

Dubai Investments PJSC and its subsidiaries

Condensed consolidated interim
financial statements

30 September 2010

Dubai Investments PJSC and its subsidiaries

Condensed consolidated interim financial statements

30 September 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 September 2010, the condensed consolidated income statement and condensed consolidated statements of comprehensive income, cash flows and changes in equity for the nine 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 September 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: 31 October 2010

Dubai Investments PJSC and its subsidiaries

Condensed consolidated income statement

for the nine month period ended 30 September (unaudited)

		Three month period ended 30 September		Nine month period ended 30 September	
	Note	2010 AED 000	2009 AED 000	2010 AED 000	2009 AED 000
Sale of goods and services		259,829	289,788	886,607	887,032
Contract revenue		172,986	212,367	586,597	534,360
Sale of properties (including development properties)		107,457	77,692	166,323	216,806
Rental income		132,746	157,749	372,448	460,488
Gain on fair valuation of investment properties	11	118,741	153,229	445,675	455,229
Gain on fair valuation of investments		36,787	52,301	3,317	89,035
Gain on sale of investments – (net)	7	2,843	806	19,748	23,870
Dividend income		246	683	16,691	17,090
Total income		831,635	944,615	2,497,406	2,683,910
Direct operating costs	8	(475,930)	(514,018)	(1,384,611)	(1,404,381)
Administrative and general expenses	9	(115,271)	(125,601)	(349,114)	(331,534)
Finance expenses		(17,980)	(35,363)	(101,383)	(149,042)
Finance income		2,622	9,348	25,303	44,226
Other income		8,176	1,704	27,631	24,844
Profit for the period		233,252	280,685	715,232	868,023
Profit attributable to:					
Owners of the Company		213,605	266,189	687,575	822,350
Non-controlling interest		19,647	14,496	27,657	45,673
Profit for the period		233,252	280,685	715,232	868,023
Earnings per share					
Basic earnings per share (AED)	17	0.06	0.07	0.19	0.23

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

Dubai Investments PJSC and its subsidiaries

Condensed consolidated statement of comprehensive income for the nine month period ended 30 September (unaudited)

	Three month period ended 30 September		Nine month period ended 30 September	
	2010	2009	2010	2009
	AED 000	AED 000	AED 000	AED 000
Profit for the period	233,252	280,685	715,232	868,023
Other comprehensive income:				
Net change in fair value of available for sale investments	8,945	11,208	(457)	29,012
Net change in fair value of available for sale investments transferred to income statement on disposal	(3,391)	(348)	(13,314)	(1,188)
Total other comprehensive income for the period	5,554	10,860	(13,771)	27,824
Total comprehensive income for the period	238,806	291,545	701,461	895,847
Attributable to:				
Owners of the Company	219,159	277,049	673,804	850,174
Non-controlling interest	19,647	14,496	27,657	45,673
Total comprehensive income for the period	238,806	291,545	701,461	895,847

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

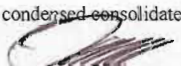
Dubai Investments PJSC and its subsidiaries

Condensed consolidated statement of financial position (unaudited)

		30 September 2010 AED 000 (Unaudited)	31 December 2009 AED000 (Audited) Restated*	30 September 2009 AED 000 (Unaudited) Restated*
	Note			
Assets				
Non-current assets				
Property, plant and equipment and biological assets	10	2,741,844	2,676,198	2,691,391
Intangible assets including goodwill		211,795	213,752	199,984
Investment properties	11	3,339,656	2,860,359	2,208,819
Inventories	14	1,704,709	1,650,617	2,289,374
Development properties	12	137,977	272,563	285,146
Investments in associates		10,689	10,047	10,290
Long term rent receivable		151,750	159,520	204,999
Long term finance lease receivable		32,380	201,238	203,122
Trade and other receivables		182,981	270,779	281,527
Total non-current assets		8,513,781	8,315,073	8,374,652
Current assets				
Inventories	14	1,043,688	1,031,106	1,412,613
Investments at fair value through income statement	13	923,234	919,410	873,842
Available for sale investments	13	954,468	992,868	993,093
Trade receivables		1,272,997	1,040,234	761,637
Other receivables		894,261	899,483	819,526
Cash at bank and in hand	16	389,852	622,796	797,281
Total current assets		5,478,500	5,505,897	5,657,992
Total assets		13,992,281	13,820,970	14,032,644
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		3,224	16,995	6,152
Proposed dividend	19	-	214,224	-
Proposed directors' fees		-	5,000	-
Retained earnings		3,575,555	2,887,980	3,129,805
Equity attributable to owners of the Company		8,386,926	7,932,346	7,771,382
Non-controlling interest		718,194	708,131	722,503
Total equity		9,105,120	8,640,477	8,493,885
Liabilities				
Non-current liabilities				
Long-term borrowings and payables	18	1,786,407	1,549,943	2,051,156
Total non-current liabilities		1,786,407	1,549,943	2,051,156
Current liabilities				
Bank borrowings	18	1,442,226	1,707,055	1,679,654
Due to related parties	15	49,294	50,000	50,000
Trade and other payables		1,609,234	1,873,495	1,757,949
Total current liabilities		3,100,754	3,630,550	3,487,603
Total liabilities		4,887,161	5,180,493	5,538,759
Total equity and liabilities		13,992,281	13,820,970	14,032,644

* See change in accounting policies - note 3.

The condensed consolidated interim financial statements were authorised for issue on behalf of the Board of Directors on 31st October 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 statements.

Dubai Investments PJSC and its subsidiaries

Condensed consolidated statement of cash flows

for the nine month period ended 30 September (unaudited)

	Nine month period ended 30 September 2010 AED 000	Nine month period ended 30 September 2009 AED 000
Operating activities		
Profit for the period before non-controlling interest	715,232	868,023
<i>Adjustments for:</i>		
Depreciation	101,898	88,660
Amortization/impairment losses of intangible assets (net)	3,047	2,282
Gain on disposal/write-off of property, plant & equipment	(452)	(159)
Gain on sale of investments	(19,748)	(23,870)
Gain on fair valuation of investment properties	(445,675)	(455,229)
Gain on fair valuation of investments	(3,317)	(89,035)
	-----	-----
<i>Operating profit before changes in working capital</i>	350,985	390,672
	-----	-----
Net movement in investment at fair value through income statement and available for sale investments	43,870	(132,498)
Change in due from related parties, trade and other receivables	36,885	(136,001)
Change in inventories	(66,674)	(220,918)
Change in due to related parties, trade and other payables	(264,967)	(267,377)
Directors' fee paid	(5,000)	(9,000)
	-----	-----
<i>Net cash from/(used in) operating activities</i>	95,099	(375,122)
	-----	-----
Investing activities		
Net movement in investment and development properties	100,964	74,369
Net additions to intangible assets	(1,090)	(5,808)
Net acquisitions of property, plant and equipment	(171,510)	(430,560)
Proceeds from disposal of property, plant and equipment	4,420	5,846
Proceeds from disposal of a subsidiary	-	26,479
Net movement in investment in associates	(642)	(530)
Net movement in deposits under lien	(5,129)	(109,960)
	-----	-----
<i>Net cash used in investing activities</i>	(72,987)	(440,164)
	-----	-----
Financing activities		
Net movement in bank borrowings and other payables	61,720	329,216
Net movement in non-controlling interest	(17,594)	(17,243)
Dividend paid	(214,224)	(324,581)
	-----	-----
<i>Net cash used in financing activities</i>	(170,098)	(12,608)
	-----	-----
Net decrease in cash and cash equivalents	(147,986)	(827,894)
Cash and cash equivalents at the beginning of the period	(71,615)	600,588
	-----	-----
Cash and cash equivalents at the end of the period	(219,601)	(227,306)
	-----	-----
<i>Cash and cash equivalents comprise:</i>		
Current and call accounts with banks	157,265	221,725
Short term deposits with banks (excluding under lien)	190,937	426,556
Bank overdraft, trust receipt loans and bills discounted	(567,803)	(875,587)
	-----	-----
	(219,601)	(227,306)
	=====	=====

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

Dubai Investments PJSC and its subsidiaries
Condensed consolidated statement of changes in equity
for the nine month period ended 30 September (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	-	-	-	-	-	-	-	-	-	822,350	822,350	45,673	868,023
Other comprehensive income													
Net change in fair value of available for sale investments	-	-	-	-	-	-	29,012	-	-	-	29,012	-	29,012
Net change in fair value of available for sale investments transferred to income statement on disposal	-	-	-	-	-	-	(1,188)	-	-	-	(1,188)	-	(1,188)
Total other comprehensive income	-	-	-	-	-	-	27,824	-	-	-	27,824	-	27,824
Total comprehensive income for the period	-	-	-	-	-	-	27,824	-	-	822,350	850,174	45,673	895,847
Transactions with owners, recorded directly in equity													
Contributions by and distributions to owners													
Capital introduced	-	-	-	-	-	-	-	-	-	-	-	4,998	4,998
Bonus shares issued	324,581	-	-	-	-	-	-	(324,581)	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	(324,581)	(324,581)	-	(324,581)
Dividend paid by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(13,771)	(13,771)
Directors' fees paid	-	-	-	-	-	-	-	-	(9,000)	-	(9,000)	-	(9,000)
Other movements	-	-	-	-	-	-	-	-	-	-	-	(630)	(630)
Total contributions by and distribution to owners	324,581	-	-	-	-	-	-	(324,581)	(9,000)	(324,581)	(333,581)	(9,403)	(342,984)
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)	(13,323)	(346,904)
At 30 September 2009	3,570,395	46	415,344	25,502	557,138	67,000	6,152	-	-	3,129,805	7,771,382	722,503	8,493,885

Dubai Investments PJSC and its subsidiaries

Condensed consolidated statement of changes in equity

for the nine month period ended 30 September (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	
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	-	-	-	-	-	-	-	-	-	687,575	687,575	27,657	715,232
Other comprehensive income													
Net change in fair value of available for sale investments	-	-	-	-	-	-	(457)	-	-	-	(457)	-	(457)
Net change in fair value of available for sale investments transferred to income statement on disposal	-	-	-	-	-	-	(13,314)	-	-	-	(13,314)	-	(13,314)
Total other comprehensive income	-	-	-	-	-	-	(13,771)	-	-	-	(13,771)	-	(13,771)
Total comprehensive income for the period	-	-	-	-	-	-	(13,771)	-	-	687,575	673,804	27,657	701,461
Transactions with owners, recorded directly in equity													
Contributions by and distributions to owners													
Dividend paid	-	-	-	-	-	-	-	(214,224)	-	-	(214,224)	-	(214,224)
Dividend paid by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(17,594)	(17,594)
Directors' fees paid	-	-	-	-	-	-	-	-	(5,000)	-	(5,000)	-	(5,000)
Total contributions by and distribution to owners	-	-	-	-	-	-	-	(214,224)	(5,000)	-	(219,224)	(17,594)	(236,818)
Total transactions with owners	-	-	-	-	-	-	-	(214,224)	(5,000)	-	(219,224)	(17,594)	(230,531)
At 30 September 2010	3,570,395	46	457,509	25,502	687,695	67,000	3,224	-	-	3,575,555	8,386,926	718,194	9,105,120

No allocation of profit has been made to the statutory reserve for the nine month period ended 30 September 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 statements.

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements for the nine month period ended 30 September 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 statements as at and for the nine month period ended 30 September 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 statements have been prepared in accordance with the International Accounting Standard ("IAS") 34, Interim Financial Reporting. The financial statements 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 at the acquisition date at the fair value of the consideration transferred and 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. When the excess is negative, a bargain purchase gain is recognised immediately in the income statement.

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 payable at the acquisition date.

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements (*continued*)
for the nine month period ended 30 September 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 September 2010 AED 000	31 December 2009 AED 000	30 September 2009 AED 000
Decrease in investment properties	1,111,876	1,158,672	1,161,010
Increase in long-term finance lease receivable	12,494	178,559	178,562
Increase in development properties	-	46,796	46,796
Decrease in long-term payables (unearned rent)	1,090,293	924,228	926,563
Decrease in trade and other payables	9,089	9,089	9,089

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements (*continued*)
for the nine month period ended 30 September 2010 (unaudited)

4. Significant accounting policies

The accounting policies applied in the preparation of the condensed consolidated interim financial statements 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.

5. Estimates

The preparation of condensed consolidated interim financial statements 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 September 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 September		Nine month period ended 30 September	
	2010	2009	2010	2009
	AED 000	AED 000	AED 000	AED 000
<i>These include:</i>				
Staff costs	54,740	64,371	167,200	126,479
Depreciation	25,863	17,510	74,717	65,608
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements (*continued*)
for the nine month period ended 30 September 2010 (unaudited)

9. Administrative and general expenses

	Three month period ended 30 September		Nine month period ended 30 September	
	2010	2009	2010	2009
	AED 000	AED 000	AED 000	AED 000
<i>These include:</i>				
Staff costs	48,028	39,266	149,688	144,377
Depreciation	10,208	5,934	27,181	23,052
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

10. Property, plant and equipment and biological assets

During the nine month period ended 30 September 2010, the Group acquired assets amounting to AED 171.5 million (*nine month period ended 30 September 2009: AED 430 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 Phase VII was completed in the current period. The development of Phase VIII is in progress as of the current period end (refer note 12). During the current period, the Group obtained fair value of areas 1 to 3 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 September 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 September 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 phase VIII at Dubai Investment Park (refer note 11).

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements *(continued)*
for the nine month period ended 30 September 2010 (unaudited)

13. Investments

	30 September 2010 AED 000 (Unaudited)	31 December 2009 AED 000 (Audited)	30 September 2009 AED 000 (Unaudited)
Investments at fair value through income statement:			
- held for trading quoted equity securities	329,046	329,374	368,915
- designated as fair value through income statement	594,188	590,036	504,927
(i)	<u>923,234</u>	<u>919,410</u>	<u>873,842</u>
Investments designated as available for sale			
- quoted equity securities	86,304	131,303	114,245
- unquoted equity securities and funds	868,164	861,565	878,848
(ii)	<u>954,468</u>	<u>992,868</u>	<u>993,093</u>
	30 September 2010 AED 000 (Unaudited)	31 December 2009 AED 000 (Audited)	30 September 2009 AED 000 (Unaudited)
Geographical distribution of investments			
UAE	897,065	707,330	575,262
Other GCC countries	374,415	605,422	416,463
Other countries	606,222	599,526	875,210
(i) + (ii)	<u>1,877,702</u>	<u>1,912,278</u>	<u>1,866,935</u>

14. Inventories

Inventories at 30 September 2010 includes properties held for sale amounting to AED 725 million (31 December 2009: AED 241 million) and properties under development for sale amounting to AED 1,705 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 statements (*continued*)
for the nine month period ended 30 September 2010 (unaudited)

15. Related party transactions

Significant related party transactions were as follows:

	Three month period ended 30 September		Nine month period ended 30 September	
	2010	2009	2010	2009
	AED 000	AED 000	AED 000	AED 000
- Construction of Head office building	<u>25,913</u>	<u>5,284</u>	<u>57,992</u>	<u>36,571</u>
Compensation to key management personnel including Directors are as follows:				
- Short term benefits	2,168	1,726	8,953	5,177
- Provision towards employees' terminal benefits	<u>28</u>	<u>28</u>	<u>86</u>	<u>86</u>

16. Cash at bank and in hand

	30 September 2010 AED 000 (Unaudited)	31 December 2009 AED 000 (Audited)	30 September 2009 AED 000 (Unaudited)
Cash in hand	1,698	3,252	3,543
Cash at bank within UAE (current accounts)	155,414	131,499	198,339
Cash at bank outside UAE – GCC Countries (current accounts)	153	7,525	19,843
Short term deposits (including deposits of AED 41.65 million (2009: AED 36.52 million) under lien with a bank)	<u>232,587</u>	<u>480,520</u>	<u>575,556</u>
	<u>389,852</u>	<u>622,796</u>	<u>797,281</u>

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

17. Basic earnings per share

	Three month period ended 30 September		Nine month period ended 30 September	
	2010	2009	2010	2009
Net profit attributable to shareholders of the Company (AED'000)	213,605	266,189	687,575	822,350
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>

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements (*continued*)
for the nine month period ended 30 September 2010 (unaudited)

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, investment at fair value through income statement, 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).

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 September 2010 amount to AED 2,854 million (31 December 2009: AED 2,715 million).

21. Capital commitments

As at 30 September 2010, the Group has contractual capital commitments amounting to AED 1,011 million (31 December 2009: AED 1,292 million) mainly relating to new projects / investments.

22. Dilution of stake in a subsidiary

On 1st September 2010, the Group entered into a joint venture agreement with a third party, whereby the Group transferred all assets and liabilities of a subsidiary Syscom Emirates LLC to another Group entity at net book value aggregating to AED 2.03 million and transferred 50% of its stake in this subsidiary at nil consideration to the third party. Accordingly, Syscom Emirates LLC is now a joint venture entity of the Group. The dilution of the Group's stake in Syscom Emirates LLC did not have any material impact on the condensed consolidated interim financial statements.

23. 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 statements (*continued*)
for the nine month period ended 30 September (*unaudited*)

Operating segments

Information about reportable segments

	Manufacturing and contacting		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)	1,368,963	1,347,479	78,541	80,562	360,486	357,424	573,011	715,664	(329,270)	(272,448)	2,051,731	2,228,681
Finance income and other income	13,413	10,240	1,616	1,568	60,562	61,146	18,713	23,631	(41,370)	(27,515)	52,934	69,070
Finance expenses	62,511	64,874	1,267	3,082	14,968	22,984	64,007	85,617	(41,370)	(27,515)	101,383	149,042
Gain on fair valuation of investment properties	-	-	-	-	-	-	445,675	455,229	-	-	445,675	455,229
Reportable segment profit	40,224	4,230	2,456	2,317	368,148	387,774	629,299	723,724	(352,552)	(295,695)	687,575	822,350
Reportable segment assets	4,063,812	4,218,012	82,684	137,084	5,975,224	5,503,661	7,270,324	7,154,355	(3,399,763)	(2,980,468)	13,992,281	14,032,644
Reportable segment liabilities	3,007,323	3,247,300	41,481	102,457	774,468	898,115	2,462,932	3,021,267	(1,399,043)	(1,730,380)	4,887,161	5,538,759

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