
Dubai Investments PJSC and its subsidiaries

Condensed consolidated interim
financial statements

30 June 2010

Dubai Investments PJSC and its subsidiaries

Condensed consolidated interim financial statements

30 June 2010

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Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Information

The Shareholders
Dubai Investments PJSC

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Dubai Investments PJSC ("the Company") as at 30 June 2010, the condensed consolidated income statement and condensed consolidated statements of comprehensive income, cash flows and changes in equity for the six month period then ended ("the condensed consolidated interim financial information"). Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this condensed consolidated 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 the 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 condensed consolidated interim financial information as at 30 June 2010 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

Munther Dajani
Registration No. 268
Dubai, United Arab Emirates
Date: 27 July 2010

Dubai Investments PJSC and its subsidiaries

Condensed consolidated income statement for the six month period ended 30 June 2010 (unaudited)

		Three month period ended 30 June		Six month period ended 30 June	
	Note	2010 AED 000	2009 AED 000	2010 AED 000	2009 AED 000
Sale of goods and services		309,431	315,044	626,778	597,244
Contract revenue		213,762	164,459	413,611	321,993
Sale of properties (including development properties)		32,535	59,734	58,866	139,114
Rental income		121,041	148,722	239,702	302,739
Gain on fair valuation of investment properties	11	158,975	152,000	326,934	302,000
(Loss)/gain on fair valuation of investments		(49,693)	52,987	(33,470)	36,734
Gain on sale of investments – (net)	7	16,280	840	16,905	23,064
Dividend income		4,356	14,053	16,445	16,407
Total income		806,687	907,839	1,665,771	1,739,295
Direct operating costs	8	(448,247)	(454,241)	(908,681)	(890,363)
Administrative and general expenses	9	(137,931)	(119,463)	(233,843)	(205,933)
Finance expenses		(50,310)	(68,575)	(83,403)	(113,679)
Finance income		11,216	14,755	22,681	34,878
Other income		11,347	16,094	19,455	23,140
Profit for the period		192,762	296,409	481,980	587,338
Profit attributable to:					
Owners of the Company		196,308	287,037	473,970	556,161
Non-controlling interest		(3,546)	9,372	8,010	31,177
Profit for the period		192,762	296,409	481,980	587,338
Earnings per share					
Basic earnings per share (AED)	17	0.05	0.08	0.13	0.16

The notes set out on pages 8 to 15 form part of the condensed consolidated interim financial information.

Dubai Investments PJSC and its subsidiaries

Condensed consolidated statement of comprehensive income for the six month period ended 30 June 2010 (unaudited)

	Three month period ended 30 June		Six month period ended 30 June	
	2010	2009	2010	2009
	AED 000	AED 000	AED 000	AED 000
Profit for the period	192,762	296,409	481,980	587,338
Other comprehensive income:				
Net change in fair value of available for sale investments	(6,598)	12,041	(9,402)	17,804
Net change in fair value of available for sale investments transferred to income statement on disposal	(9,048)	(840)	(9,923)	(840)
Total other comprehensive income for the period	(15,646)	11,201	(19,325)	16,964
Total comprehensive income for the period	177,116	307,610	462,655	604,302
Attributable to:				
Owners of the Company	180,662	298,238	454,645	573,125
Non-controlling interest	(3,546)	9,372	8,010	31,177
Total comprehensive income for the period	177,116	307,610	462,655	604,302

The notes set out on pages 8 to 15 form part of the condensed consolidated interim financial information.

Dubai Investments PJSC and its subsidiaries

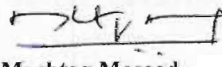
Condensed consolidated statement of financial position (unaudited)

		30 June 2010 AED 000 (Unaudited)	31 December 2009 AED 000 (Audited) Restated*	30 June 2009 AED 000 (Unaudited) Restated*
Assets	Note			
Non-current assets				
Property, plant and equipment and biological assets	10	2,725,202	2,676,198	2,641,749
Intangible assets including goodwill		211,779	213,752	195,934
Investment properties	11	3,193,497	2,860,359	2,040,239
Inventories	14	1,703,922	1,650,617	2,267,554
Development properties	12	277,591	272,563	316,056
Investments in associates		10,452	10,047	10,166
Long term rent receivable		138,208	159,520	73,596
Long term finance lease receivable		90,858	201,238	262,677
Trade and other receivables		274,022	270,779	360,558
Total non-current assets		8,625,531	8,315,073	8,168,529
Current assets				
Inventories	14	1,028,989	1,031,106	1,388,308
Investments at fair value through income statement	13	886,792	919,410	566,342
Available for sale investments	13	960,886	992,868	982,298
Trade receivables		1,153,912	1,040,234	988,550
Other receivables		848,613	899,483	628,436
Cash at bank and in hand	16	407,754	622,796	990,601
Total current assets		5,286,946	5,505,897	5,544,535
Total assets		13,912,477	13,820,970	13,713,064
Equity				
Share capital		3,570,395	3,570,395	3,570,395
Share premium		46	46	46
Legal reserve		457,509	457,509	415,344
Capital reserve		25,502	25,502	25,502
General reserve		687,695	687,695	557,138
Revaluation reserve		67,000	67,000	67,000
Fair value reserve		(2,330)	16,995	(4,708)
Proposed dividend	19	-	214,224	-
Proposed directors' fees		-	5,000	-
Retained earnings		3,361,950	2,887,980	2,863,616
Equity attributable to owners of the Company		8,167,767	7,932,346	7,494,333
Non-controlling interest		703,899	708,131	706,924
Total equity		8,871,666	8,640,477	8,201,257
Liabilities				
Non-current liabilities				
Long-term borrowings and payables	18	1,813,728	1,549,943	1,912,381
Total non-current liabilities		1,813,728	1,549,943	1,912,381
Current liabilities				
Bank borrowings	18	1,374,352	1,707,055	1,631,222
Due to related parties	15	48,759	50,000	-
Trade and other payables		1,803,972	1,873,495	1,968,204
Total current liabilities		3,227,083	3,630,550	3,599,426
Total liabilities		5,040,811	5,180,493	5,511,807
Total equity and liabilities		13,912,477	13,820,970	13,713,064

* See change in accounting policies - note 3.

The condensed consolidated interim financial information was authorized for issue on behalf of the Board of Directors on 26 July 2010.


Khalid Jassim Kalban
MD & CEO


Mushtaq Masood
CFO

The notes set out on pages 8 to 15 form part of the condensed consolidated interim financial information.

Dubai Investments PJSC and its subsidiaries

Condensed consolidated statement of cash flows

for the six month period ended 30 June 2010 (unaudited)

	Six month period ended 30 June 2010 AED 000	Six month period ended 30 June 2009 AED 000
Operating activities		
Profit for the period before non-controlling interest	481,980	587,338
<i>Adjustments for:</i>		
Depreciation	65,827	65,216
Amortisation/impairment losses of intangible assets (net)	2,034	1,077
Loss/ (gain) on disposal/write-off of property, plant & equipment	86	(42)
Gain on sale of investments	(16,905)	(23,064)
Gain on fair valuation of investment properties	(326,934)	(302,000)
Loss/ (gain) on fair valuation of investments	33,470	(36,734)
	<u>239,558</u>	<u>291,791</u>
<i>Operating profit before changes in working capital</i>		
Net movement in investment at fair value through income statement and available for sale investments	28,709	121,830
Change in due from related parties, trade and other receivables	65,640	(138,438)
Change in inventories and properties under development for sale	(51,189)	(174,793)
Change in due to related parties, trade and other payables	(70,756)	(125,311)
Directors' fee paid	(5,000)	(9,000)
	<u>206,962</u>	<u>(33,921)</u>
<i>Net cash from/(used in) operating activities</i>		
Investing activities		
Net movement in investment and development properties	(11,233)	59,178
Net additions to intangible assets	(62)	(669)
Net acquisitions of property, plant and equipment	(118,498)	(351,251)
Proceeds from disposal of property, plant and equipment	3,579	42
Proceeds from disposal of a subsidiary	-	26,479
Net movement in investment in associates	(405)	(406)
Net movement in deposits under lien	(3,128)	(215,312)
	<u>(129,747)</u>	<u>(481,939)</u>
<i>Net cash used in investing activities</i>		
Financing activities		
Net movement in long term borrowings and other payables	34,495	(80,190)
Net movement in non-controlling interest	(12,244)	(11,194)
Dividend paid	(214,224)	(296,632)
	<u>(191,973)</u>	<u>(388,016)</u>
<i>Net cash used in financing activities</i>		
Net decrease in cash and cash equivalents	(114,758)	(903,876)
Cash and cash equivalents at the beginning of the period	(71,313)	604,588
Cash and cash equivalents at the end of the period	<u>(186,071)</u>	<u>(299,288)</u>
<i>Cash and cash equivalents comprise:</i>		
Current and call accounts with banks	160,341	179,905
Short term deposits with banks (excluding under lien)	208,067	560,344
Bank overdraft, trust receipt loans and bills discounted	(554,479)	(1,039,537)
	<u>(186,071)</u>	<u>(299,288)</u>

The notes set out on pages 8 to 15 form part of the condensed consolidated interim financial information.

Dubai Investments PJSC and its subsidiaries

Condensed consolidated statement of changes in equity

for the six month period ended 30 June 2010 (unaudited)

	Equity attributable to owners of the Company												AED '000
	Share capital	Share premium	Legal reserve	Capital reserve	General reserve	Revaluation reserve	Fair value reserve	Proposed dividend	Proposed directors' fees	Retained earnings	Sub total	Non-controlling interest	Total
At 1 January 2009	3,245,814	46	415,344	25,502	557,138	67,000	(21,672)	324,581	9,000	2,632,036	7,254,789	690,153	7,944,942
Total comprehensive income for the period													
Profit for the period	-	-	-	-	-	-	-	-	-	556,161	556,161	31,177	587,338
Other comprehensive income													
Net change in fair value of available for sale investments	-	-	-	-	-	-	17,804	-	-	-	17,804	-	17,804
Net change in fair value of available for sale investments transferred to income statement on disposal	-	-	-	-	-	-	(840)	-	-	-	(840)	-	(840)
Total other comprehensive income													
	-	-	-	-	-	-	16,964	-	-	-	16,964	-	16,964
Total comprehensive income for the period													
	-	-	-	-	-	-	16,964	-	-	556,161	573,125	31,177	604,302
Transactions with owners, recorded directly in equity													
Contributions by and distributions to owners													
Capital introduced	-	-	-	-	-	-	-	(324,581)	-	-	-	1,080	1,080
Bonus shares issued	324,581	-	-	-	-	-	-	-	-	(324,581)	(324,581)	-	(324,581)
Dividend declared	-	-	-	-	-	-	-	-	-	-	-	(11,566)	(11,566)
Dividend paid by subsidiaries	-	-	-	-	-	-	-	-	(9,000)	-	(9,000)	-	(9,000)
Directors' fees paid	-	-	-	-	-	-	-	-	-	-	-	-	-
Total contributions by and distribution to owners													
	324,581	-	-	-	-	-	-	(324,581)	(9,000)	(324,581)	(333,581)	(10,486)	(344,067)
Changes in ownership interests in subsidiaries													
Disposal of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(3,920)	(3,920)
Total change in ownership interests in subsidiaries													
	-	-	-	-	-	-	-	-	-	-	-	(3,920)	(3,920)
Total transactions with owners													
	324,581	-	-	-	-	-	-	(324,581)	(9,000)	(324,581)	(333,581)	(14,406)	(347,987)
At 30 June 2009	3,570,395	46	415,344	25,502	557,138	67,000	(4,708)	-	-	2,863,616	7,494,333	706,924	8,201,257

Dubai Investments PJSC and its subsidiaries

Condensed consolidated statement of changes in equity

for the six month period ended 30 June 2010 (unaudited)

Equity attributable to owners of the Company													AED '000
	Share capital	Share premium	Legal Reserve	Capital reserve	General reserve	Revaluation reserve	Fair value reserve	Proposed dividend/bonus	Proposed directors' fees	Retained earnings	Sub total	Non-controlling interest	Total
At 1 January 2010	3,570,395	46	457,509	25,502	687,695	67,000	16,995	214,224	5,000	2,887,980	7,932,346	708,131	8,640,477
Total comprehensive income for the period													
Profit for the period	-	-	-	-	-	-	-	-	-	473,970	473,970	8,010	481,980
Other comprehensive income													
Net change in fair value of available for sale investments	-	-	-	-	-	-	(9,402)	-	-	-	(9,402)	-	(9,402)
Net change in fair value of available for sale investments transferred to income statement on disposal	-	-	-	-	-	-	(9,923)	-	-	-	(9,923)	-	(9,923)
Total other comprehensive income	-	-	-	-	-	-	(19,325)	-	-	-	(19,325)	-	(19,325)
Total comprehensive income for the period	-	-	-	-	-	-	(19,325)	-	-	473,970	454,645	8,010	462,655
Transactions with owners, recorded directly in equity													
Contributions by and distributions to owners													
Dividend paid	-	-	-	-	-	-	-	(214,224)	-	-	(214,224)	-	(214,224)
Dividend paid by a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(12,242)	(12,242)
Directors' fees paid	-	-	-	-	-	-	-	-	(5,000)	-	(5,000)	-	(5,000)
Total contributions by and distribution to owners	-	-	-	-	-	-	-	(214,224)	(5,000)	-	(219,224)	(12,242)	(231,466)
Total transactions with owners	-	-	-	-	-	-	-	(214,224)	(5,000)	-	(219,224)	(12,242)	(231,466)
At 30 June 2010	3,570,395	46	457,509	25,502	687,695	67,000	(2,330)	-	-	3,361,950	8,167,767	703,899	8,871,666

No allocation of profit has been made to the statutory reserve for the six month period ended 30 June 2010 as it would be affected at the year end.

The notes set out on pages 8 to 15 form part of the condensed consolidated interim financial information.

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information for the six month period ended 30 June 2010 (unaudited)

1. Reporting entity

Dubai Investments PJSC ("the Company") was incorporated in the United Arab Emirates by Ministerial Resolution No. 46 of 1995, on 16th July 1995. These condensed consolidated interim financial information as at and for the six month period ended 30 June 2010 ("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. Statement of compliance

The condensed consolidated interim financial information has been prepared in accordance with the International Accounting Standard ("IAS") 34, Interim Financial Reporting. The financial information does not include all of the information required for full annual consolidated financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2009.

3. Changes in accounting policies

Overview

Effective 1 January 2010, the Group has adopted following revision / amendments in International Financial Reporting Standards (IFRS's):

1. IFRS 3 *Business Combinations* Revised (2008)
2. IAS 27 *Consolidated and Separate Financial Statements* Revised (2008)
3. IAS 17 *Leases* (2009 Amendments)

Following changes to Group's accounting policies have been made on adoption of the revisions / amendments:

Accounting for business combinations

All business combinations occurring on or after 1 January 2010 are accounted for by applying the acquisition method.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

The Group measures goodwill as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration.

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)
for the six month period ended 30 June 2010 (*unaudited*)

3. Changes in accounting policies (*continued*)

Accounting for business combinations (continued)

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Transaction costs that the Group incurs in connection with a business combination are expensed as incurred.

The change in accounting policy is applied prospectively and had no impact on earnings per share.

Accounting for acquisitions of non-controlling interests

Acquisitions of non-controlling interests in a subsidiary are accounted for as transactions with equity holders in their capacity as equity holders and therefore no goodwill is recognised as a result of such transactions. Previously, goodwill was recognised arising on the acquisition of a non-controlling interest in a subsidiary; and that represented the excess of the cost of the additional investment over the carrying amount of the interest in the net assets acquired at the date of exchange.

The change in accounting policy is applied prospectively and had no impact on earnings per share.

Accounting for lease of land

The International Accounting Standards Board (IASB) amended IAS 17 and deleted the guidance stating that a lease of land with an indefinite economic life is normally classified as an operating lease. Under the amendments, a land with a lease term of several decades or longer may be classified as a finance lease, even if at the end of the lease term title will not pass to the lessee. In such arrangements the present value of the residual value of the leased property would be negligible and lessee would typically be in a position economically similar to that of an owner.

Based on the transitional requirements of the amended standard, the Group has reassessed the classification of unexpired leases of land as at 1 January 2010. Accordingly, a land leased for several decades, wherein, the present value of the residual value at the inception of the lease is estimated to be negligible has been retrospectively accounted for as a finance lease in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

The change in accounting policy had no material impact on the consolidated income statement, consolidated statement of comprehensive income and earnings per share. However, the change in accounting policy had the following effect on the consolidated statement of financial position.

	30 June 2010 AED 000	31 December 2009 AED 000	30 June 2009 AED 000
Decrease in investment properties	(1,156,838)	(1,158,672)	(1,158,672)
Increase in long-term finance lease receivable	70,780	178,559	236,444
Increase in development properties	44,698	46,796	44,825
Decrease in long-term payables (unearned rent)	985,815	924,228	868,312
Decrease in trade and other payables	55,545	9,089	9,089

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)
for the six month period ended 30 June 2010 (*unaudited*)

4. Significant accounting policies

The accounting policies applied in the preparation of the condensed consolidated interim financial information are consistent with those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2009, except for the changes in accounting policies as mentioned in note 3 above. Certain comparative amounts have been reclassified to conform to the current period's presentation.

5. Estimates

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

In the current environment obtaining reliable fair value has been one of the greatest challenges. The nature and reliability of information available to management to support the making of a fair value accounting estimate vary widely, and thereby affect the degree of estimation uncertainty associated with that fair value.

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 of the Group as at and for the year ended 31 December 2009. As mentioned in note 3, the Group has changed its accounting policy in respect of land lease classification effective 1 January 2010. The classification of lease requires management to exercise judgement.

6. Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2009.

7. Gain on sale of investments

For the period ended 30 June 2009 gain on sale of investments includes an amount of AED 22.4 million representing profit on sale of entire 55% interest in a subsidiary viz., Metrofile LLC.

8. Direct operating costs

	Three month period ended 30 June		Six month period ended 30 June	
	2010 AED 000	2009 AED 000	2010 AED 000	2009 AED 000
<i>These include:</i>				
Staff costs	61,712	32,802	112,460	62,108
Depreciation	25,084	32,946	48,854	48,098
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*
for the six month period ended 30 June 2010 (unaudited)

9. Administrative and general expenses

	Three month period ended 30 June		Six month period ended 30 June	
	2010 AED 000	2009 AED 000	2010 AED 000	2009 AED 000
<i>These include:</i>				
Staff costs	54,161	58,344	101,660	105,111
Depreciation	7,719	8,945	16,973	17,118

10. Property, plant and equipment and biological assets

During the six month period ended 30 June 2010, the Group acquired assets amounting to AED 118 million (*six month period ended 30 June 2009: AED 377 million*).

11. Investment properties

Investment properties mainly comprise infrastructure facilities which, are leased to third parties. These are built on the land (number 598-0100 and 596-0100 located in Jebel Ali Industrial Area) obtained from the Government of Dubai on a renewable, non-cancellable long-term lease of 99 years. The Group was exempted to pay the lease rentals for the first ten years and thereafter, starting 1 February 2009, 20% of the net realised profits from the project are payable.

The leased land from the Government of Dubai is developed in phases. The development of area 1 and 2 of Phase VII was completed in the current period. The development of remaining areas of Phase VII and entire Phase VIII is in progress as of the current period end (refer note 12). During the current period, the Group obtained fair value of area I and II of Phase VII. The valuation was carried out by an independent registered valuer in accordance with the RICS Appraisal and Valuation Manual issued by the Royal Institute of Chartered Surveyors which also takes into consideration the cash outflows resulting from the estimated 20% share of the net realised profits due to the Government of Dubai starting February 2009.

The management has reviewed the value of remaining investment properties, which were independently valued at 31 December 2009. In the opinion of the management, the value of these investment properties at 30 June 2010 is not significantly different from the valuation carried out as at 31 December 2009 as these have been leased on long term basis and the cash flows are committed.

12. Development properties

Development properties as at 30 June 2010 mainly comprise costs incurred by a joint venture entity towards construction of Green Community West in Dubai Investment Park. It also includes cost incurred by another subsidiary for the development of remaining areas of Phase VII and entire phase VIII at Dubai Investment Park (refer note 11).

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)
for the six month period ended 30 June 2010 (*unaudited*)

13. Investments

	30 June 2010 AED 000 (Unaudited)	31 December 2009 AED 000 (Audited)	30 June 2009 AED 000 (Unaudited)
Investments at fair value through income statement:			
- held for trading quoted equity securities	302,819	329,374	338,702
- designated as fair value through income statement:	583,973	590,036	227,640
(i)	<u>886,792</u>	<u>919,410</u>	<u>566,342</u>
Investments designated as available for sale			
- quoted equity securities	92,723	131,303	108,144
- unquoted equity securities and funds	868,163	861,565	874,154
(ii)	<u>960,886</u>	<u>992,868</u>	<u>982,298</u>
	30 June 2010 AED 000 (Unaudited)	31 December 2009 AED 000 (Audited)	30 June 2009 AED 000 (Unaudited)
Geographical distribution of investments			
UAE	683,140	707,330	544,586
Other GCC countries	571,252	605,422	506,034
Other countries	593,286	599,526	498,020
(i) + (ii)	<u>1,847,678</u>	<u>1,912,278</u>	<u>1,548,640</u>

14. Inventories

Inventories at 30 June 2010 includes properties held for sale amounting to AED 712 million (31 December 2009: AED 241 million) and properties under development for sale amounting to AED 1,704 million (31 December 2009: AED 2,083 million) in the ordinary course of business.

Properties under development for sale represent costs of land and expenditure incurred towards the development of properties for subsequent sale. The Group intends to develop these properties for sale and has classified certain properties as long term based on completion/future development plans.

Properties held for sale represents ready to sell properties which will be sold in the existing state and mainly comprise warehouses and plots of land. In the previous year, based on change of use, the Group reclassified certain labour camps with a carrying value of AED 391.9 million from inventories to investment properties, at a fair valuation of AED 394 million.

The management has reviewed the value of inventories including properties held for sale and under development for sale to assess the write down required, if any, to bring them to the net realisable value. The net realisable value estimates are subjective in nature and involve uncertainties and matters of significant judgements and therefore, cannot be determined with precision. Where discounted cash flows have been used to estimate net realisable values, the cash flows have been estimated by the management based on the latest information available (also refer note 5).

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)
for the six month period ended 30 June 2010 (*unaudited*)

15. Related party transactions

Significant related party transactions were as follows:

	Three month period ended 30 June		Six month period ended 30 June	
	2010 AED 000	2009 AED 000	2010 AED 000	2009 AED 000
- Construction of Head office building	<u>21,567</u>	<u>18,752</u>	<u>32,079</u>	<u>31,287</u>

Compensation to key management personnel including Directors are as follows:

- Short term benefits	3,393	1,725	6,785	3,451
- Provision towards employees' terminal benefits	<u>29</u>	<u>29</u>	<u>58</u>	<u>58</u>

16. Cash at bank and in hand

	30 June 2010 AED 000 (Unaudited)	31 December 2009 AED 000 (Audited)	30 June 2009 AED 000 (Unaudited)
Cash in hand	1,372	3,252	2,819
Cash at bank within UAE (current accounts)	148,928	131,499	157,781
Cash at bank outside UAE – GCC Countries (current accounts)	10,041	7,525	19,305
Short term deposits (including deposits of AED 39.35 million (2009: 36.52 million) under lien with a bank)	247,413	480,520	810,696
	<u>407,754</u>	<u>622,796</u>	<u>990,601</u>

There were no short term deposits outside UAE as at 30 June 2010 (31 December 2009: AED Nil).

17. Basic earnings per share

	Three months period ended 30 June		Six months period ended 30 June	
	2010	2009	2010	2009
Net profit attributable to shareholders of the Company (AED'000)	196,308	287,037	473,970	556,161
Weighted average number of shares outstanding ('000s)	<u>3,570,395</u>	<u>3,570,395</u>	<u>3,570,395</u>	<u>3,570,395</u>

18. Bank borrowings

The terms of the bank borrowings vary from three to ten years and are secured by a combination of corporate guarantees and mortgages over certain inventories, trade receivables, property, plant and equipment and investment properties and assignment of insurance policies over certain assets of the Group. Where there is a corporate guarantee provided by the Company, the Company's liability is generally restricted to its percentage of equity interest in the borrowing entity (refer note 20).

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)
for the six month period ended 30 June 2010 (*unaudited*)

19. Proposed dividend

At the Annual General Meeting (AGM) held on 20 April 2010, the shareholders approved 6% cash dividend which was proposed by the Board of Directors.

20. Contingent liabilities

The Company has issued corporate guarantee for loans and advances to related and third parties by commercial banks. Guarantees outstanding as at 30 June 2010 amount to AED 3,120 million (31 December 2009: AED 2,715 million).

21. Capital commitments

As at 30 June 2010, the Group has contractual capital commitments amounting to AED 1,142 million (31 December 2009: AED 1,292 million) mainly relating to new projects / investments.

22. Segment reporting

The Group has broadly four reportable segments as discussed below, which are the Group's strategic business units. The strategic business units operate in different sectors and are managed separately because they required different strategies. The following summary describes the operation in each of the Group's reportable segments:

<i>Manufacturing and contracting</i>	: manufacture and sale of materials used in building construction projects, executing construction contracts, production, pharmaceuticals, aluminum extruded products and laboratory furniture.
<i>FMCG</i>	: production and distribution of dairy products.
<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.

Information regarding the operations of each separate segment is included below. Performance is measured based on segment profit as management believes that profit is the most relevant factor in evaluating the results of certain segments relative to other entities that operate within these industries. There are few transactions between the segments and any such transaction is priced on arm's length basis.

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (continued)
for the six month period ended 30 June 2010 (unaudited)

Operating segments

Information about reportable segments

	Manufacturing and contracting		FMCG		Investments		Property		Elimination of inter segment transactions		AED'000 Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Business Segments												
Revenue (including sale of properties)	983,476	882,835	39,322	50,722	318,516	406,772	328,164	473,431	(330,641)	(376,465)	1,338,837	1,437,295
Finance income and other income	9,143	12,119	1,092	941	38,831	43,591	15,408	17,817	(22,338)	(16,450)	42,136	58,018
Finance expenses	(64,866)	(46,660)	(558)	(2,032)	(8,273)	(16,663)	(32,044)	(64,774)	22,338	16,450	(83,403)	(113,679)
Gain on fair valuation of investment properties	-	-	-	-	-	-	326,934	302,000	-	-	326,934	302,000
Reportable segment profit	24,109	27,865	3,596	938	326,803	435,179	467,593	487,105	(348,131)	(394,926)	473,970	556,161
Reportable segment assets	4,113,709	4,180,505	124,797	130,127	5,895,861	5,531,493	7,283,487	7,898,851	(3,505,377)	(3,150,509)	13,912,477	13,713,064
Reportable segment liabilities	3,471,985	2,761,472	84,919	94,994	742,005	719,019	2,637,799	3,124,921	(1,895,897)	(1,188,629)	5,040,811	5,511,807

The Group's revenue is mainly earned from transaction carried out in UAE and other GCC countries.