DEYAAR DEVELOPMENT PJSC

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011

Deyaar Development PJSC

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
For the nine months ended 30 September 2011

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Report on review of interim condensed consolidated financial information

To the shareholders of Deyaar Development PJSC

Introduction

We have reviewed the accompanying interim consolidated balance sheet of Deyaar Development PJSC ("the Company") and its subsidiaries (collectively referred to as "the Group") as of 30 September 2011 and the related interim consolidated statements of income, comprehensive income, changes in equity and cash flows for the nine-month period then ended. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34.

PricewaterhouseCoopers

2 November 2011

Paul Suddaby

Paul Suddaby
Registered Auditor Number 309
Dubai, United Arab Emirates

INTERIM CONSOLIDATED BALANCE SHEET

	Note	30 September 2011 AED'000 (Unaudited)	31 December 2010 AED'000 (Audited)
ASSETS			
Non-current assets			
Property and equipment		42,212	50,277
Investment property	6	1,318,056	1,324,686
Trade and other receivables		25,857	146,795
Goodwill		564,927	564,927
Investments in associates		277,341	288,430
Available-for-sale financial assets		19,335	-
Due from related parties	8	2,353,902	2,237,435
		4,601,630	4,612,550
Current assets			
Properties held for development and sale	7	2,213,433	2,662,230
Inventories		5,044	2,092
Due from related parties	8	17,861	15,541
Trade and other receivables		457,390	382,177
Cash and bank balances		325,466	442,311
		3,019,194	3,504,351
Total assets		7,620,824	8,116,901
EQUITY			
Equity attributable to owners of the parent			
Share capital		5,778,000	5,778,000
Statutory reserve		155,278	155,278
Exchange translation reserve		(29,908)	(11,127)
Accumulated losses		(1,468,389)	(1,513,468)
Total equity		4,434,981	4,408,683
LIABILITIES			
Non-current liabilities			
Borrowings	9	136,000	476,990
Trade and other payables		289,430	275,110
Retentions payable		92,385	84,615
Advances from customers		589,513	590,785
Provision for employees' end of service benefits		8,078	8,529
		1,115,406	1,436,029
Current liabilities			
Borrowings	9	793,583	554,970
Trade and other payables		618,982	570,023
Retentions payable		37,930	62,022
Advances from customers		605,632	1,066,741
Due to related parties	8	14,310	18,433
		2,070,437	2,272,189
Total liabilities		3,185,843	3,708,218
Total equity and liabilities		7,620,824	8,116,901

This interim condensed consolidated financial information was approved by the Board of Directors on 31 October 2011 and signed on its behalf by:

....
Saeed Al Qatami
Acting Chief Executive Officer

....
Yawar Pasha
Chief Financial Officer

The notes on pages 7 to 16 are an integral part of this interim condensed consolidated financial information.

INTERIM CONSOLIDATED STATEMENT OF INCOME

	Note	Nine months ended 30 September 2011 AED'000	Nine months ended 30 September 2010 AED'000	Three months ended 30 September 2011 AED'000	Three months ended 30 September 2010 AED'000
		(Unaudited)		(Unaudited)	
Revenue	10	664,513	431,945	184,362	106,721
Direct costs	11	(620,439)	(588,044)	(180,566)	(222,565)
Gross profit/(loss)		**44,074**	**(156,099)**	**3,796**	**(115,844)**
Other operating income		2,595	7,953	2,265	1,744
Expenses					
General and administrative		(62,919)	(173,825)	(36,616)	(56,769)
Marketing and selling		(2,408)	(13,889)	(1,673)	(3,438)
Loss on fair valuation of investment property	6	(42,927)	(164,083)	(7,109)	-
Operating loss		**(61,585)**	**(499,943)**	**(39,337)**	**(174,307)**
Finance cost		(35,594)	(35,060)	(12,501)	(6,892)
Finance income		143,950	12,892	53,181	1,583
Finance income/(costs), net		**108,356**	**(22,168)**	**40,680**	**(5,309)**
Share of results from associates		(726)	(584)	(446)	(2,047)
Profit/(loss) before income tax		**46,045**	**(522,695)**	**897**	**(181,663)**
Income tax expense		(966)	(3,020)	(238)	-
Profit/(loss) for the period		**45,079**	**(525,715)**	**659**	**(181,663)**
Profit/(loss) attributable to:					
Owners of the parent		45,079	(488,757)	659	(145,458)
Non-controlling interest		-	(36,958)	-	(36,205)
		45,079	**(525,715)**	**659**	**(181,663)**
Earnings/(loss) per share attributable to the equity holders of the Company during the period – Basic and diluted		**Fils 0.78**	**Fils (8.46)**	**Fils 0.01**	**Fils (2.52)**

The notes on pages 7 to 16 are an integral part of this interim condensed consolidated financial information.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Nine months ended 30 September		Three months ended 30 September	
	2011 AED'000	2010 AED'000	2011 AED'000	2010 AED'000
	(Unaudited)		(Unaudited)	
Profit/(loss) for the period	45,079	(525,715)	659	(181,663)
Other comprehensive income				
Currency translation differences	(18,781)	1,756	(13,802)	6,913
Total comprehensive profit/(loss) for the period	**26,298**	**(523,959)**	**(13,143)**	**(174,750)**
Attributable to				
Owners of the parent	26,298	(487,001)	(13,143)	(138,545)
Non-controlling interest	-	(36,958)	-	(36,205)
Total comprehensive profit/(loss) for the period	**26,298**	**(523,959)**	**(13,143)**	**(174,750)**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent						
	Share capital AED'000	Statutory reserve AED'000	Translation reserve AED'000	Retained earnings AED'000	Total equity AED'000	Non-controlling interest AED'000	Total AED'000
At 1 January 2010	5,778,000	155,278	(7,943)	812,620	6,737,955	13,724	6,751,679
Comprehensive income							
Loss for the period	-	-	-	(488,757)	(488,757)	(36,958)	(525,715)
Other comprehensive income							
Translation reserve	-	-	1,756	-	1,756	-	1,756
Balance at 30 September 2010 (unaudited)	**5,778,000**	**155,278**	**(6,187)**	**323,863**	**6,250,954**	**(23,234)**	**6,227,720**
At 1 January 2011	5,778,000	155,278	(11,127)	(1,513,468)	4,408,683	-	4,408,683
Comprehensive income							
Net profit for the period	-	-	-	45,079	45,079	-	45,079
Other comprehensive income							
Translation reserve	-	-	(18,781)	-	(18,781)	-	(18,781)
Balance at 30 September 2011 (unaudited)	**5,778,000**	**155,278**	**(29,908)**	**(1,468,389)**	**4,434,981**	**-**	**4,434,981**

The notes on pages 7 to 16 are an integral part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

		Nine months ended 30 September	
		2011	**2010**
	Note	**AED'000**	**AED'000**
		(Unaudited)	(Unaudited)
Cash flows from operating activities			
Net cash generated from/(used in) operating activities	12	**9,495**	**(66,451)**
Cash flows from investing activities			
Payments to acquire property and equipment		(636)	(1,859)
Proceeds from sale of property and equipment		726	215
Repurchase/(investment) in associates		10,363	(1,006)
Additions to investment property - net		(3,464)	(133,922)
Term deposits maturing after three months		204,644	(20,435)
Income from deposits		20,052	10,940
Net cash generated from/(used in) investing activities		**231,685**	**(146,067)**
Cash flows from financing activities			
Net movement in borrowings		(101,478)	(148,607)
Finance costs paid		(39,815)	(57,375)
Net cash used in financing activities		**(141,293)**	**(205,982)**
Increase/(decrease) in cash and cash equivalents		**99,887**	**(418,500)**
Cash and cash equivalents, beginning of the period		62,447	452,540
Exchange (loss)/gain on cash and cash equivalents		(11,189)	2,284
Cash and cash equivalents, end of the period		**151,145**	**36,324**

For the purpose of statement of cash flows, cash and cash equivalents comprise:

Cash in hand		583	629
Current accounts		118,985	134,914
Fixed deposits		205,898	155,623
Cash and bank balances		**325,466**	**291,166**
Less : Deposits maturing after 3 months		(52,186)	(126,267)
Less : Islamic financing		(122,135)	(128,575)
Cash and cash equivalents		**151,145**	**36,324**

1 LEGAL STATUS AND ACTIVITIES

Deyaar Development PJSC (the "Company") was incorporated and registered as a Public Joint Stock Company in the Emirate of Dubai, UAE on 10 July 2007. The registered address of the Company is P. O. Box 30833, Dubai, United Arab Emirates.

The principal activities of the Company and its subsidiaries (together, "the Group") are property investment and development, mechanical, electrical and plumbing, brokering, facility and property management services.

This interim condensed consolidated financial information has been reviewed, not audited.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 Basis of preparation

This interim condensed consolidated financial information for the nine months ended 30 September 2011 has been prepared in accordance with IAS 34, 'Interim financial reporting'. The interim condensed consolidated financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2010, which have been prepared in accordance with International Financial Reporting Standards.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to profit already recognised.

2.2 Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2010, except as discussed below:

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories of financial assets. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Available-for-sale financial assets are carried at fair value. Changes in the fair value of the available-for-sale financial assets are recognised in other comprehensive income. Dividends on available-for-sale financial assets are recognised in the consolidated statement of comprehensive income as part of other income when the Group's right to receive payments is established.

IAS 24 Related Party Disclosures (Amendment)

The amended standard is effective for annual periods beginning on or after 1 January 2011. It clarified the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised standard introduces a partial exemption of disclosure requirements for government related entities. The adoption of this amendment did not have any impact on the financial position or performance of the Group.

3 ESTIMATES AND ASSUMPTIONS

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

In preparing this interim condensed consolidated financial information, 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 applied to the consolidated financial statements for the year ended 31 December 2010.

4 FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, price risk, cash flow and fair value interest rate risk), credit risk and liquidity risk.

The interim condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual consolidated financial information, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2010.

There has been no change in the risk management policies since the year end.

4.2 Liquidity risk factors

The Group monitors its risk of a possible shortage of funds using cash flow forecasts. These forecasts consider the maturity of both its financial investments and financial assets (e.g. accounts receivable, other financial assets) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank facilities. The Group manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecasted and actual cash flows and matching the maturity profiles of financial assets and liabilities.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 (continued)

5 SEGMENTAL INFORMATION

Operating segment:

For management purposes the Group is organised into three major operating segments: Property development, electrical and mechanical works, and properties and facilities management.

Management monitors the operating results of its operating segments for the purpose of making strategic decisions about performance assessment. Segment performance is evaluated based on operating profit or loss. Transactions between segments are conducted at estimated rates which approximate to market rates on an arm's length basis.

	Property development activities AED'000	Electrical and mechanical works AED'000	Property and facilities management AED'000	Total AED'000
	(Unaudited)	(Unaudited)	(Unaudited)	
Nine months ended 30 September 2011				
Segment revenues – external	579,852	53,001	31,660	664,513
Segment profit/(losses)	58,979	(26,835)	12,935	45,079
As at 30 September 2011				
Segment assets	7,474,519	69,633	76,672	7,620,824
Nine months ended 30 September 2010				
Segment revenues – external	293,285	105,532	33,128	431,945
Segment profit/(losses)	(456,142)	(82,088)	12,515	(525,715)
As at 30 September 2010				
Segment assets	9,960,710	99,824	69,091	10,129,625

Geographic information

Revenue earned from properties outside the United Arab Emirates amounts to AED 19,198,000 (Period ended 30 September 2010: AED 56,278,000). Total assets located outside the United Arab Emirates amount to AED 321,396,000 (31 December 2010: AED 340,661,000).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 (continued)

6 INVESTMENT PROPERTY

	AED'000
	(Unaudited)
Nine months ended 30 September 2010	
1 January 2010	1,899,943
Additions	113,693
Borrowing costs capitalised	27,830
Loss on fair valuation of investment property	(164,083)
30 September 2010 – unaudited	1,877,383
Nine months ended 30 September 2011	
1 January 2011	1,324,686
Additions	38,642
Borrowing costs capitalised	23,755
Transfer to a real estate investment trust	(26,100)
Loss on fair valuation of investment property	(42,927)
30 September 2011– unaudited	1,318,056

7 PROPERTIES HELD FOR DEVELOPMENT AND SALE

	Properties held-for-sale AED'000	**Properties under construction AED'000**	**Land held-for-future-development AED'000**	**Total AED'000**
1 January 2010	542,017	2,673,692	1,611,334	4,827,043
Additions	-	191,457	9,456	200,913
Provision for impairment	(33,266)	(8,418)	-	(41,684)
Returns	-	(415,800)	-	(415,800)
Borrowing costs capitalised	-	6,892	-	6,892
Write offs	-	(4,983)	(22,546)	(27,529)
Sales	(210,739)	-	-	(210,739)
30 September 2010 – unaudited	298,012	2,442,840	1,598,244	4,339,096
1 January 2011	252,342	2,169,888	240,000	2,662,230
Additions	-	102,271	-	102,271
Provision for impairment	(114,936)	(11,814)	-	(126,750)
Reversal of impairment	9,337	27,844	-	37,181
Transfers	1,099,823	(1,099,823)	-	-
Borrowing costs capitalised	681	3,458	-	4,139
Sales	(465,638)	-	-	(465,638)
30 September 2011 – unaudited	781,609	1,191,824	240,000	2,213,433

8 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties include the significant shareholders, key management personnel, associates, joint ventures, directors and businesses which are controlled directly or indirectly by the significant shareholders or directors or over which they exercise significant management influence.

(a) Related party transactions

During the period, the Group entered into the following significant transactions with related parties:

	Nine months ended 30 September 2011 AED'000	Nine months ended 30 September 2010 AED'000
	(Unaudited)	(Unaudited)
Other operating income/finance income		
A majority shareholder	2,143	2,444
	2,143	**2,444**
Purchases		
Other related parties	-	9,507
	-	9,507
Transfer		
Other related parties (transfer of investment property to a real estate investment trust)	26,100	-
	26,100	-

(b) Remuneration of key management personnel

	Nine months ended 30 September 2011 AED'000	Nine months ended 30 September 2010 AED'000
	(Unaudited)	(Unaudited)
Compensation to key management personnel		
Salaries and other short term employee benefits	16,294	20,407
Termination and post employment benefits	487	572
Director's fees	652	2,025
	17,433	23,004

8 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(c) Due from related parties comprises:

	30 September 2011 AED'000	31 December 2010 AED'000
	(Unaudited)	(Audited)
Non-current		
Due from other related parties	2,353,902	2,237,435
	2,353,902	2,237,435
Current		
Due from joint ventures	17,006	14,926
Due from other related parties	855	615
	17,861	15,541

Cash and cash equivalents include a fixed deposit amount of AED 101,437,000 (31 December 2010: AED 177,464,000) deposited with a majority shareholder.

In the prior year, the Company entered into a sale and purchase agreement with a related party to sell properties with a carrying value of AED 1,337,846,000 and rights to purchase plots amounting to AED 899,589,000.

The salient terms of and conditions of the transaction are as follows:

i. The sale consideration is receivable on or before 1 June 2016;
ii. The sale consideration can be settled in cash or kind or a combination of both, at the discretion of the purchaser. Where settlement is in kind, the fair value of the assets transferred will be determined by an independent valuation expert, to be selected by the seller and purchaser; and
iii. The commitment on the remaining purchase price of the land held for development remains with the Company.

(d) Due to related parties comprises:

	30 September 2011 AED'000	31 December 2010 AED'000
	(Unaudited)	(Audited)
Current		
Due to a majority shareholder	2,014	2,873
Due to joint ventures	12,296	12,282
Due to other related parties	-	3,278
	14,310	18,433

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 (continued)

9 BORROWINGS

	30 September 2011 AED'000	31 December 2010 AED'000
	(Unaudited)	(Audited)
Non-current		
Islamic finance obligations	136,000	476,990
	136,000	476,990
Current		
Islamic finance obligations	393,000	401,485
Other Islamic borrowings	400,583	153,485
	793,583	554,970
Total borrowings	929,583	1,031,960

	Islamic finance obligations AED'000	Other Islamic borrowings AED'000	Total AED'000
1 January 2010	955,242	174,924	1,130,166
Additions	75,000	9,081	84,081
Repayments	(185,942)	(43,666)	(229,608)
30 September 2010 – Unaudited	844,300	140,339	984,639
1 January 2011	878,475	153,485	1,031,960
Additions	-	6,468	6,468
Repayments	(94,475)	(14,370)	(108,845)
30 September 2011 – Unaudited	784,000	145,583	929,583

The Islamic finance obligations represent Ijarah and Mudarabah facilities obtained from Dubai Islamic Bank PJSC (a majority shareholder), and from other local Islamic banks and financial institutions. The facilities are used to finance the properties under construction. The Islamic finance obligations carried an effective profit rate of 4.5% to 9.5% per annum (31 December 2010: 6.5% to 7.5% per annum).

The Islamic finance obligations include an amount of AED 399,000,000 (31 December 2010: AED 463,475,000) obtained from the majority shareholder.

Other Islamic borrowings include an overdraft facility amounting to AED 122,134,000 (31 December 2010: AED 123,034,000) with a local Islamic bank and carries an effective profit rate based on EIBOR.

Other Islamic borrowings also include loans obtained to finance the purchase of motor vehicles and equipment. The loans are secured by mortgages over the vehicles and equipment purchased. These loans carry profit at an average rate of 4.3% per annum and are repayable in equal monthly instalments over a period of three to four years.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 (continued)

10 REVENUE

	Nine months ended 30 September		Three months ended 30 September	
	2011 AED'000	**2010 AED'000**	**2011 AED'000**	**2010 AED'000**
	(Unaudited)		(Unaudited)	
Sale of properties	527,267	285,256	129,376	89,899
Forfeiture income	120,876	41,773	39,179	26,370
Contract revenue	51,705	99,741	5,008	(24,466)
Property management	20,559	22,448	6,118	6,655
Facilities management	11,101	10,680	3,948	3,343
Leasing	6,541	17,861	603	6,904
Others	1,296	5,791	308	1,547
Properties returned	(74,832)	(51,605)	(178)	(3,531)
	664,513	431,945	184,362	106,721

11 DIRECT COSTS

	Nine months ended 30 September		Three months ended 30 September	
	2011 AED'000	**2010 AED'000**	**2011 AED'000**	**2010 AED'000**
	(Unaudited)		(Unaudited)	
Cost of properties sold	505,944	249,702	121,688	77,316
Contract costs	53,552	172,143	7,181	53,332
Provision for impairment	89,569	-	49,727	-
Project costs written-off	-	178,347	-	88,749
Leasing	5,064	15,635	213	4,284
Facilities management	4,727	6,168	1,419	2,312
Others	1,889	5,012	473	1,440
Properties returned	(40,306)	(38,963)	(135)	(4,868)
	620,439	588,044	180,566	222,565

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 (continued)

12 CASH FLOWS FROM OPERATING ACTIVITIES

	Nine months ended 30 September	
	2011	**2010**
	AED'000	**AED'000**
	(Unaudited)	(Unaudited)
Profit/(loss) before tax	46,045	(522,695)
Adjustment for		
Depreciation	6,912	7,938
Provision for employees' end of service benefits	1,724	4,234
(Reversal)/provision for doubtful debts	(8,810)	69,168
Impairment and write-offs	89,569	178,347
Finance income	(143,950)	(10,940)
Finance costs	35,594	35,060
Share of results from associates	726	584
Loss on fair valuation of investment properties	42,927	164,083
Loss on disposal of property and equipment	1,062	25
Operating cash flows before payment of employees' end of service benefits and changes in working capital	71,799	(74,196)
Payment of employees' end of service benefits	(2,175)	(8,153)
Increase in non-current trade and other receivables	128,370	29,430
Increase/(decrease) in non-current retentions payable	7,770	(10,845)
(Decrease)/increase in non-current advances from customers	(1,272)	67,621
Changes in working capital:		
Property held for development and sale net of project cost accruals	353,558	486,240
Trade and other receivables	(73,995)	178,047
Inventories	(2,952)	2,454
Due from related parties	(21,655)	6,879
Retentions payable	(24,092)	-
Advances from customers	(461,110)	(302,606)
Trade and other payables	39,372	(438,916)
Due to related parties	(4,123)	(2,406)
Net cash generated by/(used in) operating activities	**9,495**	**(66,451)**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 (continued)

13 COMMITMENTS

At 30 September 2011, the Group had total commitments of AED 394,395,000 (31 December 2010: AED 451,110,000) with respect to project related contracts issued as of the end of the period/year net of invoices received and accruals made at that date. The Group also had commitments with respect to purchase of land of AED 419,639,000 (31 December 2010: AED 419,639,000).

14 CONTINGENT LIABILITIES

At 30 September 2011, the Group had contingent liabilities in respect of performance and other guarantees issued by bank on behalf of one of the subsidiaries in the ordinary course of business from which it is anticipated that no material liabilities will arise, amounting to AED 41,632,000 (31 December 2010: AED 72,003,000).

15 COMPARATIVES

Prior year figures have been reclassified to align with the current year classifications. These reclassifications do not have any impact on the results for the period or the Group's net assets. The impact of these reclassifications is summarised in the table below:

	As previously stated AED'000	**Reclassifications AED'000**	**As restated AED'000**
Trade and other receivables (current)	358,381	23,796	382,177
Due from related parties (current)	32,323	(16,782)	15,541
Inventories	-	2,092	2,092
Trade and other payables (current)	(580,622)	10,599	(570,023)
Borrowings	(535,265)	(19,705)	(554,970)
Net balance sheet impact - 31 December 2010	(725,183)	-	(725,183)
Revenue	339,183	92,762	431,945
Direct costs	(387,816)	(200,228)	(588,044)
Other operating income	84,614	(76,661)	7,953
Impairments and write offs	(178,347)	178,347	-
Finance income	7,112	5,780	12,892
Net income statement impact - 30 September 2010	(135,254)	-	(135,254)