Wednesday 29 August 2012

DP WORLD

DP WORLD LIMITED ANNOUNCES RESULTS
For the six months ended 30 June 2012

Reported results before separately disclosed items USD thousand	**2012 H1**	**2011 H1**[1]	**% change**	**Underlying change**[2]
Consolidated[3] throughput (TEU '000)	13,586	13,470	0.9%	5.5%
Revenue	1,529	1,502	1.8%	9.9%
Share of profit from equity-accounted investees	68	74	(8.4%)	5.6%
Adjusted EBITDA[4]	672	645	4.2%	10.6%
Adjusted EBITDA margin	43.9%	42.9%	-	43.2%
Profit before tax	310	306	1.5%	12.1%
Profit for the period	283	281	0.6%	9.6%
Profit for the period attributable to owners of the Company	247	246	0.4%	10.8%

- **Strong improvement in revenue to $1,529 million and in adjusted EBITDA to $672 million in a challenging macroeconomic environment**

- **Underlying revenue growth of 9.9% exceeds underlying volume growth of 5.5%**
  - Underlying container revenue per TEU up 3.1%, non container revenue up 14.0%

- **Underlying EBITDA growth of 10.6% with reported EBITDA margin of 43.9%**

- **Profit attributable to owners of the Company increased to $247 million**
  - Underlying profit before separately disclosed items increased by 10.8%

- **Balance sheet strength maintained; repayment of $3 billion syndicated loan facility**
  - Net debt of $3.5 billion and leverage (net debt to annualized EBITDA) comfortable at 2.7 times
  - Net cash flow from operations increased to $518 million

- **Continued investment in quality long-term assets**
  - $260 million capital expenditure invested across our portfolio in first six months
  - Development of new capacity at Jebel Ali (UAE) and London Gateway (UK) have made good progress and remain on track

DP World Group Chairman, Sultan Ahmed Bin Sulayem commented;

"DP World continues to focus on building or enhancing leading positions in markets which are faster growing or where infrastructure is insufficient to meet the needs of its customers. Our long term approach to investment has allowed DP World to build a global portfolio of container ports, with resilience to the instability affecting parts of the global economy today, as well as positioning DP World to be at the forefront of industry growth for many years to come."

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[1] 2011 results include the Australia terminals as consolidated until 11 March 2011 and as share of profit from equity-accounted investees from 12 March 2011.

[2] The underlying change shows what growth rates and margin would have been had the five terminals in Australia been consolidated in DP World's accounts from 1 January 2012 to 11 March 2012 and allows for a better comparison to the prior period

[3] Consolidated throughput is throughput from all terminals where we have control as defined under IFRS.

[4] Adjusted EBITDA is Earnings before Interest, Tax, Depreciation & Amortisation including share of profit from equity-accounted investees before separately disclosed items.

Chief Executive Mohammed Sharaf commented:-

"In a tougher operating environment, we have reported a good set of results for the first six months, with profit and margin up on the same period last year. We continue to outperform industry volume growth; our balance sheet remains strong and allows us to invest in the future growth of our portfolio.

"I am particularly pleased to see our terminals handle an increasing number of the largest vessels in response to the industry trend. The quality of our assets is reflected in our underlying revenue growth, which again exceeds volume growth. These robust results show our portfolio is well diversified in today's more challenging markets, and well placed to continue to outperform in the future.

"The global economic uncertainty seen in the first half of the year has continued into the second half. Our portfolio, as we have seen, continues to show resilience and we remain committed to delivering an improved operational and financial performance over 2011."

The Chief Executive's Review and Operating and Financial Review follow from page 3.

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Investor Presentation & Conference Call – 12 noon UAE / 0900 UK

A presentation of the results will take place today in Dubai at 12 noon with dial in details for those unable to attend in person. The presentation accompanying the conference call will be available on DP World's website within the investor centre at www.dpworld.com from 0900 UAE time this morning. A dial in replay will be available later in the day.

An additional conference call, primarily aimed at debt investors will be held at 1600 Dubai time (1300 London, 0800 New York) but all investors are welcome to join.

Forward-Looking Statements

This document contains certain "forward-looking" statements reflecting, among other things, current views on our markets, activities and prospects. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that may or may not occur and which may be beyond DP World's ability to control or predict (such as changing political, economic or market circumstances). Actual outcomes and results may differ materially from any outcomes or results expressed or implied by such forward-looking statements. Any forward-looking statements made by or on behalf of DP World speak only as of the date they are made and no representation or warranty is given in relation to them, including as to their completeness or accuracy or the basis on which they were prepared. Except to the extent required by law, DP World does not undertake to update or revise forward-looking statements to reflect any changes in DP World's expectations with regard thereto or any changes in information, events, conditions or circumstances on which any such statement is based.

Chief Executive's Review

DP World strategically focuses investment in markets that are fast growing or where infrastructure is insufficient to meet the needs of our customers, both today and in the future.

Our results today reflect the benefits of our previous investment decisions. Our focus on fast growing markets has continued to allow us to outperform the industry. Our investment in the right infrastructure in the right markets has allowed us to increase utilization and market share as we deliver the capacity and efficiency to meet the needs of our customers.

After stronger than expected GDP growth of 3.6%[5] in the first quarter of the year when compared to the same quarter last year, the second quarter has slowed as the US recovery stalled, the Eurozone crisis continued with reduced imports and the pace of growth in China softened.

Our strategy has positioned us with greater resilience to the instability affecting the global economy. We have limited exposure to trade flows linked to Europe and North America as they are only a small part of our overall volume and, whilst growth in China more generally has softened, we continue to see good growth in this region as our ports are not as focused on the Europe and North America trade flows. We also benefited from new capacity in Qingdao, which has quickly increased utilization since commencing operations last year.

For 2012, Drewry[6] expects container volumes to grow 4.8% year over year. DP World has historically outperformed the industry volume growth by 1.5 times, and to date we have seen no change in that trend as our gross container volumes grew 7.5% in the first half of the year, well ahead of the industry forecast.

Our customers, the shipping lines and their underlying customers, the cargo owners have undertaken significant operational changes on the Asia to Europe routes in the first six months of this year, including the use of ultra-large container ships (ULCS - those above 10,000 TEU). This in turn has led to a cascade of sub 8,000 TEU vessels being deployed on 'smaller' or emerging trade routes. In turn, cargo owners are increasingly focused on short lead times and real time inventories, pushing port operators to improve terminal efficiencies to move goods along the supply chain more quickly.

In response to these trends, our investment over the last five years means we are one of the best positioned terminal operators to meet our customers' needs to handle these larger vessels throughout our portfolio. In the first half of the year, we have handled double the number of ultra-large container ships than a year ago. This has driven higher utilization across our portfolio and increased our market share.

With the medium term outlook for container volume growth exceeding the growth in capacity, it is important to continue to invest in new capacity, whether at existing terminals or in new terminals in new locations.

In line with our strategy, we continue to focus on ensuring we are delivering new capacity in a timely manner at both the origin of, and destination of goods to meet the changing needs of our customers. Our new developments at London Gateway (UK) and Rotterdam (Netherlands) will ensure our customers can use their largest vessels on the Asia to Europe trade routes whilst, the demand for new port infrastructure in faster growing trade routes is being met by the expansion of Jebel Ali (UAE) and the new development in Santos (Brazil). These new developments are on track to open on time over the next 2-3 years and, once operational will contribute significantly to the overall profitability of the Group.

[5] World Economic Outlook, IMF July 2012
[6] Global Container Terminal Operators 2012, Drewry Maritime Research

Looking to the future, it is inevitable that trade lanes will change as, for example, manufacturing continues to move to cheaper locations and consumers in the emerging markets play a far greater role in the global demand for goods. We will continue to manage our portfolio of assets according to these trends and see plenty of opportunities to further expand our portfolio with an emphasis on the emerging African and Central / South American geographies.

During the previous downturn in 2008 and 2009 we took proactive measures to protect our profitability, with many of those cost reduction measures and efficiency improvements implemented at that time, continuing to benefit us today. This cost and efficiency discipline remains across our individual terminals today and, combined with new revenue generating initiatives; we are well positioned to protect our profitability, should a prolonged slowdown in container volumes occur.

Operating and Financial Review

Revenue for the first six months of the year was $1,529 million and ahead of the same period in the prior year. Underlying volume growth was 5.5%, with a 3.1% increase in underlying container revenue per TEU and non-container revenue growth of 14.3%. This resulted in good underlying revenue improvement of 9.9%. In addition, we reported adjusted EBITDA of $672 million and profit attributable to owners of the Company of $247 million, both ahead of the same period last year.

We have continued to manage our portfolio of assets actively, adding new capacity and divesting or restructuring assets. This makes a comparison with the prior period more challenging. Like for like growth at constant currency, where referenced below, is more effective at comparing our financial performance as this is without the addition of (a) new capacity Paramaribo (Suriname) and Qingdao (China), (b) divested equity-accounted investees Tilbury (UK) and P&O Trans Australia (POTA) (c) the Australia deconsolidation whilst also removing the impact of the exchange rate as our financial results are translated into US dollars for reporting purposes.

Our share of profit of equity-accounted investees was lower than the previous period at $68 million as the strong performance from our portfolio of Asia Pacific terminals was impacted by the inclusion of our share of loss from the joint venture in the Australian region, the inclusion of costs associated with Rotterdam (Netherlands) and Santos (Brazil) and the loss of contribution from POTA following its disposal in April 2011 and Tilbury (UK) in January 2012.

As volume and revenue increases, so too does our cost base. However, we work hard to ensure that our costs do not increase faster than revenue to continue to drive our EBITDA margin. In the first half of the year, like for like cost per TEU at constant currency was maintained at the same levels as last year, once adjusted for one-off regional costs.

Adjusted EBITDA was $672 million, 10.6% ahead of the same period last year on an underlying basis with reported EBITDA margin ahead of the comparative period at 43.9%.

Profit attributable to owners of the Company, before separately disclosed items, was $247 million. Excluding the deconsolidation of Australia, underlying profit growth would have been 10.8%.

Like for like[7] revenue growth at constant currency was 10.7%, well ahead of volume growth of 5.2%, with EBITDA growth slightly lagging at 9.8% as removing the favourable currency movements on expenses accentuates the negative impact of the one-off corporate and regional costs.

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[7] Like for like growth at constant currency is more effective for comparing our financial performance as this is without the addition of (a) new capacity Paramaribo (Suriname) and Qingdao (China), (b) divested equity-accounted investees Tilbury (UK) and P&O Trans Australia (POTA) (c) the Australia deconsolidation whilst also removing the impact of the exchange rate as our financial results are translated into US dollars for reporting purposes.

During the first six months of the year we invested $260 million in our portfolio. This investment was focused across our Africa and Middle East terminals including Jebel Ali (UAE) and Dakar (Senegal) as well as at London Gateway (UK). This lower than expected investment in the first half of the year means we will have lower capital expenditure for the full year, at around $1.1 billion. At this stage, we still believe our planned investment of $3.7 billion across the years 2012 to 2014 inclusive remains unchanged.

In April DP World fully repaid and cancelled its $3 billion syndicated loan facility due to mature in October 2012 using cash balances. A new 5-year $1 billion facility has been put in place, and is currently undrawn. Our current leverage (net debt to annualized EBITDA) is comfortable at 2.7 times.

Middle East, Europe and Africa

The Middle East, Europe and Africa region delivered an excellent performance with an 18% improvement in adjusted EBITDA and further improvement in adjusted EBITDA margin to 46.3% as both container revenue per TEU and non-container revenue increased. This reflects the strategic positioning of our terminals towards the stronger economies with a focus on the origin and destination market and compensates for weaker trade across continental Europe.

USD million before separately disclosed items	2012 H1	2011 H1	% Change
Consolidated throughput (TEU '000)	9,578	9,042	6%
Revenue	1,030	907	14%
Share of profit from equity-accounted investees	8	9	(5%)
Adjusted EBITDA	477	406	18%
Adjusted EBITDA Margin	46.3%	44.8%	-

Revenue was $1,030 million, 14% ahead of the prior period as container volumes increased 6% and container revenue per TEU increased 7%. Non-container revenue increased 15% to $233 million.

Our share of profit of equity-accounted investees declined to $8 million primarily because this portfolio is more skewed to continental European ports where volumes have softened. In addition, the inclusion of pre-operational costs at Rotterdam (Netherlands), which began construction during the period, and the loss of contribution from Tilbury (UK) following divestment in early 2012 also account for the lower profit in 2012.

Adjusted EBITDA was $477 million, 18% ahead of the same period last year as the significant improvement in revenue and good cost management helped drive adjusted EBITDA margin to 46.3%.

Like for like[8] revenue growth at constant currency was 15% ahead of the prior year and adjusted EBITDA improved by 18%.

The UAE region delivered another solid performance growing container revenue by 24% and non-container revenue by 22% as the region as a whole continued to benefit from an improvement in economic performance, driven by the tourism and retail sectors and an increase in infrastructure projects, all of which drive growth in imports and exports.

Investment in our terminals in this region in the first six months of the year was $231 million. This investment was focused across our Africa and Middle East terminals including Jebel Ali (UAE) and Dakar (Senegal) as well as London Gateway (UK). The expansion of Jebel Ali (UAE) and London Gateway (UK) are on track to deliver their planned new capacity on schedule.

[8] Like for like comparisons in the Middle East, Europe and Africa region adjusts for the sale of Tilbury (UK) in our share of profit from equity-accounted investees and adverse currency movements.

Asia Pacific and Indian Subcontinent

The Asia Pacific and Indian Subcontinent region reported modest adjusted EBITDA growth of 1% in the first six months of the year as the loss of storage revenue in Karachi (Pakistan) and capacity constraints in India, combined with unfavourable currency movements, masked a stronger performance from the region.

USD million before separately disclosed items	2012 H1	2011 H1	% Change
Consolidated throughput (TEU '000)	2,823	2,774	2%
Revenue	233	249	(6%)
Share of profit from equity-accounted investees	62	55	13%
Adjusted EBITDA	159	158	1%
Adjusted EBITDA Margin	68.4%	63.5%	-

Revenue was $233 million, 6% lower than the prior period as container revenue per TEU fell 12% due to a reduction in storage revenue in Karachi (Pakistan) and the translation impact from unfavourable currency movements. Non container revenue improved 28% to $32 million.

Our share of profit of equity-accounted investees increased 13% to $62 million as we reported solid volume growth in the Asian Pacific terminals together with the addition of new capacity in Qingdao (China).

Adjusted EBITDA was $159 million, 1% ahead of the same period last year as the strong performance from our portfolio of equity-accounted investees and a focus on cost reduction mitigated lower revenue with EBITDA margins improving to 68.4%.

Excluding the contribution from new terminal capacity in our equity-accounted portfolio and unfavourable currency movements, like for like[9] total revenue growth at constant currency was flat over the prior year and adjusted EBITDA improved by 1%.

Australia and Americas

Our terminals in the Americas region delivered a strong revenue performance in the first six months of 2012, which has not been converted into regional EBITDA growth due to a poor result from our equity-accounted investees and one-off regional costs.

USD million before separately disclosed items	2012 H1	2011 H1	% Change	Underlying % change
Consolidated throughput (TEU '000)	1,185	1,654	(28%)	10%
Revenue	266	347	(23%)	12%
Share of profit from equity-accounted investees	(2)	10	(121%)	(22%)
Adjusted EBITDA	77	121	(37%)	(2%)
Adjusted EBITDA Margin	28.9%	34.8%	-	30.4%

Revenue was $266 million, down on the prior period due to the deconsolidation of Australian terminals from 12 March 2012, but on an underlying basis 12% ahead, reflecting a 3% improvement in container revenue per TEU and an 8% increase in non-container revenue as terminals in the Americas region performed strongly.

We reported a loss of $2 million on our share of profit of equity-accounted investees. This was due to the higher interest costs associated with the new capital structure in relation to our joint venture in Australia, pre-operational expenses in relation to our new development in Santos

[9] Like for like comparisons in the Asia Pacific and Indian Subcontinent Region remove the new terminal in Qingdao (China) and adjusted for adverse currency movements.

(Brazil) and the exclusion of profit from P&O Trans Australia (POTA) following its divestment in April 2011.

Adjusted EBITDA was $77 million, down on a reported basis against the prior period principally due to the deconsolidation of Australian terminals. On an underlying basis adjusted EBITDA was 2% lower than the prior period in part due to a more challenging cost and inflationary environment in Argentina and the lower contribution from our share of profit from equity-accounted investees.

Like for like[10] total revenue growth at constant currency was 7% ahead of the prior year whilst adjusted EBITDA decreased 7%. The better revenue performance in the Americas region did not translate to a better EBITDA performance as adjusting for the favourable currency movement on expenses accentuated the negative impact of the one-off regional costs.

As announced on 4 July 2012 DP World Australia Pty divested Adelaide Container Terminal and now owns four terminals in Australia. DP World continues to operate and manage these four terminals, whilst retaining a 25% shareholding in DP World Australia Pty.

Net finance costs

In April 2012, DP World repaid $3 billion of debt using some of the cash held on the Group's balance sheet, reducing gross debt to $4.7 billion and reducing cash balances to $1.2 billion.

Net finance costs for the six months were higher than the prior period at $159 million (2011: $128 million).

The lower cash balances reduced finance income for the period to $46 million (2011: $67 million). Whilst interest cost increased to $206 million (2011: $195 million), this was due to the translation impact of debt at the regional level which is accounted for as an interest cost. Excluding this, in line with our reduction in gross debt, our interest cost would have decreased.

Taxation

DP World is not subject to income tax on its UAE operations. The tax expense relates to the tax payable on the profit earned by overseas subsidiaries, as adjusted in accordance with the taxation laws and regulations of the countries in which they operate. For the first six months of the year, DP World's income tax expense was $27 million (2011: $24 million).

Profit attributable to non-controlling interests (minority interest)

Profit attributable to non-controlling interests (minority interest) was in line with the same period in the prior year at $36 million (2011: $36 million) with a good performance from those terminals with non-controlling interests, mitigating the change in accounting at Sydney and Adelaide (Australia) from 12 March 2011 when we stopped accounting for the Australia terminals as consolidated terminals.

The key terminals where we have non-controlling interests are CT3 (Hong Kong), Doraleh (Djibouti) and Southampton (UK).

Separately disclosed items

DP World has not reported any separately disclosed items for the reporting period of the six months to 30 June 2012.

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[10] Like for like comparisons in the Australia and Americas region adjusts for new terminal Paramaribo (Suriname), the deconsolidation of the Australian terminals, the sale of POTA and adjusts for adverse currency movements.

In the first six months of 2011, DP World had $460 million of separately disclosed items primarily related to the $436 million profit (net of tax) arising from the monetisation of the Australia terminals on 11 March 2011.

Earnings per Share

As at 30 June 2012, earnings per share after separately disclosed items was 30 US cents. This is significantly lower than the earnings per share reported for the comparable period, which included $460 million of separately disclosed profit following the monetization in Australia.

Net Debt

As at 30 June 2012 our net debt was $3.5 billion. Gross debt decreased from $7.8 billion to $4.7 billion primarily due to the repayment of the $3 billion syndicated loan facility. Following this repayment, bank balances and cash were reduced to $1.2 billion.

Long-term corporate bonds totalled $3.25 billion made up of $1.75 billion 30 year unsecured MTN due in 2037 and $1.5 billion 10-year unsecured sukuk due in 2017. In addition we have $1.42 billion of debt at the subsidiary level.

Dividends

It is our current dividend policy that not less than 20% of our profit for the year attributable to owners of the Company (after separately disclosed items) will be distributed as dividends.

Dividends in respect of the full year 2012 will be proposed at the time of the preliminary results in March 2013.

Mohammed Sharaf
Chief Executive Officer

Yuvraj Narayan
Chief Financial Officer

DP World Limited and its subsidiaries

Condensed consolidated income statement

For the six months ended 30 June 2012

	Note	Period ended 30 June 2012 Before separately disclosed items USD'000 (Unaudited)	Separately disclosed items (Note 5) USD'000 (Unaudited)	Total USD'000 (Unaudited)	Period ended 30 June 2011 Before separately disclosed items USD'000 (Unaudited)	Separately disclosed items (Note 5) USD'000 (Unaudited)	Total USD'000 (Unaudited)
Revenue from operations		**1,528,627**	-	**1,528,627**	1,502,052	-	1,502,052
Cost of sales		**(985,078)**	-	**(985,078)**	(999,778)	-	(999,778)
Gross profit		**543,549**	-	**543,549**	502,274	-	502,274
General and administrative expenses		**(149,886)**	-	**(149,886)**	(149,921)	(14,974)	(164,895)
Other income		**8,281**	-	**8,281**	7,364	-	7,364
Share of profit of equity-accounted investees (net of tax)	*7*	**67,866**	-	**67,866**	74,095	-	74,095
Profit on sale and termination of business (net of tax)		**-**	-	**-**	-	485,305	485,305
Results from operating activities		**469,810**	-	**469,810**	433,812	470,331	904,143
Finance income		**46,177**	-	**46,177**	67,389	-	67,389
Finance costs		**(205,553)**	-	**(205,553)**	(195,461)	(10,770)	(206,231)
Net finance costs		**(159,376)**	-	**(159,376)**	(128,072)	(10,770)	(138,842)
Profit before tax		**310,434**	-	**310,434**	305,740	459,561	765,301
Income tax	*8*	**(27,365)**	-	**(27,365)**	(24,426)	-	(24,426)
Profit for the period		**283,069**	-	**283,069**	281,314	459,561	740,875
Profit attributable to:							
Owners of the Company		**246,807**	-	**246,807**	245,719	459,561	705,280
Non-controlling interests		**36,262**	-	**36,262**	35,595	-	35,595
Profit for the period		**283,069**	-	**283,069**	281,314	459,561	740,875
Earnings per share							
Basic and diluted earnings per share – US cents				**29.74**			84.97

The accompanying notes 1 to 20 form an integral part of these condensed consolidated interim financial statements.

DP World Limited and its subsidiaries

Condensed consolidated statement of comprehensive income

For the six months ended 30 June 2012

	30 June 2012 USD’000 (Unaudited)	30 June 2011 USD’000 (Unaudited)
Profit for the period	**283,069**	740,875
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Other comprehensive income		
Foreign exchange translation differences for foreign operations *	**(131,310)**	201,157
Foreign exchange reserve recycled to the condensed consolidated income statement on sale of business	**-**	(425,773)
Effective portion of net changes in fair value of cash flow hedges	**2,635**	893
Change in fair value of available for sale financial assets	**2,062**	1,883
Change in fair value of cash flow hedges recycled to condensed consolidated income statement	**367**	-
Share in other comprehensive income of equity-accounted investees	**(7,380)**	970
Defined benefit plan actuarial gains/ (losses)	**6,400**	(1,617)
Income tax on other comprehensive income:		
Defined benefit plan actuarial gains/ (losses)	**1,000**	(647)
Fair value of cash flow hedges	**4,400**	2,263
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Other comprehensive income for the period, net of income tax	**(121,826)**	(220,871)
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Total comprehensive income attributable to:		
Owners of the Company	**135,301**	474,141
Non-controlling interests	**25,942**	45,863
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	161,243	520,004
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* 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 Company’s functional currency is currently pegged to the presentation currency.

The accompanying notes 1 to 20 form an integral part of these condensed consolidated interim financial statements.

DP World Limited and its subsidiaries

Condensed consolidated statement of financial position

As at 30 June 2012

	Note	**30 June 2012 USD'000 (Unaudited)**	31 December 2011 USD'000 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	*9*	**5,189,675**	5,124,120
Goodwill	*10*	**1,589,906**	1,607,655
Port concession rights	*10*	**3,080,776**	3,223,958
Investment in equity-accounted investees	*7*	**3,396,041**	3,451,264
Deferred tax assets		**105,707**	101,212
Other investments		**70,460**	73,193
Accounts receivable and prepayments		**267,091**	260,114
Total non-current assets		**13,699,656**	13,841,516
Current assets			
Inventories		**56,019**	54,979
Accounts receivable and prepayments		**675,188**	624,020
Bank balances and cash	*11*	**1,161,348**	4,159,364
Assets held for sale	*12*	**-**	77,706
Total current assets		**1,892,555**	4,916,069
Total assets		**15,592,211**	18,757,585

DP World Limited and its subsidiaries

Condensed consolidated statement of financial position (continued)

As at 30 June 2012

	Note	**30 June 2012 USD'000 (Unaudited)**	31 December 2011 USD'000 (Audited)
Equity			
Share capital	*13*	**1,660,000**	1,660,000
Share premium		**2,472,655**	2,472,655
Shareholders' reserve		**2,000,000**	2,000,000
Retained earnings		**2,414,771**	2,367,164
Hedging and other reserves		**(104,203)**	(104,408)
Actuarial reserve		**(342,802)**	(352,402)
Translation reserve		**(707,866)**	(586,555)
Total equity attributable to owners of the Company		**7,392,555**	7,456,454
Non-controlling interests		**749,290**	765,013
Total equity		**8,141,845**	8,221,467
Liabilities			
Non-current liabilities			
Deferred tax liabilities		**1,051,134**	1,078,355
Employees' end of service benefits		**53,524**	49,393
Pension and post-employment benefits		**217,515**	235,750
Interest bearing loans and borrowings	*15*	**4,506,583**	4,563,309
Accounts payable and accruals		**465,815**	467,240
Total non-current liabilities		**6,294,571**	6,394,047
Current liabilities			
Income tax liabilities		**177,124**	169,585
Bank overdrafts	*11*	**686**	1,017
Pension and post-employment benefits		**11,782**	12,621
Interest bearing loans and borrowings	*15*	**162,982**	3,178,446
Accounts payable and accruals		**803,221**	780,402
Total current liabilities		**1,155,795**	4,142,071
Total liabilities		**7,450,366**	10,536,118
Total equity and liabilities		**15,592,211**	18,757,585

The accompanying notes 1 to 20 form an integral part of these condensed consolidated interim financial statements.

DP World Limited and its subsidiaries

Condensed consolidated statement of changes in equity
For the six months ended 30 June 2012

	Attributable to equity holders of the Company									
	Share capital USD'000 (Unaudited)	**Share premium USD'000 (Unaudited)**	**Shareholders' reserve USD'000 (Unaudited)**	**Retained earnings USD'000 (Unaudited)**	**Hedging and other reserves USD'000 (Unaudited)**	**Actuarial reserve USD'000 (Unaudited)**	**Translation reserve USD'000 (Unaudited)**	**Total USD'000 (Unaudited)**	**Non-controlling interests USD'000 (Unaudited)**	**Total equity USD'000 (Unaudited)**
Balance as at 1 January 2012	**1,660,000**	**2,472,655**	**2,000,000**	**2,367,164**	**(104,408)**	**(352,402)**	**(586,555)**	**7,456,454**	**765,013**	**8,221,467**
Total comprehensive income for the period:										
Profit for the period	-	-	-	246,807	-	-	-	246,807	36,262	283,069
Total other comprehensive income, net of tax	-				205	9,600	(121,311)	(111,506)	(10,320)	(121,826)
Total comprehensive income for the period	-	-	-	246,807	205	9,600	(121,311)	135,301	25,942	161,243
Transactions with owners, recognised directly in equity										
Dividends paid (refer to note 14)	-	-	-	(199,200)	-	-	-	(199,200)	-	(199,200)
Total transactions with owners	-	-	-	(199,200)	-	-	-	(199,200)	-	(199,200)
Transactions with non-controlling interests, recognised directly in equity										
Dividends paid	-	-	-	-	-	-	-	-	(41,665)	(41,665)
Total transactions with non-controlling interests	-	-	-	-	-	-	-	-	(41,665)	(41,665)
Balance as at 30 June 2012	1,660,000	2,472,655	2,000,000	2,414,771	(104,203)	(342,802)	(707,866)	7,392,555	749,290	8,141,845

The accompanying notes 1 to 20 form an integral part of these condensed consolidated interim financial statements.

DP World Limited and its subsidiaries

Condensed consolidated statement of changes in equity (continued)

For the six months ended 30 June 2011

	Attributable to equity holders of the Company									
	Share capital USD'000 (Unaudited)	Share premium USD'000 (Unaudited)	Shareholders' reserve USD'000 (Unaudited)	Retained earnings USD'000 (Unaudited)	Hedging and other reserves USD'000 (Unaudited)	Actuarial reserve USD'000 (Unaudited)	Translation reserve USD'000 (Unaudited)	Total USD'000 (Unaudited)	Non-controlling interests USD'000 (Unaudited)	Total equity USD'000 (Unaudited)
Balance as at 1 January 2011	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
Total comprehensive income for the period:										
Profit for the period	-	-	-	705,280	-	-	-	705,280	35,595	740,875
Total other comprehensive income, net of tax	-	-	-	-	4,404	(1,940)	(233,603)	(231,139)	10,268	(220,871)
Total comprehensive income for the period	-	-	-	705,280	4,404	(1,940)	(233,603)	474,141	45,863	520,004
Transactions with owners, recognised directly in equity										
Dividends paid (refer to note 14)	-	-	-	(142,760)	-	-	-	(142,760)	-	(142,760)
Share-based payment transactions	-	-	-	-	(2,202)	-	-	(2,202)	-	(2,202)
Total transactions with owners	-	-	-	(142,760)	(2,202)	-	-	(144,962)	-	(144,962)
Transactions with non-controlling interests, recognised directly in equity										
Dividends paid	-	-	-	-	-	-	-	-	(32,849)	(32,849)
Total changes in controlling interests of subsidiaries	-	-	-	-	-	-	-	-	(51,763)	(51,763)
Total transactions with non-controlling interests	-	-	-	-	-	-	-	-	(84,612)	(84,612)
Balance as at 30 June 2011	1,660,000	2,472,655	2,000,000	2,386,011	(62,456)	(251,640)	(193,529)	8,011,041	775,315	8,786,356

The accompanying notes 1 to 20 form an integral part of these condensed consolidated interim financial statements.

DP World Limited and its subsidiaries

Condensed consolidated statement of cash flows

For the six months ended 30 June 2012

	Note	**30 June 2012 USD'000 (Unaudited)**	30 June 2011 USD'000 (Unaudited)
Cash flows from operating activities			
Profit for the period		**283,069**	740,875
Adjustments for:			
Depreciation and amortisation		**201,895**	210,689
Impairment	*5*	**-**	14,974
Share of profit from equity-accounted investees, net of tax	*7*	**(67,866)**	(74,095)
Finance costs		**205,553**	206,231
Income tax expenses		**27,365**	24,426
Loss/ (gain) on disposal of property, plant and equipment	*9*	**939**	(97)
Profit on sale and termination of business, net of tax	*5*	**-**	(485,305)
Finance income		**(46,177)**	(67,389)
Gross cash flow from operations		**604,778**	570,309
Change in inventories		**(1,303)**	(3,302)
Change in accounts receivable and prepayments		**(33,224)**	32,918
Change in accounts payable and accruals		**(12,693)**	(129,884)
Changes in provisions, pension and post-employment benefits		**(3,022)**	(5,409)
Cash generated from operating activities		**554,536**	464,632
Income taxes paid		**(36,637)**	(37,003)
Net cash from operating activities		**517,899**	427,629
Cash flows from investing activities			
Additions to property, plant and equipment	*9*	**(252,837)**	(222,013)
Additions to port concession rights	*10*	**(7,568)**	(16,766)
Proceeds from disposal of property, plant and equipment		**5,409**	16,873
Proceeds from monetisation of investment in subsidiaries		**-**	1,476,093
Cash outflow on monetisation of investment in subsidiaries		**-**	(71,444)
Proceeds from disposal of investment in equity-accounted investees		**62,712**	111,230
Dividends received from equity-accounted investees		**64,992**	43,573
Additional investment in equity-accounted investees		**(6,695)**	(5,422)
Net loan given to equity-accounted investees		**(2,500)**	(54,857)
Interest received		**47,633**	74,841
Net cash (used in)/ from investing activities		**(88,854)**	1,352,108

DP World Limited and its subsidiaries

Condensed consolidated statement of cash flows (continued)

for the six months ended 30 June 2012

	Note	**30 June 2012 USD'000 (Unaudited)**	30 June 2011 USD'000 (Unaudited)
Cash flows from financing activities			
Repayment of interest bearing loans and borrowings		**(3,099,291)**	(93,353)
Drawdown of interest bearing loans and borrowings		**45,309**	162,045
Dividend paid to the owners of the Company	*14*	**(199,200)**	(142,760)
Dividends paid to non-controlling interests		**(41,665)**	(32,849)
Interest paid		**(131,457)**	(153,246)
		------------	-----------
Net cash used in financing activities		**(3,426,304)**	(260,163)
		------------	-----------
Net (decrease)/ increase in cash and cash equivalents		**(2,997,259)**	1,519,574
Cash and cash equivalents as at 1 January		**4,158,347**	2,516,616
Cash classified as held for sale as at 1 January		**-**	50,900
Effect of exchange rate fluctuations on cash held		**(426)**	26,224
		-------------	-------------
Cash and cash equivalents as at 30 June		**1,160,662**	4,113,314
		=======	=======

The accompanying notes 1 to 20 form an integral part of these condensed consolidated interim financial statements.

Notes

(forming an integral part of the consolidated interim financial statements)

1 Legal status and principal activities

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 condensed consolidated interim financial statements of the Company for the period ended 30 June 2012 comprise the Company and its subsidiaries (collectively referred to as "the Group") and the Group's interest in equity-accounted investees. 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 with effect from 26 November 2007. The Company was further admitted to trade on the London Stock Exchange with effect from 1 June 2011.

Port & Free Zone World FZE is a wholly owned subsidiary of Dubai World Corporation ("the Ultimate Parent Company").

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

2 Basis of preparation

Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2011. These condensed consolidated interim financial statements do not include all of the information required for full annual consolidated financial statements prepared in accordance with International Financial Reporting Standards.

The condensed consolidated interim financial statements were approved by the Board of Directors on __ August 2012.

3 Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2011.

4 Accounting judgements and estimates

The preparation of the condensed consolidated interim financial statement requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of income, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2011.

5 Separately disclosed items

	Six months ended 30 June 2012 USD '000 (Unaudited)	Six months ended 30 June 2011 USD'000 (Unaudited)
Impairment	-	(14,974)
Profit on sale and termination of business	-	485,305
Loss on currency options	-	(10,770)
	-------	----------
	-	459,561
	====	======

Impairment 2012 : Nil *(2011: USD 14,974 thousand represents a provision against the investment in an equity accounted investee in the 'Middle East, Europe and Africa' region)*

Profit on sale and termination of business 2012 : Nil *(2011: relates to the profit (net of tax) of USD 435,509 thousand on monetisation of 75% interest in the Australia Ports business and sale of interest in an associate in the 'Australia and Americas' region resulting in a profit (net of tax) of USD 49,796 thousand. The profit on sale and termination of business includes foreign exchange reserves recycled to the condensed consolidated income statement on account of loss of control).*

Loss on currency options 2012 : Nil *(2011: represents USD 10,770 thousand loss on foreign currency options related to the 'Australia and Americas' region)*.

DP World Limited and its subsidiaries

Notes *(continued)*

6 Segment information

Based on the internal management reports (prepared under IFRS) that are reviewed by the Board of Directors ('Chief Operating Decision Maker') based on the location of the Group's assets and liabilities, the Group has identified the following geographic areas as its basis of segmentation. The Group measures segment performance based on the earnings before separately disclosed items, interest, tax, depreciation and amortisation ("Adjusted EBITDA").

- 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.

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

	Asia Pacific and Indian subcontinent Six months ended 30 June		**Australia and Americas Six months ended 30 June**		**Middle East, Europe and Africa Six months ended 30 June**		**Head office Six months ended 30 June**		**Inter-segment Six months ended 30 June**		**Total Six months ended 30 June**	
	2012 USD'000 (Unaudited)	2011 USD'000 (Unaudited)	**2012 USD'000 (Unaudited)**	2011 USD'000 (Unaudited)	**2012 USD'000 (Unaudited)**	2011 USD'000 (Unaudited)	**2012 USD'000 (Unaudited)**	2011 USD'000 (Unaudited)	**2012 USD'000 (Unaudited)**	2011 USD'000 (Unaudited)	**2012 USD'000 (Unaudited)**	2011 USD'000 (Unaudited)
Revenue from operations	**232,920**	248,579	**265,525**	346,665	**1,030,182**	906,808	**-**	-	**-**	-	**1,528,627**	1,502,052
Segment results from operations *	**114,058**	105,357	**37,206**	575,676	**362,653**	265,505	**(71,472)**	(66,821)	**-**	-	**442,445**	879,717
Finance income	**-**	-	**-**	-	**-**	-	**46,177**	67,389	**-**	-	**46,177**	67,389
Finance cost	**-**	-	**-**	-	**-**	-	**(205,553)**	(206,231)	**-**	-	**(205,553)**	(206,231)
Profit/ (loss) for the period	**114,058**	105,357	**37,206**	575,676	**362,653**	265,505	**(230,848)**	(205,663)	**-**	-	**283,069**	740,875

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

Net finance cost and tax expense from various geographical locations and head office have been grouped under head office.

DP World Limited and its subsidiaries

Notes *(continued)*

6 Segment information (continued)

	Asia Pacific and Indian subcontinent As at		Australia and Americas As at		Middle East, Europe and Africa As at		Head office As at		Inter-segment As at		Total As at	
	30 June 2012 USD'000 (Unaudited)	31 December 2011 USD'000 (Audited)	**30 June 2012 USD'000 (Unaudited)**	31 December 2011 USD'000 (Audited)	**30 June 2012 USD'000 (Unaudited)**	31 December 2011 USD'000 (Audited)	**30 June 2012 USD'000 (Unaudited)**	31 December 2011 USD'000 (Audited)	**30 June 2012 USD'000 (Unaudited)**	31 December 2011 USD'000 (Audited)	**30 June 2012 USD'000 (Unaudited)**	31 December 2011 USD'000 (Audited)
Segment assets	**4,988,252**	5,076,106	**1,813,970**	1,847,887	**9,089,976**	8,031,636	**8,150,865**	11,185,296	**(8,450,852)**	(7,383,340)	**15,592,211**	18,757,585
Segment liabilities	**422,985**	422,189	**217,489**	227,370	**1,432,034**	1,414,480	**5,802,256**	7,810,438	**(1,652,656)**	(586,299)	**6,222,108**	9,288,178
Tax liabilities *	**-**	-	**-**	-	**-**	-	**1,228,258**	1,247,940	**-**	-	**1,228,258**	1,247,940
Total liabilities	**422,985**	422,189	**217,489**	227,370	**1,432,034**	1,414,480	**7,030,514**	9,058,378	**(1,652,656)**	(586,299)	**7,450,366**	10,536,118

	Asia Pacific and Indian subcontinent Six months ended 30 June		Australia and Americas Six months ended 30 June		Middle East, Europe and Africa Six months ended 30 June		Head office Six months ended 30 June		Inter-segment Six months ended 30 June		Total Six months ended 30 June	
	2012 USD'000 (Unaudited)	2011 USD'000 (Unaudited)	**2012 USD'000 (Unaudited)**	2011 USD'000 (Unaudited)	**2012 USD'000 (Unaudited)**	2011 USD'000 (Unaudited)	**2012 USD'000 (Unaudited)**	2011 USD'000 (Unaudited)	**2012 USD'000 (Unaudited)**	2011 USD'000 (Unaudited)	**2012 USD'000 (Unaudited)**	2011 USD'000 (Unaudited)
Capital expenditure (excluding acquisition of land)	**2,357**	5,749	**25,857**	61,861	**230,805**	170,537	**1,386**	632	**-**	-	**260,405**	238,779
Depreciation	**15,734**	24,213	**35,872**	26,472	**93,374**	95,182	**2,569**	2,216	**-**	-	**147,549**	148,083
Amortisation/ impairment	**29,517**	28,304	**3,639**	3,970	**21,190**	45,306	**-**	-	**-**	-	**54,346**	77,580
Share of profit/ loss of equity accounted investees before separately disclosed items	**61,862**	54,974	**(2,239)**	10,463	**8,243**	8,658	**-**	-	**-**	-	**67,866**	74,095
Tax expense *	**-**	-	**-**	-	**-**	-	**27,365**	24,426	**-**	-	**27,365**	24,426

* Tax liabilities and tax expense from various geographical locations and head office have been grouped under head office.

DP World Limited and its subsidiaries

Notes *(continued)*

6 Segment information (continued)

Earnings before separately disclosed items, interest, tax, depreciation and amortisation ("Adjusted EBITDA")

	Asia Pacific and Indian subcontinent		**Australia and Americas**		**Middle East, Europe and Africa**		**Head office**		**Inter-segment**		**Total**	
	Six months ended 30 June		**Six months ended 30 June**		**Six months ended 30 June**		**Six months ended 30 June**		**Six months ended 30 June**		**Six months ended 30 June**	
	2012	2011	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011
	USD'000	USD'000	**USD'000**	USD'000	**USD'000**	USD'000	**USD'000**	USD'000	**USD'000**	USD'000	**USD'000**	USD'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
Revenue before separately disclosed items	**232,920**	248,579	**265,525**	346,665	**1,030,182**	906,808	**-**	-	**-**	-	**1,528,627**	1,502,052
Adjusted EBITDA	**159,309**	157,874	**76,717**	120,813	**477,217**	405,993	**(41,538)**	(40,179)	**-**	-	**671,705**	644,501
Finance income	**-**	-	**-**	-	**-**	-	**46,177**	67,389	**-**	-	**46,177**	67,389
Finance costs	**-**	-	**-**	-	**-**	-	**(205,553)**	(195,461)	**-**	-	**(205,553)**	(195,461)
Tax expense	**-**	-	**-**	-	**-**	-	**(27,365)**	(24,426)	**-**	-	**(27,365)**	(24,426)
Depreciation and amortisation	(45,251)	(52,517)	**(39,511)**	(30,442)	**(114,564)**	(125,514)	**(2,569)**	(2,216)	**-**	-	**(201,895)**	(210,689)
Adjusted net profit/ (loss) for the period before separately disclosed items	**114,058**	105,357	**37,206**	90,371	**362,653**	280,479	**(230,848)**	(194,893)	**-**	-	**283,069**	281,314
Adjusted for separately disclosed items	**-**	-	**-**	485,305	**-**	(14,974)	**-**	(10,770)	**-**	-	**-**	459,561
Profit/ (loss) for the period	**114,058**	105,357	**37,206**	575,676	**362,653**	265,505	**(230,848)**	(205,663)	**-**	-	**283,069**	740,875

DP World Limited and its subsidiaries

Notes *(continued)*

7 Investment in equity-accounted investees

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

	Asia Pacific and Indian sub-continent		**Australia and Americas**		**Middle East, Europe and Africa**		**Total**	
	30 June 2012 USD'000 (Unaudited)	31 December 2011 USD'000 (Audited)	**30 June 2012 USD'000 (Unaudited)**	31 December 2011 USD'000 (Audited)	**30 June 2012 USD'000 (Unaudited)**	31 December 2011 USD'000 (Audited)	**30 June 2012 USD'000 (Unaudited)**	31 December 2011 USD'000 (Audited)
Current assets	**927,692**	492,575	**511,168**	425,910	**366,197**	316,072	**1,805,057**	1,234,557
Non-current assets	**7,700,488**	7,533,647	**2,828,087**	2,799,767	**2,232,320**	2,311,415	**12,760,895**	12,644,829
Total assets	**8,628,180**	8,026,222	**3,339,255**	3,225,677	**2,598,517**	2,627,487	**14,565,952**	13,879,386
Current liabilities	**713,225**	511,661	**225,974**	236,265	**244,146**	181,051	**1,183,345**	928,977
Non-current liabilities	**2,116,137**	1,528,068	**1,676,706**	1,458,954	**825,618**	841,070	**4,618,461**	3,828,092
Total liabilities	**2,829,362**	2,039,729	**1,902,680**	1,695,219	**1,069,764**	1,022,121	**5,801,806**	4,757,069
	Six months ended 30 June		**Six months ended 30 June**		**Six months ended 30 June**		**Six months ended 30 June**	
	2012 USD'000 (Unaudited)	2011 USD'000 (Unaudited)	**2012 USD'000 (Unaudited)**	2011 USD'000 (Unaudited)	**2012 USD'000 (Unaudited)**	2011 USD'000 (Unaudited)	**2012 USD'000 (Unaudited)**	2011 USD'000 (Unaudited)
Revenues	**624,475**	573,967	**429,062**	422,035	**327,192**	320,973	**1,380,729**	1,316,975
Expenses	**(479,329)**	(442,987)	**(454,091)**	(404,042)	**(293,809)**	(289,182)	**(1,227,229)**	(1,136,211)
Net profit	**145,146**	130,980	**(25,029)**	17,993	**33,383**	31,791	**153,500**	180,764

The Group's share of profit of equity-accounted investees (before separately disclosed items) for the six months period ended 30 June 2012/ 30 June 2011	**67,866**	74,095
The Group's investment in net assets of equity-accounted investees as at 30 June 2012/ 31 December 2011	**3,396,041**	3,451,264

8 Income tax

The Group's effective tax rate in respect of continuing operations is as below:

	Six months ended 30 June 2012 (Unaudited)	Six months ended 30 June 2011 (Unaudited)
Before separately disclosed items	**13.15%**	13.00%
Including separately disclosed items	**13.15%**	14.10%
	=====	======

The effective tax rate is derived from the profit for the period after excluding profit on sale and termination of business.

9 Property, plant and equipment

During the six months period ended 30 June 2012, the Group acquired assets amounting to USD 252,837 thousand *(30 June 2011: USD 222,013 thousand).*

The depreciation on property, plant and equipment during the six months period ended 30 June 2012 amounted to USD 147,549 thousand *(30 June 2011: USD 148,083 thousand).*

Assets with a net carrying amount of USD 6,348 thousand were disposed by the Group during the six months ended 30 June 2012 *(30 June 2011: USD 16,776 thousand)*, resulting in a loss on disposal of USD 939 thousand *(30 June 2011: profit of USD 97 thousand).*

10 Goodwill and port concession rights

Goodwill

During the six months period ended 30 June 2012, the movement in goodwill represents the impact of foreign currency translation of USD 17,749 thousand *(30 June 2011: USD 31,973 thousand).*

Port concession rights

During the six months period ended 30 June 2012, the Group acquired port concession rights amounting to USD 7,568 thousand *(30 June 2011: USD 16,766 thousand).*

The amortization of port concession rights during the six months period ended 30 June 2012 amounted to USD 54,346 thousand *(30 June 2011: USD 62,606 thousand).*

11 Bank balances and cash

	30 June 2012 USD'000 (Unaudited)	31 December 2011 USD'000 (Audited)
Cash at banks and in hand	**380,726**	468,673
Short-term deposits	**729,058**	3,637,270
Deposits under lien	**51,564**	53,421
Bank balances and cash	**1,161,348**	4,159,364
Bank overdrafts	**(686)**	(1,017)
Cash and cash equivalents	**1,160,662**	4,158,347

The Group has utilised its existing cash resources for repayment of interest bearing loans and borrowings (refer to note 15).

Short-term deposits are maintained for varying periods between one day and three months depending on the cash requirements of the Group and earn interest at the normal commercial rates.

Bank overdrafts are payable on demand.

12 Assets and liabilities held for sale

	30 June 2012 USD'000 (Unaudited)	31 December 2011 USD'000 (Audited)
Assets held for sale		
Middle East, Europe and Africa	-	77,706

The balance at 31 December 2011 mainly includes investment in Tilbury Container Services Limited which was disposed in January 2012.

13 Share capital

The share capital of the Company is as follows:

	30 June 2012 USD'000 (Unaudited)	31 December 2011 USD'000 (Audited)
Authorised		
1,250,000,000 ordinary shares of USD 2.00 each	**2,500,000**	2,500,000
Issued and fully paid		
830,000,000 ordinary shares of USD 2.00 each	**1,660,000**	1,660,000

DP World Limited and its subsidiaries

Notes *(continued)*

14 Dividends paid

Dividends relating to 2011 amounting to USD 199,200 thousand was paid during the period ended 30 June 2012 *(30 June 2011: USD 142,760 thousand).*

15 Interest bearing loans and borrowings

The Group's interest bearing loans and borrowings are as follows:

	30 June 2012 USD'000 (Unaudited)	31 December 2011 USD'000 (Audited)
Non-current liabilities		
Secured bank loans	**665,383**	720,482
Mortgage debenture stocks	**2,210**	2,212
Unsecured loan stock	**5,065**	5,071
Unsecured bank loans	**555,319**	552,842
Unsecured bond issues	**3,236,264**	3,235,320
Finance lease liabilities	**42,342**	47,382
	4,506,583	4,563,309
Current liabilities		
Secured bank loans	**111,124**	100,242
Unsecured bank loans	**37,909**	3,062,653
Unsecured loans	**3,550**	3,619
Finance lease liabilities	**10,399**	11,932
	162,982	3,178,446
Total	**4,669,565**	7,741,755

Apart from bank loans, there has been no issuance or repayment of debt securities in the current period *(2011: Nil).*

The Group has utilised its existing cash resources to repay USD 3 billion outstanding under its revolving credit facility which would have matured in October 2012 by repaying USD 2.6 billion on 4 April 2012 and USD 0.4 billion on 10 April 2012.

16 Transactions with related parties

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

				30 June 2012
	Ultimate Parent Company USD'000 (Unaudited)	**Equity-accounted investees USD'000 (Unaudited)**	**Other related parties USD'000 (Unaudited)**	**Total USD'000 (Unaudited)**
Expenses charged by related parties:				
Concession fees	**-**	**-**	**24,082**	**24,082**
Shared services	**-**	**-**	**5,229**	**5,229**
Other recharges	**-**	**-**	**10,396**	**10,396**
Revenue earned from related parties:				
Management fee income	**-**	**11,201**	**-**	**11,201**
	=====	=====	=====	=====

				30 June 2011
	Ultimate Parent Company USD'000 (Unaudited)	Equity-accounted investees USD'000 (Unaudited)	Other related parties USD'000 (Unaudited)	Total USD'000 (Unaudited)
Expenses charged by related parties:				
Concession fees	-	-	24,082	24,082
Shared services	-	-	5,209	5,209
Other recharges	-	-	7,055	7,055
Revenue earned from related parties:				
Management fee income	-	11,103	-	11,103
	====	=====	=====	=====

Compensation of key management personnel

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

	Six months	ended 30 June
	2012	2011
	USD'000	USD'000
Short-term benefits and bonus	**5,207**	5,004
Post-retirement benefits	**402**	399
	-------	-------
	5,609	5,403
	====	=====

16 Transactions with related parties (continued)

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

Due from related parties:	**30 June 2012 USD'000 (Unaudited)**	31 December 2011 USD'000 (Audited)
Ultimate Parent Company	**2,765**	2,730
Parent Company	**54,130**	54,154
Equity-accounted investees	**226,438**	232,052
Other related parties	**26,028**	21,693
	309,361	310,629

Due to related parties:	**30 June 2012 USD'000 (Unaudited)**	31 December 2011 USD'000 (Audited)
Equity-accounted investees	**444**	386
Other related parties	**11,017**	11,886
	11,461	12,272

17 Operating leases

Operating lease commitments – Group as a lessee

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

	30 June 2012 USD'000 (Unaudited)	31 December 2011 USD'000 (Audited)
Within one year	**230,382**	192,961
Between one and five years	**711,599**	711,097
Between five to ten years	**1,054,319**	1,086,178
Between ten to twenty years	**1,401,994**	1,398,808
Between twenty to thirty years	**1,256,497**	1,357,630
Between thirty to fifty years	**1,185,997**	1,201,046
Between fifty to seventy years	**1,054,040**	1,063,338
More than seventy years	**1,097,890**	1,075,017
	7,992,718	8,086,075

The above operating leases (Group as a lessee) mainly consist of terminal operating leases arising out of concession arrangements which do not meet the recognition criteria of IFRIC 12 – *'Service Concession Arrangement'* and 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 the prevailing market rates.

17 Operating leases (continued)

Operating lease commitments – Group as a lessor

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

	30 June 2012 USD'000 (Unaudited)	31 December 2011 USD'000 (Audited)
Within one year	**19,587**	22,691
Between one to five years	**66,355**	75,966
More than five years	**44,191**	25,887
	----------	-----------
	130,133	124,544
	======	======

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 the prevailing market rates.

18 Capital commitments

	30 June 2012 USD'000 (Unaudited)	31 December 2011 USD'000 (Audited)
Estimated capital expenditure contracted for at the reporting date	**572,916**	538,383
	======	======

19 Contingent liabilities

(a) The Group has the following contingent liabilities in respect of guarantees issued:

Type of guarantee	**30 June 2012 USD'000 (Unaudited)**	31 December 2011 USD'000 (Audited)
Payment guarantees	**58,424**	99,491
Performance guarantees	**101,509**	82,117
Letters of credit	**180**	195
Guarantees issued on behalf of equity-accounted investees	**93,736**	12,020
	======	======

19 Contingent liabilities (continued)

(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 ("GMBT") 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 21,498 thousand *(2011: USD 22,548 thousand)* from Chennai Container Terminal Limited ("CCTL"), a subsidiary of the Company, 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 11,486 thousand *(2011: USD 12,047 thousand)* under dispute in 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.

20 Subsequent event

On 4 July 2012, DP World Australia Limited, in which the Group has a 25% shareholding, has sold all of its 60% shareholding in Adelaide Container Terminal Pty Ltd for USD 138,000 thousand.

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