financial guarantees	**50,939**	25,329
Retention bonds	**489,804**	457,105
Labour guarantees	**31,939**	33,924
Letters of credit	**336,657**	131,398

14. Commitments and contingencies (continued)

Legal cases

In connection with the claim against Meydan (Note 6), one of the nominated sub-contractors on the Nad Al Sheba Racecourse project has instituted legal proceedings against the Joint Venture for recovery of amounts due to them. Preliminary legal opinion received considers the nominated sub-contractor's claim to have a number of significant problems to overcome. Due to the uncertainty around the outcome of the proceedings instituted as well as the uncertainty of the quantum attached to the nominated subcontractor's claim, the Group has not made any provisions for this claim at the end of the reporting period.

15. Share capital

Share capital as at March 31, 2010 and December 31, 2009 amounted to AED 1.196 billion. There were no movements in the share capital of the Company in either the current or the prior interim reporting period.

16. Dividend declaration

No dividends were proposed by the directors for the year ended December 31, 2009.

17. Subsequent events

- Subsequent to the reporting date, the Company has acquired an additional 33.34% shares in House of Equipment Co. LLC, Dubai, UAE bringing its total holding to 66.67%.
- On April 14, 2010 the Company announced that the subscription agreement and term sheet between the Company and Aabar Investment PJSC has been terminated. The parties have agreed that they will continue to work together in good faith towards future cooperation and forming a strategic partnership in Abu Dhabi in the future.