

Dubai Investments PJSC and its subsidiaries

Condensed consolidated interim financial
information

31 March 2012

Dubai Investments PJSC and its subsidiaries

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<i>Contents</i>	<i>Page</i>
Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Information	1
Condensed consolidated income statement	2
Condensed consolidated statement of comprehensive income	3
Condensed consolidated statement of financial position	4
Condensed consolidated statement of cash flows	5
Condensed consolidated statement of changes in equity	6
Notes to the condensed consolidated interim financial information	7 - 13



P O Box 341145
Level 12, IT Plaza Building
Dubai Silicon Oasis
Dubai
United Arab Emirates

Telephone +971 (4) 356 9500
Main Fax +971 (4) 326 3788
Audit Fax +971 (4) 326 3773
Website www.ae-kpmg.com

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") and its subsidiaries (collectively referred to as the "Group") as at 31 March 2012, the condensed consolidated income statement and condensed consolidated statements of comprehensive income, cash flows and changes in equity for the three 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 31 March 2012 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

Vijendra Nath Malhotra
Registration No. 48B
Dubai, United Arab Emirates

13 MAY 2012

Dubai Investments PJSC and its subsidiaries

Condensed consolidated income statement for the three month period ended 31 March (unaudited)

	Note	Three month period ended 31 March	
		2012 AED 000	2011 AED 000
Sale of goods and services	7	374,141	323,824
Contract revenue		104,409	144,661
Sale of properties (including development properties)		-	22,515
Rental income		113,471	113,225
Gain on fair valuation of investment properties	12	-	33,217
Gain/(loss) on fair valuation of investments		18,510	(5,399)
Gain on sale of investments – (net)		6,528	245
Dividend income		7,847	10,371
Total income		624,906	642,659
Direct operating costs	8	(381,238)	(433,791)
Administrative and general expenses	9	(111,252)	(100,768)
Finance expenses		(47,015)	(23,967)
Finance income		1,693	5,000
Other income	10	12,887	11,365
Profit for the period		99,981	100,498
Profit attributable to:			
Owners of the Company		107,481	101,094
Non-controlling interests		(7,500)	(596)
Profit for the period		99,981	100,498
Earnings per share			
Basic earnings per share (AED)	18	0.03	0.03

The notes set out on pages 7 to 13 form part of these condensed consolidated interim financial information.

Dubai Investments PJSC and its subsidiaries

Condensed consolidated statement of comprehensive income for the three month period ended 31 March (unaudited)

	Three month period ended 31 March	
	2012	2011
	AED 000	AED 000
Profit for the period	99,981	100,498
Other comprehensive income:		
Total other comprehensive income for the period	-	-
	-----	-----
Total comprehensive income for the period	99,981	100,498
	=====	=====
Attributable to:		
Owners of the Company	107,481	101,094
Non-controlling interests	(7,500)	(596)
	-----	-----
Total comprehensive income for the period	99,981	100,498
	=====	=====

The notes set out on pages 7 to 13 form part of these condensed consolidated interim financial information.

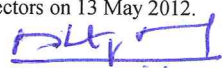
Dubai Investments PJSC and its subsidiaries

Condensed consolidated statement of financial position (unaudited)

		31 March 2012 AED 000 (Unaudited)	31 December 2011 AED 000 (Audited)	31 March 2011 AED 000 (Unaudited)
	Note			
Assets				
Non-current assets				
Property, plant and equipment and biological assets	11	2,786,317	2,769,017	2,740,743
Goodwill and intangible assets		211,764	217,436	213,866
Investment properties	12	3,977,154	3,977,154	3,613,033
Development properties	13	102,734	80,670	188,122
Investments at fair value through other comprehensive income	14	492,086	492,086	546,880
Investment in an associate		2,576	2,576	2,576
Long term rent receivable		81,502	94,926	124,544
Long term finance lease receivable		13,644	15,834	20,592
Inventories	15	1,284,932	1,287,894	1,598,674
Trade receivables		222,790	226,146	267,463
Other receivables		46,458	45,640	61,965
Total non-current assets		9,221,957	9,209,379	9,378,458
Current assets				
Inventories	15	1,069,063	1,088,161	1,083,949
Investments at fair value through profit or loss	14	782,883	796,686	1,243,390
Trade receivables		1,348,406	1,342,208	1,202,101
Other receivables		797,640	772,609	875,172
Cash at bank and in hand	17	298,625	287,280	334,247
Total current assets		4,296,617	4,286,944	4,738,859
Total assets		13,518,574	13,496,323	14,117,317
Equity				
Share capital		3,570,395	3,570,395	3,570,395
Share premium		46	46	46
Legal reserve		513,039	513,039	492,700
Capital reserve		25,502	25,502	25,502
General reserve		830,903	830,903	810,564
Revaluation reserve		67,000	67,000	67,000
Fair value reserve		(56,785)	(56,785)	(45,000)
Proposed dividend	20	178,520	178,520	214,224
Proposed directors' fees	20	-	2,500	5,000
Retained earnings		3,398,764	3,288,783	3,411,594
Equity attributable to owners of the Company		8,527,384	8,419,903	8,552,025
Non-controlling interests		627,110	637,766	735,896
Total equity		9,154,494	9,057,669	9,287,921
Liabilities				
Non-current liabilities				
Long-term borrowings and payables	19	828,752	858,037	1,349,077
Total non-current liabilities		828,752	858,037	1,349,077
Current liabilities				
Bank borrowings	19	2,068,553	2,074,104	1,753,555
Trade and other payables		1,466,775	1,506,513	1,726,764
Total current liabilities		3,535,328	3,580,617	3,480,319
Total liabilities		4,364,080	4,438,654	4,829,396
Total equity and liabilities		13,518,574	13,496,323	14,117,317

The condensed consolidated interim financial information was authorized for issue on behalf of the Board of Directors on 13 May 2012.


Khalid Jassim Kalban
MD & CEO


Mushtaq Masood
CFO

The notes set out on pages 7 to 13 form part of these condensed consolidated interim financial information.

Dubai Investments PJSC and its subsidiaries

Condensed consolidated statement of cash flows

for the three month period ended 31 March (unaudited)

	Three month period ended 31 March	
	2012 AED 000	2011 AED 000
Cash flow from operating activities		
Profit for the period	99,981	100,498
<i>Adjustments for:</i>		
Depreciation	44,399	37,262
Amortization/impairment losses of intangible assets	5,271	1,122
Gain on disposal of property, plant & equipment	(74)	(202)
Gain on sale of investments – net	(6,528)	(245)
Gain on fair valuation of investment properties	-	(33,217)
(Gain)/loss on fair valuation of investments	(18,510)	5,399
	-----	-----
Operating profit before changes in working capital	124,539	110,617
Changes in:		
– investments at fair value through profit or loss	38,841	(36,891)
– trade and other receivables	(13,077)	32,145
– inventories	22,060	2,315
– trade and other payables	(39,738)	(89,098)
	-----	-----
Net cash from operating activities	132,625	19,088
	-----	-----
Cash flows from investing activities		
Net movement in investment and development properties	(22,064)	(21,511)
Acquisition of property, plant and equipment	(63,209)	(37,116)
Proceeds from disposal of property, plant and equipment	1,584	1,024
Net additions to intangibles assets	401	(500)
	-----	-----
Net cash used in investing activities	(83,288)	(58,103)
	-----	-----
Cash flows from financing activities		
Net movement in bank borrowings and payables	(37,913)	(67,627)
Net movement in deposits under lien	(6,656)	667
Net movement in non-controlling interests	(3,156)	-
	-----	-----
Net cash used in financing activities	(47,725)	(66,960)
	-----	-----
Net increase/(decrease) in cash and cash equivalents	1,612	(105,975)
Cash and cash equivalents at 1 January	(348,657)	(210,757)
	-----	-----
Cash and cash equivalents at 31 March	(347,045)	(316,732)
	-----	-----
<i>Cash and cash equivalents comprise following:</i>		
Cash in hand, current and call account with banks	135,143	132,837
Short term deposits with banks (excluding those under lien)	104,302	170,541
Bank overdraft, trust receipt loans and bills discounted	(586,490)	(620,110)
	-----	-----
	(347,045)	(316,732)
	=====	=====

The notes set out on pages 7 to 13 form part of these condensed consolidated interim financial information.

Dubai Investments PJSC and its subsidiaries

Condensed consolidated statement of changes in equity

for the three month period ended 31 March (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 interests	Total
Balance at 1 January 2011	3,570,395	46	492,700	25,502	810,564	67,000	(45,000)	214,224	5,000	3,310,500	8,450,931	736,492	9,187,423
Total comprehensive income for the period													
Profit for the period	-	-	-	-	-	-	-	-	-	101,094	101,094	(596)	100,498
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	101,094	101,094	(596)	100,498
Balance at 31 March 2011	3,570,395	46	492,700	25,502	810,564	67,000	(45,000)	214,224	5,000	3,411,594	8,552,025	735,896	9,287,921
Balance at 1 January 2012	3,570,395	46	513,039	25,502	830,903	67,000	(56,785)	178,520	2,500	3,288,783	8,419,903	637,766	9,057,669
Total comprehensive income for the period													
Profit for the period	-	-	-	-	-	-	-	-	-	107,481	107,481	(7,500)	99,981
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	107,481	107,481	(7,500)	99,981
Transactions with owners, recorded directly in equity													
Contributions by and distributions to owners													
Reversal of proposed directors' fees (refer note 20)	-	-	-	-	-	-	-	-	(2,500)	2,500	-	-	-
Dividend paid by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(3,156)	(3,156)
Total contributions by and distribution to owners	-	-	-	-	-	-	-	-	(2,500)	2,500	-	(3,156)	(3,156)
Total transactions with owners	-	-	-	-	-	-	-	-	(2,500)	2,500	-	(3,156)	(3,156)
Balance at 31 March 2012	3,570,395	46	513,039	25,502	830,903	67,000	(56,785)	178,520	-	3,398,764	8,527,384	627,110	9,154,494

No allocation of profit has been made to the statutory reserve for the three month period ended 31 March 2012 as it would be affected at the year end.

The notes set out on pages 7 to 13 form part of these condensed consolidated interim financial information.

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information for the three month period ended 31 March 2012 (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. This condensed consolidated interim financial information as at and for the three month period ended 31 March 2012 (“the current period”) comprises the Company and its subsidiaries (collectively referred to as “the Group”) and the Group’s interest in associates and jointly controlled entities.

The Group is primarily involved in development of real estate for sale and leasing, contracting activities, manufacturing and trading of products in various sectors and investing in bonds, funds and equity securities.

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 condensed consolidated interim 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 2011.

3. New standard and interpretation not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective and therefore have not been applied in preparing this interim condensed consolidated financial information. None of these are expected to have a significant effect on the interim condensed consolidated financial information of the Group, except for the following:

IFRS 11 Joint Arrangements: IFRS 11 supersedes IAS 31 *Interests in Joint Ventures* and is effective for annual periods beginning on or after 1 January 2013. IFRS 11 establishes principles for financial reporting by entities that have an interest in arrangements that are controlled jointly (i.e. joint arrangements) and describes joint arrangement as either a joint operation or joint venture. For joint ventures, IFRS 11 requires to account for that investment using the equity method. Currently, the Group accounts for its investments in joint ventures using proportionate consolidation method. The Group is currently in the process of identifying the impact of adoption of IFRS 11.

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 2011.

Financial assets and liabilities

The accounting policies, classifications and measurement principles for financial assets and liabilities applied by the Group in these condensed consolidated interim financial information are the same as those applied by the Group in its consolidated financial statements as at 31 December 2011 and for the year ended 31 December 2011. These are disclosed in detail under notes 2 and 3 in the Group’s consolidated financial statements as at and for the year ended 31 December 2011.

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)
for the three month period ended 31 March 2012 (*unaudited*)

5. Use of estimates and judgments

The preparation of condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. 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 2011.

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 2011.

7. Sale of goods and services

During the current period, a joint venture entity of the Group signed a Memorandum of Understanding (MOU) with a customer. Under the MOU, the customer agreed to honor the commitment for the services requested but not fully utilized in the earlier years. Accordingly, revenue amounting to AED 54 million (Group's share) has been recognized in the current period.

8. Direct operating costs

	Three month period ended	
	31 March	
	2012	2011
	AED 000	AED 000
<i>These include:</i>		
Staff costs	45,248	46,855
Depreciation	33,731	27,509
	=====	=====

9. Administrative and general expenses

	Three month period ended	
	31 March	
	2012	2011
	AED 000	AED 000
<i>These include:</i>		
Staff costs	49,974	54,263
Depreciation	10,668	9,753
	=====	=====

10. Other income

Other income includes rental income earned by a subsidiary from letting out its manufacturing facilities and sale of scrap by various subsidiaries of the Group.

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)
for the three month period ended 31 March 2012 (*unaudited*)

11. Property, plant and equipment and biological assets

During the three month period ended 31 March 2012, the Group's additions to assets amounted to AED 63 million (*three month period ended 31 March 2011: AED 37 million*) including additions to assets by a joint venture entity amounting to AED 40.7 million.

12. Investment properties

These mainly include 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 realized profits from the project are payable.

The leased land from the Government of Dubai is developed in phases. The development of warehouse project 2 in Phase VIII is in progress as of the current period end (refer note 13). As at 31 December 2011, the Group had obtained valuation of the development by an independent registered valuer who carried out the valuation in accordance with the Valuation Standards of the Royal Institute of Chartered Surveyors which also takes into consideration the cash outflows resulting from the estimated 20% share of the net realized profits due to the Government of Dubai starting February 2009.

13. Development properties

Development properties as at 31 March 2012 mainly comprise costs incurred by a subsidiary for the development of warehouse project 2 in Phase VIII at Dubai Investment Park (refer note 12). It also includes cost incurred by a joint venture entity towards construction of Green Community West project in Dubai Investment Park.

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)
for the three month period ended 31 March 2012 (*unaudited*)

14. Investments

	31 March 2012 AED 000 (Unaudited)	31 December 2011 AED 000 (Audited)	31 March 2011 AED 000 (Unaudited)
Investments at fair value through profit or loss:			
- held for trading quoted equity securities	331,394	348,731	377,613
- unquoted equity securities, funds and bonds	451,489	447,955	865,777
	-----	-----	-----
(i)	782,883	796,686	1,243,390
	=====	=====	=====
Investments at fair value through other comprehensive income:			
- unquoted equity securities	492,086	492,086	546,880
	-----	-----	-----
(ii)	492,086	492,086	546,880
	=====	=====	=====
	31 March 2012 AED 000 (Unaudited)	31 December 2011 AED 000 (Audited)	31 March 2011 AED 000 (Unaudited)
<i>Geographical distribution of investments</i>			
UAE	511,435	521,366	870,424
Other GCC countries	324,838	330,768	328,877
Other countries	438,696	436,638	590,969
	-----	-----	-----
(i)+(ii)	1,274,969	1,288,772	1,790,270
	=====	=====	=====

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)
for the three month period ended 31 March 2012 (*unaudited*)

15. Inventories

Inventories at 31 March 2012 include properties under development for sale in the ordinary course of business amounting to AED 2,082 million (31 December 2011: AED 2,079 million) and 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.

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

16. Related party transactions

Significant related party transactions during the period were as follows:

	Three month period ended	
	31 March	
	2012	2011
	AED 000	AED 000
Construction of Head Office building	-	16,143
	=====	=====
Compensation to key management personnel including directors is as follows:		
Short term benefits	2,764	3,449
Post-employment benefits	26	26
	=====	=====

17. Cash at bank and in hand

	31 March	31 December	31 March
	2012	2011	2011
	AED 000	AED 000	AED 000
	(Unaudited)	(Audited)	(Unaudited)
Cash in hand	1,510	1,235	1,627
Cash at bank within UAE (current accounts)	124,619	91,436	126,315
Cash at bank outside UAE – GCC Countries (current accounts)	9,014	3,842	4,895
Short term deposits (including deposits of AED 59.18 million (31 December 2011: 52.52 million) under lien with a bank)	163,482	190,767	201,410
	-----	-----	-----
	298,625	287,280	334,247
	=====	=====	=====

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)
for the three month period ended 31 March 2012 (unaudited)

18. Basic earnings per share

	Three month period ended 31 March	
	2012	2011
Net profit attributable to owners of the Company (AED'000)	107,481	101,094
Weighted average number of shares outstanding ('000s)	3,570,395	3,570,395
	=====	=====

19. 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 profit or loss, 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 21).

20. Proposed dividend and directors' fees

- (i) At the Annual General Meeting (AGM) held on 23rd April 2012, the shareholders approved 5% cash dividend which was proposed by the Board of Directors.
- (ii) During the current period, the Board of Directors resolved to reverse the proposed Directors' fees amounting to AED 2.5 million for the year ended 31st December 2011.

21. Contingent liabilities

The Company has issued corporate guarantees to commercial banks for loans and advances granted to subsidiaries and joint ventures. The borrowings against which these corporate guarantees have been issued are included in the consolidated statement of financial position.

22. Capital commitments

As at 31 March 2012, the Group has contractual capital commitments amounting to AED 822 million (31 December 2011: AED 819 million) mainly relating to new projects/investments.

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 startup 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 real estate properties.

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 three month period ended 31 March 2012 (unaudited)

23. Segment reporting (continued)

Operating segments

Information about reportable segments

AED'000												
	Manufacturing and contracting		FMCG		Investments		Property		Elimination of inter segment transactions		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Business Segments												
Revenue	446,887	435,965	26,458	22,160	45,976	12,127	117,653	147,928	(12,068)	(8,738)	624,906	609,442
Finance income and other income	6,596	7,550	986	821	17,838	22,343	5,597	3,596	(16,437)	(17,945)	14,580	16,365
Finance expenses	(32,927)	(31,724)	(320)	(249)	(2,675)	17,078	(24,530)	(27,017)	13,437	17,945	(47,015)	(23,967)
Gain on fair valuation of investment properties	-	-	-	-	-	-	-	33,217	-	-	-	33,217
Reportable segment profit	12,790	(24,207)	130	(514)	48,650	55,800	51,411	77,690	(13,000)	(8,271)	99,981	100,498
Reportable segment assets	4,001,264	4,136,916	75,399	72,997	5,675,654	5,886,428	7,588,332	7,556,517	(3,822,075)	(3,535,541)	13,518,574	14,117,317
Reportable segment liabilities	2,952,643	3,072,703	36,467	32,942	483,732	779,711	2,474,438	2,472,880	(1,583,200)	(1,528,840)	4,364,080	4,829,396

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