

**GULF GENERAL INVESTMENTS CO. (P.S.C.)
AND SUBSIDIARIES
DUBAI - UNITED ARAB EMIRATES**

**CONSOLIDATED INTERIM FINANCIAL
INFORMATION AND REVIEW REPORT
FOR THE THREE MONTH PERIOD
ENDED MARCH 31, 2009**

Gulf General Investments Co. (P.S.C.) and Subsidiaries
Dubai - United Arab Emirates

Consolidated Interim Financial Information and Review Report
For the Three Month Period Ended March 31, 2009

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Report on Review of Consolidated Interim Financial Information

The Board of Directors

Gulf General Investment Co. (P.S.C.) and Subsidiaries

Dubai - United Arab Emirates

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of **Gulf General Investment Co. (P.S.C.) (the "Company") and Subsidiaries (together the "Group")**, **Dubai, United Arab Emirates**, as of March 31, 2009 and the related condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three month period then ended and explanatory notes. Management is responsible for the preparation and presentation of this consolidated interim financial information in accordance with International Accounting Standard 34: Interim Financial Reporting. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of review

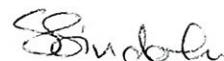
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial 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 consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34: Interim Financial Reporting.

Sharjah
May 12, 2009

For Deloitte & Touche



Saba Y. Sindaha
Partner
(Registration No. 410)

Condensed Consolidated Statement of Financial Position
At March 31, 2009
(In Thousand Arab Emirates Dirhams)


	<u>Notes</u>	<u>March 31, 2009</u> <u>Unaudited</u>	<u>December 31, 2008</u> <u>Audited</u>
ASSETS			
Current assets			
Bank balances and cash	5	319,983	277,380
Held for trading investments	6	915,226	1,084,881
Trade and other receivables		1,648,163	1,667,603
Inventories		468,000	764,594
Development properties	7	<u>1,335,616</u>	<u>1,337,048</u>
Total current assets		<u>4,686,988</u>	<u>5,131,506</u>
Non-current assets			
Available-for-sale investments	6	1,007,460	1,182,220
Held-to-maturity investments	6	7,946	7,946
Investments in associates	8	543,071	517,272
Goodwill		46,477	46,477
Investment properties	9	1,599,047	1,737,126
Development work-in-progress	10	486,593	387,764
Land	11	145,296	145,296
Property, plant and equipment	12	406,165	347,157
Discontinued operations		<u>23,291</u>	<u>23,291</u>
Total non-current assets		<u>4,265,346</u>	<u>4,394,549</u>
Total Assets		<u><u>8,952,334</u></u>	<u><u>9,526,055</u></u>

The accompanying notes form an integral part of this consolidated interim financial information.

Condensed Consolidated Statement of Financial Position (continued)
At March 31, 2009
(In Thousand Arab Emirates Dirhams)

	Notes	March 31, 2009 Unaudited	December 31, 2008 Audited
LIABILITIES AND EQUITY			
Current liabilities			
Short term bank borrowings		1,373,737	1,248,150
Current portion of bank loans		569,416	643,672
Trade and other payables		<u>1,709,384</u>	<u>1,755,174</u>
Total current liabilities		<u>3,652,537</u>	<u>3,646,996</u>
Non-current liabilities			
Due to related parties		11,904	11,904
Trade and other payables		270,351	303,583
Long term portion of bank loans		1,861,174	2,263,400
Provision for employees' end of service indemnity		<u>20,064</u>	<u>20,175</u>
Total non-current liabilities		<u>2,163,493</u>	<u>2,599,062</u>
Total Liabilities		<u>5,816,030</u>	<u>6,246,058</u>
Capital and reserves			
Share capital	13	1,458,000	1,080,000
Reserves	14	651,288	624,788
Investments revaluation reserve		26,332	52,293
Retained earnings		<u>605,398</u>	<u>1,147,145</u>
Equity attributable to owners of the parent		2,741,018	2,904,226
Non-controlling interests		<u>395,286</u>	<u>375,771</u>
Total equity		<u>3,136,304</u>	<u>3,279,997</u>
Total Liabilities and Equity		<u>8,952,334</u> =====	<u>9,526,055</u> =====

The accompanying notes form an integral part of this consolidated interim financial information.


Abdulla Juma Al Sari
Chairman


Mohammed Al Sari
Managing Director

Condensed Consolidated Statement of Income
For the three month period ended March 31, 2009
(In Thousand Arab Emirates Dirhams)

	<u>Notes</u>	Three Month Period Ended March 31,	
		2009	2008
		Unaudited	Unaudited
Revenue	15	1,472,146	1,997,866
Cost of revenue	15	(1,318,879)	(1,727,870)
Gross profit		153,267	269,996
Other operating income		2,545	28,991
Selling and distribution expenses		(7,377)	(11,232)
General administrative expenses		(49,564)	(49,713)
Operating profit		98,871	238,042
Finance cost		(36,120)	(44,066)
Profit for the period		62,751	193,976
		=====	=====
Attributable to:			
Owners of the parent		44,291	168,980
Non-controlling interests		18,460	24,996
		62,751	193,976
		=====	=====
Basic earnings per share	16	AED 0.03	AED 0.12
		=====	=====

The accompanying notes form an integral part of this consolidated interim financial information.

Condensed Consolidated Statement of Comprehensive Income
For the three month period ended March 31, 2009
(In Thousand Arab Emirates Dirhams)

	Three Month Period Ended March 31,	
	2009	2008
	Unaudited	Unaudited
Profit for the period	62,751	193,976
Other Comprehensive Income		
Net (loss)/gain on available-for-sale investments recognised directly in equity	(65,553)	31,119
Transfer to profit or loss on sale of available-for-sale investments	39,587	-
Board of Directors' remuneration paid	(1,366)	-
Total comprehensive income for the period	35,419	225,095
	=====	=====
Total comprehensive income attributable to:		
Owners of the parent	17,387	200,099
Non-controlling interests	<u>18,032</u>	<u>24,996</u>
	35,419	225,095
	=====	=====

The accompanying notes form an integral part of this consolidated interim financial information.

Gulf General Investments Co. (P.S.C.) and Subsidiaries
Dubai - United Arab Emirates

Condensed Consolidated Statement of Changes in Equity
For the three month period ended March 31, 2009
(In Thousand Arab Emirates Dirhams)

	Share capital	Reserves	Investments revaluation reserve	Retained earnings	Attributable to owners of the parent	Non- controlling interest	Total
Balance at December 31, 2007 (Audited)	540,000	535,768	54,722	1,331,397	2,461,887	345,115	2,807,002
Gain on available-for-sale investments recognised directly in equity	-	-	31,119	-	31,119	-	31,119
Profit for the period	-	-	-	168,980	168,980	24,996	193,976
Total comprehensive income for the period	-	-	31,119	168,980	200,099	24,996	225,095
Issue of bonus shares	540,000	-	-	(540,000)	-	-	-
Dividends paid	-	-	-	-	-	(280)	(280)
Other movements	-	-	-	-	-	(48,024)	(48,024)
	540,000	-	-	(540,000)	-	(48,304)	(48,304)
Balance at March 31, 2008 (Unaudited)	1,080,000	535,768	85,841	960,377	2,661,986	321,807	2,983,793
Balance at December 31, 2008 (Audited)	1,080,000	624,788	52,293	1,147,145	2,904,226	375,771	3,279,997
Restatement on adoption of IFRIC 15	-	-	-	(180,595)	(180,595)	-	(180,595)
Balance at December 31, 2008 (restated)	1,080,000	624,788	52,293	966,550	2,723,631	375,771	3,099,402
Loss on available-for-sale investments recognised directly in equity	-	-	(65,548)	-	(65,548)	(5)	(65,553)
Transfer to statement of income on sale of available-for-sale investments	-	-	39,587	-	39,587	-	39,587
Board of Directors remuneration	-	-	-	(943)	(943)	(423)	(1,366)
Profit for the period	-	-	-	44,291	44,291	18,460	62,751
Total comprehensive income for the period	-	-	(25,961)	43,348	17,387	18,032	35,419
Transfer to reserves	-	26,500	-	(26,500)	-	-	-
Issue of bonus shares	378,000	-	-	(378,000)	-	-	-
Dividends paid	-	-	-	-	-	(966)	(966)
Funds invested	-	-	-	-	-	2,350	2,350
Other movements	-	-	-	-	-	99	99
	378,000	26,500	-	(404,500)	-	1,483	1,483
Balance at March 31, 2009 (Unaudited)	1,458,000	651,288	26,332	605,398	2,741,018	395,286	3,136,304

The accompanying notes form an integral part of this consolidated interim financial information.

Gulf General Investments Co. (P.S.C.) and Subsidiaries
Dubai - United Arab Emirates

Condensed Consolidated Statement of Cash Flows
For the three month period ended March 31, 2009
(In Thousand Arab Emirates Dirhams)

	Three Month Period	
	Ended March 31,	
	2009	2008
	Unaudited	Unaudited
Operating activities		
Profit for the period	44,291	168,980
Adjustments for:		
Provision for employees end of service indemnity - net	(111)	1,505
Finance cost	36,120	44,066
Operating cash flows before movements in working capital	80,300	214,551
Decrease/(increase) in inventories	296,594	(78,742)
Increase in trade and other receivables	(161,155)	(565,045)
Net movement in development properties	1,432	-
(Decrease)/increase in trade and other payables	(79,022)	821,375
Cash generated from operations	138,149	392,139
Interest paid	(36,120)	(44,066)
Net cash from operating activities	102,029	348,073
Investing activities		
(Increase)/decrease in deposits under lien and deposits with maturity over three months	(627)	92,421
Net movement in property, plant and equipment	(59,008)	(75,523)
Net movement in investment in securities	292,655	(15,784)
Net movement in development work-in-progress	(98,829)	(620,642)
Net movement in investment properties	138,079	118,915
Increase in goodwill	-	(47,777)
Net cash from/(used in) investing activities	272,270	(548,390)
Financing activities		
(Decrease)/increase in bank borrowings/loan	(350,895)	424,302
Increase/(decrease) in non-controlling interests	19,515	(26,808)
Board of director's remuneration paid	(943)	-
Net cash (used in)/from financing activities	(332,323)	397,494
Net increase in cash and cash equivalents	41,976	197,177
Cash and cash equivalents at the beginning of the period	54,366	138,700
Cash and cash equivalents at the end of the period (see Note 18)	96,342	335,877

The accompanying notes form an integral part of this consolidated interim financial information.

Gulf General Investments Co. (P.S.C.) and Subsidiaries
Dubai - United Arab Emirates

Notes to the Consolidated Interim Financial Information
For the three month period ended March 31, 2009

1. General information

Gulf General Investments Co. (P.S.C.) - Dubai (the "Company") is formed pursuant to Emiri Decree No. 2/73 dated July 27, 1973 and is incorporated as a Public Shareholding Company. The Company operates in the United Arab Emirates under a trade license issued by the Department of Economic Development of the Government of Dubai. The "Group" comprises Gulf General Investments Co. (P.S.C.) and its subsidiaries. The address of the Company's registered office is P. O. Box 22588, Dubai, United Arab Emirates.

The principal activities of the Company are:

- Industrial holding and trust companies
- Commercial holding and trust companies
- Real estate agent
- Real estate development services, and
- General trading

The duration of the Company is ninety nine years commencing from the date of issuance of the above Emiri Decree.

2. Basis of preparation

This consolidated interim financial information is prepared in accordance with the International Accounting Standard No. 34 – *Interim Financial Reporting* issued by the International Accounting Standard Board and also comply with the applicable requirements of the laws in the U.A.E. The consolidated interim financial information is prepared in accordance with the historical cost basis, except for the revaluation of land, investment properties and certain financial instruments. The consolidated interim financial information is presented in U.A.E. Dirhams (AED) (in thousands) since that is the currency in which the majority of the Group's transactions are denominated.

This consolidated interim financial information do not include all the information required for full annual consolidated financial statements and should be read in conjunction with the Group's annual audited consolidated financial statements as at and for the year ended December 31, 2008. In addition, results for the three month period ended March 31, 2009 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2009.

(a) Estimates

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

In preparing this interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the annual audited consolidated financial statements as at and for the year ended December 31, 2008.

Gulf General Investments Co. (P.S.C.) and Subsidiaries
Dubai - United Arab Emirates

Notes to the Consolidated Interim Financial Information (continued)
For the three month period ended March 31, 2009

2. Basis of preparation (continued)

(b) Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the annual audited consolidated financial statements as at and for the year ended December 31, 2008.

3. Basis of consolidation

The consolidated interim financial information of Gulf General Investments Co. (P.S.C.) and Subsidiaries (the "Group") incorporate the financial information of the Company and enterprises controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The list of subsidiaries is disclosed in annual consolidated financial statements as at and for the year ended December 31, 2008.

Investment in Al Sagr National Insurance Co. P.S.C. is registered in the name of related parties in trust and for the benefit of the Group.

All significant intra-group transactions, balances, income and expenses are eliminated on consolidation.

4. Accounting policies

The accounting policies used in the preparation of this consolidated interim financial information are consistent with those used in the annual audited consolidated financial statements for the year ended December 31, 2008, except for the impact of the adoption of the IAS 1, IFRS 8 and IFRIC 15, as described below:

IAS 1 – Presentation of financial statements

The revised standard has introduced a number of terminology changes (including revised titles for the condensed financial information) and has resulted in a number of changes in presentation and disclosure. However, the revised standard has had no impact on the reported results or financial position of the Group.

IFRS 8 – Operating Segments

The new standard which replaced IAS 14 'Segment reporting' requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. This has not resulted in any significant change to the reportable segments presented by the Group as the segments reported by the Group were consistent with the internal reporting provided to the chief operating decision maker.

Gulf General Investments Co. (P.S.C.) and Subsidiaries
Dubai - United Arab Emirates

Notes to the Consolidated Interim Financial Information (continued)
For the three month period ended March 31, 2009

4. Accounting policies (continued)

IFRS 15 – Agreements for the Construction of Real Estate

As of January 1, 2009, the Group has revised its revenue recognition policy based on the new recommendation of the International Accounting Standard Board (IASB) relating to the International Financial Reporting Interpretations Committee (IFRIC) 15 – Agreements for the Construction of Real Estate, to recognise revenue based on completed contract method. The revision has had no impact on the profit reported for three month period ended March 31, 2009 and 2008. There is an impact on annual profit for the year ended December 31, 2008, accordingly retained earnings as at December 31, 2008 has been restated.

The accounting policies in respect of investment property, investment in securities and property and equipment disclosed in the annual audited financial statements are stated below as required by Securities and Commodities Authority notification dated October 12, 2008:

Investments in securities

Investments of the Group are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

The Group classifies its investment securities in the following categories: financial assets at fair value through profit or loss (FVTPL) – held for trading, held-to-maturity investments and available-for-sale investments. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at FVTPL

Financial assets are classified as at FVTPL where the financial assets is either held for trading or designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short- term profit taking.

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in consolidated statement of income.

Gulf General Investments Co. (P.S.C.) and Subsidiaries
Dubai - United Arab Emirates

Notes to the Consolidated Interim Financial Information (continued)
For the three month period ended March 31, 2009

4. Accounting policies (continued)

Investments in securities (continued)

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. Held-to-maturity investments are recorded at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective yield basis. Where the Group decides to sell other than an insignificant amount of held-to-maturity assets, the entire category is considered to be tainted and reclassified as available-for-sale.

Available-for-sale investments

Available-for-sale investments which are listed shares held by the Group traded in an active market are stated at fair value and unquoted available-for-sale investments are stated at cost. Gains and losses arising from the changes in the fair value are recognised directly in the equity in the investments revaluation reserve with the exception of impairment losses. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the investments revaluation reserve is included in consolidated statement of income.

The fair value of available-for-sale investments denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the balance sheet date. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in consolidated income statement, and other changes are recognised in equity.

Development work-in-progress

Properties in the course of construction for rental or appreciation in value are carried at cost, less any recognised impairment loss. Cost includes all direct costs relating to project and professional fees, administrative cost, borrowing cost and other expenses from the start of the projects up to completion are capitalised and classified under projects under construction. Completion is defined as the earlier of issuance of a certificate of the practical completion or when management considers the project to be completed. Upon completion of construction such properties are transferred to investment properties.

Development properties

Properties that are being constructed/developed for sale are classified as development properties. Unsold properties are stated at the lower of cost or net realisable value. Properties in the course of development for sale are stated at cost plus attributable profit/(loss) less progress billing. The cost of development properties comprises the cost of land and other related expenditure which are capitalised until the properties are ready for its intended use.

Gulf General Investments Co. (P.S.C.) and Subsidiaries
Dubai - United Arab Emirates

Notes to the Consolidated Interim Financial Information (continued)
For the three month period ended March 31, 2009

4. Accounting policies (continued)

Investment in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies of that investee.

The Group's investment in its associates is accounted for and assets and liabilities of associates are incorporated in these consolidated financial statements under equity method of accounting. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised. The financial performance of its associates are recorded in the consolidated income statement.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in consolidated income statement.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

Investment properties

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are stated at their fair value at the balance sheet date. Gains or losses arising from changes in the fair value of investment properties are included in the consolidated statement of income.

Interests in joint ventures

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control, that is when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

Gulf General Investments Co. (P.S.C.) and Subsidiaries
Dubai - United Arab Emirates

Notes to the Consolidated Interim Financial Information (continued)
For the three month period ended March 31, 2009

4. Accounting policies (continued)

Interests in joint ventures (continued)

Where a group entity undertakes its activities under joint venture arrangements directly, the Group's share of jointly controlled assets and any liabilities incurred jointly with other venturers are recognised in the consolidated financial statements of the relevant entity and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the Group's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to/from the Group and their amount can be measured reliably.

Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities. The Group reports its interests in jointly controlled entities using proportionate consolidation, except when the investment is classified as held for sale, in which case it is accounted for under IFRS 5: Non-current Assets Held for Sale and Discontinued Operations. The Group's share of the assets and liabilities, income and expenses, of jointly controlled entities are combined with the equivalent items in the consolidated financial statements on a line-by-line basis.

Any goodwill arising on the acquisition of the Group's interest in a jointly controlled entity is accounted for in accordance with the Group's accounting policy for goodwill arising on the acquisition of a subsidiary.

Where the Group transacts with its jointly controlled entities, unrealised profits and losses are eliminated to the extent of the Group's interest in the joint venture.

Property, plant and equipment

Property, plant and equipment, except properties under construction, are stated at their cost, less any subsequent accumulated depreciation and any subsequent identified impairment losses.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is charged so as to write off the cost of assets, other than properties under construction, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Gulf General Investments Co. (P.S.C.) and Subsidiaries
Dubai - United Arab Emirates

Notes to the Consolidated Interim Financial Information (continued)
For the three month period ended March 31, 2009

4. Accounting policies (continued)

Property, plant and equipment (continued)

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in the circumstances indicate the carrying value may not be recoverable. If any such indication of impairment exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in consolidated income statement.

5. Bank balances and cash

	March 31, 2009	December 31, 2008
	Unaudited AED '000	Audited AED '000
Cash on hand	<u>1,036</u>	<u>2,448</u>
Bank balances:		
Current accounts	89,274	51,918
Deposit accounts	<u>229,673</u>	<u>223,014</u>
	<u>318,947</u>	<u>274,932</u>
	<u>319,983</u>	<u>277,380</u>
	=====	=====
Bank balances:		
In U.A.E.	313,530	271,527
In other countries	<u>5,417</u>	<u>3,405</u>
	<u>318,947</u>	<u>274,932</u>
	=====	=====

Gulf General Investments Co. (P.S.C.) and Subsidiaries
Dubai - United Arab Emirates

Notes to the Consolidated Interim Financial Information (continued)
For the three month period ended March 31, 2009

6. Investments in securities

	March 31, 2009	December 31, 2008
	Unaudited AED '000	Audited AED '000
Held for trading investments		
In U.A.E.	794,371	872,408
In other countries	<u>120,855</u>	<u>212,473</u>
	<u>915,226</u>	<u>1,084,881</u>
 Available-for-sale investments		
In U.A.E.	891,431	1,073,757
In other countries	<u>116,029</u>	<u>108,463</u>
	<u>1,007,460</u>	<u>1,182,220</u>
 Held-to-maturity investments		
In U.A.E.	<u>7,946</u>	<u>7,946</u>

During the year 2008, the Board of directors of the Group has reconsidered its investment strategy and accordingly the Group adopted the amendments to IAS 39 issued by the International Accounting Standards Board which permits to reclassify, in particular circumstances, investments held for trading for which the change in fair value is recognised in the consolidated statement of income to available-for-sale investments for which the change in the fair value is recognised under equity as investments revaluation in reserve.

	<u>Amount AED'000</u>
Fair value of reclassified investments as of December 31, 2008 (Audited)	36,608
Change in fair value during the three month period ended March 31, 2009	<u>(5,185)</u>
Fair value of reclassified investments as of March 31, 2009 (Unaudited)	<u>31,423</u>

As a result of the above, the net profit for the periods has increased by AED 5,185 thousand. There was no impact on the profit reported for the comparative period as the reclassification was effected during the third quarter of year 2008.

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Notes to the Consolidated Interim Financial Information (continued)
For the three month period ended March 31, 2009

7. Development properties

	<u>March 31,</u> <u>2009</u>	<u>December 31,</u> <u>2008</u>
	Unaudited	Audited
	AED '000	AED '000
Cost at the beginning of the period/year	1,337,048	1,421
Transferred (to)/from investment properties	(63,351)	462,252
Addition during the period/year	206,349	874,796
Sale during the period/year	(144,430)	(1,421)
Cost at the end of the period/year	<u>1,335,616</u>	<u>1,337,048</u>

Development properties are on plots of land located in U.A.E.

8. Investments in associates

	<u>March 31,</u> <u>2009</u>	<u>December 31,</u> <u>2008</u>
	Unaudited	Audited
	AED '000	AED '000
In U.A.E.	186,451	126,055
In other countries	<u>356,620</u>	<u>391,217</u>
	<u>543,071</u>	<u>517,272</u>

9. Investment properties

	<u>March 31,</u> <u>2009</u>	<u>December 31,</u> <u>2008</u>
	Unaudited	Audited
	AED '000	AED '000
Balance at the beginning of the period/year	1,737,126	1,872,413
Transferred to development work-in-progress	(54,647)	(367,263)
Transferred from/(to) development properties	63,351	(462,252)
Purchases during the period/year	2,656	1,139,059
Sales during the period/year	(149,439)	(570,071)
Increase in fair value	<u>-</u>	<u>125,240</u>
Balance at the end of the period/year	<u>1,599,047</u>	<u>1,737,126</u>

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Notes to the Consolidated Interim Financial Information (continued)
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9. Investment properties (continued)

	March 31, 2009	December 31, 2008
	Unaudited AED '000	Audited AED '000
In U.A.E.	1,561,319	1,679,619
In other countries	<u>37,728</u>	<u>57,507</u>
	<u>1,599,047</u>	<u>1,737,126</u>

10. Development work-in-progress

	March 31, 2009	December 31, 2008
	Unaudited AED '000	Audited AED '000
Balance at the beginning of the period/year	387,764	211,607
Transferred from investment properties	54,647	367,263
Additions during the period/year	49,922	160,942
Disposals during the period/year	<u>(5,740)</u>	<u>(352,048)</u>
Balance at the end of the period/year	<u>486,593</u>	<u>387,764</u>

Development work-in-progress are on plots of lands located in U.A.E.

11. Land

	March 31, 2009	December 31, 2008
	Unaudited AED '000	Audited AED '000
In U.A.E.	<u>145,296</u>	<u>145,296</u>

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12. Property, plant and equipment

	March 31, 2009	December 31, 2008
	Unaudited	Audited
	AED '000	AED '000
In U.A.E.	385,596	326,625
In other countries	<u>20,569</u>	<u>20,532</u>
	<u>406,165</u>	<u>347,157</u>

13. Share capital

	March 31, 2009	December 31, 2008
	Unaudited	Audited
	AED '000	AED '000
Issued and fully paid:		
1,458 million ordinary shares of AED 1 each		
(December 31, 2008: 1,080 million		
ordinary shares of AED 1 each)	<u>1,458,000</u>	<u>1,080,000</u>

During the period, the share capital of the Company was increased by AED 378 million by the issue of bonus shares of AED 1 each (2008: AED 540 million).

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Notes to the Consolidated Interim Financial Information (continued)
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14. Reserves

	Statutory reserve AED '000	Additional reserve AED '000	Land revaluation reserve AED '000	Total AED '000
Balance, at December 31, 2007 - (Audited)	218,127	198,636	119,005	535,768
Net movement	-	-	-	-
Balance, at March 31, 2008 - (Unaudited)	218,127	198,636	119,005	535,768
Balance, at December 31, 2008 - (Audited)	262,612	243,171	119,005	624,788
Net movement	-	26,500	-	26,500
Balance, at March 31, 2009 - (Unaudited)	262,612	269,671	119,005	651,288

15. Revenue and cost of revenue

	Three Month Period Ended March 31,	
	2009	2008
	Unaudited AED '000	Unaudited AED '000
Revenue		
Sale of goods manufactured	284,805	346,999
Sale of development properties, development work-in-progress and investment properties	503,985	168,889
Sales of investments in securities	328,140	1,207,294
Insurance income	154,667	179,731
Trading income	135,258	57,032
Share of (loss)/profits in associates	(7,743)	1,483
Rental income	11,462	11,876
Dividend and interest income	17,299	-
Service income	44,273	24,562
	1,472,146	1,997,866

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Notes to the Consolidated Interim Financial Information (continued)
For the three month period ended March 31, 2009

15. Revenue and cost of revenue (continued)

	Three Month Period Ended March 31,	
	2009	2008
	Unaudited AED '000	Unaudited AED '000
Cost of revenue		
Cost of goods manufactured and sold	232,482	287,498
Cost of development properties, investment properties		
Development work-in-progress sold	299,609	108,248
Cost of investments in securities sold	389,620	1,127,838
Cost of insurance income	125,328	150,603
Cost of trading	191,673	28,601
Fair value loss on held for trading investments	52,985	9,631
Cost of services	27,182	15,451
	<u>1,318,879</u>	<u>1,727,870</u>

16. Basic earnings per share

	Three Month Period Ended March 31,	
	2009	2008
	Unaudited	Unaudited
Profit for the period (in AED '000)	44,291	168,980
Number of shares (in thousands)	1,458,000	1,458,000
Basic earnings per share (in AED)	0.03	0.12

The denominator for the purpose of calculating basic earnings per share for 2008 has been adjusted to reflect the capitalisation issue of 378 million bonus shares (see Note 13).

Notes to the Consolidated Interim Financial Information (continued)
For the three month period ended March 31, 2009

17. Segment information

	<u>Manufacturing</u>		<u>Investments</u>		<u>Services and others</u>		<u>Total</u>	
	<u>March 31,</u> <u>2009</u>	<u>March 31,</u> <u>2008</u>	<u>March 31,</u> <u>2009</u>	<u>March 31,</u> <u>2008</u>	<u>March 31,</u> <u>2009</u>	<u>March 31,</u> <u>2008</u>	<u>March 31,</u> <u>2009</u>	<u>March 31,</u> <u>2009</u>
	<u>Unaudited</u> <u>AED '000</u>	<u>Unaudited</u> <u>AED '000</u>	<u>Unaudited</u> <u>AED '000</u>	<u>Unaudited</u> <u>AED '000</u>	<u>Unaudited</u> <u>AED '000</u>	<u>Unaudited</u> <u>AED '000</u>	<u>Unaudited</u> <u>AED '000</u>	<u>Unaudited</u> <u>AED '000</u>
Income								
Total income	<u>284,805</u>	<u>346,999</u>	<u>849,424</u>	<u>1,377,666</u>	<u>337,917</u>	<u>273,201</u>	<u>1,472,146</u>	<u>1,997,866</u>
Result								
Segment result	40,123	59,501	97,010	141,580	16,134	68,915	153,267	269,996
Unallocated general expenses	-	-	-	-	-	-	(93,061)	(105,011)
Operating profit							60,206	164,985
Other income	-	-	-	-	-	-	2,545	28,991
Net profit from operations							62,751	193,976
Minority interest							(18,460)	(24,996)
Net profit for the period							<u>44,291</u>	<u>168,980</u>

Notes to the Consolidated Interim Financial Information (continued)
For the three month period ended March 31, 2009

17. Segment information (continued)

	<u>Manufacturing</u>		<u>Investments</u>		<u>Services and others</u>		<u>Total</u>	
	<u>March 31,</u> <u>2009</u>	<u>December 31,</u> <u>2008</u>	<u>March 31,</u> <u>2009</u>	<u>December 31,</u> <u>2008</u>	<u>March 31,</u> <u>2009</u>	<u>December 31,</u> <u>2008</u>	<u>March 31,</u> <u>2009</u>	<u>December 31,</u> <u>2008</u>
	<u>Unaudited</u> <u>AED '000</u>	<u>Audited</u> <u>AED '000</u>	<u>Unaudited</u> <u>AED '000</u>	<u>Audited</u> <u>AED '000</u>	<u>Unaudited</u> <u>AED '000</u>	<u>Audited</u> <u>AED '000</u>	<u>Unaudited</u> <u>AED '000</u>	<u>Audited</u> <u>AED '000</u>
Total assets								
Segment assets	1,209,550	1,167,550	4,214,414	4,843,073	2,331,938	2,308,112	7,755,902	8,318,735
Unallocated corporate assets							<u>1,196,432</u>	<u>1,207,320</u>
Consolidated total assets							<u>8,952,334</u>	<u>9,526,055</u>
Total liabilities								
Segment liabilities	1,438,856	1,437,191	1,532,900	1,723,513	1,333,386	1,595,165	4,305,142	4,755,869
Unallocated corporate liabilities							<u>1,510,888</u>	<u>1,490,189</u>
							<u>5,816,030</u>	<u>6,246,058</u>

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Notes to the Consolidated Interim Financial Information (continued)
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18. Cash and cash equivalents

	March 31,	
	2009	2008
	Unaudited	Unaudited
	AED '000	AED '000
Bank balances and cash	319,983	462,949
Less: Deposits under lien and deposits with maturity over three months	(223,641)	(127,072)
	96,342	335,877

19. Bank facilities

Short term bank borrowings are secured by the followings:

- Pledge on fixed deposits.
- Promissory note in favour of the banks.
- Assignment of insurance policies in favour of the banks.
- Hypothecation over goods financed by trust receipts.
- Pledge of investment in securities and investment in subsidiary.

Term loans are secured by the followings:

Loan facilities relating to buildings construction are secured by mortgage of properties and constructions financed by these loans. Banks providing these facilities are the first beneficiary from the properties and construction and have the right to receive the rental income from the buildings. In addition, insurance policies are endorsed in favour of these banks, reputation of the Group and irrevocable bank guarantee from other bank. The bank's facilities are further subject to certain financial/ non-financial covenants.

20. Approval of consolidated interim financial information

The consolidated interim financial information were approved and authorised for issue on May 12, 2009.

21. Comparative amounts

Certain amounts for the prior periods were reclassified to conform to current period presentation.