DP WORLD

DP WORLD LIMITED
AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2010

DP World Limited and its subsidiaries

Consolidated income statement

for the year ended 31 December 2010

	Notes	Year ended 31 December 2010 Before separately disclosed items USD'000	Year ended 31 December 2010 Separately disclosed items (Note 11) USD'000	Year ended 31 December 2010 Total USD'000	Year ended 31 December 2009 Before separately disclosed items USD'000	Year ended 31 December 2009 Separately disclosed items (Note 11) USD'000	Year ended 31 December 2009 Total USD'000
Revenue from operations	7	**3,078,076**	**110,865**	**3,188,941**	2,821,017	108,212	2,929,229
Cost of sales		**(2,126,965)**	**(110,865)**	**(2,237,830)**	(1,956,008)	(108,212)	(2,064,220)
Gross profit		**951,111**	**-**	**951,111**	865,009	-	865,009
General and administrative expenses		**(329,576)**	**(3,700)**	**(333,276)**	(284,551)	(20,755)	(305,306)
Other income		**20,324**	**8,905**	**29,229**	19,117	3,000	22,117
Share of profit from equity-accounted investees	15	**140,203**	**244**	**140,447**	71,307	(1,970)	69,337
Profit on sale/ termination of business (net of tax)	11	**-**	**13,200**	**13,200**	-	44,276	44,276
Result from operating activities		**782,062**	**18,649**	**800,711**	670,882	24,551	695,433
Finance income	9	**89,395**	**-**	**89,395**	72,950	12,542	85,492
Finance costs	9	**(368,223)**	**(17,583)**	**(385,806)**	(356,728)	-	(356,728)
Net finance costs		**(278,828)**	**(17,583)**	**(296,411)**	(283,778)	12,542	(271,236)
Profit before income tax		**503,234**	**1,066**	**504,300**	387,104	37,093	424,197
Income tax expense	10	**(53,174)**	**-**	**(53,174)**	(54,441)	313	(54,128)
Profit for the year	8	**450,060**	**1,066**	**451,126**	332,663	37,406	370,069
Profit attributable to:							
Owners of the Company		**373,741**	**1,066**	**374,807**	295,456	37,406	332,862
Non-controlling interests		**76,319**	**-**	**76,319**	37,207	-	37,207
		450,060	**1,066**	**451,126**	332,663	37,406	370,069
Earnings per share	22						
Basic and diluted earnings per share – US cents				**2.26**			2.01

The accompanying notes 10 to 99 form an integral part of these consolidated financial statements.

The independent auditors' report is set out on page 1.

DP World Limited and its subsidiaries

Consolidated statement of comprehensive income

for the year ended 31 December 2010

	Notes	2010 USD'000	2009 USD'000
Profit for the year	8	**451,126**	370,069
Other comprehensive income			
Effective portion of net changes in fair value of cash flow hedges		**(35,495)**	26,652
Foreign exchange translation differences for foreign operations *	20	**164,671**	724,603
Foreign exchange (loss)/ profit recycled to consolidated income statement		**500**	(32,194)
Net change in cash flow hedges reclassified to consolidated income statement		**8,974**	-
Net change in fair value of available-for-sale financial assets	16	**1,139**	13,745
Share in other comprehensive income of equity-accounted investees		**500**	-
Defined benefit plan actuarial gain/ (losses)	24	**55,100**	(162,200)
Income tax on other comprehensive income:			
Fair value of cash flow hedges		**4,500**	(1,700)
Defined benefit plan actuarial gain/ (losses)		**(1,100)**	6,500
Other comprehensive income for the year, net of income tax		**198,789**	575,406
Total comprehensive income for the year		**649,915**	945,475
Total comprehensive income attributable to:			
Owners of the Company		**588,124**	905,075
Non-controlling interests		**61,791**	40,400
		649,915	945,475

* This includes a significant portion of foreign exchange translation differences arising from the translation of goodwill and purchase price adjustments which are denominated in foreign currencies at the Group level. Furthermore, the translation differences arising on account of translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency on Group consolidation are also reflected here. There are no differences on translation from functional to presentation currency as the Companys' functional currency is currently pegged to the presentation currency (refer to note 2(d)).

The accompanying notes 1 to 34 form an integral part of these consolidated financial statements.

DP World Limited and its subsidiaries

Consolidated statement of financial position
as at 31 December 2010

	Notes	**2010 USD'000**	2009 USD'000
Assets			
Non-current assets			
Property, plant and equipment	*12*	**5,086,217**	4,859,200
Goodwill	*13*	**1,670,301**	2,424,689
Port concession rights	*13*	**3,577,813**	4,174,195
Investment in equity-accounted investees	*15*	**3,474,113**	3,453,833
Deferred tax assets	*10*	**86,385**	103,439
Other investments	*16*	**65,868**	65,289
Accounts receivable and prepayments	*17*	**88,378**	74,256
Total non-current assets		**14,049,075**	15,154,901
Current assets			
Inventories		**52,797**	59,700
Accounts receivable and prepayments	*17*	**653,216**	807,469
Bank balances and cash	*18*	**2,519,616**	2,910,066
Assets held for sale	*28*	**2,084,840**	28,400
Total current assets		**5,310,469**	3,805,635
Total assets		**19,359,544**	18,960,536

DP World Limited and its subsidiaries

Consolidated statement of financial position (continued)
as at 31 December 2010

	Notes	**2010 USD'000**	2009 USD'000
Equity			
Share capital	*19*	**1,660,000**	1,660,000
Share premium	*20*	**2,472,655**	2,472,655
Shareholders' reserve	*20*	**2,000,000**	2,000,000
Retained earnings		**1,823,491**	1,584,804
Hedging and other reserves	*20*	**(64,658)**	(49,864)
Actuarial reserve	*20*	**(249,700)**	(302,300)
Translation reserve	*20*	**40,074**	(134,347)
Total equity attributable to equity holders of the Company		**7,681,862**	7,230,948
Non-controlling interests		**814,064**	806,497
Total equity		**8,495,926**	8,037,445
Liabilities			
Non current liabilities			
Deferred tax liabilities	*10*	**1,107,273**	1,304,854
Employees' end of service benefits	*23*	**45,988**	42,948
Pension and post-employment benefits	*24*	**174,900**	269,400
Interest bearing loans and borrowings	*25*	**7,420,299**	7,474,878
Accounts payable and accruals	*26*	**368,152**	346,763
Total non-current liabilities		**9,116,612**	9,438,843
Current liabilities			
Income tax liabilities	*10*	**84,304**	126,655
Bank overdrafts	*18*	**3,000**	11,500
Pension and post-employment benefits	*24*	**14,500**	45,400
Interest bearing loans and borrowings	*25*	**349,447**	483,091
Accounts payable and accruals	*26*	**939,562**	817,602
Liabilities held for sale	*28*	**356,193**	-
Total current liabilities		**1,747,006**	1,484,248
Total liabilities		**10,863,618**	10,923,091
Total equity and liabilities		**19,359,544**	18,960,536

The accompanying notes 10 to 99 form an integral part of these consolidated financial statements.

DP World Limited and its subsidiaries

Consolidated statement of changes in equity

For the year ended 31 December 2010

	Attributable to equity holders of the Company									
	Share capital USD'000	**Share premium USD'000**	**Shareholders' reserve USD'000**	**Retained earnings USD'000**	**Hedging and other reserves USD'000**	**Actuarial reserve USD'000**	**Translation reserve USD'000**	**Total USD'000**	**Non-controlling interests USD'000**	**Total equity USD'000**
Balance as at 1 January 2010	1,660,000	2,472,655	2,000,000	1,584,804	(49,864)	(302,300)	(134,347)	7,230,948	806,497	8,037,445
Total comprehensive income for the year:										
Profit for the year	-	-	-	374,807	-	-	-	374,807	76,319	451,126
Other comprehensive income:										
Foreign currency translation differences	-	-	-	-	-	-	173,921	173,921	(9,250)	164,671
Foreign exchange recycled to consolidated income statement	-	-	-	-	-	-	500	500	-	500
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	(24,317)	-	-	(24,317)	(6,678)	(30,995)
Net changes in cash flow hedges recycled to consolidated income statement	-	-	-	-	8,974	-	-	8,974	-	8,974
Net change in fair value of available-for-sale financial assets	-	-	-	-	1,139	-	-	1,139	-	1,139
Defined benefit plan actuarial losses, net of tax	-	-	-	-	-	52,600	-	52,600	1,400	54,000
Share in other comprehensive income of equity-accounted investees	-	-	-	-	500	-	-	500	-	500
Total other comprehensive income	-	-	-	-	(13,704)	52,600	174,421	213,317	(14,528)	198,789
Total comprehensive income for the year	-	-	-	374,807	(13,704)	52,600	174,421	588,124	61,791	649,915
Transactions with owners, recorded directly in equity										
Dividends paid (refer to note 21)	-	-	-	(136,120)	-	-	-	(136,120)	-	(136,120)
Share-based payment transaction	-	-	-	-	(1,090)	-	-	(1,090)	-	(1,090)
Total transactions with owners	-	-	-	(136,120)	(1,090)	-	-	(137,210)	-	(137,210)
Transactions with non-controlling interests, recorded directly in equity										
Dividends paid	-	-	-	-	-	-	-	-	(54,834)	(54,834)
Amounts contributed by non-controlling interests	-	-	-	-	-	-	-	-	610	610
Total transactions with non-controlling interests	-	-	-	-	-	-	-	-	(54,224)	(54,224)
Balance as at 31 December 2010	1,660,000	2,472,655	2,000,000	1,823,491	(64,658)	(249,700)	40,074	7,681,862	814,064	8,495,926

DP World Limited and its subsidiaries

Consolidated statement of changes in equity (continued)
For the year ended 31 December 2010

	Attributable to equity holders of the Company									
	Share capital USD'000	Share premium USD'000	Shareholders' reserve USD'000	Retained earnings USD'000	Hedging and other reserves USD'000	Actuarial reserve USD'000	Translation reserve USD'000	Total USD'000	Non-controlling interests USD'000	Total equity USD'000
Balance as at 1 January 2009	1,660,000	2,472,655	2,000,000	1,366,482	(111,175)	(153,300)	(801,394)	6,433,268	739,994	7,173,262
Total comprehensive income for the year:										
Profit for the year	-	-	-	332,862	-	-	-	332,862	37,207	370,069
Other comprehensive income:										
Foreign currency translation differences	-	-	-	-	-	-	700,919	700,919	23,684	724,603
Foreign exchange recycled to consolidated income statement	-	-	-	-	-	-	(32,194)	(32,194)	-	(32,194)
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	38,743	-	-	38,743	(13,791)	24,952
Net change in fair value of available-for-sale financial assets	-	-	-	-	13,745	-	-	13,745	-	13,745
Defined benefit plan actuarial losses, net of tax	-	-	-	-	-	(149,000)	-	(149,000)	(6,700)	(155,700)
Total other comprehensive income	-	-	-	-	52,488	(149,000)	668,725	572,213	3,193	575,406
Total comprehensive income for the year	-	-	-	332,862	52,488	(149,000)	668,725	905,075	40,400	945,475
Transactions with owners, recorded directly in equity										
Dividends paid (refer to note 21)	-	-	-	(114,540)	-	-	-	(114,540)	-	(114,540)
Share-based payment transactions	-	-	-	-	2,145	-	-	2,145	-	2,145
Transfer of share based payments of previous year	-	-	-	-	2,145	-	(2,145)	-	-	-
Transfer of other reserves	-	-	-	-	(467)	-	467	-	-	-
Others	-	-	-	-	5,000	-	-	5,000	-	5,000
Total transactions with owners	-	-	-	(114,540)	8,823	-	(1,678)	(107,395)	-	(107,395)
Transactions with non-controlling interests, recorded directly in equity										
Dividends paid	-	-	-	-	-	-	-	-	(17,474)	(17,474)
Amounts contributed by non-controlling interests	-	-	-	-	-	-	-	-	43,577	43,577
Total transactions with non-controlling interests	-	-	-	-	-	-	-	-	26,103	26,103
Balance as at 31 December 2009	1,660,000	2,472,655	2,000,000	1,584,804	(49,864)	(302,300)	(134,347)	7,230,948	806,497	8,037,445

DP World Limited and its subsidiaries

Consolidated statement of cash flows

For the year ended 31 December 2010

	Notes	2010 USD'000	2009 USD'000
Cash flows from operating activities			
Profit for the year		**451,126**	370,069
Adjustments for:			
Depreciation and amortisation	*8*	**462,090**	414,217
Net share of profit from equity-accounted investees		**(140,447)**	(69,337)
Finance costs	*9*	**385,806**	356,728
Profit on sale of property, plant and equipment		**(866)**	(4,058)
Net gain on sale of investment in subsidiaries and equity-accounted investees		**(13,200)**	(44,276)
Finance income	*9*	**(89,395)**	(85,492)
Income tax expenses	*10*	**53,174**	54,128
Gross cash flow from operations		**1,108,288**	991,979
Change in inventories		**(265)**	(2,271)
Change in accounts receivable and prepayments		**69,811**	(60,580)
Change in accounts payable and accruals		**169,132**	(229,958)
Change in provisions, pensions and post-employment benefits		**10,115**	(57,886)
		1,357,081	641,284
Income taxes paid		**(82,139)**	(68,944)
Net cash from operating activities		**1,274,942**	572,340
Cash flows from investing activities			
Additions to property, plant and equipment	*12*	**(710,126)**	(828,234)
Acquisition of land	*12*	**(191,982)**	-
Proceeds from disposal of property, plant and equipment and port concession rights		**16,169**	11,755
Proceeds from sale of investment in subsidiaries		**-**	33,689
Proceeds from sale of investment in equity-accounted investees		**16,834**	43,711
Additions to port concessions rights	*13*	**(226,606)**	(139,259)
Interest received		**79,217**	75,636
Dividends received from equity-accounted investees		**137,215**	147,202
Additional investment in equity-accounted investees		**(16,535)**	(219,134)
Net loan repaid by/ (given to) equity-accounted investees		**25,200**	(40,853)
Net cash used in investing activities		**(870,614)**	(915,487)

DP World Limited and its subsidiaries

Consolidated statement of cash flows (continued)

For the year ended 31 December 2010

	Notes	2010 USD'000	2009 USD'000
Cash flows from financing activities			
Repayment of interest bearing loans and borrowings		**(617,517)**	(168,215)
Drawdown of interest bearing loans and borrowings		**439,748**	2,600,020
Dividend paid to the owners of the Company		**(136,120)**	(114,540)
Amounts contributed by non-controlling shareholders		**610**	20,786
Interest paid		**(358,899)**	(357,204)
Dividends paid to non-controlling shareholders		**(54,834)**	(17,474)
Net cash (used in)/ from financing activities		**(727,012)**	1,963,373
Net (decrease)/ increase in cash and cash equivalents		**(322,684)**	1,620,226
Cash and cash equivalents as at 1 January		**2,898,566**	1,154,145
Effect of exchange rate fluctuations on cash held		**(8,366)**	124,195
Cash and cash equivalents as at 31 December	*18*	**2,567,516**	2,898,566

Cash and cash equivalents comprise of the following:

	2010	2009
Bank balances and cash	**2,519,616**	2,910,066
Cash classified as held for sale	**50,900**	-
Bank overdrafts	**(3,000)**	(11,500)
Cash and cash equivalents	**2,567,516**	2,898,566

The accompanying notes 10 to 99 form an integral part of these consolidated financial statements.

The independent auditors' report is set out on page 1.

1 Reporting entity

DP World Limited ("the Company") was incorporated on 9 August 2006 as a Company Limited by Shares with the Registrar of Companies of the Dubai International Financial Centre ("DIFC") under the Companies Law, DIFC Law No. 3 of 2006. The consolidated financial statements of the Company for the year ended 31 December 2010 comprise the Company and its subsidiaries (collectively referred to as "the Group") and the Group's interests in associates and jointly controlled entities. The Group is engaged in the business of international marine terminal operations and development, logistics and related services.

Port & Free Zone World FZE ("the Parent Company") which originally held 100% of the Company's issued and outstanding share capital, made an initial public offer of 19.55% of its share capital to the public and as a result the Company was listed on the Nasdaq Dubai (formerly known as Dubai International Financial Exchange) with effect from 26 November 2007.

Port & Free Zone World FZE is a wholly owned subsidiary of Dubai World Corporation ("the Parent Group"), which is the ultimate holding company of the Group.

The Company's registered office address is P.O. Box 17000, Dubai, United Arab Emirates.

2 Basis of preparation

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the applicable requirements of the laws of Dubai International Financial Centre.

The consolidated financial statements were approved by the Board of Directors on 23 March 2011.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for derivative financial instruments and available-for-sale financial assets which are measured at fair value.

The methods used to measure fair values are discussed further in note 4.

2 Basis of preparation (continued)

(c) Funding and liquidity

The Group's business activities, together with factors likely to affect its future development, performance and position are set out in the Chairman's Statement and Operating and Financial Review. In addition, note 5 sets out the Group's objectives, policies and processes for managing the Group's financial risk including capital management and note 29 provides details of the Group exposure to credit risk, liquidity risk and interest rate risk from financial instruments.

The Board of Directors remain satisfied with the Group's funding and liquidity position. At 31 December 2010, the Group had net debt of USD 5,253,130 thousand (2009: USD 5,059,403 thousand). The Group's credit facility covenants are currently well within the covenant limits. The Group generated gross cash of USD 1,108,288 thousand (2009: USD 991,979 thousand) from operating activities and its interest cover for the year is 4.2 times (2009: 4 times) (calculated using adjusted EBITDA and net interest expense).

Based on the above, the Board of Directors have concluded that the going concern basis of preparation continues to be appropriate.

(d) Functional and presentation currency

The functional currency of the Company is UAE Dirhams. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

These consolidated financial statements are presented in United States Dollars ("USD"), which in the opinion of management is the most appropriate presentation currency in view of the global presence of the Group. All financial information presented in USD is rounded to the nearest thousand.

UAE Dirham is currently pegged to USD and there are no differences on translation from functional to presentation currency.

(e) Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(a) Judgements

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are as follows:

2 Basis of preparation (continued)

(e) Use of estimates and judgements (continued)

(a) Judgements (continued)

(i) Provision for income taxes and deferred tax assets

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax claims based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(ii) Impairment of available-for-sale financial assets

Equity investments are impaired when an objective evidence of impairment exists. A significant or prolonged decline in fair value of an investment is considered as objective evidence of impairment. The Group considers that generally a decline of 20% will be considered as significant and a decline of over 9 months will be generally considered as prolonged.

(iii) Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as market risk, credit risk and volatility.

(iv) Contingent liabilities

There are various factors that could result in a contingent liability being disclosed if the probability of any outflow in settlement is not remote. The assessment of the outcome and financial effect is based upon management's best knowledge and judgement of current facts as at the reporting date.

(b) Estimates

Information about assumptions and estimation uncertainties that have significant risk of resulting in a material adjustment within the next financial year are as follows:

2 Basis of preparation (continued)

(e) Use of estimates and judgements (continued)

(b) Estimates (continued)

(i) Useful life of property, plant and equipment and port concession rights with finite life

The useful life of property, plant and equipment and port concession rights with finite life is determined by the Group's management based on their estimate of the period over which an asset or port concession rights is expected to be available for use by the Group. This estimate is reviewed and adjusted if appropriate at each financial year end. This may result in a change in useful economic lives and therefore depreciation and amortisation expense in future periods.

(ii) Impairment testing of goodwill and port concession rights

The Group determines whether goodwill and port concession rights with indefinite life are impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated or to which the port concession rights exist. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(iii) Impairment of accounts receivable

An estimate of the collectible amount of accounts receivable is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates. Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the consolidated income statement.

(iv) Pension and post employment benefits

The cost of defined benefit pension plans and other post employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

(f) Change in accounting policies

Overview

As of 1 January 2010, the Group has changed its accounting policies in the following areas:

- Accounting for business combinations – IFRS 3 (revised)
- Accounting for acquisitions of non-controlling interests – IAS 27 (revised)
- Accounting for long term leases of land – IAS 17 (amendment)

2 Basis of preparation (continued)

(f) Change in accounting policies (continued)

(i) Accounting for business combinations

In respect of business combinations, costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred. The revised standard does not have an impact on these consolidated financial statements as there were no business combinations accounted by the Group. The change in accounting policy has been applied prospectively and has had no impact on earnings per share.

(ii) Accounting for acquisitions of non-controlling interests

Under the new accounting policy, acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests are based on a proportionate amount of the carrying value of net assets of the subsidiary. The change in accounting policy has been applied prospectively and has had no impact on earnings per share.

(iii) Accounting for long term leases of land

As per the amendment of IAS 17 'Leases', which is applicable from 1 January 2010, a land lease with a lease term of several decades or longer may be classified as a finance lease, even if at the end of the lease term title will not pass to the lessee, because in such arrangements substantially all risks and rewards are transferred to the lessee and the present value of the residual value of the leased asset is considered negligible. The amendment also clarifies that the lessee in leases of this type will typically be in a position economically similar to that of the buyer.

The Group has assessed its port concession agreements based on the above amendment and concluded that none of its concession agreements result in a position which is economically similar to that of the buyer. Accordingly the amendment has had no impact on the Group's financial position.

3 Significant accounting policies

The accounting policies set out below have been applied consistently in the period presented in these consolidated financial statements and have been applied consistently by the Group entities.

(a) Basis of consolidation

(i) Business combinations

Except for transactions involving entities under common control, where the provisions of IFRS 3, '*Business Combinations*' are not applicable, business combinations are accounted for using the acquisition method. This involves recognising identifiable assets (including previously unrecognised port concession rights) and liabilities (including contingent liabilities and excluding future restructuring) of the acquired business at fair value. All acquisition-related costs are expensed.

3 Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non controlling interests to have a deficit balance.

(iii) De-recognition of subsidiaries

Gains or losses arising from de-recognition of subsidiaries are measured as the difference between the net disposal proceeds and the carrying amount of the subsidiary and are recognised in the consolidated income statement when the subsidiary is de-recognised.

(iv) Accounting for acquisitions of non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests are based on a proportionate amount of the carrying value of net assets of the subsidiary.

(v) Special purpose entities

The Group has established DP World Sukuk Limited (a limited liability company incorporated in the Cayman Islands) as a special purpose entity ("SPE") for the issue of Sukuk Certificates. These certificates are listed on NASDAQ Dubai. The Group does not have any direct or indirect shareholdings in this entity. An SPE is consolidated based on an evaluation of the substance of its relationship with the Group and based on the SPE's risks and rewards; the Group concludes that it controls the SPE. The SPE controlled by the Group was established under terms that impose strict limitations on the decision-making powers of the SPE's management and that result in the Group receiving the majority of the benefits related to the SPE's operations and net assets, being exposed to risks incident to the SPE's activities, and retaining the majority of the residual or ownership risks related to the SPE or its assets.

(vi) Investments in associates and joint ventures (equity-accounted investees)

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

3 Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(vi) Investments in associates and joint ventures (equity-accounted investees) (continued)

Investment in associates and joint ventures are accounted for using the equity method (equity-accounted investees) and are initially recorded at cost. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Group's share of the income and expenses of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee. The transactions between the Group and associates and joint ventures are made at normal market prices.

(vii) Loss of control

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the consolidated income statement. If the Group retains any interest in the previous subsidiary, then such interest is re-measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(viii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from the transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3 Significant accounting policies (continued)

(b) Foreign currency

(i) Foreign currency transactions

These consolidated financial statements are presented in USD, which is the Group's presentation currency. Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured at historical cost are translated to the functional currency using the exchange rate at the date of transaction. Foreign currency differences arising on retranslation of monetary items are recognised in the consolidated income statement, except for differences arising on the retranslation of available-for-sale equity instruments, of a financial liability designated as a hedge of the net investment in a foreign operation, or qualifying cash flow hedges, which are recognised directly in other comprehensive income (refer to note 3b (iii)).

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to USD at exchange rates at the reporting date. The income and expenses of foreign operations are translated to USD at rates approximating to the foreign exchange rates ruling at the date of the transactions. Foreign exchange differences arising on translation are recognised in other comprehensive income and presented in the translation reserve in equity.

When a foreign operation is disposed such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to consolidated income statement as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to consolidated income statement.

Foreign exchange gains and losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the translation reserve in equity.

(iii) Hedge of net investment in foreign operation

Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in foreign operation are recognised in other comprehensive income, to the extent that the hedge is effective. To the extent that the hedge is ineffective, such differences are recognised in the consolidated statement of comprehensive income. When the hedged part of a net investment is disposed off, the associated cumulative amount in other comprehensive income is transferred to the consolidated income statement on disposal.

3 Significant accounting policies (continued)

(c) Financial instruments

(i) Non-derivative financial assets

Initial recognition and measurement:

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held to maturity financial assets, loans and receivables and available-for-sale financial assets. The Group determines the classification of its financial assets at initial recognition.

All non-derivative financial assets are recognised initially at fair value, plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs.

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group's non-derivative financial assets comprise investments in an unquoted infrastructure fund, debt securities, bank balances and cash, trade and other receivables, due from related parties and cash and cash equivalents.

Subsequent measurement:

The subsequent measurement of non derivative financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Attributable transaction costs are recognised in the consolidated income statement as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in consolidated income statement.

Held to maturity financial assets

If the Group has a positive intent and ability to hold debt securities to maturity, then these are classified as held-to-maturity. Subsequent to initial recognition held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance cost in the consolidated income statement. Gains and losses are also recognised in the consolidated income statement when these financial assets are derecognised.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest rate method, less any impairment losses. Loans and receivables comprise bank balances and cash, due from related parties and trade and other receivables.

3 Significant accounting policies (continued)

(c) Financial instruments (continued)

(i) Non-derivative financial assets (continued)

Loans and receivables (continued)

Bank balances and cash
Bank balances and cash in the statement of financial position comprise cash in hand, bank balances and short-term deposits under lien with an original maturity of three months or less.

For the purpose of consolidated statement of cash flows, cash and cash equivalents consist of bank balances and cash as defined above and cash classified as held for sale, net of bank overdrafts. Bank overdrafts forms an integral part of the Group's cash management and is included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

Available-for-sale investments

Available-for-sale financial assets comprise equity securities. Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets. Subsequent to initial recognition these are measured at fair value and changes therein are recognised in other comprehensive income and presented in the other reserves in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to the consolidated income statement.

De-recognition of non derivative financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

(ii) Non -derivative financial liabilities

Initial recognition and measurement:

The Group classifies non-derivative financial liabilities into the following categories: financial liabilities at fair value through profit or loss and other financial liabilities. Other financial liabilities comprise loans and borrowings, bank overdrafts, due to related parties and trade and other payables. The Group determines the classification of its financial liabilities at initial recognition.

All non-derivative financial liabilities are recognised initially at fair value and in the case of other financial liabilities, plus, directly attributable transaction costs.

The Group initially recognises debt securities issued and subordinated liabilities on the date they originate. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

Subsequent measurement:

The subsequent measurement of non derivative financial liabilities depends on their classification as follows:

3 Significant accounting policies (continued)

(c) Financial instruments (continued)

Financial liabilities at fair value through profit or loss

A financial liability is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Financial liabilities at fair value through profit or loss are measured at fair value, and changes therein are recognised in consolidated income statement.

Other financial liabilities

Subsequent to initial recognition, these financial liabilities are measured at amortised cost using effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the consolidated income statement.

Fees paid on the establishment of loan facilities are recognised as transaction costs to the extent there is evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

De-recognition of non derivative financial liabilities

The Group derecognise a financial liability when its contractual obligations are discharged or cancelled or expires.

(iii) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. On initial designation of the derivatives as the hedging instrument, the Group formally documents the relationship between the hedging instrument and hedged item, including the risk management objective and strategy in undertaking the hedge transaction and hedged risk together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be “highly effective” in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk and whether the actual results of each hedge are within the acceptable range.

Derivatives are recognised initially at fair value and attributable transaction costs are recognised in the consolidated income statement when incurred. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

3 Significant accounting policies (continued)

(c) Financial instruments (continued)

(iii) Derivative financial instruments (continued)

Derivative instruments that are not designated as hedging instruments in hedge relationships as defined by IAS 39 are classified as financial liabilities or assets at fair value through profit or loss.

Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below:

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect consolidated income statement, then such hedges are classified as cash flow hedges.

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in the other comprehensive income to the extent that the hedge is effective and presented in the hedging reserve in the equity.

When the hedged item is a non-financial asset, the amount recognised in other comprehensive income is transferred to the carrying amount of the asset when it is recognised. In other cases, the amount recognised in other comprehensive income is transferred to consolidated income statement in the same period that the hedged item affects the consolidated income statement. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the consolidated income statement. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in other comprehensive income remains there until the forecast transaction occurs.

(iv) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to set off on a net basis, or to realise the assets and settle the liability simultaneously.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses (refer to accounting policy on impairment).

3 Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

(i) Recognition and measurement (continued)

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of a self-constructed asset includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located. Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset are included in the cost of that asset. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are depreciated as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and recognised within 'other income' in the consolidated income statement.

Capital work-in-progress

Capital work-in-progress is measured at cost less impairment losses and not depreciated until such time the assets are ready for intended use and transferred to the respective category under property, plant and equipment.

Dredging

Dredging expenditure is categorised into capital dredging and major maintenance dredging. Capital dredging is expenditure which includes creation of a new harbour, deepening or extension of the channel berths or waterways in order to allow access to larger ships which will result in future economic benefits for the Group. This expenditure is capitalised and amortised over the expected period of the relevant concession agreement. The expenditure is also capitalised under port concession rights due to application of IFRIC 12 '*Service Concession Arrangements'.*

Major maintenance dredging is expenditure incurred to restore the channel to its previous condition and depth. On an average, the Group incurs such expenditure every 10 years. At the completion of maintenance dredging, the channel has an average service potential of 10 years. Any unamortised expense is written-off on commencing of any new dredging activities. Maintenance dredging is regarded as a separate component of the asset and is capitalised and amortised evenly over 10 years.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amounts of the replaced parts are derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the consolidated income statement as incurred.

3 Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

(iii) Depreciation

Depreciation is recognised in the consolidated income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment is based on cost less residual value.

Dredging costs are depreciated on a straight line basis based on the lives of various components of dredging.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. No depreciation is provided on freehold land.

The estimated useful lives of assets are as follows:

Assets	**Useful life (years)**
Buildings	5 – 50
Plant and equipment	3 – 25
Ships	10 – 35
Dredging	10 – 99

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if required.

(e) Goodwill

Goodwill arises on the acquisition of subsidiaries, associates and joint ventures. Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative (negative goodwill), it is recognised immediately in the consolidated income statement.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses (refer to accounting policy on impairment).

In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and is not tested for impairment separately.

(f) Port concession rights

The Group considers port concession rights as intangible assets. Substantially all of the Group's terminal operations are conducted pursuant to long-term operating concessions or leases entered into with the owner of a relevant port for terms generally between 25 and 50 years. The Group commonly starts negotiations regarding renewal of concession agreements with approximately 5-10 years remaining on the term and often obtains renewals or extensions on the concession agreements in advance of their expiration in return for a commitment to make certain capital expenditures in respect of the subject terminal. In addition, such negotiations may result in the re-basing of rental charges to reflect prevailing market rates.. However, based on the Group's experience, incumbent operators are typically granted renewal often because it can be costly for a port owner to switch operators, both administratively and due to interruptions to port operations and reduced productivity associated with such transactions. Port concession rights comprises of:

3 Significant accounting policies (continued)

(f) Port concession rights (continued)

(i) Port concession rights arising on business combinations

The cost of port concession rights acquired in a business combination is the fair value as at the date of acquisition. Other port concession rights acquired separately are measured on initial recognition at cost.

Following initial recognition, port concession rights are carried at cost less accumulated amortisation and any accumulated impairment losses. Internally generated port concession rights, excluding capitalised development costs, are recognised in the consolidated income statement as incurred. The useful lives of port concession rights are assessed to be either finite or indefinite.

Port concession rights with finite lives are amortised on a straight line basis over the useful economic life and assessed for impairment whenever there is an indication that the port concession rights may be impaired. Port concession rights with indefinite lives are not amortised and are tested for impairment at least on an annual basis.

The amortisation period and amortisation method for port concession rights with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on port concession rights with finite useful lives is recognised in the consolidated income statement on a straight line basis in the expense category consistent with the function of port concession rights.

(ii) Port concession rights arising from Service Concession Arrangements (IFRIC 12)

The Group recognises port concession rights arising from a service concession arrangement, in which the public sector (the grantor) controls or regulates the services provided and the prices charged, and also controls any significant residual interest in the infrastructure such as property, plant and equipment, if the infrastructure is existing infrastructure of the grantor or the infrastructure is constructed or purchased by the Group as part of the service concession arrangement.

Port concession rights with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such port concession rights are not amortised. The useful life of port concession rights with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of a port concession rights are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated income statement when the asset is de-recognised.

The estimated useful lives for port concession rights range within a period of 5 – 78 years (including the concession rights relating to associates and joint ventures).

Port concession rights also include certain property, plant and equipment which are reclassified as intangible assets in accordance with IFRIC 12 '*Service Concession Arrangements'.* These assets are amortised based on the lower of their useful lives or concession period.

3 Significant accounting policies (continued)

(g) Inventories

Inventories mainly consist of spare parts and consumables. Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on weighted average method and includes expenditure incurred in acquiring inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(h) Leases

(i) Group as a lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are recognised in the consolidated income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance lease. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(ii) Group as a lessor

Leases where the Group retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as income in the period in which they are earned.

(iii) Leasing and sub-leasing transactions

A series of leasing and sub-leasing transactions between the Group and third parties, which are closely interrelated, negotiated as a single transaction, and which take place concurrently or in a continuous sequence are considered linked and accounted for as one transaction when the overall economic effect cannot be understood without reference to the series of transactions as a whole.

These leasing and sub-leasing transactions are designed to achieve certain benefits for the third parties in overseas locations in return for a cash benefit to the Group. Such cash benefit is accounted in the consolidated income statement based on its economic substance. Under these leasing and sub-leasing transactions, current and non-current liabilities have been decreased by the loan receivable and the placement of deposits. Those liabilities, receivables and deposits (and income and charges arising therefrom) are netted off in the consolidated financial statements, in order to reflect the overall commercial effect of the arrangement.

3 Significant accounting policies (continued)

(h) Leases (continued)

(iv) Leases of land in concession arrangements

A land lease with a lease term of several decades or longer may be classified as a finance lease, even if at the end of the lease term title will not pass to the lessee, because in such arrangements substantially all risks and rewards are transferred to the lessee and the present value of the residual value of the leased asset is considered negligible. The lessee in leases of this type will typically be in a position economically similar to that of the buyer.

(i) Impairment

(i) Financial assets

(a) Loans and receivables and held to maturity investments

The Group considers evidence of impairment for loans and receivables and held to maturity investment securities at both a specific asset level and collective level. All individually significant receivables and held to maturity investment securities are assessed for specific impairment.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are recognised in consolidated income statement and reflected in an allowance account against loans and receivables or held to maturity investments. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through consolidated income statement.

(b) Available-for-sale financial assets

For available-for-sale financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired. A significant or prolonged decline in fair value of an equity investment is considered as an objective evidence of impairment. The Group considers that generally a decline of 20% will be considered as significant and a decline of over 9 months will be generally considered as prolonged.

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the other reserve in equity to consolidated income statement. The cumulative loss that is reclassified from equity to the consolidated income statement is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in the consolidated income statement. Any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

3 Significant accounting policies (continued)

(i) Impairment (continued)

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed for impairment whenever there is an indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the consolidated income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

For goodwill and port concession rights that have indefinite lives or that are not yet available for use, recoverable amount is estimated annually and when circumstances indicate that carrying value may be impaired. Goodwill acquired in business combination is allocated to groups of cash generating unit that are expected to benefit from the synergies of the combination. An impairment loss in respect of goodwill is not reversed.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount, which would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(j) Assets held for sale

Assets (or disposal groups comprising assets and liabilities) which are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are re-measured in accordance with the Group's accounting policies. Thereafter, generally the assets (or disposal group) are measured at the lower of their carrying amount or fair value less costs to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and employee benefit assets which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognised in the consolidated income statement. Gains are not recognised in excess of any cumulative impairment loss.

Port concession rights and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated. In addition, equity accounting of equity-accounted investees ceases once classified as held for sale.

3 Significant accounting policies (continued)

(k) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Any excess payment received over par value is treated as share premium.

(l) Employee benefits

(i) Employee benefits in UAE

The Group provides end of service benefits to its expatriate employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

With respect to its UAE national employees, the Group makes a provision for contributions to be made to the UAE Pensions Authority calculated as a percentage of the employees' salaries. The Group's obligations are limited to these contributions, which are expensed when due.

(ii) Pension and post-employment benefits outside UAE

The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine the present value, and the fair value of any plan assets is deducted. The calculation is performed by a qualified actuary using the projected unit credit method. The discount rate is the yield at the reporting date on AA credit rated bonds that have maturity dates approximating to the terms of the Group's obligations.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the consolidated income statement on a straight line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the consolidated income statement.

When the actuarial calculation results in a benefit to the Group, the recognised asset is limited to the total of any unrecognised past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities.

Where the present value of the deficit contributions exceeds the IAS19 deficit an additional liability is recognised.

3 Significant accounting policies (continued)

(l) Employee benefits (continued)

Actuarial gains and losses that arise in calculating the Group's obligation in respect of a plan are recognised in the period in which they arise directly in other comprehensive income. The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligation) and is based on actuarial advice.

Contributions, including lump sum payments, in respect of defined contribution pension schemes and multi employer defined benefit schemes where it is not possible to identify the Group's share of the scheme, are charged to the consolidated income statement as they fall due.

(ii) Long-term service benefits outside UAE

The Group's net obligation in respect of long-term service benefits, other than pension plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on AA credit rated bonds that have maturity dates approximating to the terms of the Group's obligations.

(iii) Share-based payment transactions

The grant date fair value of equity settled share-based payment awards granted to employees is recognised by the Group as an expense with a corresponding increase in equity over the period that the employees become unconditionally entitled to payment, on a straight line basis.

(m) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost in the consolidated income statement.

Provision for onerous contract is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

(n) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Revenue mainly comprises of containerized stevedoring and other containerized revenue. Non containerized revenue mainly includes logistic and storage services. The following specific recognition criteria must also be met before revenue is recognised:

3 Significant accounting policies (continued)

(n) Revenue (continued)

Rendering of services

Revenue from the rendering of containerized stevedoring and other containerized services is recognised on the delivery of those services, once the relevant throughput has taken place (completion of the shipping or transport operation).

For logistics storage, revenue is recognised over the period during which storage is provided and for its handling and transport operations on completion of service.

Service concession arrangements

Revenues relating to construction contracts which are entered into with local authorities for the construction of the infrastructure necessary for the provision of services are measured at the fair value of the consideration received or receivable.

(n) Finance income and expense

Finance income comprises interest income on funds invested and gains on hedging instruments that are recognised in the consolidated income statement. Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprises interest expense on borrowings, unwinding of the discount on provisions, impairment losses recognised on financial assets and losses on hedging instruments that are recognised in the consolidated income statement.

Finance income and expense also include realised exchange gains and losses.

(o) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the consolidated income statement except to the extent that it relates to a business combination, or items recognised directly in other comprehensive income. Income tax expense also includes any interest, fines and penalties payable to tax authorities.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. It also includes any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- the temporary differences arising on the initial recognition of goodwill and the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- the temporary differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future.

3 Significant accounting policies (continued)

(o) Income tax (continued)

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and deferred tax liabilities are offset, if there is a legally enforceable right to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority or different taxable entities where there is an intention to settle the balance on a net basis.

(p) Discontinued operation

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed or is held for sale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative consolidated income statement and consolidated statement of comprehensive income is restated as if the operation had been discontinued from the start of the comparative period.

In the consolidated income statement of the reporting period, and of the comparable period of the previous year, income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after taxes, even when the Group retains a non-controlling interest in the subsidiary after the sale. The resulting profit or loss (after taxes) is reported separately in the consolidated income statement and disclosed in the notes to the consolidated financial statements.

(q) Earnings per share

The Group presents basic earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(r) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Board of Directors to assess performance.

3 Significant accounting policies (continued)

(r) Segment reporting (continued)

Segment results that are reported to the Board of Directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily Company's head office), head office expenses and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and port concession rights other than goodwill.

(s) Separately disclosed items

The Group presents, as separately disclosed items on the face of the consolidated income statement, those items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation to allow users to understand better the elements of financial performance in the period, so as to facilitate a comparison with prior periods and a better assessment of trends in financial performance.

(t) New standard and interpretation not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective for annual periods beginning after 1 January 2010, and have not been applied in preparing these consolidated financial statements. These are:

- IFRS 9 –*Financial Instruments (2009 and 2010)* –The standard is effective for annual periods beginning on or after 1 January 2013 and will change the classification and measurement of financial assets.

The management anticipates that above standard and interpretation will be adopted by the Group to the extent applicable to them from their effective dates. The extent of the impact on adoption of these standards, amendments and interpretations has not been determined.

(u) New standards and interpretations early adopted

The Group has opted to early adopt the revised IAS 24 '*Related Parties'* (2008) in the current year so far as it pertains to government related entities. The revised standard provides some relief from the disclosure requirements of IAS 24 in relation to government entities. The impact of the early adoption does not impact the current disclosure provided by the Group.

4 Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/ or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

4 Determination of fair values (continued)

(i) Property, plant and equipment

The fair value of property, plant and equipment recognised as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The market value of items of plant, equipment, fixtures and fittings is based on the quoted market prices for similar items.

(ii) Port concession rights

Port concession rights acquired in a business combination are accounted at their fair values. The fair value is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

(iii) Investments in debt securities and available-for-sale financial assets

The fair values of equity and debt securities are determined by reference to their quoted closing bid price at the reporting date. The fair value of the unquoted infrastructure investment fund classified as available-for-sale is based on the independent valuation of the fund. The fair value of investments in unquoted bonds is determined based on the discounted cash flows at a market related discount rate. The fair value of debt securities held to maturity is determined for disclosure purpose only.

(iv) Trade and other receivables/ payables

The fair value of trade and other receivables and trade and other payables approximates to book value due to the short term maturity of these instruments.

(v) Derivatives

The fair value of forward exchange contracts and interest rate swaps is based on the bank quotes at the reporting dates.

(vi) Non-derivative financial liabilities

Fair value for quoted bonds is based on their clean market price as at the reporting date. Other loans include term loans and finance leases. These are largely at variable interest rates and therefore, the book value normally equates to the fair value.

The fair value of bank balances and cash and bank overdrafts approximates to the book value due to the short term maturity of these instruments.

5 Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these consolidated financial statements.

Risk management framework

The Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, due from related parties and investment securities.

Trade and other receivables

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures and are required to submit financial guarantees based on their creditworthiness. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets after taking into account the impact of the current global financial crisis on the Group's major customers.

5 Financial risk management (continued)

Other financial assets

Credit risk arising from other financial assets of the Group comprises cash and cash equivalents and certain derivative instruments. The Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The Group manages its credit risks with regard to bank deposits, throughout the Group, through a number of controls, which include assessing the credit rating of the bank either from public credit ratings, or internal analysis where public data is not available and consideration of the support for financial institutions from their central banks or other regulatory authorities.

Financial guarantees

The Group's policy is to consider the provision of a financial guarantee to wholly-owned subsidiaries, where there is a commercial rationale to do so. Guarantees may also be provided to associates and joint ventures in very limited circumstances and always only for the Group's share of the obligation. The provision of guarantees always requires the approval of senior management.

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank facilities and by ensuring adequate internally generated funds. The Group's terms of business require amounts to be paid within 60 days of the date of provision of the service. Trade payables are normally settled within 45 days of the date of purchase.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group buys and sells derivatives and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by the Board of Directors in the Group Treasury policy. Generally, the Group seeks to apply hedge accounting in order to manage the volatility in the consolidated income statement.

5 Financial risk management (continued)

(c) Market risk (continued)

(i) Currency risk

The proportion of the Group's net operating assets denominated in foreign currencies (i.e., other than the functional currency of the Company, UAE Dirhams) is approximately 71% (2009: 86%) with the result that the Group's USD consolidated statement of financial position, and in particular owner's equity, can be affected by currency movements when it is retranslated at each period end rate. The Group partially mitigates the effect of such movements by borrowing in the same currencies as those in which the assets are denominated and using cross currency swaps. The impact of currency movements on operating profit is partially mitigated by interest costs being incurred in foreign currencies. The Group operates in some locations where the local currency is fixed to the Group's reporting currency of USD further reducing the risk of currency movements.

Interest on borrowings is denominated in the currency of the borrowings. Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying foreign operations of the Group. This provides an economic hedge without derivatives being entered into and therefore hedge accounting is not applied in these circumstances.

A portion of the Group's activities generate part of their revenue and incur some costs outside their main functional currency. Due to the diverse number of locations in which the Group operates there is some natural hedging that occurs within the Group. When it is considered that currency volatility could have a material impact on the results of an operation, hedging using forward foreign currency contracts, is undertaken to reduce the short-term effect of currency movements.

When the Group's businesses enter into capital expenditure or lease commitments in currencies other than their main functional currency, these commitments are hedged in most instances using forward contracts and currency swaps in order to fix the cost when converted to the functional currency. The Group classifies its forward exchange contracts hedging forecast transactions as cash flow hedges and states them at fair value.

(ii) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with a fixed/ floating interest rate and bank deposits. The Group issued two fixed rate bonds, a 10 year Sukuk with a profit rate of 6.25% and a 30 year Medium Term Note with a coupon of 6.85% which collectively represents USD 3,250,000 thousand of the Group's year end outstanding debt.

Approximately USD 4,172,700 thousand (2009: USD 4,315,094 thousand) of the Group's interest bearing loans and borrowings comprising US Dollar, Great British Pound, Indian Rupee, and Canadian Dollar borrowings carried interest at floating rates. The Group's policy is to manage its interest cost by entering into interest rate swap agreements, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. These swaps are designated to hedge underlying debt obligations.

At 31 December 2010, after taking into account the effect of interest rate swaps, approximately 70% (2009: 70%) of the Group's borrowings are at a fixed rate of interest.

5 Financial risk management (continued)

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as net operating profit attributable to the equity shareholders divided by total shareholders' equity.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

6 Segment information

Based on the internal management reports that are reviewed by the Board of Directors based on the location of the Group's assets and liabilities, the Group has identified the following geographic areas as its basis of segmentation.

- Asia Pacific and Indian subcontinent
- Australia and Americas
- Middle East, Europe and Africa

Each of these operating segments have an individual appointed as Segment Director responsible for these segments, who in turn reports to the Chief Operating Decision Maker.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group's Board of Directors.

DP World Limited and its subsidiaries

Notes to consolidated financial statements *(continued)*

6 Segment information (continued)

The following table presents certain results, assets and liabilities information regarding the Group's geographical segments as at the reporting date.

	Asia Pacific and Indian subcontinent		Australia and Americas		Middle East, Europe and Africa		Head office		Inter-segment		Total	
	2010	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009
	USD'000	USD'000	**USD'000**	USD'000	**USD'000**	USD'000	**USD'000**	USD'000	**USD'000**	USD'000	**USD'000**	USD'000
Revenue from operations	**571,740**	584,775	**875,474**	596,299	**1,741,727**	1,748,155	**-**	-	**-**	-	**3,188,941**	2,929,229
Segment results From operations *	**157,913**	188,018	**169,154**	74,636	**556,919**	523,166	**(136,449)**	(144,515)	**-**	-	**747,537**	641,305
Finance income	**-**	-	**-**	-	**-**	-	**89,395**	85,492	**-**	-	**89,395**	85,492
Finance costs	**-**	-	**-**	-	**-**	-	**(385,806)**	(356,728)	**-**	-	**(385,806)**	(356,728)
Profit/ (loss) for the year	**157,913**	188,018	**169,154**	74,636	**556,919**	523,166	**(432,860)**	(415,751)	**-**	-	**451,126**	370,069

* Segment results from operations comprise profit for the year before net finance cost.

Net finance cost and tax expense have not been allocated to various geographical locations and are instead reported in head office.

DP World Limited and its subsidiaries

Notes to consolidated financial statements *(continued)*

6 Segment information (continued)

	Asia Pacific and Indian subcontinent		Australia and Americas		Middle East, Europe and Africa		Head office		Inter-segment		Total	
	2010	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009
	USD'000	USD'000	**USD'000**	USD'000	**USD'000**	USD'000	**USD'000**	USD'000	**USD'000**	USD'000	**USD'000**	USD'000
Segment assets	**5,344,059**	5,224,976	**3,755,601**	3,155,830	**8,443,788**	8,518,785	**9,517,703**	9,548,960	**(7,701,607)**	(7,488,015)	**19,359,544**	18,960,536
Segment liabilities	**417,988**	341,912	**513,349**	235,082	**1,302,420**	1,064,811	**8,388,042**	8,592,321	**(949,758)**	(742,544)	**9,672,041**	9,491,582
Tax liabilities *	**-**	-	**-**	-	**-**	-	**1,191,577**	1,431,509	**-**	-	**1,191,577**	1,431,509
Total liabilities	**417,988**	341,912	**513,349**	235,082	**1,302,420**	1,064,811	**9,579,619**	10,023,830	**(949,758)**	(742,544)	**10,863,618**	10,923,091
Capital expenditure	**241,020**	214,753	**244,187**	178,525	**448,403**	516,710	**3,122**	57,505	**-**	-	**936,732**	967,493
Acquisition of land	**-**	-	**-**	-	**191,982**	-	**-**	-	**-**	-	**191,982**	-
Depreciation	**36,465**	25,451	**77,087**	55,630	**181,170**	182,672	**4,338**	3,002	**-**	-	**299,060**	266,755
Amortisation/ impairment	**62,568**	51,970	**45,311**	33,182	**55,151**	62,310	**-**	-	**-**	-	**163,030**	147,462
Share of profit/ (loss) of equity-accounted investees before separately disclosed items	**95,763**	48,393	**34,800**	23,831	**9,640**	(917)	**-**	-	**-**	-	**140,203**	71,307
Tax expense	**-**	-	**-**	-	**-**	-	**53,174**	55,128	**-**	-	**53,174**	55,128

* Tax liabilities have not been allocated to various geographical locations and are reported in head office.

6 Segment information (continued)

Earnings before interest, tax, depreciation and amortisation ("EBITDA") – Adjusted

	Asia Pacific and Indian subcontinent		**Australia and Americas**		**Middle East, Europe and Africa**		**Head office**		**Inter-segment**		**Total**	
	2010	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009
	USD'000	USD'000	**USD'000**	USD'000	**USD'000**	USD'000	**USD'000**	USD'000	**USD'000**	USD'000	**USD'000**	USD'000
Revenue before separately disclosed items	**460,875**	476,563	**875,474**	596,299	**1,741,727**	1,748,155	**-**	-	**-**	-	**3,078,076**	2,821,017
Profit/ (loss) for the year	**157,913**	188,018	**169,154**	74,636	**556,919**	523,166	**(432,860)**	(415,751)	**-**	-	**451,126**	370,069
Adjusted for separately disclosed items	**(2,200)**	(16,074)	**(16,449)**	(25,578)	**-**	7,874	**17,583**	(3,628)	**-**	-	**(1,066)**	(37,406)
Adjusted net profit/ (loss) for the year before separately disclosed items	**155,713**	171,944	**152,705**	49,058	**556,919**	531,040	**(415,277)**	(419,379)	**-**	-	**450,060**	332,663
Finance income	**-**	-	**-**	-	**-**	-	**(89,395)**	(72,950)	**-**	-	**(89,395)**	(72,950)
Finance costs	**-**	-	**-**	-	**-**	-	**368,223**	356,728	**-**	-	**368,223**	356,728
Tax expense	**-**	-	**-**	-	**-**	-	**53,174**	54,441	**-**	-	**53,174**	54,441
Depreciation and amortisation	**99,033**	75,638	**118,698**	88,812	**236,321**	234,108	**4,338**	3,002	**-**	-	**458,390**	401,560
EBITDA (Adjusted)	**254,746**	247,582	**271,403**	137,870	**793,240**	765,148	**(78,937)**	(78,158)	**-**	-	**1,240,452**	1,072,442

7 Revenue from operations

Revenue from operations comprise of:	**2010 USD'000**	2009 USD'000
Containerized stevedoring revenue	**1,606,914**	1,425,255
Containerized other revenue	**905,503**	855,281
Non-containerized revenue	**565,659**	540,481
Service concession revenue	**110,865**	108,212
	3,188,941	2,929,229

The Group does not have revenue from transactions with any customers exceeding 10 per cent of the Group's revenue.

8 Profit for the year

Profit for the year is stated after charging the following costs:	**2010 USD'000**	2009 USD'000
Staff costs	**674,577**	654,043
Depreciation, amortisation and impairment	**462,090**	414,217
Operating lease rentals	**296,618**	287,610

9 Finance income and expenses

	2010 USD'000	2009 USD'000
Financial income		
Interest income	**82,405**	71,392
Exchange gains	**6,590**	14,100
Other net financing income in respect of pension plans	**400**	-
	89,395	85,492
Financial expenses		
Interest payable	**(368,547)**	(353,628)
Exchange losses	**(13,059)**	-
Other net financing expense in respect of pension plans	**(4,200)**	(3,100)
	(385,806)	(356,728)
Net finance costs	**(296,411)**	(271,236)

10 Income tax

The major components of income tax expense for the year ended 31 December 2010:

	2010	2009
	USD'000	USD'000
Current income tax expense		
Current year	**47,125**	57,149
Adjustment for prior periods	**2,791**	28,270
	49,916	85,419
Deferred tax expense/ credits	**3,258**	(31,291)
	53,174	54,128
Income tax expense from continuing operations	**53,174**	54,128
Share of income tax of equity-accounted investees	**37,111**	12,509
Total tax charge	**90,285**	66,637
Current income tax liabilities	**84,304**	126,655

All tax items included within separately disclosed items are detailed in note 11.

The Group is not subject to income tax on its UAE operations. The tax expense relates to the tax payable on the profit earned by the overseas subsidiaries, associates and joint ventures as adjusted in accordance with the taxation laws and regulations of the countries in which they operate. The applicable tax rates in the regions in which the Group operates are set out below:

Geographical segments	**Applicable corporate tax rate**
Asia Pacific and Indian subcontinent	16.5% to 35.0%
Australia and Americas	25.0% to 35.0%
Middle East, Europe and Africa	0% to 34.0%

10 Income tax (continued)

The relationship between the tax expense and the accounting profit can be explained as follows:

	2010 USD'000	2009 USD'000
Net profit before tax	**504,300**	424,197
	======	======
Tax at the Group's domestic tax rate	**-**	-
Higher income tax on foreign earnings	**96,941**	55,438
Permanent differences including non-taxable income and non-deductible expenses	**4,929**	20,896
Profit not subject to tax	**-**	(4,975)
Tax charge on equity-accounted investees	**37,111**	12,509
Current year losses not recognised for deferred tax asset	**17,700**	9,299
Brought forward losses utilised	**(6,186)**	(12,496)
Deferred tax in respect of fair value adjustments	**(48,787)**	(18,718)
Others	**(34,410)**	4,173
	---------	---------
Tax expense before prior year adjustments	**67,298**	66,126
Tax under/ (over) provided in prior periods:		
- current tax	**2,791**	28,270
- deferred tax	**20,196**	(27,759)
	---------	---------
Total tax expense from operations	**90,285**	66,637
	=====	=====
Net profit before tax	**504,300**	424,197
Adjustment for profit on sale/ termination of business	**(13,200)**	(44,276)
Adjustment for share of income tax of equity-accounted investees	**37,111**	12,509
	----------	----------
Adjusted profit before tax	**528,211**	392,430
	======	======
Effective tax rate	**17.1%**	17.0%
	=====	=====

Unrecognised deferred tax assets

Deferred tax is not recognised on trading losses of USD 450,451 thousand (2009: USD 565,831 thousand) where utilisation is uncertain, either because they have not been agreed with tax authorities, or because the likelihood of future taxable profits is not sufficiently certain, or because of the impact of tax holidays on infrastructure projects. Under current legislation, USD 427,745 thousand (2009: USD 531,299 thousand) of these trading losses can be carried forward indefinitely.

Deferred tax is also not recognised on capital and other losses of USD 451,017 thousand (2009: USD 490,404 thousand) due to the fact that their utilisation is uncertain. Under current legislation, all of these capital and other losses can be carried forward indefinitely.

DP World Limited and its subsidiaries

Notes to consolidated financial statements *(continued)*

10 Income tax (continued)

Movement in temporary differences during the year:

	1 January 2010 USD’000	Recognised in consolidated income statement USD’000	Translation and other movements USD’000	31 December 2010 USD’000
Deferred tax liability				
Depreciation for property, plant and equipment	**116,912**	**18,628**	**4,196**	**139,737**
Investment in equity-accounted investees	**14,275**	**3,350**	**(393)**	**17,232**
Fair value adjustment on acquisitions	**777,271**	**(44,120)**	**(211,979)**	**521,171**
Financial instruments	**1,735**	**-**	**484**	**2,219**
Others	**394,661**	**2,690**	**29,563**	**426,914**
Total	**1,304,854**	**(19,452)**	**(178,129)**	**1,107,273**
Deferred tax assets				
Depreciation for property, plant and equipment	**9,946**	**(5,281)**	**(68)**	**4,597**
Employees’ end of service benefits	**26,484**	**902**	**(15,196)**	**12,190**
Deferred financing charges	**29,327**	**(24,228)**	**(3,887)**	**1,213**
Provisions	**3,696**	**(6,957)**	**6,213**	**2,952**
Tax value of losses carried forward recognised	**27,597**	**8,379**	**12,084**	**48,061**
Others	**6,389**	**4,475**	**6,510**	**17,372**
Total	**103,439**	**(22,710)**	**5,656**	**86,385**

DP World Limited and its subsidiaries

Notes to consolidated financial statements *(continued)*

11 Separately disclosed items

	2010 USD'000	2009 USD'000
Construction contract revenue relating to service concessions	**110,865**	108,212
Construction contract costs relating to service concessions	**(110,865)**	(108,212)
Impairment, project development and restructuring costs	**(3,700)**	(20,755)
Other income	**8,905**	3,000
Share of profit/ (loss) of equity-accounted investees	**244**	(1,970)
Profit on sale/ termination of business	**13,200**	44,276
(Loss)/ gain on interest rate swaps and currency options	**(17,583)**	42
Foreign exchange gain	**-**	12,500
Deferred tax expense	**-**	313
	1,066	37,406

Construction contract revenue and costs
In the current year, in accordance with IFRIC 12 '*Service Concession Arrangements'*, the Group has recorded revenue of USD 110,865 thousand (2009: USD 108,212 thousand) on construction of a port. The construction revenue represents the fair value of the construction services provided in developing the port. No margin has been recognised, as in management's opinion the fair value of the construction services provided approximates the construction cost.

Impairment, project development and restructuring costs includes impairment loss on a property held in the 'Australia and Americas' region (2009: mainly represents impairment of certain cranes in 'Middle East, Europe and Africa' region and project development and restructuring costs).

Other income mainly relates to certain insurance claim settlements of a non-recurring nature in the 'Australia and Americas' region (2009: mainly included one-off recoveries from a legal claim).

Share of profit/ (loss) of equity accounted investees mainly relates to profit on sale of an investment by a Joint Venture in 'Asia Pacific and Indian Subcontintent' region which is partially offset by non-recurring income tax expense incurred on transfer of certain assets by another associate in the same region, and operating loss of an associate in the 'Australia and Americas' region (2009: includes share of loss on sale of certain assets in the 'Asia Pacific and Indian subcontinent' region).

Profit on sale/ termination of business mainly includes the profit on sale of investment in an associate in the 'Australia and Americas' region (2009: mainly includes profit on sale of investments divested in the 'Australia and Americas' region).

(Loss)/ gain on interest rate swaps represents USD 6,200 thousand recycling of hedge reserve to consolidated income statement in 'Middle East, Europe and Africa' region and USD 11,383 thousand loss on foreign currency options related to 'Australia and Americas' region.

Foreign exchange gain 2010: Nil (2009: mainly relates to recycling of foreign exchange from translation reserve to the consolidated income statement as the loan no longer meets the criteria of a net investment hedge in a subsidiary in 'Australia and Americas' region).

Deferred tax expense 2010: Nil (2009: represents reversal of deferred tax credit on impairment of cranes in 'Middle East, Europe and Africa' region).

12 Property, plant and equipment

	Land and buildings USD'000	Plant and equipment USD'000	Ships USD'000	Capital work-in-progress USD'000	2010 Total USD'000
Cost:					
As at 1 January	**2,677,914**	**2,680,045**	**46,638**	**627,005**	**6,031,602**
Additions during the year	**41,212**	**83,959**	**81,097**	**695,840**	**902,108**
Transfer to assets held for sale (refer to note 28(a))	**(195,319)**	**(523,841)**	**-**	**(31,119)**	**(750,279)**
Transfers from capital work-in-progress	**453,054**	**231,320**	**-**	**(684,374)**	**-**
Translation adjustment	**25,307**	**62,309**	**4,272**	**(3,081)**	**88,807**
Disposals	**(1,237)**	**(42,706)**	**(927)**	**-**	**(44,870)**
As at 31 December	**3,000,931**	**2,491,086**	**131,080**	**604,271**	**6,227,368**
Depreciation:					
As at 1 January	**307,995**	**853,698**	**10,709**	**-**	**1,172,402**
Charge for the year	**98,457**	**191,485**	**9,118**	**-**	**299,060**
Transfer to assets held for sale (refer to note 28(a))	**(53,757)**	**(301,285)**	**-**	**-**	**(355,042)**
Translation adjustment	**12,922**	**40,445**	**1,235**	**-**	**54,602**
On disposals	**(927)**	**(28,017)**	**(927)**	**-**	**(29,871)**
As at 31 December	**364,690**	**756,326**	**20,135**	**-**	**1,141,151**
Net book value:					
As at 31 December	**2,636,241**	**1,734,760**	**110,945**	**604,271**	**5,086,217**

In the prior years, the Group had entered into agreements with third parties pursuant to which the Group participated in a series of linked transactions including leasing and sub-leasing of certain cranes of the Group ("the Crane French Lease Arrangements"). At 31 December 2010, cranes with aggregate net book value amounting to USD 320,188 thousand (2009: USD 335,926 thousand) were covered by these Crane French Lease Arrangements. These cranes are accounted for as property, plant and equipment as the Group retains all the risks and rewards incidental to the ownership of the underlying assets.

At 31 December 2010, property, plant and equipment with a carrying amount of USD 596,856 thousand (2009: USD 1,238,888 thousand) are pledged to secure bank loans (refer to note 25). At 31 December 2010, the net carrying value of the leased plant and equipment and other assets was USD 839,008 thousand (2009: USD 447,990 thousand).

Borrowing costs capitalised to property, plant and equipment amounted to USD 39,781 thousand (2009: USD 10,191 thousand) with a capitalisation rate in the range of 7% to 8% per annum (2009: 6.75% to 8% per annum).

The net carrying value of Property, plant and equipment transferred to assets held for sale comprises USD 392,198 thousand for Australia Region (refer to note 28 (a)) and balance USD 3,039 thousand for other regions (refer to note 28 (b)).

DP World Limited and its subsidiaries

Notes to consolidated financial statements *(continued)*

12 Property, plant and equipment (continued)

	Land and buildings USD'000	Plant and equipment USD'000	Ships USD'000	Capital work-in-progress USD'000	2009 Total USD'000
Cost:					
As at 1 January	2,034,319	2,188,327	88,458	888,015	5,199,119
Additions during the year	243,193	48,031	553	536,457	828,234
Transfer to assets held for sale (refer to note 28(b))	(15,973)	-	-	-	(15,973)
Transfer (to) / from port concession rights (refer to note 13)	(104,765)	112,595	-	(51,264)	(43,434)
Transfers from capital work-in-progress	477,597	300,056	-	(777,653)	-
Translation adjustment	44,920	149,260	8,992	35,690	238,862
Disposals	(1,377)	(118,224)	(51,365)	(4,240)	(175,206)
As at 31 December	2,677,914	2,680,045	46,638	627,005	6,031,602
Depreciation:					
As at 1 January	204,843	685,596	55,997	-	946,436
Charge for the year	83,328	181,043	2,384	-	266,755
Transfer from port concession rights	8,770	-	-	-	8,770
Translation adjustment	12,034	73,407	3,538	-	88,979
On disposals	(980)	(86,348)	(51,210)	-	(138,538)
As at 31 December	307,995	853,698	10,709	-	1,172,402
Net book value:					
As at 31 December	2,369,919	1,826,347	35,929	627,005	4,859,200

13 Goodwill and port concession rights

	Goodwill USD'000	Port concession rights USD'000	2010 Total USD'000
Cost:			
As at 1 January	**2,424,689**	**4,714,661**	**7,139,350**
Additions	**-**	**226,606**	**226,606**
Disposals	**-**	**(2,628)**	**(2,628)**
Transfer to assets held for sale (refer to note 28(a))	**(846,748)**	**(871,583)**	**(1,718,331)**
Translation adjustment	**92,360**	**51,086**	**143,446**
As at 31 December	**1,670,301**	**4,118,142**	**5,788,443**
Amortisation:			
As at 1 January	**-**	**540,466**	**540,466**
Charge for the year	**-**	**159,330**	**159,330**
On disposals	**-**	**(2,324)**	**(2,324)**
Transfer to assets held for sale (refer to note 28(a))	**-**	**(190,961)**	**(190,961)**
Translation adjustment	**-**	**33,818**	**33,818**
As at 31 December	**-**	**540,329**	**540,329**
Net book value:			
As at 31 December	**1,670,301**	**3,577,813**	**5,248,114**

Port concession rights include concession agreements which are mainly accounted for as business combinations and acquisitions. These concessions were determined to have finite and indefinite useful lives based on the terms of the respective concession agreements and the income approach model was used for the purpose of determining their fair values.

13 Goodwill and port concession rights (continued)

	Goodwill USD'000	Port concession rights USD'000	2009 Total USD'000
Cost:			
As at 1 January	2,154,165	4,259,864	6,414,029
Additions	3,512	139,259	142,771
Disposals	(34,777)	(188,959)	(223,736)
Transfer from property, plant and equipment (refer to note 12)	-	43,434	43,434
Other capitalisations	-	122,511	122,511
Translation adjustment	301,789	338,552	640,341
As at 31 December	2,424,689	4,714,661	7,139,350
Amortisation:			
As at 1 January	-	419,337	419,337
Charge for the year	-	147,462	147,462
On disposals	-	(62,300)	(62,300)
Transfer to property, plant and equipment	-	(8,770)	(8,770)
Other capitalisations	-	4,552	4,552
Translation adjustment	-	40,185	40,185
As at 31 December	-	540,466	540,466
Net book value:			
As at 31 December	2,424,689	4,174,195	6,598,884

14 Impairment testing

Goodwill acquired through business combinations and port concession rights with indefinite useful lives have been allocated to various cash-generating units ("CGU"), which are reportable business units, for the purposes of impairment testing.

Impairment testing is done at an operating port level that represents individual CGUs. Details of the operating segments are shown below:

	Carrying amount of goodwill		Carrying amount of port concession rights		Discount rates	Perpetuity growth rate
	2010	2009	**2010**	2009		
	USD'000	USD'000	**USD'000**	USD'000		
Cash-generating units aggregated by operating segment						
Asia Pacific and Indian subcontinent	**275,820**	267,857	-	-	8.50% - 15.50%	2.50% - 5.00%
Australia and Americas	**332,486**	949,343	-	-	8.00% - 14.50%	2.50%
Middle East, Europe and Africa	**1,061,995**	1,207,489	**1,004,851**	1,043,111	7.00% - 12.50%	2.50% - 4.00%
Total	**1,670,301**	2,424,689	**1,004,851**	1,043,111		

The recoverable amount of the CGU has been determined based on their value in use calculated using cash flow projections based on the financial budgets approved by management covering a three year period and a further outlook for five years, which is considered appropriate in view of the outlook for the industry and the long-term nature of the concession agreements held i.e. generally for a period of 25 -50 years.

Key assumptions used in value in use calculations

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill and port concession rights with indefinite useful lives.

Budgeted margins – The basis used to determine the value assigned to the budgeted margin is the average gross margin achieved in the year immediately before the budgeted year, adjusted for expected efficiency improvements, price fluctuations and manpower costs.

Discount rates – These represent the cost of capital for the Group adjusted for the respective location risk factors. The Group uses the post tax Weighted Average Cost of Capital which reflects the country specific risk adjusted discounted rate.

Cost inflation – The forecast general price index is used to determine the cost inflation during the budget year for the relevant countries where the Group is operating.

Perpetuity growth rate – In management's view, the perpetuity growth rate is the minimum growth rate expected to be achieved beyond the eight year period. These are based on the overall regional economic growth and Group's internal capacity changes for a given region. The Group also takes into account competition and regional capacity growth to provide a comprehensive growth assumption for the entire portfolio.

The values assigned to key assumptions are consistent with the past experience of management.

Sensitivity to changes in assumptions

The calculation of value in use for the CGU is sensitive to future earnings and therefore a sensitivity analysis was performed. The analysis demonstrated that a 10% decrease in earnings for a future period of three years from the reporting date would not result in any impairment.

15 Investment in equity-accounted investees

Summary financial information for equity-accounted investees, not adjusted for the percentage ownership held by the Group:

	Asia Pacific and Indian subcontinent		Australia and Americas		Middle East, Europe and Africa		Total	
	2010	2009	**2010**	2009	**2010**	2009	**2010**	2009
	USD'000	USD'000	**USD'000**	USD'000	**USD'000**	USD'000	**USD'000**	USD'000
Current assets	**397,686**	457,850	**402,539**	390,757	**321,606**	271,766	**1,121,831**	1,120,373
Non-current assets	**7,381,166**	6,905,258	**833,592**	812,555	**2,877,660**	2,996,665	**11,092,418**	10,714,478
Total assets	**7,778,852**	7,363,108	**1,236,131**	1,203,312	**3,199,266**	3,268,431	**12,214,249**	11,834,851
Current liabilities	**929,830**	747,942	**136,751**	96,707	**169,780**	149,970	**1,236,361**	994,619
Non-current liabilities	**1,255,237**	1,562,853	**237,751**	358,240	**939,289**	932,454	**2,432,277**	2,853,547
Total liabilities	**2,185,067**	2,310,795	**374,502**	454,947	**1,109,069**	1,082,424	**3,668,638**	3,848,166
Revenue	**1,036,384**	752,863	**493,733**	535,774	**637,421**	538,538	**2,167,538**	1,827,175
Expenses	**(823,137)**	(671,968)	**(429,811)**	(473,644)	**(586,595)**	(534,868)	**(1,839,543)**	(1,680,480)
Net profit	**213,247**	80,895	**63,922**	62,130	**50,826**	3,670	**327,995**	146,695

	2010	2009
The Group's share of profit from equity-accounted investees (before separately disclosed items)	**140,203**	71,307
The Group's investments in equity-accounted investees as at 31 December	**3,474,113**	3,453,833

For ownership percentages in equity-accounted investees, refer to note 33.

16 Other investments

	2010 USD'000	2009 USD'000
Non-current investments		
Debt securities held to maturity	**14,429**	14,729
Available-for-sale financial assets	**51,439**	50,560
	65,868	65,289

Debt securities held to maturity carries an effective interest rate of 5.35% per annum (2009: 5.35% per annum).

Available-for-sale financial assets consist of unquoted investment in an Infrastructure Fund. The movement schedule for these investments is as follows:

	2010 USD'000	2009 USD'000
As at 1 January	**50,560**	36,815
Return of capital during the year	**(260)**	-
Change in fair value recognised in other comprehensive income	**1,139**	13,745
As at 31 December	**51,439**	50,560

17 Accounts receivable and prepayments

	2010 Non-current USD'000	**2010 Current USD'000**	**2010 Total USD'000**
Trade receivables (net)	**1,586**	**227,156**	**228,742**
Advances paid to suppliers	**-**	**13,653**	**13,653**
Other receivables and prepayments	**51,580**	**304,214**	**355,794**
Fair value of derivative financial instruments	**200**	**10,770**	**10,970**
Employee benefit assets (refer to note 24)	**500**	**-**	**500**
Due from related parties (refer to note 27)	**34,512**	**97,423**	**131,935**
	88,378	**653,216**	**741,594**

	2009 Non-current USD'000	2009 Current USD'000	2009 Total USD'000
Trade receivables (net)	-	289,870	289,870
Advances paid to suppliers	-	14,846	14,846
Other receivables and prepayments	43,612	410,774	454,386
Fair value of derivative financial instruments	500	600	1,100
Employee benefit assets (refer to note 24)	1,300	-	1,300
Due from related parties (refer to note 27)	28,844	91,379	120,223
	74,256	807,469	881,725

The Group's exposure to credit and currency risks related to trade receivables, other receivables and due from related parties are disclosed in note 29.

18 Bank balances and cash

	2010	2009
	USD'000	USD'000
Cash at banks and in hand	**443,542**	518,255
Short-term deposits	**2,076,074**	2,023,460
Deposits under lien	**-**	368,351
Bank balances and cash	**2,519,616**	2,910,066
Bank overdrafts	**(3,000)**	(11,500)
	2,516,616	2,898,566
Cash classified as held for sale (refer to note 28(a))	**50,900**	-
Cash and cash equivalents for statement of cash flows	**2,567,516**	2,898,566

Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit market rates. Bank overdrafts are repayable on demand.

There are no deposits under lien (2009: USD 368,351 thousand) as at 31 December 2010. The previous year deposits under lien include deposit of USD 348,669 thousand which was placed to collateralise some of the Group's regional borrowings and a deposit of USD 19,682 thousand in respect of certain loan notes issued to the erstwhile shareholders of Peninsular & Oriental Steam Navigation Company Limited ("P&O").

19 Share capital

The share capital of the Company as at 31 December was as follows:

	2010	2009
	USD'000	USD'000
Authorised		
25,000,000,000 ordinary shares of USD 0.10 each	**2,500,000**	2,500,000
Issued and fully paid		
16,600,000,000 ordinary shares of USD 0.10 each	**1,660,000**	1,660,000

20 Reserves

Share premium

Share premium represents surplus received over and above the nominal cost of the shares issued to the shareholders and forms part of the shareholder equity. The reserve is not available for distribution except in circumstances as stipulated by the law.

Shareholders' reserve

Shareholders' reserve forms part of the distributable reserves of the Group.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of the cash flow hedging instruments related to hedge transactions that have not yet occurred.

20 Reserves (continued)

Other reserves

The other reserves mainly include statutory reserves of subsidiaries as required by applicable local legislations and share based payment transactions. This reserve also includes the unrealised fair value changes on available-for-sale investments.

Actuarial reserve

The actuarial reserve comprises the cumulative actuarial losses recognised in other comprehensive income.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It also includes foreign exchange translation differences arising from translation of goodwill and purchase price adjustments which are denominated in foreign currencies at the Group level.

21 Dividends

	2010 USD'000	2009 USD'000
Declared and paid during the year:		
Final dividend for 2009: 0.82 US cents per share (2008: 0.69 US cents per share)	**136,120**	114,540
	======	======
Proposed for approval at the annual general meeting *(not recognised as a liability as at 31 December):*		
Final dividend for 2010: 0.86 US cents per share (2009: 0.82 US cents per share)	**142,760**	136,120
	======	======

22 Earnings per share

Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding.

	2010 USD'000	2009 USD'000
Profit attributable to ordinary shareholders	**374,807**	332,862
	======	=======

	Number of shares	Number of shares
Number of ordinary shares outstanding as at 31 December	**16,600,000,000**	16,600,000,000
	===========	===========

	2010 USD	2009 USD
Basic earnings per share – (US cents)	**2.26**	2.01
	===	===

22 Earnings per share (continued)

The Company has no significant share options outstanding at the year end and therefore in management's opinion, the basic and diluted earnings per share are not significantly different.

23 Employees' end of service benefits

Movements in the provision recognised in the consolidated statement of financial position are as follows:

	2010 USD'000	2009 USD'000
As at 1 January	**42,948**	43,114
Provision made during the year *	**13,793**	16,282
Amounts paid during the year	**(10,753)**	(16,448)
As at 31 December	**45,988**	42,948

* The provision for expatriate staff gratuities, included in Employees' end of service benefits, is calculated in accordance with the regulations of the Jebel Ali Free Zone Authority. This is based on the liability that would arise if employment of all staff were terminated at the reporting date.

The UAE government had introduced Federal Labour Law No.7 of 1999 for pension and social security. Under this Law, employers are required to contribute 15% of the 'contribution calculation salary' of those employees who are UAE nationals. These employees are also required to contribute 5% of the 'contribution calculation salary' to the scheme. The Company's contribution is recognised as an expense in the consolidated income statement as incurred.

24 Pension and post-employment benefits

Non UAE region
Reconciliation of assets and liabilities recognised in the consolidated statement of financial position

	2010 USD'000	2009 USD'000
Non-current		
Defined benefit schemes net liabilities	**173,900**	257,900
Liabilities from defined contribution schemes	**-**	2,400
Liability in respect of long service leave	**500**	5,200
Liability for other non-current deferred compensation	**-**	2,600
	174,400	268,100
Current		
Liability for current deferred compensation	**14,500**	45,400
Net liabilities	**188,900**	313,500

24 Pension and post-employment benefits (continued)

	2010	2009
	USD'000	USD'000
Net liabilities		
Reflected in the consolidated statement of financial position as follows:		
Employee benefits assets		
(included within non-current receivables (refer to note 17))	**(500)**	(1,300)
Employee benefits liabilities: Non-current	**174,900**	269,400
Employee benefits liabilities: Current	**14,500**	45,400
	----------	----------
	188,900	313,500
	======	======

The defined benefit pension schemes net liabilities of USD 173,900 thousand (2009: USD 257,900 thousand) is in respect of the total P&O schemes shown below. The USD 5,200 thousand (2009: USD 6,500 thousand) net liabilities in respect of the P&O's share of associates and joint ventures are included within investments in associates and joint ventures in the consolidated statement of financial position.

An expense of USD 37,300 thousand (2009: 28,700 thousand) has been recognised in the consolidated income statement in respect of employee benefits excluding pensions, USD 27,800 thousand (2009: USD 23,500 thousand) in general and administration expenses and USD 9,500 thousand (2009: USD 5,200 thousand) in cost of sales.

The current portion of employee benefits liabilities includes a liability of USD 10,100 thousand (2009: USD 25,200 thousand) in respect of annual leave, USD 1,400 thousand (2009: USD 11,400 thousand) in respect of long service leave, and USD 3,000 thousand (2009: USD 8,800 thousand) in respect of sick leave and other miscellaneous employee benefit items.

Pensions

P&O participates in a number of pension schemes throughout the world. The principal scheme is located in the UK (the "P&O UK Scheme"). The P&O UK Scheme is a funded defined benefit scheme and was closed to routine new members on 1 January 2002. The assets of the scheme are managed on behalf of the trustee by independent fund managers.

P&O also operates a number of smaller defined benefit and defined contribution schemes. In addition, P&O participates in various industry schemes, the most significant of which is the Merchant Navy Officers' Pension Fund (the "MNOPF Scheme"). These generally have assets held in separate trustee administered funds.

24 Pension and post-employment benefits (continued)

Expenses recognised in the consolidated income statement of 2010:

	Defined benefit pension schemes					
	P&O UK scheme USD'000	**MNOPF scheme USD'000**	**Other schemes USD'000**	**Total group schemes USD'000**	**Share of equity accounted investees schemes USD'000**	**2010 P&O UK schemes USD'000**
Employer's current service cost	**600**	**-**	**5,300**	**5,900**	**500**	**6,400**
Expected return on scheme assets	**(101,500)**	**(7,900)**	**(9,000)**	**(118,400)**	**(1,100)**	**(119,500)**
Interest cost	**103,700**	**8,500**	**9,900**	**122,100**	**1,400**	**123,500**
Total	**2,200**	**600**	**900**	**3,700**	**300**	**4,000**
Total defined benefit expenses	**2,800**	**600**	**6,200**	**9,600**	**800**	**10,400**
Total defined contribution expense	**-**	**-**	**-**	**26,100**	**4,400**	**30,500**
Total	**2,800**	**600**	**6,200**	**35,700**	**5,200**	**40,900**

24 Pension and post-employment benefits (continued)

Expenses recognised in the consolidated income statement of 2009:

	Defined benefit pension schemes					
	P&O UK scheme USD'000	MNOPF scheme USD'000	Other schemes USD'000	Total group schemes USD'000	Share of equity-accounted investees schemes USD'000	2009 P&O UK schemes USD'000
Employer's current service cost	300	-	4,700	5,000	200	5,200
Expected return on scheme assets	(95,700)	(6,900)	(8,100)	(110,700)	(800)	(111,500)
Interest cost	96,800	8,100	8,900	113,800	900	114,700
Total	1,100	1,200	800	3,100	100	3,200
Total defined benefit expenses	1,400	1,200	5,500	8,100	300	8,400
Total defined contribution expense	-	-	-	23,200	4,100	27,300
Total	1,400	1,200	5,500	31,300	4,400	35,700

24 Pension and post-employment benefits (continued)

The expenses for defined benefit and defined contribution schemes are recognised in the following line items in the consolidated income statement of 2010:

	Defined benefit pension schemes						
	P&O UK scheme USD'000	MNOPF scheme USD'000	Other schemes USD'000	Defined contribution pension schemes USD'000	Total group schemes USD'000	Share of equity-accounted investees schemes USD'000	Total USD'000
Operating expenses	-	-	5,300	23,300	28,600	-	28,600
General and administration expenses	600	-	-	2,800	3,400	-	3,400
Share of results of equity-accounted investees	-	-	-	-	-	5,200	5,200
	-------	-----	-------	--------	--------	--------	---------
	600	-	5,300	26,100	32,000	5,200	37,200
Financial expenses	2,200	600	900	-	3,700	-	3,700
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Total	2,800	600	6,200	26,100	35,700	5,200	40,900
	====	===	===	=====	=====	====	=====

DP World Limited and its subsidiaries

Notes to consolidated financial statements *(continued)*

24 Pension and post-employment benefits (continued)

The expenses for defined benefit and defined contribution schemes are recognised in the following line items in the consolidated income statement of 2009:

	Defined benefit pension schemes						
	P&O UK scheme USD'000	MNOPF scheme USD'000	Other schemes USD'000	Defined contribution pension schemes USD'000	Total group schemes USD'000	Share of equity-accounted investees schemes USD'000	Total USD'000
Operating expenses	-	-	3,000	15,400	18,400	-	18,400
General and administration expenses	300	-	1,700	7,800	9,800	-	9,800
Share of results of equity-accounted investees	-	-	-	-	-	4,300	4,300
	300	-	4,700	23,200	28,200	4,300	32,500
Financial expenses	1,100	1,200	800	-	3,100	100	3,200
Total	1,400	1,200	5,500	23,200	31,300	4,400	35,700

24 Pension and post-employment benefits (continued)

Total amount of actuarial losses gross of tax recognised in the other comprehensive income.

	2010 USD'000	2009 USD'000
Actuarial (gain)/ losses recognised in the year	**(68,400)**	162,200
Movement in minimum funding liability	**13,300**	-
	(55,100)	162,200

Actuarial valuations and assumptions

The latest valuations of the defined benefit schemes have been updated to 31 December 2010 by qualified independent actuaries. The principal assumptions are included in the table below.

The assumptions used by the actuaries are the best estimates chosen from a range of possible actuarial assumptions, which, due to the timescale covered, may not necessarily be borne out in practice.

	P&O UK scheme 2010	**MNOPF scheme 2010**	**Other schemes 2010**	**Share of equity-accounted investees schemes 2010**
Discount rates	**5.40%**	**5.40%**	**2.96%**	**6.00%**
Expected rates of salary increases	**4.60%**	**-**	**2.00%**	**4.50%**
Pension increases: deferment	**3.00%**	**2.90%**	**3.31%**	**2.10%**
payment	**3.00%**	**3.40%**	**3.31%**	**2.10%**
Inflation	**3.70%**	**3.70%**	**3.41%**	**2.90%**
Expected rate of return on scheme assets	**5.94%**	**6.71%**	**6.51%**	**6.30%**

	P&O UK scheme 2009	MNOPF scheme 2009	Other schemes 2009	Share of equity-accounted investees schemes 2009
Discount rates	5.60%	5.60%	4.50%	6.20%
Expected rates of salary increases	4.70%	5.20%	3.00%	4.10%
Pension increases: deferment	3.70%	3.70%	-	-
payment	3.25%	3.50%	3.20%	2.10%
Inflation	3.70%	3.70%	3.30%	2.90%
Expected rate of return on scheme assets	6.02%	6.53%	6.80%	7.00%

24 Pension and post-employment benefits (continued)

In addition to the assumption for expected rates of salary increases set out in the table above, a further allowance for pay increases of up to 3% per annum is applied to members of the P&O UK Scheme under 50 years of age, the allowance being greater at younger ages.

The assumptions for pensioner longevity under both the P&O UK Scheme and the MNOPF Scheme are based on analysis of pensioner death trends under the respective schemes over many years.

For the P&O UK Scheme the "Light" SAPS amounts tables S1PMA_L and S1NFA_L are used with multipliers of 113% and 106% for males and females respectively and adjustment to 2010 in line with CMI Medium Cohort projections.

In addition an allowance has been made for future longevity improvements from 2010 in line with the CMI 2009 Core Projection model with a 2% per annum long-term trend.

For the MNOPF scheme the "Heavy" SAPS amounts tables S1NMA_H and S1NFA_H are used for normal members with a multiplier of 80% and adjustment to 2009 in line with CMI Medium Cohort projections.

In addition an allowance has been made for future longevity improvements from 2009 by assuming reductions of 2.5% a year in mortality rates until 2019 and 1.5% a year thereafter for members up to age 85.

From age 85, these reductions decrease linearly to 0.5% a year at age 110.

For illustration, the life expectancies for the two schemes at age 65 now and in the future are detailed in the table below.

	Male		**Female**	
	Age 65 now	**Age 65 in 20 years' time**	**Age 65 now**	**Age 65 in 20 years' time**
2010				
P&O UK Scheme	**23.5**	**26.5**	**25.2**	**28.4**
MNOPF Scheme	**21.7**	**24.3**	**25.6**	**28.0**
	===	===	===	===
2009				
P&O UK Scheme	22.6	24.5	26.0	28.0
MNOPF Scheme	18.2	19.6	22.3	24.0
	===	===	===	===

24 Pension and post-employment benefits (continued)

The expected long-term rates of return for each of the main asset classes are subjective judgements based on market indicators, economic background, historical analysis of returns and industry forecasts. They take into account the schemes' strategic asset allocations across the sectors of the main asset classes.

	P&O UK scheme		**MNOPF scheme**		**Other Schemes**			**Share of equity-accounted investees schemes**	
	Expected long-term rate of return % p.a.	**Fair value USD'000**	**Expected long–term rate of return % p.a.**	**Fair value USD'000**	**Expected long-term rate of return % p.a.**	**Fair value USD'000**	**Group schemes fair value USD'000**	**Fair value USD'000**	**Total fair value USD'000**
2010									
Equities	**8.05**	**326,300**	**8.05**	**59,800**	**7.60**	**64,000**	**450,100**	**7,600**	**457,700**
Bonds	**6.20**	**149,900**	**5.65**	**55,800**	**4.90**	**42,400**	**248,100**	**10,500**	**258,600**
Other	**4.10**	**16,500**	**5.70**	**25,400**	**6.30**	**8,700**	**50,600**	**1,100**	**51,700**
Value of insured pensioner liability	**5.35**	**1,196,200**	**-**	**-**	**-**	**-**	**1,196,200**	**-**	**1,196,200**
	5.94	**1,688,900**	**6.68**	**141,000**	**6.51**	**115,100**	**1,945,000**	**19,200**	**1,964,200**
2009									
Equities	8.30	299,500	8.30	55,600	8.00	68,200	423,300	7,000	430,300
Bonds	5.45	135,300	5.00	63,600	5.20	36,400	235,300	9,200	244,500
Other	4.50	24,300	6.35	7,900	5.70	38,300	70,500	1,300	71,800
Value of insured pensioner liability	5.60	1,352,900	-	-	-	-	1,352,900	-	1,352,900
	6.02	1,812,000	6.53	127,100	6.67	142,900	2,082,000	17,500	2,099,500

24 Pension and post-employment benefits (continued)

Reconciliation of the opening and closing present value defined benefit obligations:

	P&O UK scheme USD'000	MNOPF scheme USD'000	Other schemes USD'000	Total group schemes USD'000	Share of equity accounted investees schemes USD'000	2010 Total USD'000
Present value of obligation at 1 January 2010	**(1,991,800)**	**(163,600)**	**(184,500)**	**(2,339,900)**	**(24,000)**	**(2,363,900)**
Employer's interest cost	**(103,700)**	**(8,500)**	**(9,900)**	**(122,100)**	**(1,400)**	**(123,500)**
Employer's current service cost	**(600)**	**-**	**(5,300)**	**(5,900)**	**(500)**	**(6,400)**
Contributions by scheme participants	**(200)**	**-**	**(2,200)**	**(2,400)**	**(200)**	**(2,600)**
Foreign currency exchange	**71,700**	**5,600**	**3,800**	**81,100**	**900**	**82,000**
Benefits paid	**103,500**	**8,200**	**15,900**	**127,600**	**1,400**	**129,000**
Sale/ (purchase) of business	**-**	**-**	**-**	**-**	**-**	**-**
Amounts reclassified as defined contribution scheme	**-**	**-**	**-**	**-**	**-**	**-**
Amounts recognised in the statement or recognised income and expense	**-**	**-**	**-**	**-**	**-**	**-**
Actuarial gain/(loss) loss on obligation	**141,500**	**(16,100)**	**(800)**	**124,600**	**(600)**	**124,000**
Transfer to assets/ liabilities classified as held for sale	**-**	**-**	**31,400**	**31,400**	**-**	**31,400**
Present value of obligation at 31 December 2010	**(1,779,600)**	**(174,400)**	**(151,600)**	**(2,105,600)**	**(24,400)**	**(2,130,000)**

24 Pension and post-employment benefits (continued)

Reconciliation of the opening and closing present value defined benefit obligations:

	P&O UK scheme USD'000	MNOPF scheme USD'000	Other schemes USD'000	Total group schemes USD'000	Share of equity accounted investees schemes USD'000	2009 Total USD'000
Present value of obligation at 1 January 2009	(1,508,400)	(126,000)	(142,300)	(1,776,700)	(14,200)	(1,790,900)
Employer's interest cost	(96,800)	(8,100)	(8,900)	(113,800)	(900)	(114,700)
Employer's current service cost	(300)	-	(4,700)	(5,000)	(200)	(5,200)
Contributions by scheme participants	(200)	-	(2,500)	(2,700)	(200)	(2,900)
Foreign currency exchange	(168,900)	(14,000)	(21,200)	(204,100)	(1,600)	(205,700)
Benefits paid	109,200	7,200	14,600	131,000	800	131,800
Sale/(purchase) of business			6,300	6,300	(3,300)	3,000
Amounts reclassified as defined contribution scheme	-	-	2,700	2,700	-	2,700
Actuarial loss on obligation	(326,400)	(22,700)	(28,500)	(377,600)	(4,400)	(382,000)
Present value of obligation at 31 December 2009	(1,991,800)	(163,600)	(184,500)	(2,339,900)	(24,000)	(2,363,900)

24 Pension and post-employment benefits (continued)

Reconciliation of the opening and closing fair value of scheme assets:

	P&O UK scheme USD'000	MNOPF scheme USD'000	Other schemes USD'000	Total group schemes USD'000	Share of equity accounted investees schemes USD'000	2010 Total USD'000
Fair value of scheme assets at 1 January 2010	**1,812,000**	**127,100**	**142,900**	**2,082,000**	**17,500**	**2,099,500**
Expected return on scheme assets	**101,500**	**7,900**	**9,000**	**118,400**	**1,100**	**119,500**
Contributions by employer	**13,400**	**6,600**	**7,000**	**27,000**	**900**	**27,900**
Contributions by scheme participants	**200**	**-**	**2,200**	**2,400**	**200**	**2,600**
Foreign currency exchange	**(64,400)**	**(4,300)**	**(2,200)**	**(70,900)**	**300**	**(70,600)**
Benefits paid	**(103,500)**	**(8,200)**	**(15,900)**	**(127,600)**	**(1,400)**	**(129,000)**
Actuarial (loss)/gain on assets	**(70,300)**	**11,900**	**2,200**	**(56,200)**	**600**	**(55,600)**
Transfer to assets/ liabilities classified as held for sale	**-**	**-**	**(30,100)**	**(30,100)**	**-**	**(30,100)**
Fair value of scheme assets at 31 December 2010	**1,688,900**	**141,000**	**115,100**	**1,945,000**	**19,200**	**1,964,200**
Defined benefit schemes net liabilities	**(90,700)**	**(33,400)**	**(36,500)**	**(160,600)**	**(5,200)**	**(165,800)**
Minimum funding liability	**-**	**(13,300)**	**-**	**(13,300)**	**-**	**(13,300)**
Net liability recognised in the statement of financial position at 31 December 2010	**(90,700)**	**(46,700)**	**(36,500)**	**(173,900)**	**(5,200)**	**(179,100)**
Actual gain on scheme assets	**31,200**	**19,800**	**11,200**	**62,200**	**1,700**	**63,900**

Where a surplus arises on a scheme in accordance with IAS19 and IFRIC14, the surplus is recognised as an asset only if it represents an unconditional economic benefit available to the Group in the future. Any surplus in excess of this benefit is not recognised in the statement of financial position. A minimum funding liability arises where the statutory funding requirements are such that future contributions in respect of past service will result in a future unrecognisable surplus.

24 Pension and post-employment benefits (continued)

Reconciliation of the opening and closing fair value of scheme assets:

	P&O UK scheme USD'000	MNOPF scheme USD'000	Other schemes USD'000	Total group schemes USD'000	Share of equity accounted investees schemes USD'000	2009 Total USD'000
Fair value of scheme assets at 1 January 2009	1,450,400	105,900	118,500	1,674,800	12,000	1,686,800
Expected return on scheme assets	95,700	6,900	8,100	110,700	800	111,500
Contributions by employer	13,500	4,400	6,700	24,600	900	25,500
Contributions by scheme participants	200	-	2,500	2,700	200	2,900
Foreign currency exchange	159,200	11,500	17,800	188,500	1,400	189,900
Benefits paid	(109,200)	(7,200)	(14,600)	(131,000)	(800)	(131,800)
(Sale)/purchase of businesses	-	-	(7,700)	(7,700)	2,700	(5,000)
Actuarial gain on assets	202,200	5,600	11,600	219,400	300	219,700
Fair value of scheme assets at 31 December 2009	1,812,000	127,100	142,900	2,082,000	17,500	2,099,500
Defined benefit schemes net liabilities	(179,800)	(36,500)	(41,600)	(257,900)	(6,500)	(264,400)
Actual gain on scheme assets	297,900	12,500	19,700	330,100	1,100	331,200

24 Pension and post-employment benefits (continued)

It is anticipated that the Group will make the following contributions to the pension schemes in 2011:

	P&O UK scheme USD'000	MNOPF scheme USD'000	Other schemes USD'000	Total group schemes USD'000	Share of equity accounted investees schemes USD'000	Total USD'000
Pension scheme contributions	**14,100**	**7,000**	**8,100**	**29,200**	**1,000**	**30,200**
	=====	=====	=====	=====	====	=====
Present value of defined benefit obligation						
31 December 2010						
Present value of define benefit obligation	**(1,779,600)**	**(174,400)**	**(151,600)**	**(2,105,600)**	**(24,400)**	**(2,130,000)**
Fair value of scheme assets	**1,688,900**	**141,000**	**115,100**	**1,945,000**	**19,200**	**1,964,200**
	------------	------------	------------	------------	------------	------------
Deficit in the scheme	**(90,700)**	**(33,400)**	**(36,500)**	**(160,600)**	**(5,200)**	**(165,800)**
Minimum funding obligation	**-**	**(13,300)**	**-**	**(13,300)**		**(13,300)**
Net liability recognised in the statement of financial position	**(90,700)**	**(46,700)**	**(36,500)**	**(173,900)**	**(5,200)**	**(179,100)**
Experience gains/(losses) on scheme assets	**(70,300)**	**11,900**	**2,200**	**(56,200)**	**600**	**(55,600)**
Percentage of scheme assets at year end (%)	**-4%**	**8%**	**2%**	**-3%**	**3%**	**-3%**
Experience gains/(losses) on scheme liabilities	**101,600**	**(7,400)**	**5,200**	**99,400**	**(600)**	**98,800**
Percentage of scheme liabilities at year end (%)	**-6%**	**4%**	**-3%**	**-5%**	**2%**	**-5%**
Gains/(losses) on scheme liabilities	**39,900**	**(8,700)**	**(6,000)**	**25,200**	**-**	**25,200**
Movement in minimum funding liability	**-**	**(13,300)**	**-**	**(13,300)**	**-**	**(13,300)**
Gains/(losses) due to change in assumptions	**71,200**	**(17,500)**	**1,400**	**55,100**	**-**	**55,100**
	=======	======	======	=======	=====	=======
31 December 2009						
Present value of define benefit obligation	(1,991,800)	(163,600)	(184,500)	(2,339,900)	(24,000)	(2,363,900)
Fair value of scheme assets	1,812,000	127,100	142,900	2,082,000	17,500	2,099,500
Surplus or deficit in the scheme	(179,800)	(36,500)	(41,600)	(257,900)	(6,500)	(264,400)
Experience gains/(losses) on scheme assets	202,200	5,600	11,600	219,400	300	219,700
Percentage of scheme assets at year end (%)	11%	4%	8%	11%	2%	10%
Experience gains/(losses) on scheme liabilities	-	-	200	200	-	200
Percentage of scheme liabilities at year end (%)	0%	0%	0%	0%	0%	0%
Gains/(losses) due to change in assumptions	(326,400)	(22,700)	(28,700)	(377,800)	(4,400)	(382,200)
	=======	=======	=======	=======	=======	=======

DP World Limited and its subsidiaries

Notes to consolidated financial statements *(continued)*

24 Pension and post-employment benefits (continued)

	P&O UK scheme USD'000	MNOPF scheme USD'000	Other schemes USD'000	Total group schemes USD'000	Share of equity accounted investees schemes USD'000	Total USD'000
31 December 2008						
Present value of define benefit obligation	(1,508,400)	(126,000)	(142,300)	(1,776,700)	(14,200)	(1,790,900)
Fair value of scheme assets	1,450,400	105,900	118,500	1,674,800	12,000	1,686,800
Surplus or deficit in the scheme	(58,000)	(20,100)	(23,800)	(101,900)	(2,200)	(104,100)
Experience gains/(losses) on scheme assets	(278,500)	(33,500)	(38,700)	(350,700)	(3,900)	(354,600)
Percentage of scheme assets at year end (%)	-19%	-32%	-33%	-21%	-33%	-21%
Experience gains/(losses) on scheme liabilities	(11,300)	(3,300)	2,200	(12,400)	-	(12,400)
Percentage of scheme liabilities at year end (%)	1%	3%	-2%	1%	0%	1%
Gains/(losses) due to change in assumptions	213,300	14,500	28,000	255,800	4,300	260,100
	======	======	======	======	=====	======
31 December 2007						
Present value of define benefit obligation	(2,237,900)	(181,000)	(212,000)	(2,630,900)	(23,200)	(2,654,100)
Fair value of scheme assets	2,173,600	171,500	186,600	2,531,700	19,100	2,550,800
Surplus or deficit in the scheme	(64,300)	(9,500)	(25,400)	(99,200)	(4,100)	(103,300)
Experience gains/(losses) on scheme assets	(44,400)	29,800	(1,200)	(15,800)	(500)	(16,300)
Percentage of scheme assets at year end (%)	-2%	17%	-1%	-1%	-3%	-1%
Experience gains/(losses) on scheme liabilities	2,000	16,000	(200)	17,800	-	17,800
Percentage of scheme liabilities at year end (%)	0%	-9%	0%	-1%	0%	-1%
Gains/(losses) due to change in assumptions	(64,200)	10,600	5,600	(48,000)	(200)	(48,200)
	=======	======	======	=======	=====	=======

24 Pension and post-employment benefits (continued)

P&O UK Scheme

Formal actuarial valuations of the P&O UK Scheme are normally carried out triennially by qualified independent actuaries, the latest completed regular valuation report for the scheme being at 31 March 2007, using the projected unit credit method.

At this date, the market value of the P&O UK Scheme's assets were USD 2,373,000 thousand and the value of accrued benefits to members allowing for future increases in earnings was USD 2,504,000 thousand giving a deficit of USD 131,000 thousand and a funding ratio of 94.8%.

Excluding the deficit reduction payments, the average contribution rate for the P&O UK Scheme was 29.1% for the year to 31 December 2009 and 29.1% for the year to 31 December 2010.

The principal long-term assumptions in the P&O UK Scheme's 2007 valuation are:

	Nominal % per annum
Price inflation	3.00
Investment return on pre-employment portfolio	5.94
Investment return on post-employment portfolio	5.11
Earnings escalation	4.50
Increase in accrued pensions on excess over Guaranteed Minimum Pensions	2.75
	===

As a result of this valuation P&O committed to regular monthly deficit payments from April 2008 totalling USD 46,300 thousand over the subsequent three years. These monthly payments are supported by bank guarantees.

In December 2007, as part of a process developed with P&O to de-risk the pension scheme, the Trustee transferred USD 1,600,000 thousand of P&O UK Scheme assets to Paternoster (UK) Ltd, in exchange for a bulk annuity insurance policy to ensure that the assets (in the Company's statement of financial position and in the Scheme) will always be equal to the current value of the liability of the pensions in payment at 30 June 2007, thus removing the funding risks for these liabilities.

24 Pension and post-employment benefits (continued)

Merchant Navy Officers' Pension Fund ("MNOPF")

The MNOPF Scheme is a defined benefit multi-employer scheme in which officers employed by companies within the Group have participated.

The scheme is divided into two sections, the Old Section and the New Section, both of which are closed to new members and the latest valuation was carried out at 31 March 2009.

The Old Section has been closed to benefit accrual since 1978. The scheme's independent actuary advised that at 31 March 2009 the market value of the scheme's assets for the Old Section was USD 1,595,000 thousand, representing approximately 89% of the value of the benefits accrued to members. The Trustee has determined that the asset growth of the Fund, in excess of that assumed in calculating the technical provisions, between the formal date of the valuation and 18 November 2009 has been sufficient to eliminate the shortfall. Therefore no contributions are required to meet the shortfall. The assets of the Old Section were substantially invested in bonds.

As at 31 March 2009, the date of the most recent formal actuarial valuation, the New Section had assets with a market value of USD 2,217,000 thousand, representing approximately 68% of the benefits accrued to members. The valuation assumptions were as follows:

	Nominal % per annum
Investment return on pre-employment portfolio	7.25
Investment return on post-employment portfolio	4.75
Rate of national average earnings increase	4.50
Rate of pension increases (where increases apply)	3.00
	===

At the date of the valuation, approximately 48% of the New Section's assets were invested in pooled investment vehicles, 35% in equities, 9% in bonds and 8% in cash and other assets.

Following the valuation the Trustee and Employers have agreed contributions in addition to those arising from the 31 March 2003 and 31 March 2006 valuations will be paid to the section by participating employers over the period to 30 September 2022. These additional payments have a present value of USD 632,000 thousand as at 30 September 2010.

The Trustee will decide the payment terms for each participating employer in accordance with the Trustee's Contribution Collection Policy. The Group's share is USD 29,500 thousand.

Following a court decision in 2005, the trustee advised P&O that its share of the net deficit of the New Section was 3.355% and issued a schedule of regular deficit payments from P&O companies totalling USD 2,100 thousand per annum commencing on 30 September 2005 and payable annually on 31 March thereafter until 31 March 2014. In addition, part of the deficit payments being made by Carnival plc are attributable to P&O under the terms of the demerger agreement relating to the demerger of P&O Princess Cruises in 2000, these payments equate to a further 1.096% of the net deficit.

24 Pension and post-employment benefits (continued)

Merchant Navy Officers' Pension Fund ("MNOPF") (continued)

The proportion of deficit attributable to P&O changed with effect from 20 February 2007 to 3.963% as not all employers met their deficit payments. The payments to P&O Princess Cruises have also changed and these payments now equate to a further 1.295%.

As a result of the 31 March 2006 valuation report for the scheme the trustee issued a further schedule of regular deficit payments from P&O companies totalling USD 2,200 thousand commencing on 30 September 2007 and payable annually on 30 September thereafter until 30 September 2014.

P&O's share of the net deficit of the New Section at 31 December 2009 is estimated at 4.807%.

Merchant Navy Ratings' Pension Fund ("MNRPF")

The Merchant Navy Ratings' Pension Fund ("the MNRPF Scheme") is an industry wide multi-employer defined benefit pension scheme in which sea staff employed by companies within P&O have participated. The scheme has a significant funding deficit and has been closed to further benefit accrual.

As at 31 March 2008, the date of the most recent full triennial actuarial valuation carried out by an independent actuary, the scheme had assets with a market value of USD 1,239,000 thousand, representing 78% of the benefits accrued to members allowing for future increases. Approximately 66% of the scheme's assets were invested in bonds, 23% in equities and 11% in property and cash. The valuation assumptions were as follows:

	Nominal % per annum
Investment return on pre-employment portfolio	6.20
Investment return on post-employment portfolio	5.20
Rate of national average earnings increase	5.20
Rate of pension increases (where increases apply)	3.60
	===

Following the transfer of the Ferries division companies the Group's share of the deficit at 31 December 2010 is immaterial and as it has, been unable to identify its share of the underlying assets and liabilities of the MNRPF Scheme on a consistent and reasonable basis it therefore accounts for contributions and payments to the MNRPF Scheme under IAS 19 as if it were a defined contribution scheme.

Certain Group companies which are no longer current employers in the MNRPF and, had settled their statutory debt obligation, were not considered to have any legal obligation with respect to the on-going deficit in the fund. This position has, however, been challenged by Stena Line Limited in the High Court. Judgement was handed down in this case on 27 July 2010, with the judgement going against the Group. Leave to appeal was granted, and the appeal is expected to be heard at the end of March 2011.

24 Pension and post-employment benefits (continued)

Other schemes

Other defined benefit schemes include schemes in Australia, Canada, Indonesia, Pakistan, Hong Kong and Philippines.

Other industry schemes are mainly overseas multi-employer schemes, in which the Group is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis. The Group is therefore accounting for contributions to these schemes as if they were defined contribution schemes for IAS 19 purposes.

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (“the MPF Scheme") in Hong Kong, under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' relevant income and are charged to the consolidated income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The Group also operates a defined contribution retirement benefits scheme (“the ORSO Scheme") in Hong Kong for those employees who are eligible to participate in this scheme. The ORSO Scheme operates in a similar way to the MPF Scheme, except that when an employee leaves the ORSO Scheme before the employer contributions vest fully, the ongoing employer contributions payable by the Group are reduced by the relevant amount of the forfeited employer contributions.

In respect of Australia, a number of DP World's Australian companies participate in the Mercer Superannuation Trust, an Australian multi-employer corporate fund in which DP World Australia operates a sub-fund called DP World Australia Superannuation Plan. The defined benefit section of the sub-fund is closed to new members. At 31 December 2010 the sub-fund had a small deficit of USD 1,560 thousand. The Australian group of companies also participate in the superannuation plan associated with the maritime industry called "Maritime Super" (MS). MS is a multi-employer superannuation fund. Its defined benefit section is closed to new members. As a multi-employer fund there is no reliable basis for allocating benefits, assets and costs between employers and therefore the Group has adopted multi-employer provisions when reporting under IFRS. Those provisions allow the employers to report as if the fund was a defined contribution fund. In any event as at 31 December 2010 the total number of members remaining in the defined benefit section of MS were 199 of which DP World's share was 78. The last actuarial statement dated June 2008 showed the ratio of assets to benefits at 102%.

25 Interest bearing loans and borrowings

This note provides information about the terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. Information about the Group's exposure to interest rate, foreign currency and liquidity risk are described in note 29.

	2010	2009
	USD'000	USD'000
Non-current liabilities		
Secured bank loans	**682,968**	536,341
Mortgage debenture stock	**2,221**	2,303
Unsecured loan stock	**5,093**	5,280
Unsecured bank loans	**3,442,000**	3,645,649
Unsecured bond issues	**3,233,518**	3,231,829
Finance lease liabilities	**54,499**	53,476
	7,420,299	7,474,878
Current liabilities		
Secured bank loans	**76,333**	419,605
Unsecured bank loans	**258,420**	51,715
Unsecured loans	**2,433**	2,548
Finance lease liabilities	**12,261**	9,223
	349,447	483,091
Total	**7,769,746**	7,957,969

25 Interest bearing loans and borrowings (continued)

Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

Currency	Notes	Nominal interest rate	Year of maturity	Face value USD'000	2010 Carrying amount USD'000
Secured loans					
EGP		14%	2013	**4,684**	**4,684**
EUR		Variable	2019-2023	**7,644**	**7,644**
EUR		Fixed	7%	**16,497**	**16,497**
HKD		2.90%	2015	**1,576**	**1,576**
INR		11.62%	2015	**11,183**	**11,183**
INR		Variable	2015-2017	**94,762**	**94,762**
PKR		Variable	2018-2019	**80,155**	**80,155**
USD		2.76% - 4.75%	2013-2014	**36,230**	**36,230**
USD		Variable	2011-2019	**505,135**	**505,135**
ZAR		Variable	2016	**1,435**	**1,435**
Unsecured loans					
CAD		Variable	2011	**194,374**	**194,374**
INR		Variable	2011-2014	**62,886**	**62,886**
INR		7.9% - 8.13%	2011-2012	**72,451**	**72,451**
SAR		Variable	2017	**27,259**	**27,259**
USD		4.14%	2024	**32,876**	**32,876**
USD	*(a)*	Variable	2012	**3,000,000**	**2,995,143**
USD		Variable	2011	**315,431**	**315,431**
EUR		Variable	2011	**2,433**	**2,433**
Mortgage debenture stock					
GBP		3.50%	undated	**2,221**	**2,221**
Unsecured loan stock					
GBP		7.50%	undated	**5,093**	**5,093**
Unsecured Bond					
USD		7.88%	2027	**8,000**	**7,929**
Unsecured sukuk bonds					
USD	*(b)*	*	2017	**1,500,000**	**1,487,289**
Unsecured MTNs					
USD	*(b)*	6.85%	2037	**1,750,000**	**1,738,300**
Finance lease liabilities in various currencies		4.14% - 14%	2010-2054	**66,760**	**66,760**
				7,799,085	**7,769,746**

* The profit rate on this Islamic Bond is 6.25%.

(a) The unsecured bank loans include USD 3,000,000 thousand (2009: USD 3,000,000 thousand) drawn under a USD 3,000,000 thousand revolving credit facility. This is a committed facility with a final maturity on 22 October 2012.

(b) The Group has a listed conventional bond of USD 1,750,000 thousand Medium Term Note and a Sukuk (Islamic Bond) of USD 1,500,000 thousand listed under DP World Sukuk Limited on NASDAQ Dubai and the London Stock Exchange (LSE).

Certain property, plant and equipment are pledged against the facilities obtained from the banks (refer to note 12). There is no cash under lien as at 31 December 2010 (2009: USD 368,351 thousand) (refer to note 18).

There has been no issuance or repayment of debt securities in the current year (2009: nil). At 31 December 2010, the undrawn committed borrowing facilities of USD 60,213 thousand (2009: 179,744 thousand) were available to the Group, in respect of which all precedent conditions had been met.

25 Interest bearing loans and borrowings (continued)

Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

Currency	Notes	Nominal interest rate	Year of maturity	Face value USD'000	2009 Carrying amount USD'000
Secured loans					
AUD		Variable	2010	103,105	103,105
EGP		14%	2013	6,610	6,610
EUR		Variable	2016-2024	19,174	19,174
GBP		Variable	2010	157,136	157,136
HKD		2.90%	2015	1,951	1,951
INR		Variable	2014	6,899	6,899
PKR		Variable	2010-2013	45,616	45,616
USD		1.45% - 4.75%	2010-2017	75,458	75,458
USD		Variable	2010-2019	538,645	538,645
ZAR		Variable	2016	1,352	1,352
Unsecured loans					
AUD		Variable	2010	16,209	16,209
CAD		Variable	2011	184,429	184,429
INR		Variable	2011-2014	97,395	97,395
INR		7.30% - 14.25%	2010-2015	93,165	93,165
SAR		Variable	2010-2017	31,378	31,378
USD		Variable	2011-2024	252,791	252,791
USD		Variable	2010-2011	29,512	29,512
USD	(a)	Variable	2012	3,000,000	2,992,485
EUR		Variable	2010	2,548	2,548
Mortgage debenture stock					
GBP		3.50%	undated	2,303	2,303
Unsecured loan stock					
GBP		7.50%	undated	5,280	5,280
Unsecured Bond					
USD		7.88%	2027	8,000	7,925
Unsecured sukuk bonds					
USD	*(b)*	*	2017	1,500,000	1,485,756
Unsecured MTNs					
USD	*(b)*	6.85%	2037	1,750,000	1,738,148
Finance lease liabilities in various currencies		Variable	2010-2023	62,699	62,699
				7,991,655	7,957,969

* The profit rate on this Islamic Bond is 6.25%.

25 Interest bearing loans and borrowings (continued)

Finance lease liabilities

The Group classifies certain property, plant and equipment as finance leases where it retains all risks and rewards incidental to the ownership. The net carrying values of assets taken under finance leases are disclosed in note 12.

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Future minimum lease payments USD'000	**Interest USD'000**	**2010 Present value of minimum lease payments USD'000**
Less than one year	**15,391**	**(2,898)**	**12,493**
Between one and five years	**41,009**	**(10,962)**	**30,047**
More than five years	**34,296**	**(10,076)**	**24,220**
At 31 December	**90,696**	**(23,936)**	**66,760**
			2009
Less than one year	14,853	(2,978)	11,875
Between one and five years	47,794	(6,170)	41,624
More than five years	18,900	(9,700)	9,200
At 31 December	81,547	(18,848)	62,699

The finance leases do not contain any escalation clauses and do not provide for contingent rents.

26 Accounts payable and accruals

	Non-current USD'000	**Current USD'000**	**2010 Total USD'000**
Trade payables	**-**	**201,546**	**201,546**
Other payables and accruals	**338,952**	**607,361**	**946,313**
Provisions*	**800**	**43,900**	**44,700**
Fair value of derivative financial instruments	**26,800**	**69,579**	**96,379**
Amounts due to related parties (refer to note 27)	**1,600**	**17,176**	**18,776**
As at 31 December	**368,152**	**939,562**	**1,307,714**

26 Accounts payable and accruals (continued)

	Non-current USD'000	Current USD'000	2009 Total USD'000
Trade payables	-	160,462	160,462
Other payables and accruals	319,280	564,947	884,227
Provisions*	1,600	29,100	30,700
Fair value of derivative financial instruments	22,200	44,800	67,000
Amounts due to related parties (refer to note 27)	3,683	18,293	21,976
As at 31 December	346,763	817,602	1,164,365

* During the year an amount of USD 32,000 thousand was provided (2009: USD 19,600 thousand) and an amount of USD 18,000 thousand was utilised (2009: USD 30,100 thousand).

27 Related party transactions

For the purpose of these consolidated financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over it in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or significant influence i.e. part of the same Parent Group.

Related parties represent associated companies, shareholders, directors and key management personnel of the Group, the Parent Company, ultimate Parent Company (Dubai World Corporation) and entities jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management. The terms and conditions of the related party transaction were made on an arm's length basis.

The Parent Group operates a Shared Services Unit ("SSU") which recharges the proportionate costs of services provided to the Group. SSU also processes the payroll for the Group and recharges the respective payroll costs.

Transactions with related parties included in the consolidated financial statements are as follows:

	Ultimate Parent Company USD'000	**Equity-accounted investees USD'000**	**Other related parties USD'000**	**2010 Total USD'000**
Expenses charged:				
Concession fee	**-**	**-**	**48,169**	**48,169**
Shared services	**-**	**-**	**10,055**	**10,055**
Other recharges	**-**	**-**	**13,770**	**13,770**
Revenue earned:				
Management fee income	**-**	**13,020**	**-**	**13,020**

27 Related party transactions (continued)

	Ultimate Parent Company USD'000	Equity accounted investees USD'000	Other related parties USD'000	2009 Total USD'000
Expenses charged:				
Concession fee	-	-	48,169	48,169
Shared services	-	-	12,034	12,034
Other recharges	11,807	-	12,591	24,398
Property acquired	-	-	82,785	82,785
Revenue earned:				
Management fee income	-	6,024	-	6,024
	====	====	=====	====

Balances with related parties included in the statement of financial position are as follows:

	Due from related parties		**Due to related parties**	
	2010 USD'000	2009 USD'000	**2010 USD'000**	2009 USD'000
Ultimate Parent Company	**3,793**	-	**-**	2,749
Parent Company	**65,750**	58,234	**-**	-
Equity-accounted investees	**43,400**	43,003	**1,600**	952
Other related parties	**18,992**	18,986	**17,176**	18,275
	----------	----------	---------	---------
	131,935	120,223	**18,776**	21,976
	======	======	=====	=====

The balances outstanding at the year-end arise in the normal course of business. For the year ended 31 December 2010 and 2009 the Group has not recorded any impairment on the amounts owed by related parties.

Loan and lease guarantees issued on behalf of associates and joint ventures amount to USD 5,785 thousand (2009: USD 13,090 thousand).

Compensation of key management personnel

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

	2010 USD'000	2009 USD'000
Short-term benefits and bonus	**6,699**	7,648
Post retirement benefits	**512**	428
	-------	-------
	7,211	8,076
	====	====

28 Assets and liabilities held for sale

	2010 USD'000	2009 USD'000
Asset held for sale		
Australia and America region (refer to note (a))	**2,071,000**	-
Other regions (refer to note (b))	**13,840**	28,400
	2,084,840	28,400
Liabilities held for sale		
Australia and America region (refer to note (a))	**356,193**	-

(a) On 22 December 2010, the Group and Citi Infrastruture Investors ("CII"), together with one of CII's major investors announced their intention to form a strategic partnership in relation to the Group's five marine terminals in Australia (also refer to note 34).

The major class of assets and liabilities as at 31 December 2010 were as follows:

	2010 USD'000	2009 USD'000
Non-current assets		
Property, plant and equipment (refer to note 12)	**392,198**	-
Port concession rights (refer to note 13)	**680,622**	-
Goodwill (refer to note 13)	**846,748**	-
Investment in equity-accounted investments	**1,000**	-
Deferred tax assets	**27,400**	-
	1,947,968	-
Current assets		
Inventories	**6,000**	-
Accounts receivable and prepayments (net) (refer to note 29 (a))	**66,132**	-
Bank balances and cash (refer to note 18)	**50,900**	-
	123,032	-
Asset classified as held for sale	**2,071,000**	-
Non-current liabilities		
Deferred tax liabilities	**213,293**	-
Pension and post-employment benefits	**6,900**	-
Interest bearing loans and borrowings	**21,900**	-
	242,093	-

28 Assets and liabilities held for sale (continued)

	2010 USD'000	2009 USD'000
Current liabilities		
Income tax liabilities	**5,800**	-
Pension and post-employment benefits	**49,100**	-
Interest bearing loans and borrowings	**3,500**	-
Accounts payable and accruals	**55,700**	-
	114,100	-
Liabilities classified as held for sale	**356,193**	-

(b) Assets held for sale in other regions includes property, plant and equipment of USD 3,039 thousand (2009: USD 15,973 thousand), which have been restated at their fair value resulting in an impairment loss of USD 3,700 thousand (also refer to notes 11 and 12).

29 Financial instruments

(a) Credit risk

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	Carrying amount	
	2010 USD'000	2009 USD'000
Available-for-sale financial assets	**51,439**	50,560
Debt securities held to maturity	**14,429**	14,729
Derivative assets	**10,970**	1,100
Loans and receivables	**607,760**	536,534
Bank balances	**2,519,616**	2,910,066
	3,204,214	3,512,989

The maximum exposure to credit risk for trade receivables (net) at the reporting date by operating region is as follows:

	Carrying amount	
	2010 USD'000	2009 USD'000
Asia Pacific and Indian subcontinent	**23,927**	28,128
Australia and Americas	**32,400**	73,902
Middle East, Europe and Africa	**172,415**	187,840
	228,742	289,870

29 Financial instruments (continued)

(a) Credit risk (continued)

(i) Exposure to credit risk (continued)

The ageing of trade receivables (net) at the reporting date was:

	2010	2009
	USD'000	USD'000
Neither past due nor impaired on the reporting date:	**169,262**	127,840
Past due on the reporting date		
Past due 0-30 days	**22,422**	89,253
Past due 31-60 days	**12,228**	19,828
Past due 61-90 days	**10,767**	12,305
Past due > 90 days	**14,063**	40,644
	228,742	289,870

The Group believes that the unimpaired amounts that are past due by more than 30 days are still collectible, based on historic payment behaviour.

Movement in the allowance for impairment in respect of trade receivables during the year was:

	2010	2009
	USD'000	USD'000
As at 1 January	**46,367**	59,774
Provision (written back)/ recognised during the year	**(10,470)**	(13,407)
Transfer to assets held for sale	**(4,068)**	-
As at 31 December	**31,829**	46,367

Based on historic default rates, the Group believes that, apart from above, no impairment allowance is necessary in respect of trade receivables not past due or past due.

Trade receivables with the top ten customers represent 38% (2009: 46%) of the trade receivables.

29 Financial instruments (continued)

(b) Liquidity risk

2010

The following are the contractual maturities of financial liabilities, including estimated interest payments and excludes the impact of netting agreements.

	Carrying amount USD'000	Contractual cash flows USD'000	Less than 1 year USD'000	1 – 2 years USD'000	2 – 5 years USD'000	More than 5 years USD'000
Non derivative financial liabilities						
Secured bank loans	**759,301**	**(972,914)**	**(143,361)**	**(148,664)**	**(445,498)**	**(235,391)**
Unsecured bond issues	**3,233,518**	**(7,055,651)**	**(214,255)**	**(214,255)**	**(642,765)**	**(5,984,376)**
Mortgage debenture stocks	**2,221**	**(4,399)**	**(78)**	**(78)**	**(233)**	**(4,010)**
Unsecured loan stock	**5,093**	**(15,792)**	**(382)**	**(382)**	**(1,146)**	**(13,882)**
Finance lease liabilities	**66,760**	**(90,696)**	**(15,391)**	**(14,116)**	**(26,892)**	**(34,297)**
Unsecured syndicate bank loans	**2,995,143**	**(3,031,681)**	**(28,584)**	**(3,003,097)**	**-**	**-**
Unsecured other bank loans	**707,710**	**(789,772)**	**(589,537)**	**(71,038)**	**(76,212)**	**(52,985)**
Trade and other payables	**644,929**	**(644,929)**	**(521,675)**	**(93,749)**	**(9,380)**	**(20,125)**
Bank overdraft	**3,000**	**(3,000)**	**(3,000)**	**-**	**-**	**-**
Financial guarantees*	**-**	**(5,785)**	**(5,785)**	**-**	**-**	**-**
Derivative financial liabilities						
Interest rate swaps	**96,079**	**(123,125)**	**(47,561)**	**(35,814)**	**(34,847)**	**(4,903)**
Cross currency swaps	**300**	**(208)**	**(208)**	**-**	**-**	**-**
Total	**8,514,054**	**(12,737,952)**	**(1,569,817)**	**(3,581,193)**	**(1,236,973)**	**(6,349,969)**

* These are financial guarantees provided to equity-accounted investees (also refer to note 27).

29 Financial instruments (continued)

(b) Liquidity risk (continued)

2010

The following table indicates the periods in which the cash flows associated with derivatives that are cash flow hedges are expected to occur. The timing of these cash flows is not materially different from the impact on the consolidated income statement.

	Carrying amount USD'000	Expected cash flows USD'000	Less than 1 year USD'000	1 – 2 years USD'000	2 – 5 years USD'000	More than 5 years USD'000
Interest rate swaps						
Assets	**161**	**161**	**-**	**161**	**-**	**-**
Liabilities	**(96,079)**	**(123,125)**	**(47,561)**	**(35,814)**	**(34,847)**	**(4,903)**
Forward exchange contracts						
Assets	**39**	**218**	**218**			
Cross currency swaps						
Liabilities	**(300)**	**(208)**	**(208)**	**-**	**-**	**-**
Total	**(96,179)**	**(122,954)**	**(47,551)**	**(35,653)**	**(34,847)**	**(4,903)**

29 Financial instruments (continued)

(b) Liquidity risk (continued)

2009

The following are the contractual maturities of financial liabilities, including estimated interest payments and excludes the impact of netting agreements.

	Carrying amount USD'000	Contractual cash flows USD'000	Less than 1 year USD'000	1 – 2 years USD'000	2 – 5 years USD'000	More than 5 years USD'000
Non derivative financial liabilities						
Secured bank loans	955,946	(1,166,241)	(477,139)	(111,944)	(324,414)	(252,744)
Unsecured bond issues	3,231,829	(7,269,906)	(214,255)	(214,255)	(642,765)	(6,198,631)
Mortgage debenture stocks	2,303	(4,641)	(81)	(81)	(242)	(4,237)
Unsecured loan stock	5,280	(16,763)	(396)	(396)	(1,188)	(14,783)
Finance lease liabilities	62,699	(81,547)	(14,853)	(11,948)	(35,846)	(18,900)
Unsecured syndicate bank loans	2,992,494	(3,056,965)	(27,019)	(27,019)	(3,002,927)	-
Unsecured other bank loans	707,418	(914,092)	(168,591)	(505,640)	(170,287)	(69,574)
Trade and other payables	1,066,661	(1,066,661)	(743,698)	(322,963)	-	-
Bank overdraft	11,500	(11,500)	(11,500)	-	-	-
Financial guarantees	-	(13,090)	(13,090)	-	-	-
Derivative financial liabilities						
Interest rate swaps	64,185	(83,776)	(50,898)	(23,261)	(7,844)	(1,773)
Forward exchange contracts						
Net outflow	2,815	(5,753)	(5,753)	-	-	-
Total	9,103,130	(13,690,935)	(1,727,273)	(1,217,507)	(4,185,513)	(6,560,642)

29 Financial instruments (continued)

(b) Liquidity risk (continued)

2009

The following table indicates the periods in which the cash flows associated with derivatives that are cash flow hedges are expected to occur. The timing of these cash flows is not materially different from the impact on the consolidated income statement.

	Carrying amount USD'000	Expected cash flows USD'000	Less than 1 year USD'000	1 – 2 years USD'000	2 – 5 years USD'000	More than 5 years USD'000
Interest rate swaps						
Assets	500	631	-	-	631	-
Liabilities	(64,185)	(83,776)	(50,898)	(23,261)	(7,844)	(1,773)
Forward exchange contracts						
Net liabilities	(2,715)	(5,466)	(5,466)	-	-	-
Cross currency swaps						
Assets	500	757	577	180	-	-
Total	(65,900)	(87,854)	(55,787)	(23,081)	(7,213)	(1,773)

29 Financial instruments (continued)

(c) Market risk (continued)

(i) Currency risk

Exposure to currency risk

The Group's exposure to foreign currency risk was as follows:

	USD USD'000	GBP USD'000	EUR USD'000	AUD USD'000	INR USD'000	CAD USD'000	Others USD'000	2010 Total USD'000
Cash and cash equivalents	**2,216,089**	**109,613**	**48,221**	**37,596**	**7,900**	**17,780**	**82,417**	**2,519,616**
Trade receivables	**108,703**	**17,436**	**44,273**	**6,084**	**9,185**	**12,636**	**30,425**	**228,742**
Secured bank loans and debenture stock	**(539,831)**	**(2,222)**	**(24,141)**	**-**	**(105,954)**	**-**	**(89,374)**	**(761,522)**
Unsecured bank loans and loan stock	**(3,345,989)**	**(5,093)**	**-**	**-**	**(135,196)**	**(194,408)**	**(27,260)**	**(3,707,946)**
Bank overdraft	**-**	**-**	**-**	**-**	**(1,124)**	**-**	**(1,876)**	**(3,000)**
Trade payables	**(59,074)**	**(13,557)**	**(45,984)**	**(4,212)**	**(59,605)**	**(1,872)**	**(17,242)**	**(201,546)**
Net statement of financial position exposures	**(1,620,102)**	**106,177**	**22,369**	**39,468**	**(284,794)**	**(165,864)**	**(22,910)**	**(1,925,656)**

DP World Limited and its subsidiaries

Notes to consolidated financial statements *(continued)*

29 Financial instruments (continued)

(c) Market risk (continued)

(i) Currency risk

Exposure to currency risk

The Group's exposure to foreign currency risk was as follows:

	USD USD'000	GBP USD'000	EUR USD'000	AUD USD'000	INR USD'000	CAD USD'000	Others USD'000	2009 Total USD'000
Cash and cash equivalents	2,372,768	236,149	60,544	168,174	68	9,240	63,123	2,910,066
Trade receivables	118,648	24,743	32,820	59,300	18,789	11,138	24,432	289,870
Secured bank loans and debenture stock	(616,076)	(159,437)	(19,175)	(103,084)	(6,899)	-	(53,578)	(958,249)
Unsecured bank loans and loan stock	(3,305,999)	(5,280)	(2,548)	(16,209)	(190,745)	(184,411)	-	(3,705,192)
Bank overdraft	-	-	-	(6,468)	(3,426)	-	(1,606)	(11,500)
Trade payables	(50,327)	(14,048)	(39,197)	(7,198)	(33,489)	(3,056)	(13,147)	(160,462)
Net statement of financial position exposures	(1,480,986)	82,127	32,444	94,515	(215,702)	(167,089)	19,224	(1,635,467)

29 Financial instruments (continued)

(c) Market risk (continued)

(i) Currency risk (continued)

The following significant exchange rates applied during the year:

	Average rate during		Reporting date spot rate	
	2010	2009	**2010**	2009
GBP	**0.647**	0.641	**0.641**	0.618
EUR	**0.755**	0.719	**0.747**	0.698
AUD	**1.090**	1.281	**0.977**	1.115
INR	**45.668**	48.297	**44.713**	46.410
CAD	**1.031**	1.141	**0.998**	1.052

(ii) Sensitivity analysis

A 10 percent strengthening of the USD against the following currencies at 31 December would have increased/ (decreased) other comprehensive income and consolidated income statement by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. Further, as each entity in the Group determines its own functional currency, the effect of translating financial assets and liabilities of the respective entity would mainly impact other comprehensive income.

	Other comprehensive income		Consolidated income statement	
	USD'000	USD'000	**USD'000**	USD'000
	2010	2009	**2010**	2009
GBP	**11,797**	8,213	**1,664**	1,617
EUR	**2,485**	3,244	**1,441**	771
AUD	**4,385**	9,452	**-**	589
INR	**(31,644)**	(21,570)	**7,869**	4,285
CAD	**(18,429)**	(16,709)	**720**	1,203

A 10 percent weakening of the USD against the above currencies at 31 December would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

29 Financial instruments (continued)

(d) Interest rate risk

(i) Profile

At the reporting date the interest rate profile of the Group's interest bearing financial instruments was:

	Carrying amount	
	2010	2009
	USD'000	USD'000
Fixed rate instruments		
Financial assets	**14,429**	14,729
Financial liabilities	**(3,483,089)**	(3,591,983)
Interest rate swaps	**(1,932,288)**	(2,016,007)
	------------	-------------
	(5,400,948)	(5,593,261)
	=======	=======
Variable rate instruments		
Financial assets	**2,076,074**	2,023,460
Financial liabilities	**(4,289,657)**	(4,377,486)
Interest rate swaps	**1,932,288**	2,016,007
	------------	------------
	(281,295)	(338,019)
	======	=======

(ii) Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points ("bp") in interest rates at the reporting date would have increased/ (decreased) other comprehensive income and consolidated income statement by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Consolidated income statement		**Other comprehensive income**	
	100 bp increase USD'000	**100 bp decrease USD'000**	**100 bp increase USD'000**	**100 bp decrease USD'000**
2010				
Variable rate instruments	**(2,813)**	**2,813**	**-**	**-**
Interest rate swap	**(2,930)**	**2,930**	**(16,393)**	**16,393**
	-------	**-------**	**---------**	**---------**
Cash flow sensitivity (net)	**(5,743)**	**5,743**	**(16,393)**	**16,393**
	====	**====**	**=====**	**=====**
2009				
Variable rate instruments	(3,380)	3,380	-	-
Interest rate swap	(2,210)	2,210	(17,950)	17,950
	-------	-------	---------	---------
Cash flow sensitivity (net)	(5,590)	5,590	(17,950)	17,950
	====	====	=====	=====

29 Financial instruments (continued)

(e) Fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position are as follows:

	2010		2009	
	Carrying amount USD'000	**Fair value USD'000**	Carrying amount USD'000	Fair value USD'000
Assets carried at fair values				
Available-for-sale financial assets	**51,439**	**51,439**	50,560	50,560
Cross currency options	**10,770**	**10,770**	-	-
Interest rate swaps	**161**	**161**	500	500
Forward exchange contracts	**39**	**39**	100	100
Cross currency swaps	**-**	**-**	500	500
	62,409	**62,409**	51,660	51,660
Assets carried at amortised cost				
Debt securities held to maturity	**14,429**	**14,266**	14,729	14,729
Loans and receivables	**607,760**	**607,760**	536,534	536,534
Cash and cash equivalents	**2,519,616**	**2,519,616**	2,910,066	2,910,066
	3,141,805	**3,141,642**	3,461,329	3,461,329
Liabilities carried at fair values				
Interest rate swaps	**(96,079)**	**(96,079)**	(64,185)	(64,185)
Forward foreign currency contracts	**(300)**	**(300)**	(2,815)	(2,815)
	(96,379)	**(96,379)**	(67,000)	(67,000)
Liabilities carried at amortised cost				
Secured bank loans*	**(759,301)**	**(759,301)**	(955,946)	(955,946)
Mortgage debenture stocks	**(2,221)**	**(2,141)**	(2,303)	(2,303)
Unsecured bond issues	**(3,233,518)**	**(3,117,997)**	(3,231,829)	(2,629,126)
Unsecured loan stock	**(5,093)**	**(5,093)**	(5,280)	(5,280)
Finance lease liabilities	**(66,760)**	**(66,760)**	(62,699)	(62,699)
Unsecured bank and other loans*	**(3,702,853)**	**(3,702,853)**	(3,699,912)	(3,699,912)
Trade and other payables	**(644,929)**	**(644,929)**	(1,066,661)	(1,066,661)
Bank overdraft	**(3,000)**	**(3,000)**	(11,500)	(11,500)
	(8,417,675)	**(8,302,074)**	(9,036,130)	(8,433,427)

* A significant portion of these loans carry a variable rate of interest and hence, the fair values reported are same as carrying values.

29 Financial instruments (continued)

(e) Fair values (continued)

Fair value hierarchy
The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

	Level 1 USD'000	**Level 2 USD'000**	**Level 3 USD'000**
2010			
Available-for-sale financial assets	**-**	**51,439**	**-**
Derivative financial assets	**-**	**10,970**	**-**
	-	**62,409**	**-**
Derivative financial liabilities	**-**	**(96,379)**	**-**
	-	**(33,970)**	**-**
2009			
Available-for-sale financial assets	-	50,560	-
Derivative financial assets	-	1,100	-
	-	51,660	-
Derivative financial liabilities	-	(67,000)	-
	-	(15,340)	-

30 Operating leases

Operating lease commitments – Group as a lessee

Future minimum rentals payable under non-cancellable operating leases as at 31 December are as follows:

	2010	2009
	USD'000	USD'000
Within one year	**178,080**	148,835
Between one to five years	**1,104,490**	791,194
Between five to ten years	**1,354,819**	1,408,553
Between ten to twenty years	**1,642,390**	1,733,066
Between twenty to thirty years	**708,095**	777,726
Between thirty to fifty years	**1,031,959**	1,073,954
Between fifty to seventy years	**914,908**	922,508
More than seventy years	**1,120,762**	1,174,608
	8,055,503	8,030,444

The above operating leases (Group as a lessee) mainly consist of terminal operating leases arising out of concession arrangements which are long term in nature. In addition, there are also leases of plant, equipment and vehicles. In respect of terminal operating leases, contingent rent is payable based on revenues / profits earned in the future period. The majority of leases contain renewable options for additional lease periods at rental rates based on negotiations or prevailing market rate.

Operating lease commitments – Group as a lessor

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

	2010	2009
	USD'000	USD'000
Within one year	**22,163**	22,772
Between one to five years	**61,483**	56,131
More than five years	**38,075**	51,875
	121,721	130,778

The above operating leases (Group as a lessor) mainly consist of rental of property, plant and equipment leased out by the Group. The leases contain renewal options for additional lease periods and at rental rates based on negotiations or prevailing market rate.

31 Capital commitments

	2010	2009
	USD'000	USD'000
Estimated capital expenditure contracted for as at 31 December	**462,425**	1,040,069

32 Contingencies

(a) The Group has contingent liabilities amounting to USD 143,827 thousand (2009: USD 170,114 thousand) in respect of payment guarantees, USD 114,446 thousand (2009: USD 76,624 thousand) in respect of performance guarantees and USD 2,266 thousand (2009: nil) in respect of letters of credit issued by the Group's bankers. The bank guarantees and letters of credit are arising in the ordinary course of business from which it is anticipated that no material liabilities will arise.

(b) The Group through its 100% owned subsidiary Mundra International Container Terminal Private Limited ("MICT") has developed and is operating the container terminal at the Mundra port in Gujarat.

In 2006, MICT received a show cause notice from Gujarat Maritime Board ("GMB") requiring MICT to demonstrate that the undertaking given by its parent company, P&O Ports (Mundra) Private Limited, with regard to its shareholding in MICT has not been breached in view of P&O Ports being taken over by the Group (DP World).

Based on the strong merits of the case and on the advice received from legal counsel, management believes that the above litigation is unsubstantiated, and in management's view, it will have no impact on the Group's ability to continue to operate the port.

(c) Chennai Port Trust ("CPT") has raised a demand for an amount of USD 26,733 thousand (2009: 19,690 thousand) from Chennai Container Terminal Limited ("CCTL"), a subsidiary of the Group, on the basis that CCTL has failed to fulfil its obligations in respect of non-transhipment containers for a period of four consecutive years from 1 December 2003. CCTL has subsequently paid USD 14,282 thousand (2009: USD 13,780 thousand) under dispute in the year 2008. CCTL has commenced legal proceedings at the Chennai High Court against CPT. Based on advice from the legal counsel, management believes that the legal proceedings will have no adverse impact on the Group's financial position; the amount paid is highly likely to be recovered eventually and will not result in termination of the license agreement to operate the port.

CPT has raised a demand for an amount of USD 16,841 thousand (2009: USD 15,950 thousand) from CCTL, towards additional lease charges for the land leased out to CCTL. Legal proceedings have been initiated for this matter and the Group strongly believes that this case will be settled in the Group's favour.

33 Significant group entities

The extent of the Group's ownership in its various subsidiaries, associates and joint ventures and their principal activities are as follows:

(a) Significant holding companies

Legal Name	Ownership interest	Country of incorporation	Principal activities
DP World FZE	100%	United Arab Emirates	Management and operation of seaports and airports and leasing of port equipment
Thunder FZE	100%	United Arab Emirates	Holding company
Peninsular and Oriental Steam Navigation Company Limited	100%	United Kingdom	Management and operations of seaports
DP World Ports Co-op U.A	100%	Netherlands	Holding Company
DP World Maritime Cooperative U.A	100%	Netherlands	Holding Company
DPI Terminals Holdings C.V.	100%	Netherlands	Holding Company
DPI Terminals Asia Holding Limited	100%	Netherlands	Holding Company
DPI Terminals (BVI) Limited	100%	Netherlands	Holding Company

33 Significant group entities (continued)

(b) Significant subsidiaries – Ports

Legal Name	Ownership interest	Country of incorporation	Principal activities
Terminales Rio de la Plata SA	55.62%	Argentina	Container terminal operations
DP World Adelaide Pty Ltd (refer to note 34)	60%	Australia	Container terminal operations
DP World Australia Ltd (refer to note 34)	100%	Australia	Container terminal operations
DP World Brisbane Pty Ltd (refer to note 34)	100%	Australia	Container terminal operations
DP World Sydney Pty Ltd (refer to note 34)	90.37%	Australia	Container terminal operations
DP World (Fremantle) Ltd (refer to note 34)	100%	Australia	Container terminal operations
DP World Antwerp NV	100%	Belgium	Container terminal and other operations
DP World (Canada) Inc.	100%	Canada	Container terminals and Stevedoring
Egyptian Container Handling Company (ECHCO) –S.A.E	90%	Egypt	Container terminal operations
DP World Germersheim, GmbH and Co. KG	100%	Germany	Container terminal operator and Barge management operator
CSX World Terminals Hong Kong Limited	66.66%	Hong Kong	Container terminal operations
India Gateway Terminal Pvt. Ltd	81.63%	India	Container terminal operations
Mundra International Container Terminal Private Limited	100%	India	Container terminal operations
Nhava Sheva International Container Terminal Private Limited	100%	India	Container terminal operations
Chennai Container Terminal Private Limited	100%	India	Container terminal operation
DP World Middle East Limited	100%	Kingdom of Saudi Arabia	Container terminal operations
DP World Maputo SA	60%	Mozambique	Container terminal operations
Qasim International Container Terminal Pakistan Ltd	75%	Pakistan	Container terminal operations
DP World Callao SA	100%	Peru	Container terminal operations

33 Significant group entities (continued)

(b) Significant subsidiaries – Ports (continued)

Legal Name	Ownership interest	Country of incorporation	Principal activities
Doraleh Container Terminal SARL	33.33%*	Republic of Djibouti	Container terminal operations
Constanta South Container Terminal SRL	75%	Romania	Container terminal operations
DP World Dakar S.A.	90%	Senegal	Container terminal operations
DP World Tarragona SA	60%	Spain	Container terminal operations
DP World UAE Region FZE	100%	United Arab Emirates	Container terminal operations
DP World Fujairah FZE	100%	United Arab Emirates	Container terminal operations
Southampton Container Terminals Limited	51%	United Kingdom	Container Terminal operations
Saigon Premier Container Terminal	80%	Vietnam	Container terminal operations

(c) Associates and joint ventures – Ports

Djazair Port World Spa	50%	Algeria	Container terminal operations
DP World Djen Djen Spa	50%	Algeria	Container terminal operations
Antwerp Gateway N.V	42.50%	Belgium	Container terminal operations
Caucedo Investment Inc.	45%	British Virgin Islands	Container terminal operations
Manutention Generale Mediterranenne SA (Marseille)	25.50%	France	Container terminal operations
Manutention Terminal Nord Development SA (Le Havre)	50%	France	Container terminal operations
Port Synergy SAS	50%	France	Container terminal operations
Asia Container Terminals Limited	55.16%**	Hong Kong	Container terminal operations
Vishaka Container Terminals Private Limited	26%	India	Container terminal operations
PT Terminal Petikemas Surabaya	49%	Indonesia	Container terminal operations
Pusan Newport Co. Ltd	42.09%	Korea	Container terminal operations
Qingdao Qianwan Container Terminal Co. Ltd	29%	People's Republic of China	Container terminal operations
Tianjin Orient Container Terminal Co Ltd	24.50%	People's Republic of China	Container terminal operations
DP World Yantai Company Limited	32.50%	People's Republic of China	Container terminal operations
Asian Terminals Inc	50.54%**	Philippines	Container terminal operations

33 Significant group entities (continued)

(c) Associates and joint ventures – Ports (continued)

Legal Name	Ownership interest	Country of incorporation	Principal activities
Vostochny Stevedoring Company	25%	Russia	Container terminal operations
Laem Chabang International Terminal Co. Ltd.	34.50%	Thailand	Container terminal operations
Tilbury Container Services Ltd.	34%	United Kingdom	Container terminal operations
Dubai & Aden Port Development Company	33.34%	Yemen	Container terminal operations

(d) Other non port business

P&O Maritime Services Pty Ltd	100%	Australia	Maritime services
Defence Maritime Services Pty Ltd	50%	Australia	Maritime services
Empresa Brasileria de Terminais Portuarious S.A.	26.91%	Brazil	Container terminal operations
ATL Logistics Centre Hong Kong Limited	34%	Hong Kong	Warehouse owner/ Operator
ATL Logistics Centre Yantian Limited	48.83%	Hong Kong	Warehousing and logistics
Empresa de Dragagem do Porto de Maputo, SA	25.50%	Mozambique	Dredging Services
DP World Crane Services (Shanghai)	100%	People's Republic of China	Technical support, services, consulting to crane manufacturers and leasing of port equipment
ATL Logistics Centre Yantian (Shenzen) Limited	48.83%	People's Republic of China	Warehousing and logistics
Port Secure Djibouti	40%	Republic of Djibouti	Port Security Services
Dubai International Djibouti FZE	100%	United Arab Emirates	Port Management and Operation
P&O Maritime FZE	100%	United Arab Emirates	Mngmt of Marine Assets service & port support Operations
DP World Cargo Services (Pty) Limited	70%	South Africa	Cargo Services

33 Significant group entities (continued)

(e) Ports under development

Legal Name	Ownership interest	Country of incorporation	Principal activities
Rotterdam World Gateway B.V.	30%	Netherlands	Container terminal operations
Yarimca Porselen Sanayi Ve Ticaret A.S	100%	Turkey	Container terminal operations
London Gateway Port Ltd	100%	United Kingdom	Container terminal operations

* Although the Group has only a 33.33% effective ownership interest in Doraleh Container Terminal SARL, this entity is treated as a subsidiary, as the Group is able to govern the financial and operating policies of the company by virtue of an agreement with the other investor.

** Although the Group has more than 50% effective ownership interest in these entities, they are not treated as subsidiaries, but instead treated as joint ventures. The underlying joint venture agreement with the other shareholders does not provide significant control to the Group.

34 Subsequent event

On 22 December, the Group, and Citi Infrastructure Investors ("CII"), together with one of CII's major investors announced their intention to form a strategic partnership in relation to the Group's five marine terminals in Australia. The Group, which formed a new joint venture company on completion of the transaction in March 2011, monetised 75% of the Group's share, whilst retaining a 25% shareholding. In addition, the Group has a long term agreement to provide management services to the Australian operation.

The total proceeds of the transaction amounts to USD 1,475,000 thousand (Australian Dollar 1,483,000 thousand). The net financial impact would be computed and disclosed in the financial statements for the six months ended 30 June 2011, after taking into account the impact of recycling of foreign currency translation reserve, tax charges and other costs related to the transaction.