



# DP WORLD

## DP WORLD LIMITED PRELIMINARY RESULTS FOR THE 12 MONTHS TO 31 DECEMBER 2010

Dubai, United Arab Emirates, 23 March, 2011: - DP World has delivered a positive and encouraging financial performance from its global portfolio of marine terminals, which reflect a stronger second half of the year as volume and revenue growth continued to improve on the first half of the year. This, coupled with continuing of cost management and improved terminal efficiencies, resulted in a return to EBITDA margins above 40% and profit before tax in excess of \$500 million.

### Summary<sup>1</sup>

For details of our IFRS consolidated income statement and separately disclosed items please see page 14

- Consolidated<sup>2</sup> throughput up 9% to 27.8 million TEU<sup>3</sup> (25.6 million)
- Revenue up 9% to \$3,078 million (\$2,821 million)
- Adjusted EBITDA<sup>4</sup> up 16% to \$1,240 million (\$1,072 million)
- Adjusted EBITDA margins increase to 40.3% (38.0%)
- Profit for the year up 35% to \$450 million (\$333 million)
- Gross cash generation from operating activities of \$1,108 million (\$992 million)
- Earnings per share<sup>5</sup> of 2.26 USD cent (2.01 USD cent)
- Dividend per share increased 5% to 0.86 of a USD cent (0.82 of a USD cent)

As highlighted when we published our full year throughput announcement in January, the second half of 2010 saw improved trading over the first half. Full year revenue of \$3,078 million and EBITDA of \$1,240 million were both well ahead of 2009 whilst our EBITDA margins returned to above 40%.

Whilst the return of container volumes across the industry has been an important driver, the actions taken at our terminals to increase revenue have contributed to us delivering container revenue ahead of both 2009 and 2008. In addition, non-container revenue has returned to growth with a particularly strong second half performance.

We have continued our focus on cash generation and cost management as well as driving efficiencies in our terminals. Success in this regard has resulted in 2010 EBITDA margins ahead of expectations at 40.3% and second half margins back at 2008 levels with increased cash generation to over \$1.1 billion.

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<sup>1</sup> All financial results are reported before separately disclosed items unless otherwise stated. Numbers in brackets are reported results for the 12 months to 31 December 2009

<sup>2</sup> 28 of our 50 terminals are consolidated under IFRS for 2010

<sup>3</sup> Twenty foot equivalent container units.

<sup>4</sup> Further information on Adjusted EBITDA can be found in Notes to Accounts, Note 6; Adjusted EBITDA and Adjusted EBITDA Margins will be referred to as EBITDA and EBITDA margins respectively throughout this document

<sup>5</sup> Earnings per share is calculated after separately disclosed items

This strong performance helps maintain flexibility in our balance sheet allowing us to continue to invest in our global portfolio, including in two new terminals in Callao (Peru), and Vallarpadam (India) opened in 2010 and early 2011 respectively.

**DP World Chairman Sultan Ahmed Bin Sulayem said:**

*“2010 saw a return to volume growth across almost all our terminals, albeit with different growth rates across regions. We saw both rapid recovery in global trade in those markets most affected by the decline in container volumes in 2009, and a return to more modest growth in those markets which showed resilience during 2009. Almost all of our container terminals around the world are back at or ahead of volumes last seen in 2008 which was a peak year for the global container terminal industry.*

*“The group has continued to invest in its portfolio during the last two years of global crisis and is seeing the benefit of this investment in these results.”*

**Chief Executive Officer Mohammed Sharaf commented:**

*“Our 2010 results, with profit before tax in excess of \$500 million, reflect a return of container volume growth and greater revenue generation, together with the benefits derived from our cost cutting measures and improved terminal efficiencies implemented since the downturn.*

*“Our container operations have continued to generate excellent performance, with container revenues ahead of levels last seen in 2008. Despite the slower growth from non-container revenues, cost controls and improved terminal efficiencies have driven a 16% growth in EBITDA to \$1,240 million and EBITDA margins back above 40%.*

*“In the first two months of 2011 we have seen 12% volume growth across our consolidated portfolio<sup>6</sup> with further margin improvement from the full year 2010. It is particularly pleasing to see the UAE region continuing the strong performance seen at the end of 2010 with volume and revenue growth in the first two months of 2011 well ahead of last year.*

*“Despite continuing economic fragility and political turbulence in some parts of the world, given the geographic spread of our portfolio, we remain confident that we will make further progress in 2011.*

*“Our focus remains on delivering profitable growth, improving EBITDA margins and driving cash generation in both the short term and long term through a combination of incremental revenue generation, improving efficiencies and cost management. We remain confident about the long term outlook for the container terminal industry and our strong competitive position within it.”*

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The Chairman’s Statement, Chief Executive’s Review and Financial Statements follow from page 3

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<sup>6</sup> In the first two months of 2011 28 of our 49 container terminals were consolidated

## **Investor Inquiries**

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## **Analyst/Investor Conference Call**

There will be two conference calls for debt and equity analysts and investors;

- 1) At 1200 noon Dubai time (9.00am London) on Wednesday 23 March 2011 with CEO Mohammed Sharaf and CFO Yuvraj Narayan\*
- 2) At 1600 hrs Dubai time (9.00am New York / 1pm London) primarily for debt investors however we welcome all our investors to join if this is a more convenient time.

Analysts and investors located in the UAE are welcome to attend a presentation of results hosted by Mohammed Sharaf and Yuvraj Narayan at 12 noon on Wednesday 23 March at the DIFC Centre of Excellence, Gate Village, Building 2, DIFC.

\*A playback of the earlier call will be available the following day. For the dial in details and playback details please contact [investor.relations@dpworld.com](mailto:investor.relations@dpworld.com).

The presentation accompanying these conference calls will be available on DP World's website within the investor centre. [www.dpworld.com](http://www.dpworld.com)

## Chairman's Statement

2010 saw a return to volume growth across almost all our terminals, albeit with different rates across regions. We saw both rapid recovery in global trade in those markets most affected by the decline in container volumes in 2009, and a return to more modest growth in those markets which showed resilience during 2009. Almost all of our container terminals around the world are back at or ahead of volumes last seen in 2008 which was a peak year for the global container terminal industry.

The group has continued to invest in its portfolio during the last two years of global crisis and is seeing the benefit of this investment in these results.

Management at our terminals took some tough decisions in 2008 and 2009 to successfully mitigate greater declines in profit as a result of the declines in container volumes. As volumes have returned, management remain focused on retaining the benefits of those actions which continued to be implemented through 2010. This has resulted in the delivery of profit before tax in excess of \$500 million for the full year and EBITDA margins in the second half of the year that matched those reported in 2008.

Our full year reported revenue for our consolidated portfolio<sup>7</sup> in 2010 was \$3,078 million, 9% ahead of last year as a result of the 9% increase in container volumes, improved container revenue per TEU and a return to growth of non-container revenue. EBITDA increased 16% to \$1,240 million with EBITDA margins of 40.3%, an improvement from 38.0% for the same period last year. Profit before tax is \$503 million and profit after tax of \$450 million are 30% and 35% ahead of the prior year respectively.

In the Europe, Middle East and Africa region, we reported a better performance in the second half of 2010 than in the first half, with signs of a recovery in both ancillary (mainly storage) revenue and non-container revenue resulting in full year revenue in line with 2009. Our continuing focus on costs drove EBITDA up 4% to \$793 million.

The Asia Pacific and Indian Subcontinent region reported results were impacted positively by a full year contribution from our new terminal in Saigon (Vietnam) which opened at the end of 2009, and negatively from the revenue adjustment following the transfer of ATI Manila (Philippines) from being a consolidated terminal to the joint venture portfolio in the fourth quarter of 2009. Excluding these major changes, like for like revenue, at constant currency, was 16% higher as a result of like for like volumes growing 10% and an increase in revenue per TEU. This increase in revenue, in combination with cost reductions and a substantial increase in the contributions from joint ventures and associates resulted in like for like EBITDA at constant currency increasing 22%.

The Australia and Americas region has rebounded strongly from the challenging environment in 2009 delivering growth over both 2009 and 2008. Our new development in Callao (Peru) opened at the end of the first half, contributing to the results for this region for the first time. The reported results have benefitted significantly from the strengthening Australian dollar against the USD. Revenue from our consolidated terminals increased 47% to \$875 million following a volume growth of 35% in the region. Like for like revenue at constant currency was 29% higher as a result of the 23% increase in volume in the region and higher container revenue per TEU and a significant

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<sup>7</sup> 28 of our 50 terminals are consolidated under IFRS

increase in non-container revenues. EBITDA was \$271 million, almost double the prior year and, on a like for like basis at constant currency was 69% ahead of the prior year.

### **Australia Strategic Partnership**

As announced in December 2010 and completed in March 2011, DP World and Citi Infrastructure Investors (CII), together with one of CII's major investors, announced their intention to form a strategic partnership in relation to DP World's five marine terminals in Australia. The strategic partnership, which formed a new joint venture company on completion of the transaction in March 2011, saw DP World monetise 75% of its shares whilst retaining a 25% shareholding in the new joint venture. The total proceeds of the transaction amount to A\$1,483 million (USD 1,475 million). In addition, DP World has a long term agreement to provide management services to the Australian operation.

### **Investment in our portfolio**

Our industry is a long-term one, with the average container terminal concession granted to DP World being in excess of 25 years. The senior management team spends a considerable amount of resource identifying, evaluating and executing incremental investment opportunities across the portfolio to enable us to meet our customers' requirements in the future.

Our confidence in the long term future of our operations saw us continue to add capacity throughout the challenging years of 2009 and 2010. Indeed in 2010 we added an additional 12% new capacity to our global portfolio taking us to a gross capacity of 67 million TEU capacity across 50 terminals in 28 countries.

The opening of Callao (Peru) in the middle of the year marked our first terminal on the West Coast of South America and we have been very pleased with how operations have evolved achieving close to 100% utilisation. In addition, our joint venture in Qingdao (China), which is a key terminal in our joint venture portfolio, completed a major expansion project.

Over the last two years we have also been focused on building a new Gateway terminal at Vallarpadam, Cochin (India) and further expanding our terminal in Karachi (Pakistan). Both of these opened successfully in early 2011 and are already proving valuable additions to our portfolio where customers can benefit from modern purpose built port operations. Alongside these investments we have continued to invest in essential infrastructure including dredging and reclaiming land to build the quay wall at our new development at London Gateway (UK). The works are progressing as planned.

Despite the recent challenging market environment, we have continued to invest for the long term. Over the last three years we have added over 15 million TEU in gross capacity including over 6 million TEU of new consolidated capacity. When taking into account our pipeline of 9 new development and expansion projects, which we are able to roll out in line with market demand, by 2020 we anticipate operating 54 terminals across our global portfolio with capacity reaching 95 million TEU.

We continue to see exciting opportunities to not only expand our existing facilities but also from new concession opportunities. These will be added in line with market demand and will be subject to meeting established investment criteria. Whilst we are committed to expanding our portfolio to meet market needs, we intend to do so without

increasing leverage (net debt to EBITDA) beyond 4.0 times in the current market environment.

## **Strategy**

In the short term we continue to focus on ensuring our business is well positioned to respond to our customers more immediate requirements whilst maintaining a focus on incremental revenue generation and cost management to drive EBITDA margins. Taken together these will continue to drive improving cash generation and deliver profitable growth.

Looking further out, growth in global trade is expected to continue and as shipping lines and traders are planning for the future, including bringing on larger vessels, so too must port operators. We will retain our ability to respond to growth opportunities alongside expansion of our existing facilities in response to our customers' future requirements.

We are committed to our core container handling business expecting to maintain approximately 80% of our revenues from container related activities in terminals that are located in either origin and destination markets, or in gateway locations. This provides a more stable and higher margin container revenue stream as was reflected in the resilience of our operational and financial performance in 2009 through the downturn.

We expect to be generating approximately 75% of our future volumes from the faster growing emerging or frontier markets capturing the faster growth in trade. In addition, the continuation of the trend toward higher containerisation as investment is made across the logistics supply chain will help drive volumes through our portfolio. Our management team is also highly experienced in developing and operating container ports in emerging and frontier markets.

We believe that operational excellence and innovation create opportunities to generate additional value out of our existing facilities. We continuously improve our operational efficiency thereby increasing the capacity of our existing facilities. We believe that this element of our strategy is one of the most cost-effective methods for increasing capacity at our existing facilities. In addition, we continually communicate with our customers and essential stakeholders in the port and shipping community to maximise the connectivity, responsiveness, accuracy and our speed of response to customers' needs.

## **London Stock Exchange Listing**

We remain committed to listing on the London Stock Exchange and are focused on completing the process in a timely manner.

To facilitate the trading of shares in London through the CREST system, the Company is arranging for the issue of Depository interests. This will ensure trading is fully fungible with the existing NASDAQ Dubai listing. A Depository interest holder will have the benefit of all the rights attaching to an Ordinary Share as if he was a holder of such Ordinary Share through an account with the NASDAQ Dubai Central Securities Depository. Shareholders will be asked to approve amendments to the DP World Limited's Articles of Association at the AGM on 11 May 2011 to facilitate the process and issuance of depository interests.

## **Dubai World restructuring**

On 25 November 2009 our ultimate parent company Dubai World announced a restructuring. At that time the Government of Dubai confirmed that DP World and its debt are not included in the restructuring process for Dubai World. During 2010 agreement was reached with all lenders to Dubai World.

## **Dividend**

The Board is recommending a full year dividend of 0.86 of a US cent per share (2009: 0.82 of a US cent per share) equating to a total dividend payment of \$143 million (2009: \$136 million). This 5% increase in total dividend reflects, inter alia, our confidence in our operational performance and the recovery in our markets, and the ability of DP World to generate cash over the longer term.

Subject to approval by shareholders, the dividend will be paid on 16 May 2011 to ordinary shareholders on the register as at the close of business on the 7 April 2011, with an ex-dividend date of 6 April 2011.

## **Outlook**

In the first two months of 2011 we have seen 12% volume growth across our consolidated portfolio<sup>8</sup> with further margin improvement from the full year 2010. It is particularly pleasing to see the UAE region continuing the strong performance seen at the end of 2010 with volume and revenue growth in the first two months of 2011 well ahead of last year.

Despite continuing economic fragility and political turbulence in some parts of the world, given the geographic spread of our portfolio, we remain confident that we will make further progress in 2011.

Our focus remains on delivering profitable growth, improving EBITDA margins and driving cash generation in both the short term and long term through a combination of incremental revenue generation, improving efficiencies and cost management. We remain confident about the long term outlook for the container terminal industry and our strong competitive position within it.

**Sultan Ahmed Bin Sulayem**  
**Chairman**

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<sup>8</sup> *In the first two months of 2011 28 of our 49 container terminals were consolidated*

## Chief Executive Review

Our financial performance for the twelve months to 31 December 2010 reflects the return to container volume growth across our portfolio of 50 terminals together with an improvement in revenue per TEU, alongside continued cost management and improved operational efficiencies, resulting in a much improved financial performance in 2010 against 2009.

Our 2010 consolidated revenues have benefitted from the inclusion of a full year of revenues from Saigon (Vietnam) which opened in the fourth quarter of 2009 and Callao (Peru) which opened at the end of the first half of 2010, offset by the exclusion of revenue from ATI Manila (Philippines) which has been accounted for as a joint venture since the fourth quarter of 2009. In addition two terminals in Algeria joined the joint venture portfolio in 2009. Our Australian terminals continue to be accounted for, as in previous years, as consolidated terminals within the Australia and Americas region for 2010.

As a global business, we are exposed to currency translation on our reported results. Over the year, the weakening US dollar had a small positive impact on EBITDA. The Australia and Americas region was the most impacted by this.

<b>Highlights of results from DP World Limited and its subsidiaries</b> <i>– full details on page 14</i>	<b>2010</b> <b>before separately disclosed items</b>	2009 before separately disclosed items
Consolidated Throughput (TEU)	<b>27.8 million</b>	25.6 million
Revenue	<b>\$3,078 million</b>	\$2,821 million
Share of JVs and Associates	<b>\$140 million</b>	\$71 million
EBITDA (including JVs and Associates)	<b>\$1,240</b>	\$1,072 million
EBITDA Margin (including JVs and Associates)	<b>40.3%</b>	38.0%
Pre-tax profit from continuing businesses	<b>\$503 million</b>	\$387 million
Adjusted net profit for the year	<b>\$450 million</b>	\$333 million
Earnings per share (USD cent) (after separately disclosed items)	<b>2.26</b>	2.01

Revenue for our consolidated portfolio<sup>9</sup> in 2010 was \$3,078 million, 9% ahead of last year as a result of the 9% increase in container volumes resulting in utilisation of 80%, improved container revenue per TEU and a return to growth of non-container revenue.

Containerised revenue accounted for 82% of our total revenue and was \$2,512 million for the year, 10% ahead of the prior period following an improvement in container volumes and increases in revenue per TEU, most notably in Australia and India. After reporting a small decline in ancillary (mainly storage) revenue for the first half of the year as a result of prior year comparatives, we have now seen this ancillary revenue return to growth.

<sup>9</sup> 28 of our 50 terminals are consolidated under IFRS in 2010



Non-container revenue increased 5% to \$566 million and accounted for 18% of total revenue in the period, driven by a much stronger second half as we saw this income stream return across all our regions in the second half of the year, albeit at a lower rate in the UAE region.

Expenses<sup>10</sup> for the year were \$1,978 million, 9% higher than the same period last year due to the 9% volume increase and the addition of new terminals into our portfolio. On a like for like basis, at constant currency, expenses only increased 8% against a like for like volume increase of 9%. Cost reductions were 2% for the year as a whole, from a combination of lower operating expenses and lower overhead expenses.

As we reported during the year, our portfolio of terminals accounted for as joint ventures and associates performed very strongly against the prior period leading to a 97% increase in our share in profit from joint ventures and associates to \$140 million. This was primarily driven by continued expansion of new capacity at our terminal in Qingdao (China) and, in part down to ATI Manila joining this portfolio. Excluding ATI Manila and the two Algerian terminals that joined the portfolio in 2009, growth would still have been over 80% as volumes returned across Asia and Europe from the low base in 2009.

EBITDA increased 16% to \$1,240 million with EBITDA margins of 40.3%, an improvement from 38.0% in 2009. This margin improvement reflects the continued focus of our terminal managers to reduce costs from our operations and improve efficiencies, and represents a strong performance considering the contribution to EBITDA from the higher margin non-container revenue is still lower than last year. Margins in the second half of 2010 were at 40.7% which compares favourably to margins at our peak in 2008 of 40.8%.

Our profit for the year is ahead of expectations primarily as a result of lower net finance expenses on account of the repayment of debt in our Australian business towards the end of the year and a lower average cost of debt. Profit before tax is \$503 million and profit after tax of \$450 million are 30% and 35% ahead of the prior year respectively.

With the decline in container volumes seen in 2009, we have continued to adopt a prudent approach to capital expenditure with \$937 million invested over the year. Over 55% of this is focused on investment in new capacity expansion and 30% on investment in existing terminals to improve efficiencies and production as well as in the medium to long-term revenue generation or cost saving opportunities.

Callao (Peru) opened at the end of the first half of 2010 and is already performing beyond our expectations with Vallarpadam (India) and Karachi (Pakistan) opening in the first quarter of 2011. Alongside these investments we have continued to invest in essential infrastructure at our new development at London Gateway (UK).

In line with our strategy of rolling out new capacity in line with market demand, DP World has continued to grow its portfolio throughout the challenging market environment of the last three years adding 6.6 million TEU consolidated capacity in that timeframe. Our total consolidated capacity at the end of 2010 was 35 million TEU, of which 23% has been added in the last three years.

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<sup>10</sup> Expenses are net of other income and excluding depreciation and amortisation and net finance costs

## Review of Regional Trading for continuing operations

### Europe, Middle East and Africa

	<b>2010 before separately disclosed items</b>	2009 before separately disclosed items
Consolidated Throughput (TEU)	<b>17.5 million</b>	16.5 million
Revenue	<b>\$1,742 million</b>	\$1,748 million
Profit /(loss) from JV and Associates	<b>\$10 million</b>	\$(1.0) million
EBITDA inc JV and Associates	<b>\$793 million</b>	\$765 million
EBITDA Margins	<b>45.5%</b>	43.8%
Adjusted net profit for the year	<b>\$557 million</b>	\$531 million

The second half of 2010 saw a better performance than we reported in the first half of the year with signs of a recovery in both ancillary revenue and non-container revenue leading to full year revenue in line with 2009 and solid cost management driving EBITDA and EBITDA margins ahead of the prior year.

As of 31 December 2010, we had 25 terminals in the region, of which 13 were consolidated for financial reporting purposes. On average, terminals that contributed to revenue for the region experienced an increase in volume of 6% over the previous year as a result of organic growth and winning market share through improved efficiencies.

Revenue from our consolidated terminals was flat at \$1,742 million as the 6% growth in volumes and associated revenue was offset by a continuation of declines in ancillary (storage) revenue and non-container revenue from the UAE region.

Our share of profit from joint ventures and associates has continued to improve in the second half of the year delivering \$10 million as those terminals benefitted from returning volumes and the full year contribution of our two terminals in Algeria which joined the portfolio in 2009.

EBITDA improved 4% to \$793 million with margin improvement back to 45.5% as recorded in the peak year of 2008. The overall decline in ancillary container revenue and non-container revenue was mitigated by the continuation of substantial cost savings in this region.

The UAE reported an increase in volumes of 4% to 11.6 million TEU with an increase in associated revenue in line with the volume increase. Total revenue for the full year declined 6% as a result of lower ancillary container (storage) and non-container revenue than the prior period which saw very high revenue during the first four months of 2009. However, there has been much improvement in the second half of the year with both container revenue and non-container revenue showing growth over the same period last year.

During the year, \$448 million of our capital expenditure was spent in the Europe, Middle East and Africa region with a focus on improving efficiencies. Algiers and Djen-Djen (Algeria) and Maputo (Mozambique) where we have recently extended the concession all benefitted from new operating systems implemented in 2010. Sokhna (Egypt), Tarragona (Spain) and Jeddah (KSA) also benefitted from investment in yard equipment which will drive greater productivity and benefit our customers by improving efficiency.

During the year we began investing in the construction of essential infrastructure (including dredging and building the quay wall) at London Gateway (UK).

### Asia Pacific, Indian Subcontinent

	<b>2010 before separately disclosed items</b>	2009 before separately disclosed items
Consolidated Throughput (TEU)	<b>5.5 million</b>	5.5 million
Revenue	<b>\$461 million</b>	\$477 million
Profit from JV and Associates	<b>\$96 million</b>	\$48 million
EBITDA inc JV and Associates	<b>\$255 million</b>	\$248 million
EBITDA Margins	<b>55.3%</b>	52.0%
Adjusted net profit for the year	<b>\$156 million</b>	\$172 million

The Asia Pacific and Indian Subcontinent region results were positively impacted by a full year contribution from our new terminal in Vietnam (Saigon) which opened at the end of 2009, and the negative impact from the loss of revenue following the transfer of ATI Manila (Philippines) from being a consolidated terminal to the joint venture portfolio in the fourth quarter of 2009.

As of 31 December 2010, we had 16 operating terminals in the region, of which 7 were consolidated for financial reporting purposes. Terminals that contributed to like for like<sup>11</sup> revenue, at constant currency, experienced an increase in volume for the period of 10% compared with last year.

Whilst reported revenues declined 3% in the year as a result of the transfer of ATI Manila, like for like revenue, at constant currency, was 16% higher as a result of like for like volumes growing 10% and an increase in revenue per TEU including additional revenue from storage across the region but notably in Karachi (Pakistan).

Our Asia Pacific and Indian Subcontinent region contributes the majority of our share of profit from joint ventures and associates and this year reported \$96 million profit against \$48 million for last year. Excluding the contribution from ATI Manila, and at constant currency, the improved performance of the terminals in this portfolio resulted in an increase of 76% of our share of profit from joint ventures and associates and is well ahead of 2008 levels as volumes have grown significantly in the region.

EBITDA increased 3% to \$255 million with margin improvement to 55.3%, back above 2008 levels despite the adjustment for EBITDA for ATI Manila. On a like for like basis, at constant currency, EBITDA grew 22% despite the inflationary pressures in this region that impacted the positive impact of cost reduction coming through.

\$241 million of our capital expenditure was spent in the region focused on our new developments at Vallaradam (India) and Karachi (Pakistan) which both opened in early 2011.

### Australia and Americas

<sup>11</sup> Like for like excludes the contribution from new terminals and transfer of ATI Manila to a joint venture in 2009

In December 2010 DP World and Citi Infrastructure Investors (CII), together with one of CII's major investors, announced their intention to form a strategic partnership to invest in, operate and manage DP World's five marine terminals in Australia. The strategic partnership, which formed a new joint venture company on completion of the transaction in March 2011, saw DP World monetise 75% of its shares whilst retaining a 25% shareholding in the new joint venture. In addition, DP World has an agreement to provide management services to the Australian operation.

For the purposes of 2010 financial reporting, our ports in Australia are included, as in previous years, in the Australia and Americas region with all five container ports consolidated as in previous years.

	<b>2010 before separately disclosed items</b>	2009 before separately disclosed items
Consolidated Throughput (TEU)	<b>4.8 million</b>	3.5 million
Revenue	<b>\$875 million</b>	\$596 million
Profit from JV and Associates	<b>\$35 million</b>	\$24 million
EBITDA inc JV and Associates	<b>\$271 million</b>	\$138 million
EBITDA Margins	<b>31.0%</b>	23.1%
Adjusted net profit for the year	<b>\$153 million</b>	\$49 million

The Australia and Americas region has rebounded strongly from the challenging environment in 2009 delivering growth over both 2009 and 2008. Our new development in Callao (Peru) opened at the end of the first half of 2010 contributing to the results for this region for the first time. The reported results have benefitted significantly from the strengthening Australian dollar.

As of 31 December 2010, we had 9 terminals in the region, of which 8 were consolidated for financial reporting purposes. In addition, P&O Maritime Services is accounted for in this region. On average, terminals that contributed to revenue experienced an increase in volume of 35% against the same period last year with volumes ahead of 2008 levels and well ahead of 2009.

Revenue from our consolidated terminals increased 47% to \$875 million following the volume growth of 35% in the region. Like for like revenue at constant currency was 29% higher as a result of the 23% increase in volume in the region and higher container revenue per TEU and a significant increase in non-container revenues from bulk in Vancouver (Canada).

Our reported share of profit from joint ventures and associates of \$35 million increased 46% driven by improved performance from those operations in this portfolio and the increase in ownership at Caucedo (Dominican Republic) from 35% to 45%.

EBITDA almost doubled to \$271 million resulting in margins of 31% improving significantly from 2009 levels. Excluding the positive impact of currency, EBITDA increased 69% with all ports delivering EBITDA at levels higher than 2008 levels as cost cutting measures and efficiencies benefit those terminals as volumes return.

\$244 million of our capital expenditure was spent in the region primarily in association with our new development in Callao (Peru) which opened in May 2010.

## **Net finance costs**

Net finance costs at \$279 million (before separately disclosed items) were somewhat lower than expected as a result of interest rates remaining at low levels throughout the year, a reduction in our total debt from \$8.0 billion to \$7.8 billion, and the additional interest income as a result of holding in excess of \$2 billion cash throughout 2010. Interest cover improved to 4.4 times<sup>12</sup>.

## **Profit attributable to non-controlling interests (minority interest)**

Profit attributable to non-controlling interests (minority interest) has increased from \$37 million to \$76 million due to the improved performance in those terminals that DP World does not wholly own, such as Doraleh (Djibouti), Southampton (UK) and Buenos Aries (Argentina). Our 2009 full year profit attributable to non-controlling interests of \$37 million also included a \$14 million tax liability in relation to our terminal in Buenos Aries which reduced the reported minority interest in 2009.

## **Earnings per Share (EPS)**

Earnings per share, which is reported after separately disclosed items, increased 12% against the prior year to 2.26 cent. Whilst profit after tax, after separately disclosed items, reported a 22% increase over the prior period, the lower growth in the reported EPS reflects the increase in minority interests as outlined above.

## **Capital Expenditure**

During the first six months of this year we completed our terminal at Callao (Peru) which opened towards the end of the first half and we continued to work towards completion of Vallarpadam (India) and Karachi (Pakistan), both of which opened in the first quarter of 2011. Alongside these projects, we have continued to invest in essential infrastructure at our new development at London Gateway (UK).

Our \$937 million of capital expenditure in the year has included further investment in improving terminal efficiency in many of our existing terminals including in Chennai (India) Maputo, (Mozambique) Tarragona, (Spain).

We remain fully committed to meeting the long-term market demand for capacity expansion; however we continue to take a cautious approach, investing in new capacity in line with market demand. We maintain our guidance for capital expenditure of \$2.5 billion between 2010 and 2012 inclusive, of which we have spent just under \$1 billion in 2010 and anticipate in the region of \$750 million in each of 2011 and 2012.

## **Balance Sheet**

Total assets increased to \$19.4 billion from \$19.0 billion as a result of terminal additions during the year.

Total equity increased to \$8.5 billion from \$8.0 billion at year end 2009 as a result of higher retained earnings and more favourable currency movements than in the prior year.

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<sup>12</sup> Interest cover is calculated using EBITDA and net finance costs before separately disclosed items

## **Cash flow**

Gross cash generation from operating activities was \$1,108 million which is approaching our peak cash generation in 2008 of \$1,204 million and 12% ahead of the same period in 2009.

## **Net Debt**

We reported net debt as at 31 December 2010 of \$5,253 million, made up of bank balances and cash of \$2,520 million and gross debt of \$7.8 billion.

Long-term corporate bonds totalled \$3.25 billion made up of \$1.75 billion 30 year unsecured MTN due 2037 and \$1.5 billion 10-year unsecured sukuk due 2017. In addition we have a fully drawn \$3 billion syndicate loan facility due in October 2012 and \$1.5 billion of debt at the subsidiary level. As at 31 December 2010 leverage (net debt to EBITDA) was 4.2 times.

The proceeds of the Australia monetisation were received on the 11 March 2011 and will significantly reduce our net debt in 2011 and lower our leverage to below 3.5 times.

This monetisation also ensures we are well positioned to repay the 2012 syndicate loan on or before maturity at the end of October 2012 and leaves us in a strong position with adequate flexibility around how we manage our balance sheet in the future.

**Mohammed Sharaf**  
Chief Executive Officer

**Yuvraj Narayan**  
Chief Financial Officer

DP World Limited and its subsidiaries  
Consolidated income statement  
for the year ended 31 December 2010

	Notes	Year ended 31 December 2010			Year ended 31 December 2009		
		Before separately disclosed items USD'000	Separately disclosed items (Note 11) USD'000	Total USD'000	Before separately disclosed items USD'000	Separately disclosed items (Note 11) USD'000	Total USD'000
<b>Revenue from operations</b>	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)
<b>Gross profit</b>		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
<b>Result from operating activities</b>		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)
<b>Net finance costs</b>		(278,828)	(17,583)	(296,411)	(283,778)	12,542	(271,236)
<b>Profit before income tax</b>		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)
<b>Profit for the year</b>	8	450,060	1,066	451,126	332,663	37,406	370,069
<b>Profit attributable to:</b>							
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
<b>Earnings per share</b>	22						
Basic and diluted earnings per share – US cents				2.26			2.01

A full set of notes to the accounts can be found on the DP World website or the Nasdaq Dubai website

# DP World Limited and its subsidiaries

## Consolidated statement of comprehensive income for the year ended 31 December 2010

	<i>Notes</i>	<b>2010</b> <b>USD'000</b>	2009 USD'000
<b>Profit for the year</b>	8	<b>451,126</b>	370,069
		-----	-----
<b>Other comprehensive income</b>			
Effective portion of net changes in fair value of cash flow hedges		<b>(35,495)</b>	26,652
Foreign exchange translation differences for foreign operations *	20	<b>164,671</b>	724,603
Foreign exchange (loss)/ profit recycled to consolidated income statement		<b>500</b>	(32,194)
Net change in cash flow hedges reclassified to consolidated income statement		<b>8,974</b>	-
Net change in fair value of available-for-sale financial assets	16	<b>1,139</b>	13,745
Share in other comprehensive income of equity-accounted investees		<b>500</b>	-
Defined benefit plan actuarial gain/ (losses)		<b>55,100</b>	(162,200)
<i>Income tax on other comprehensive income:</i>			
Fair value of cash flow hedges		<b>4,500</b>	(1,700)
Defined benefit plan actuarial gain/ (losses)		<b>(1,100)</b>	6,500
		-----	-----
<b>Other comprehensive income for the year, net of income tax</b>		<b>198,789</b>	575,406
		-----	-----
<b>Total comprehensive income for the year</b>		<b>649,915</b>	945,475
		=====	=====
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		<b>588,124</b>	905,075
Non-controlling interests		<b>61,791</b>	40,400
		-----	-----
		<b>649,915</b>	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 Companies' functional currency is currently pegged to the presentation currency (refer to note 2(d)).



# DP World Limited and its subsidiaries

## Consolidated statement of financial position as at 31 December 2010

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

# DP World Limited and its subsidiaries

## Consolidated statement of financial position (continued)

as at 31 December 2010

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

# 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
<b>Balance as at 1 January 2010</b>	<b>1,660,000</b>	<b>2,472,655</b>	<b>2,000,000</b>	<b>1,584,804</b>	<b>(49,864)</b>	<b>(302,300)</b>	<b>(134,347)</b>	<b>7,230,948</b>	<b>806,497</b>	<b>8,037,445</b>
<b>Total comprehensive income for the year:</b>										
Profit for the year	-	-	-	374,807	-	-	-	374,807	76,319	451,126
<b>Other comprehensive income:</b>										
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
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(13,704)</b>	<b>52,600</b>	<b>174,421</b>	<b>213,317</b>	<b>(14,528)</b>	<b>198,789</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>374,807</b>	<b>(13,704)</b>	<b>52,600</b>	<b>174,421</b>	<b>588,124</b>	<b>61,791</b>	<b>649,915</b>
<b>Transactions with owners, recorded directly in equity</b>										
Dividends paid (refer to note 21)	-	-	-	(136,120)	-	-	-	(136,120)	-	(136,120)
Share-based payment transaction	-	-	-	-	(1,090)	-	-	(1,090)	-	(1,090)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(136,120)</b>	<b>(1,090)</b>	<b>-</b>	<b>-</b>	<b>(137,210)</b>	<b>-</b>	<b>(137,210)</b>
<b>Transactions with non-controlling interests, recorded directly in equity</b>										
Dividends paid	-	-	-	-	-	-	-	-	(54,834)	(54,834)
Amounts contributed by non-controlling interests	-	-	-	-	-	-	-	-	610	610
<b>Total transactions with non-controlling interests</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(54,224)</b>	<b>(54,224)</b>
<b>Balance as at 31 December 2010</b>	<b>1,660,000</b>	<b>2,472,655</b>	<b>2,000,000</b>	<b>1,823,491</b>	<b>(64,658)</b>	<b>(249,700)</b>	<b>40,074</b>	<b>7,681,862</b>	<b>814,064</b>	<b>8,495,926</b>

# 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

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

# DP World Limited and its subsidiaries

## Consolidated statement of cash flows (continued)

For the year ended 31 December 2010

	<i>Notes</i>	<b>2010</b> <b>USD'000</b>	2009 USD'000
<b>Cash flows from financing activities</b>			
Repayment of interest bearing loans and borrowings		<b>(617,517)</b>	(168,215)
Drawdown of interest bearing loans and borrowings		<b>439,748</b>	2,600,020
Dividend paid to the owners of the Company		<b>(136,120)</b>	(114,540)
Amounts contributed by non-controlling shareholders		<b>610</b>	20,786
Interest paid		<b>(358,899)</b>	(357,204)
Dividends paid to non-controlling shareholders		<b>(54,834)</b>	(17,474)
		-----	-----
<b>Net cash (used in)/ from financing activities</b>		<b>(727,012)</b>	1,963,373
		-----	-----
<b>Net (decrease)/ increase in cash and cash equivalents</b>		<b>(322,684)</b>	1,620,226
Cash and cash equivalents as at 1 January		<b>2,898,566</b>	1,154,145
Effect of exchange rate fluctuations on cash held		<b>(8,366)</b>	124,195
		-----	-----
<b>Cash and cash equivalents as at 31 December</b>	<i>18</i>	<b>2,567,516</b>	2,898,566
		=====	=====
<i>Cash and cash equivalents comprise of the following:</i>			
Bank balances and cash		<b>2,519,616</b>	2,910,066
Cash classified as held for sale		<b>50,900</b>	-
Bank overdrafts		<b>(3,000)</b>	(11,500)
		-----	-----
Cash and cash equivalents		<b>2,567,516</b>	2,898,566
		=====	=====

# 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 USD'000	2009 USD'000	2010 USD'000	2009 USD'000	2010 USD'000	2009 USD'000	2010 USD'000	2009 USD'000	2010 USD'000	2009 USD'000	2010 USD'000	2009 USD'000
Revenue												
from operations	<b>571,740</b>	584,775	<b>875,474</b>	596,299	<b>1,741,727</b>	1,748,155	-	-	-	-	<b>3,188,941</b>	2,929,229
Segment results												
From operations *	<b>157,913</b>	188,018	<b>169,154</b>	74,636	<b>556,919</b>	523,166	<b>(136,449)</b>	(144,515)	-	-	<b>747,537</b>	641,305
Finance income	-	-	-	-	-	-	<b>89,395</b>	85,492	-	-	<b>89,395</b>	85,492
Finance costs	-	-	-	-	-	-	<b>(385,806)</b>	(356,728)	-	-	<b>(385,806)</b>	(356,728)
Profit/ (loss) for the year	<b>157,913</b>	188,018	<b>169,154</b>	74,636	<b>556,919</b>	523,166	<b>(432,860)</b>	(415,751)	-	-	<b>451,126</b>	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 USD'000	2009 USD'000	2010 USD'000	2009 USD'000	2010 USD'000	2009 USD'000	2010 USD'000	2009 USD'000	2010 USD'000	2009 USD'000	2010 USD'000	2009 USD'000
Segment assets	<b>5,344,059</b>	5,224,976	<b>3,755,601</b>	3,155,830	<b>8,443,788</b>	8,518,785	<b>9,517,703</b>	9,548,960	<b>(7,701,607)</b>	(7,488,015)	<b>19,359,544</b>	18,960,536
Segment liabilities	<b>417,988</b>	341,912	<b>513,349</b>	235,082	<b>1,302,420</b>	1,064,811	<b>8,388,042</b>	8,592,321	<b>(949,758)</b>	(742,544)	<b>9,672,041</b>	9,491,582
Tax liabilities *	-	-	-	-	-	-	<b>1,191,577</b>	1,431,509	-	-	<b>1,191,577</b>	1,431,509
Total liabilities	<b>417,988</b>	341,912	<b>513,349</b>	235,082	<b>1,302,420</b>	1,064,811	<b>9,579,619</b>	10,023,830	<b>(949,758)</b>	(742,544)	<b>10,863,618</b>	10,923,091
Capital expenditure	<b>241,020</b>	214,753	<b>244,187</b>	178,525	<b>448,403</b>	516,710	<b>3,122</b>	57,505	-	-	<b>936,732</b>	967,493
Acquisition of land	-	-	-	-	<b>191,982</b>	-	-	-	-	-	<b>191,982</b>	-
Depreciation	<b>36,465</b>	25,451	<b>77,087</b>	55,630	<b>181,170</b>	182,672	<b>4,338</b>	3,002	-	-	<b>299,060</b>	266,755
Amortisation/ impairment	<b>62,568</b>	51,970	<b>45,311</b>	33,182	<b>55,151</b>	62,310	-	-	-	-	<b>163,030</b>	147,462
Share of profit/ (loss) of equity-accounted investees before separately disclosed items	<b>95,763</b>	48,393	<b>34,800</b>	23,831	<b>9,640</b>	(917)	-	-	-	-	<b>140,203</b>	71,307
Tax expense	-	-	-	-	-	-	<b>53,174</b>	55,128	-	-	<b>53,174</b>	55,128

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



# DP World Limited and its subsidiaries

## Notes to consolidated financial statements (continued)

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

# DP World Limited and its subsidiaries

## Notes to consolidated financial statements (continued)

### 7 Revenue from operations

	2010 USD'000	2009 USD'000
<i>Revenue from operations comprise of:</i>		
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
	-----	-----
	<b>3,188,941</b>	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

	2010 USD'000	2009 USD'000
<i>Profit for the year is stated after charging the following costs:</i>		
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
<b>Financial income</b>		
Interest income	82,405	71,392
Exchange gains	6,590	14,100
Other net financing income in respect of pension plans	400	-
	-----	-----
	<b>89,395</b>	85,492
	-----	-----
<b>Financial expenses</b>		
Interest payable	(368,547)	(353,628)
Exchange losses	(13,059)	-
Other net financing expense in respect of pension plans	(4,200)	(3,100)
	-----	-----
	<b>(385,806)</b>	(356,728)
	-----	-----
<b>Net finance costs</b>	<b>(296,411)</b>	(271,236)
	=====	=====

# DP World Limited and its subsidiaries

Notes to consolidated financial statements *(continued)*

## 10 Income tax

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

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

# DP World Limited and its subsidiaries

## Notes to consolidated financial statements (continued)

### 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
<b>Tax expense before prior year adjustments</b>	<b>67,298</b>	<b>66,126</b>
Tax under/ (over) provided in prior periods:		
- current tax	2,791	28,270
- deferred tax	20,196	(27,759)
<b>Total tax expense from operations</b>	<b>90,285</b>	<b>66,637</b>
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
<b>Adjusted profit before tax</b>	<b>528,211</b>	<b>392,430</b>
<b>Effective tax rate</b>	<b>17.1%</b>	<b>17.0%</b>

#### 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
<i>Deferred tax liability</i>				
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
	-----	-----	-----	-----
<b>Total</b>	<b>1,304,854</b>	<b>(19,452)</b>	<b>(178,129)</b>	<b>1,107,273</b>
	=====	=====	=====	=====
<i>Deferred tax assets</i>				
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
	-----	-----	-----	-----
<b>Total</b>	<b>103,439</b>	<b>(22,710)</b>	<b>5,656</b>	<b>86,385</b>
	=====	=====	=====	=====

# 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
	-----	-----
	<b>1,066</b>	<b>37,406</b>
	=====	=====

#### **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 Subcontinent' 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).

# DP World Limited and its subsidiaries

Notes to consolidated financial statements (*continued*)

## 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
<b>Cost:</b>					
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	<u>3,000,931</u>	<u>2,491,086</u>	<u>131,080</u>	<u>604,271</u>	<u>6,227,368</u>
<b>Depreciation:</b>					
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	<u>364,690</u>	<u>756,326</u>	<u>20,135</u>	<u>-</u>	<u>1,141,151</u>
<b>Net book value:</b>					
As at 31 December	<u>2,636,241</u>	<u>1,734,760</u>	<u>110,945</u>	<u>604,271</u>	<u>5,086,217</u>

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



# DP World Limited and its subsidiaries

Notes to consolidated financial statements *(continued)*

## 13 Goodwill and port concession rights

	Goodwill USD'000	Port concession rights USD'000	2010 Total USD'000
<b>Cost:</b>			
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
	-----	-----	-----
<b>Amortisation:</b>			
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
	-----	-----	-----
<b>Net book value:</b>			
<b>As at 31 December</b>	<b>1,670,301</b>	<b>3,577,813</b>	<b>5,248,114</b>
	=====	=====	=====

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.

# DP World Limited and its subsidiaries

## Notes to consolidated financial statements (continued)

### 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	<u>2,424,689</u>	<u>4,714,661</u>	<u>7,139,350</u>
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	<u>-</u>	<u>540,466</u>	<u>540,466</u>
Net book value:			
As at 31 December	<u>2,424,689</u>	<u>4,174,195</u>	<u>6,598,884</u>

# DP World Limited and its subsidiaries

## Notes to consolidated financial statements (*continued*)

### 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		
<b>Cash-generating units aggregated by operating segment</b>						
Asia Pacific and Indian subcontinent	<b>275,820</b>	267,857	-	-	8.50% - 15.50%	2.50% - 5.00%
Australia and Americas	<b>332,486</b>	949,343	-	-	8.00% - 14.50%	2.50%
Middle East, Europe and Africa	<b>1,061,995</b>	1,207,489	<b>1,004,851</b>	1,043,111	7.00% - 12.50%	2.50% - 4.00%
<b>Total</b>	<b>1,670,301</b>	2,424,689	<b>1,004,851</b>	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.

# DP World Limited and its subsidiaries

## Notes to consolidated financial statements (continued)

### 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 USD'000	2009 USD'000	2010 USD'000	2009 USD'000	2010 USD'000	2009 USD'000	2010 USD'000	2009 USD'000
Current assets	<b>397,686</b>	457,850	<b>402,539</b>	390,757	<b>321,606</b>	271,766	<b>1,121,831</b>	1,120,373
Non-current assets	<b>7,381,166</b>	6,905,258	<b>833,592</b>	812,555	<b>2,877,660</b>	2,996,665	<b>11,092,418</b>	10,714,478
Total assets	<b>7,778,852</b>	7,363,108	<b>1,236,131</b>	1,203,312	<b>3,199,266</b>	3,268,431	<b>12,214,249</b>	11,834,851
Current liabilities	<b>929,830</b>	747,942	<b>136,751</b>	96,707	<b>169,780</b>	149,970	<b>1,236,361</b>	994,619
Non-current liabilities	<b>1,255,237</b>	1,562,853	<b>237,751</b>	358,240	<b>939,289</b>	932,454	<b>2,432,277</b>	2,853,547
Total liabilities	<b>2,185,067</b>	2,310,795	<b>374,502</b>	454,947	<b>1,109,069</b>	1,082,424	<b>3,668,638</b>	3,848,166
Revenue	<b>1,036,384</b>	752,863	<b>493,733</b>	535,774	<b>637,421</b>	538,538	<b>2,167,538</b>	1,827,175
Expenses	<b>(823,137)</b>	(671,968)	<b>(429,811)</b>	(473,644)	<b>(586,595)</b>	(534,868)	<b>(1,839,543)</b>	(1,680,480)
Net profit	<b>213,247</b>	80,895	<b>63,922</b>	62,130	<b>50,826</b>	3,670	<b>327,995</b>	146,695
The Group's share of profit from equity-accounted investees (before separately disclosed items)							<b>140,203</b>	71,307
The Group's investments in equity-accounted investees as at 31 December							<b>3,474,113</b>	3,453,833

# DP World Limited and its subsidiaries

## Notes to consolidated financial statements (continued)

### 16 Other investments

	2010 USD'000	2009 USD'000
<b>Non-current investments</b>		
Debt securities held to maturity	14,429	14,729
Available-for-sale financial assets	51,439	50,560
	-----	-----
	<b>65,868</b>	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	<b>51,439</b>	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
	-----	-----	-----
	<b>88,378</b>	<b>653,216</b>	<b>741,594</b>
	=====	=====	=====
	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
	-----	-----	-----
	<b>74,256</b>	<b>807,469</b>	<b>881,725</b>
	=====	=====	=====

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.

# DP World Limited and its subsidiaries

## Notes to consolidated financial statements (continued)

### 18 Bank balances and cash

	2010 USD'000	2009 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	-
	-----	-----
<b>Cash and cash equivalents for statement of cash flows</b>	<b>2,567,516</b>	<b>2,898,566</b>
	=====	=====

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 USD'000	2009 USD'000
<b>Authorised</b>		
25,000,000,000 ordinary shares of USD 0.10 each	2,500,000	2,500,000
	=====	=====
<b>Issued and fully paid</b>		
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.

# DP World Limited and its subsidiaries

## Notes to consolidated financial statements *(continued)*

### 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
<b>Declared and paid during the year:</b>		
Final dividend for 2009: 0.82 US cents per share (2008: 0.69 US cents per share)	136,120 =====	114,540 =====
<b>Proposed for approval at the annual general meeting (not recognised as a liability as at 31 December):</b>		
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 =====
	<b>Number of shares</b>	Number of shares
Number of ordinary shares outstanding as at 31 December	16,600,000,000 =====	16,600,000,000 =====
	<b>2010 USD</b>	2009 USD
Basic earnings per share – (US cents)	2.26 ===	2.01 ===

# DP World Limited and its subsidiaries

## Notes to consolidated financial statements (continued)

### 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.



# DP World Limited and its subsidiaries

## Notes to consolidated financial statements *(continued)*

### 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 USD'000	2009 USD'000
<b>Non-current liabilities</b>		
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
	-----	-----
	<b>7,420,299</b>	<b>7,474,878</b>
	-----	-----
<b>Current liabilities</b>		
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
	-----	-----
	<b>349,447</b>	<b>483,091</b>
	-----	-----
<b>Total</b>	<b>7,769,746</b>	<b>7,957,969</b>
	=====	=====

# DP World Limited and its subsidiaries

## Notes to consolidated financial statements (continued)

### 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
<b>Secured loans</b>					
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
<b>Unsecured loans</b>					
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
<b>Mortgage debenture stock</b>					
GBP		3.50%	undated	2,221	2,221
<b>Unsecured loan stock</b>					
GBP		7.50%	undated	5,093	5,093
<b>Unsecured Bond</b>					
USD		7.88%	2027	8,000	7,929
<b>Unsecured sukuk bonds</b>					
USD	(b)	*	2017	1,500,000	1,487,289
<b>Unsecured MTNs</b>					
USD	(b)	6.85%	2037	1,750,000	1,738,300
<b>Finance lease liabilities in various currencies</b>					
		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.

# DP World Limited and its subsidiaries

## Notes to consolidated financial statements (continued)

### 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%.

# DP World Limited and its subsidiaries

## Notes to consolidated financial statements (continued)

### 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	<u>90,696</u>	<u>(23,936)</u>	<u>66,760</u>
			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	<u>81,547</u>	<u>(18,848)</u>	<u>62,699</u>

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	<u>368,152</u>	<u>939,562</u>	<u>1,307,714</u>

# DP World Limited and its subsidiaries

## Notes to consolidated financial statements (continued)

### 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
<i>Expenses charged:</i>				
Concession fee	-	-	48,169	48,169
Shared services	-	-	10,055	10,055
Other recharges	-	-	13,770	13,770
<i>Revenue earned:</i>				
Management fee income	-	13,020	-	13,020
	=====	=====	=====	=====

# DP World Limited and its subsidiaries

## Notes to consolidated financial statements (continued)

### 27 Related party transactions (continued)

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

# DP World Limited and its subsidiaries

## Notes to consolidated financial statements (continued)

### 28 Assets and liabilities held for sale

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

- (a) On 22 December 2010, 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 (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
<b>Non-current assets</b>		
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	-
	-----	-----
	<b>1,947,968</b>	-
	-----	-----
<b>Current assets</b>		
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	-
	-----	-----
	<b>123,032</b>	-
	-----	-----
<b>Asset classified as held for sale</b>	<b>2,071,000</b>	-
	=====	=====
<b>Non-current liabilities</b>		
Deferred tax liabilities	213,293	-
Pension and post-employment benefits	6,900	-
Interest bearing loans and borrowings	21,900	-
	-----	-----
	<b>242,093</b>	-
	-----	-----

# DP World Limited and its subsidiaries

## Notes to consolidated financial statements (continued)

### 28 Assets and liabilities held for sale (continued)

	2010 USD'000	2009 USD'000
<b>Current liabilities</b>		
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	-
	-----	-----
	<b>114,100</b>	-
	-----	-----
<b>Liabilities classified as held for sale</b>	<b>356,193</b>	-
	=====	=====

(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).

### 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 USD'000	2009 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
	-----	-----
	<b>8,055,503</b>	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 USD'000	2009 USD'000
--	-----------------	-----------------



Within one year	<b>22,163</b>	22,772
Between one to five years	<b>61,483</b>	56,131
More than five years	<b>38,075</b>	51,875
	<u>-----</u>	<u>-----</u>
	<b>121,721</b>	130,778
	<u>=====</u>	<u>=====</u>

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

	<b>2010</b>	2009
	<b>USD'000</b>	USD'000
Estimated capital expenditure contracted for as at 31 December	<b>462,425</b>	1,040,069
	<u>=====</u>	<u>=====</u>

### 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-transshipment 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.

# DP World Limited and its subsidiaries

Notes to consolidated financial statements (*continued*)

## **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.