

## **Mubadala Development Company PJSC**

Review report and interim  
financial information for the  
period ended 30 June 2012

### **Principal business address**

PO Box 45005  
Abu Dhabi  
United Arab Emirates

# **Mubadala Development Company PJSC**

Review report and interim financial information  
for the period ended 30 June 2012

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## **REPORT ON REVIEW OF INTERIM 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 2012 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.)

Saba Y. Sindaha  
Registration No. 410  
Abu Dhabi  
27 September 2012

## Mubadala Development Company PJSC

### Condensed consolidated statement of comprehensive income

The condensed consolidated financial statements are unaudited

		<b>Six month period ended 30 Jun 2012 AED '000 (unaudited)</b>	Six month period ended 30 Jun 2011 AED '000 (unaudited)
Revenue from sale of goods and services	6	<b>15,974,784</b>	13,506,759
Cost of sales of goods and services	7	<b>(11,012,006)</b>	(10,711,299)
<b>Gross profit</b>		<b>4,962,778</b>	2,795,460
Income from investment in equity accounted investees (net)	17	<b>1,185,593</b>	763,973
Government grant income		<b>261,561</b>	178,706
Dividend income		<b>341,584</b>	235,070
Gain on acquisition of stake in subsidiaries		-	231,093
Finance income from commercial loans		<b>205,449</b>	139,240
Other income ( <i>net</i> )	8	<b>306,823</b>	210,232
Research and development expenses	9	<b>(1,754,176)</b>	(1,361,810)
Project expenses		<b>(263,464)</b>	(291,711)
Exploration costs		<b>(176,271)</b>	(96,254)
Other general and administrative expenses	10	<b>(2,889,761)</b>	(2,401,599)
<b>Profit before fair value changes on financial investments, impairments, net finance expense and taxes</b>		<b>2,180,116</b>	402,400
Loss on financial investments ( <i>net</i> )	11	<b>(771,643)</b>	(929,313)
Decrease in fair value of investment properties ( <i>net</i> )	16	<b>(54,786)</b>	(315,452)
Impairment losses on property, plant and equipment		<b>(9,395)</b>	(353,842)
Impairment losses on intangible assets		-	(29,083)
<b>Profit / (loss) before interest and taxes</b>		<b>1,344,292</b>	(1,225,290)
Finance income and net foreign exchange gain		<b>1,011,550</b>	1,048,276
Finance expense and net foreign exchange loss		<b>(1,329,147)</b>	(1,664,079)
<b>Net finance expense</b>		<b>(317,597)</b>	(615,803)
<b>Profit / (loss) before income tax</b>		<b>1,026,695</b>	(1,841,093)
Income tax (expense) / credit	12	<b>(175,155)</b>	657,866
<b>Profit / (loss) for the period</b>		<b>851,540</b>	(1,183,227)

## Mubadala Development Company PJSC

Condensed consolidated statement of comprehensive income (*continued*)

The condensed consolidated financial statements are unaudited

	<b>Six month period ended 30 Jun 2012 AED '000 (unaudited)</b>	Six month period ended 30 Jun 2011 AED '000 (unaudited)
	<i>Notes</i>	
<b>Other comprehensive income</b>		
Increase in fair value of available-for-sale financial assets	<b>248,371</b>	238,631
Effective portion of changes in fair values of cash flow hedges and other reserves	<b>(17,698)</b>	121,775
Net change in translation reserve	<b>(20,547)</b>	386,210
Share of effective portion of changes in fair values of hedging instruments of equity accounted investees	<i>17</i> <b>(73,691)</b>	(27,098)
Share of changes in translation reserve of equity accounted investees	<i>17</i> <b>(11,140)</b>	10,479
<b>Other comprehensive income for the period net of income tax</b>	<b>125,295</b>	729,997
<b>Total comprehensive income / (loss) for the period</b>	<b>976,835</b>	(453,230)
Profit / (loss) for the period	<b>851,540</b>	(1,183,227)
Less: Loss attributable to non-controlling interest	<b>(133,187)</b>	(696,750)
<b>Profit / (loss) for the period attributable to the owner of the Group</b>	<b>984,727</b>	(486,477)
Total comprehensive income / (loss) for the period	<b>976,835</b>	(453,230)
Less: Total comprehensive loss attributable to non-controlling interests	<b>(106,837)</b>	(651,067)
<b>Total comprehensive income for the period attributable to the owner of the Group</b>	<b>1,083,672</b>	197,837

The notes set out on pages 10 to 33 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

		<b>30 Jun 2012</b>	31 Dec 2011
		<b>AED '000</b>	AED '000
	<i>Notes</i>	<b>(unaudited)</b>	(audited)
<b>Non-current assets</b>			
Property, plant and equipment	14	<b>74,451,489</b>	69,276,977
Intangible assets	15	<b>7,023,168</b>	6,767,429
Investment properties	16	<b>5,963,655</b>	5,637,583
Investment in equity accounted investees			
- associates	17(a)	<b>7,714,550</b>	6,985,883
- jointly controlled entities	17(b)	<b>7,283,860</b>	6,212,537
Financial investments	18	<b>16,962,665</b>	18,175,867
Loans receivable	19	<b>20,568,302</b>	12,087,994
Other assets		<b>606,475</b>	713,887
Receivables and prepayments	20	<b>8,113,051</b>	8,907,290
Finance lease receivables		<b>1,425,275</b>	1,428,565
Deferred tax assets		<b>1,272,318</b>	1,088,087
		<hr/>	<hr/>
<b>Total non-current assets</b>		<b>151,384,808</b>	137,282,099
<b>Current assets</b>			
Inventories		<b>6,795,979</b>	6,383,484
Financial investments	18	<b>2,154,623</b>	1,453,996
Loans receivable	19	<b>3,323,141</b>	2,475,837
Receivables and prepayments	20	<b>17,503,627</b>	14,870,163
Finance lease receivables		<b>122,292</b>	105,582
Cash and cash equivalents	21	<b>13,557,386</b>	14,524,088
		<hr/>	<hr/>
<b>Total current assets</b>		<b>43,457,048</b>	39,813,150
		<hr/>	<hr/>
<b>Total assets</b>		<b>194,841,856</b>	177,095,249

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# Mubadala Development Company PJSC

## Condensed consolidated statement of financial position (*continued*)

The condensed consolidated financial statements are unaudited

		<b>30 Jun 2012</b>	31 Dec 2011
		<b>AED '000</b>	AED '000
	<i>Notes</i>	<b>(unaudited)</b>	(audited)
<b>Equity</b>			
Share capital		<b>15,000,000</b>	15,000,000
Reserves and deficit		<b>(4,066,518)</b>	(3,549,220)
Additional shareholder contributions	26(e)	<b>112,299,530</b>	94,502,530
Government grants	25(b)	<b>367,350</b>	367,350
<b>Total equity attributable to the owner of the Group</b>		<b>123,600,362</b>	106,320,660
Non-controlling interests		<b>1,488,067</b>	54,216
<b>Total equity</b>		<b>125,088,429</b>	106,374,876
<b>Non-current liabilities</b>			
Interest bearing borrowings	22	<b>35,584,422</b>	38,124,157
Government grants		<b>2,103,712</b>	2,062,052
Obligation under finance lease		<b>1,316,870</b>	1,373,380
Deferred tax liabilities		<b>1,666,178</b>	1,583,311
Financial liabilities at fair value		<b>1,536,171</b>	1,397,061
Other liabilities		<b>2,167,727</b>	2,261,474
<b>Total non-current liabilities</b>		<b>44,375,080</b>	46,801,435
<b>Current liabilities</b>			
Interest bearing borrowings	22	<b>6,042,764</b>	5,053,303
Government grants		<b>485,473</b>	309,617
Obligation under finance lease		<b>157,236</b>	147,635
Payables and accruals	23	<b>16,852,869</b>	16,618,250
Amounts due to equity accounted investees	17(a,b)	<b>1,029,360</b>	824,323
Income tax payable		<b>304,253</b>	496,500
Financial liabilities at fair value		<b>506,392</b>	469,310
<b>Total current liabilities</b>		<b>25,378,347</b>	23,918,938
<b>Total liabilities</b>		<b>69,753,427</b>	70,720,373
<b>Total equity and liabilities</b>		<b>194,841,856</b>	177,095,249

The condensed consolidated financial statements were authorised for issue by the Board of Directors on 27 September 2012 and were signed on their behalf by:

_____ <i>Director</i>	_____ <i>Chief Executive Officer &amp; Managing Director</i> <i>Khaldoon Khalifa Al Mubarak</i>	_____ <i>Chief Financial Officer</i> <i>Carlos Obeid</i>
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The notes set out on pages 10 to 33 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	Statutory reserve <sup>1</sup> AED'000 <i>(note 27)</i>	Fair value reserve <sup>1</sup> AED'000	Foreign currency translation reserve <sup>1</sup> AED'000	Hedging and other reserves <sup>1</sup> AED'000	Accumulated losses AED'000	Reserves and surplus AED'000	Additional shareholder contributions AED'000	Government grants AED'000 <i>(note 25(b))</i>	Total attributable to the equity holder AED'000	Non- controlling interest AED'000	Total AED'000
At 1 January 2011	15,000,000	802,307	2,913,585	629,835	(715,857)	(2,891,523)	738,347	45,725,643	367,350	61,831,340	285,522	62,116,862
Loss for the period	-	-	-	-	-	(486,477)	(486,477)	-	-	(486,477)	(696,750)	(1,183,227)
Increase in fair value of available for sale financial assets <i>(net)</i>	-	-	238,631	-	-	-	238,631	-	-	238,631	-	238,631
Net change in translation reserve	-	-	-	359,861	-	-	359,861	-	-	359,861	26,349	386,210
Share of movement in translation reserve of equity accounted investees	-	-	-	10,479	-	-	10,479	-	-	10,479	-	10,479
Share of effective portion of changes in fair value of hedging instruments of equity accounted investees	-	-	-	-	(27,098)	-	(27,098)	-	-	(27,098)	-	(27,098)
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	102,441	-	102,441	-	-	102,441	19,334	121,775
<b>Other comprehensive income</b>	-	-	238,631	370,340	75,343	-	684,314	-	-	684,314	45,683	729,997
<b>Total comprehensive loss</b>	-	-	238,631	370,340	75,343	(486,477)	197,837	-	-	197,837	(651,067)	(453,230)
Additional shareholder contributions	-	-	-	-	-	-	-	37,143,409	-	37,143,409	-	37,143,409
Non-controlling interest upon acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	790,916	790,916
Non-controlling interest upon disposal of stake of a subsidiary	-	-	-	-	-	(119,838)	(119,838)	-	-	(119,838)	252,706	132,868
Movement in non-controlling interest	-	-	-	-	-	-	-	-	-	-	(43,106)	(43,106)
<b>At 30 June 2011</b>	<b>15,000,000</b>	<b>802,307</b>	<b>3,152,216</b>	<b>1,000,175</b>	<b>(640,514)</b>	<b>(3,497,838)</b>	<b>816,346</b>	<b>82,869,052</b>	<b>367,350</b>	<b>99,052,748</b>	<b>634,971</b>	<b>99,687,719</b>

<sup>1</sup> Non distributable reserves



## Mubadala Development Company PJSC

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	Statutory reserve <sup>1</sup> AED'000 (note 27)	Fair value reserve <sup>1</sup> AED'000	Foreign currency translation reserve <sup>1</sup> AED'000	Hedging and other reserves <sup>1</sup> AED'000	Accumulated losses AED'000	Reserves and deficit AED'000	Additional shareholder contributions AED'000 (note 26(e))	Government grants AED'000 (note 25(b))	Total attributable to the equity holder AED'000	Non-controlling interest AED'000	Total AED'000
At 1 January 2012	15,000,000	802,307	2,365,332	572,756	(1,078,599)	(6,211,016)	(3,549,220)	94,502,530	367,350	106,320,660	54,216	106,374,876
Profit for the period	-	-	-	-	-	984,727	984,727	-	-	984,727	(133,187)	851,540
Increase in fair value of available for sale financial assets (net)	-	-	248,371	-	-	-	248,371	-	-	248,371	-	248,371
Net change in translation reserve	-	-	-	(43,391)	-	-	(43,391)	-	-	(43,391)	22,844	(20,547)
Share of movement in translation reserve of equity accounted investees	-	-	-	(11,140)	-	-	(11,140)	-	-	(11,140)	-	(11,140)
Share of effective portion of changes in fair value of hedging instruments of equity accounted investees	-	-	-	-	(73,691)	-	(73,691)	-	-	(73,691)	-	(73,691)
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	(21,204)	-	(21,204)	-	-	(21,204)	3,506	(17,698)
<b>Other comprehensive income</b>	-	-	248,371	(54,531)	(94,895)	-	98,945	-	-	98,945	26,350	125,295
<b>Total comprehensive income</b>	-	-	248,371	(54,531)	(94,895)	984,727	1,083,672	-	-	1,083,672	(106,837)	976,835
Dividends paid to non-controlling interest holders	-	-	-	-	-	-	-	-	-	-	(9,759)	(9,759)
Additional shareholder contributions	-	-	-	-	-	-	-	17,797,000	-	17,797,000	-	17,797,000
Non-controlling interest movement upon acquisition of stake in a subsidiary (see note 5(a))	-	-	-	-	-	(1,600,970)	(1,600,970)	-	-	(1,600,970)	581,185	(1,019,785)
Non-controlling interest movement upon acquisition of stake in a subsidiary (see note 5(b))	-	-	-	-	-	-	-	-	-	-	967,355	967,355
Other movement in non-controlling interest	-	-	-	-	-	-	-	-	-	-	1,907	1,907
<b>At 30 June 2012</b>	<b>15,000,000</b>	<b>802,307</b>	<b>2,613,703</b>	<b>518,225</b>	<b>(1,173,494)</b>	<b>(6,827,259)</b>	<b>(4,066,518)</b>	<b>112,299,530</b>	<b>367,350</b>	<b>123,600,362</b>	<b>1,488,067</b>	<b>125,088,429</b>

<sup>1</sup> Non distributable reserves

The notes set out on pages 10 to 33 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>	<b>Six month period ended 30 Jun 2012 AED '000 (unaudited)</b>	Six month period ended 30 Jun 2011 AED '000 (unaudited)
<b>Cash flows from operating activities</b>			
Profit / (loss) for the period		<b>851,540</b>	(1,183,227)
<i>Adjustments for:</i>			
Depreciation of property, plant, and equipment		<b>3,339,119</b>	3,480,892
Amortisation of intangible assets		<b>349,209</b>	683,793
Amortisation of government grants		<b>(197,082)</b>	-
Decrease in fair value of investment properties ( <i>net</i> )		<b>54,786</b>	315,452
Impairment losses on property, plant and equipment and intangible assets		<b>9,395</b>	382,925
Gain on disposal of property, plant and equipment		<b>(1,870)</b>	(9,665)
Net change in fair value of financial assets / liabilities at fair value through profit or loss ( <i>net</i> )		<b>(1,105,516)</b>	830,754
Revenue recognised for non-monetary considerations		<b>(509,976)</b>	-
Finance income relating to finance lease receivable		<b>(63,120)</b>	-
Impairment losses on available for sale financial assets		<b>1,877,159</b>	98,559
Loss on disposal in an equity accounted investee		-	1,903
Gain on disposal of financial investments		<b>(31,683)</b>	(12,036)
Gain on disposal of working interest		<b>(11,259)</b>	-
Gain on acquisition of stake in subsidiaries		-	(231,093)
Share of results of equity accounted investees			
- associates	<i>17(a)</i>	<b>(544,976)</b>	(8,111)
- jointly controlled entities	<i>17(b)</i>	<b>(640,617)</b>	(755,862)
Provision for inventory obsolescence		<b>(234,888)</b>	-
Provision for loans receivable		<b>18,177</b>	-
Finance income		<b>(1,011,550)</b>	(1,048,276)
Finance expense		<b>1,329,147</b>	1,664,079
Income tax expense / (credit)		<b>175,155</b>	(657,866)
Dividend income		<b>(341,584)</b>	(235,068)
		<b>3,309,566</b>	3,317,153
Change in inventories		<b>(170,721)</b>	(621,601)
Change in receivables and prepayments		<b>(1,328,456)</b>	(4,546,551)
Change in payables and accruals		<b>(568,000)</b>	2,057,582
Change in obligation under finance lease		<b>14,124</b>	254,671
Change in government grants		-	740,195
Change in other liabilities		<b>(86,872)</b>	(1,528,199)
Change in other assets		<b>112,315</b>	749,462
Lease rental received		<b>49,700</b>	-
Income taxes paid		<b>(522,767)</b>	(102,168)
Dividends received from financial investments		<b>291,476</b>	235,068
Dividends received from equity accounted investees	<i>17(a,b)</i>	<b>1,566,251</b>	506,511
<b>Net cash generated by operating activities</b>		<b>2,666,616</b>	1,062,123

*Continued .....*

# Mubadala Development Company PJSC

## Condensed consolidated statement of cash flows *(continued)*

The condensed consolidated financial statements are unaudited

	<i>Notes</i>	<b>Six month period ended 30 Jun 2012 AED '000 (unaudited)</b>	Six month period ended 30 Jun 2011 AED '000 (unaudited)
<b>Cash flows from investing activities</b>			
Proceeds from disposal of equity accounted investees		-	4,408
Cash arising from acquisitions of subsidiaries		-	483,852
Proceeds from disposal of stake in a subsidiary		-	133,616
Proceeds from disposal of working interest		<b>9,841</b>	-
Investment in equity accounted investees	<i>17(a,b)</i>	<b>(2,276,713)</b>	(295,488)
Acquisition of financial investments		<b>(955,584)</b>	(4,097,008)
Proceeds from disposal of financial investments		<b>1,128,183</b>	-
Acquisition of property, plant and equipment		<b>(8,586,687)</b>	(10,969,996)
Acquisition of investment properties		<b>(352,789)</b>	(672,867)
Acquisition of intangible assets	<i>15</i>	<b>(492,577)</b>	(628,503)
Proceeds from disposal of property, plant and equipment		<b>71,926</b>	121,096
Loans given <i>(net)</i>		<b>(9,321,961)</b>	(1,269,292)
Interest received		<b>936,629</b>	1,048,276
<b>Net cash used in investing activities</b>		<b>(19,839,732)</b>	(16,141,906)
<b>Cash flows from financing activities</b>			
Proceeds from interest bearing borrowings	<i>22</i>	<b>3,985,207</b>	9,096,688
Cash received upon transfer of a subsidiary		-	6,092,096
Repayment of interest bearing borrowings	<i>22</i>	<b>(5,558,004)</b>	(2,935,425)
Additional shareholder contributions	<i>26(e)</i>	<b>17,797,000</b>	16,350,000
Proceeds from government grants	<i>25(b)</i>	<b>244,953</b>	-
Interest paid		<b>(1,103,917)</b>	(1,348,529)
Cash from acquisition of non-controlling interest in subsidiaries		<b>967,355</b>	-
Dividends paid to non-controlling interest		<b>(9,759)</b>	-
Change in non-controlling interest		<b>1,907</b>	(43,106)
<b>Net cash generated by financing activities</b>		<b>16,324,742</b>	27,211,724
<b>Net increase in cash and cash equivalents</b>		<b>(848,374)</b>	12,131,941
Cash and cash equivalents at 1 January		<b>14,524,088</b>	6,261,890
Exchange fluctuation on consolidation of foreign entities		<b>(118,328)</b>	(182,252)
<b>Cash and cash equivalents at 30 June</b>		<b>13,557,386</b>	18,211,579

The notes set out on pages 10 to 33 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.

The condensed consolidated financial statements include the financial performance and position of the Company, its subsidiaries and its jointly controlled assets (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 energy and natural resources, aerospace, utilities, real estate, commercial finance, basic industries and services, renewable energy, information technology, semi-conductor, infrastructure, sea port operations, medical services and flight training services.

### 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 2011, prepared in accordance with IFRS.

### 3 Significant accounting policies

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

#### a) New and revised IFRSs adopted with no material effect on the condensed consolidated financial statements

The following new and revised IFRSs have been adopted in these condensed consolidated financial statements. The adoption of these new and revised IFRSs has not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for future transactions or arrangements.

#### *New and revised IFRSs*

#### *Effective for annual periods beginning on or after*

Amendments to IFRS 1 First-time Adoption of international Financial Reporting Standards: Additional exemption for entities ceasing to suffer from severe hyperinflation	1 July 2011
Amendments to IFRS 7 Financial Instruments: Amendments enhancing disclosures about transfers of financial assets	1 July 2011
Amendments to IAS 12 Income Taxes: Limited scope amendment (recovery of underlying assets)	1 January 2012

# Mubadala Development Company PJSC

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

The condensed consolidated financial statements are unaudited

### 3 Significant accounting policies (continued)

#### b) New and revised IFRSs in issue but not yet effective and not early adopted

The Group has not yet adopted the following new and revised IFRSs that have been issued but are not yet effective:

<i>New and revised IFRSs</i>	<i>Effective for annual periods beginning on or after</i>
Amendments to IAS 1 Presentation of Financial Statements: relating to grouping items recognised in other comprehensive income	1 July 2012
IAS 19 Employee Benefits (revised 2011)	1 January 2013
IAS 27 Separate Financial Statements (revised in 2011)	1 January 2013
IAS 28 Investments in Associates and Joint Ventures (revised in 2011)	1 January 2013
Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards relating to accounting for government loans at below market interest rate	1 January 2013
Amendments to IAS 32 Financial Instruments: Presentation relating to application of the requirements on offsetting financial assets and liabilities	1 January 2014
Amendments to IFRS 7 Financial Instruments: Disclosures relating to disclosures of netting arrangements and rights of setoff associated with recognised financial assets and liabilities	1 January 2013
Amendments to IFRS 7 Financial Instruments: Disclosures deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures.	1 January 2015
IFRS 9 Financial Instruments (as amended in 2010)	1 January 2015
IFRS 10 Consolidated Financial Statements	1 January 2013
IFRS 11 Joint Arrangements	1 January 2013
IFRS 12 Disclosure of Interests in Other Entities	1 January 2013
IFRS 13 Fair Value Measurement	1 January 2013
Annual Improvements 2009 – 2011 Cycle covering amendments to IFRS 1, IAS 1, IAS 16, IAS 32 and IAS 34	1 January 2013
IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

Management anticipates that these amendments and new IFRSs will be adopted in the Group's financial statements for periods when they are applicable. Management is currently assessing the impact of these amendments and standards on the financial statements.

### 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.

Except as described below, 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 2011.

During the six month period ended 30 June 2012 management reassessed its estimates in respect of the fair values of its investment properties. In line with the general decline in market rentals in the Emirate of Abu Dhabi, the fair values of such investment properties have been written down by AED 54,786 thousand (*six month period ended 30 June 2011: AED 315,452 thousand*).

# Mubadala Development Company PJSC

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

The condensed consolidated financial statements are unaudited

### 4 Estimates (continued)

The Group reviews its investments for impairment at every reporting period date. The value of the Group's investment in unquoted available for sale securities which were carried at cost less impairment was reassessed at the reporting date taking into consideration the latest changes in market conditions. Included under available for sale financial assets, is one of the Group's investment in an asset management firm, which was carried in December 2011 at cost less impairment on the basis that a reliable measure of the fair value was not available and accordingly classified under unquoted securities. During the current period, this asset management firm has completed a partial Initial Public Offering (IPO), following which management revised its basis of measurement from cost less impairment basis to fair value and accordingly this investment is now disclosed under quoted securities. Prior to designation at fair value, management assessed the investment for impairment and recognized an amount of AED 1,877,159 thousand as impairment charge. (see notes 11 and 18).

### 5 Acquisitions

#### (a) Acquisition of stake in Global foundries

During the period, the Group has increased its stake in its subsidiary GlobalFoundries ("GF").

The Group's interest in GF was held through a number of debt and equity instruments until March 2012. During the period, the Group increased its contractual ownership in GF from 88.48% as at 31 December 2011 to 89.06% as at 4 March 2012.

On 4 March 2012, the Group's ownership stake in GF increased to 100% as a result of amendment to the Wafer Supply Agreement ("WSA"), the details of which are outlined below.

#### *Amendment to the WSA and acquisition of non-controlling interest*

The Group had the WSA with a non-controlling shareholder in GF, Advanced Micro Devices Corporation ("AMD"), who is also one of GF's key customers. On 4 March 2012, the Group and AMD entered into an amendment to the WSA which established a wafer price mechanism with negotiated price based on a take-or-pay arrangement in 2012, and a framework for wafer pricing in 2013 and a limited waiver of an exclusivity arrangement with AMD which permitted AMD to manufacture certain 28nm APU products at a competitor for an aggregate consideration of AED 2,581 million. In partial consideration of the limited waiver, AMD agreed to pay AED 1,561 million over installments in 2012. As part of the amendment, for the balance consideration, AMD also agreed to surrender all of its shares in GF. As a result, as of 30 June 2012, AMD is no longer a non-controlling shareholder in GF. The Group will recognise the aggregate consideration of AED 2,581 million of the limited waiver as revenue ratably over the 2012 wafer supply period. (see notes 20 and 23).

#### (b) Acquisition of stake in DH Publishing Limited

On 29 June 2012, the Group acquired a controlling interest, through 45.52% effective equity ownership and Board of Directors representations, in 'Nile Acquisition Holding Company Limited', a limited liability company incorporated in Cayman Islands ("NAHCL"). The Group consolidates NAHCL since 29 June 2012 as a subsidiary with 54.48% non-controlling interest. NAHCL invested into 60.16% of equity ownership of 'DH Publishing Limited', a limited liability company incorporated in Cayman Islands ("DH JV"). NAHCL accounts for DH JV as an equity accounted joint venture. DH JV was formed to acquire the music publishing business of EMI Group Limited.

# Mubadala Development Company PJSC

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

The condensed consolidated financial statements are unaudited

### 5 Acquisitions (continued)

#### (b) Acquisition of stake in DH Publishing Limited (continued)

As of 30 June 2012, the allocation of purchase price is being completed. Consequently, an amount of AED 1,776 million was recognised as an investment in equity accounted joint venture and a corresponding minority interest of AED 968 million has been recognised.

### 6 Revenue from sale of goods and services

	Six month period ended 30 Jun 2012 AED '000 (unaudited)	Six month period ended 30 Jun 2011 AED '000 (unaudited)
Sale from semi conductor wafers	7,785,958	5,455,800
Sale of hydrocarbons	3,512,207	3,785,964
Aircraft maintenance and repairs	2,796,313	2,662,302
Revenue from supply of chilled water	443,694	112,065
Medical services	306,569	208,577
Satellite capacity service revenue	320,865	-
Contract revenue	132,404	153,833
Service concession revenue	81,319	702,873
Others	595,455	425,345
	<b>15,974,784</b>	<b>13,506,759</b>

### 7 Cost of sales of goods and services

	Six month period ended 30 Jun 2012 AED '000 (unaudited)	Six month period ended 30 Jun 2011 AED '000 (unaudited)
Raw material	5,777,852	5,196,022
Depreciation of property, plant and equipment	2,953,699	3,071,318
Staff costs	1,054,979	1,116,349
Service concession cost	73,813	587,040
Amortisation of intangible assets	108,183	213,229
Others	1,043,480	527,341
	<b>11,012,006</b>	<b>10,711,299</b>

# Mubadala Development Company PJSC

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

The condensed consolidated financial statements are unaudited

### 8 Other income (net)

	<b>Six month period ended 30 Jun 2012 AED '000 (unaudited)</b>	Six month period ended 30 Jun 2011 AED '000 (unaudited)
Rental income	<b>141,198</b>	26,879
Gain on disposal of working interest	<b>11,259</b>	-
Management fee	<b>22,301</b>	58,767
Others	<b>132,065</b>	124,586
	<b>306,823</b>	210,232

### 9 Research and development expenses

	<b>Six month period ended 30 Jun 2012 AED '000 (unaudited)</b>	Six month period ended 30 Jun 2011 AED '000 (unaudited)
Depreciation of property, plant and equipment	<b>37,045</b>	199,109
Staff costs	<b>662,935</b>	358,433
Joint development agreement fees	<b>242,451</b>	224,084
Amortisation of intangible assets	<b>68,557</b>	120,198
Others	<b>743,188</b>	459,986
	<b>1,754,176</b>	1,361,810

### 10 Other general and administrative expenses

	<b>Six month period ended 30 Jun 2012 AED '000 (unaudited)</b>	Six month period ended 30 Jun 2011 AED '000 (unaudited)
Staff costs	<b>895,067</b>	836,301
Depreciation of property, plant and equipment	<b>348,375</b>	183,474
Amortisation of intangible assets	<b>172,469</b>	345,337
Others	<b>1,473,850</b>	1,036,487
	<b>2,889,761</b>	2,401,599



# Mubadala Development Company PJSC

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

The condensed consolidated financial statements are unaudited

### 11 Loss on financial investments

	<b>Six month period ended 30 Jun 2012 AED '000 (unaudited)</b>	Six month period ended 30 Jun 2011 AED '000 (unaudited)
<i>Financial assets / liabilities at fair value through profit or loss</i>		
Net change in fair value of investments	<b>1,168,247</b>	(723,478)
Net change in the fair value of derivatives used as economic hedges - not designated for hedge accounting	<b>(62,731)</b>	(107,276)
	<b>1,105,516</b>	(830,754)
<i>Available for sale financial assets</i>		
Impairment losses	<b>(1,877,159)</b> <sup>1</sup>	(98,559)
	<b>(771,643)</b>	(929,313)

<sup>1</sup> See note 4.

### 12 Income tax

	<b>Six month period ended 30 Jun 2012 AED '000 (unaudited)</b>	Six month period ended 30 Jun 2011 AED '000 (unaudited)
Income tax credit <sup>1</sup>	<b>39,616</b>	792,080
Income tax expense <sup>2</sup>	<b>(214,771)</b>	(134,214)
Income tax (expense) / credit	<b>(175,155)</b>	657,866

<sup>1</sup> The above tax income (benefit) benefit primarily flows through one of the companies in the Group that has entities incorporated in Europe and Singapore. The tax benefit arising from Europe is impacted by the movement of the foreign exchange rate between the Euro and US dollar, arising from strengthening of Euro against US Dollar during the current period.

<sup>2</sup> Income tax expense primarily pertains to taxable income arising from the sale of crude oil in the Jasmine field, Thailand.

## Mubadala Development Company PJSC

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

The condensed consolidated financial statements are unaudited

### 13 Operating segments

	Oil & Gas & Energy	Renewable Energy	Industry	Real Estate & Hospitality	Infrastructure	Services Ventures	Aerospace	Information & Communication Technology	Healthcare	Semi Conductor Technology	Corporate / Acquisitions	Consolidated
	30-Jun-12	30-Jun-12	30-Jun-12	30-Jun-12	30-Jun-12	30-Jun-12	30-Jun-12	30-Jun-12	30-Jun-12	30-Jun-12	30-Jun-12	30-Jun-12
	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenues from external customers	3,512,207	16,880	521,344	12,150	81,642	162,592	3,051,169	342,273	330,406	7,932,027	12,094	15,974,784
Profit / (loss) for the period attributable to the owner of the Group	1,993,668	(238,266)	155,852	(48,468)	2,110	29,739	124,012	88,567	58,156	(789,185)	(391,458)	984,727
Total comprehensive income / (loss) attributable to the owner of the Group <sup>1</sup>	1,994,958	(324,988)	124,128	(49,374)	2,110	29,739	60,898	92,464	58,156	(780,363)	(124,056)	1,083,672
Total comprehensive income / (loss) attributable to the owner of the Group excluding impairments and fair value movements on investment property and financial investments <sup>1</sup>	1,993,668	(241,236)	251,852	6,318	75,941	29,739	133,278	88,567	58,156	(789,185)	301,903	1,909,001
Total assets	14,303,884	10,540,807	12,016,947	13,519,682	9,675,189	2,014,823	14,011,796	14,014,474	4,077,283	53,316,615	47,350,356	194,841,856
	30-Jun-11	30-Jun-11	30-Jun-11	30-Jun-11	30-Jun-11	30-Jun-11	30-Jun-11	30-Jun-11	30-Jun-11	30-Jun-11	30-Jun-11	30-Jun-11
	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenues from external customers	3,803,561	131,919	286,773	(12,417)	704,004	142,263	2,758,563	-	209,227	5,455,800	27,066	13,506,759
Profit / (loss) for the period attributable to the owner of the Group	2,460,800	(142,679)	600,762	(783,904)	34,880	12,354	(38,332)	(111,269)	44,221	(1,272,018)	(1,291,292)	(486,477)
Total comprehensive income / (loss) attributable to the owner of the Group <sup>1</sup>	2,464,329	(106,419)	596,375	(784,929)	34,880	12,354	274,245	33,659	44,221	(1,199,602)	(1,171,276)	197,837
Total comprehensive income / (loss) attributable to the owner of the Group excluding impairments and fair value movements on investment property and financial investments <sup>1</sup>	2,489,883	(255,496)	594,421	(66,049)	182,818	12,354	(38,332)	(111,269)	44,221	(1,272,018)	(445,719)	1,134,814
	31-Dec-11	31-Dec-11	31-Dec-11	31-Dec-11	31-Dec-11	31-Dec-11	31-Dec-11	31-Dec-11	31-Dec-11	31-Dec-11	31-Dec-11	31-Dec-11
	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000
	(audited)	(audited)	(audited)	(audited)	(audited)	(audited)	(audited)	(audited)	(audited)	(audited)	(audited)	(audited)
Total assets	13,994,426	9,385,967	11,046,788	13,056,913	9,378,235	2,010,472	13,373,533	13,896,184	2,976,257	49,597,305	38,379,169	177,095,249

<sup>1</sup> 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 property and financial investments', refer to page 17.

# Mubadala Development Company PJSC

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

The condensed consolidated financial statements are unaudited

### 13 Operating segments (continued)

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

	<b>Six month period ended 30 Jun 2012 AED '000 (unaudited)</b>	Six month period ended 30 Jun 2011 AED '000 (unaudited)
Total Comprehensive income attributable to the owner of the Group	<b>1,083,672</b>	197,837
Net change in fair value of financial investments	<b>(1,168,247)</b>	723,478
Net change in the fair value of derivatives used as economic hedges	<b>62,731</b>	107,276
Non-controlling interest attributable to net change in derivatives used as economic hedges	<b>(7,550)</b>	(6,399)
Impairment losses on available-for-sale financial assets	<b>1,877,159</b>	98,559
Movement in other comprehensive income attributable to the owner	<b>(98,945)</b>	(684,314)
Decrease in fair value of investment properties	<b>54,786</b>	315,452
Impairment losses on property, plant and equipment	<b>9,395</b>	353,842
Impairment losses on intangible assets	<b>-</b>	29,083
Impairment losses on an equity accounted investee	<b>96,000</b>	-
	<hr/>	<hr/>
Total comprehensive income attributable to the owner of the Group excluding impairments and fair value movements on investment property and financial investments	<b><u>1,909,001</u></b>	<u>1,134,814</u>

### 14 Property, plant and equipment

During the six month period ended 30 June 2012, the Group received and constructed property, plant and equipment with a cost of AED 8,995,493 thousand (*six month period ended 30 June 2011: AED 35,379,190 thousand*) including property, plant and equipment acquired through business combinations of AED nil (*six month period ended 30 June 2011: AED 28,989,591 thousand*).

### 15 Intangible assets

During the six month period ended 30 June 2012, the Group received and acquired intangible assets with a cost of AED 572,803 thousand (*six month period ended 30 June 2011: AED 2,551,724 thousand*) including intangible assets acquired through business combinations of AED nil (*six month period ended 30 June 2011: AED 1,923,221 thousand*).

# Mubadala Development Company PJSC

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

The condensed consolidated financial statements are unaudited

### 16 Investment properties

	<b>30 Jun 2012</b>	31 Dec 2011
	<b>AED '000</b>	AED '000
	<b>(unaudited)</b>	(audited)
Investment properties	<b>1,425,916</b>	1,427,800
Investment properties under development	<b>4,537,739</b>	4,209,783
	<b><u>5,963,655</u></b>	<u>5,637,583</u>

	<b>30 Jun 2012</b>	31 Dec 2011
	<b>AED '000</b>	AED '000
	<b>(unaudited)</b>	(audited)
Movement in investment properties is as follows:		
At 1 January	<b>1,427,800</b>	63,353
Transferred from advances during the period / year	-	1,372,519
Decrease in fair value during the period / year	<b>(1,884)</b>	(8,072)
	<b><u>1,425,916</u></b>	<u>1,427,800</u>

	<b>30 Jun 2012</b>	31 Dec 2011
	<b>AED '000</b>	AED '000
	<b>(unaudited)</b>	(audited)
Movement in investment properties under development is as follows:		
At 1 January	<b>4,209,783</b>	4,573,529
Additions during the period / year	<b>387,744</b>	1,048,507
Transferred from property, plant and equipment during the period / year	-	81,229
Transferred to inventories during the period / year	<b>(6,886)</b>	(541,687)
Decrease in fair value during the period / year	<b>(52,902)</b>	(951,795)
	<b><u>4,537,739</u></b>	<u>4,209,783</u>

### 17 Investment in equity accounted investees

*Income from investment in equity accounted investees (net)*

	<b>Six month</b>	Six month
	<b>period ended</b>	period ended
	<b>30 Jun 2012</b>	30 Jun 2011
	<b>AED '000</b>	AED '000
	<b>(unaudited)</b>	(unaudited)
Share of results of associates	<b>544,976</b>	8,111
Share of results of jointly controlled entities	<b>640,617</b>	755,862
	<b><u>1,185,593</u></b>	<u>763,973</u>

# Mubadala Development Company PJSC

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

The condensed consolidated financial statements are unaudited

### 17 Investment in equity accounted investees (continued)

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

	<b>30 Jun 2012</b> <b>AED '000</b> <b>(unaudited)</b>	31 Dec 2011 AED '000 (audited)
At the beginning of the period / year	7,312,143	411,513
Share of results for the period / year (net)	544,976	1,012,205
Additions during the period / year	71,552	285,445
Acquisitions through business combinations during the period / year	-	366,172
Share of movement in translation reserve during the period / year	(3,229)	(354)
Share of movement in hedging and other reserves during the period / year	(30,727)	39,998
Transferred from / (to) investment in jointly controlled entities during the period / year	396,064	(135,503)
Transferred from financial investments during the period / year	-	5,404,314
Dividends during the period / year	(240,441)	(38,712)
Intercompany income eliminated during the period / year	(5,585)	(32,935)
	<b>8,044,753</b>	7,312,143
Impairment	(360,042)	(360,042)
At the end of the period / year	<b>7,684,711</b>	6,952,101
<b>Disclosed as:</b>		
Investment in associates	7,714,550	6,985,883
Due to an associate <sup>1</sup>	(29,839)	(33,782)
	<b>7,684,711</b>	6,952,101

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

	<b>30 Jun 2012</b> <b>AED '000</b> <b>(unaudited)</b>	31 Dec 2011 AED '000 (audited)
At the beginning of the period / year	6,035,999	5,346,468
Exchange fluctuation in opening balance during the period / year	-	1,686
Additions during the period / year	2,205,161	615,823
Acquisitions through business combinations during the period / year	-	350,298
Disposal during the period / year	-	(18,582)
Share of results for the period / year (net)	640,617	1,578,643
Dividends during the period / year	(1,325,810)	(1,243,331)
Share of movement in translation reserve during the period / year	(7,911)	2,603
Share of movement in hedging reserves during the period / year	(42,964)	(308,584)
Share of movement in other reserves during the period / year	42,034	80,049
Transfer from / (to) loans during the period / year	97,054	(446,114)
Transferred upon acquisition of controlling stake during the period / year	-	(39,964)
Transfer to assets held for sale during the period / year	(88,499)	-
Other transfers during the period / year	(191,465)	-
Transferred (to) / from investment in associates during the period / year	(396,064)	135,503
Exchange fluctuation during the period / year	19,756	44,595
Intercompany income eliminated during the period / year	(89,566)	(63,094)
	<b>6,898,342</b>	6,035,999
Impairment	(614,003)	(614,003)
At the end of the period / year	<b>6,284,339</b>	5,421,996

# Mubadala Development Company PJSC

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

The condensed consolidated financial statements are unaudited

### 17 Investment in equity accounted investees (continued)

(b) The movements in investment in jointly controlled entities (continued)

	<b>30 Jun 2012</b>	31 Dec 2011
	<b>AED '000</b>	AED '000
	<b>(unaudited)</b>	(audited)
<b>Disclosed as:</b>		
Investment in jointly controlled entities	<b>7,283,860</b>	6,212,537
Due to jointly controlled entities <sup>1</sup>	<b>(999,521)</b>	(790,541)
	<b>6,284,339</b>	5,421,996
At the end of the period / year	<b>6,284,339</b>	5,421,996

<sup>1</sup> The Group's share of losses in certain jointly controlled entities and associates have exceeded its interest in those entities. The share of losses exceeding the Group's interests in such entities have been presented separately within current liabilities in the condensed consolidated statement of financial position, since the Group has a constructive or legal obligation to contribute to such losses.

### 18 Financial investments

	<b>30 Jun 2012</b>	31 Dec 2011
	<b>AED '000</b>	AED '000
	<b>(unaudited)</b>	(audited)
Financial assets at fair value through profit or loss		
- quoted securities	<b>9,904,662</b>	8,228,122
- funds	<b>2,600,996</b>	2,274,006
- convertible bonds issued by a related party	<b>555,656</b>	470,914
- other bonds <sup>2</sup>	<b>98,557</b>	1,108,595
- investments held for trading	<b>48,663</b>	46,506
- derivative assets	<b>124,685</b>	94,739
	<b>13,333,219</b>	12,222,882
Available for sale financial assets <sup>1</sup>		
- quoted securities	<b>5,107,304</b>	2,914,111
- unquoted securities	<b>676,765</b>	4,492,870
	<b>5,784,069</b>	7,406,981
At the end of the period / year	<b>19,117,288</b>	19,629,863
Less: current portion	<b>(2,154,623)</b>	(1,453,996)
Non-current portion	<b>16,962,665</b>	18,175,867

<sup>1</sup> See notes 4 and 11.

<sup>2</sup> During the current period, investment in a bond having fair value as at 31 December 2011 of AED 978,567 thousand has been redeemed by the issuer of the bond.

# Mubadala Development Company PJSC

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

The condensed consolidated financial statements are unaudited

### 19 Loans receivable

	30 Jun 2012 AED '000 (unaudited)	31 Dec 2011 AED '000 (audited)
Loans to jointly controlled entities	7,322,455	6,143,738
Loans to associates	140,075	101,296
	<hr/>	<hr/>
Loans to related parties	7,462,530	6,245,034
Loans to third parties <sup>1,2</sup>	16,428,913	8,318,797
	<hr/>	<hr/>
	23,891,443	14,563,831
Less: current portion	(3,323,141)	(2,475,837)
	<hr/>	<hr/>
Non-current portion	<u>20,568,302</u>	<u>12,087,994</u>

<sup>1</sup> During the period, loan given to a third party, in the amount of AED 7,346,910 thousand (2011: AED nil), carries a minimum assured return and matures in 2017 (extendable for further two years at the option of the Group). The loan is secured by a pool of securities including listed securities and guarantees.

<sup>2</sup> Loans given to third parties mentioned above are disclosed net of provision amounting to AED 64,094 thousand (2011: AED 45,917 thousand). There is no provision on loans given to related parties.

### 20 Receivables and prepayments

	30 Jun 2012 AED '000 (unaudited)	31 Dec 2011 AED '000 (audited)
<i>Non-current portion</i>		
Service concession receivables <sup>1</sup>	6,882,122	7,059,891
Restricted cash	60,000	750,000
Receivable against sale of land	424,103	371,521
Other long term receivables and advances	734,123	725,878
Amounts due from related parties (see note 26)	12,703	-
	<hr/>	<hr/>
	8,113,051	8,907,290
<i>Current portion</i>		
Amounts due from related parties (see note 26)	5,676,142	3,931,592
Trade receivables	4,296,251	4,225,264
Restricted cash	1,107,647	311,675
Receivables against waiver of exclusivity rights in a subsidiary (see note 5(a))	1,010,000	-
Service concession receivables <sup>1</sup>	992,016	971,184
Prepaid expenses	831,233	758,908
Sales tax recoverable	584,292	488,056
Contract work in progress	463,268	541,677
Receivable against government grants	222,280	1,208,086
Advances to contractors	210,854	598,350
Assets held for sale	206,414	133,220
Receivable against sale of land	32,429	96,383
Other receivables	2,127,133	1,806,826
	<hr/>	<hr/>
	17,759,959	15,071,221
Less: allowance for impairment	(256,332)	(201,058)
	<hr/>	<hr/>
	<u>17,503,627</u>	<u>14,870,163</u>

## Mubadala Development Company PJSC

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

The condensed consolidated financial statements are unaudited

#### 20 Receivables and prepayments (continued)

<sup>1</sup>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 26). Service concession receivables will be recovered over the respective concession periods of the universities. Details of the same are set out below:

	<b>30 Jun 2012</b>	31 Dec 2011
	<b>AED '000</b>	AED '000
	<b>(unaudited)</b>	(audited)
At the beginning of the period / year	<b>8,031,075</b>	7,341,527
Costs incurred during the period / year	<b>12,808</b>	488,977
Attributable profits during the period / year	<b>6,247</b>	263,255
Effective interest on receivables during the period / year	<b>295,930</b>	598,635
Less: availability charges received during the period / year	<b>(471,907)</b>	(658,661)
Less: transferred to intangible assets during the period / year	<b>(15)</b>	(2,658)
	<b>7,874,138</b>	<b>8,031,075</b>

#### 21 Cash and cash equivalents

	<b>30 Jun 2012</b>	31 Dec 2011
	<b>AED '000</b>	AED '000
	<b>(unaudited)</b>	(audited)
Bank balances:		
- deposit accounts	<b>9,406,645</b>	10,720,945
- call and current accounts	<b>4,162,123</b>	3,806,474
Cash in hand	<b>2,647</b>	1,834
	<b>13,571,415</b>	14,529,253
Bank overdrafts	<b>(14,029)</b>	(5,165)
	<b>13,557,386</b>	14,524,088

#### Cash and cash equivalents for the purpose of the statement of cash flows

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 937,582 thousand (2011: AED 1,147,279 thousand) held with entities under common control.



## Mubadala Development Company PJSC

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

The condensed consolidated financial statements are unaudited

## 22 Interest bearing borrowings

### Terms and debt repayment schedule

Particulars	Entity name / Project name	Currency	Nominal interest rate	Year of maturity	30 Jun 2012	31 Dec 2011
					Carrying amount AED '000 (unaudited)	Carrying amount AED '000 (audited)
<b>Current</b>						
Secured bank loan	Al Hikma Development Company PJSC (UAE University)	USD	LIBOR + margin	2012/ Q2 2013	100,779	96,559
Secured bank loan	Manhal Development Company PJSC (Sorbonne University)	USD	LIBOR + margin	2012/ Q2 2013	47,245	46,479
Secured bank loan	Manhal Development Company PJSC (Sorbonne University)	AED	EIBOR + margin	2012/ Q2 2013	15,748	15,493
Secured bank loan	Maqsed Development Company PJSC (Zayed University)	USD	LIBOR + margin	2012/ Q2 2013	51,843	49,923
Secured bank loan	Maqsed Development Company PJSC (Zayed University)	AED	EIBOR + margin	2012/ Q2 2013	94,897	91,382
Secured bank loan	National Central District Cooling - Tabreed Islamic Finance	AED	EIBOR + margin	2012/ Q2 2013	22,894	11,110
Secured bank loan	National Central District Cooling Company PJSC	USD / AED	LIBOR/EIBOR + margin	2012/ Q2 2013	136,403	72,810
Secured bank loan	SR Technics	CHF	LIBOR + margin	2012/ Q2 2013	41,385	111,154
Secured bank loan	SR Technics	USD	LIBOR + margin	2012/ Q2 2013	50,658	124,040
Secured bank loan	Sanad Aero Limited	USD	LIBOR + margin	2012/ Q2 2013	37,413	37,053
Secured bank loan	Abu Dhabi Aircraft Technologies LLC	USD	LIBOR + margin	2012/ Q2 2013	8,808	12,888
Secured bank loan	Abu Dhabi Aircraft Technologies LLC	AED	EIBOR + margin	2012/ Q2 2013	30,000	30,000
Secured bank loan	Mubadala Development Company PJSC	AED	Fixed coupon	2012/ Q2 2013	476,466	-
Unsecured bank loan	Abu Dhabi Aircraft Technologies LLC	AED	EIBOR + margin	2012/ Q2 2013	-	19,245
Unsecured bank loan	Beta Investment Company LLC (Pearl)	USD	LIBOR + margin	2012/ Q2 2013	-	255,532
Unsecured bank loan	The Specialist Diabetes Treatment and Research Centre LLC	AED	Fixed coupon	2012/ Q2 2013	3,271	4,234
Unsecured bank loan <sup>1</sup>	Dolphin Investment Company LLC	USD	LIBOR + margin / Fixed	2012/ Q2 2013	203,853	446,275
Unsecured bank loan	MDC - GMTN B.V. - Commercial Paper 2012	USD	Fixed coupon	2012/ Q2 2013	1,064,377	403,670
Unsecured bank loan	MDC - GMTN B.V. - Commercial Paper 2012	GBP	Fixed coupon	2012/ Q2 2013	426,452	28,324
Unsecured bank loan	MDC - GMTN B.V. - Commercial Paper 2012	HKD	Fixed coupon	2012/ Q2 2013	199,184	193,782
Unsecured bank loan	MDC - GMTN B.V. - Commercial Paper 2012	CHF	Fixed coupon	2012/ Q2 2013	135,112	-
Unsecured bank loan	Mubadala Corporate EUR Term Loan	EUR	EURIBOR + margin	2012/ Q2 2013	-	1,174,749
Unsecured bank loan	Mubadala - Corporate revolver	GBP	LIBOR + margin	2012/ Q2 2013	173,081	170,253
Unsecured bank loan	Al Yahsat Communications Company PJSC	USD	LIBOR + margin	2012/ Q2 2013	248,223	122,681
Unsecured bank loan	ATIC - EXIM guaranteed loan	USD	LIBOR + margin	2012/ Q2 2013	216,788	216,736
Unsecured bank loan	ATIC - EXIM guaranteed loan	USD	LIBOR + margin	2012/ Q2 2013	427,905	426,319
Unsecured bank loan	ATIC - Societe Generale term loan	USD	LIBOR + margin	2012/ Q2 2013	86,682	87,415
Unsecured bank loan	ATIC - JBIC / SMBC term loan (Tranche B)	USD	LIBOR + margin	2012/ Q2 2013	111,242	109,127
Unsecured bank loan	ATIC - JBIC / SMBC term loan (Tranche A)	USD	Fixed coupon	2012/ Q2 2013	109,812	110,875
Unsecured bank loan	ATIC - Senior notes	USD	Fixed coupon	2012/ Q2 2013	947,029	-
Unsecured loan <sup>1</sup>	Abu Dhabi Aircraft Technologies LLC	USD	Fixed coupon	2012/ Q2 2013	565,180	565,180
Unsecured deposits	Abu Dhabi Finance	AED	EIBOR + margin	2012/ Q2 2013	10,034	20,015
<b>Current total</b>					<b>6,042,764</b>	<b>5,053,303</b>

## Mubadala Development Company PJSC

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

The condensed consolidated financial statements are unaudited

## 22 Interest bearing borrowings (continued)

### Terms and debt repayment schedule (continued)

Particulars	Entity name / Project name	Currency	Nominal interest rate	Year of maturity	30 Jun 2012	31 Dec 2011
					Carrying amount AED '000 (unaudited)	Carrying amount AED '000 (audited)
<b>Non-Current</b>						
Secured bank loan	Al Hikma Development Company PJSC (UAE University)	USD	LIBOR + margin	2022	1,176,077	1,227,518
Secured bank loan	Manhal Development Company PJSC (Sorbonne University)	USD	LIBOR + margin	2028	743,687	767,524
Secured bank loan	Manhal Development Company PJSC (Sorbonne University)	AED	EIBOR + margin	2028	247,896	255,841
Secured bank loan	Al Maqsed Development Company PJSC (Zayed University)	USD	LIBOR + margin	2019	1,186,597	1,213,120
Secured bank loan	Al Maqsed Development Company PJSC (Zayed University)	AED	EIBOR + margin	2019	2,172,014	2,220,562
Secured bank loan	Sigma Investment Company (BVI) (PTC) Limited (GE margin loan)	USD	LIBOR + margin	2013	1,336,254	1,332,890
Secured bank loan	SR Technics	CHF	LIBOR + margin	2015	285,381	256,111
Secured bank loan	SR Technics	USD	LIBOR + margin	2015	558,891	627,721
Secured bank loan	Sanad Aero Limited	USD	LIBOR + margin	2023	394,293	412,722
Secured bank loan	National Central District Cooling - Tabreed Islamic Finance	AED	EIBOR + margin	2019	516,250	527,096
Secured bank loan	National Central District Cooling	USD / AED	LIBOR/EIBOR + margin	2013 - 2019	2,038,297	2,110,921
Secured bank loan	Mubadala Development Company PJSC	AED	Fixed coupon	2012	-	472,412
Secured bank loan	Abu Dhabi Aircraft Technologies LLC	AED	EIBOR + margin	2016	107,742	120,259
Secured bank loan	ATIC - Syndicated loan	USD	LIBOR + margin	2015	1,653,075	2,204,100
Unsecured bank loan	Abu Dhabi Aircraft Technologies LLC	USD	LIBOR + margin	2013	1,851	6,314
Unsecured bank loan	Al Yah Satellite Communications Company PJSC	USD	LIBOR + margin	2022	3,299,729	3,183,703
Unsecured bank loan	The Specialist Diabetes Treatment and Research Centre LLC	AED	Fixed coupon	2020	33,339	32,375
Unsecured bank loan <sup>1</sup>	Dolphin Investment Company LLC	USD	LIBOR + margin / Fixed coupon	2019	1,585,765	2,770,361
Unsecured bank loan	Treasury Holding Company LLC - EIB term loan	EUR	EURIBOR + margin	2019	1,094,212	1,118,368
Unsecured bank loan	MDC - GMTN B.V. - JPY Private Placement	JPY	Fixed coupon	2031	687,094	708,244
Unsecured bank loan	GMTN BV EUR Private Placement	EUR	Fixed coupon	2018	370,546	378,748
Unsecured bank loan	ATIC - EXIM guaranteed loan	USD	LIBOR + margin	2013	-	108,248
Unsecured bank loan	ATIC - EXIM guaranteed loan	USD	LIBOR + margin	2016	1,175,906	1,390,165
Unsecured bank loan	ATIC - Societe Generale term loan	USD	LIBOR + margin	2013	43,816	87,939
Unsecured bank loan	ATIC - JBIC / SMBC term loan (Tranche B)	USD	LIBOR + margin	2015	277,185	329,371
Unsecured bank loan	ATIC - JBIC / SMBC term loan (Tranche A)	USD	Fixed coupon	2015	275,774	333,341
Unsecured loan	SR Technics	EUR	Fixed coupon + variable component	2019	744,788	761,229
Unsecured notes	ATIC - Senior notes	USD	Fixed coupon	2013	-	965,400
Unsecured notes	ATIC - Senior notes	USD	Fixed coupon	2015	374,032	357,609
Unsecured bond <sup>1</sup>	Dolphin Investment Company LLC - Bond Facility 2021	USD	Fixed	2021	1,353,343	-
Unsecured corporate bond	MDC - GMTN B.V. - Corporate Bond 2014	USD	Fixed coupon	2014	4,567,055	4,563,264
Unsecured corporate bond	MDC - GMTN B.V. - Corporate Bond 2016	USD	Fixed coupon	2016	2,727,847	2,724,873
Unsecured corporate bond	MDC - GMTN B.V. - Corporate Bond 2019	USD	Fixed coupon	2019	1,820,870	1,821,604
Unsecured corporate bond	MDC - GMTN B.V. - Corporate Bond 2021	USD	Fixed coupon	2021	2,734,816	2,734,204
<b>Non-Current total</b>					<b>35,584,422</b>	<b>38,124,157</b>
<b>Total</b>					<b>41,627,186</b>	<b>43,177,460</b>

<sup>1</sup>These represent loans obtained from related parties (see note 26).

## Mubadala Development Company PJSC

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

The condensed consolidated financial statements are unaudited

#### 22 Interest bearing borrowings (continued)

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

	<b>30 Jun 2012</b>	31 Dec 2011
	<b>AED '000</b>	AED '000
	<b>(unaudited)</b>	(audited)
At the beginning of the period / year	<b>43,177,460</b>	26,939,064
New borrowings during the period / year	<b>3,985,207</b>	13,633,451
Acquisitions on business combinations during the period / year	-	11,451,557
Repayments during the period / year	<b>(5,558,004)</b>	(8,945,807)
Foreign exchange fluctuations and other movements during the period / year	<b>22,523</b>	99,195
	<b>41,627,186</b>	43,177,460

#### 23 Payables and accruals

	<b>30 Jun 2012</b>	31 Dec 2011
	<b>AED '000</b>	AED '000
	<b>(unaudited)</b>	(audited)
Trade payables	<b>3,873,775</b>	5,626,940
Accrued expenses	<b>3,935,086</b>	3,580,268
Other payables	<b>3,410,411</b>	3,326,808
Deferred revenue against waiver of exclusivity rights in a subsidiary (see note 5(a))	<b>1,290,404</b>	-
Deposit from the Shareholder <sup>1</sup>	<b>670,802</b>	665,646
Amounts due to related parties	<b>624,414</b>	511,621
Provisions	<b>400,325</b>	468,693
Retentions payable	<b>358,170</b>	467,214
Interest payable to third party	<b>521,121</b>	448,993
Staff costs payable	<b>682,989</b>	445,130
Advance from an associate	<b>400,000</b>	400,000
Interest free loan from the Shareholder	<b>372,260</b>	372,260
Provision for staff terminal benefits	<b>313,112</b>	304,677
	<b>16,852,869</b>	16,618,250

<sup>1</sup> Deposit from the Shareholder has original maturity of less than three months and at the reporting date carried an annual effective interest rate of 1.53% per annum (2011: 1.51% per annum).

#### 24 Commitments and contingent liabilities

*Commitments and contingent liabilities*

	<b>30 Jun 2012</b>	31 Dec 2011
	<b>AED '000</b>	AED '000
	<b>(unaudited)</b>	(audited)
Capital commitments	<b>25,017,734</b>	19,825,303
Contingent liabilities <sup>1</sup>	<b>16,355,499</b>	18,558,044
	<b>41,373,233</b>	38,383,347

## Mubadala Development Company PJSC

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

The condensed consolidated financial statements are unaudited

#### 24 Commitments and contingent liabilities (continued)

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

In addition to the above, the Group's share in the commitments of its jointly controlled entities and contingencies of its equity accounted investees is as follows:

	<b>30 Jun 2012</b>	31 Dec 2011
	<b>AED '000</b>	AED '000
	<b>(unaudited)</b>	(audited)
Capital commitments and contingencies	<u><b>7,537,137</b></u>	<u>7,019,368</u>

#### *Exploration commitments*

The obligations of the Group to perform exploration activities are:

	<b>30 Jun 2012</b>	31 Dec 2011
	<b>AED '000</b>	AED '000
	<b>(unaudited)</b>	(audited)
Due in less than one year	<b>312,278</b>	781,737
Later than one year but not later than five years	<b>751,802</b>	719,276
	<u><b>1,064,080</b></u>	<u>1,501,013</u>

# Mubadala Development Company PJSC

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

The condensed consolidated financial statements are unaudited

### 25 Government grants

#### (a) Non-monetary government grants

##### (i) 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 <sup>8</sup>	Carrying amount as at 30 Jun 2012 AED '000 (unaudited)	Carrying amount as at 31 Dec 2011 AED '000 (audited)	Currently classified as <sup>7</sup>
<b>Future economic benefits certain</b>					
Madinat Zayed <sup>1</sup>	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 <sup>2</sup>	2006	747,019	-	-	IPUD
Al Maryah Island - Development work in progress	2006	103,985	-	-	Inventory
Al Maryah Island - Plots for sale <sup>2</sup>	2006	4,703,393	623,089	612,704	Inventory
Al Maryah Island <sup>2</sup>	2006	697,864	30,748	30,236	PPE
New Fish Market	2006	484,448	19,097	20,981	IP
New Headquarter	2004	102,675	-	-	PPE
Parking lot - New Headquarter	2009	70,000	-	-	PPE
Mussafah	2007	4,041,526	34,300	34,300	IP
Hai Al Dawoody	2009	1,076	-	-	PPE
Hamran	2009	1,076	-	-	PPE
Masdar City Land					
Masdar Institute of Science and Technology <sup>6</sup>	2008	353,090	-	-	PPE
10MW Power Plant <sup>6</sup>	2008	2,367,200	-	-	PPE
Masdar Head Quarter <sup>6</sup>	2008	272,163	-	-	PPE
Masdar City - Project 1 <sup>6</sup>	2008	573,508	-	-	PPE
Masdar City (Courtyard and Siemens) <sup>6</sup>	2008	105,594	67,787	67,787	IPUD
Al Falah- Plot 3	2007	4,719,243	-	-	PPE
<b>Future economic benefits uncertain / no future economic benefits<sup>5</sup></b>					
Jabel Al Dhannah <sup>7</sup>	2009	10,956,700	-	-	N/A
Masdar City Land <sup>5</sup> (remaining portion)	2008	56,185,237	-	-	N/A
Al Reem Island - Sorbonne University <sup>4</sup>	2006	1,001,934	-	-	N/A
Al Maryah Island - Cleveland Clinic <sup>2</sup>	2006	1,007,158	-	-	N/A
Al Maryah Island (remaining portion) <sup>2</sup>	2006	4,907,950	-	-	N/A
Khalifa City - Zayed University <sup>4</sup>	2006	8,207,745	-	-	N/A
East Al Reem Island	2006	3,609,265	-	-	N/A
Old Fish Market - New York Institute of Technology <sup>4</sup>	2006	163,877	-	-	N/A
Al Falah- Plot 5	2008	1,599,939	-	-	N/A
Al Falah- Plot 3 (remaining portion)	2007	18,360,558	-	-	N/A
Others	2004-09	61,965,983	-	-	N/A

# Mubadala Development Company PJSC

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

The condensed consolidated financial statements are unaudited

### 25 Government grants *(continued)*

#### *(a) Non-monetary government grants (continued)*

##### *(i) Land (continued)*

<sup>1</sup>The Madinat Zayed land has been identified for the purpose of construction of a solar power station for the Masdar City Project and, accordingly, has been recorded as property, plant and equipment at nominal value.

<sup>2</sup>On the Al Maryah Island out of the total unsold land area of 12,167,369 square feet, an area of 1,007,158 square feet has been allocated for the Cleveland Clinic Project, which is a Government of Abu Dhabi project. No future economic benefit from this project is likely to flow to the Group. Furthermore, approximately 851,004 square feet of land has been allocated for construction of the Abu Dhabi Financial Centre which has been recognised as investment property except for 103,985 square feet of land which has been recognised as inventory. The Group identified and earmarked certain plots of land for sale at Al Maryah Island. Accordingly, these plots of land with a land area of 4,703,393 square feet have been classified as inventory.

The Group has identified and earmarked plots of approximately 697,864 square feet for production or supply of goods and services which has been classified as property, plant and equipment. Al Maryah Island includes approximately five million square feet of land earmarked for roads and waterfront for common public use.

<sup>3</sup>Having regard to the disclosure in annotation 5 below, management is of the view that the determination of a value for these parcels of land is not possible since reliable estimates of fair value are not available, the future use of these sites is unknown and there is a possibility that they will not be used for commercial purposes and may revert to the Government. Accordingly, it is uncertain that future economic benefits will flow to the Group from the ownership of these parcels of land, and therefore, such properties have not been recognised in the books of the Group. Included in this category are plots of land where it is established that, based on their current or intended use, no future economic benefits will flow to the Group.

<sup>4</sup>These parcels of land have been allocated for the purpose of construction of universities and other educational institutions on a build, operate and transfer (BOT) basis. At the end of the BOT term it is the intention of the parties that the ownership of the land along with the buildings will be transferred to the respective universities. Accordingly, no future economic benefits are likely to flow to the Group from its ownership of these plots.

<sup>5</sup>The Company has recently reviewed the Masdar City Project (“the Project”) master plan and reassessed its development strategy. Under the new strategy the Company’s subsidiary ADFEC, whilst developing a small number of key assets itself, will also act as the master developer for the Project providing all infrastructure and delivering serviced plots for development by third parties. With the revisions to the master plan and overall development strategy it is difficult to reliably determine the future overall Project development cost and associated income streams. In addition, as the economic viability of each individual plot will have to be determined before commencement of construction work, the overall economic benefit to be derived from the Project and the timing thereof, cannot be reasonably determined at this time.

Furthermore, whilst the Government of Abu Dhabi has recently reaffirmed its commitment to provide financial support in the form of government grants to fund infrastructure costs, the extent of such support is still to be confirmed.

Therefore, based on management’s best estimates, the possibility of any future economic benefits that will flow to the Group is uncertain and therefore the land has not been recognized as an asset in the condensed consolidated financial statements, except for the portions of the land as described in annotation 6 below which have already been recognized as assets.

# Mubadala Development Company PJSC

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

The condensed consolidated financial statements are unaudited

### 25 Government grants *(continued)*

#### *(a) Non-monetary government grants (continued)*

##### *(i) Land (continued)*

<sup>6</sup>The portion of land of Masdar City relating to these buildings has been recognised as property, plant and equipment at nominal value based on the expectation that these building will be used by Abu Dhabi Future Energy Company ("ADFEC") to carry out its operations. Further, additional portion of land has been recognised as Investment property under development based on its commercial use.

The 10 megawatt power plant produces and supplies power to the national grid of the UAE. A feed-in tariff with Abu Dhabi Water and Electricity Company ("ADWEC") and a green subsidy from the Government of Abu Dhabi has been agreed and in the process of getting formal agreements signed.

<sup>7</sup>The Jabel Al Dhannah land has been identified previously for the purpose of construction of a Hydrogen Power Plant. The project has been suspended till further notice until the ADFEC gets clear guidance from government and accordingly, has been classified under uncertain future economic benefit category.

<sup>8</sup>In the above table, PPE stands for property, plant and equipment, IP stands for investment property and IPUD stands for investment property under development.

<sup>9</sup>Land areas reported above are as per registration documents received from Municipality of Abu Dhabi.

##### *(ii) Helicopter and helicopter spare parts*

The Group received helicopters and helicopter spare parts in prior years from the Government as a grant with a condition to use them to meet the Group's objectives.

##### *(iii) Use of land for construction of buildings*

The UAE Armed Forces, General Head Quarters, has granted certain subsidiaries the right to use certain plots of land, owned by the UAE Armed Forces, free of charge.

#### *(b) Monetary government grants*

During 2006, the Group received an amount of USD 100,000 thousand, equivalent to AED 367,350 thousand, from the Government of Abu Dhabi for investment in Masdar Clean Tech Fund L.P. (the "Fund") registered in the Cayman Islands . Since this is a monetary grant for investments in other business enterprises, this amount has been credited directly to the Statement of Changes in Equity. As at 30 June 2012 the Group had an outstanding commitment to invest an additional AED 35,407 thousand (*31 December 2011: AED 47,971 thousand*) in the Fund.

During the six month period ended 30 June 2012 the Group received government grants of AED 244,953 thousand (*six month period ended 30 June 2011: AED 4,234,644 thousand*) including government grants acquired through business combinations of AED nil (*six month period ended 30 June 2011: AED 2,770,164 thousand*). Where such monetary grants represent grants received or acquired to compensate the Group for expenses to be incurred are initially recognized in the Statement of Financial position as a deferred liability. Subsequent to initial recognition, such grants are released to profit or loss on a systematic basis. Where such grants are received to compensate for cost of assets, such assets are carried at cost, less the value of grants received.

The Group has grants and allowances from Government bodies outside UAE, which are primarily provided in connection with construction and operation of the Group's wafer manufacturing facilities, employment and research and development.

# Mubadala Development Company PJSC

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

The condensed consolidated financial statements are unaudited

### 26 Balances and transactions with related parties

#### (a) Identity of related parties

The Group has related party relationships with its shareholder, its subsidiaries, 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 2012 AED '000 (unaudited)</b>	Six month period ended 30 Jun 2011 AED '000 (unaudited)
Directors' remuneration	<u>1,860</u>	<u>3,924</u>
<i>Other key management personnel</i>		
Short term benefits	50,788	60,085
Post employment benefits	9,646	4,546
	<u>60,434</u>	<u>64,631</u>

#### (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 2012 AED '000 (unaudited)</b>	Six month period ended 30 Jun 2011 AED '000 (unaudited)
<b>Revenue</b>		
Entities under common control	1,110,362	1,018,078
Jointly controlled entities	401,977	239,527
Associates	41,776	-
Shareholder	48,054	184,223
Other related parties	-	42,233
	<u>1,602,169</u>	<u>1,484,061</u>
<b>Interest income</b>		
Entities under common control	239,715	21,029
Jointly controlled entities	196,769	215,018
Shareholder	57,326	-
Associates	14,492	36,819
Other related parties	-	13,620
	<u>508,302</u>	<u>286,486</u>



# Mubadala Development Company PJSC

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

The condensed consolidated financial statements are unaudited

### 26 Balances and transactions with related parties (continued)

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

	Six month period ended <b>30 Jun 2012</b> AED '000 (unaudited)	Six month period ended 30 Jun 2011 AED '000 (unaudited)
<b>Income from provision of manpower, project management and consultancy services</b>		
Jointly controlled entities	27,828	47,023
Associates	1,190	-
Entities under common control	-	7,208
	<b>29,018</b>	<b>54,231</b>
<b>Purchase of goods and services</b>		
Entities under common control	921	57,320
Jointly controlled entities	197,530	702,118
Associates	320,779	44,131
	<b>519,230</b>	<b>803,569</b>
<b>Loans given</b>		
Jointly controlled entities	828,417	226,161
Entities under common control	-	4,044
Other related parties	3,571	-
	<b>831,988</b>	<b>230,205</b>
<b>Loans recovered</b>		
Associates	50,000	-
Jointly controlled entities	416,915	36,511
	<b>466,915</b>	<b>36,511</b>
<b>Deposit received from Government during the period</b>		
	<b>5,156</b>	<b>-</b>
<b>Investment in convertible bond of an associate</b>		
	<b>-</b>	<b>2,800,000</b>
<b>Interest bearing loan repaid to a jointly controlled entity</b>		
	<b>108,018</b>	<b>-</b>
<b>(d) Related party balances</b>		
	<b>30 Jun 2012</b> AED '000 (unaudited)	<b>31 Dec 2011</b> AED '000 (audited)
<b>Amounts due to related parties <sup>1</sup></b>		
Associates	200,192	-
Jointly controlled entities	256,919	246,603
Entities under common control	141,986	265,018
Shareholder	25,317	-
	<b>624,414</b>	<b>511,621</b>

# Mubadala Development Company PJSC

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

The condensed consolidated financial statements are unaudited

### 26 Balances and transactions with related parties (continued)

#### (d) Related party balances (continued)

	<b>30 Jun 2012</b>	31 Dec 2011
	<b>AED '000</b>	AED '000
	<b>(unaudited)</b>	(audited)
<i>Advances from related parties</i>		
Entity under common control	<b>1,068,988</b>	1,068,988
Associate	<b>400,000</b>	400,000
	<b>1,468,988</b>	1,468,988
<i>Amounts due from related parties<sup>2</sup></i>		
Shareholder	<b>4,426,846</b>	2,350,225
Entities under common control	<b>624,642</b>	757,648
Jointly controlled entities	<b>321,497</b>	413,918
Associates	<b>315,860</b>	409,801
	<b>5,688,845</b>	3,931,592
<i>Loan and deposits from the shareholder<sup>3</sup></i>		
	<b>1,160,343</b>	1,155,187
<i>Deposits with entities under common control</i>		
	<b>937,582</b>	1,147,279
<i>Loans to related parties</i>		
Jointly controlled entities	<b>7,322,455</b>	6,143,738
Associates	<b>140,075</b>	101,296
	<b>7,462,530</b>	6,245,034
<i>Financial investment in shares of an entity under common control</i>		
	<b>648,118</b>	545,990
<i>Interest bearing loans from jointly controlled entities (see note 22)</i>		
	<b>3,708,141</b>	3,781,816
<i>Convertible bonds of an associate</i>		
	<b>555,656</b>	470,914
<i>Service concession receivables</i>		
Shareholder	<b>1,059,032</b>	1,081,892
Entities under common control	<b>6,815,106</b>	6,949,183
	<b>7,874,138</b>	8,031,075

<sup>1</sup> Includes amounts due to related parties except for amounts due to associates and jointly controlled entities, disclosed under note 17 (a,b).

<sup>2</sup> Amounts due from related parties primarily comprise amounts receivable from the Government of Abu Dhabi for expenses incurred on its behalf (see note 20).

<sup>3</sup> Loan and deposits from the Shareholder are included under payables and accruals and other liabilities.

# Mubadala Development Company PJSC

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

The condensed consolidated financial statements are unaudited

### 26 Balances and transactions with related parties (continued)

#### (e) Additional shareholder contributions

	<b>30 Jun 2012</b>	31 Dec 2011
	<b>AED '000</b>	AED '000
	<b>(unaudited)</b>	(audited)
At the beginning of the period / year	<b>94,502,530</b>	45,725,643
Cash contributions during the period / year	<b>17,797,000</b> <sup>3</sup>	27,983,478 <sup>1</sup>
Contribution arising from transfer of ATIC	-	20,793,409 <sup>2</sup>
At the end of the period / year	<b><u>112,299,530</u></b>	<u>94,502,530</u>

<sup>1</sup> Cash contributions represent interest free loans from the Shareholder. As per the terms of the agreements for the amounts received in the years 2008 and onwards, 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 the 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> Contribution arising from transfer of ATIC represents net book value of Advanced Technology Investment LLC transferred by the Shareholder to the Group during 2011. The consideration is in the nature of soft loan without interest and without condition or repayment date, and may be transferred fully or partially into shares of the Company. Therefore, these loans are more akin to equity instruments rather than liabilities, and accordingly are presented within equity.

<sup>3</sup> Cash contributions in the current period represent equity funding received from the Shareholder.

### 27 Statutory reserve

In accordance with the Articles of Association of the Company, 10% of the profit for each year is transferred to a statutory reserve until this reserve equals 50% of the 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.

### 28 Financial risk management

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 2011.

### 29 Comparatives

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

The presentation of the condensed consolidated statement of comprehensive income has been enhanced over prior period's presentation.