

Mubadala Development Company PJSC

Review report and interim condensed
consolidated financial information for
the period ended 30 June 2014

Principal Business Address
PO Box 45005
Abu Dhabi
United Arab Emirates

Mubadala Development Company PJSC

Review report and interim condensed consolidated financial information
for the period ended 30 June 2014

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The Shareholder
Mubadala Development Company PJSC
Abu Dhabi
United Arab Emirates

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Mubadala Development Company (“Mubadala” or the “Company”) and its subsidiaries (together, the “Group”) as at 30 June 2014 and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34, “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity.” A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34, “Interim Financial Reporting”.

Deloitte & Touche (M.E.)

Mutasem M. Dajani
Registration No. 726
Abu Dhabi
10 September 2014

Mubadala Development Company PJSC

Condensed consolidated statement of comprehensive income

The condensed consolidated financial statements are unaudited

	Notes	Six month period ended 30 Jun 2014 AED'000 (unaudited)	Six month period ended 30 Jun 2013 AED'000 (unaudited)
Revenue from sale of goods and services	6	15,963,457	14,766,836
Cost of sales of goods and services	7	(13,013,983)	(11,810,887)
Gross profit		2,949,474	2,955,949
Income from investments in equity accounted investees (net)	14	2,120,011	1,001,215
Government grant income		388,806	437,530
Dividend income		615,012	420,001
Finance income from loans		199,679	500,446
Other income (net)	8	1,439,074	506,052
Research and development expenses		(2,116,725)	(2,338,925)
Exploration costs		(244,726)	(172,872)
Project expenses		(196,052)	(176,833)
Other general and administrative expenses		(2,822,846)	(2,411,332)
Profit before fair value changes on financial investments and investment properties, impairments, net finance expense and taxes		2,331,707	721,231
Income from financial investments (net)	9	388,227	1,304,879
Increase / (decrease) in fair value of investment properties (net)	13	18,627	(1,755)
Impairment on property, plant and equipment	11	(450,247)	(140,381)
Impairment on receivables		(156,248)	-
Impairment on equity accounted investees		(2,020)	-
Profit before net finance expense and taxes		2,130,046	1,883,974
Finance income and net foreign exchange gain		489,440	487,972
Finance expense		(1,080,640)	(1,133,672)
Net finance expense		(591,200)	(645,700)
Income before income tax		1,538,846	1,238,274
Income tax expense		(155,690)	(69,552)
Profit for the period		1,383,156	1,168,722
Other comprehensive income			
<i>Items that may be reclassified to profit or loss in subsequent periods</i>			
Increase in fair value of available for sale financial assets (net)		23,653	1,094,045
Effective portion of changes in fair values of cash flow hedges and other reserves net of taxes		(55,648)	106,752
Net change in translation reserve		56,392	(256,508)
Share of effective portion of changes in fair values of hedging instruments and other reserves of equity accounted investees	14(a,b)	(76,397)	185,377
Share of movements in translation reserve of equity accounted investees	14(a,b)	69,409	(223,630)
Other comprehensive income for the period net of income tax		17,409	906,036
Total comprehensive income for the period		1,400,565	2,074,758
Profit for the period		1,383,156	1,168,722
Less: Profit attributable to non-controlling interests		(40,308)	(81,595)
Profit for the period attributable to the Owner of the Group		1,342,848	1,087,127
Total comprehensive income for the period		1,400,565	2,074,758
Add: Total comprehensive (income) / loss attributable to non-controlling interests		(78,585)	39,652
Total comprehensive income for the period attributable to the Owner of the Group		1,321,980	2,114,410

The notes set out on pages 9 to 35 form an integral part of these condensed consolidated financial statements.

Mubadala Development Company PJSC

Condensed consolidated statement of financial position

The condensed consolidated financial statements are unaudited

	<i>Notes</i>	30 Jun 2014 AED'000 (unaudited)	31 Dec 2013 AED'000 (audited)
Non-current assets			
Property, plant and equipment	11	77,808,763	75,135,219
Intangible assets	12	6,865,904	6,366,852
Investment properties	13	6,162,326	6,007,684
Investment in equity accounted investees			
- associates	14(a)	10,100,705	9,858,127
- jointly controlled entities	14(b)	19,724,633	17,763,970
Financial investments	15	24,315,552	23,714,045
Loans receivable	16	17,677,827	20,086,845
Other assets		173,744	203,496
Receivables and prepayments	17	8,114,596	8,179,769
Finance lease receivables	11	3,341,939	2,165,458
Deferred tax assets		2,166,027	2,194,411
Total non-current assets		176,452,016	171,675,876
Current assets			
Inventories		7,393,846	7,529,213
Financial investments	15	4,681,161	3,962,703
Loans receivable	16	852,013	2,977,013
Receivables and prepayments	17	14,610,906	13,543,341
Finance lease receivables	11	223,412	116,309
Cash and cash equivalents	18	18,480,373	21,688,577
		46,241,711	49,817,156
Assets classified as held for sale	5	604,955	2,322,324
Total current assets		46,846,666	52,139,480
Total assets		223,298,682	223,815,356

Mubadala Development Company PJSC

Condensed consolidated statement of financial position (continued)

The condensed consolidated financial statements are unaudited

	<i>Notes</i>	30 Jun 2014 AED'000 (unaudited)	31 Dec 2013 AED'000 (audited)
Equity			
Share capital	24(f)	28,600,000	15,000,000
Application for share capital	24(f)	-	13,600,000
Additional shareholder contributions	24(e)	123,155,278	123,155,278
Reserves and surplus		4,476,773	3,155,142
Government grants		367,350	367,350
Total equity attributable to the Owner of the Group		156,599,401	155,277,770
Non-controlling interests		2,362,477	2,267,207
Total equity		158,961,878	157,544,977
Non-current liabilities			
Interest bearing borrowings	19	35,995,896	33,274,849
Government grants		1,411,682	1,568,673
Obligation under finance lease		1,271,600	1,139,065
Deferred tax liabilities		1,020,668	1,041,187
Financial liabilities at fair value		1,017,658	987,671
Other liabilities	20	2,816,389	2,366,522
Total non-current liabilities		43,533,893	40,377,967
Current liabilities			
Interest bearing borrowings	19	4,212,433	8,643,533
Government grants		366,901	316,892
Obligation under finance lease		202,230	209,887
Payables and accruals	21	14,108,501	14,069,431
Amounts due to a jointly controlled entity	14(b)	1,288,563	1,302,780
Income tax payable		173,379	245,942
Financial liabilities at fair value		363,937	295,942
		20,715,944	25,084,407
Liabilities classified as held for sale	5	86,967	808,005
Total current liabilities		20,802,911	25,892,412
Total liabilities		64,336,804	66,270,379
Total equity and liabilities		223,298,682	223,815,356

These condensed consolidated financial statements were authorised for issue by the Board of Directors on 10 September 2014 and were signed on their behalf by:

Director
Hamad Al Hurr Al Suwaidi

Group Chief Executive Officer &
Managing Director
Khaldoon Khalifa Al Mubarak

Group Chief Financial Officer
Carlos Obeid

The notes set out on pages 9 to 35 form an integral part of these condensed consolidated financial statements.

Mubadala Development Company PJSC

Condensed consolidated statement of changes in equity

for the six month period ended 30 June

The condensed consolidated financial statements are unaudited

	Share capital AED'000	Application for share capital AED'000 (Restated) (note 24(f))	Statutory reserve ¹ AED'000 (note 25)	Fair value reserve ¹ AED'000	Foreign currency translation reserve ¹ AED'000	Pension reserve AED'000	Hedging and other reserves ¹ AED'000	Accumulated losses AED'000	Reserves and (deficit) / surplus AED'000	Additional shareholder contributions AED'000 (Restated) (note 24(e))	Government grants AED'000	Total attributable to the equity holder AED'000	Non- controlling interest AED'000	Total AED'000
At 1 January 2013	15,000,000	-	817,054	3,042,200	712,707	(463,862)	(990,454)	(5,242,134)	(2,124,489)	120,315,476	367,350	133,558,337	1,968,314	135,526,651
Profit for the period	-	-	-	-	-	-	-	1,087,127	1,087,127	-	-	1,087,127	81,595	1,168,722
Increase in fair value of available for sale financial assets (net)	-	-	-	1,094,045	-	-	-	-	1,094,045	-	-	1,094,045	-	1,094,045
Net change in translation reserve	-	-	-	-	(137,433)	-	-	-	(137,433)	-	-	(137,433)	(119,075)	(256,508)
Share of movements in translation reserve of equity accounted investees	-	-	-	-	(223,630)	-	-	-	(223,630)	-	-	(223,630)	-	(223,630)
Share of effective portion of changes in fair values of hedging instruments and other reserves of equity accounted investees	-	-	-	-	-	-	185,377	-	185,377	-	-	185,377	-	185,377
Effective portion of changes in fair values of cash flow hedges and other reserves net of taxes	-	-	-	-	-	-	108,924	-	108,924	-	-	108,924	(2,172)	106,752
Total other comprehensive income	-	-	-	1,094,045	(361,063)	-	294,301	-	1,027,283	-	-	1,027,283	(121,247)	906,036
Total comprehensive income	-	-	-	1,094,045	(361,063)	-	294,301	1,087,127	2,114,410	-	-	2,114,410	(39,652)	2,074,758
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	(4,533)	(4,533)
Application for share capital	-	6,800,000	-	-	-	-	-	-	-	-	-	6,800,000	-	6,800,000
Reduction in shareholder contributions (net)	-	-	-	-	-	-	-	-	-	(3,030,624)	-	(3,030,624)	-	(3,030,624)
Non-controlling interest movement upon acquisition of stake in subsidiaries	-	-	-	-	-	-	-	(1,942)	(1,942)	-	-	(1,942)	(8,495)	(10,437)
Surrender of shareholding by non-controlling interest	-	-	-	-	-	-	-	21,256	21,256	-	-	21,256	(21,256)	-
Other movement in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	(7,359)	(7,359)
At 30 June 2013	15,000,000	6,800,000	817,054	4,136,245	351,644	(463,862)	(696,153)	(4,135,693)	9,235	117,284,852	367,350	139,461,437	1,887,019	141,348,456

¹ Non distributable reserves.

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Condensed consolidated statement of changes in equity (continued)

for the six month period ended 30 June

The condensed consolidated financial statements are unaudited

	Share capital AED'000	Application for share capital AED'000 <i>(note 24(f))</i>	Statutory reserve ¹ AED'000 <i>(note 25)</i>	Fair value reserve ¹ AED'000	Foreign currency translation reserve ¹ AED'000	Pension reserve AED'000	Hedging and other reserves ¹ AED'000	Accumulated losses AED'000	Reserves and (deficit)/surplus AED'000	Additional shareholder contributions AED'000 <i>(note 24(e))</i>	Government grants AED'000	Total attributable to the equity holder AED'000	Non-controlling interest AED'000	Total AED'000
At 1 January 2014	15,000,000	13,600,000	986,425	6,251,188	789,782	(441,704)	(473,295)	(3,957,254)	3,155,142	123,155,278	367,350	155,277,770	2,267,207	157,544,977
Profit for the period	-	-	-	-	-	-	-	1,342,848	1,342,848	-	-	1,342,848	40,308	1,383,156
Increase in fair value of available for sale financial assets <i>(net)</i>	-	-	-	477,671	-	-	-	-	477,671	-	-	477,671	-	477,671
Cumulative gain reclassified from equity to profit or loss on disposal of available for sale financial assets	-	-	-	(454,018)	-	-	-	-	(454,018)	-	-	(454,018)	-	(454,018)
Net change in translation reserve	-	-	-	-	18,115	-	-	-	18,115	-	-	18,115	38,277	56,392
Share of movements in translation reserve of equity accounted investees	-	-	-	-	69,409	-	-	-	69,409	-	-	69,409	-	69,409
Share of effective portion of changes in fair values of hedging instruments and other reserves of equity accounted investees	-	-	-	(723)	-	-	(75,674)	-	(76,397)	-	-	(76,397)	-	(76,397)
Effective portion of changes in fair values of cash flow hedges and other reserves net of taxes	-	-	-	-	-	-	(55,648)	-	(55,648)	-	-	(55,648)	-	(55,648)
Total other comprehensive income	-	-	-	22,930	87,524	-	(131,322)	-	(20,868)	-	-	(20,868)	38,277	17,409
Total comprehensive income	-	-	-	22,930	87,524	-	(131,322)	1,342,848	1,321,980	-	-	1,321,980	78,585	1,400,565
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	(29,579)	(29,579)
Contributions from non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	18,555	18,555
Conversion to share capital	13,600,000	(13,600,000)	-	-	-	-	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	(349)	(349)	-	-	(349)	27,709	27,360
At 30 June 2014	28,600,000	-	986,425	6,274,118	877,306	(441,704)	(604,617)	(2,614,755)	4,476,773	123,155,278	367,350	156,599,401	2,362,477	158,961,878

¹ Non distributable reserves.

The notes set out on pages 9 to 35 form an integral part of these condensed consolidated financial statements.

Mubadala Development Company PJSC

Condensed consolidated statement of cash flows

The condensed consolidated financial statements are unaudited

	<i>Notes</i>	Six month period ended 30 Jun 2014 AED'000 (unaudited)	Six month period ended 30 Jun 2013 AED'000 (unaudited)
Cash flows from operating activities			
Profit for the period		1,383,156	1,168,722
Adjustments for:			
Depreciation of property, plant and equipment		4,046,397	3,757,809
Amortisation of intangible assets		302,131	365,928
Amortisation of government grants		(388,806)	(437,530)
Change in fair value of investment properties	13	(18,627)	1,755
Impairment on property, plant and equipment		450,247	140,381
Gain on disposal of property, plant and equipment		(10,012)	(53,544)
Income from financial investments (<i>net</i>)		(388,227)	(1,304,879)
Finance income relating to finance lease receivables		(96,591)	(63,442)
Impairment on equity accounted investees		2,020	-
Impairment on receivables		156,248	-
Gain on disposal of investments in equity accounted investees		(93,319)	-
Gain on disposal of investments in subsidiaries		(745,854)	-
Gain on disposal of financial investments		(475,242)	(72,426)
Share of results of equity accounted investees			
- associates	14(a)	(344,945)	(104,805)
- jointly controlled entities	14(b)	(1,681,747)	(896,410)
Finance income and net foreign exchange gain		(489,440)	(487,972)
Provision for inventory obsolescence		(42,491)	(38,350)
Provision for loans, trade and other receivables		22,997	50,234
Finance expense		1,080,640	1,133,672
Income tax expense		155,690	69,552
Dividend income		(615,012)	(420,001)
		2,209,213	2,808,694
Change in inventories		214,097	142,593
Change in receivables and prepayments		457,170	1,872,912
Change in payables and accruals		(1,221,000)	(986,738)
Change in other liabilities		316,188	21,760
Change in other assets		20,568	76,850
Dividends received from financial investments		624,180	420,001
Dividends received from equity accounted investees		1,148,903	925,358
Finance lease rentals paid		(89,973)	(104,276)
Lease rentals received		93,574	66,763
Income taxes paid		(270,131)	(411,499)
Net cash generated by operating activities		3,502,789	4,832,418

Mubadala Development Company PJSC

Condensed consolidated statement of cash flows *(continued)* *The condensed consolidated financial statements are unaudited*

	<i>Notes</i>	Six month period ended 30 Jun 2014 AED'000 (unaudited)	Six month period ended 30 Jun 2013 AED'000 (audited)
Cash flows from investing activities			
Proceeds from disposal of equity accounted investees		354,721	-
Disposals / (acquisition) of financial investments		847,813	(1,177,549)
Proceeds from disposal of subsidiaries and working interest <i>(net of cash disposed)</i>		991,220	-
Investments in equity accounted investees		(930,046)	(331,511)
Acquisition of property, plant and equipment		(8,461,495)	(5,875,532)
Acquisition of investment properties		(107,027)	(159,442)
Acquisition of intangible assets		(416,263)	(269,059)
Proceeds from disposal of property, plant and equipment		62,863	100,522
Loans recovered <i>(net)</i>		3,030,824	3,875,528
Interest received		107,564	72,382
Net cash used in investing activities		(4,519,826)	(3,764,661)
Cash flows from financing activities			
Proceeds from interest bearing borrowings	<i>19</i>	7,055,930	6,838,688
Repayment of interest bearing borrowings	<i>19</i>	(8,780,393)	(8,562,899)
Proceeds from government grants		501,955	296,675
Additional shareholder contributions		-	6,800,000
Interest paid		(1,028,403)	(1,079,324)
Dividends paid to non-controlling interest		(29,579)	(4,533)
Net cash (used in) / generated by financing activities		(2,280,490)	4,288,607
Net (decrease) / increase in cash and cash equivalents		(3,297,527)	5,356,364
Cash and cash equivalents at 1 January		21,688,577	11,724,680
Exchange fluctuation on consolidation of foreign entities		89,323	58,541
Cash and cash equivalents at 30 June <i>(see note 18)</i>		18,480,373	17,139,585

The notes set out on pages 9 to 35 form an integral part of these condensed consolidated financial statements.

Mubadala Development Company PJSC

Notes to the condensed consolidated financial statements

The condensed consolidated financial statements are unaudited

1 Legal status and principal activities

Mubadala Development Company PJSC (“Mubadala” or “the Company”) is registered as a public joint stock company in the Emirate of Abu Dhabi. The Company was established by the Emiri Decree No. 12, dated 6 October 2002, and is wholly owned by the Government of Abu Dhabi (“the Shareholder”). The Company was incorporated on 27 October 2002.

These condensed consolidated financial statements include the financial performance and position of the Company, its subsidiaries and its joint operations, (collectively referred to as “the Group”), and the Group’s interests in its equity accounted investees.

The Company is engaged in investing in, and management of investments, primarily in sectors or entities that contribute to the Emirate of Abu Dhabi’s strategy to diversify its economy. Consequently, the Group holds interests in a wide range of sectors including oil and gas and energy, semiconductor technology, renewable energy, industry, real estate and infrastructure, aerospace, communications technology and defense services, financial investments, commercial finance and healthcare.

2 Statement of compliance

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting”. It does not include all the information required for full annual consolidated financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2013, prepared in accordance with IFRS.

3 Significant accounting policies

Except as described below, the accounting policies applied in these interim condensed consolidated financial statements are the same as those applied in the Group’s consolidated financial statements as at and for the year ended 31 December 2013.

a) Sale or disposal of interest in a subsidiary to a joint venture

In accordance with IAS 28 - Investment in Associates, the Group has adopted a policy to eliminate any gain or loss recognised on sale or disposal of its interest in a subsidiary to an equity accounted investee to the extent of interest retained in that equity accounted investee.

b) Disposals of interest in entities to parties under common control

Disposals of interest in entities to parties under common control of the Shareholder, which lack commercial substance and are based on a decision by the Shareholder are accounted for on the date of transfer without restatement of prior periods. Any gain or loss arising on such transaction is recorded directly in equity.

When disposals of interest in entities to parties under common control of the Shareholder have commercial substance, the difference between the fair value of the consideration received and the net carrying value of interest in such entities is recorded in profit or loss.

Mubadala Development Company PJSC

Notes to the condensed consolidated financial statements (continued)

The condensed consolidated financial statements are unaudited

4 Estimates

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

In preparing these condensed consolidated financial statements the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2013.

5 Disposals

Disposal of subsidiaries

During the period, the Group has disposed four wholly owned subsidiaries, one of which was classified as held for sale as at year ended 31 December 2013.

The total value of assets and liabilities, of these subsidiaries, that was recorded in the condensed consolidated financial statements on the dates of their disposals, and the cash flow effects are set out below:

	AED'000 (unaudited)
Current assets	2,091,470
Current liabilities	(1,687,021)
Net current assets (A)	404,449
Non-current assets	1,275,733
Non-current liabilities	(718,112)
Net non-current assets (B)	557,621
Carrying value of the net assets (A) + (B)	962,070
Gain on disposal of subsidiaries	745,854
Unearned gain on disposal of a subsidiary	220,955
Purchase consideration – net of professional fees	1,928,879
Cash balances of subsidiaries disposed	(168,007)
Net proceeds arising from the disposal – cash	950,113
Net proceeds arising from the disposal – receivables	810,759
Net proceeds arising from the disposal	1,760,872

Mubadala Development Company PJSC

Notes to the condensed consolidated financial statements (continued)

The condensed consolidated financial statements are unaudited

6 Revenue from sale of goods and services

	Six month period ended 30 Jun 2014 AED'000 (unaudited)	Six month period ended 30 Jun 2013 AED'000 (unaudited)
Sale of semiconductor wafers	7,303,250	7,218,850
Aircraft maintenance and repairs, components leasing and sales	3,448,830	2,943,091
Sale of hydrocarbons	2,877,742	2,543,546
Satellite capacity service revenue	578,797	525,583
Revenue from supply of chilled water	481,484	454,748
Medical services	425,018	366,765
Revenue from supply of renewable energy	235,710	150,975
Contract revenue	152,858	139,516
Others	459,768	423,762
	15,963,457	14,766,836

7 Cost of sales of goods and services

	Six month period ended 30 Jun 2014 AED'000 (unaudited)	Six month period ended 30 Jun 2013 AED'000 (unaudited)
Depreciation of property, plant and equipment	3,664,769	3,328,713
Raw material	3,335,994	2,947,066
Staff costs	2,623,688	2,440,177
Maintenance	858,440	751,940
Amortisation of intangible assets	68,075	115,960
Others	2,463,017	2,227,031
	13,013,983	11,810,887

Mubadala Development Company PJSC

Notes to the condensed consolidated financial statements *(continued)*

The condensed consolidated financial statements are unaudited

8 Other income *(net)*

	Six month period ended 30 Jun 2014 AED'000 (unaudited)	Six month period ended 30 Jun 2013 AED'000 (unaudited)
Cumulative gain reclassified from equity to profit or loss on disposal of available for sale financial assets	454,018	-
Gain on disposal of subsidiaries	745,854	-
Gain on disposal of property, plant and equipment	10,012	53,544
Management fee	18,909	175,335
Others	210,281	277,173
	<hr/> 1,439,074 <hr/>	<hr/> 506,052 <hr/>

9 Income from financial investments *(net)*

	Six month period ended 30 Jun 2014 AED'000 (unaudited)	Six month period ended 30 Jun 2013 AED'000 (unaudited)
<i>Financial assets / liabilities at fair value through profit or loss</i>		
Net change in fair value of investments	430,495	1,111,194
Net change in the fair value of derivatives used as economic hedges – not designated for hedge accounting	(42,268)	193,685
	<hr/> 388,227 <hr/>	<hr/> 1,304,879 <hr/>

Mubadala Development Company PJSC

Notes to the condensed consolidated financial statements (continued)

The condensed consolidated financial statements are unaudited

10 Operating segments

During the period, in order to maximize portfolio synergies and asset management, Mubadala reorganised its internal business units and positioned these under four broader platforms. These platforms are “Technology and Industry” (represents ‘Semiconductor technology’ and ‘Industry’ business units), “Aerospace and Engineering Services” (represents ‘Aerospace, Communications Technology and Defense services’ business unit), “Energy” (represents ‘Oil & Gas & Energy’ and ‘Renewable Energy’ business units) and “Emerging Sectors” (represents ‘Real Estate and infrastructure’, ‘Mubadala Capital’ and ‘Healthcare’ business units). Corporate units are continued to be presented under the ‘Corporate’ segment separately.

	Semiconductor Technology 30-Jun-14 AED'000 (unaudited)	Industry 30-Jun-14 AED'000 (unaudited)	Technology & Industry 30-Jun-14 AED'000 (unaudited)	Aerospace & Engineering Services 30-Jun-14 AED'000 (unaudited)	Oil & Gas & Energy 30-Jun-14 AED'000 (unaudited)	Renewable Energy 30-Jun-14 AED'000 (unaudited)	Energy 30-Jun-14 AED'000 (unaudited)	Real Estate & Infrastructure 30-Jun-14 AED'000 (unaudited)	Mubadala Capital 30-Jun-14 AED'000 (unaudited)	Healthcare 30-Jun-14 AED'000 (unaudited)	Emerging sectors 30-Jun-14 AED'000 (unaudited)	Corporate 30-Jun-14 AED'000 (unaudited)	Consolidated 30-Jun-14 AED'000 (unaudited)
Revenues from external customers	7,303,250	529,145	7,832,395	4,285,735	2,877,742	235,710	3,113,452	301,116	-	426,019	727,135	4,740	15,963,457
Profit / (loss) for the period attributable to the Owner of the Group	(2,586,543)	596,594	(1,989,949)	662,727	944,028	(176,319)	767,709	845,590	1,572,554	143	2,418,287	(515,926)	1,342,848
Total comprehensive income / (loss) attributable to the Owner of the Group ¹	(2,641,196)	599,520	(2,041,676)	667,235	947,766	(225,869)	721,897	850,448	1,641,840	143	2,492,431	(517,907)	1,321,980
Total comprehensive income / (loss) attributable to the Owner of the Group excluding impairments and fair value movements on investment properties and financial investments ¹	(2,554,576)	613,307	(1,941,269)	677,206	1,392,223	(25,422)	1,366,801	871,183	587,405	151	1,458,739	(509,329)	1,052,148
Total assets	62,715,656	23,812,519	86,528,175	27,790,736	15,137,877	6,815,548	21,953,425	28,196,950	38,979,086	2,239,697	69,415,733	17,610,613	223,298,682
Total liabilities	15,376,198	3,464,789	18,840,987	11,578,575	4,871,768	2,553,754	7,425,522	6,584,328	1,287,743	285,314	8,157,385	18,334,335	64,336,804
	Semiconductor Technology 30-Jun-13 AED'000 (unaudited)	Industry 30-Jun-13 AED'000 (unaudited)	Technology & Industry 30-Jun-13 AED'000 (unaudited)	Aerospace & Engineering Services 30-Jun-13 AED'000 (unaudited)	Oil & Gas & Energy 30-Jun-13 AED'000 (unaudited)	Renewable Energy 30-Jun-13 AED'000 (unaudited)	Energy 30-Jun-13 AED'000 (unaudited)	Real Estate & Infrastructure 30-Jun-13 AED'000 (unaudited)	Mubadala Capital 30-Jun-13 AED'000 (unaudited)	Healthcare 30-Jun-13 AED'000 (unaudited)	Emerging sectors 30-Jun-13 AED'000 (unaudited)	Corporate 30-Jun-13 AED'000 (unaudited)	Consolidated 30-Jun-13 AED'000 (unaudited)
Revenues from external customers	7,218,850	499,828	7,718,678	3,735,330	2,543,546	150,975	2,694,521	196,749	32,222	368,110	597,081	21,226	14,766,836
Profit / (loss) for the period attributable to the Owner of the Group	(2,272,405)	342,441	(1,929,964)	271,050	1,020,426	(157,497)	862,929	761,575	1,462,969	53,918	2,278,462	(395,350)	1,087,127
Total comprehensive income / (loss) attributable to the Owner of the Group ¹	(2,409,790)	384,077	(2,025,713)	424,311	1,020,696	(104,532)	916,164	766,296	2,476,951	53,918	3,297,165	(497,517)	2,114,410
Total comprehensive income / (loss) attributable to the Owner of the Group excluding impairments and fair value movements on investment properties and financial investments ¹	(2,154,728)	125,141	(2,029,587)	296,180	1,026,673	(70,926)	955,747	516,565	676,492	53,917	1,246,974	(544,917)	(75,603)
Total assets	58,444,049	23,255,689	81,699,738	28,809,130	15,405,462	6,242,064	21,647,526	27,547,693	38,328,650	2,224,889	68,101,232	23,557,730	223,815,356
Total liabilities	13,721,588	3,383,287	17,104,875	13,255,511	5,597,296	2,442,360	8,039,656	6,811,160	1,704,067	251,285	8,766,512	19,103,825	66,270,379

¹ For reconciliation between ‘Total comprehensive income / (loss) attributable to the Owner of the Group’ and ‘Total comprehensive income / (loss) attributable to the Owner of the Group excluding impairments and fair value movements on investment properties and financial investments’, refer to page 14.

Mubadala Development Company PJSC

Notes to the condensed consolidated financial statements (continued)

The condensed consolidated financial statements are unaudited

10 Operating segments (continued)

Reconciliation between 'total comprehensive income attributable to the owner of the Group' and 'total comprehensive income excluding impairments and fair value movements on investment properties and financial investments available to the owner of the Group' is as follows:

	Six month period ended 30 Jun 2014 AED'000 (unaudited)	Six month period ended 30 Jun 2013 AED'000 (unaudited)
Total comprehensive income attributable to the Owner of the Group	1,321,980	2,114,410
Impairment losses on property, plant and equipment	450,247	140,381
Net change in the fair value of derivatives used as economic hedges (see note 9)	42,268	(193,685)
(Increase) / decrease in fair value of investment properties (net) (see note 13)	(18,627)	1,755
Impairment losses on equity accounted investees	2,020	-
Impairment losses on receivables	156,248	-
Gain on sale of financial investments	(475,242)	(72,426)
Exchange gain	(5,465)	13,504
Non-controlling interest on derivatives used as economic hedges	(11,654)	58,934
Net change in financial investments at fair value through profit or loss (see note 9)	(430,495)	(1,111,194)
Movements in other comprehensive income / (loss) - attributable to Owner	20,868	(1,027,282)
	<hr/>	<hr/>
Total comprehensive income / (loss) attributable to the owner of the Group excluding impairments and fair value movements on investment properties and financial investment	1,052,148	(75,603)
	<hr/> <hr/>	<hr/> <hr/>

11 Property, plant and equipment

During the six month period ended 30 June 2014, the Group acquired and/or constructed property, plant and equipment with a cost of AED 8,975,318 thousand (six month period ended 30 June 2013: AED 5,872,934 thousand) and recognised an impairment of AED 450,247 thousand (six month period ended 30 June 2013: AED 140,381 thousand) for certain assets with carrying values exceeding their recoverable values.

The carrying amount of certain assets amounting to AED 1,033,992 thousand (six month period ended 30 June 2013: AED nil) has been derecognised from property, plant and equipment and finance lease receivable has been recorded at fair value upon amendment of certain agreements.

12 Intangible assets

During the six month period ended 30 June 2014, the Group acquired intangible assets with a cost of AED 1,060,749 thousand (six month period ended 30 June 2013: AED 269,059 thousand).

Mubadala Development Company PJSC

Notes to the condensed consolidated financial statements (continued)

The condensed consolidated financial statements are unaudited

13 Investment properties

	30 Jun 2014 AED'000 (unaudited)	31 Dec 2013 AED'000 (audited)
Investment properties	6,079,198	6,007,684
Investment properties under development	83,128	-
	6,162,326	6,007,684

Movement in investment properties is as follows:

	30 Jun 2014 AED'000 (unaudited)	31 Dec 2013 AED'000 (audited)
At 1 January	6,007,684	5,284,370
Additions	87,962	139,374
Disposals	-	(34,300)
Transfers from investment properties under development	-	531,335
Transfers (to) / from property, plant and equipment	(35,075)	69,644
Increase in fair value (net)	18,627	17,261
	6,079,198	6,007,684

Movement in investment properties under development is as follows:

	30 Jun 2014 AED'000 (unaudited)	31 Dec 2013 AED'000 (audited)
At 1 January	-	994,125
Additions	19,064	187,134
Transfers to finance lease receivables	-	(711,825)
Transfers to investment properties	-	(531,335)
Transfers from property, plant and equipment	64,064	61,901
	83,128	-

Mubadala Development Company PJSC

Notes to the condensed consolidated financial statements (continued)

The condensed consolidated financial statements are unaudited

14 Investments in equity accounted investees

Income from investments in equity accounted investees (net)

	Six month period ended 30 Jun 2014 AED'000 (unaudited)	Six month period ended 30 Jun 2013 AED'000 (unaudited)
Share of results of jointly controlled entities	1,681,747	896,410
Share of results of associates	344,945	104,805
Gain on disposal of investments in equity accounted investees (net)	93,319	-
	<u>2,120,011</u>	<u>1,001,215</u>

(a) The movements in investments in associates are set out below:

	30 Jun 2014 AED'000 (unaudited)	31 Dec 2013 AED'000 (audited)
At 1 January	10,685,241	9,645,442
Share of results for the period / year	344,945	843,824
Additions during the period / year	505,250	58,983
Share of movements in hedging and other reserves	3,334	45,813
Share of movements in translation reserves	(147)	(510)
Transferred (to) / from jointly controlled entities	(25,287)	48,074
Disposals during the period	(216,474)	-
Transferred from financial investments	-	610,611
Transfer to an entity under common control ¹	(465,745)	-
Dividends received	(381,385)	(670,364)
Intercompany loss eliminated	14,213	103,249
Other movements	149	119
	<u>10,464,094</u>	<u>10,685,241</u>
Impairment ¹	(363,389)	(827,114)
At the end of the period / year	<u>10,100,705</u>	<u>9,858,127</u>

¹ During the period, the Group has transferred its ownership interest in one of its fully impaired investment in associate, having both cost and accumulated impairment of AED 465,745 thousand, to an entity under common control.

Mubadala Development Company PJSC

Notes to the condensed consolidated financial statements (continued)

The condensed consolidated financial statements are unaudited

14 Investments in equity accounted investees (continued)

(b) The movements in investments in jointly controlled entities are set out below:

	30 Jun 2014 AED'000 (unaudited)	31 Dec 2013 AED'000 (audited)
At 1 January	16,832,447	7,848,876
Additions during the period / year	1,609,258	8,189,943
Disposals during the period / year	(90,197)	(40,916)
Share of results for the period / year	1,681,747	2,731,336
Dividends received / receivable during the period / year	(756,999)	(1,373,022)
Share of movements in translation reserves	69,556	51,262
Share of movements in hedging and other reserves	(79,731)	202,600
Other transfers	(442,328)	19,069
Transfer from / (to) associates	25,287	(48,074)
Transfer to assets and liabilities classified as held for sale	-	(568,461)
Exchange fluctuation	11,460	(42,838)
Intercompany income eliminated	(54,978)	(162,782)
Other movements	(59,275)	25,454
	18,746,247	16,832,447
Impairment	(310,177)	(371,257)
At the end of the period / year	18,436,070	16,461,190
Disclosed as:		
Investment in jointly controlled entities	19,724,633	17,763,970
Amounts due to a jointly controlled entity ¹	(1,288,563)	(1,302,780)
	18,436,070	16,461,190

¹ In one of the jointly controlled entities, the Group's share of losses exceeded its interest in that entity. The share of losses exceeding the Group's interest in that entity has been presented separately within current liabilities in the condensed consolidated statement of financial position, since the Group has a constructive obligation to contribute to such losses to a certain extent. Beyond that, the Group has no constructive or legal obligation to contribute further to losses, hence the Group has stopped applying equity accounting method. The Group's unrecognised share of losses for the period amounted to AED 389,102 thousand (six month period ended 30 June 2013: AED 398,946 thousand) and cumulative unrecognised share of losses amounted to AED 1,946,582 thousand (30 June 2013: AED 398,946 thousand).

Mubadala Development Company PJSC

Notes to the condensed consolidated financial statements (continued)

The condensed consolidated financial statements are unaudited

15 Financial investments

	30 Jun 2014 AED'000 (unaudited)	31 Dec 2013 AED'000 (audited)
<i>Financial investments at fair value through profit or loss</i>		
<u>Financial assets designated at FVTPL</u>		
Quoted investments		
Equity securities	8,477,238	8,756,887
Un-quoted investments		
Equity securities	551,025	551,025
Investments funds	6,738,266	5,368,185
Derivative assets	80,302	116,717
	<u>15,846,831</u>	<u>14,792,814</u>
<u>Financial assets held for trading</u>		
Quoted investments		
Equity securities	3,448,427	2,431,117
Debt securities other than convertible bonds	229,583	725,695
Derivative assets	35,156	15,843
	<u>3,713,166</u>	<u>3,172,655</u>
<i>Total of fair value through profit or loss investments</i>	<u>19,559,997</u>	<u>17,965,469</u>
<i>Available for sale investments</i>		
Quoted investments		
Equity securities	8,803,272	9,011,925
Un-quoted investments		
Convertible bonds	578,180	578,180
Equity securities	32,497	32,656
<i>Total of available for sale investments</i>	<u>9,413,949</u>	<u>9,622,761</u>
<i>Other financial assets</i>		
Derivative assets	22,767	88,518
Financial investments	<u>28,996,713</u>	<u>27,676,748</u>
<i>Disclosed as:</i>		
Current portion	4,681,161	3,962,703
Non-current portion	24,315,552	23,714,045
	<u>28,996,713</u>	<u>27,676,748</u>

Mubadala Development Company PJSC

Notes to the condensed consolidated financial statements (continued)

The condensed consolidated financial statements are unaudited

16 Loans receivable

	30 Jun 2014 AED'000 (unaudited)	31 Dec 2013 AED'000 (audited)
Loans to jointly controlled entities	11,311,433	13,747,229
Loans to associates	216,531	218,841
Loans to related parties	11,527,964	13,966,070
Loans to third parties	7,967,678	10,169,290
	19,495,642	24,135,360
Less: allowance for impairment	(965,802)	(1,071,502)
	18,529,840	23,063,858
<i>Disclosed as:</i>		
Current portion	852,013	2,977,013
Non-current portion	17,677,827	20,086,845
	18,529,840	23,063,858

17 Receivables and prepayments

	30 Jun 2014 AED'000 (unaudited)	31 Dec 2013 AED'000 (audited)
<i>Non-current portion</i>		
Service concession receivables ¹	6,123,019	6,293,369
Receivable against sale of land	416,522	513,072
Restricted and long term deposits ²	248,028	251,901
Amounts due from related parties (see note 24(d))	16,906	-
Other long term receivables and advances	1,310,121	1,121,427
	8,114,596	8,179,769
<i>Current portion</i>		
Amounts due from related parties (see note 24(d))	3,636,636	3,808,492
Trade receivables	4,570,676	3,659,047
Service concession receivables ¹	977,182	968,278
Prepaid expenses	780,895	725,992
Contract work in progress	365,423	306,297
Advances to contractors	283,579	343,176
Restricted and long term deposits ²	278,968	1,053,624
Sales tax recoverable	204,291	314,710
Government grants receivables	198,724	447,255
Receivable against sale of land	118,637	276,759
Interest receivable from third parties	43,843	74,667
Other receivables	3,683,778	2,033,938
	15,142,632	14,012,235
Less: allowance for impairment	(531,726)	(468,894)
	14,610,906	13,543,341

Mubadala Development Company PJSC

Notes to the condensed consolidated financial statements (continued)

The condensed consolidated financial statements are unaudited

17 Receivables and prepayments (continued)

¹ Service concession receivables primarily represent receivables from related parties, on account of services relating to the construction of buildings for certain universities and facility management services (see note 24(d)). Service concession receivables will be recovered over the respective concession periods of the universities. Details are shown below:

	30 Jun 2014 AED'000 (unaudited)	31 Dec 2013 AED'000 (audited)
At the beginning of the period / year	7,261,647	7,654,055
Effective interest on receivables	288,307	560,246
Attributable profits	13,193	24,058
Costs incurred during the period / year	6,853	9,328
Less: availability charges received	(469,799)	(986,040)
	<hr/>	<hr/>
At the end of the period / year	7,100,201	7,261,647
	<hr/> <hr/>	<hr/> <hr/>
Disclosed as:		
Current portion	977,182	968,278
Non-current portion	6,123,019	6,293,369
	<hr/>	<hr/>
	7,100,201	7,261,647
	<hr/> <hr/>	<hr/> <hr/>

² Long term deposits represent deposits with original maturity of more than three months.

18 Cash and cash equivalents

	30 Jun 2014 AED'000 (unaudited)	31 Dec 2013 AED'000 (audited)
Bank balances:		
- deposit accounts	13,392,462	17,494,880
- call and current accounts	5,082,771	4,189,055
Cash in hand	5,140	4,642
	<hr/>	<hr/>
Cash and cash equivalents for the purpose of the statement of cash flows	18,480,373	21,688,577
	<hr/> <hr/>	<hr/> <hr/>

Deposit and call accounts are placed with commercial banks and are short-term in nature. Deposit and call accounts earn interest at prevailing market rates. Deposit accounts include AED 308,483 thousand (31 Dec 2013: AED 2,775,972 thousand) held with entities under common control (see note 24(d)).

Mubadala Development Company PJSC

Notes to the condensed consolidated financial statements (continued)

The condensed consolidated financial statements are unaudited

19 Interest bearing borrowings

	30 Jun 2014	31 Dec 2013
	AED'000	AED'000
	(unaudited)	(audited)
Unsecured corporate bonds	-	4,587,789
Unsecured bank borrowings	3,093,380	2,432,829
Secured bank borrowings	768,005	1,247,202
Unsecured borrowings	266,679	267,299
Unsecured deposits	70,000	90,965
Secured bond	14,369	17,449
	<hr/>	<hr/>
Current portion	4,212,433	8,643,533
	<hr/> <hr/>	<hr/> <hr/>
Secured bank borrowings	11,952,343	12,003,753
Unsecured corporate bonds	10,950,038	8,225,678
Unsecured bank borrowings	9,473,247	9,447,445
Unsecured borrowings	3,288,995	3,418,160
Secured borrowings	146,940	-
Secured bond	184,333	179,813
	<hr/>	<hr/>
Non-current portion	35,995,896	33,274,849
	<hr/> <hr/>	<hr/> <hr/>

Mubadala Development Company PJSC

Notes to the condensed consolidated financial statements (continued)

The condensed consolidated financial statements are unaudited

19 Interest bearing borrowings (continued) Terms and debt repayment schedule

Particulars	Entity name / Project name	Currency	Nominal interest rate	Year of maturity	30 Jun 2014 Carrying amount AED '000 (unaudited)	31 Dec 2013 Carrying amount AED '000 (audited)
<i>Current</i>						
Secured bank loan	Al Hikma Development Company PJSC (UAE University)	USD	LIBOR + margin	2014-2015	110,963	108,163
Secured bank loan	Manhal Development Company PJSC (Sorbonne University)	USD	LIBOR + margin	2014-2015	49,228	49,750
Secured bank loan	Manhal Development Company PJSC (Sorbonne University)	AED	EIBOR + margin	2014-2015	16,409	16,583
Secured bank loan	Al Maqsed Development Company PJSC (Zayed University)	USD	LIBOR + margin	2014-2015	56,663	56,193
Secured bank loan	Al Maqsed Development Company PJSC (Zayed University)	AED	EIBOR + margin	2014-2015	103,720	102,859
Secured bank loan	National Central District Cooling Company PJSC - Tabreed Islamic Finance	AED	EIBOR + margin	2014-2015	22,894	22,894
Secured bank loan	National Central District Cooling Company PJSC	USD / AED / OMR	LIBOR/EIBOR + margin / Fixed	2014-2015	136,118	135,872
Secured bank loan	SR Technics	CHF/EUR/USD	LIBOR + margin	2014-2015	16,570	421,554
Secured bank loan	Sanad Aero I Limited	USD	LIBOR + margin	2014-2015	55,657	54,437
Secured bank loan	Sanad Aero Solutions Investment LLC	USD	LIBOR + margin	2014-2015	24,732	24,349
Secured bank loan	Sanad Aero Ireland I Limited	USD	LIBOR + margin	2014-2015	47,434	46,632
Secured bank loan	Sanad Aero II Limited	USD	LIBOR + margin	2014-2015	38,318	37,492
Secured bank loan	Abu Dhabi Future Energy Company PSC (London Array)	GBP	LIBOR + margin	2014	89,299	88,315
Secured bank loan	Abu Dhabi Aircraft Technologies LLC	AED	EIBOR + margin		-	30,000
Secured bank loan	Abu Dhabi Aircraft Technologies LLC	AED	EIBOR + margin		-	52,109
Secured bond	Advanced Technology Investment Company	USD	Fixed coupon	2014-2015	14,369	17,449
Unsecured bank loan	Al Yah Satellite Communications Company PJSC	USD	LIBOR + margin	2015	260,270	249,606
Unsecured bank loan	Advanced Technology Investment Company - Atradius term loan	USD	LIBOR + margin	2014-2015	124,934	117,074
Unsecured bank loan	Advanced Technology Investment Company - EXIM guaranteed loan	USD	LIBOR + margin	2014-2015	431,061	427,454
Unsecured loan	Manhal Development Company PJSC (Sorbonne University)	AED	Fixed coupon	2015	14,700	14,063
Unsecured loan	Al Maqsed Development Company PJSC (Zayed University)	AED	Fixed coupon	2014	18,025	17,250
Unsecured loan	Al Hikma Development Company PJSC (UAE University)	AED	Fixed coupon	2015	21,658	22,785
Unsecured loan	Dolphin Investment Company LLC	USD	LIBOR + margin / Fixed	2014-2015	209,229	208,895
Unsecured loan	The Specialist Diabetes Treatment and Research Centre LLC	AED	Fixed coupon	2014	3,067	4,306
Unsecured deposits	Abu Dhabi Finance	AED	EIBOR + margin	2014-2015	70,000	90,965
Unsecured commercial paper	MDC - GMTN B.V. - Commercial Paper	USD/GBP	Fixed coupon	2014	2,277,115	1,638,695
Unsecured corporate bond	MDC - GMTN B.V. - Corporate Bond 2014	USD	Fixed coupon		-	4,587,789
<i>Current total</i>					4,212,433	8,643,533

Mubadala Development Company PJSC

Notes to the condensed consolidated financial statements (continued)

The condensed consolidated financial statements are unaudited

19 Interest bearing borrowings (continued) Terms and debt repayment schedule (continued)

Particulars	Entity name / Project name	Currency	Nominal interest rate	Year of maturity	30 Jun 2014 Carrying amount AED '000 (unaudited)	31 Dec 2013 Carrying amount AED '000 (audited)
Non-Current						
Secured bank loan	Al Hikma Development Company PJSC (UAE University)	USD	LIBOR + margin	2015-2022	958,262	1,013,821
Secured bank loan	Manhal Development Company PJSC (Sorbonne University)	USD	LIBOR + margin	2015-2028	645,679	669,938
Secured bank loan	Manhal Development Company PJSC (Sorbonne University)	AED	EIBOR + margin	2015-2028	215,226	223,313
Secured bank loan	Al Maqsed Development Company PJSC (Zayed University)	USD	LIBOR + margin	2015-2019	1,074,420	1,103,410
Secured bank loan	Al Maqsed Development Company PJSC (Zayed University)	AED	EIBOR + margin	2015-2019	1,966,678	2,019,743
Secured bank loan	Sigma Investment Company (BVI) (PTC) Limited (GE margin loan)	USD	LIBOR + margin	2015	1,345,869	1,345,869
Secured bank loan	SR Technics	CHF/EUR/USD	LIBOR + margin	2015-2017	744,657	380,591
Secured bank loan	Sanad Aero I Limited	USD	LIBOR + margin	2015-2022	442,705	470,841
Secured bank loan	Sanad Aero Solutions Investments LLC	USD	LIBOR + margin	2015-2018	80,019	92,481
Secured bank loan	Sanad Aero Ireland I Limited	USD	LIBOR + margin	2015-2020	289,227	313,146
Secured bank loan	Sanad Aero II Limited	USD	LIBOR + margin	2015-2023	350,523	369,891
Secured bank loan	Strata Manufacturing PJSC	USD	LIBOR + margin	2015-2022	342,185	255,772
Secured bank loan	National Central District Cooling Company PJSC- Tabreed Islamic Finance	AED	EIBOR + margin	2015-2019	293,495	484,653
Secured bank loan	National Central District Cooling Company PJSC	USD / AED / OMR	LIBOR/EIBOR + margin / Fixed	2015-2019	1,801,514	1,857,114
Secured bank loan	Abu Dhabi Future Energy Company PSC (London Array)	GBP	LIBOR + margin	2015-2025	1,336,884	1,328,336
Secured bank loan	Abu Dhabi Finance	AED	EIBOR + margin	2016	65,000	15,000
Secured bank loan	Abu Dhabi Aircraft Technologies LLC	AED	EIBOR + margin		-	59,834
Secured bond	Advanced Technology Investment Company	USD	Fixed coupon	2015-2021	184,333	179,813
Secured loan	Fifthy Seventh Investment Company (Trafigura Ventures)	USD	LIBOR + margin	2018	146,940	-
Unsecured bank loan	Al Yah Satellite Communications Company PJSC	USD	LIBOR + margin	2016-2022	2,806,828	2,937,920
Unsecured bank loan	Mubadala Treasury Holding Company LLC - EIB term loan	EUR	EURIBOR + margin	2019	1,179,053	1,192,061
Unsecured bank loan	Mubadala Treasury Holding Company LLC - EIB term loan	EUR	EURIBOR + margin	2020	1,504,000	1,520,594
Unsecured bank loan	Advanced Technology Investment Company - Atradius term loan	USD	LIBOR + margin	2015 -2018	498,871	563,238
Unsecured bank loan	Advanced Technology Investment Company - EXIM guaranteed loan	USD	LIBOR + margin	2015-2016	315,890	525,215
Unsecured bank loan	Advanced Technology Investment Company - EXIM term loan	USD	Fixed coupon	2015-2019	3,168,605	2,708,417
Unsecured notes	Advanced Technology Investment Company - Senior notes	USD	Fixed coupon	2015	356,752	356,752
Unsecured loan	Abu Dhabi Aircraft Technologies LLC	USD	Fixed coupon		-	187,170
Unsecured loan	Dolphin Investment Company LLC	USD	LIBOR + margin / Fixed coupon		2,512,238	2,617,036
Unsecured loan	The Specialist Diabetes Treatment and Research Centre LLC	AED	Fixed coupon	2015-2020	27,860	26,621
Unsecured loan	Manhal Development Company PJSC (Sorbonne University)	AED	Fixed coupon		34,144	38,069
Unsecured loan	Al Maqsed Development Company PJSC (Zayed University)	AED	Fixed coupon		44,875	48,439
Unsecured loan	Al Hikma Development Company PJSC (UAE University)	AED	Fixed coupon		125,777	144,073
Unsecured loan	Aerospace Investment Company	USD	Fixed coupon	2015	187,349	-
Unsecured corporate bond	MDC - GMTN B.V. - JPY Private Placement	JPY	Fixed coupon	2031	540,108	520,911
Unsecured corporate bond	MDC - GMTN B.V. - EUR Private Placement	EUR	Fixed coupon	2018	399,720	404,141
Unsecured corporate bond	MDC - GMTN B.V. - Corporate Bond 2016	USD	Fixed coupon	2016	2,741,473	2,738,418
Unsecured corporate bond	MDC - GMTN B.V. - Corporate Bond 2019	USD	Fixed coupon	2019	1,824,496	1,824,127
Unsecured corporate bond	MDC - GMTN B.V. - Corporate Bond 2021	USD	Fixed coupon	2021	2,738,378	2,738,081
Unsecured corporate bond	MDC - GMTN B.V. - Corporate Bond 2022	USD	Fixed coupon	2022	2,705,863	-
Non-current total					35,995,896	33,274,849
Total					40,208,329	41,918,382

Mubadala Development Company PJSC

Notes to the condensed consolidated financial statements (continued)

The condensed consolidated financial statements are unaudited

19 Interest bearing borrowings (continued)

Movements in interest bearing borrowings during the period / year were as follows:

	30 Jun 2014 AED'000 (unaudited)	31 Dec 2013 AED'000 (audited)
At the beginning of the period / year	41,918,382	41,126,660
New borrowings	7,055,930	13,622,489
Repayments	(8,780,393)	(13,151,644)
Foreign exchange fluctuations and other movements	14,410	320,877
At the end of the period / year	<u>40,208,329</u>	<u>41,918,382</u>

20 Other liabilities

	30 Jun 2014 AED'000 (unaudited)	31 Dec 2013 AED'000 (audited)
Advance from an entity under common control (see note 24(d))	1,068,988	1,068,988
Decommissioning liabilities	560,612	536,568
Asset retirement obligation	149,151	148,160
Others	1,037,638	612,806
	<u>2,816,389</u>	<u>2,366,522</u>

21 Payables and accruals

	30 Jun 2014 AED'000 (unaudited)	31 Dec 2013 AED'000 (audited)
Accrued expenses	3,692,489	3,874,185
Trade payables	3,584,047	3,226,116
Amounts due to related parties (see note 24(d))	1,531,190	665,625
Unearned revenue	781,147	730,329
Deposit from the Shareholder (see note 24(d))	685,545	682,782
Staff costs payable	588,914	443,247
Provisions	336,866	286,470
Retentions payable	231,936	240,289
Provision for staff terminal benefits	218,697	333,605
Advance from an associate (see note 24(d))	73,869	73,869
Interest free loan from the Shareholder (see note 24(d))	-	489,541
Other payables	2,383,801	3,023,373
	<u>14,108,501</u>	<u>14,069,431</u>

Mubadala Development Company PJSC

Notes to the condensed consolidated financial statements (continued)

The condensed consolidated financial statements are unaudited

22 Commitments and contingent liabilities

Commitments and contingencies

Commitments and contingencies at the end of the reporting period are as follows:

	30 Jun 2014 AED'000 (unaudited)	31 Dec 2013 AED'000 (audited)
Capital commitments		
Commitments for acquisition of property, plant and equipment	20,034,522	8,493,195
Commitments for equity investments	3,346,710	3,115,786
Unfunded loan commitments	798,277	874,814
Contingent liabilities ¹	8,643,654	8,828,644
	32,823,163	21,312,439

¹ Contingent liabilities include bank guarantees, performance bonds, advance payment bonds and completion guarantees.

In addition to the above, the Group's share in the capital commitments made jointly with other venturers relating to its joint ventures, and contingencies of its joint ventures and associates, is as follows:

	30 Jun 2014 AED'000 (unaudited)	31 Dec 2013 AED'000 (audited)
Capital commitments		
Commitments for acquisition of property, plant and equipment	6,759,016	5,744,069
Commitment to provide loans	4,335,392	1,580,017
Operating lease commitments	2,701,595	232,693
Commitments for equity investments in joint ventures	-	198,798
Contingent liabilities	741,603	486,049
	14,537,606	8,241,626

Exploration commitments

The obligations of the Group to perform exploration activities are as follows:

	30 Jun 2014 AED'000 (unaudited)	31 Dec 2013 AED'000 (audited)
Due in less than one year	518,536	577,171
Later than one year but not later than five years	119,418	120,814
	637,954	697,985

Mubadala Development Company PJSC

Notes to the condensed consolidated financial statements (continued)

The condensed consolidated financial statements are unaudited

22 Commitments and contingent liabilities (continued)

Furthermore, operating lease commitments of the Group are as follows:

	30 Jun 2014	31 Dec 2013
	AED'000	AED'000
	(unaudited)	(audited)
Within one year	473,615	575,172
After one year but not more than five years	1,353,861	1,386,935
After five years	1,617,700	1,638,525
Total	3,445,176	3,600,632

23 Government grants

Non-monetary government grants

Land

The Group has received the following parcels of land by way of government grants:

Land identification	Granted in year	Approximate area in square feet	Carrying amount as at 30 Jun 2014 AED '000	Carrying amount as at 31 Dec 2013 AED '000	Currently classified as
Future economic benefits certain					
Madinat Zayed	2008	143,111,825	-	-	PPE
Arzanah land	2006	13,302,119	1,944,109	1,944,109	Inventory
Arzanah Medical Complex	2006	179,486	-	-	PPE
Military City	2009	12,242,393	-	-	PPE
Al Maryah Island - Abu Dhabi Financial centre	2006	747,019	-	-	IP
Al Maryah Island - Development work in progress	2006	103,985	-	-	Inventory
Al Maryah Island - Plots for sale	2006	4,139,343	458,900	455,735	Inventory
Al Maryah Island	2006	697,864	61,702	61,394	PPE
New Fish Market	2006	484,448	15,706	17,342	IP
New Headquarter	2004	102,675	-	-	PPE
Parking lot - New Headquarter	2009	70,000	-	-	PPE
Hai Al Dawoody	2009	1,076	-	-	PPE
Hamran	2009	1,076	-	-	PPE
Masdar City Land:					
10MW Power Plant	2008	2,367,200	-	-	PPE
Masdar Headquarter	2008	272,163	32,909	-	IP
Project 1	2008	573,508	-	-	PPE
Khazna	2008	428,619	-	-	PPE
Masdar City	2008	733,765	83,069	83,069	IP
Future economic benefits uncertain / no future economic benefits					
Jabel Al Dhannah	2009	10,956,700	-	-	N/A
Masdar City Land (remaining portion)	2008	57,082,700	-	-	N/A
Masdar Institute of Science and Technology	2008	353,090	-	-	N/A
Al Reem Island - Sorbonne University	2006	1,001,934	-	-	N/A
Al Maryah Island - Cleveland Clinic	2006	1,007,158	-	-	N/A
Al Maryah Island (remaining portion)	2006	4,907,950	-	-	N/A
Plot P48 Abu Dhabi Island	2013	131,014	-	-	N/A
Khalifa City - Zayed University	2006	8,207,745	-	-	N/A
East Al Reem Island	2006	3,609,265	-	-	N/A
Old Fish Market - New York Institute of Technology	2006	163,877	-	-	N/A
Al Falah- Plot 5	2008	1,599,939	-	-	N/A
Al Falah- Plot 3	2007	23,079,801	-	-	N/A
Others	2004-2009	61,965,983	-	-	N/A

Mubadala Development Company PJSC

Notes to the condensed consolidated financial statements (continued)

The condensed consolidated financial statements are unaudited

24 Significant transactions and balances with related parties

(a) Identity of related parties

The Group has related party relationships with its shareholder, joint ventures and associates, and with its directors, executive officers and parties which are under common control of the above parties.

(b) Transactions with key management personnel

Key management personnel compensation is as follows:

	Six month period ended 30 Jun 2014 AED'000 (unaudited)	Six month period ended 30 Jun 2013 AED'000 (unaudited)
<i>Other key management personnel</i>		
Short term benefits	119,079	77,080
Post-employment benefits	6,659	5,725
	<u>125,738</u>	<u>82,805</u>

(c) Other related party transactions

In the ordinary course of business the Group provides goods and services to, and receives goods and services from related parties on terms agreed by management.

Significant transactions with related parties during the period were as follows:

	Six month period ended 30 Jun 2014 AED'000 (unaudited)	Six month period ended 30 Jun 2013 AED'000 (unaudited)
Revenue		
Associates	1,465,675	2,420,278
Entities under common control	1,286,407	1,177,426
Jointly controlled entities	191,540	167,370
Shareholder	102,027	83,832
	<u>3,045,649</u>	<u>3,848,906</u>
Interest income		
Entities under common control	255,644	260,369
Jointly controlled entities	118,743	102,055
Shareholder	17,931	20,273
Associates	295	2,091
	<u>392,613</u>	<u>384,788</u>

Mubadala Development Company PJSC

Notes to the condensed consolidated financial statements (continued)

The condensed consolidated financial statements are unaudited

24 Significant transactions and balances with related parties (continued)

(c) Other related party transactions (continued)

	Six month period ended 30 Jun 2014 AED'000 (unaudited)	Six month period ended 30 Jun 2013 AED'000 (unaudited)
<i>Income from provision of manpower, project management and consultancy services</i>		
Jointly controlled entities	157,540	139,639
Entities under common control	1,814	76
	<u>159,354</u>	<u>139,715</u>
<i>Purchase of goods and services</i>		
Jointly controlled entities	271,947	269,014
Associates	84,982	158,743
Entities under common control	65,330	55,242
Others	-	120
	<u>422,259</u>	<u>483,119</u>
<i>Interest bearing borrowing repaid</i>		
Entity under common control	224,313	962,278
Jointly controlled entities	112,478	296,227
	<u>336,791</u>	<u>1,258,505</u>
<i>Interest bearing borrowing drawn from entities under common control</i>		
	-	163,392
<i>Loans given</i>		
Jointly controlled entities	757,267	1,034,520
Associates	-	62,234
	<u>757,267</u>	<u>1,096,754</u>
<i>Loans recovered</i>		
Jointly controlled entities	3,195,650	3,593,608
<i>Interest expense</i>		
Entities under common control	134,087	117,682
Jointly controlled entities	99,452	98,397
Associates	810	-
	<u>234,349</u>	<u>216,079</u>

Mubadala Development Company PJSC

Notes to the condensed consolidated financial statements (continued)

The condensed consolidated financial statements are unaudited

24 Significant transactions and balances with related parties (continued)

(c) Other related party transactions (continued)

	Six month period ended 30 Jun 2014 AED'000 (unaudited)	Six month period ended 30 Jun 2013 AED'000 (unaudited)
<i>Shareholder reimbursements for recoverable projects</i>	1,639,755	3,468,644
<i>Sale of a subsidiary to a jointly controlled entity</i>	1,050,000	-
<i>Cash calls paid to jointly controlled entities for joint operations</i>	719,721	893,514
<i>Other miscellaneous transactions</i>		
Jointly controlled entities	154,866	29,574
Entities under common control	33,230	15,776
Associates	15,165	-
Shareholder	-	9,615
	203,261	54,965
<i>(d) Related party balances</i>		
	30 Jun 2014 AED'000 (unaudited)	31 Dec 2013 AED'000 (audited)
<i>Amounts due to related parties</i> ¹ (see note 21)		
Jointly controlled entities	722,539	299,725
Entities under common control	193,543	209,563
Associates	578,854	111,849
Shareholder	36,254	2,488
Others	-	42,000
	1,531,190	665,625
<i>Advances from related parties</i>		
Entity under common control (see note 20)	1,068,988	1,068,988
Associates (see note 21)	73,869	73,869
	1,142,857	1,142,857
<i>Amounts due from related parties</i> (see note 17)		
Entities under common control	1,130,590	1,201,870
Shareholder	940,070	1,195,955
Associates	1,509,525	1,153,064
Jointly controlled entities	73,357	257,603
	3,653,542	3,808,492

Mubadala Development Company PJSC

Notes to the condensed consolidated financial statements (continued)

The condensed consolidated financial statements are unaudited

24 Significant transactions and balances with related parties (continued)

(d) Related party balances (continued)

	30 Jun 2014 AED'000 (unaudited)	31 Dec 2013 AED'000 (audited)
<i>Loan and deposits from the shareholder</i> ² (see note 21)	685,545	1,172,323
<i>Deposits with entities under common control</i> (see note 18)	308,483	2,775,972
<i>Loans to related parties</i> (see note 16)		
Jointly controlled entities	10,881,028	13,316,823
Associates	216,531	218,841
	11,097,559	13,535,664
<i>Financial investment in shares of an entity under common control</i>	819,368	1,272,668
<i>Financial investment in warrants of an associate</i>	-	495,004
<i>Debt securities of an associate</i>	-	95,005
<i>Preferred securities of a jointly controlled entity</i>	1,001,355	-
<i>Service concession receivables</i> (see note 17)		
Entities under common control	6,531,071	6,675,379
Shareholder	569,130	586,268
	7,100,201	7,261,647
<i>Interest bearing borrowings</i>		
Entities under common control	4,282,512	5,089,099
Jointly controlled entities	3,167,995	3,297,779
Associates	30,928	30,928
	7,481,435	8,417,806
<i>Unearned revenue from an associate</i>	503,288	-

¹ Includes amounts due to related parties except for amounts due to jointly controlled entities, disclosed under note 14(b).

² Loan and deposits from the Shareholder are included under payables and accruals.

Mubadala Development Company PJSC

Notes to the condensed consolidated financial statements (continued)

The condensed consolidated financial statements are unaudited

24 Significant transactions and balances with related parties (continued)

(e) Additional shareholder contributions

	30 Jun 2014	31 Dec 2013
	AED'000	AED'000
	(unaudited)	(audited)
At the beginning of the period / year	123,155,278	120,315,476
Cash contributions during the period / year	-	7,038,426
Reduction towards Masdar MIST 1A & 1B transfer to Abu Dhabi Education Council ("ADEC")	-	(3,030,624)
Reduction against Masdar City infrastructure reimbursement	-	(1,168,000)
At the end of the period / year	123,155,278	123,155,278

Additional shareholder contributions represent interest free loans from the Shareholder. As per the terms of the agreement for the amounts received from 2008 to 2011, any repayments are at the discretion of the Board of Directors of the Company, who do not intend to repay any such amounts in the foreseeable future. In addition, the terms of the agreements specify that, on dissolution of the Company, the rights, benefits and obligations in the residual net assets and liabilities, attached to these loans, shall rank pari passu with those attached to the share capital of the Company. Therefore, these loans are more akin to equity instruments rather than liabilities, and accordingly are presented within equity. For contributions beyond 2011, based on the budget approved by the Board of Directors of the Company, these contributions are akin to equity instruments and accordingly presented within equity.

(f) Application for share capital

Application for share capital represents amounts received from the Shareholder in the prior period, against which shares were issued during the current period.

25 Statutory reserve

The Articles of Association of the Company require that 10 percent of the Group's net profit be transferred to a non-distributable statutory reserve until the amount of the statutory reserve equals 50 percent of the Company's paid up share capital. The statutory reserve is not available for distribution. Such transfers are made annually and therefore, no such transfers were made during the current period.

26 Fair value disclosures

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2013. Fair value disclosures are mentioned below.

Fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, which analyses financial instruments carried at fair value by valuation method. The different levels are defined as follows:

Mubadala Development Company PJSC

Notes to the condensed consolidated financial statements (continued)

The condensed consolidated financial statements are unaudited

26 Fair value disclosures (continued)

Fair values (continued)

Level 1: Quoted prices in active markets for assets and liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 30 June 2014 (unaudited)

Financial asset/liability	Carrying amount AED'000	Fair value AED'000	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000
Financial assets measured at fair value					
<u>Financial assets designated by FVTPL</u>					
<u>Quoted investments</u>					
Equity securities	8,477,238	8,477,238	8,477,238	-	-
<u>Un-quoted investments</u>					
Equity securities	551,025	551,025	-	-	551,025
Investments funds	6,738,266	6,738,266	-	-	6,738,266
Derivative assets	80,302	80,302	-	80,302	-
<u>Financial assets held for trading (FVTPL)</u>					
<u>Quoted investments</u>					
Equity securities	3,448,427	3,448,427	3,448,427	-	-
Debt securities other than convertible bonds	229,583	229,583	50,559	179,024	-
Derivative assets	35,156	35,156	35,156	-	-
<u>Available for sale investments</u>					
<u>Quoted investments</u>					
Equity securities	8,803,272	8,803,272	8,803,272	-	-
<u>Un-quoted investments</u>					
Convertible bonds ¹	578,180				
Equity securities ¹	32,497				
<u>Other financial assets</u>					
Derivative assets	22,767	22,767	-	22,767	-
	28,996,713				
Financial assets not measured at fair value					
Receivables and prepayments	22,539,367	22,539,367			
Loans receivable	18,529,840	18,529,840			
Finance lease receivables	3,565,351	3,565,351			
Other assets	149,047	149,047			
Cash and cash equivalents	18,480,373	18,480,373			
	63,263,978				
Financial liabilities measured at fair value					
<u>Derivatives designated and effective as hedging instruments carried at fair value</u>					
Interest rate swaps	485,938	485,938	-	485,938	-
Foreign exchange forward contracts	11,402	11,402	-	11,402	-
<u>Financial liabilities designated at fair value through profit or loss</u>					
Interest rate swaps	660,943	660,943	-	660,943	-
Foreign exchange forward contracts	88,093	88,093	-	88,093	-
<u>Financial liabilities held for trading</u>					
Equity options	5,131	5,131	-	5,131	-
Exchange traded securities	130,088	130,088	130,088	-	-
	1,381,595				
Financial liabilities not measured at fair value					
Payable and accruals	12,951,563	12,951,563	-	-	-
Obligation under finance lease	1,473,830	1,473,830	-	-	-
Amounts due to equity accounted investees	1,288,563	1,288,563	-	-	-
Other liabilities	2,522,526	2,522,526	-	-	-
Interest bearing borrowings	40,208,329	41,295,823	11,097,704	-	30,198,119
	58,444,811				

Mubadala Development Company PJSC

Notes to the condensed consolidated financial statements (continued)

The condensed consolidated financial statements are unaudited

26 Fair value disclosures (continued)

Fair values (continued)

As at 31 Dec 2013 (audited)

Financial asset/liability	Carrying amount AED'000	Fair value AED'000	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000
Financial assets measured at fair value					
<u>Financial assets designated by FVTPL</u>					
<i>Quoted investments</i>					
Equity securities	8,756,887	8,756,887	8,756,887	-	-
<i>Un-quoted investments</i>					
Equity securities	551,025	551,025	-	-	551,025
Investments funds	5,368,185	5,368,185	-	-	5,368,185
Derivative assets	116,717	116,717	-	116,717	-
<u>Financial assets held for trading (FVTPL)</u>					
<i>Quoted investments</i>					
Equity securities	2,431,117	2,431,117	2,431,117	-	-
Debt securities other than convertible bonds	725,695	725,695	-	725,695	-
Derivative assets	15,843	15,843	15,843	-	-
<u>Available for sale investments</u>					
<i>Quoted investments</i>					
Equity securities	9,011,925	9,011,925	9,011,925	-	-
<i>Un-quoted investments</i>					
Convertible bonds ¹	578,180				
Equity securities ¹	32,656				
<u>Other financial assets</u>					
Derivative assets	88,518	88,518	-	88,518	-
	<u>27,676,748</u>				
Financial assets not measured at fair value					
Receivables and prepayments	19,671,661	19,671,661			
Loans receivable	23,063,858	23,063,858			
Finance lease receivables	2,281,767	2,281,767			
Other assets	128,385	128,385			
Cash and cash equivalents	21,688,577	21,688,577			
	<u>66,834,248</u>				
Financial liabilities measured at fair value					
<i>Derivatives designated and effective as hedging instruments carried at fair value</i>					
Interest rate swaps	489,371	489,371	-	489,371	-
Foreign exchange forward contracts	19,088	19,088	-	19,088	-
<i>Financial liabilities designated at fair value through profit or loss</i>					
Interest rate swaps	618,499	618,499	-	618,499	-
Foreign exchange forward contracts	38,904	38,904	-	38,904	-
<i>Financial liabilities held for trading</i>					
Equity options	33,021	33,021	-	33,021	-
Equity swaps	42,092	42,092	-	42,092	-
Exchange traded securities	42,638	42,638	42,638	-	-
	<u>1,283,613</u>				
Financial liabilities not measured at fair value					
Payable and accruals	12,692,597	12,692,597	-	-	-
Obligation under finance lease	1,348,952	1,348,952	-	-	-
Amounts due to equity accounted investees	1,302,780	1,302,780	-	-	-
Other liabilities	200,830	200,830	-	-	-
Interest bearing borrowings	41,918,382	42,882,153	12,852,185	-	30,029,968
	<u>57,463,541</u>				

¹ Unquoted equity investments are carried at cost less impairment, since no reliable measure of fair value is available.

Mubadala Development Company PJSC

Notes to the condensed consolidated financial statements (continued)

The condensed consolidated financial statements are unaudited

26 Fair value disclosures (continued)

Fair values (continued)

The following table show the valuation techniques used in measuring Level 1, Level 2 and Level 3 fair values, as well as the significant unobservable input used.

Type of financial asset / liability	Valuation techniques and key inputs	Significant unobservable inputs
Financial assets designated at FVTPL - Quoted equity securities	Quoted bid prices in an active market	N/A
Financial assets designated at FVTPL - Unquoted equity securities	Combination of market and income approach	Discount rate of 8.5 percent, average growth rate of 19 percent, spot prices of quoted securities taking into account management's experience and knowledge of market conditions of the specific industries.
Investment funds designated at FVTPL	Combination of market and income approach	Net assets value provided by the fund manager taking into consideration management experience and knowledge of market conditions.
Derivative assets designated at FVTPL	Market approach	N/A
Debt securities other than convertible bonds held for trading	Market approach	N/A
Financial assets held for trading (FVTPL)	Quoted bid prices in an active market	N/A
Available for sale investments - Quoted equity securities	Quoted bid prices in an active market	N/A
Derivative assets	Net present value of estimated cashflows	N/A
Interest rate swaps and foreign exchange forward contracts designated for hedging	Net present value of estimated cashflows	N/A
Interest rate swaps and foreign exchange forward contracts designated at FVTPL	Net present value of estimated cashflows	N/A
Equity options and exchange traded securities held for trading	Net present value of estimated cashflows	N/A
Equity swaps held for trading	Net present value of estimated cashflows	N/A

Mubadala Development Company PJSC

Notes to the condensed consolidated financial statements (continued)

The condensed consolidated financial statements are unaudited

26 Fair value disclosures (continued)

Fair values (continued)

The following table demonstrates the movement in the level 3 of fair value hierarchy:

	30 Jun 2014		31 Dec 2013	
	Equity securities AED'000 (unaudited)	Investments funds AED'000 (unaudited)	Equity securities AED'000 (audited)	Investments funds AED'000 (audited)
At the beginning of the period / year	551,025	5,368,185	551,025	2,843,881
Additions during the period / year	-	791,104	-	1,960,095
Increase in fair value recognised in profit or loss (net) ¹	-	811,839	-	710,322
Withdrawals / distributions during the period / year	-	(232,862)	-	(146,113)
At the end of the period / year	551,025	6,738,266	551,025	5,368,185

¹ Includes increase in fair value recognised in profit or loss, attributable to assets held at the reporting date. The total net increase in fair value was recorded in 'income from financial investments (net)' in the condensed consolidated statement of comprehensive income.

27 Significant non-cash transactions

Current period

During the current period, AED 1,417,678 thousand representing a portion of loan given to a third party, was settled in kind through the transfer of preferred equity securities to the Group.

Prior period

- During the prior period Mubadala converted its remaining portion of Aldar mandatory convertible bonds in the amount of AED 693,876 thousand, thereby increasing its legal ownership in Aldar to 41 percent. Furthermore, during the prior period following the merger of Aldar Properties PJSC (Aldar) and Sorouh Real Estate PJSC (Sorouh) becoming effective, the shareholding percentage of the Group in Aldar post the merger was approximately 31 percent.
- In accordance with Decision 18 of 2013 of the Executive Council, dated and effective 12 February 2013, the Group was required to transfer the Masdar Institute of Science & Technology campus MIST 1A and 1B to the Abu Dhabi Education Council. The impact of the above decision was derecognition of Property, Plant and Equipment with a carrying amount of AED 3,030,624 thousand with a corresponding reduction in additional shareholder contributions (see note 24(e)).

28 Comparative figures

Certain comparative figures have been reclassified, wherever necessary, to conform to the presentation adopted in the condensed consolidated financial statements.