

**ARABTEC HOLDING PJSC (FORMERLY
ARAB TECHNICAL CONSTRUCTION
COMPANY PJSC) AND ITS SUBSIDIARIES
DUBAI - UNITED ARAB EMIRATES**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS AND REVIEW REPORT
FOR THE PERIOD FROM JANUARY 1, 2006
TO SEPTEMBER 30, 2006**

**Arabtec Holding PJSC (formerly Arab Technical Construction Company PJSC)
and its Subsidiaries
Dubai - United Arab Emirates**

**Interim Condensed Consolidated Financial Statements and Review Report
For the Period from January 1, 2006 to September 30, 2006**

Table of Contents

	<u>Page</u>
Review Report	1
Interim Condensed Consolidated Balance Sheet	2
Interim Condensed Consolidated Income Statement	3
Interim Condensed Consolidated Statement of Changes in Shareholders' Equity	4
Interim Condensed Consolidated Cash Flow Statement	5
Notes to the Interim Condensed Consolidated Financial Statements	6 - 14

Report on Review of Interim Financial Statements

The Shareholders

Arabtec Holding PJSC (formerly Arab Technical Construction Company PJSC)

Dubai

United Arab Emirates

We have reviewed the accompanying interim condensed consolidated balance sheet of **Arabtec Holding PJSC (formerly Arab Technical Construction Company PJSC) (the “Company”)** and its **Subsidiaries (collectively the “Group”)** as at September 30, 2006 and the related interim condensed consolidated statements of income, changes in shareholders’ equity and cash flows for the period from January 1, 2006 to September 30, 2006. These financial statements are the responsibility of the Directors of the Company. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with International Standard on review engagements (ISRE 2400). This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Group personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not presented fairly in all material respects, in accordance with International Accounting Standard No.34.

Deloitte & Touche

Saba Sindaha (Reg. No. 410)

Dubai

October 18, 2006

Interim Condensed Consolidated Balance Sheet
As of September 30, 2006
(In Arab Emirates Dirhams)

	<u>Note</u>	<u>September 30,</u> <u>2006</u>	<u>December 31,</u> <u>2005</u>
		<u>(reviewed)</u>	<u>(audited)</u>
Assets			
Current assets			
Cash and cash equivalents		140,355,594	93,907,569
Other financial assets		25,185,587	27,825,420
Trade and other receivables		1,014,211,928	936,194,657
Due from related parties	6(b)	25,464,963	29,576,492
Inventories		74,359,235	95,405,616
Other current assets		50,977,737	32,012,789
Total current assets		<u>1,330,555,044</u>	<u>1,214,922,543</u>
Non-current assets			
Available for sale investments		4,668,894	11,659,723
Intangible assets	8	92,631,097	101,040,097
Goodwill		88,896,366	88,896,366
Retentions receivable – non-current portion		120,800,439	128,629,676
Loan to a related party	6(e)	4,732,747	-
Other non-current assets		12,298,469	13,140,145
Property, plant and equipment	9	389,414,062	331,484,165
Total non-current assets		<u>713,442,074</u>	<u>674,850,172</u>
Total Assets		<u>2,043,997,118</u>	<u>1,889,772,715</u>
Liabilities and Shareholders' Equity			
Current liabilities			
Bank borrowings		11,666,507	-
Trade and other payables		1,166,206,034	1,217,627,383
Due to related parties	6(c)	2,286,901	9,066,453
Total current liabilities		<u>1,180,159,442</u>	<u>1,226,693,836</u>
Non-current liabilities			
Provision for employees' end of service indemnity		44,216,650	32,041,556
Retentions payable – non-current portion		70,164,129	57,080,473
Total non-current liabilities		<u>114,380,779</u>	<u>89,122,029</u>
Total Liabilities		<u>1,294,540,221</u>	<u>1,315,815,865</u>
Capital and reserves			
Share capital	12	520,000,000	400,000,000
Statutory reserve		32,490,740	16,585,671
Fair value adjustment reserve		2,397,911	8,100,140
Retained earnings		172,416,662	149,271,039
Equity attributable to equity holders of the parent		727,305,313	573,956,850
Minority interest		22,151,584	-
Total Equity		<u>749,456,897</u>	<u>573,956,850</u>
Total Liabilities and Shareholders' Equity		<u>2,043,997,118</u>	<u>1,889,772,715</u>

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

The financial statements on pages 2 to 14 were approved and authorized for issue by the Board of Directors on October 18, 2006 and signed on their behalf by:

Riad Kamal
Managing Director

Interim Condensed Consolidated Income Statement
For the period from January 1, 2006 to September 30, 2006
(In Arab Emirates Dirhams)

	<u>Nine month period ended September 30,</u>		<u>Quarter ended September 30,</u>	
	<u>2006</u> (reviewed)	<u>2005</u> (un-audited)	<u>2006</u> (reviewed)	<u>2005</u> (un-audited)
Revenue	2,061,920,423	1,855,656,637	648,380,503	707,960,951
Direct costs	<u>(1,808,973,908)</u>	<u>(1,696,544,724)</u>	<u>(569,603,334)</u>	<u>(656,369,552)</u>
Gross profit	252,946,515	159,111,913	78,777,169	51,591,399
Other operating income	28,237,754	6,503,249	10,312,432	3,919,547
General and administrative expenses	(121,514,831)	(73,980,690)	(39,942,362)	(23,385,640)
Changes in fair value of non-current retentions	<u>(218,159)</u>	<u>(3,055,190)</u>	<u>(3,117,187)</u>	<u>(3,093,578)</u>
Profit from operations	159,451,279	88,579,282	46,030,052	29,031,728
Finance (costs)/income	<u>(59,224)</u>	<u>(3,050,259)</u>	<u>(133,560)</u>	<u>400,484</u>
Net profit for the period	159,392,055	85,529,023	45,896,492	29,432,212
	=====	=====	=====	=====
Attributable to:				
Equity holders of parent	159,050,692	85,529,023	45,671,316	29,432,212
Minority interest	<u>341,363</u>	<u>-</u>	<u>225,176</u>	<u>-</u>
	159,392,055	85,529,023	45,896,492	29,432,212
	=====	=====	=====	=====
Basic earnings per share (AED)	0.31	0.16	0.09	0.06
(based on profit for the period and 520 million shares in issue throughout the period – including 120 million bonus shares approved on May 29, 2006)	=====	=====	=====	=====

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Changes in Shareholders' Equity
For the period from January 1, 2006 to September 30, 2006
(In Arab Emirates Dirhams)

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Fair value adjustment reserve</u>	<u>Retained earnings</u>	<u>Attributable to equity holders of the parent</u>	<u>Minority interest</u>	<u>Total</u>
Balance at December 31, 2004 (audited)	400,000,000	237,701	-	2,139,307	402,377,008	-	402,377,008
Net profit for the period	-	-	-	85,529,023	85,529,023	-	85,529,023
Transfer to statutory reserve	-	<u>8,552,902</u>	-	<u>(8,552,902)</u>	-	-	-
Balance at September 30, 2005 (un-audited)	<u>400,000,000</u>	<u>8,790,603</u>	-	<u>79,115,428</u>	<u>487,906,031</u>	-	<u>487,906,031</u>
Balance at December 31, 2005 (audited)	<u>400,000,000</u>	<u>16,585,671</u>	<u>8,100,140</u>	<u>149,271,039</u>	<u>573,956,850</u>	-	<u>573,956,850</u>
Net profit for the period	-	-	-	159,050,692	159,050,692	341,363	159,392,055
Realised profit on sale of investments transferred to income statement	-	-	<u>(1,387,831)</u>	-	<u>(1,387,831)</u>	-	<u>(1,387,831)</u>
Loss on available-for-sale investments recognized directly in equity	-	-	<u>(4,314,398)</u>	-	<u>(4,314,398)</u>	-	<u>(4,314,398)</u>
Total income recognized for the period	-	-	<u>(5,702,229)</u>	<u>159,050,692</u>	<u>153,348,463</u>	<u>341,363</u>	<u>153,689,826</u>
Minority interest arising on the acquisition of a subsidiary	-	-	-	-	-	21,810,221	21,810,221
Issue of bonus shares	120,000,000	-	-	<u>(120,000,000)</u>	-	-	-
Transfer to statutory reserve	-	<u>15,905,069</u>	-	<u>(15,905,069)</u>	-	-	-
Balance at September 30, 2006 (reviewed)	<u>520,000,000</u>	<u>32,490,740</u>	<u>2,397,911</u>	<u>172,416,662</u>	<u>727,305,313</u>	<u>22,151,584</u>	<u>749,456,897</u>

The accompanying notes form an integral part of these condensed consolidated financial statements.

**Interim Condensed Consolidated Cash Flow Statement
For the period from January 1, 2006 to September 30, 2006
(In Arab Emirates Dirhams)**

	<u>Nine month period ended September 30,</u>	
	<u>2006</u>	<u>2005</u>
	(reviewed)	(un-audited)
Operating activities		
Net profit for the period	159,392,055	85,529,023
Adjustments for:		
Depreciation of property, plant and equipment	56,909,457	27,049,763
Amortization of intangible assets	8,250,000	8,250,000
Amortization of leasehold property benefit	159,000	-
Provision for employees' end of service indemnity	14,127,752	7,918,222
Gain on sale of available for sale investments	(1,387,831)	-
Gain on sale of property, plant and equipment	(2,990,160)	(327,215)
Finance costs	59,224	3,050,259
Changes in fair value of non-current retentions receivable and payable	218,159	<u>3,055,190</u>
Operating profit before changes in operating assets and liabilities	234,737,656	134,525,242
Decrease/(increase) in other financial assets	2,639,833	(22,918,933)
Increase in trade and other receivables	(78,017,271)	(882,690,489)
Decrease/(increase) in due from related parties	4,111,529	(5,135,510)
(Increase)/decrease in inventories	21,046,381	(61,503,879)
Increase in other current assets	(18,964,948)	(32,328,164)
Decrease/(increase) in other non-current assets	841,676	(6,889,512)
(Decrease)/increase in trade and other payables	(51,421,349)	1,115,574,591
(Decrease)/increase in due to related parties	(6,779,552)	4,461,231
Decrease/(increase) in retention receivable – non-current portion	7,611,078	(138,030,207)
Increase in retention payables – non-current portion	13,083,656	41,343,649
Increase in other non-current liabilities	-	<u>23,793,226</u>
Cash generated from operations	128,888,689	170,201,245
Employees' end of service indemnity paid	(1,952,658)	(1,045,665)
Interest paid	(59,224)	(3,050,259)
Net cash from operating activities	<u>126,876,807</u>	<u>166,105,321</u>
Investing activities		
Loan due to a related party	(4,732,747)	-
Purchase of property, plant and equipment	(124,296,679)	(345,477,219)
Proceeds from disposal of property, plant and equipment	12,447,482	772,517
Acquisition of investment in subsidiaries, net of cash acquired	-	(7,572,694)
Proceeds from sale of available for sale investment	2,676,433	-
Purchase of intangible assets	-	(200,936,466)
Placement of fixed deposits	-	(28,617)
Net cash used in investing activities	<u>(113,905,511)</u>	<u>(553,242,479)</u>
Financing activities		
Proceeds from issue of shares to minority interest – capital	21,810,222	-
Proceeds from bank borrowings	<u>11,666,507</u>	<u>63,226,655</u>
Net cash from financing activities	<u>33,476,729</u>	<u>63,226,655</u>
Net increase/(decrease) in cash and cash equivalents	46,448,025	(323,910,503)
Cash and cash equivalents at the beginning of the period	<u>93,907,569</u>	<u>406,558,436</u>
Cash and cash equivalents at the end of the period	<u>140,355,594</u>	<u>82,647,933</u>
	=====	=====

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

**Notes to the Interim Condensed Consolidated Financial Statements
For the period from January 1, 2006 to September 30, 2006**

1. Establishment and operations

Arabtec Holding PJSC (the “Company”) is a Public Joint Stock Company established under the laws of the United Arab Emirates pursuant to a trade license issued by the Department of Economic Development, Dubai and the Ministry of Economics.

On May 29, 2006, at an extraordinary shareholders’ meeting, the Shareholders approved the change of name to Arabtec Holding PJSC from Arab Technical Construction Company PJSC.

The principal object of the Company is to invest in the construction sector through the acquisition of contracting and related companies.

The Company’s shares are listed on the Dubai Financial Market (DFM).

The registered office of the Company is P.O. Box 72122 Dubai, U.A.E.

The Company has the following subsidiaries over which it exercises effective control:

<u>Name of subsidiary and domicile</u>	<u>Percentage of holding</u>	<u>Principal activities</u>
Arabtec Construction LLC, Dubai, U.A.E.	100%	Civil construction and related works.
Austrian Arabian Ready Mix Concrete Co. LLC, Dubai, U.A.E.	100%	Manufacture and transportation of ready mix concrete products.
House of Equipment Co. LLC, Dubai, UAE	33.33%	Trading and leasing of construction equipment
Arabtec Construction LLC, Doha, Qatar	50%	Civil construction and related works.
Arabtec Precast LLC, Dubai, UAE	100%	Manufacture of pre cast panels

Investment in House of Equipment Co. LLC is held by one of the shareholders on trust and for the benefit of the Company.

The Company and its subsidiaries, referred to collectively in these financial statements as the “Group” are primarily engaged in the construction of high-rise towers, buildings and residential villas, in addition to the execution of related services such as drainage, electrical and mechanical works.

**Notes to the Interim Condensed Consolidated Financial Statements - continued
For the period from January 1, 2006 to September 30, 2006**

2. Basis of preparation

The interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) No. 34: Interim Financial Reporting. These financial statements are presented in United Arab Emirates Dirhams (AED) since that is the currency of the country in which the Group is domiciled.

The interim condensed consolidated financial statements incorporate the financial statements of the Group and entities 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.

Although the Group owns less than 50% of the equity shares in House of Equipment Co. LLC, the Group has the power to govern the strategic operating and financial decisions of the Company.

The results of subsidiaries acquired or disposed of during the year are included in the interim consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

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

3. Significant accounting policies

The interim condensed consolidated financial statements have been prepared on the historical cost basis, except for the revaluation of certain properties and financial instruments. The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended December 31, 2005.

4. Segment information

Substantially, all of the Group's operations currently relate to the construction sector.

5. Results for the period

The results for the nine months ended September 30, 2006 reflect the results of the Group's continuing projects and new projects commenced during the period and are not significantly affected by any seasonal or cyclical operations.

Discretionary bonuses for the year ended December 31, 2005 totaling AED 5 million were approved by the Directors during the period and were charged in arriving at the result for the nine month period ended September 30, 2006.

Notes to the Interim Condensed Consolidated Financial Statements - continued
For the period from January 1, 2006 to September 30, 2006

6. Related party transactions

- a) The Group entered into a variety of transactions with companies and entities that fall within the definition of a related party as contained in International Accounting Standard No. 24: Related Party Disclosures. Related parties comprise the Group's major shareholders, directors and entities related to them, companies under common ownership and/or common management and control, their partners and key management personnel. Management decides on the terms and conditions of the transactions and services received/rendered from/to related parties as well as on other charges.
- b) At the balance sheet date, due from related parties comprised the following:

	September 30, 2006	December 31, 2005
	(reviewed)	(audited)
	AED	AED
Amounts due from joint venture partners	6,382,815	184,962
Energy Management Services, Dubai, U.A.E.	-	250,590
Specialized and Interactive Systems, Dubai, U.A.E.	-	1,135
Pino Meroni M.E. LLC, Dubai, U.A.E.	187,252	29,173
Depa Interiors LLC, Dubai, U.A.E.	107,357	348,106
Mr. Riad Kamal – a director and major shareholder	-	13,940
First Group/Kamal/Malhas joint venture, Dubai, U.A.E.	6,458,136	11,889,324
Sulaiman Al Bassam/Malhas joint venture, Dubai, U.A.E.	12,329,403	16,859,262
	25,464,963	29,576,492
	=====	=====

- c) At the balance sheet date, due to related parties comprised the following:

	September 30, 2006	December 31, 2005
	(reviewed)	(audited)
	AED	AED
Amounts due to joint venture partners	-	7,187,625
Depa LLC, Abu Dhabi, U.A.E.	2,286,901	1,878,828
	2,286,901	9,066,453
	=====	=====

Notes to the Interim Condensed Consolidated Financial Statements - continued
For the period from January 1, 2006 to September 30, 2006

6. Related party transactions (continued)

d) The nature of significant related party transactions and the amounts involved were as follows:

	<u>Nine month period ended September 30,</u>		<u>Quarter ended September 30</u>	
	<u>2006</u> (reviewed)	<u>2005</u> (un-audited)	<u>2006</u> (reviewed)	<u>2005</u> (un-audited)
Contract revenue	95,689,073	97,591,267	31,711,484	34,508,698
Share of projects net contribution payable to senior management – see Note 6(f) below	9,184,454	8,000,000	-	500,000
Sub-contracting costs	200,280	283,290	1,485	-
Wages and salaries	307,037	163,703	118,618	54,567
Interest received on loans	7,564	199,489	7,564	66,496
Bank charges	2,679	22,797	1,396	7,599
Rent income	311,250	149,171	-	49,723
Rent expense	32,250	19,263	32,250	6,421
Miscellaneous charges	959,456	227,453	264,918	75,817
Purchase of property, plant and equipment	-	1,156,965	-	385,655
Sale of property, plant and equipment	8,956,050	885,000	3,354,046	295,000
Fair value (decrease)/increase arising on investments held in trust by a director/shareholder	(2,836,556)	-	(68,214)	-
	=====	=====	=====	=====

Notes to the Interim Condensed Consolidated Financial Statements - continued
For the period from January 1, 2006 to September 30, 2006

6. Related party transactions (continued)

- e) The Group has provided a loan of AED 4,732,747 to a minority shareholder in House of Equipment Co. L.L.C. Interest on the loan is charged at the market rate.
- f) The share of certain projects net contribution payable to senior management is based on the terms of agreements entered into between the Group and certain members of senior management and is included as direct costs for those particular contracts.
- g) The remuneration of directors and other members of key management during the period were as follows:

	<u>Nine month period ended September 30,</u>		<u>Quarter ended September 30,</u>	
	<u>2006</u> (reviewed)	<u>2005</u> (un-audited)	<u>2006</u> (reviewed)	<u>2005</u> (un-audited)
Management fees to directors	675,000	675,000	225,000	225,000
Short term benefits	1,891,328	1,795,423	682,379	600,154
Post-employment benefits	34,875	34,875	11,625	11,625
Discretionary bonus	5,000,000	-	-	-

The remuneration of directors and key executives is determined by the Board of Directors having regard to individual performance and market trends.

- h) Amounts due from key management personnel included in other current assets:

	<u>September 30,</u> <u>2006</u> (reviewed) AED	December 31, <u>2005</u> (audited) AED
At January 1,	5,459,976	200,000
Advances during the period	-	5,398,854
Repayment during the period	(2,119,529)	(266,684)
Interest charged	<u>182,998</u>	<u>127,806</u>
	<u>3,523,445</u>	<u>5,459,976</u>

Notes to the Interim Condensed Consolidated Financial Statements - continued
For the period from January 1, 2006 to September 30, 2006

6. Related party transactions (continued)

- i) Amounts due to key management personnel included in trade and other payables:

	September 30, 2006	December 31, 2005
	(reviewed)	(audited)
	AED	AED
Accrued during the period	675,000	900,000
	=====	=====

- j) Included in trade and other payables is an amount of AED 8,159,575 representing contributions from employees and directors towards an employee benefit scheme. Assets of the scheme are included in the balance sheet under cash and cash equivalents AED 1,655,966 and other receivables AED 6,503,609.

7. Joint ventures

The Group had the following significant interests in joint ventures:

- a) A 40% share in the Abu Dhabi Investment Authority Head Quarter joint venture project.
- b) A 50% share in the Six Construct/Arabtec joint venture projects (3 projects).
- c) A 30% share in the Samsung/Six Construct/Arabtec joint venture project.

The Group is entitled to a proportionate share of the joint ventures' assets and revenues and bears a proportionate share of the liabilities and outgoings.

The following amounts are included in the Group's financial statements as a result of the proportionate consolidation of the joint ventures:

	September 30, 2006	December 31, 2005
	(reviewed)	(audited)
	AED	AED
Current assets	74,399,143	96,879,323
Non-current assets	49,776,374	34,212,479
Current liabilities	106,763,035	80,647,565
Commitments	9,456,280	2,093,058
Contingent liabilities	238,095,885	225,764,211
	=====	=====

Notes to the Interim Condensed Consolidated Financial Statements - continued
For the period from January 1, 2006 to September 30, 2006

7. Joint ventures (continued)

	<u>Nine month period ended September 30,</u>		<u>Quarter ended September 30,</u>	
	<u>2006</u> (reviewed)	<u>2005</u> (un-audited)	<u>2006</u> (reviewed)	<u>2005</u> (un-audited)
Revenue	189,889,442	78,791,433	32,013,176	39,352,659
Expenses	169,787,283	78,415,051	27,302,696	42,603,443
	=====	=====	=====	=====

8. Intangible assets

	<u>Leasehold property benefit</u> AED	<u>Arabtec brand</u> AED	<u>Total</u> AED
Cost			
At December 31, 2005	<u>2,040,097</u>	<u>110,000,000</u>	<u>112,040,097</u>
At September 30, 2006	<u>2,040,097</u>	<u>110,000,000</u>	<u>112,040,097</u>
Accumulated amortization			
At December 31, 2005	-	11,000,000	11,000,000
Charge for the period	<u>159,000</u>	<u>8,250,000</u>	<u>8,409,000</u>
At September 30, 2006	<u>159,000</u>	<u>19,250,000</u>	<u>19,409,000</u>
Carrying amount			
At September 30, 2006 (reviewed)	<u>1,881,097</u>	<u>90,750,000</u>	<u>92,631,097</u>
	=====	=====	=====
At December 31, 2005 (audited)	<u>2,040,097</u>	<u>99,000,000</u>	<u>101,040,097</u>
	=====	=====	=====

The intangible assets included above, arising on business combinations, have finite useful lives, over which the assets are amortized.

Amortization of the leasehold property benefit is based on the underlying lease, and commenced on January 1, 2006 for a period of 18 years.

The Arabtech brand value is amortized over the expected period of benefit of 10 years, following which continuing brand value will have been internally generated and not recognisable as an asset under International Financial Reporting Standards.

Notes to the Interim Condensed Consolidated Financial Statements - continued
For the period from January 1, 2006 to September 30, 2006

9. Property, plant and equipment

During the period, the Group purchased approximately AED 124.3 million (2005: AED 345.5 million) of various types of property, plant and equipment.

Also, the Group disposed of plant and office equipment with a net book value of AED 9.5 million (2005: AED 0.45 million) for proceeds of AED 12.5 million (2005: AED 0.8 million).

10. Operating lease

The Group as lessee:

	<u>Nine month period ended</u>		<u>Quarter ended September 30,</u>	
	<u>September 30,</u>		<u>2006</u>	<u>2005</u>
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
	(reviewed)	(un-audited)	(reviewed)	(un-audited)
Minimum lease payments under operating leases recognized as expense for the period	17,555,220	8,905,967	6,355,288	3,664,859
	=====	=====	=====	=====

At the balance sheet date, the Group had outstanding commitments under cancelable operating leases, which fall due as follows:

	<u>September 30,</u>	<u>December 31,</u>
	<u>2006</u>	<u>2005</u>
	(reviewed)	(audited)
	AED	AED
Within one year	16,089,307	13,201,775
In the second to fifth years inclusive	1,743,804	1,743,804
Later than five years	5,514,681	5,667,363
	23,347,792	20,612,942
	=====	=====

Operating lease payments represent rentals payable by the Group for land, certain labour camps and vehicles.

Notes to the Interim Condensed Consolidated Financial Statements - continued
For the period from January 1, 2006 to September 30, 2006

11. Commitments and contingencies

	September 30, 2006	December 31, 2005
	(reviewed)	(audited)
	AED	AED
Commitments		
Commitments for the acquisition of property, plant and equipment	25,556,843	27,143,793
	=====	=====
Contingent liabilities		
Performance and bid bonds	1,139,687,813	874,345,375
Advance payment bonds	424,860,844	434,138,105
Financial guarantees	32,439,947	42,455,877
Retention bonds	200,894,981	93,794,684
Labour guarantees	6,260,510	37,337,005
Letters of credit	167,639,851	61,434,635
	=====	=====

Fixed deposits under lien amounts to AED 25 million (2005: 20 million).

12. Share capital

Following a bonus share issue of 30% (120 million shares of AED 1 each), for which approval was given at the Extraordinary General Meeting of the shareholders held on May 29, 2006, the share capital comprises of 520,000,000 (2005: 400,000,000) authorized, issued and fully paid shares of AED 1 each.

13. Comparative amounts

The interim condensed consolidated financial statements for the current period are for 9 months from January 1, 2006 to September 30, 2006. The comparative amounts for the 9 months ended September 30, 2005 and March 31 2005 are presented without audit or review and are as per Group's books of accounts. The corresponding amounts presented for the 9 months ended September 30, 2005 have been reclassified to conform to the current period presentation. The income statement for the period ended September 30, 2005 has been restated to take into account the effect of the acquisition accounting for the subsidiaries acquired which was finalized by the Group subsequent to the period ended September 30, 2005. The acquisition accounting adjustments had an effect of reducing the previously stated prior period result by AED 11.21 million, being the effect of amortisation of intangible assets acquired and additional depreciation on the fair value of property, plant and equipment acquired.