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Independent Auditors' Report on Review of Interim Financial Information

The Shareholders
Dubai Investments PJSC

Introduction

We have reviewed the accompanying consolidated condensed balance sheet of Dubai Investments PJSC ("the Company") as at 31 March 2007, and the related consolidated condensed statements of income, changes in equity and cash flows for the three month period then ended (the interim financial information). Management is responsible for the preparation and presentation of this consolidated interim financial information in accordance with IAS 34, *'Interim Financial Reporting'*. 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 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 consolidated interim financial information as at 31 March 2007 is not prepared, in all material respects, in accordance with IAS 34, *'Interim Financial Reporting'*.

Vijendranath Malhotra
Registration No. 48B
Dubai, United Arab Emirates

3 May 2007

Dubai Investments PJSC and its subsidiaries

Interim consolidated condensed income statement period ended 31 March 2007 (Unaudited)

	Note	Three months period ended 31 March	
		2007 AED'000	2006 AED'000
Contract and other revenue		259,961	160,789
Sale of properties		36,063	14,181
Gain on sale of investment property	9	33,815	-
Charter income		5,792	14,693
Property income		87,685	49,175
Interest income	4	6,488	16,625
Dividend income		1,491	1,854
Profit on sale of investments		-	4,108
Gain on fair valuation of investment properties	9	288,838	223,469
Gain/(loss) on investments at fair value		13,197	(32,254)
Total income		733,330	452,640
Direct operating costs	5	(227,513)	(146,548)
Administrative and general expenses	6	(60,299)	(47,806)
Finance expenses		(18,195)	(13,007)
Other income		11,440	7,783
Total expenses		(294,567)	(199,578)
Net profit for the period		438,763	253,062
Attributable to:			
Equity holders of the parent		439,293	251,918
Minority interest		(530)	1,144
Net profit for the period		438,763	253,062
Basic earnings per share	13	0.20	0.12

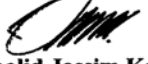
The notes set out on pages 6 to 11 form part of this interim consolidated condensed financial information.

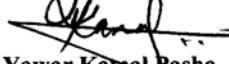
Dubai Investments PJSC and its subsidiaries

Interim consolidated condensed balance sheet at 31 March 2007 (unaudited)

			Audited 31 December 2006 AED'000	31 March 2006 AED'000
	Note	31 March 2007 AED'000		
Assets				
Non-current assets				
Property, plant and equipment	7	1,098,232	970,554	732,876
Intangible assets	8	133,346	109,647	40,347
Investments in associates		6,091	5,946	7,182
Investment properties	9	1,789,987	1,744,995	1,140,437
Development properties	10	335,357	175,326	98,831
Long term rent receivable		154,396	139,997	118,545
Long term finance lease receivable		54,139	49,500	75,460
Due from related parties and other receivables		28,166	42,956	12,419
Investment at fair value through income statement		8,382	4,072	-
Total non-current assets		3,608,096	3,242,993	2,226,097
Current assets				
Inventories and contract work-in-progress		325,381	401,274	197,867
Investments at fair value through income statement	11	953,533	894,667	546,586
Available for sale investments	11	418,870	396,385	200,975
Trade, related parties and other receivables		800,021	638,112	349,807
Cash at bank and in hand		793,489	815,651	986,699
Total current assets		3,291,294	3,146,089	2,281,934
Total assets		6,899,390	6,389,082	4,508,031
Equity				
Share capital		1,973,400	1,973,400	1,716,000
Share premium		46	46	46
Legal reserve		218,437	218,437	160,625
Capital reserve		26,327	26,327	26,327
Treasury shares		(26,327)	(26,327)	(19,680)
General reserve		286,932	286,932	197,407
Revaluation reserve		67,000	67,000	67,000
Fair value reserve		84,917	62,432	-
Proposed dividend	15	493,350	493,350	257,400
Proposed directors' fees		6,000	6,000	3,000
Retained earnings		1,008,110	568,429	483,952
Total equity attributable to equity holders of the parent		4,138,192	3,676,026	2,892,077
Minority interest		118,735	162,248	52,746
Total equity		4,256,927	3,838,274	2,944,823
Non-current liabilities				
Long-term borrowings/ payables	14	1,108,385	958,600	702,250
Total non-current liabilities		1,108,385	958,600	702,250
Current liabilities				
Bank borrowings	14	474,529	681,942	286,246
Trade, related parties and other payables		1,059,549	910,266	574,712
Total current liabilities		1,534,078	1,592,208	860,958
Total liabilities		2,642,463	2,550,808	1,563,208
Total equity and liabilities		6,899,390	6,389,082	4,508,031

This interim consolidated condensed financial information was authorized for issue on behalf of the board of directors on **3 May 2007**


Khalid Jassim Kalban
MD & CEO


Yawar Kamal Pasha
Finance Manager

The notes set out on pages 6 to 11 form part of this interim consolidated condensed financial information.

Dubai Investments PJSC and its subsidiaries

Interim consolidated condensed statement of cash flows

period ended 31 March 2007 (unaudited)

	31 March 2007 AED' 000	31 March 2006 AED' 000
Operating activities		
Net profit for the period before minority interest	438,763	253,062
<i>Adjustments for:</i>		
Depreciation	14,694	8,178
Amortization / impairment losses of intangible assets (net)	491	2,122
Loss on disposal/write-off of property, plant & equipment	-	294
Gain on fair valuation of investment properties	(288,838)	(223,469)
Gain on sale of investment property	(33,815)	-
Share of gain from investment in associates	(145)	(280)
(Gain)/loss on fair valuation of trading and available for sale investments	(13,197)	32,254
	-----	-----
<i>Operating profit before changes in working capital</i>	117,953	72,161
Change in trading and available for sale investments	(150,055)	(219,086)
Change in long-term receivables	-	19,835
Change in trade, related parties and other receivables	(66,081)	(18,053)
Change in inventories	75,893	(13,972)
Change in trade, related parties and other payables	(19,065)	49,963
	-----	-----
<i>Cash flows used in operating activities</i>	(41,355)	(109,152)
	-----	-----
Investing activities		
Additions to investment and development property	(158,001)	(21,333)
Sale proceeds from sale of investment property	276,019	-
Dividend received from associates	-	418
Purchase consideration paid for acquisition/additional investment in subsidiaries	(52,348)	-
Net additions to intangibles	(5,984)	(158)
Net acquisitions of property, plant and equipment	(142,350)	(14,654)
Proceeds from disposal of property, plant and equipment	-	1,914
Proceeds from rights issue	-	858,000
	-----	-----
<i>Cash flows (used in) from investing activities</i>	(82,664)	824,187
	-----	-----
Financing activities		
Net movement in long term bank borrowings and other payables	142,238	(72,680)
Term loan availed during the period	-	250,000
Term loan repaid during the period	-	(47,000)
Net movement in minority interest	(8,863)	(5,553)
	-----	-----
<i>Cash flows from financing activities</i>	133,375	124,767
	-----	-----
Net increase in cash and cash equivalents	9,356	839,802
Cash and cash equivalents at the beginning of the period	180,204	(86,539)
	-----	-----
Cash and cash equivalents at the end of the period	189,560	753,263
	-----	-----
<i>Cash and cash equivalents comprise of the following:</i>		
Current and short term deposits with banks	664,089	986,699
Bank overdraft	(474,529)	(233,436)
	-----	-----
	189,560	753,263
	=====	=====

The notes set out on pages 6 to 11 form part of this interim consolidated condensed financial information.

Dubai Investments PJSC and its subsidiaries

Interim consolidated condensed statement of changes in equity

period ended 31 March 2007 (unaudited)

	-----Attributable to the equity holders of the parent-----											AED'000		
	Share Capital	Share Premium	Legal reserve	Capital reserve	Treasury shares	General reserve	Reval- uation reserve	Fair value reserve	Proposed dividend/ bonus	Proposed directors' fees	Retained earnings	Sub total	Minority interest	Total
At 1 January 2006	858,000	46	160,625	26,327	(19,680)	197,407	67,000	-	257,400	3,000	232,034	1,782,159	57,155	1,839,314
Rights share issue	858,000	-	-	-	-	-	-	-	-	-	-	858,000	-	858,000
Net profit for the period	-	-	-	-	-	-	-	-	-	-	251,918	251,918	1,144	253,062
Other movements	-	-	-	-	-	-	-	-	-	-	-	-	(5,553)	(5,553)
At 31 March 2006	1,716,000	46	160,625	26,327	(19,680)	197,407	67,000	-	257,400	3,000	483,952	2,892,077	52,746	2,944,823
	=====	==	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
At 1 January 2007	1,973,400	46	218,437	26,327	(26,327)	286,932	67,000	62,432	493,350	6,000	568,429	3,676,026	162,248	3,838,274
Acquisition of minority interest (refer note 8)	-	-	-	-	-	-	-	-	-	-	-	-	(34,120)	(34,120)
Introduction of share capital in a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	2,025	2,025
Dividend declared/paid	-	-	-	-	-	-	-	-	-	-	-	-	(10,881)	(10,881)
Net profit for the period	-	-	-	-	-	-	-	-	-	-	439,293	439,293	(530)	438,763
Fair value adjustment on available for sale investments	-	-	-	-	-	-	-	22,485	-	-	-	22,485	-	22,485
Other movements	-	-	-	-	-	-	-	-	-	-	388	388	(7)	381
At 31 March 2007	1,973,400	46	218,437	26,327	(26,327)	286,932	67,000	84,917	493,350	6,000	1,008,110	4,138,192	118,735	4,256,927
	=====	==	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

In accordance with the interpretation of Article 118 of the UAE Federal Law No. 8 of 1984 by the Ministry of Economy & Commerce, Directors' fees have been treated as an appropriation from equity.

No allocation of profit has been made to the statutory reserve for the three month period ended 31 March 2007 as it would be effected at the year-end.

The notes set out on pages 6 to 11 form part of this interim consolidated condensed financial information.

Dubai Investments PJSC and its subsidiaries

Notes to the interim consolidated condensed financial information for the three month period ended 31 March 2007 (unaudited)

1. Legal status and principal activity

Dubai Investments PJSC (“the Company”) was incorporated in the United Arab Emirates by Ministerial Resolution No. 46 of 1995, on 16th July 1995. This interim consolidated condensed balance sheet, and the related consolidated condensed statements of income, changes in equity and cash flows (interim financial information) of the Company for the period ended 31 March 2007 (“the current period”) comprise the Company and its subsidiaries (collectively referred to as “the Group”) and the Group’s interest in associates and jointly controlled entities.

The Company’s principal objective is to invest in companies and projects. The Company is able to invest in a wide range of business sectors as defined in its Articles of Association.

The registered address of the Company is P.O.Box 28171, Dubai, UAE.

2. Basis of preparation and significant accounting policies

This interim consolidated condensed financial information has been prepared in accordance with the International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*. This financial information does not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Group for the year ended 31 December 2006.

The accounting policies applied in the preparation of the interim consolidated condensed financial information are consistent with those applied in the annual financial statements of the Group for the year ended 31 December 2006.

The interim consolidated condensed financial information of the Group, presented in UAE Dirhams (“AED”), which is the Company’s functional currency, rounded to the nearest thousand, have been prepared under the historical cost convention, except for financial instruments at fair value through income statement, financial instruments classified as available for sale, land, derivative financial instruments and investment properties, which are stated at their fair values.

3. Accounting estimates and judgements

The preparation of interim financial information in conformity with IAS 34 - *Interim Financial Reporting* requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by the management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that were applied in preparation of the consolidated financial statements as at and for the year ended 31 December 2006.

4. Interest income

Interest income for three months period ended 31 March 2006 includes an amount of AED 12 million earned on balances held with the banks for proceeds from the issuance of rights shares.

Dubai Investments PJSC and its subsidiaries

Notes to the interim consolidated condensed financial information (*continued*)
for the three month period ended 31 March 2007 (unaudited)

5. Direct operating costs

	Three months ended 31 March	
	2007	2006
	AED'000	AED'000
<i>These include:</i>		
Staff costs	19,933	18,135
Depreciation	9,093	4,208
	=====	=====

6. Administrative and general expenses

	Three months ended 31 March	
	2007	2006
	AED'000	AED'000
<i>These include:</i>		
Staff costs	24,691	17,998
Depreciation	5,601	3,968
	=====	=====

7. Property, plant and equipment

Additions and disposals

During the quarter ended 31 March 2007, the Group acquired assets amounting to AED 142.4 million (*quarter ended 31 March 2006: AED 14.6 million*).

During the quarter ended 31 March 2007, the Group has capitalized interest costs amounting to AED 2.4 million (*quarter ended 31 March 2006: AED 2.7 million*) as a part of the qualifying asset.

8. Intangible assets

Goodwill on acquisition of additional interest in subsidiary

With effect from 1 January 2007, the Group acquired an additional 49% stake in its existing subsidiary, Emirates Building Systems LLC (EBS). Upon the acquisition of additional interest, EBS is now a 100% subsidiary of the Group. The goodwill on acquisition of additional interest is calculated as follows:

	AED'000
Purchase consideration paid	51,333
Group's share of net assets acquired	(34,120)

Goodwill on acquisition of additional interest	17,213
	=====

Goodwill on acquisition of a jointly controlled entity

With effect from 1 February 2007, the Group acquired 50% stake in Dubai International Driving Centre LLC ("DIDC"), which is a jointly controlled entity. This interim consolidated condensed financial information include the Group's share of the assets, liabilities, revenues and expenses in the jointly controlled entity, consolidated on a line by line basis from the date of acquisition.

Dubai Investments PJSC and its subsidiaries

Notes to the interim consolidated condensed financial information (*continued*)
for the three month period ended 31 March 2007 (unaudited)

8. Intangible assets (*continued*)

Goodwill on acquisition of a jointly controlled entity (continued)

The goodwill on acquisition of a jointly controlled entity is calculated as follows:

	AED'000
Purchase consideration paid	1,950
Group's share of net assets acquired	(1,034)

Goodwill on acquisition of a jointly controlled entity	916
	====

The acquisition had the following effect on the net assets of the Group at the date of acquisition:

	AED'000
Non-current assets	21
Current assets	1,013

Net assets	1,034
	====

9. Investment properties

The majority of investment properties are built on a land located at Jebel Ali Industrial Area which was obtained from the Government of Dubai in earlier years on a renewable, non-cancelable long term lease of 99 years. The Group is exempted to pay the lease rentals for the first ten years and thereafter, starting 1 February 2009, 20% of the annual net profits from the project are payable. This leased land from the Government of Dubai is developed in phases.

The development of area 3 of Phase IV was completed in the current period. The development of Phase V and VI are in progress as of the period end (refer note 10). The Group has obtained a fair valuation of area 3 of Phase IV as of the period end carried by an independent registered valuer. The independent registered valuer has carried out the valuation in accordance with the RICS Appraisal and Valuation Manual issued by the Royal Institute of Chartered Surveyors, which takes into consideration the cash outflows resulting from the estimated 20% share of the net profits due to the Government of Dubai starting 2009.

The amounts of rent receivable relating to accounting of lease rentals on the straight line basis as per IAS 17 has been eliminated from the above valuation carried out by the independent registered valuer, in order to avoid double counting of assets. Similarly, the unearned rent received in advance at the valuation date has been included in the valuation of investment properties. The valuation of property carried out by the independent registered valuer adjusted for the rent receivable and unearned rent resulted in a net gain on revaluation of AED 288.8 million which has been credited to the income statement.

During the period, the Group has sold an investment property with a carrying value of AED 242 million (original cost of AED 67 million and cumulative fair valuation gain of AED 175 million) for AED 276 million, resulting in a net gain of AED 33.8 million being recognized during the current period.

Management believes that the fair valuation of the remaining investment properties at 31 March 2007 is not significantly different from the valuation as at 31 December 2006. Accordingly, no fair value adjustments have been made during the current period for those investment properties.

Dubai Investments PJSC and its subsidiaries

Notes to the interim consolidated condensed financial information (*continued*)
for the three month period ended 31 March 2007 (unaudited)

10. Development properties

Development properties as of period end mainly comprise costs incurred to date for the development of Phase V and VI. Also refer note 9.

11. Investments

	31 March 2007 AED'000	Audited 31 December 2006 AED'000	31 March 2006 AED'000
Investments designated at fair value through income statement:			
- held for trading quoted equity securities	409,763	361,025	251,402
- quoted funds and equity securities	428,035	414,193	223,718
- bonds	120,045	119,449	71,466
	-----	-----	-----
	957,843	894,667	546,586
	=====	=====	=====
Investments designated as available for sale:			
- unquoted equity securities	418,870	396,385	200,975
	=====	=====	=====

12. Related parties and other receivables

Related party transactions:

Significant related party transactions during the periods were as follows:

	31 March 2007 AED '000	Audited 31 December 2006 AED '000	31 March 2006 AED '000
Management fee charged to an associate	105	420	165
	===	===	===
Compensation to key management personnel including Directors are as follows:			
- Short term benefits	1,042	7,416	1,148
- Provision towards employees' terminal benefits	76	92	45
	===	====	=====

13. Earnings per share

	Three months ended	
	31 March 2007	31 March 2006
Net profit attributable to shareholders (AED '000)	439,292	251,918
Weighted average number of shares outstanding (refer note 15)	2,168,210,000	2,126,524,341
	=====	=====

Dubai Investments PJSC and its subsidiaries

Notes to the interim consolidated condensed financial information (*continued*)
for the three month period ended 31 March 2007 (*unaudited*)

14. Bank borrowings

The terms of the bank borrowings vary from seven to sixteen years and are secured by a combination of mortgages and corporate guarantees. Where there is a corporate guarantee, the Company's liability is mostly restricted to its percentage of equity interest in the borrowing entity and amounts to AED 965 million as at 31 March 2007 (*31 December 2006: AED 916 million*).

The term loans and other bank borrowings are secured by mortgages over certain inventories, trade receivables and property, plant and equipment and insurance policies of the Group and in some cases by shareholders' guarantee.

Bank borrowing includes a syndicated term loan facility of AED 250 million for the purpose of capital expenditure and expansion of facilities located at the Dubai Investments Park.

15. Proposed dividend

For the year 2006, the Board of Directors had proposed a dividend of 15% in cash and 10% by issue of bonus shares. These have been subsequently approved in the Annual General Meeting (AGM) held on 1 May 2007. Weighted average number of shares outstanding has been retrospectively adjusted to include the 10% bonus shares approved in the aforesaid AGM (refer note 13).

16. Capital commitments

As at 31 March 2007, the Group has contractual capital commitments amounting to AED 1.55 billion (*31 December 2006: 1.48 billion*) mainly related to towards new projects.

17. Change in interest in existing subsidiaries and investment in newly formed subsidiaries/joint ventures

- (i) During the quarter ended 31 March 2007, the Group acquired a further 49% interest in its subsidiary, Emirates Building Systems LLC. Consequently, Emirates Building Systems LLC became a 100% subsidiary of the Group. Also refer note 8.
- (ii) With effect from 1 February 2007, the Group acquired 50% stake in Dubai International Driving Centre LLC ("DIDC"), which is a jointly controlled entity. Also refer note 8.
- (iii) With effect from 16 March 2007, the Group has acquired an additional 14% stake in its existing subsidiary Global Pharma Co. LLC. Consequently, the interest of the Group in Global Pharma Co. LLC increased from 65% to 79%. The additional interest was acquired by conversion of a loan given to Global Pharma Co. LLC into share capital.

18. Contingent liabilities

The Company has issued corporate guarantee for loans and advances to related and third parties by commercial banks. These guarantees are limited to AED 765 million (*31 December 2006: AED 803 million*).

19. Segment reporting

Segment information is presented in respect of the Group's business and geographical segments. The primary format of business segments is based on the Group's management reporting structure.

Dubai Investments PJSC and its subsidiaries

Notes to the interim consolidated condensed financial information (*continued*)
for the three month period ended 31 March 2007 (*unaudited*)

19. Segment reporting (*continued*)

Business segments:

The Group comprises the following main business segments:

<i>Manufacturing and contracting</i>	: manufacture and sale of materials used in building construction projects, production and sale of crude edible oil, pharmaceuticals, aluminum extruded products and laboratory furniture.
<i>FMCG</i>	: production and distribution of dairy products.
<i>Transportation</i>	: provision of a tanker for the transportation of crude oil.
<i>Investments</i>	: strategic minority investments in start up ventures and IPO's, bonds, funds and shares held for trading purposes.
<i>Property</i>	: the development of real estate projects for rentals and sale of developed property units.

For analysis of segments see page 12.

Dubai Investments PJSC and its subsidiaries

Notes (continued)

	Manufacturing		FMCG		Transportation		Investments		Property		Adjustments		Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Business Segments														
Sales (including sale of properties)	247,797	144,769	20,892	25,200	-	-	-	-	36,062	14,181	(8,728)	(9,180)	296,023	174,970
Gain on sale of investment property	-	-	-	-	-	-	-	-	33,815	-	-	-	33,815	0
Charter revenue	-	-	-	-	5,792	14,693	-	-	-	-	-	-	5,792	14,693
Interest, dividend and other income	3,067	605	527	139	92	68	21,725	(4,864)	9,610	5,322	(2,406)	(3,154)	32,615	(1,884)
Property income	-	-	-	-	-	-	1,818	1,351	97,867	52,399	(11,999)	(4,575)	87,686	49,175
Gain/(loss) on fair valuation of investment properties	-	-	-	-	-	-	-	-	288,838	223,469	-	-	288,838	223,469
Total revenue	250,864	145,374	21,419	25,339	5,884	14,761	23,543	(3,513)	466,192	295,371	(23,133)	(16,909)	744,769	460,423
Segment Result	26,779	5,767	1,502	706	4,495	13,249	18,740	(10,424)	423,034	270,458	(17,591)	(13,687)	456,958	266,069
Finance expenses													(18,195)	(13,007)
Minority interests													530	(1,144)
Net profit/(loss) for the year	13,037	12,494	720	(261)	3,721	12,374	18,460	(27,126)	415,795	268,038	(12,440)	(13,601)	439,293	251,918
Assets	2,130,744	932,953	117,383	115,775	95,121	96,986	3,417,798	2,980,867	3,046,895	1,505,048	(1,908,550)	(1,123,598)	6,899,390	4,508,031
Liabilities	1,592,849	851,033	117,248	97,950	45,368	52,586	99,432	22,315	1,116,596	592,634	(379,023)	(53,310)	2,642,461	1,563,208

	UAE		Others		Adjustments		Total	
	2007	2006	2007	2006	2007	2006	2007	2006
Geographical Segments								
Revenue from external customers	762,017	462,571	5,885	14,761	(23,133)	(16,909)	744,769	460,423
Segment assets	8,712,819	5,534,643	95,121	96,986	(1,908,550)	(1,123,598)	6,899,390	4,508,031