

**Mubadala Development Company PJSC**

Review report and interim condensed  
consolidated financial information for  
the period ended 30 June 2015

**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 2015**

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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 interim condensed consolidated statement of financial position of Mubadala Development Company PJSC (“Mubadala” or “the Company”) and its subsidiaries (together, “the Group”) as at 30 June 2015 and the related interim 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 fair 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 condensed consolidated 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  
14 September 2015

**Interim condensed consolidated statement of comprehensive income***The interim condensed consolidated financial statements are unaudited*

	<i>Notes</i>	<b>Six month period ended 30 Jun 2015 AED'000 (unaudited)</b>	Six month period ended 30 Jun 2014 AED'000 (unaudited)
Revenue from sale of goods and services	6	<b>15,901,534</b>	15,963,457
Cost of sales of goods and services	7	<b>(14,399,438)</b>	(13,013,983)
<b>Gross profit</b>		<b>1,502,096</b>	2,949,474
Income from investments in equity accounted investees ( <i>net</i> )	14	<b>2,194,281</b>	2,120,011
Government grant income		<b>403,781</b>	388,806
Dividend income		<b>710,188</b>	615,012
Finance income from loans		<b>125,035</b>	199,679
Other income ( <i>net</i> )	8	<b>624,351</b>	1,439,074
Research and development expenses		<b>(1,640,572)</b>	(2,116,725)
Exploration costs		<b>(127,753)</b>	(244,726)
Project expenses		<b>(179,910)</b>	(196,052)
Other general and administrative expenses		<b>(2,849,729)</b>	(2,799,849)
<b>Profit before unrealised fair value changes, impairments, net finance expense and taxes</b>		<b>761,768</b>	2,354,704
Income from financial investments ( <i>net</i> )	9	<b>1,696,238</b>	388,227
(Decrease) / increase in fair value of investment properties ( <i>net</i> )	13	<b>(1,524)</b>	18,627
Impairment on property, plant and equipment	11	<b>-</b>	(450,247)
Impairment on loans and receivables	16	<b>(950,864)</b>	(179,245)
Impairment on intangible assets	12	<b>(48,068)</b>	-
Impairment on equity accounted investees		<b>-</b>	(2,020)
<b>Profit before net finance expense and taxes</b>		<b>1,457,550</b>	2,130,046
Finance income and net foreign exchange gain		<b>558,307</b>	489,440
Finance expense		<b>(1,002,995)</b>	(1,080,640)
<b>Net finance expense</b>		<b>(444,688)</b>	(591,200)
<b>Profit before income tax</b>		<b>1,012,862</b>	1,538,846
Income tax expense		<b>(250,778)</b>	(155,690)
<b>Profit for the period</b>		<b>762,084</b>	1,383,156

**Interim condensed consolidated statement of comprehensive income** *(continued)**The interim condensed consolidated financial statements are unaudited*

	<i>Notes</i>	<b>Six month period ended 30 Jun 2015 AED'000 (unaudited)</b>	<b>Six month period ended 30 Jun 2014 AED'000 (unaudited)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss in subsequent periods</i>			
Increase in fair value of available for sale financial assets <i>(net)</i>		<b>152,309</b>	477,671
Cumulative gain reclassified from equity to profit or loss on disposal of available for sale financial assets	8	<b>(199,196)</b>	(454,018)
Effective portion of changes in fair values of cash flow hedges and other reserves net of taxes		<b>113,137</b>	(55,648)
Net change in translation reserve		<b>213,892</b>	56,392
Share of effective portion of changes in fair values of hedging instruments and other reserves of equity accounted investees	14(a,b)	<b>30,104</b>	(76,397)
Share of movements in translation reserve of equity accounted investees	14(a,b)	<b>(291,647)</b>	69,409
		<b>18,599</b>	17,409
<i>Items that will not be reclassified to profit or loss in subsequent periods</i>			
Net movement in defined benefits plan		<b>(281,009)</b>	-
<b>Other comprehensive (loss) / income for the period net of income tax</b>		<b>(262,410)</b>	17,409
<b>Total comprehensive income for the period</b>		<b>499,674</b>	1,400,565
Profit for the period		<b>762,084</b>	1,383,156
Less: Profit attributable to non-controlling interests		<b>(136,587)</b>	(40,308)
<b>Profit for the period attributable to the Owner of the Group</b>		<b>625,497</b>	1,342,848
Total comprehensive income for the period		<b>499,674</b>	1,400,565
Less: Total comprehensive income attributable to non-controlling interests		<b>(21,968)</b>	(78,585)
<b>Total comprehensive income for the period attributable to the Owner of the Group</b>		<b>477,706</b>	1,321,980

The notes set out on pages 10 to 34 form an integral part of these interim condensed consolidated financial statements.

**Interim condensed consolidated statement of financial position***The interim condensed consolidated financial statements are unaudited*

	<i>Notes</i>	<b>30 Jun 2015</b> <b>AED'000</b> <b>(unaudited)</b>	31 Dec 2014 AED'000 (audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	<i>11</i>	<b>88,200,425</b>	83,937,726
Intangible assets	<i>12</i>	<b>7,937,906</b>	6,454,036
Investment properties	<i>13</i>	<b>6,764,017</b>	6,801,051
Investments in equity accounted investees			
- associates	<i>14(a)</i>	<b>10,227,839</b>	10,280,801
- jointly controlled entities	<i>14(b)</i>	<b>19,535,481</b>	20,716,103
Financial investments	<i>15</i>	<b>27,231,799</b>	26,405,247
Loans receivable	<i>16</i>	<b>14,724,595</b>	16,429,840
Other assets		<b>139,153</b>	144,238
Receivables and prepayments		<b>7,938,396</b>	7,901,122
Finance lease receivables		<b>4,713,477</b>	4,706,306
Deferred tax assets		<b>2,049,207</b>	1,922,959
<b>Total non-current assets</b>		<b>189,462,295</b>	185,699,429
<b>Current assets</b>			
Inventories		<b>7,346,779</b>	6,281,054
Financial investments	<i>15</i>	<b>2,771,108</b>	2,909,477
Loans receivable	<i>16</i>	<b>550,204</b>	2,828,388
Receivables and prepayments		<b>13,382,899</b>	12,703,065
Finance lease receivables		<b>283,197</b>	286,782
Cash and cash equivalents	<i>23</i>	<b>24,447,358</b>	31,749,753
		<b>48,781,545</b>	56,758,519
Assets classified as held for sale	<i>5, 14(b)</i>	<b>3,428,832</b>	1,180,578
<b>Total current assets</b>		<b>52,210,377</b>	57,939,097
<b>Total assets</b>		<b>241,672,672</b>	243,638,526

**Interim condensed consolidated statement of financial position (continued)***The interim condensed consolidated financial statements are unaudited*

	<i>Notes</i>	<b>30 Jun 2015</b> <b>AED'000</b> <b>(unaudited)</b>	31 Dec 2014 AED'000 (audited)
<b>Equity</b>			
Share capital		<b>28,600,000</b>	28,600,000
Additional shareholder contributions	20(e)	<b>141,522,778</b>	141,522,778
Reserves and surplus		<b>3,319,978</b>	2,965,328
Government grants		<b>367,350</b>	367,350
<b>Total equity attributable to the Owner of the Group</b>		<b>173,810,106</b>	173,455,456
Non-controlling interests		<b>1,978,006</b>	2,212,019
<b>Total equity</b>		<b>175,788,112</b>	175,667,475
<b>Non-current liabilities</b>			
Interest bearing borrowings	17	<b>31,801,935</b>	34,730,072
Government grants		<b>1,085,673</b>	1,239,315
Obligation under finance lease		<b>1,151,132</b>	1,221,194
Deferred tax liabilities		<b>1,208,984</b>	989,104
Financial liabilities at fair value		<b>1,144,235</b>	1,182,322
Other liabilities		<b>3,822,856</b>	3,527,030
<b>Total non-current liabilities</b>		<b>40,214,815</b>	42,889,037
<b>Current liabilities</b>			
Interest bearing borrowings	17	<b>9,212,603</b>	6,558,752
Government grants		<b>349,557</b>	317,986
Obligation under finance lease		<b>168,647</b>	177,098
Payables and accruals		<b>13,811,959</b>	15,038,606
Amounts due to a jointly controlled entity	14(b)	<b>1,052,318</b>	1,147,648
Income tax payable		<b>149,624</b>	277,910
Financial liabilities at fair value		<b>610,448</b>	1,026,608
Liabilities classified as held for sale	5	<b>314,589</b>	537,406
<b>Total current liabilities</b>		<b>25,669,745</b>	25,082,014
<b>Total liabilities</b>		<b>65,884,560</b>	67,971,051
<b>Total equity and liabilities</b>		<b>241,672,672</b>	243,638,526

These interim condensed consolidated financial statements were authorised for issue by the Board of Directors on 14 September 2015 and were signed on their behalf by:

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*Director*

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*Group Chief Executive Officer &  
Managing Director  
Khaldoon Khalifa Al Mubarak*

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*Group Chief Financial Officer  
Carlos Obeid*

The notes set out on pages 10 to 34 form an integral part of these interim condensed consolidated financial statements.

**Interim condensed consolidated statement of changes in equity**  
for the six month period ended 30 June

The interim condensed consolidated financial statements are unaudited

	Share capital AED'000	Application for share capital AED'000	Statutory reserve <sup>1</sup> AED'000 (note 21)	Fair value reserve <sup>1</sup> AED'000	Foreign currency translation reserve <sup>1</sup> AED'000	Pension reserve AED'000	Hedging and other reserves <sup>1</sup> AED'000	Accumulated losses AED'000	Reserves and (deficit)/surplus AED'000	Additional shareholder contributions AED'000	Government grants AED'000	Total equity attributable to the Owner of the Group AED'000	Non-controlling interests AED'000	Total equity 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 (net)	-	-	-	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 (net)	-	-	-	(454,018)	-	-	-	-	(454,018)	-	-	(454,018)	-	(454,018)
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)
Net change in translation reserve	-	-	-	-	18,115	-	-	-	18,115	-	-	18,115	38,277	56,392
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)
Share of movements in translation reserve of equity accounted investees	-	-	-	-	69,409	-	-	-	69,409	-	-	69,409	-	69,409
<b>Total other comprehensive income / (loss)</b>	-	-	-	22,930	87,524	-	(131,322)	-	(20,868)	-	-	(20,868)	38,277	17,409
<b>Total comprehensive income / (loss)</b>	-	-	-	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)
Additions to share capital	13,600,000	(13,600,000)	-	-	-	-	-	-	-	-	-	-	-	-
Movements in additional shareholder contributions	-	-	-	-	-	-	-	-	-	-	-	-	18,555	18,555
Other movements	-	-	-	-	-	-	-	(349)	(349)	-	-	(349)	27,709	27,360
<b>At 30 June 2014</b>	<b>28,600,000</b>	<b>-</b>	<b>986,425</b>	<b>6,274,118</b>	<b>877,306</b>	<b>(441,704)</b>	<b>(604,617)</b>	<b>(2,614,755)</b>	<b>4,476,773</b>	<b>123,155,278</b>	<b>367,350</b>	<b>156,599,401</b>	<b>2,362,477</b>	<b>158,961,878</b>

<sup>1</sup> Non distributable reserves



## Mubadala Development Company PJSC

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### Interim condensed consolidated statement of changes in equity (continued) for the six month period ended 30 June

The interim condensed consolidated financial statements are unaudited

	Share capital AED'000	Application for share capital AED'000	Statutory reserve <sup>1</sup> AED'000 (note 21)	Fair value reserve <sup>1</sup> AED'000	Foreign currency translation reserve <sup>1</sup> AED'000	Pension reserve AED'000	Hedging and other reserves <sup>1</sup> AED'000	Accumulated losses AED'000	Reserves and (deficit)/surplus AED'000	Additional shareholder contributions AED'000 (note 20(e))	Government grants AED'000	Total equity attributable to the Owner of the Group AED'000	Non-controlling interests AED'000	Total equity AED'000
At 1 January 2015	28,600,000	-	1,108,639	5,996,600	442,888	(606,576)	(933,163)	(3,043,060)	2,965,328	141,522,778	367,350	173,455,456	2,212,019	175,667,475
Profit for the period	-	-	-	-	-	-	-	625,497	625,497	-	-	625,497	136,587	762,084
Increase in fair value of available for sale financial assets (net)	-	-	-	152,309	-	-	-	-	152,309	-	-	152,309	-	152,309
Cumulative gain reclassified from equity to profit or loss on disposal of available for sale financial assets (net)	-	-	-	(199,196)	-	-	-	-	(199,196)	-	-	(199,196)	-	(199,196)
Effective portion of changes in fair values of cash flow hedges and other reserves net of taxes	-	-	-	-	-	-	113,118	-	113,118	-	-	113,118	19	113,137
Net change in translation reserve	-	-	-	-	328,530	-	-	-	328,530	-	-	328,530	(114,638)	213,892
Share of effective portion of changes in fair values of hedging instruments and other reserves of equity accounted investees	-	-	-	-	-	-	30,104	-	30,104	-	-	30,104	-	30,104
Share of movements in translation reserve of equity accounted investees	-	-	-	-	(291,647)	-	-	-	(291,647)	-	-	(291,647)	-	(291,647)
Net movement in defined benefits plan	-	-	-	-	-	(281,009)	-	-	(281,009)	-	-	(281,009)	-	(281,009)
<b>Total other comprehensive income / (loss)</b>	-	-	-	(46,887)	36,883	(281,009)	143,222	-	(147,791)	-	-	(147,791)	(114,619)	(262,410)
<b>Total comprehensive income / (loss)</b>	-	-	-	(46,887)	36,883	(281,009)	143,222	625,497	477,706	-	-	477,706	21,968	499,674
Acquisition of non-controlling interest (see note 5(b))	-	-	-	-	-	-	-	(123,056)	(123,056)	-	-	(123,056)	(225,885)	(348,941)
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	(30,096)	(30,096)
<b>At 30 June 2015</b>	<b>28,600,000</b>	<b>-</b>	<b>1,108,639</b>	<b>5,949,713</b>	<b>479,771</b>	<b>(887,585)</b>	<b>(789,941)</b>	<b>(2,540,619)</b>	<b>3,319,978</b>	<b>141,522,778</b>	<b>367,350</b>	<b>173,810,106</b>	<b>1,978,006</b>	<b>175,788,112</b>

<sup>1</sup> Non distributable reserves

The notes set out on pages 10 to 34 form an integral part of these interim condensed consolidated financial statements.

**Interim condensed consolidated statement of cash flows***The interim condensed consolidated financial statements are unaudited*

	<i>Notes</i>	<b>Six month period ended 30 Jun 2015 AED'000 (unaudited)</b>	<b>Six month period ended 30 Jun 2014 AED'000 (unaudited)</b>
<b>Cash flows from operating activities</b>			
Profit for the period		<b>762,084</b>	1,383,156
Adjustments for:			
Depreciation of property, plant and equipment		<b>4,959,460</b>	4,046,397
Amortisation of intangible assets		<b>267,058</b>	302,131
Amortisation of government grants		<b>(403,781)</b>	(388,806)
Change in fair value of investment properties	13	<b>1,524</b>	(18,627)
Impairment on property, plant and equipment and intangible assets	11, 12	<b>48,068</b>	450,247
Gain on disposal of property, plant and equipment	8	<b>(37,915)</b>	(10,012)
Intangible assets written off		<b>43,794</b>	-
Provision for / (reversal of) inventory obsolescence		<b>229,015</b>	(42,491)
Unrealised gain on financial assets at fair value through profit or loss ( <i>net</i> )	9	<b>(1,197,580)</b>	(430,495)
Net change in the fair value of derivatives used as economic hedges - not designated for hedge accounting	9	<b>(498,658)</b>	42,268
Finance income relating to finance lease receivables		<b>(152,272)</b>	(96,591)
Impairment on equity accounted investees		<b>-</b>	2,020
Impairment on loans and receivables	16	<b>950,864</b>	179,245
Gain on disposal of investment in equity accounted investees ( <i>net</i> )	14	<b>(14,392)</b>	(93,319)
Gain on disposal of investment in subsidiaries, working interests and net assets classified as held for sale	8, 5(c)	<b>(118,622)</b>	(745,854)
Realised gain on financial assets at fair value through profit or loss ( <i>net</i> )	8	<b>(82,923)</b>	(21,224)
Cumulative gain reclassified from equity to profit or loss on disposal of available for sale financial assets	8	<b>(199,196)</b>	(454,018)
Share of results of equity accounted investees			
- associates	14(a)	<b>(365,412)</b>	(344,945)
- jointly controlled entities	14(b)	<b>(1,814,477)</b>	(1,681,747)
Finance income and net foreign exchange gain		<b>(558,307)</b>	(489,440)
Finance expense		<b>1,002,995</b>	1,080,640
Income tax expense		<b>250,778</b>	155,690
Dividend income		<b>(710,188)</b>	(615,012)
		<b>2,361,917</b>	2,209,213
Change in inventories		<b>(1,294,740)</b>	214,097
Change in receivables and prepayments		<b>(506,866)</b>	457,170
Change in payables and accruals		<b>(249,124)</b>	(1,221,000)
Change in other liabilities		<b>(159,415)</b>	316,188
Change in other assets		<b>5,086</b>	20,568
Dividends received from financial investments		<b>680,200</b>	624,180
Dividends received from equity accounted investees		<b>685,566</b>	1,148,903
Finance lease rentals paid		<b>(81,027)</b>	(89,973)
Lease rentals received		<b>148,685</b>	93,574
Income taxes paid		<b>(191,615)</b>	(270,131)
<b>Net cash generated by operating activities</b>		<b>1,398,667</b>	3,502,789

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

	<i>Notes</i>	<b>Six month period ended 30 Jun 2015 AED'000 (unaudited)</b>	Six month period ended 30 Jun 2014 AED'000 (unaudited)
<b>Cash flows from investing activities</b>			
Proceeds from disposal of equity accounted investees		<b>193,112</b>	354,721
Proceeds from disposal of financial investments ( <i>net</i> )		<b>550,094</b>	847,813
Proceeds from disposal of subsidiaries, working interest and net assets classified as held for sale ( <i>net of cash disposed</i> )		<b>12,903</b>	991,220
Investment in equity accounted investees		<b>(251,426)</b>	(930,046)
Acquisition of property, plant and equipment		<b>(10,232,256)</b>	(8,461,495)
Acquisition of investment properties		<b>(103,979)</b>	(107,027)
Acquisition of intangible assets		<b>(411,115)</b>	(416,263)
Proceeds from disposal of property, plant and equipment		<b>127,457</b>	62,863
Loans recovered ( <i>net</i> )		<b>1,432,813</b>	3,030,824
Interest received		<b>76,720</b>	107,564
<b>Net cash used in investing activities</b>		<b>(8,605,677)</b>	(4,519,826)
<b>Cash flows from financing activities</b>			
Proceeds from interest bearing borrowings	<i>17</i>	<b>4,142,641</b>	7,055,930
Repayments of interest bearing borrowings	<i>17</i>	<b>(4,223,836)</b>	(8,780,393)
Acquisition of non-controlling interest		<b>(348,941)</b>	-
Proceeds from government grants		<b>360,113</b>	501,955
Interest paid		<b>(844,534)</b>	(1,028,403)
Dividends paid to non-controlling interest		<b>(30,096)</b>	(29,579)
<b>Net cash used in financing activities</b>		<b>(944,653)</b>	(2,280,490)
<b>Net decrease in cash and cash equivalents <sup>1</sup></b>		<b>(8,151,663)</b>	(3,297,527)
Cash and cash equivalents at 1 January		<b>31,749,753</b>	21,688,577
Exchange fluctuation on consolidation of foreign entities		<b>849,268</b>	89,323
<b>Cash and cash equivalents at 30 June</b>		<b>24,447,358</b>	18,480,373

<sup>1</sup> See notes 5(a) and (c) for significant non-cash transactions.

The notes set out on pages 10 to 34 form an integral part of these interim condensed consolidated financial statements.

**Notes to the interim condensed consolidated financial statements**

*The interim 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 interim 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, renewable energy, semiconductor technology, industry, real estate and infrastructure, financial investments, commercial finance, healthcare, aerospace and defense services, and information communications technology.

**2 Statement of compliance**

These interim 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 2014, prepared in accordance with IFRS.

**3 Significant accounting policies**

The accounting policies applied by the Group in these interim condensed consolidated financial statements are the same as those applied in the consolidated financial statements as at and for the year ended 31 December 2014.

**4 Estimates and judgments**

The preparation of interim condensed consolidated financial statements requires management to make judgments, 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 interim condensed consolidated financial statements the significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2014.

**5 Acquisitions and disposals****(a) Acquisition of subsidiaries**

On 10 February 2015, the Group acquired 100 percent ownership in certain gold mining companies, which own mineral rights in Colombia, as partial repayment of loan provided to a third party. At the date of finalisation of these interim condensed consolidated financial statements, the purchase price allocation exercise to arrive at the fair values of the underlying assets and liabilities of these companies has not been finalised. Thus, assets and liabilities have been recorded at their provisional fair values and no bargain purchase gain or goodwill has been recognised on the acquisition.

**(b) Acquisition of non-controlling stake in Nile Acquisition Holding Company Limited (“NAHCL”)**

On 01 June 2015, the Group increased its shareholding in NAHCL from 45.5 percent to 61.9 percent. Considering that the transaction did not change the Group’s control over the subsidiary, the increase in ownership interest has been accounted for as an equity transaction with non-controlling interest.

**Notes to the interim condensed consolidated financial statements (continued)***The interim condensed consolidated financial statements are unaudited***5 Acquisitions and disposals (continued)***(c) Disposal of subsidiaries*

During the period, the Group transferred the control of two wholly owned subsidiaries to Emirates Defence Industries Company PJSC (“EDIC”), a jointly controlled entity of the Group. These subsidiaries were classified as held for sale as at 31 December 2014.

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

	<b>AED’000</b> <b>(unaudited)</b>
Cash and cash equivalents	<b>335,352</b>
Other current assets	<b>105,621</b>
Current liabilities	<b>(271,032)</b>
Net current assets (A)	<b>169,941</b>
Non-current assets	<b>15,052</b>
Non-current liabilities	<b>(45,548)</b>
Net non-current liabilities (B)	<b>(30,496)</b>
Carrying value of the net assets (A) + (B)	<b>139,445</b>
Sale consideration ( <i>note 20(c)</i> ) <sup>1</sup>	<b>436,000</b>
Gross gain on disposal of subsidiaries	<b>296,555</b>
Eliminated intercompany gain on disposal of subsidiaries	<b>(177,933)</b>
Gain on disposal of subsidiaries ( <i>note 8</i> )	<b>118,622</b>

<sup>1</sup> Sale consideration will be settled through issuance of zero-coupon mandatory convertible notes.

**6 Revenue from sale of goods and services**

	<b>Six month period ended 30 Jun 2015 AED’000 (unaudited)</b>	<b>Six month period ended 30 Jun 2014 AED’000 (unaudited)</b>
Sale of semiconductor wafers	<b>7,953,019</b>	7,303,250
Aircraft maintenance and repairs, components leasing and sales	<b>2,857,150</b>	3,448,830
Sale of hydrocarbons	<b>2,402,697</b>	2,877,742
Satellite capacity leasing revenue	<b>642,129</b>	578,797
Medical services	<b>548,889</b>	425,018
Revenue from supply of chilled water	<b>413,818</b>	387,909
Revenue from supply of renewable energy	<b>148,389</b>	176,583
Contract revenue	<b>50,363</b>	152,858
Others	<b>885,080</b>	612,470
	<b>15,901,534</b>	15,963,457

**Notes to the interim condensed consolidated financial statements (continued)***The interim condensed consolidated financial statements are unaudited***7 Cost of sales of goods and services**

	<b>Six month period ended 30 Jun 2015 AED'000 (unaudited)</b>	Six month period ended 30 Jun 2014 AED'000 (unaudited)
Depreciation of property, plant and equipment	4,507,968	3,664,769
Raw material	3,308,963	3,335,994
Staff costs	2,769,261	2,623,688
Others	3,813,246	3,389,532
	<u>14,399,438</u>	<u>13,013,983</u>

**8 Other income (net)**

	<b>Six month period ended 30 Jun 2015 AED'000 (unaudited)</b>	Six month period ended 30 Jun 2014 AED'000 (unaudited)
Gain on disposal of investment in subsidiaries, working interests and net assets classified as held for sale (note 5(c))	118,622	745,854
Cumulative gain reclassified from equity to profit or loss on disposal of available for sale financial assets	199,196	454,018
Realised gain on financial assets at fair value through profit or loss (net)	82,923	21,224
Gain on disposal of property, plant and equipment	37,915	10,012
Others	185,695	207,966
	<u>624,351</u>	<u>1,439,074</u>

**9 Income from financial investments (net)**

	<b>Six month period ended 30 Jun 2015 AED'000 (unaudited)</b>	Six month period ended 30 Jun 2014 AED'000 (unaudited)
<i>Financial assets / liabilities at fair value through profit or loss</i>		
Unrealised gain on financial assets at fair value through profit or loss (net)	1,197,580	430,495
Net change in the fair value of derivatives used as economic hedges – not designated for hedge accounting	498,658	(42,268)
	<u>1,696,238</u>	<u>388,227</u>

Notes to the interim condensed consolidated financial statements (continued)

The interim condensed consolidated financial statements are unaudited

10 Operating segments

	Technology 30-Jun-15 AED'000 (unaudited)	Industry 30-Jun-15 AED'000 (unaudited)	Technology and Industry 30-Jun-15 AED'000 (unaudited)	Aerospace and Defence Services 30-Jun-15 AED'000 (unaudited)	Information and Communications Technology 30-Jun-15 AED'000 (unaudited)	Aerospace and Engineering Services 30-Jun-15 AED'000 (unaudited)	Oil & Gas and Energy 30-Jun-15 AED'000 (unaudited)	Renewable Energy 30-Jun-15 AED'000 (unaudited)	Energy 30-Jun-15 AED'000 (unaudited)	Real Estate and Infrastructure 30-Jun-15 AED'000 (unaudited)	Mubadala Capital 30-Jun-15 AED'000 (unaudited)	Healthcare 30-Jun-15 AED'000 (unaudited)	Emerging sectors 30-Jun-15 AED'000 (unaudited)	Corporate 30-Jun-15 AED'000 (unaudited)	Consolidated 30-Jun-15 AED'000 (unaudited)
Revenues from external customers	7,953,019	558,447	8,511,466	2,968,841	899,833	3,868,674	2,403,476	193,864	2,597,340	357,523	-	564,200	921,723	2,331	15,901,534
Profit / (loss) for the period attributable to the Owner of the Group	(2,960,975)	968,341	(1,992,634)	293,080	310,811	603,891	478,693	(3,263)	475,430	568,291	1,314,502	18,705	1,901,498	(362,688)	625,497
Total comprehensive income / (loss) for the period attributable to the Owner of the Group <sup>1</sup>	(2,895,399)	928,730	(1,966,669)	236,391	321,031	557,422	480,348	28,770	509,118	570,359	1,154,055	18,705	1,743,119	(365,284)	477,706
Total comprehensive income / (loss) for the period attributable to the Owner of the Group excluding impairments and fair value movements on investment properties and financial investments <sup>1</sup>	(2,666,946)	968,359	(1,698,587)	205,195	311,105	516,300	498,567	10,215	508,782	537,648	979,473	18,667	1,535,788	(475,700)	386,583
Total assets	73,902,460	27,008,737	100,911,197	14,129,633	14,621,185	28,750,818	13,239,495	7,626,985	20,866,480	27,665,007	37,804,858	4,211,848	69,681,713	21,462,464	241,672,672
Total liabilities	14,905,323	4,430,562	19,335,885	6,206,490	6,918,613	13,125,103	4,592,764	3,116,519	7,709,283	6,181,185	2,344,595	331,733	8,857,513	16,856,776	65,884,560
	Technology 30-Jun-14 AED'000 (unaudited)	Industry 30-Jun-14 AED'000 (unaudited)	Technology and Industry 30-Jun-14 AED'000 (unaudited)	Aerospace and Defence Services 30-Jun-14 AED'000 (unaudited)	Information and Communications Technology 30-Jun-14 AED'000 (unaudited)	Aerospace and Engineering Services 30-Jun-14 AED'000 (unaudited)	Oil & Gas and Energy 30-Jun-14 AED'000 (unaudited)	Renewable Energy 30-Jun-14 AED'000 (unaudited)	Energy 30-Jun-14 AED'000 (unaudited)	Real Estate and 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	3,667,534	618,201	4,285,735	2,877,742	233,107	3,110,849	301,116	-	426,019	727,135	7,343	15,963,457
Profit / (loss) for the period attributable to the Owner of the Group	(2,746,804)	756,855	(1,989,949)	404,263	258,465	662,728	944,028	(176,319)	767,709	845,590	1,572,553	143	2,418,286	(515,926)	1,342,848
Total comprehensive income / (loss) for the period attributable to the Owner of the Group <sup>1</sup>	(2,801,457)	758,553	(2,042,904)	407,863	258,465	666,328	947,767	(225,870)	721,897	850,449	1,641,840	143	2,492,432	(515,773)	1,321,980
Total comprehensive income / (loss) for the period attributable to the Owner of the Group excluding impairments and fair value movements on investment properties and financial investments <sup>1</sup>	(2,728,270)	757,191	(1,971,079)	400,070	258,492	658,562	1,392,229	(20,077)	1,372,152	746,399	623,583	(1,089)	1,368,893	(496,821)	931,707
	31-Dec-14 AED'000 (audited)	31-Dec-14 AED'000 (audited)	31-Dec-14 AED'000 (audited)	31-Dec-14 AED'000 (audited)	31-Dec-14 AED'000 (audited)	31-Dec-14 AED'000 (audited)	31-Dec-14 AED'000 (audited)	31-Dec-14 AED'000 (audited)	31-Dec-14 AED'000 (audited)	31-Dec-14 AED'000 (audited)	31-Dec-14 AED'000 (audited)	31-Dec-14 AED'000 (audited)	31-Dec-14 AED'000 (audited)	31-Dec-14 AED'000 (audited)	31-Dec-14 AED'000 (audited)
Total assets	70,574,001	24,215,249	94,789,250	13,760,186	15,033,886	28,794,072	12,700,233	7,031,025	19,731,258	27,915,371	40,311,482	3,959,355	72,186,208	28,137,738	243,638,526
Total liabilities	16,973,629	3,152,753	20,126,382	5,669,373	7,263,025	12,932,398	4,988,272	2,849,425	7,837,697	6,331,776	2,493,146	740,993	9,565,915	17,508,659	67,971,051

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

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

*The interim condensed consolidated financial statements are unaudited*

**10 Operating segments (continued)**

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

	<b>Six month period ended 30 Jun 2015 AED'000 (unaudited)</b>	Six month period ended 30 Jun 2014 AED'000 (unaudited)
Total comprehensive income for the period attributable to the Owner of the Group	<b>477,706</b>	1,321,980
Impairment on property, plant and equipment ( <i>net</i> )( <i>see note 11</i> )	-	450,247
Impairment on intangible assets ( <i>see note 12</i> )	<b>48,068</b>	-
Net change in the fair value of derivatives used as economic hedges - not designated for hedge accounting	<b>(236,917)</b>	42,268
Decrease / (increase) in fair value of investment properties ( <i>net</i> ) ( <i>see note 13</i> )	<b>1,524</b>	(18,627)
Impairment on equity accounted investees	-	2,020
Impairment on loans and receivables	<b>950,864</b>	179,245
Cumulative gain reclassified from equity to profit or loss on disposal of available for sale financial assets ( <i>net</i> ) ( <i>see note 8</i> )	<b>(199,196)</b>	(454,018)
Exchange gain	<b>(177,970)</b>	(54,325)
Foreign exchange impact on deferred tax	<b>316,267</b>	8,753
Gain on disposal of property, plant and equipment ( <i>see note 8</i> )	<b>(37,915)</b>	(10,012)
Gain on disposal of investment in equity accounted investees ( <i>net</i> ) ( <i>see note 14</i> )	<b>(14,392)</b>	(93,319)
Non-controlling interest on derivatives used as economic hedges	<b>15,091</b>	(11,654)
Realised gain on financial assets at fair value through profit or loss ( <i>net</i> ) ( <i>see note 8</i> )	<b>(82,923)</b>	(21,224)
Unrealised gain on financial assets at fair value through profit or loss ( <i>net</i> )	<b>(821,415)</b>	(430,495)
Movements in other comprehensive loss - attributable to the Owner of the Group	<b>147,791</b>	20,868
	<hr/>	<hr/>
Total comprehensive income for the period attributable to the Owner of the Group excluding impairments and fair value movements on investment properties and financial investments	<b>386,583</b>	931,707
	<hr/> <hr/>	<hr/> <hr/>

**11 Property, plant and equipment**

During the six month period ended 30 June 2015, the Group acquired and / or constructed property, plant and equipment with a cost of AED 9,588,101 thousand (*six month period ended 30 June 2014: AED 8,975,318 thousand*) and recognised an impairment of AED nil (*six month period ended 30 June 2014: AED 450,247 thousand for certain assets with carrying values exceeding their recoverable values*).



**Notes to the interim condensed consolidated financial statements (continued)***The interim condensed consolidated financial statements are unaudited***12 Intangible assets**

During the six month period ended 30 June 2015, the Group acquired intangible assets with a cost of AED 1,790,238 thousand (*six month period ended 30 June 2014: AED 1,060,749 thousand*) and recognised an impairment of AED 48,068 thousand (*six month period ended 30 June 2014: AED nil*) for certain customer contracts with carrying values exceeding their recoverable values.

**13 Investment properties**

	<b>30 Jun 2015</b> <b>AED'000</b> <b>(unaudited)</b>	31 Dec 2014 AED'000 (audited)
Investment properties	<b>6,564,207</b>	6,562,450
Investment properties under development	<b>199,810</b>	238,601
	<hr/> <b>6,764,017</b> <hr/>	<hr/> 6,801,051 <hr/>

(a) The movements for the period / year in investment properties are set out below:

	<b>30 Jun 2015</b> <b>AED'000</b> <b>(unaudited)</b>	31 Dec 2014 AED'000 (audited)
At the beginning of the period / year	<b>6,562,450</b>	6,007,684
Additions	<b>3,281</b>	135,307
Transfers to finance lease receivables	-	(93,289)
Transfers from property, plant and equipment	-	348,986
Transfers to property, plant and equipment	-	(361,764)
(Decrease) / increase in fair value ( <i>net</i> )	<b>(1,524)</b>	525,526
	<hr/> <b>6,564,207</b> <hr/>	<hr/> 6,562,450 <hr/>

(b) The movements for the period / year in investment properties under development are set out below:

	<b>30 Jun 2015</b> <b>AED'000</b> <b>(unaudited)</b>	31 Dec 2014 AED'000 (audited)
At the beginning of the period / year	<b>238,601</b>	-
Additions	<b>106,993</b>	88,738
Transfers to inventories	<b>(145,784)</b>	-
Transfers from property, plant and equipment	-	127,254
Increase in fair value ( <i>net</i> )	-	22,609
	<hr/> <b>199,810</b> <hr/>	<hr/> 238,601 <hr/>

**Notes to the interim condensed consolidated financial statements (continued)***The interim condensed consolidated financial statements are unaudited***14 Investments in equity accounted investees**Income from investments in equity accounted investees (*net*):

	<b>Six month period ended 30 Jun 2015 AED'000 (unaudited)</b>	Six month period ended 30 Jun 2014 AED'000 (unaudited)
Share of results of associates	<b>365,412</b>	344,945
Share of results of jointly controlled entities	<b>1,814,477</b>	1,681,747
Gain on disposal of investments in equity accounted investees ( <i>net</i> )	<b>14,392</b>	93,319
	<b>2,194,281</b>	2,120,011

(a) The movements for the period / year in investments in associates are set out below:

	<b>30 Jun 2015 AED'000 (unaudited)</b>	31 Dec 2014 AED'000 (audited)
At the beginning of the period / year	<b>10,645,644</b>	10,685,241
Additions	<b>9,220</b>	560,076
Share of results	<b>365,412</b>	583,563
Disposals	<b>-</b>	(216,941)
Dividends received	<b>(434,786)</b>	(517,566)
Share of effective portion of changes in fair values of hedging instruments and other other reserves	<b>3,343</b>	10,858
Transferred to an entity under common control	<b>-</b>	(465,745)
Intercompany loss eliminated	<b>3,808</b>	31,669
Other movements	<b>41</b>	(25,511)
	<b>10,592,682</b>	10,645,644
Accumulated impairment	<b>(364,843)</b>	(364,843)
<b>At the end of the period / year</b>	<b>10,227,839</b>	10,280,801

**Notes to the interim condensed consolidated financial statements (continued)***The interim condensed consolidated financial statements are unaudited***14 Investments in equity accounted investees (continued)**

(b) The movements for the period / year in investments in jointly controlled entities are set out below:

	<b>30 Jun 2015</b> <b>AED'000</b> <b>(unaudited)</b>	31 Dec 2014 AED'000 (audited)
At the beginning of the period / year	<b>19,782,408</b>	16,832,447
Additions	<b>354,615</b>	2,315,811
Additions upon disposal of subsidiaries (note 5(c))	<b>436,000</b>	-
Eliminated intercompany gain on disposal of subsidiaries (note 5(c))	<b>(177,933)</b>	-
Share of results	<b>1,814,477</b>	4,060,355
Disposals	<b>(68,804)</b>	(113,923)
Dividends received	<b>(363,189)</b>	(2,044,961)
Share of effective portion of changes in fair values of hedging instruments and other reserves	<b>26,761</b>	(152,213)
Share of movements in translation reserve	<b>(291,647)</b>	(447,701)
Transfer to assets classified as held for sale <sup>1</sup>	<b>(2,653,036)</b>	-
Exchange fluctuation	<b>80,344</b>	85,420
Intercompany income eliminated	<b>(38,231)</b>	(108,952)
Transfer upon acquisition of controlling stake	-	(130,458)
Other transfers	<b>(7,252)</b>	(494,516)
Other movements	<b>(201,728)</b>	(18,901)
	<b>18,692,785</b>	19,782,408
Accumulated impairment	<b>(209,622)</b>	(213,953)
<b>At the end of the period / year</b>	<b>18,483,163</b>	19,568,455
<b>Disclosed as:</b>		
Investment in jointly controlled entities	<b>19,535,481</b>	20,716,103
Amounts due to a jointly controlled entity <sup>2</sup>	<b>(1,052,318)</b>	(1,147,648)
	<b>18,483,163</b>	19,568,455

<sup>1</sup> During the period and as part of the framework agreement signed on 18 December 2014 between the Group and EDIC, the Group is in the process of transferring its interest in one of its jointly controlled entities, which is held within the Aerospace and Defence Services segment, to EDIC. The investment was classified as held for sale since the requirements of *IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations* have been met.

<sup>2</sup> 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 interim 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 for that entity. The Group's unrecognised share of losses for the period amounted to AED 699,203 thousand (*six month period ended 30 June 2014: AED 192,648 thousand*) and cumulative unrecognised share of losses amounted to AED 2,803,624 thousand (*30 June 2014: AED 1,202,393 thousand*).

**Notes to the interim condensed consolidated financial statements (continued)***The interim condensed consolidated financial statements are unaudited***15 Financial investments**

	<b>30 Jun 2015</b>	31 Dec 2014
	<b>AED'000</b>	AED'000
	<b>(unaudited)</b>	(audited)
<i><b>Fair value through profit or loss financial assets</b></i>		
<u>Financial assets designated at FVTPL</u>		
Quoted investments		
Equity securities	<b>7,828,099</b>	8,228,379
Unquoted investments		
Convertible bonds	<b>1,460,758</b>	1,133,817
Equity securities	<b>2,660,912</b>	551,025
Investments funds	<b>6,946,795</b>	8,045,598
Derivative assets	<b>105,585</b>	248,689
	<b>19,002,149</b>	18,207,508
<u>Financial assets held for trading</u>		
Quoted investments		
Equity securities	<b>2,489,220</b>	2,540,815
Debt securities other than convertible bonds	<b>175,981</b>	118,966
Derivative assets	<b>102,191</b>	45,128
	<b>2,767,392</b>	2,704,909
<i><b>Total of fair value through profit or loss financial assets</b></i>	<b>21,769,541</b>	20,912,417
<i><b>Available for sale financial assets</b></i>		
Quoted investments		
Equity securities	<b>8,195,103</b>	8,356,534
Unquoted investments		
Equity securities	<b>31,505</b>	31,587
<i><b>Total of available for sale financial assets</b></i>	<b>8,226,608</b>	8,388,121
<i><b>Other financial assets</b></i>		
Derivative assets	<b>6,758</b>	14,186
<b>Financial investments</b>	<b>30,002,907</b>	29,314,724
<b>Disclosed as:</b>		
Current portion	<b>2,771,108</b>	2,909,477
Non-current portion	<b>27,231,799</b>	26,405,247
	<b>30,002,907</b>	29,314,724

**Notes to the interim condensed consolidated financial statements (continued)***The interim condensed consolidated financial statements are unaudited***16 Loans receivable**

	<b>30 Jun 2015</b> <b>AED'000</b> <b>(unaudited)</b>	31 Dec 2014 AED'000 (audited)
Loans to jointly controlled entities	<b>11,708,477</b>	13,374,781
Loans to entities under common control	<b>170,932</b>	186,417
Loans to associates	<b>16,972</b>	5,853
	<hr/>	<hr/>
Loans to related parties	<b>11,896,381</b>	13,567,051
Loans to third parties	<b>5,500,862</b>	6,877,541
	<hr/>	<hr/>
	<b>17,397,243</b>	20,444,592
Less: allowance for impairment <sup>1</sup>	<b>(2,122,444)</b>	(1,186,364)
	<hr/>	<hr/>
	<b>15,274,799</b>	19,258,228
	<hr/> <hr/>	<hr/> <hr/>
<b>Disclosed as:</b>		
Current portion	<b>550,204</b>	2,828,388
Non-current portion	<b>14,724,595</b>	16,429,840
	<hr/>	<hr/>
	<b>15,274,799</b>	19,258,228
	<hr/> <hr/>	<hr/> <hr/>

<sup>1</sup> Increase in the allowance for impairment during the period arises primarily from loans to third parties due to reduction in the value of the collaterals held by the Group.

**17 Interest bearing borrowings**

	<b>30 Jun 2015</b> <b>AED'000</b> <b>(unaudited)</b>	31 Dec 2014 AED'000 (audited)
Unsecured bank borrowings	<b>3,230,273</b>	3,583,269
Unsecured corporate bonds	<b>2,748,704</b>	-
Secured bank borrowings	<b>2,313,364</b>	2,209,019
Unsecured borrowings	<b>833,795</b>	629,989
Others	<b>86,467</b>	136,475
	<hr/>	<hr/>
<b>Current portion</b>	<b>9,212,603</b>	6,558,752
	<hr/> <hr/>	<hr/> <hr/>
Secured bank borrowings	<b>11,778,289</b>	11,005,187
Unsecured bank borrowings	<b>9,218,722</b>	9,782,850
Unsecured corporate bonds	<b>8,051,620</b>	10,834,947
Unsecured borrowings	<b>2,437,812</b>	2,787,359
Others	<b>315,492</b>	319,729
	<hr/>	<hr/>
<b>Non-current portion</b>	<b>31,801,935</b>	34,730,072
	<hr/> <hr/>	<hr/> <hr/>

# Mubadala Development Company PJSC

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## Notes to the interim condensed consolidated financial statements (continued)

The interim condensed consolidated financial statements are unaudited

### 17 Interest bearing borrowings (continued)

#### Terms and debt repayment schedule

Particulars	Entity name / Project name	Currency	Nominal interest rate	Repayment period	30 Jun 2015 Carrying amount AED '000 (unaudited)	31 Dec 2014 Carrying amount AED '000 (audited)
<i>Current</i>						
Secured bank loan	Al Hikma Development Company PJSC (UAE University)	USD	LIBOR + margin	2015-2016	118,433	113,897
Secured bank loan	Manhal Development Company PJSC (Sorbonne University)	USD	LIBOR + margin	2015-2016	49,794	49,391
Secured bank loan	Manhal Development Company PJSC (Sorbonne University)	AED	EIBOR + margin	2015-2016	16,598	16,464
Secured bank loan	Al Maqsed Development Company PJSC (Zayed University)	USD	LIBOR + margin	2015-2016	58,253	56,902
Secured bank loan	Al Maqsed Development Company PJSC (Zayed University)	AED	EIBOR + margin	2015-2016	106,629	104,156
Secured bank loan	National Central Cooling Company PJSC	USD / AED / OMR	LIBOR / EIBOR + margin / Fixed	2015-2016	184,173	152,734
Secured bank loan	Strata Manufacturing PJSC	USD	LIBOR + margin	2015-2016	30,812	-
Secured bank loan	SR Technics	CHF / EUR / USD	LIBOR + margin	2015	23,081	18,169
Secured bank loan	Sanad Aero 1 Limited	USD	LIBOR + margin	2015-2016	65,568	56,902
Secured bank loan	Sanad Aero Solutions Investment LLC	USD	LIBOR + margin	2015-2016	25,515	25,120
Secured bank loan	Sanad Aero Ireland 1 Limited	USD	LIBOR + margin	2015-2016	58,544	57,533
Secured bank loan	Sanad Aero II Limited	USD	LIBOR + margin	2015-2016	48,225	39,162
Secured bank loan	Sanad Aero Ireland 2 Limited	USD	LIBOR + margin	2015-2016	11,054	10,834
Secured bank loan	Sanad Aero Ireland 3 Limited	USD	LIBOR + margin	2015-2016	15,808	14,224
Secured bank loan	Sanad Aero Ireland 4 Limited	USD	LIBOR + margin	2015-2016	14,322	12,900
Secured bank loan	Abu Dhabi Future Energy Company PJSC (London Array)	GBP	LIBOR + margin	2015-2016	89,053	84,749
Secured bank loan	Khazna Data Centers LLC	AED	EIBOR + margin	2015-2016	25,034	24,154
Secured bank loan	Injazat Data Systems LLC	AED	EIBOR + margin	2015-2016	26,599	25,859
Secured bank loan	Sigma Investment Company (BVI) (PTC) Limited (GE margin loan)	USD	LIBOR + margin	2015	1,345,869	1,345,869
Secured bond	GlobalFoundries Inc.	USD	LIBOR + margin	2015	16,467	16,475
Unsecured bank loan	Mubadala Development Company PJSC – Revolving Credit Facility	USD	LIBOR + margin	2015	866,946	1,414,298
Unsecured bank loan	Al Yah Satellite Communications Company PJSC	USD	LIBOR + margin	2015-2016	279,392	269,704
Unsecured bank loan	Global Foundries – Atradius term loan	USD	LIBOR + margin	2015-2016	318,961	307,770
Unsecured bank loan	Global Foundries – EXIM guaranteed loan	USD	LIBOR + margin	2015	211,336	323,213
Unsecured bank loan	Global Foundries – EXIM term loan	USD	Fixed coupon	2015-2016	606,072	600,026
Unsecured notes	Global Foundries – Senior notes	USD	Fixed coupon	2015	356,752	356,752
Unsecured loan	Aerospace Investment Company	USD	Fixed coupon	2015	187,349	-
Unsecured loan	Manhal Development Company PJSC (Sorbonne University)	AED	Fixed coupon	2015-2016	15,190	14,700
Unsecured loan	Al Maqsed Development Company PJSC (Zayed University)	AED	Fixed coupon	2015-2016	18,250	17,750
Unsecured loan	Al Hikma Development Company PJSC (UAE University)	AED	Fixed coupon	2015-2016	23,030	22,731
Unsecured loan	Dolphin Investment Company LLC	USD	LIBOR + margin / Fixed	2015-2016	229,995	214,827
Unsecured loan	The Specialist Diabetes Treatment and Research Centre LLC	AED	Fixed coupon	2015-2016	3,229	3,229
Unsecured deposits	Abu Dhabi Finance PJSC	AED	EIBOR + margin	2015-2016	70,000	120,000
Unsecured corporate bond	MDC - GMTN B.V. - Corporate Bond 2016	USD	Fixed coupon	2016	2,748,704	-
Unsecured commercial paper	MDC - GMTN B.V. - Commercial Paper	USD / GBP	Fixed coupon	2015	947,566	668,258
<i>Current total</i>					<b>9,212,603</b>	<b>6,558,752</b>

# Mubadala Development Company PJSC

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## Notes to the interim condensed consolidated financial statements (continued)

The interim condensed consolidated financial statements are unaudited

### 17 Interest bearing borrowings (continued)

#### Terms and debt repayment schedule (continued)

Particulars	Entity name / Project name	Currency	Nominal interest rate	Repayment period	30 Jun 2015 Carrying amount AED '000 (unaudited)	31 Dec 2014 Carrying amount AED '000 (audited)
<i>Non-Current</i>						
Secured bank loan	Al Hikma Development Company PJSC (UAE University)	USD	LIBOR + margin	2016-2022	839,877	899,925
Secured bank loan	Manhal Development Company PJSC (Sorbonne University)	USD	LIBOR + margin	2016-2028	595,885	620,547
Secured bank loan	Manhal Development Company PJSC (Sorbonne University)	AED	EIBOR + margin	2016-2028	198,628	206,849
Secured bank loan	Al Maqsed Development Company PJSC (Zayed University)	USD	LIBOR + margin	2016-2019	1,016,167	1,046,508
Secured bank loan	Al Maqsed Development Company PJSC (Zayed University)	AED	EIBOR + margin	2016-2019	1,860,049	1,915,587
Secured bank loan	SR Technics	CHF / EUR / USD	LIBOR + margin	2016-2018	634,881	728,074
Secured bank loan	Sanad Aero 1 Limited	USD	LIBOR + margin	2016-2022	517,362	413,939
Secured bank loan	Sanad Aero Solutions Investments LLC	USD	LIBOR + margin	2016-2018	54,505	67,361
Secured bank loan	Sanad Aero Ireland 1 Limited	USD	LIBOR + margin	2016-2024	312,381	341,908
Secured bank loan	Sanad Aero II Limited	USD	LIBOR + margin	2016-2029	460,438	330,728
Secured bank loan	Sanad Aero Ireland 2 Limited	USD	LIBOR + margin	2016-2024	102,528	108,110
Secured bank loan	Sanad Aero Ireland 3 Limited	USD	LIBOR + margin	2016-2023	178,563	186,543
Secured bank loan	Sanad Aero Ireland 4 Limited	USD	LIBOR + margin	2016-2022	112,809	120,035
Secured bank loan	Strata Manufacturing PJSC	USD	LIBOR + margin	2016-2022	311,545	342,271
Secured bank loan	National Central Cooling Company PJSC	USD / AED / OMR	LIBOR / EIBOR + margin / Fixed	2016-2024	2,910,631	2,020,872
Secured bank loan	Abu Dhabi Future Energy Company PJSC (London Array)	GBP	LIBOR + margin	2016-2025	1,143,326	1,167,179
Secured bank loan	Abu Dhabi Finance PJSC	AED	EIBOR + margin	2016-2020	85,000	25,000
Secured bank loan	Khazna Data Centers LLC	AED	EIBOR + margin	2016-2023	146,786	153,338
Secured bank loan	Injazat Data Systems LLC	AED	EIBOR + margin	2016-2024	296,928	310,413
Secured bond	GlobalFoundries Inc.	USD	LIBOR + margin	2016-2021	168,552	172,789
Secured loan	Fifty Seventh Investment Company (Trafigura Ventures)	USD	LIBOR + margin	2018	146,940	146,940
Unsecured bank loan	Al Yah Satellite Communications Company PJSC	USD	LIBOR + margin	2016-2022	2,527,437	2,668,217
Unsecured bank loan	Mubadala Treasury Holding Company LLC - EIB term loan	EUR	EURIBOR + margin	2019	962,885	1,050,113
Unsecured bank loan	Mubadala Treasury Holding Company LLC - EIB term loan	EUR	EURIBOR + margin	2020	1,228,256	1,339,525
Unsecured bank loan	Global Foundries – Atradius term loan	USD	LIBOR + margin	2016-2019	1,192,977	1,343,285
Unsecured bank loan	Global Foundries – EXIM guaranteed loan	USD	LIBOR + margin	2016	104,768	211,219
Unsecured bank loan	Global Foundries – EXIM term loan	USD	Fixed coupon	2016-2019	3,202,399	3,170,491
Unsecured loan	Dolphin Investment Company LLC	USD	LIBOR + margin / Fixed coupon	2016-2021	2,282,243	2,402,210
Unsecured loan	The Specialist Diabetes Treatment and Research Centre LLC	AED	Fixed coupon	2016-2020	24,631	24,631
Unsecured loan	Manhal Development Company PJSC (Sorbonne University)	AED	Fixed coupon	2016-2017	15,019	30,072
Unsecured loan	Al Maqsed Development Company PJSC (Zayed University)	AED	Fixed coupon	2016-2017	19,750	33,000
Unsecured loan	Al Hikma Development Company PJSC (UAE University)	AED	Fixed coupon	2016-2020	96,169	110,097
Unsecured loan	Aerospace Investment Company	USD	Fixed coupon		-	187,349
Unsecured corporate bond	MDC - GMTN B.V. - JPY Private Placement	JPY	Fixed coupon	2031	446,790	458,191
Unsecured corporate bond	MDC - GMTN B.V. - EUR Private Placement	EUR	Fixed coupon	2018	326,629	356,224
Unsecured corporate bond	MDC - GMTN B.V. - Corporate Bond 2016	USD	Fixed coupon		-	2,745,507
Unsecured corporate bond	MDC - GMTN B.V. - Corporate Bond 2019	USD	Fixed coupon	2019	1,826,527	1,826,082
Unsecured corporate bond	MDC - GMTN B.V. - Corporate Bond 2021	USD	Fixed coupon	2021	2,740,313	2,739,964
Unsecured corporate bond	MDC - GMTN B.V. - Corporate Bond 2022	USD	Fixed coupon	2022	2,711,361	2,708,979
<i>Non-current total</i>					<b>31,801,935</b>	<b>34,730,072</b>
<i>Total</i>					<b>41,014,538</b>	<b>41,288,824</b>

**Notes to the interim condensed consolidated financial statements (continued)***The interim condensed consolidated financial statements are unaudited***17 Interest bearing borrowings (continued)**

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

	<b>30 Jun 2015</b> AED'000 (unaudited)	31 Dec 2014 AED'000 (audited)
At the beginning of the period / year	<b>41,288,824</b>	41,918,382
New borrowings	<b>4,142,641</b>	13,402,441
Repayments	<b>(4,223,836)</b>	(13,767,511)
Acquired through business combination	-	338,866
Foreign exchange fluctuations and other movements	<b>(193,091)</b>	(603,354)
At the end of the period / year	<b>41,014,538</b>	41,288,824

**18 Commitments and contingent liabilities***Commitments and contingencies*

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

	<b>30 Jun 2015</b> AED'000 (unaudited)	31 Dec 2014 AED'000 (audited)
Capital commitments		
Commitments for acquisition of property, plant and equipment	<b>11,359,925</b>	14,425,662
Commitments for equity investments	<b>5,007,906</b>	4,301,631
Unfunded loan commitments	<b>11,742</b>	22,009
Contingent liabilities <sup>1</sup>	<b>7,792,666</b>	9,404,783
	<b>24,172,239</b>	28,154,085



**Notes to the interim condensed consolidated financial statements (continued)***The interim condensed consolidated financial statements are unaudited***18 Commitments and contingent liabilities (continued)***Operating lease commitments*

The operating lease commitments of the Group are as follows:

	<b>30 Jun 2015</b> <b>AED'000</b> <b>(unaudited)</b>	31 Dec 2014 AED'000 (audited)
Within one year	<b>573,527</b>	526,280
After one year but not more than five years	<b>1,865,315</b>	1,664,263
After five years	<b>2,084,345</b>	2,198,305
Total	<b>4,523,187</b>	4,388,848

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

	<b>30 Jun 2015</b> <b>AED'000</b> <b>(unaudited)</b>	31 Dec 2014 AED'000 (audited)
Capital commitments		
Commitments for acquisition of property, plant and equipment	<b>9,226,012</b>	9,207,568
Commitment to provide loans	<b>6,012,803</b>	5,948,395
Operating lease commitments	<b>3,049,189</b>	2,468,508
Contingent liabilities <sup>1</sup>	<b>6,952,912</b>	6,433,724
	<b>25,240,916</b>	24,058,195

<sup>1</sup> Contingent liabilities include bank guarantees, performance bonds, advance payment bonds and completion guarantees.

**Notes to the interim condensed consolidated financial statements (continued)***The interim condensed consolidated financial statements are unaudited***19 Government grants***Non-monetary government grants**Land*

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

<b>Land identification</b>	Granted in year	Approximate area in square feet	<b>Carrying amount as at 30 Jun 2015</b> <b>AED '000</b> <b>(unaudited)</b>	Carrying amount as at 31 Dec 2014 AED '000 (audited)	Currently classified as <sup>1</sup>
<b>Future economic benefits certain</b>					
Madinat Zayed	2008	26,909,776	-	-	PPE
Arzanah land	2006	13,302,119	<b>1,944,109</b>	1,944,109	Inventory
Healthpoint	2006	179,486	-	-	PPE
Military City	2009	12,242,393	-	-	PPE
Al Maryah Island - Abu Dhabi Global Market Square Development	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	<b>494,491</b>	462,146	Inventory
Al Maryah Island	2006	697,864	<b>51,076</b>	61,860	PPE
New Fish Market	2006	484,448	<b>14,182</b>	15,706	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:					
Own use	2008	2,795,822	-	-	PPE
Commercial use	2008	537,968	<b>206,951</b>	206,951	IP
Phase 1 - remaining portion	2008	7,620,472	<b>620,996</b>	-	Inventory
<b>Future economic benefits uncertain / no future economic benefits</b>					
Jabel Al Dhannah	2009	10,956,700	-	-	N/A
Masdar City Land (remaining portion)	2008	49,496,086	-	-	N/A
Madinat Zayed	2008	116,202,049	-	-	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
Plot P52 Abu Dhabi Island	2014	622,323	-	-	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	61,244,799	-	-	N/A

<sup>1</sup> In the above table, PPE stands for property, plant and equipment and IP stands for investment property.

**Notes to the interim condensed consolidated financial statements (continued)***The interim condensed consolidated financial statements are unaudited***20 Significant transactions and balances with related parties****(a) Identity of related parties**

The Group has related party relationship 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:

	<b>Six month period ended 30 Jun 2015 AED'000 (unaudited)</b>	Six month period ended 30 Jun 2014 AED'000 (unaudited)
<i>Other key management personnel</i>		
Short term benefits	<b>102,773</b>	119,079
Post-employment benefits	<b>3,399</b>	6,659
	<b>106,172</b>	125,738

**(c) Other related party transactions**

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

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

	<b>Six month period ended 30 Jun 2015 AED'000 (unaudited)</b>	Six month period ended 30 Jun 2014 AED'000 (unaudited)
<b>Revenue</b>		
Associates	<b>2,047,266</b>	1,465,675
Entities under common control	<b>1,001,300</b>	1,286,407
Jointly controlled entities	<b>216,299</b>	191,540
Shareholder	<b>73,438</b>	102,027
	<b>3,338,303</b>	3,045,649
<b>Interest income</b>		
Entities under common control	<b>244,697</b>	255,644
Jointly controlled entities	<b>79,135</b>	118,743
Shareholder	<b>15,558</b>	17,931
Associates	<b>-</b>	295
	<b>339,390</b>	392,613

**Notes to the interim condensed consolidated financial statements (continued)***The interim condensed consolidated financial statements are unaudited***20 Significant transactions and balances with related parties (continued)***(c) Other related party transactions (continued)*

	<b>Six month period ended 30 Jun 2015 AED'000 (unaudited)</b>	<b>Six month period ended 30 Jun 2014 AED'000 (unaudited)</b>
<b><i>Income from provision of manpower, project management and consultancy services</i></b>		
Jointly controlled entities	<b>129,581</b>	157,540
Entities under common control	-	1,814
	<b>129,581</b>	159,354
<b><i>Purchase of goods and services</i></b>		
Jointly controlled entities	<b>332,161</b>	271,947
Entities under common control	<b>95,091</b>	65,330
Associates	<b>47,978</b>	84,982
	<b>475,230</b>	422,259
<b><i>Interest bearing borrowing repaid</i></b>		
Entity under common control	<b>199,993</b>	224,313
Jointly controlled entities	<b>165,493</b>	112,478
	<b>365,486</b>	336,791
<b><i>Interest bearing borrowing drawn from entities under common control</i></b>		
	<b>727,268</b>	-
<b><i>Loans given</i></b>		
Jointly controlled entities	<b>974,636</b>	757,267
Associates	<b>11,120</b>	-
	<b>985,756</b>	757,267
<b><i>Loans recovered</i></b>		
Jointly controlled entities	<b>2,628,064</b>	3,195,650
<b><i>Interest expense</i></b>		
Entities under common control	<b>140,365</b>	134,087
Jointly controlled entities	<b>85,895</b>	99,452
Associates	<b>729</b>	810
	<b>226,989</b>	234,349

## Notes to the interim condensed consolidated financial statements (continued)

The interim condensed consolidated financial statements are unaudited

## 20 Significant transactions and balances with related parties (continued)

## (c) Other related party transactions (continued)

	Six month period ended 30 Jun 2015 AED'000 (unaudited)	Six month period ended 30 Jun 2014 AED'000 (unaudited)
<i>Shareholder reimbursements for recoverable projects</i>	<b>696,300</b>	1,639,755
<i>Assets transferred from an associate</i>	<b>108,000</b>	-
<i>Sale of subsidiaries to a jointly controlled entity (see note 5(c))</i>	<b>436,000</b>	493,001
<i>Sale of a subsidiary to an entity under common control</i>	-	435,430
<i>Cash calls paid to jointly controlled entities for joint operations</i>	<b>929,618</b>	719,721
<i>Other miscellaneous transactions</i>		
Entities under common control	<b>20,675</b>	33,230
Associates	<b>4,874</b>	15,165
Jointly controlled entities	<b>198</b>	154,866
	<b>25,747</b>	203,261
<i>(d) Related party balances</i>		
	<b>30 Jun 2015 AED'000 (unaudited)</b>	<b>31 Dec 2014 AED'000 (audited)</b>
<i>Amounts due to related parties</i> <sup>1</sup>		
Associates	<b>273,711</b>	92,598
Jointly controlled entities	<b>167,099</b>	102,183
Entities under common control	<b>138,929</b>	152,124
Shareholder	<b>30,134</b>	55,754
	<b>609,873</b>	402,659
<i>Advances from related parties</i>		
Entity under common control	<b>1,068,988</b>	1,068,988
Associates	-	73,869
	<b>1,068,988</b>	1,142,857
<i>Unearned revenue</i>		
Entity under common control	<b>417,718</b>	403,319
Associates	<b>66,952</b>	352,211
	<b>484,670</b>	755,530

**Notes to the interim condensed consolidated financial statements (continued)***The interim condensed consolidated financial statements are unaudited***20 Significant transactions and balances with related parties (continued)***(d) Related party balances (continued)*

	<b>30 Jun 2015</b> <b>AED'000</b> <b>(unaudited)</b>	31 Dec 2014 AED'000 (audited)
<i>Amounts due from related parties</i>		
Shareholder	2,642,605	2,198,569
Associates	963,847	1,110,559
Entities under common control	859,654	933,318
Jointly controlled entities	425,322	286,169
	<hr/> <b>4,891,428</b> <hr/>	<hr/> <b>4,528,615</b> <hr/>
<b>Deposits from the Shareholder <sup>2</sup></b>	<hr/> <b>690,482</b> <hr/>	<hr/> <b>688,066</b> <hr/>
<i>Cash and cash equivalents with entities under common control</i>	<hr/> <b>6,297,183</b> <hr/>	<hr/> <b>9,149,160</b> <hr/>
<i>Deposits with equity accounted investees</i>	<hr/> <b>-</b> <hr/>	<hr/> <b>30,000</b> <hr/>
<i>Loans to related parties (see note 16)</i>		
Jointly controlled entities	11,278,071	12,944,375
Entities under common control	170,932	186,417
Associates	16,972	5,853
	<hr/> <b>11,465,975</b> <hr/>	<hr/> <b>13,136,645</b> <hr/>
<i>Financial investment in shares of an entity under common control</i>	<hr/> <b>203,247</b> <hr/>	<hr/> <b>466,986</b> <hr/>
<i>Preferred securities of a jointly controlled entity</i>	<hr/> <b>654,795</b> <hr/>	<hr/> <b>939,940</b> <hr/>
<i>Service concession receivables</i>		
Entities under common control	6,130,640	6,311,904
Shareholder	497,521	534,247
	<hr/> <b>6,628,161</b> <hr/>	<hr/> <b>6,846,151</b> <hr/>
<i>Interest bearing borrowings</i>		
Entities under common control	5,590,792	5,609,846
Jointly controlled entities	2,886,995	3,032,736
Associates	27,860	27,860
	<hr/> <b>8,505,647</b> <hr/>	<hr/> <b>8,670,442</b> <hr/>
<i>Finance lease receivables</i>		
Entity under common control	1,283,481	1,281,207
Jointly controlled entity	776,412	759,622
	<hr/> <b>2,059,893</b> <hr/>	<hr/> <b>2,040,829</b> <hr/>

**Notes to the interim condensed consolidated financial statements (continued)***The interim condensed consolidated financial statements are unaudited***20 Significant transactions and balances with related parties (continued)****(d) Related party balances (continued)**

<sup>1</sup> Includes amounts due to related parties except for amounts due to a jointly controlled entity, disclosed under note 14(b).

<sup>2</sup> Deposit from the Shareholder is included under payables and accruals.

**(e) Additional shareholder contributions**

	<b>30 Jun 2015</b> <b>AED'000</b> <b>(unaudited)</b>	31 Dec 2014 AED'000 (audited)
As the beginning of the period / year	<b>141,522,778</b>	123,155,278 <sup>1</sup>
Cash contributions	-	18,367,500 <sup>2</sup>
	<hr/>	<hr/>
At the end of the period / year	<b>141,522,778</b>	141,522,778
	<hr/> <hr/>	<hr/> <hr/>

<sup>1</sup> Additional shareholder contributions represent interest free loans from the Shareholder. As per the terms of the agreements for the amounts received from 2008 to 2013, 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.

<sup>2</sup> During the prior year, an amount of AED 18,367,500 thousand was received from the Shareholder. The legal agreement with respect to this funding is still in process. Management believes that the terms of the agreement would be similar to the additional shareholder contributions received in earlier years.

**21 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.

**22 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 2014. Fair value disclosures are mentioned below:

***Fair value***

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:

## Notes to the interim condensed consolidated financial statements (continued)

The interim condensed consolidated financial statements are unaudited

## 22 Fair value disclosures (continued)

## Fair value (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 2015 (unaudited)

Financial asset / liability	Carrying amount AED'000	Fair value AED'000	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000
<b>Financial assets measured at fair value</b>					
<u>Financial assets designated at FVTPL</u>					
<i>Quoted investments</i>					
Equity securities	7,828,099	7,828,099	7,828,099	-	-
<i>Un-quoted investments</i>					
Convertible bonds	1,460,758	1,460,758	-	-	1,460,758
Equity securities	2,660,912	2,660,912	-	-	2,660,912
Investment funds	6,946,795	6,946,795	-	2,555,602	4,391,193
Derivative assets	105,585	105,585	-	105,585	-
<u>Financial assets held for trading (FVTPL)</u>					
<i>Quoted investments</i>					
Equity securities	2,489,220	2,489,220	2,489,220	-	-
Debt securities other than convertible bonds	175,981	175,981	175,981	-	-
Derivative assets	102,191	102,191	-	102,191	-
<u>Available for sale financial assets</u>					
<i>Quoted investments</i>					
Equity securities	8,195,103	8,195,103	8,195,103	-	-
<i>Un-quoted investments</i>					
Equity securities <sup>1</sup>	31,505				
<u>Other financial assets</u>					
Derivative assets	6,758	6,758	-	6,758	-
	<b>30,002,907</b>				
<b>Financial assets not measured at fair value</b>					
Receivables and prepayments	19,401,902	19,401,902	-	-	19,401,902
Loans receivable	15,274,799	15,274,799	-	-	15,274,799
Finance lease receivables	4,996,674	4,996,674	-	-	4,996,674
Other assets	118,981	118,981	-	-	118,981
Cash and cash equivalents	24,447,358	24,447,358	-	-	24,447,358
	<b>64,239,714</b>				
<b>Financial liabilities measured at fair value</b>					
<i>Derivatives designated and effective as hedging instruments carried at fair value</i>					
Interest rate / cross currency swaps	407,409	407,409	-	407,409	-
Foreign exchange forward contracts	106,394	106,394	-	106,394	-
<i>Financial liabilities designated at fair value through profit or loss</i>					
Interest rate / cross currency swaps	872,337	872,337	-	872,337	-
Foreign exchange forward contracts	3,011	3,011	-	3,011	-
Equity options	9,832	9,832	-	9,832	-
<i>Financial liabilities held for trading</i>					
Equity options	6,626	6,626	-	6,626	-
Exchange traded securities	349,074	349,074	349,074	-	-
	<b>1,754,683</b>				
<b>Financial liabilities not measured at fair value</b>					
Payables and accruals	11,619,149	11,619,149	-	-	11,619,149
Obligation under finance lease	1,319,779	1,319,779	-	-	1,319,779
Amounts due to a jointly controlled entity	1,052,318	1,052,318	-	-	1,052,318
Other liabilities	1,224,416	1,224,416	-	-	1,224,416
Interest bearing borrowings	41,014,538	41,907,025	10,919,391	-	30,987,634
	<b>56,230,200</b>				



## Notes to the interim condensed consolidated financial statements (continued)

The interim condensed consolidated financial statements are unaudited

## 22 Fair value disclosures (continued)

## Fair value (continued)

As at 31 December 2014 (audited)

Financial asset / liability	Carrying amount AED'000	Fair value AED'000	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000
<b>Financial assets measured at fair value</b>					
<u>Financial assets designated at FVTPL</u>					
<i>Quoted investments</i>					
Equity securities	8,228,379	8,228,379	8,228,379	-	-
<i>Un-quoted investments</i>					
Convertible bonds	1,133,817	1,133,817	-	-	1,133,817
Equity securities	551,025	551,025	-	-	551,025
Investment funds	8,045,598	8,045,598	58,136	2,750,288	5,237,174
Derivative assets	248,689	248,689	-	248,689	-
<u>Financial assets held for trading (FVTPL)</u>					
<i>Quoted investments</i>					
Equity securities	2,540,815	2,540,815	2,540,815	-	-
Debt securities other than convertible bonds	118,966	118,966	96,507	22,459	-
Derivative assets	45,128	45,128	-	45,128	-
<u>Available for sale financial assets</u>					
<i>Quoted investments</i>					
Equity securities	8,356,534	8,356,534	8,356,534	-	-
<i>Un-quoted investments</i>					
Equity securities <sup>1</sup>	31,587				
<u>Other financial assets</u>					
Derivative assets	14,186	14,186	-	14,186	-
	29,314,724				
<b>Financial assets not measured at fair value</b>					
Receivables and prepayments	19,094,479	19,094,479	-	-	19,094,479
Loans receivable	19,258,228	19,258,228	-	-	19,258,228
Finance lease receivables	4,993,088	4,993,088	-	-	4,993,088
Other assets	144,168	144,168	-	-	144,168
Cash and cash equivalents	31,749,753	31,749,753	-	-	31,749,753
	75,239,716				
<b>Financial liabilities measured at fair value</b>					
<i>Derivatives designated and effective as hedging instruments carried at fair value</i>					
Interest rate / cross currency swaps	439,075	439,075	-	439,075	-
Foreign exchange forward contracts	250,790	250,790	-	250,790	-
<i>Financial liabilities designated at fair value through profit or loss</i>					
Interest rate / cross currency swaps	857,928	857,928	-	857,928	-
Foreign exchange forward contracts	99,209	99,209	-	99,209	-
Equity options	12,043	12,043	-	12,043	-
<i>Financial liabilities held for trading</i>					
Equity options	1,156	1,156	-	1,156	-
Equity swaps	129,793	129,793	-	129,793	-
Exchange traded securities	418,936	418,936	418,936	-	-
	2,208,930				
<b>Financial liabilities not measured at fair value</b>					
Payables and accruals	12,347,570	12,347,570	-	-	12,347,570
Obligation under finance lease	1,398,292	1,398,292	-	-	1,398,292
Amounts due to a jointly controlled entity	1,147,648	1,147,648	-	-	1,147,648
Other liabilities	1,240,682	1,240,682	-	-	1,240,682
Interest bearing borrowings	41,288,824	42,319,360	11,050,068	-	31,269,292
	57,423,016				

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

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

*The interim condensed consolidated financial statements are unaudited*

**22 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.

<b>Type of financial asset / liability</b>	<b>Valuation techniques and key inputs</b>	<b>Significant unobservable inputs</b>
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	Information on recent market transactions, EBITDA exit multiple of 12, taking into account management's experience and knowledge of market conditions of the specific industries
Financial assets designated at FVTPL -Unquoted convertible bonds	Combination of market and income approach	Discount rate of 6.2 - 6.9 percent, exit cap rates of 4.8 – 4.9 percent and rent growth rates of 3.5 – 5.3 percent, 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. Value is based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates	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 / cross currency swaps and foreign exchange forward contracts designated for hedging	Net present value of estimated cashflows, based on forward interest rates (from observable yield curves at the end of the reporting period)	N/A
Interest rate / cross currency swaps and foreign exchange forward contracts designated at FVTPL	Net present value of estimated cashflows, based on forward interest rates (from observable yield curves at the end of the reporting period)	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

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

The interim condensed consolidated financial statements are unaudited

**22 Fair value disclosures (continued)****Fair values (continued)**

The following table demonstrates the movement for the period / year in the level 3 of fair value hierarchy:

	30 Jun 2015			31 Dec 2014		
	Convertible bonds AED'000 (unaudited)	Equity securities AED'000 (unaudited)	Investment funds AED'000 (unaudited)	Convertible bonds AED'000 (audited)	Equity securities AED'000 (audited)	Investment funds AED'000 (audited)
At the beginning of the period / year	1,133,817	551,025	5,237,174	578,180	551,025	5,368,185
Additions	-	620,852	249,415	-	-	1,662,852
Increase in fair value recognised in profit or loss (net) <sup>1</sup>	326,941	443,610	298,677	555,637	-	649,166
Disposals	-	-	(1,394,073)	-	-	(554,478)
Transfer out of Level 3 to Level 2	-	-	-	-	-	(1,888,551)
Transfer out of Level 1 to Level 3 <sup>2</sup>	-	1,045,425	-	-	-	-
At the end of the period / year	1,460,758	2,660,912	4,391,193	1,133,817	551,025	5,237,174

<sup>1</sup> 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 interim condensed consolidated statement of comprehensive income.

<sup>2</sup> During the period, management changed the valuation method of one of its investments in equity securities from quoted prices to a valuation technique based on unobservable inputs, due to significant decrease in market activity of these securities.

**23 Comparative figures**

Certain comparative figures have been reclassified, wherever necessary, to conform to the presentation adopted in the interim condensed consolidated financial statements. The significant reclassification is set out below.

	As previously Reported AED'000	Reclassifications AED'000	As reclassified AED'000
<b>Statement of financial position</b>			
<b>Non-current assets</b>			
Receivables and prepayments	8,451,997	(550,875)	7,901,122
<b>Current assets</b>			
Receivables and prepayments	18,059,990	(5,356,925)	12,703,065
Cash and cash equivalents	25,841,953	5,907,800	31,749,753

As at the year ended 31 December 2014, the Group had certain deposits amounting to AED 5,907,800 thousands, which had an original maturity of more than three months and were therefore classified as 'Restricted and long term deposits' and disclosed within 'Receivables and prepayments'. However, these specific deposits were readily convertible into known amount of cash and cash equivalents and were subject to an insignificant risk of changes in value. Therefore, the Group has reclassified the same to 'Cash and cash equivalents' retrospectively.

These deposits were placed during the year 2014 and therefore the reclassification does not affect any other prior period. Accordingly, comparative figures as at 31 December 2014 have been reclassified.

**Notes to the interim condensed consolidated financial statements** *(continued)**The interim condensed consolidated financial statements are unaudited***24 Subsequent events**

On 18 October 2014, one of the Group's subsidiary GlobalFoundries ('GF') entered into a definitive agreement with International Business Machines Corporation ('IBM') pursuant to which IBM agreed to transfer certain assets of its Microelectronics business and payments in cash of USD 1.5 billion over 3 years to GlobalFoundries (the "transaction"). The Transaction closed on 01 July 2015.

At closing, IBM paid GF USD 750 million out of agreed USD 1.5 billion offset by USD 270.3 million for the estimated value of certain assets and working capital at the time of close. IBM will pay GF the residual USD 750 million in instalments up to 2017. The Group is in the process of completing purchase price allocation with regard to this transaction.