

## International In-Depth Report

### Identification Data As Requested

Given name:

**Arabtec Construction**

**Address** PO BOX 3399 DUBAI United Arab Emirates  
**Country** United Arab Emirates (UAE)

### Verified Identification Data

Subject name:

**ARABTEC CONSTRUCTION LLC**

Registered number:

**40928**

**Address** Street No. 4, Al Quoz  
Near Interchange 4, Shk. Zayed Rd.  
**Town** Dubai  
**Country** United Arab Emirates (UAE)  
**Telephone** +971 (4) 3400700  
**Fax** +971 (4) 3404004  
**Email** arabtec@arabtecuae.com  
**Website** www.arabtecuae.com

### Credit Risk Rating

#### Risk Dashboard

As at 29-04-2013

#### Analysis

|        |     |                   |
|--------|-----|-------------------|
| 91-100 |     | Excellent         |
| 81-90  | >>> | <b>Good</b>       |
| 51-80  |     | Satisfactory      |
| 26-50  |     | Passable          |
| 0-25   |     | Poor              |
| N/A    |     | No classification |

- Organisational structure is consistent
- Management is adequately experienced
- No detrimental records found
- Group financial performance is sound
- Operational trend is steady
- No payment delays noted

**Sound operational and Group financial base. Small to medium credits can be considered with high confidence that commitments can be met under most circumstances. Normal credit control policy applies.**

**Credit limit** Recommended limit: **USD 300,000 plus**

## Corporate Data

|                                  |   |
|----------------------------------|---|
| <b>Subject name</b>              | ARABTEC CONSTRUCTION LLC  |
| <b>Date registered</b>           | 02-05-1978  |
| <b>Legal form</b>                | Limited Liability Company   |
| <b>Registered number</b>         | 40928   |
| <b>Registry authority</b>        | Dubai Chamber of Commerce   |
| <b>Other reg. no.</b>            | Member No. 4350   |
| <b>Registry status</b>           | Live/Active   |
| <b>Principal trading address</b> | Street No. 4, Al Quoz<br>Near Interchange 4, Shk. Zayed Rd.<br>Dubai<br>United Arab Emirates (UAE)                        |
| <b>Postal address</b>            | PO Box 3399<br>Dubai<br>United Arab Emirates (UAE)  |
| <b>Main activities</b>           | Civil construction works, building construction services, engineering services provider.                                  |
| <b>Number of employees</b>       | 52,000 (Group)  |
| <b>Auditor</b>                   | DELOITTE & TOUCHE (M.E)<br>City Tower 2 , Suite 1001<br>Sheikh Zaled Road<br>PO Box 4254<br>Dubai<br>United Arab Emirates |

## Legal Notices

|                           |                                    |
|---------------------------|------------------------------------|
| <b>Bankruptcy filings</b> | None                               |
| <b>Court judgements</b>   | None                               |
| <b>Tax liens</b>          | None                               |
| <b>Debt collections</b>   | No negative information was found. |
| <b>Other</b>              | None                               |

## Financials

|                         |  |
|-------------------------|--|
| <b>Required to file</b> | No   |
| <b>Source</b>           | Group Consolidated Statements              |
| <b>Presentation</b>     | Attached to this report / Summarised below |
| <b>Date of accounts</b> | 30-06-2012                                 |
| <b>Accounts type</b>    | Full unaudited / 31-12-2011 full audited   |
| <b>Currency</b>         | UAE Dirham (AED)                           |
| <b>Exchange rate</b>    | USD 1 = AED 3.65 as of 24-04-2013          |

### Summarised

|                            | 30-06-2012         | 31-03-2012         | 31-12-2011         |
|----------------------------|--------------------|--------------------|--------------------|
| <b>Consolidation:</b>      | Group consolidated | Group consolidated | Group consolidated |
| <b>Period:</b>             | 3 months           | 3 months           | 12 months          |
| <b>Sales turnover:</b>     | 1,320,355,000      | 1,291,900,000      | 5,003,468,000      |
| <b>Gross profit:</b>       | 130,887,000        | 210,271,000        | 629,312,000        |
| <b>Profit before tax:</b>  | -6,258,000         | 100,231,000        | 342,500,000        |
| <b>Profit after tax:</b>   | 46,067,000         | 100,088,000        | 340,326,000        |
| <b>Non-current assets:</b> | 2,539,506,000      | 2,488,692,000      | 2,538,745,000      |
| <b>Current assets:</b>     | 5,940,050,000      | 6,115,328,000      | 6,257,291,000      |
| <b>Inventories:</b>        | 260,496,000        | 287,895,000        | 319,016,000        |
| <b>Total assets:</b>       | 8,479,556,000      | 8,604,020,000      | 8,796,036,000      |

|                                 |               |               |               |
|---------------------------------|---------------|---------------|---------------|
| <b>Current liabilities:</b>     | 4,776,032,000 | 4,857,705,000 | 5,122,903,000 |
| <b>Non-current liabilities:</b> | 307,139,000   | 288,041,000   | 305,220,000   |
| <b>Total liabilities:</b>       | 5,083,171,000 | 5,145,746,000 | 5,428,123,000 |
| <b>Shareholders' equity:</b>    | 3,396,385,000 | 3,458,274,000 | 3,367,913,000 |

**Comment** The above Group consolidated figures relate to the Subject's Parent Company, ARABTEC HOLDINGS (PJSC) and its subsidiaries.

### **Current Directors and Other Appointments**

#### **Appointments**

**Name** Hasan Abdulla Ismaik  
**Board function** Chairman  
**Address** United Arab Emirates

**Name** Grigoris C. Christofides  
**Board function** Chief Executive Officer  
**Address** United Arab Emirates

**Name** Raja Ghanma  
**Board function** Executive Director  
**Address** United Arab Emirates

### **Management Team**

**Name** Hasan Abdulla Ismaik  
**Job Title** Chairman

**Name** Grigoris C. Christofides  
**Job Title** Chief Executive Officer

**Name** Raja Ghanma  
**Job Title** Executive Director

### **Share Capital Structure**

**Authorised capital** AED 10,000,000  
**Issued capital** AED 10,000,000  
**Paid-up capital** AED 10,000,000

### **Shareholders**

**How listed** Full List

**Name** ARABTEC HOLDINGS (PJSC)  
**% of shares** 100%  
**Address** United Arab Emirates

### **Corporate Structure**

**Name** ARABTEC HOLDINGS (PJSC)  
**Affiliation type** Parent Company  
**Address** United Arab Emirates

**Name** ARABTEC ENGINEERING SERVICES, L.L.C.

|                         |  |
|-------------------------|--|
| <b>Affiliation type</b> | Associate  |
| <b>Address</b>          | United Arab Emirates   |
| <b>Name</b>             | ARABTEC ENVIROGREEN FACILITY MANAGEMENT SERVICES L.L.C.          |
| <b>Affiliation type</b> | Associate  |
| <b>Address</b>          | United Arab Emirates   |
| <b>Name</b>             | ARABTEC PRECAST, L.L.C.  |
| <b>Affiliation type</b> | Associate  |
| <b>Address</b>          | United Arab Emirates   |
| <b>Name</b>             | EMIRATES FALCON ELECTROMECHANICAL CO. EFECO L.L.C.               |
| <b>Affiliation type</b> | Associate  |
| <b>Address</b>          | United Arab Emirates   |
| <b>Name</b>             | GULF STEEL INDUSTRIES FZC  |
| <b>Affiliation type</b> | Associate  |
| <b>Address</b>          | United Arab Emirates   |
| <b>Name</b>             | HOUSE OF EQUIPMENT, L.L.C.                                       |
| <b>Affiliation type</b> | Associate  |
| <b>Address</b>          | United Arab Emirates   |
| <b>Name</b>             | POLYPOD MIDDLE EAST L.L.C  |
| <b>Affiliation type</b> | Associate  |
| <b>Address</b>          | United Arab Emirates   |
| <b>Name</b>             | TARGET ENGINEERING CONSTRUCTION COMPANY, W.L.L.                  |
| <b>Affiliation type</b> | Associate  |
| <b>Address</b>          | United Arab Emirates   |
| <b>Comments</b>         | A list of major affiliated companies is attached to this report. |

## **Banking**

|                          |  |
|--------------------------|--|
| <b>Bank name</b>         | ARAB BANK  |
| <b>Address</b>           | United Arab Emirates   |
| <b>Bank name</b>         | BANK OF DUBAI  |
| <b>Address</b>           | United Arab Emirates   |
| <b>Relationship type</b> | Current Account  |
| <b>Bank name</b>         | COMMERCIAL BANK OF DUBAI   |
| <b>Address</b>           | United Arab Emirates   |
| <b>Relationship type</b> | Current Account  |
| <b>Bank name</b>         | EMIRATES BANK  |
| <b>Address</b>           | United Arab Emirates   |
| <b>Relationship type</b> | Current Account  |
| <b>Comments</b>          | It is generally not the policy of local banks to provide credit status information to non-bona fide applications, and interested parties would be advised to consult first with the Subject if banker's references are required. |

## **Operations and History**

|                         |  |
|-------------------------|--|
| <b>Full description</b> | The Subject is engaged in civil construction works, building construction services, engineering services provider. |
|-------------------------|--|

## Key events

The Subject has received the following awards :

UAE's Top Contractor for 2008  
Best Contracting Company in the UAE for 2007  
Mohammed Bin Rashid Al Maktoum (MRM) Business Award 2008 -  
Construction Category (UAE)  
Company of the Year Award 2007 (Middle East)  
Best Luxury Development in the World (Le Rêvê) – Gold Award  
Best Use of Technology (Le Rêvê)  
Gold Award at Emirates Hills (Andalucia)  
Construction Firm of the Year

## History

Arabtec's roots lie in the construction boom of the 1970's, when the company was established to take advantage of the opportunities offered by the UAE's emerging market. In 1979, Arabtec was awarded its first construction contract for three cold stores, in Dubai, Abu Dhabi and Muscat. Their successful completion in 1980 was followed by the Al Ain Student Accommodation project. This large-scale development was completed in eight months by applying a rigorous, 24 hours a day, seven days a week schedule.

Eleven years later, Arabtec again demonstrated its fast-track capabilities when it completed three residential blocks for the Girls Student Accommodation of UAE University in Al Ain in just four months.

Between April 1981 and September 1988, Arabtec engaged a Swiss company, Cablex, to assist the company in a number of 132KV oil-filled cable installations for DEWA in Dubai. With a collective value in excess of AED 60 million, these projects carried Arabtec safely through the depression that marked the construction market in the late 1980's.

The 1980's also saw Arabtec involved in the construction of a number of private villas, warehouses and office facilities in Dubai, Sharjah and Abu Dhabi. The Abu Ghazaleh Building in Sharjah, completed between 1982 and 1984, marked Arabtec's first turn-key project involving design and construction. This notable residential structure featured tunnel form, a formwork system and technology, used for the first time by Arabtec. The company went on to employ this technology on many projects and in 1989, Arabtec successfully adapted this system for developments of 2,200 villas in Dubai, and has, since then, utilised it in numerous residential projects.

After developing a relationship with the Al Futtaim family in Dubai, in July 1983, Arabtec won the contract to construct their Automobile Distribution Centres in Ajman and Umm Al Quwain. The construction of the Al Futtaim Commercial and Residential Building in Dubai followed in the same year.

Thirteen years later, the relationship continued with the award of Ajman City Centre Complex, a one-year fast-track project comprising a shopping mall, a large Carrefour hypermarket and a cinema complex. The expansion of Deira City Centre followed in 1999, which involved the construction of the Al Futtaim Lexus Tower plus two multi-storey car parks, retail expansion and an 11-screen cineplex.

In 1983, Arabtec began its long involvement with the oil and gas sectors in Abu Dhabi. This phase commenced with new accommodation buildings and offices for Abu Dhabi Oil Co. (Japan) Ltd. (ADOC). ADOC went on to become a major client, awarding us further projects such as the residential and office development on Mubarraz Island, laboratories and control centres and jetty projects. In 1988, Arabtec completed the West Mubarraz Oil and Gas Processing Plant, with a value in excess of AED 120 million, one of its biggest projects for ADOC. In more recent years, Arabtec was awarded the New Jetty and Power Project on Mubarraz Island.

Arabtec also undertook extensive work for GASCO and ADCO in Abu Dhabi, in the inland oil and gas fields – mainly in the western area of the Abu Dhabi Emirate. This included residential projects, clinics, sewage treatment plants, concrete repair and civil projects in their live plants in Bu Hasa, Asab, Ruwais and Bab. The projects spanned from 1983 to 2004 and had a collective value

in excess of AED 500 million.

In 1995, Arabtec made its mark on the aviation world, beginning with the Emirates Airline Engineering Store. Despite being a small design and build project, its accomplishment led Arabtec to be awarded the largest project ever commissioned by Emirates Airline – the Emirates New Technical Centre, which was valued in excess of AED 150 million. The expansion of Dubai Airport for Dubai Civil Aviation gave Arabtec its first exposure to an international project management group, International Bechtel Inc. Valued at approximately AED 450 million, Arabtec's diverse airport work has played a key role in the company's expansion and its rise to the top of the construction field in Dubai.

In 1992, Arabtec expanded into the villa sector with the Al Garhoud Residential Complex. This was soon followed by a number of other villa projects, including in 2001, Arabtec's first villa contract for Emaar, which marked the beginning of a permanent relationship that continues to this day. All of these projects were completed to high standards, handed over on, or ahead of time and have led to the creation of a new division called Arabtec Living, which marked a key milestone in the expansion and growth of the company. This division boasts a workforce in excess of 13,000 labor and staff, as well as state-of-the-art plant and equipment.

The high-rise buildings synonymous with Dubai's skyline have also proved a fertile ground for Arabtec's growth.

Today, Arabtec is one of the leading contractors in this field. As early as 1976, the company made its first foray into high-rise construction with the 17-storey Pearl Building. Fourteen years later, the company re-entered the field with the construction of the 22-storey Lagoon Tower in Sharjah.

This was followed by the Mansoori Tower in Abu Dhabi, the Fairmont Hotel project 1997, the Lexus Tower for Majid Al Futtaim Group in 1999, and the 21st Century Tower for Rostamani Real Estate in 2001. After its completion in 2003, the 55-floor 21st Century Tower was identified among the world's tallest skyscrapers and as the tallest residential building in the world.

Arabtec continues to play a major role in redefining the skyline of Dubai. In conjunction with Samsung and Six Construct, it was involved in the construction of the world's tallest building, the Burj Khalifa, which stands 828 metres tall. Nearby, the Burj Lake Hotel, now called the Address Hotel, has recently been completed, in a joint venture with Six Construct. This earned recognition in the world as The New Hotel of 2008.

With our diverse projects as well as international recognition, we continue to demonstrate our commitment towards the company's vision to be the leading provider of quality construction and engineering services in the Middle East, North Africa and across the globe.

## **Property and Assets**

### **Premises**

The Subject principally operates from premises located at the heading address, consisting of administrative offices.

## **Payment Profile**

### **Debt Collections / Judgements**

No negative information was found.

**Payment Experience**

**Supplier name** Bond Advertising  
**Address** G 22/B-1, Park Lane,  
 KDA Scheme No. 5, Clifton,  
 Karachi  
**Country** Pakistan  
**Date** 29-04-2013  
**Telephone** +92 21 3537 2270  
**Fax** +92 21 3537 2215  
**Email** info@bondadvertising.com.pk  
**General comment** We have confirmed relationship between the Subject and this company, however we were requested to send an email for further information. Our email remains unanswered as yet.

**Supplier name** Marwat Man power  
**Address** 1-2 Basement, Murad Plaza, University Road, Peshawar, KP, Pakistan  
**Country** Pakistan  
**Date** 29-04-2013  
**Telephone** +92-91-5700320  
**Fax** +92-91-584319  
**Email** info@marwatmanpower.com  
**Time known** since 2005 (around 8 years)  
**Trade terms** Confidential  
**Average bill/month** Confidential  
**Credit Limit** No  
**Payments record** On time  
**Litigation** No  
**Outstanding balance** No  
**General comment** This is a good company.

**Payment behaviour** Comments from international trade sources contacted during these current investigations generally concur that the Subject's payments are met PROMPTLY within agreed terms.

**Analysts' Comments**

**Sources** Interviews and material provided by the Subject  
 Other official and local business sources

**Attachments**

**Attachments** Group consolidated financial statements  
 List of affiliated companies

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**Arabtec Holding PJSC and its Subsidiaries**

4

**Consolidated statement of financial position  
 as at 31 December 2011**

|  | Note | 2011<br>AED'000  | 2010<br>AED'000  |
|--|------|------------------|------------------|
| <b>ASSETS</b>  |      |                  |                  |
| <b>Non-current assets</b>                                  |      |                  |                  |
| Property, plant and equipment                              | 5    | 1,180,895        | 1,272,230        |
| Intangible assets  | 6    | 94,211           | 143,741          |
| Investment in associate                                    | 7    | -                | 3,200            |
| Goodwill   | 8    | 248,629          | 246,836          |
| Trade and other receivables - non-current portion          | 9    | 797,719          | 774,524          |
| Other financial assets                                     | 10   | 207,365          | 43,958           |
| Other non-current assets                                   |      | 9,926            | 10,396           |
| <b>Total non-current assets</b>                            |      | <b>2,538,745</b> | <b>2,494,885</b> |
| <b>Current assets</b>                                      |      |                  |                  |
| Trade and other receivables                                | 9    | 3,907,107        | 4,171,772        |
| Other financial assets                                     | 10   | 151,028          | 178,106          |
| Inventories  | 11   | 319,016          | 369,009          |
| Other current assets                                       | 12   | 138,114          | 154,294          |
| Due from related parties                                   | 13b  | 1,057,806        | 723,563          |
| Cash and cash equivalents                                  | 14   | 683,889          | 588,130          |
| Deferred tax   | 31   | 331              | 331              |
| <b>Total current assets</b>                                |      | <b>6,257,291</b> | <b>6,185,205</b> |
| <b>Total Assets</b>  |      | <b>8,796,036</b> | <b>8,680,090</b> |
| <b>EQUITY AND LIABILITIES</b>                              |      |                  |                  |
| <b>Capital and reserves</b>                                |      |                  |                  |
| Share capital  | 18   | 1,495,000        | 1,196,000        |
| Statutory reserve  | 19   | 293,873          | 267,819          |
| Fair value adjustment reserve                              |      | (12,549)         | (7,494)          |
| Foreign currency translation reserve                       |      | (264)            | -                |
| Retained earnings  |      | 1,177,035        | 1,241,549        |
| <b>Equity attributable to equity holders of the Parent</b> |      | <b>2,953,095</b> | <b>2,697,874</b> |
| Non-controlling interests                                  |      | 414,818          | 404,444          |
| <b>Total Equity</b>  |      | <b>3,367,913</b> | <b>3,102,318</b> |
| <b>Non-current liabilities</b>                             |      |                  |                  |
| Bank borrowings  | 20   | 55,650           | 110,379          |
| Provision for employees' end of service indemnity          | 21   | 157,810          | 128,286          |
| Retentions payable - non-current portion                   | 22   | 91,760           | 203,832          |
| <b>Total non-current liabilities</b>                       |      | <b>305,220</b>   | <b>442,497</b>   |
| <b>Current liabilities</b>                                 |      |                  |                  |
| Bank borrowings  | 20   | 468,308          | 626,672          |
| Trade and other payables                                   | 23   | 3,831,639        | 4,155,334        |
| Due to related parties                                     | 13c  | 821,371          | 348,075          |
| Income tax payable   |      | 1,585            | 5,194            |
| <b>Total current liabilities</b>                           |      | <b>5,122,903</b> | <b>5,135,275</b> |
| <b>Total Liabilities</b>                                   |      | <b>5,428,123</b> | <b>5,577,772</b> |
| <b>Total Equity and Liabilities</b>                        |      | <b>8,796,036</b> | <b>8,680,090</b> |





**Arabtec Holding PJSC and its Subsidiaries**

5

**Consolidated income statement  
for the year ended 31 December 2011**

|   | Note | 2011<br>AED'000        | 2010<br>AED'000        |
|---|------|------------------------|------------------------|
| Revenues  | 24   | 5,003,468              | 5,463,698              |
| Direct costs  | 25   | (4,374,156)            | (4,636,675)            |
| <b>Gross profit</b>   |      | <u>629,312</u>         | <u>827,023</u>         |
| Other operating income  | 26   | 36,545                 | 46,508                 |
| General and administrative expenses   | 27   | (347,586)              | (448,988)              |
| Gain on derecognition of financial assets   |      | 19,707                 | -                      |
| Other income  | 28   | 33,067                 | 34,176                 |
| Net changes in fair value of non-current<br>retentions and trade receivables  | 29   | (11,518)               | 2,140                  |
| Investment income   | 30   | 16,028                 | 18,573                 |
| Finance costs   |      | (33,055)               | (41,701)               |
| <b>Profit before tax</b>  |      | <u>342,500</u>         | <u>437,731</u>         |
| Income tax expense  | 31   | (2,174)                | (6,131)                |
| <b>Profit for the year</b>  |      | <u><u>340,326</u></u>  | <u><u>431,600</u></u>  |
| <i>Attributable to:</i>   |      |                        |                        |
| Equity holders of the parent  |      | 260,540                | 307,118                |
| Non-controlling interests   |      | 79,786                 | 124,482                |
|   |      | <u><u>340,326</u></u>  | <u><u>431,600</u></u>  |
| <b>Basic earnings per share (AED)</b>   |      |                        |                        |
| [Based on profit for the year attributable to<br>equity holders of the parent and 1,495<br>million shares in issue throughout the year<br>(bonus shares of 299 million shares<br>approved on 3 April 2011, have also been<br>considered in the calculation for 2010)] |      | <u><u>AED 0.17</u></u> | <u><u>AED 0.21</u></u> |

**Arabtec Holding PJSC and its Subsidiaries**

6

**Consolidated statement of comprehensive income  
for the year ended 31 December 2011**

|  | 2011<br>AED'000       | 2010<br>AED'000       |
|--|-----------------------|-----------------------|
| Profit for the year  | <u>340,326</u>        | <u>431,600</u>        |
| <b>Other comprehensive loss</b>                                      |                       |                       |
| Net unrealised loss on revaluation of available for sale investments | <u>(5,055)</u>        | <u>(5,152)</u>        |
| <b>Total comprehensive income for the year</b>                       | <u><u>335,271</u></u> | <u><u>426,448</u></u> |
| <b>Total comprehensive income attributable to:</b>                   |                       |                       |
| Equity holders of the parent   | <u>255,485</u>        | <u>301,966</u>        |
| Non-controlling interests  | <u>79,786</u>         | <u>124,482</u>        |
|  | <u><u>335,271</u></u> | <u><u>426,448</u></u> |

**Arabtec Holding PJSC and its Subsidiaries**

2

**Interim condensed consolidated statement of financial position  
 At 31 March 2012**

|  | Note  | 31 March<br>2012<br>AED'000<br>(Unaudited) | 31 December<br>2011<br>AED'000<br>(Audited) |
|--|-------|--|---|
| <b>ASSETS</b>  |       |  |   |
| <b>Non-current assets</b>                                  |       |  |   |
| Property, plant and equipment                              | 13    | 1,184,723                                  | 1,180,895                                   |
| Intangible assets  | 12    | 81,829                                     | 94,211                                      |
| Goodwill   |       | 248,629                                    | 248,629                                     |
| Trade and other receivables - non-current portion          |       | 752,329                                    | 797,719                                     |
| Other financial assets                                     |       | 211,152                                    | 207,365                                     |
| Other non-current assets                                   |       | 10,030                                     | 9,926                                       |
| <b>Total non-current assets</b>                            |       | <b>2,488,692</b>                           | <b>2,538,745</b>                            |
| <b>Current assets</b>                                      |       |  |   |
| Trade and other receivables                                |       | 3,715,676                                  | 3,907,107                                   |
| Other financial assets                                     | 10    | 151,549                                    | 151,028                                     |
| Inventories  |       | 287,895                                    | 319,016                                     |
| Other current assets                                       |       | 125,444                                    | 138,114                                     |
| Due from related parties                                   | 9 (b) | 1,203,392                                  | 1,057,806                                   |
| Cash and cash equivalents                                  | 8     | 631,041                                    | 683,889                                     |
| Deferred tax   |       | 331  | 331   |
| <b>Total current assets</b>                                |       | <b>6,115,328</b>                           | <b>6,257,291</b>                            |
| <b>Total Assets</b>  |       | <b>8,604,020</b>                           | <b>8,796,036</b>                            |
| <b>EQUITY AND LIABILITIES</b>                              |       |  |   |
| <b>Capital and reserves</b>                                |       |  |   |
| Share capital  |       | 1,495,000                                  | 1,495,000                                   |
| Statutory reserve  |       | 302,281                                    | 293,873                                     |
| Fair value adjustment reserve                              |       | (12,208)                                   | (12,549)                                    |
| Foreign currency translation reserve                       |       | 242  | (264)                                       |
| Retained earnings  |       | 1,252,715                                  | 1,177,035                                   |
| <b>Equity attributable to equity holders of the Parent</b> |       | <b>3,038,030</b>                           | <b>2,953,095</b>                            |
| Non-controlling interests                                  |       | 420,244                                    | 414,818                                     |
| <b>Total Equity</b>  |       | <b>3,458,274</b>                           | <b>3,367,913</b>                            |
| <b>Non-current liabilities</b>                             |       |  |   |
| Bank borrowings  | 14    | 45,694                                     | 55,650                                      |
| Provision for employees' end of service indemnity          |       | 165,625                                    | 157,810                                     |
| Retentions payable - non-current portion                   |       | 76,722                                     | 91,760                                      |
| <b>Total non-current liabilities</b>                       |       | <b>288,041</b>                             | <b>305,220</b>                              |
| <b>Current liabilities</b>                                 |       |  |   |
| Bank borrowings  | 14    | 464,705                                    | 468,308                                     |
| Trade and other payables                                   |       | 3,549,663                                  | 3,831,639                                   |
| Due to related parties                                     | 9 (c) | 841,902                                    | 821,371                                     |
| Income tax payable   |       | 1,435                                      | 1,585                                       |
| <b>Total current liabilities</b>                           |       | <b>4,857,705</b>                           | <b>5,122,903</b>                            |
| <b>Total Liabilities</b>                                   |       | <b>5,145,746</b>                           | <b>5,428,123</b>                            |
| <b>Total Equity and Liabilities</b>                        |       | <b>8,604,020</b>                           | <b>8,796,036</b>                            |

**Arabtec Holding PJSC and its Subsidiaries**

3

**Interim condensed consolidated statement of income  
 for the three month period ended 31 March 2012**

|  | Note      | Three Month Period Ended<br>31 March |                                |
|--|-----------|--------------------------------------|--------------------------------|
|  |           | 2012<br>AED'000<br>(Unaudited)       | 2011<br>AED'000<br>(Unaudited) |
| Revenues   |           | 1,291,900                            | 1,241,577                      |
| Direct costs   |           | (1,081,629)                          | (1,076,726)                    |
| <b>Gross profit</b>  |           | <b>210,271</b>                       | <b>164,851</b>                 |
| Other operating income   |           | 6,718                                | 10,057                         |
| Other income   |           | 7,507                                | 11,433                         |
| General and administrative expenses  |           | (130,010)                            | (121,932)                      |
| Net changes in fair value of non-current<br>retentions and trade receivables   |           | 3,576                                | (2,573)                        |
| Investment income  |           | 8,376                                | -                              |
| Finance costs  |           | (6,207)                              | (7,305)                        |
| <b>Profit before tax</b>   | <b>6</b>  | <b>100,231</b>                       | <b>54,531</b>                  |
| Income tax expense   | <b>15</b> | <b>(143)</b>                         | <b>(529)</b>                   |
| <b>Profit for the period</b>   |           | <b>100,088</b>                       | <b>54,002</b>                  |
| <b>Attributable to:</b>  |           |                                      |                                |
| Equity holders of the Parent   |           | 84,088                               | 26,616                         |
| Non-controlling interests  |           | 16,000                               | 27,386                         |
|  |           | <b>100,088</b>                       | <b>54,002</b>                  |
| <b>Basic earnings per share (AED)</b><br>(based on profit for the period attributable to<br>equity holders of the parent and 1,495 million<br>shares in issue throughout the period) |           | <b>0.06</b>                          | <b>0.02</b>                    |

**Arabtec Holding PJSC and its Subsidiaries**

4

**Interim condensed consolidated statement of comprehensive income  
for the three month period ended 31 March 2012**

|  | <b>Three Month Period Ended</b> |                    |
|--|---------------------------------|--------------------|
|  | <b>31 March</b>                 |                    |
|  | <b>2012</b>                     | <b>2011</b>        |
|  | <b>AED'000</b>                  | <b>AED'000</b>     |
|  | <b>(Unaudited)</b>              | <b>(Unaudited)</b> |
| <b>Profit for the period</b>   | <b>100,088</b>                  | <b>54,002</b>      |
| <i>Other comprehensive loss</i>  |                                 |                    |
| Net unrealised gain/(loss) on revaluation of<br>available for sale investments | <b>341</b>                      | <b>(43)</b>        |
| <b>Total comprehensive income for the period</b>                               | <b>100,429</b>                  | <b>53,959</b>      |
| <i>Total comprehensive income attributable to:</i>                             |                                 |                    |
| Equity holders of the Parent   | <b>84,429</b>                   | <b>26,573</b>      |
| Non-controlling interests  | <b>16,000</b>                   | <b>27,386</b>      |
|  | <b>100,429</b>                  | <b>53,959</b>      |

## Arabtec Holding PJSC and its Subsidiaries

 INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
 Period ended 30 June 2012 (Unaudited)

|   | Note | <i>Three month period<br/>ended 30 June</i> |                         | <i>Six month period<br/>ended 30 June</i> |                         |
|---|------|---|-------------------------|---|-------------------------|
|   |      | <i>2012<br/>AED'000</i>                     | <i>2011<br/>AED'000</i> | <i>2012<br/>AED'000</i>                   | <i>2011<br/>AED'000</i> |
| Revenues  |      | 1,320,355                                   | 1,216,526               | 2,612,255                                 | 2,458,103               |
| Contract costs  |      | (1,189,468)                                 | (1,080,822)             | (2,271,097)                               | (2,157,548)             |
| <b>GROSS PROFIT</b>   |      | <b>130,887</b>                              | <b>135,704</b>          | <b>341,158</b>                            | <b>300,555</b>          |
| Other income  |      | 25,683                                      | 14,072                  | 51,860                                    | 35,562                  |
| Administrative expenses   |      | (154,224)                                   | (94,865)                | (284,234)                                 | (219,370)               |
| Finance costs   |      | (8,604)                                     | (9,841)                 | (14,811)                                  | (17,146)                |
| <b>(LOSS) / PROFIT BEFORE TAX</b>                                     |      | <b>(6,258)</b>                              | <b>45,070</b>           | <b>93,973</b>                             | <b>99,601</b>           |
| Income tax expense  | 7    | (473)                                       | (516)                   | (616)                                     | (1,045)                 |
| <b>(LOSS) / PROFIT FOR THE PERIOD</b>                                 |      | <b>(6,731)</b>                              | <b>44,554</b>           | <b>93,357</b>                             | <b>98,556</b>           |
| <b>Other comprehensive income</b>                                     |      |   |                         |   |                         |
| Change in fair value of<br>available-for-sale investments             | 11   | 51,829                                      | (1,966)                 | 52,170                                    | (2,009)                 |
| Exchange difference on translation<br>of foreign operations           |      | 969   | -                       | 1,475                                     | -                       |
| <b>Total other comprehensive income</b>                               |      | <b>52,798</b>                               | <b>(1,966)</b>          | <b>53,645</b>                             | <b>(2,009)</b>          |
| <b>TOTAL COMPREHENSIVE INCOME<br/>FOR THE PERIOD, NET OF TAX</b>      |      | <b>46,067</b>                               | <b>42,588</b>           | <b>147,002</b>                            | <b>96,547</b>           |
| <i>Profit for the period attributable to:</i>                         |      |   |                         |   |                         |
| Owners of the Parent  |      | (11,595)                                    | 28,972                  | 72,493                                    | 55,588                  |
| Non-controlling interests   |      | 4,864                                       | 15,582                  | 20,864                                    | 42,968                  |
|   |      | <b>(6,731)</b>                              | <b>44,554</b>           | <b>93,357</b>                             | <b>98,556</b>           |
| <i>Total comprehensive income for the period<br/>attributable to:</i> |      |   |                         |   |                         |
| Owners of the Parent  |      | 41,249                                      | 27,218                  | 126,184                                   | 53,791                  |
| Non-controlling interests   |      | 4,818                                       | 15,370                  | 20,818                                    | 42,756                  |
|   |      | <b>46,067</b>                               | <b>42,588</b>           | <b>147,002</b>                            | <b>96,547</b>           |
| Basic and diluted<br>earnings per share (AED)                         | 17   | (0.01)                                      | 0.02                    | 0.05                                      | 0.04                    |

**Arabtec Holding PJSC and its Subsidiaries**  
**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
At 30 June 2012

|  | <i>Notes</i> | <i>30 June<br/>2012<br/>AED'000<br/>(Unaudited)</i> | <i>31 December<br/>2011<br/>AED'000<br/>(Audited)</i> |
|--|--------------|---|---|
| <b>ASSETS</b>                                      |              |   |   |
| <b>Non-current assets</b>                          |              |   |   |
| Property, plant and equipment                      | 8            | 1,188,287   | 1,180,895   |
| Intangible assets                                  | 9            | 317,990   | 342,840   |
| Investments in associates                          | 10           | 30,145  | -   |
| Accounts receivable and prepayments                |              | 714,837   | 797,719   |
| Other financial assets                             | 11           | 252,091   | 201,840   |
| Other non-current assets                           |              | 36,156  | 15,451  |
|  |              | <u>2,539,506</u>                                    | <u>2,538,745</u>                                      |
| <b>Current assets</b>                              |              |   |   |
| Inventories  |              | 260,496   | 319,016   |
| Accounts receivable and prepayments                |              | 4,005,602   | 4,196,580   |
| Due from related parties                           | 12           | 1,179,142   | 1,057,806   |
| Bank balances and cash                             | 13           | 494,810   | 683,889   |
|  |              | <u>5,940,050</u>                                    | <u>6,257,291</u>                                      |
| <b>TOTAL ASSETS</b>                                |              | <u><b>8,479,556</b></u>                             | <u><b>8,796,036</b></u>                               |
| <b>EQUITY AND LIABILITIES</b>                      |              |   |   |
| <b>Equity</b>                                      |              |   |   |
| Share capital                                      | 15           | 1,569,750   | 1,495,000   |
| Statutory reserve                                  |              | 301,122   | 293,873   |
| Fair value reserve                                 |              | 39,621  | (12,549)  |
| Other capital reserve                              | 5            | (2,201)   | -   |
| Foreign currency translation reserve               |              | 1,257   | (264)   |
| Retained earnings                                  |              | 1,092,779   | 1,177,035   |
| <b>Equity attributable to owners of the Parent</b> |              | <u>3,002,328</u>                                    | <u>2,953,095</u>                                      |
| Non-controlling interests                          |              | 394,057   | 414,818   |
| <b>Total Equity</b>                                |              | <u><b>3,396,385</b></u>                             | <u><b>3,367,913</b></u>                               |
| <b>Non-current liabilities</b>                     |              |   |   |
| Bank borrowings                                    | 14           | 43,710  | 55,650  |
| Employees' end of service benefits                 |              | 173,485   | 157,810   |
| Retentions payable                                 |              | 89,944  | 91,760  |
|  |              | <u>307,139</u>                                      | <u>305,220</u>  |
| <b>Current liabilities</b>                         |              |   |   |
| Accounts payable and accruals                      |              | 3,500,594   | 3,831,639   |
| Bank borrowings                                    | 14           | 489,775   | 468,308   |
| Due to related parties                             | 12           | 785,143   | 821,371   |
| Income tax payable                                 |              | 520   | 1,585   |
|  |              | <u>4,776,032</u>                                    | <u>5,122,903</u>                                      |
| <b>Total liabilities</b>                           |              | <u><b>5,083,171</b></u>                             | <u><b>5,428,123</b></u>                               |
| <b>TOTAL EQUITY AND LIABILITIES</b>                |              | <u><b>8,479,556</b></u>                             | <u><b>8,796,036</b></u>                               |

| <i>Name of subsidiary and its domicile</i>                       | <i>Percentage of beneficial holding</i> |             | <i>Principal activities</i>                                   |
|--|---|-------------|---|
|  | <i>2012</i>                             | <i>2011</i> |   |
| Arabtec Construction LLC, Dubai, UAE                             | 100%                                    | 100%        | Civil construction and related works                          |
| Austrian Arabian Ready Mix Concrete Co LLC, Dubai, UAE           | 100%                                    | 100%        | Manufacture and transportation of ready mix concrete products |
| House of Equipment Co LLC, Dubai, UAE                            | 66.67%                                  | 66.67%      | Trading & Leasing of construction equipment                   |
| Arabtec Construction LLC, Doha, Qatar                            | 49%                                     | 49%         | Civil construction and related works                          |
| Arabtec Precast LLC, Dubai, UAE                                  | 100%                                    | 100%        | Manufacture of precast panels                                 |
| Nasser Bin Khaled Factory Ready Mix Concrete Co LLC, Doha, Qatar | 49%                                     | 49%         | Manufacture and transportation of ready mix concrete products |
| Emirates Falcon Electromechanical Co EFECO LLC, Dubai, UAE       | 55%                                     | 55%         | Electrical, Mechanical & Plumbing contracts                   |
| Arabtec Engineering services LLC, Dubai, UAE                     | 80%                                     | 80%         | Infrastructure Construction works                             |
| Arabtec International Company Limited, Republic of Mauritius     | 100%                                    | 100%        | Civil construction and related works                          |
| Arabtec Construction Syria LLC, Syrian Arab Republic             | 100%                                    | 100%        | Civil construction and related works                          |
| Arabtec Pakistan (Pvt) Limited, Pakistan                         | 60%                                     | 60%         | Civil construction and related works                          |
| Target Engineering construction Company, Abu Dhabi, UAE          | 60%                                     | 60%         | Civil construction and related works                          |
| Gulf Steel Industries FZC, Sharjah, UAE                          | 100%                                    | 55%         | Fabrication of steel structures and Profiles                  |



|   |      |      |   |
|---|------|------|---|
| Arabtec Saudi Arabia LLC, Kingdom of Saudi Arabia                     | 45%  | 45%  | Civil construction and related works  |
| Arabtec Egypt for construction SAE, Arab Republic of Egypt            | 55%  | 55%  | Civil construction and related works  |
| Arabtec Construction LLC (Foreign Company), State of Palestine        | 100% | 100% | Civil construction and related works  |
| Arabtec Musawa WLL, Kingdom of Bahrain (under formation)              | 75%  | 75%  | Civil construction and related works  |
| Arabtec Angola, Republic of Angola (under formation)                  | 49%  | 49%  | Civil construction and related works  |
| EFECO Saudi LLC, Kingdom of Saudi Arabia                              | 39%  | 39%  | Electrical, Mechanical & Plumbing contracts   |
| EFECO Qatar WLL, Doha, Qatar  | 27%  | 27%  | Electrical, Mechanical & Plumbing contracts   |
| EFECO LLC, State of Palestine   | 100% | 100% | Electrical, Mechanical & Plumbing contracts   |
| Arabtec Construction Machinery LLC, Kingdom of Saudi Arabia           | 58%  | 58%  | Trading and Leasing of construction equipment   |
| Saudi Austrian Arabian Ready Mix Company LLC, Kingdom of Saudi Arabia | 62%  | 62%  | Manufacture and transportation of ready mix concrete products                           |
| Idrotec Srl, Italy  | 48%  | 48%  | Civil construction and related works  |
| Arabtec Construction LLC, State of Kuwait (under formation)           | 100% | 100% | Civil construction and related works  |
| Arabtec-Envirogreen Facility Management Services LLC, Dubai, UAE      | 51%  | 51%  | Building maintenance and cleaning services, facilities management and security services |
| Arabtec Construction India (Pvt) Limited, India                       | 63%  | 63%  | Civil construction and related works  |
| Arabtec Investments Holding Limited, JAFZA, Dubai, UAE                | 100% | 100% | Holding or investment of shares or commercial holding                                   |
| Polypod Middle East LLC, Abu Dhabi, UAE                               | 35%  | 18%  | Assembly of bathroom pods and other types of pods on the same concept                   |
| Gulf Capital PJSC – Salboukh project, Saudi Arabia                    | 24%  | -    | Development of Salboukh residential compound in Riyadh                                  |
| Envirecon, Kingdom of Saudi Arabia                                    | 30%  | -    | Manufacture of concrete and mixture, additives and other construction chemicals         |