

Drake and Scull International PJSC

**Condensed consolidated interim financial information (Unaudited)
for the three month period ended 31 March 2011**

Drake and Scull International PJSC

Condensed consolidated interim financial information for the three month period ended 31 March 2011

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**Report on review of condensed consolidated interim financial information
to the shareholders of Drake and Scull International PJSC**

Introduction

We have reviewed the accompanying consolidated interim balance sheet of Drake and Scull International PJSC ("the PJSC") and its subsidiaries (the "Group") as of 31 March 2011 and the related interim consolidated statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended. Management is responsible for the preparation and presentation of this consolidated condensed interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting." Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

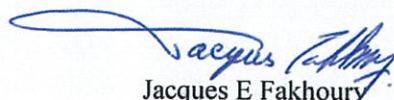
Scope of Review

We conducted our review in accordance with 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 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting."

PricewaterhouseCoopers
11 May 2011



Jacques E Fakhoury
Registered Auditor Number 379
Dubai, United Arab Emirates

Drake and Scull International PJSC

Interim consolidated income statement (Unaudited)

		Three months ended	
		31 March	31 March
		2011	2010
		AED'000	AED'000
	Note		
Contract revenue		645,060	386,360
Contract costs		(544,399)	(312,265)
Gross profit		100,661	74,095
Other income		7,702	4,269
Selling, general and administrative expenses		(49,488)	(36,500)
Amortisation of intangible assets		(8,389)	(8,389)
Management fee	8	(3,700)	(3,700)
Operating profit		46,786	29,775
Finance income		15,482	17,277
Finance costs		(10,751)	(5,792)
Finance income, net		4,731	11,485
Profit for the period before tax		51,517	41,260
Income tax (expense) / credit	10	(900)	527
Profit for the period		50,617	41,787
Attributable to:			
Owners of the parent		45,866	42,228
Non-controlling interest		4,751	(441)
		50,617	41,787
Basic and diluted earnings per share (AED)	11	0.021	0.020

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

Drake and Scull International PJSC

Interim consolidated statement of comprehensive income (Unaudited)

	Three months ended	
	31 March	31 March
	2011	2010
	AED'000	AED'000
Profit for the period	50,617	41,787
Other comprehensive income		
Foreign currency translation	2,097	(4,025)
Other comprehensive income/(loss) for the period	2,097	(4,025)
Total comprehensive income for the period	52,714	37,762
Attributable to:		
Owners of the parent	47,963	38,203
Non-controlling interest	4,751	(441)
	52,714	37,762

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

Drake and Scull International PJSC

Interim consolidated balance sheet

	Note	31 March 2011 (Unaudited) AED'000	31 December 2010 (Audited) AED'000
ASSETS			
Non-current assets			
Property, plant and equipment		343,990	249,689
Goodwill and other intangible assets		1,207,411	1,149,435
Investments		72,595	95,922
Loans and advances		33,929	33,929
Contract receivables		35,237	41,138
Deferred tax asset		12,279	12,132
Long term prepayments		11,100	14,846
Total non-current assets		1,716,541	1,597,091
Current assets			
Development properties		46,911	45,315
Inventories		23,446	24,889
Contract receivables and retentions		1,422,982	1,266,115
Contract work-in-progress		769,216	621,912
Prepayments and other receivables		333,811	163,104
Due from related parties	8	9,967	23,709
Loans and advances		200,000	187,474
Investments		373,563	318,800
Cash and cash equivalents	9	645,908	622,150
Total current assets		3,825,804	3,273,468
Total assets		5,542,345	4,870,559
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		2,177,778	2,177,778
Treasury shares		(28,622)	(28,622)
Statutory reserve		49,116	49,116
Retained earnings		325,704	279,838
Foreign currency translation reserve		(6,346)	(8,443)
		2,517,630	2,469,667
Non-controlling interests		79,506	72,097
Total equity		2,597,136	2,541,764
Non-current liabilities			
Employees' end of service benefits		56,654	49,679
Term loan		2,149	2,149
Other payables		1,643	1,526
Total non-current liabilities		60,446	53,354
Current liabilities			
Accounts payables and accruals		1,173,296	963,271
Due to related parties	8	243,846	189,421
Advances received from customers		562,339	238,283
Excess billings		165,245	97,246
Term loans		525,596	567,597
Due to banks		214,441	219,623
Total current liabilities		2,884,763	2,275,441
Total liabilities		2,945,209	2,328,795
Total equity and liabilities		5,542,345	4,870,559

The interim consolidated financial information was approved and authorised by the Board of Directors onMay 2011 and signed on its behalf by:

.....
Chairman

.....
Chief Executive Officer

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

Drake and Scull International PJSC

Interim consolidated statement of changes in equity (Unaudited)

	Share capital AED'000	Treasury shares AED'000	Statutory reserve AED'000	Retained Earnings AED'000	Foreign currency translation reserve AED'000	Total AED'000	Non- controlling interest AED'000	Total AED'000
Balance at 1 January 2010	2,177,778	(28,622)	33,654	300,736	(6,710)	2,476,836	38,587	2,515,423
Profit for the period	-	-	-	42,228	-	42,228	(441)	41,787
Other comprehensive loss for the period	-	-	-	-	(4,025)	(4,025)	-	(4,025)
Total comprehensive income for the period	-	-	-	42,228	(4,025)	38,203	(441)	37,762
Balance at 31 March 2010	2,177,778	(28,622)	33,654	342,964	(10,735)	2,515,039	38,146	2,553,185
Balance at 1 January 2011	2,177,778	(28,622)	49,116	279,838	(8,443)	2,469,667	72,097	2,541,764
Profit for the period	-	-	-	45,866	-	45,866	4,751	50,617
Other comprehensive income for the period	-	-	-	-	2,097	2,097	-	2,097
Total comprehensive income for the period	-	-	-	45,866	2,097	47,963	4,751	52,714
Non-controlling interest arising on business combinations	-	-	-	-	-	-	1,987	1,987
Non-controlling interest contribution to subsidiary's capital	-	-	-	-	-	-	671	671
Balance at 31 March 2011	2,177,778	(28,622)	49,116	325,704	(6,346)	2,517,630	79,506	2,597,136

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

Drake and Scull International PJSC

Interim consolidated statement of cash flows (Unaudited)

For the three months ended 31 March

	Three months ended 31 March 2011 AED'000	Three months ended 31 March 2010 AED'000
Cash flows from operating activities		
Profit for the period before tax	51,517	41,260
<i>Adjustments for:</i>		
Depreciation	17,921	7,380
Amortisation of intangible assets	8,389	8,389
Change in fair value of trading securities	-	(52)
Provision for employees' end of service benefits	3,031	3,046
Management fee	3,700	3,700
Finance income, net	(4,731)	(11,522)
<i>Operating cash flows before payment for employees' end of service benefits, changes in working capital and income tax paid</i>	79,827	52,201
Employees end of service benefits paid	(3,718)	(990)
Changes in working capital:		
Development properties	(1,596)	(2,708)
Inventories	1,443	(599)
Contract work-in-progress	(137,991)	(33,079)
Contract receivables and retentions	(28,603)	29,285
Due from related parties	19,129	(8,031)
Prepayments and other receivables	(152,865)	(25,278)
Accounts payables and accruals	125,853	(106,081)
Due to related parties	54,138	6,002
Advances received from customers	231,213	16,061
Amount due to customers on contracts	65,161	(29,326)
Income tax	1,047	(2,089)
Net cash provided by/ (used in) operating activities	253,038	(104,632)
Cash flows from investing activities		
Purchase of property, plant and equipment	(32,580)	(2,738)
Proceeds from disposal of property, plant and equipment	802	67
Investments	(31,436)	(3,285)
Movements in time deposits under lien	173,611	(43,557)
Loans and advances	(12,526)	(36,765)
Interest received	15,482	69,648
Net cash (outflow) / inflow on business combination	(98,803)	398
Net cash provided by / (used in) investing activities	14,550	(16,232)
Cash flows from financing activities		
Movements in due to banks	(15,027)	(30,953)
Proceeds from term loans	55,593	7,674
Prepayments of term loans	(97,594)	(32,813)
Interest paid	(10,751)	(5,755)
Net cash (used in) financing activities	(67,779)	(61,847)
Increase/(decrease) in cash and cash equivalents	199,809	(182,711)
Net foreign currency translation difference	(771)	(8,419)
Cash and cash equivalents as at 1 January	40,120	743,214
Cash and cash equivalents as at 31 March	239,158	522,084

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

Drake and Scull International PJSC

Notes to the condensed consolidated interim financial information (continued)

1 General information

Drake and Scull International PJSC (“the Company and the Parent Company”) and its subsidiaries (together “the Group”) was incorporated on 17 November 2008 and registered on 21 January 2009 as a Public Joint Stock Company in accordance with the UAE Federal Law No. 8 of 1984 (as amended).

The principal activities of the Company are carrying out contracting work relating to the construction industry, such as electrical, plumbing, air conditioning and sanitation work in the Middle East, Asia and North Africa region.

The Company’s registered head office is PO Box 65794, Dubai, United Arab Emirates.

Major subsidiaries of the Group are as follows:

Subsidiary	Country of Incorporation and operation	Share of equity (%)		Principal Activities
		2011	2010	
Drake & Scull International LLC (Abu Dhabi)	UAE	100	100	Contracting work relating to construction industry
Gulf Technical Construction Company LLC	UAE	80	80	Mechanical, electrical and civil construction work
Drake & Scull International for Electrical Contracting WLL	Kuwait	75	75	Electrical contracting and repairing work relating to construction industry
Drake & Scull International (Qatar) WLL	Qatar	100	100	Contracting work relating to construction industry
Passavant Engineering Limited	BVI	100	100	Holding company
Passavant Roediger GmbH and its subsidiaries (a subsidiary of Passavant Engineering Limited)	Germany	100	100	Developing waste water, water and sludge treatment plants
Drake & Scull International (Thailand) Limited	Thailand	100	100	Contracting work relating to construction industry
Drake & Scull International WLL	Saudi Arabia	65	65	Contracting work relating to construction industry
Drake & Scull International LLC	Egypt	100	100	Contracting work relating to construction industry

The Group, through Gulf Technical Construction Company LLC, also has a 50% interest in Ranya Test Joint Venture, a joint venture with Ranya General Contracting Company LLC under a joint venture agreement dated 12 August 2005. The Group also has, through Drake & Scull International LLC (Abu Dhabi), a 50% interest in King Abdullah University of Science and Technology project, a jointly controlled operation with Drake & Scull WLL – Saudi Arabia under a joint venture agreement dated 15 January 2008.

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Notes to the condensed consolidated interim financial information (continued)

2 Basis of preparation

This condensed consolidated interim financial information for the three month period ended 31 March 2011 has been prepared in accordance with IAS 34, 'Interim financial reporting'. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2010, which have been prepared in accordance with IFRSs.

a) Standards, interpretations and amendments effective in 2011

- IAS 24 (amendment), 'Related party disclosures' (effective 1 January 2011)

Management has assessed the impact of the above new standard on the Group's condensed consolidated interim financial information and has concluded that the effect on the Group's condensed consolidated interim financial information is not likely to be material.

b) Standards, interpretations and amendments to published standards that are not yet effective and have not been early adopted

- IFRS 9, 'Financial instruments' (effective 1 January 2013)

While adoption of IFRS 9 is mandatory from 1 January 2013, earlier adoption is permitted. The Group is considering the implications of the standard, the impact on the condensed consolidated interim financial information of the Group and the timing of its adoption.

3 Accounting policies

The accounting policies and methods of computation applied by the Group in these condensed consolidated interim financial information are the same as those applied by the Group in the consolidated financial statements as at and for the year ended 31 December 2010.

This condensed consolidated interim financial information is presented in United Arab Emirates Dirhams ("AED"), which is the functional currency, rounded to the nearest thousand.

4 Estimates

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

In preparing these condensed consolidated 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 consolidated financial statements as at and for the year ended 31 December 2010.

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Notes to the condensed consolidated interim financial information (continued)

5 Business combination

5.1 Acquisition in 2011

Acquisition of International Center for Contracting Co. Ltd (ICCC)

During the period, the Group acquired 100% shareholding in ICCC (a limited liability company incorporated in the Kingdom of Saudi Arabia) effective from 1 January 2011.

The Group has provisionally recorded tangible assets and liabilities at the value they were carried in the books of ICCC prior to the transfer, as summarised below:

	Carrying value AED'000
Assets	
Property, plant and equipment	80,444
Prepayments and other receivables	17,796
Contracts work-in-progress	9,313
Accounts receivables	122,363
Due from related parties	5,387
Cash and bank balances	26,495
Total tangible assets	<u>261,798</u>
Liabilities	
Employees' end of service benefits	(7,662)
Excess billings	(2,838)
Accounts payable and accrual	(84,525)
Due to related parties	(287)
Advances from customers	(92,843)
Due to banks	(11,514)
Equity minority interest	(1,988)
Total liabilities	<u>(201,657)</u>
Book value of net tangible assets acquired	<u>60,141</u>
 Total consideration	 125,298
Net assets acquired (as above)	<u>(60,141)</u>
Goodwill	<u>65,157</u>
<i>Cash flow on acquisition</i>	
Net cash acquired on business combination	26,495
Less: paid on acquisition	(125,298)
Net cash flow	<u>(98,803)</u>

The goodwill has been allocated to the Civil unit. The acquisition was undertaken to expand the operations of the Group to the Kingdom of Saudi Arabia. The goodwill represents expected synergies acquired. Adjustments to the provisional values to record separately identifiable intangible assets, if any, will be recognised within twelve months of the acquisition date as allowed by International Financial Reporting Standard 3, "Business Combinations".

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Notes to the condensed consolidated interim financial information (continued)

5 Business combination (continued)

5.1 Acquisition in 2011 (continued)

Acquisition of International Center for Contracting Co. Ltd (ICCC) (continued)

ICCC has contributed AED 60,069 thousand to the revenue of the Group and AED 2,607 thousand to the net profit of the Group since acquisition to 31 March 2011.

5.2 Acquisition in 2010

Acquisition of Drake & Scull International (Qatar) WLL

During the year 2010, the Group acquired a 100% interest in Drake & Scull International (Qatar) WLL ("DSI Qatar") effective from 1 January 2010.

The fair values of the identifiable assets and liabilities of DSI Qatar and corresponding carrying amounts as at the date of acquisition were as follows:

	Fair value AED'000	Carrying value AED'000
Assets		
Property, plant and equipment	2,511	2,511
Contracts work-in-progress	22,858	22,858
Contract receivables and retentions	45,963	45,963
Prepayments and other receivables	2,492	2,492
Cash and bank balances	398	398
	<u>74,222</u>	<u>74,222</u>
Liabilities		
Employees' end of service benefits	(1,547)	(1,547)
Loans	(534)	(534)
Due to related parties	(6,386)	(6,386)
Accounts payable and accruals	(42,150)	(42,150)
	<u>(50,617)</u>	<u>(50,617)</u>
Net identifiable assets	<u>23,605</u>	<u>23,605</u>
Total consideration	96,147	
Net assets acquired (as above)	<u>(23,605)</u>	
Goodwill	<u>72,542</u>	
<i>Cash flow on acquisition</i>		
Net cash acquired on business combination	398	
Less: paid on acquisition	<u>(96,147)</u>	
Net cash flow	<u>(95,749)</u>	

The goodwill has been allocated to the MEP unit. The acquisition was undertaken to expand the operations of the Group to the State of Qatar. The goodwill represents expected synergies acquired.

DSI Qatar has contributed AED 70,576 thousand to the revenue of the Group and a loss of AED 3,218 thousand to the results of the Group since the date of acquisition.

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Notes to the condensed consolidated interim financial information (continued)

6 Financial risk management

The Group's financial risk management objectives and processes are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2010.

7 Segment reporting

Information regarding the Group's operating segments is set out below in accordance with IFRS 8 Operating Segments. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

Business segment:

For management purpose, the Group is organised into business units based on their services and has three reportable operating business segments; MEP, IWP and Civil.

The MEP segment carries out contracting work relating to the construction industry, such as mechanical, electrical, plumbing and sanitation work.

The IWP segment carries out contracting work relating to the construction industry, such as infrastructure, water treatment plants, district cooling plants and power plants.

The Civil works segment carries out contracting work relating to the construction industry, such as property construction, sanitation work and real estate activities.

Income from sources other than the above business segments is included in other operating income.

Following is an analysis of the Group's revenue and results by the business segments;

Three month period ended 31 March 2011 (Unaudited)

	MEP AED'000	IWP AED'000	Civil AED'000	Corporate office AED'000	Eliminations AED'000	Total AED'000
Revenue:						
External customers	286,290	95,129	263,641	-	-	645,060
Internal - segments	19,003	819	29,075	-	(48,897)	-
	<u>305,293</u>	<u>95,948</u>	<u>292,716</u>	<u>-</u>	<u>(48,897)</u>	<u>645,060</u>
Segment profit	<u>50,654</u>	<u>3,022</u>	<u>9,525</u>	<u>(12,584)</u>	<u>-</u>	<u>50,617</u>
Depreciation	6,543	223	10,932	223	-	17,921
Capital expenditures	23,443	451	8,221	465	-	32,580
Segment assets as at 31 March 2011	<u>1,378,260</u>	<u>563,455</u>	<u>1,334,133</u>	<u>2,997,824</u>	<u>(731,327)</u>	<u>5,542,345</u>

Drake and Scull International PJSC

Notes to the condensed consolidated interim financial information (continued)

7 Segment reporting (continued)

Three months period ended 31 March 2010 (Unaudited)

	MEP AED'000	IWP AED'000	Civil AED'000	Corporate office AED'000	Eliminations AED'000	Total AED'000
Revenue:						
External customers	226,622	111,526	48,212	-	-	386,360
Internal - segments	4,273	1,583	9,473	-	(15,329)	-
	<u>230,895</u>	<u>113,109</u>	<u>57,685</u>	<u>-</u>	<u>(15,329)</u>	<u>386,360</u>
Segment profit	<u>25,630</u>	<u>13,986</u>	<u>(2,040)</u>	<u>4,211</u>	<u>-</u>	<u>41,787</u>
Depreciation	4,777	443	2,092	68	-	7,380
Capital expenditures	1,716	361	58	603	-	2,738
Segment assets as at 31 March 2010	<u>849,397</u>	<u>613,687</u>	<u>483,484</u>	<u>2,828,482</u>	<u>(351,502)</u>	<u>4,423,548</u>

Geographic segments:

The Group is presently engaged in carrying out contracting work relating to the construction industry in the United Arab Emirates, Saudi Arabia, Kuwait, Qatar, Egypt, Oman, Germany and Thailand.

Three month period ended 31 March 2011 (Unaudited)

	UAE AED'000	Others AED'000	Total AED'000	Eliminations AED'000	Total AED'000
Revenue from external customers	<u>299,316</u>	<u>345,744</u>	<u>645,060</u>	<u>-</u>	<u>645,060</u>
Non-current assets	<u>1,868,983</u>	<u>122,543</u>	<u>1,991,526</u>	<u>(274,986)</u>	<u>1,716,541</u>

Three month period ended 31 March 2010 (Unaudited)

	UAE AED'000	Others AED'000	Total AED'000	Eliminations AED'000	Total AED'000
Revenue from external customers	<u>282,405</u>	<u>103,955</u>	<u>386,360</u>	<u>-</u>	<u>386,360</u>
Non-current assets	<u>1,601,683</u>	<u>11,240</u>	<u>1,612,923</u>	<u>(254,523)</u>	<u>1,358,400</u>

The above revenue information is based on the location of the Group companies undertaking the work.

Revenue from two largest customers amounted to AED 85,511 thousand and AED 73,782 thousand relating to Civil segment for the three months ended 31 March 2011 (AED 18,328 thousand and AED 17,774 thousand relating to IWP and MEP segment respectively for three months ended 31 March 2010).

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Notes to the condensed consolidated interim financial information (continued)

8 Balances and transactions with related parties

Related parties comprise the major shareholders, key management personnel, directors of the Board and their related companies. In the normal course of business, the Group had various transactions with its related parties. Transactions are entered into with the related parties on terms and conditions approved by either the Group's management, or its Board of Directors.

Balances and transactions between the Company and its subsidiaries are eliminated on consolidation and are not disclosed in this note. Details of balances and transactions between the Group and other related parties during the period are as follows:

Balances with related parties

	<u>31 March 2011</u>		<u>31 December 2010</u>	
	Due from related parties (Unaudited) AED'000	Due to related parties (Unaudited) AED'000	Due from related parties (audited) AED'000	Due to related parties (audited) AED'000
Joint ventures	9,461	-	17,848	-
Other related parties	506	243,846	5,861	189,421
	<u>9,967</u>	<u>243,846</u>	<u>23,709</u>	<u>189,421</u>

Transactions with related parties

	Three month period ended 31 March 2011 (Unaudited) AED'000	Three month period ended 31 March 2010 (Unaudited) AED'000
Management fee expense	<u>3,700</u>	<u>3,700</u>

The Group had the following transactions with Drake & Scull Group (DSG), an entity owned by the Chief Executive Officer of the Company:

From 1 January 2011 to 31 March 2011

- The Company has acquired 50% of ICCG from DSG and the remaining 50% has been acquired from third parties (Note 5.1).

From 1 January 2010 to 31 March 2010

- The Group acquired 49% of Drake & Scull International (Qatar) WLL from parties who were beneficially holding the interest on behalf of DSG and the remaining 51% were acquired from third parties (Note 5.2).

Drake and Scull International PJSC

Notes to the condensed consolidated interim financial information (continued)

8 Balances and transactions with related parties (continued)

Transactions with related parties (continued)

The remuneration of directors and other members of key management during the period were as follows:

	Three month period ended 31 March 2011 (Unaudited) AED'000	Three month period ended 31 March 2010 (Unaudited) AED'000
Salaries and other short term benefits	7,341	8,038
End of service benefits	293	340
	<u>7,634</u>	<u>8,378</u>

9 Cash and cash equivalents

	31 March 2011 (Unaudited) AED'000	31 March 2010 (Unaudited) AED'000
Cash and bank balances	645,908	1,025,357
Less: Time deposits under lien	(299,068)	(370,802)
Bank overdrafts	(107,682)	(102,471)
	<u>239,158</u>	<u>552,084</u>

10 Income tax expense / (credit)

The major components of income tax expense for the period ended 31 March 2011 are:

	31 March 2011 (Unaudited) AED'000	31 March 2010 (Unaudited) AED'000
<i>Current income tax expense:</i>		
Current income tax charge / (credit)	(153)	273
<i>Deferred tax income:</i>		
Relating to origination and reversal of temporary differences	1,053	(800)
	<u>900</u>	<u>(527)</u>

Drake and Scull International PJSC

Notes to the condensed consolidated interim financial information (continued)

11 Earnings per share

	Three month period ended 31 March 2011 (Unaudited)	Three month period ended 31 March 2010 (Unaudited)
Earnings (AED'000)		
Earnings for the purposes of basic earnings per share being net profit attributable to owners of the parent	<u>45,866</u>	<u>42,228</u>
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	<u>2,145,377,778</u>	<u>2,145,377,778</u>
Basic and diluted earnings per share (AED)	<u>0.021</u>	<u>0.020</u>

12 Contingencies

	31 March 2011 (Unaudited) AED'000	31 December 2010 (Audited) AED'000
Performance bonds	759,393	731,777
Advance payment and other guarantees	896,544	659,074
	<u>1,655,937</u>	<u>1,390,851</u>

13 Commitments

	31 March 2011 (Unaudited) AED'000	31 December 2010 (Audited) AED'000
Future minimum lease payments:		
Within one year	23,190	22,115
After one year but not more than 5 years	544	544
More than 5 years	<u>1,742</u>	<u>1,851</u>
Total operating lease expenditure contracted for at the reporting date	<u>25,476</u>	<u>24,510</u>

Drake and Scull International PJSC

Notes to the condensed consolidated interim financial information (continued)

14 Corresponding figures

Corresponding figures have been re-classified, where necessary, to conform to the current period's classification, as follows:

Time deposits of AED 83 million has been reclassified from 'Cash and cash equivalents' to 'Held to maturity investments' as it represents a capital guaranteed structured investment with a bank. This investment is provided as a security against a financial guarantee issued by the bank to the Company.