

Mubadala Development Company PJSC

Review report and interim
financial information for the
period ended 30 June 2013

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 2013

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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 2013 and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34, “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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

Deloitte & Touche (M.E.)

Mutasem M. Dajani
Registration No. 726
Abu Dhabi
17 September 2013

Mubadala Development Company PJSC

Condensed consolidated statement of comprehensive income
The condensed consolidated financial statements are unaudited

	Six month period ended 30 Jun 2013 AED '000 (unaudited)	Six month period ended 30 Jun 2012 AED '000 (unaudited)
	<i>Notes</i>	
Revenue from sale of goods and services	6 14,820,678	16,058,054
Cost of sales of goods and services	7 (11,754,596)	(11,212,899)
Gross profit	3,066,082	4,845,155
Income from investment in equity accounted investees (net)	17 1,001,215	1,185,593
Government grant income	437,530	261,561
Dividend income	420,001	341,584
Finance income from commercial loans	373,073	314,144
Other income (<i>net</i>)	8 480,115	189,900
Research and development expenses	9 (2,359,162)	(1,754,176)
Project expenses	(176,833)	(263,464)
Exploration costs	(188,779)	(229,109)
Other general and administrative expenses	10 (2,439,194)	(2,595,441)
Profit before fair value changes on financial investments, investment properties impairments, net finance expense and taxes	614,048	2,295,747
Income / (loss) from financial investments (<i>net</i>)	11 1,284,689	(771,643)
Decrease in fair value of investment properties (<i>net</i>)	16 (1,755)	(54,786)
Impairment losses on property, plant and equipment	(140,381)	(9,395)
Profit before interest and taxes	1,756,601	1,459,923
Finance income and net foreign exchange gain	615,345	902,855
Finance expense	(1,133,672)	(1,336,083)
Net finance expense	(518,327)	(433,228)
Profit before income tax	1,238,274	1,026,695
Income tax expense (<i>net</i>)	12 (69,552)	(175,155)
Profit for the period	1,168,722	851,540
Other comprehensive income		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>		
Increase in fair value of available-for-sale financial assets (<i>net</i>)	1,094,045	248,371
Effective portion of changes in fair values of cash flow hedges and other reserves	106,752	(17,698)
Net change in translation reserve	(256,508)	(20,547)
Share of effective portion of changes in fair values of cash flow hedges and other reserves of equity accounted investees	17 185,377	(73,691)
Share of changes in translation reserve of equity accounted investees	17 (223,630)	(11,140)
Other comprehensive income for the period net of income tax	906,036	125,295
Total comprehensive income for the period	2,074,758	976,835
Profit for the period	1,168,722	851,540
Less / add: (Income) / loss attributable to non-controlling interest	(81,595)	133,187
Profit for the period attributable to the owner of the Group	1,087,127	984,727
Total comprehensive income for the period	2,074,758	976,835
Add: Total comprehensive loss attributable to non-controlling interests	39,652	106,837
Total comprehensive income for the period attributable to the owner of the Group	2,114,410	1,083,672

The notes set out on pages 9 to 37 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

	30 Jun 2013	31 Dec 2012
	AED '000	AED '000
<i>Notes</i>	(unaudited)	(audited) (restated)
Non-current assets		
Property, plant and equipment	14 74,963,995	76,700,848
Intangible assets	15 6,670,699	6,857,832
Investment properties	16 6,463,782	6,278,495
Investment in equity accounted investees		
- associates	17(a) 9,447,537	9,089,505
- jointly controlled entities	17(b) 9,252,880	8,697,641
Financial investments	18 18,618,492	15,955,917
Loans receivable	19 22,714,738	25,295,594
Other assets	109,023	185,873
Receivables and prepayments	20 8,041,909	8,258,109
Finance lease receivables	1,431,642	1,433,024
Deferred tax assets	1,229,370	1,476,904
	<hr/> 158,944,067 <hr/>	<hr/> 160,229,742 <hr/>
Total non-current assets		
Current assets		
Inventories	7,804,980	7,909,223
Financial investments	18 3,001,369	2,742,805
Loans receivable	19 1,850,020	3,256,979
Receivables and prepayments	20 14,022,535	15,640,709
Finance lease receivables	118,281	120,220
Assets classified as held for sale	1,084,540	609,857
Cash and cash equivalents	21 17,139,585	11,724,680
	<hr/> 45,021,310 <hr/>	<hr/> 42,004,473 <hr/>
Total current assets		
Total assets	<hr/> 203,965,377 <hr/>	<hr/> 202,234,215 <hr/>

Continued

Mubadala Development Company PJSC

Condensed consolidated statement of financial position (*continued*)

The condensed consolidated financial statements are unaudited

	30 Jun 2013	31 Dec 2012
	AED '000	AED '000
Notes	(unaudited)	(audited) (restated)
Equity		
Share capital	15,000,000	15,000,000
Reserves and deficit	(96,244)	(2,229,968)
Additional shareholder contributions	27(e) 124,084,852	120,315,476
Government grants	26(b) 367,350	367,350
Total equity attributable to the owner of the Group	139,355,958	133,452,858
Non-controlling interests	1,887,019	1,958,814
Total equity	141,242,977	135,411,672
Non-current liabilities		
Interest bearing borrowings	22 31,108,031	35,506,202
Government grants	1,759,723	1,950,427
Obligation under finance lease	1,204,806	1,353,871
Deferred tax liabilities	987,976	1,354,280
Financial liabilities at fair value	1,128,956	1,613,458
Other liabilities	23 2,436,173	2,414,414
Total non-current liabilities	38,625,665	44,192,652
Current liabilities		
Interest bearing borrowings	22 8,112,392	5,620,457
Government grants	552,249	323,359
Obligation under finance lease	251,569	255,739
Payables and accruals	24 13,139,474	14,308,374
Amounts due to equity accounted investees	17(b) 1,235,302	1,266,873
Income tax payable	188,023	463,654
Financial liabilities at fair value	617,726	391,435
Total current liabilities	24,096,735	22,629,891
Total liabilities	62,722,400	66,822,543
Total equity and liabilities	203,965,377	202,234,215

The condensed consolidated financial statements were authorised for issue by the Board of Directors on 17 September 2013 and were signed on their behalf by:

Director
Abdulhamid Mohammed Saeed

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

Chief Financial Officer
Carlos Obeid

The notes set out on pages 9 to 37 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 ¹ AED'000 <i>(note 28)</i>	Fair value reserve ¹ AED'000	Foreign currency translation reserve ¹ AED'000	Hedging and other reserves ¹ AED'000	Accumulated losses AED'000	Reserves and deficit AED'000	Additional shareholder contributions AED'000	Government grants AED'000 <i>(note 26(b))</i>	Total attributable to the equity holder AED'000	Non- controlling interest AED'000	Total AED'000
At 1 January 2012 <i>(as originally stated)</i>	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
Effect of change in accounting policy for defined benefit obligations and plan assets <i>(see note 3(a))</i>	-	-	-	-	(865,572)	-	(865,572)	-	-	(865,572)	-	(865,572)
At 1 January 2012 <i>(as restated)</i>	15,000,000	802,307	2,365,332	572,756	(1,944,171)	(6,211,016)	(4,414,792)	94,502,530	367,350	105,455,088	54,216	105,509,304
Profit / (loss) for the period	-	-	-	-	-	984,727	984,727	-	-	984,727	(133,187)	851,540
Increase in fair value of available-for-sale financial assets <i>(net)</i>	-	-	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 changes in translation reserve of equity accounted investees	-	-	-	(11,140)	-	-	(11,140)	-	-	(11,140)	-	(11,140)
Share of effective portion of changes in fair values of cash flow hedges and other reserves of equity accounted investees	-	-	-	-	(73,691)	-	(73,691)	-	-	(73,691)	-	(73,691)
Effective portion of changes in fair value of cash flow hedges and other reserves	-	-	-	-	(21,204)	-	(21,204)	-	-	(21,204)	3,506	(17,698)
Total other comprehensive income / (loss)	-	-	248,371	(54,531)	(94,895)	-	98,945	-	-	98,945	26,350	125,295
Total comprehensive income / (loss)	-	-	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 upon acquisition of stake in a subsidiary <i>(see note 5 (a))</i>	-	-	-	-	-	(1,600,970)	(1,600,970)	-	-	(1,600,970)	581,185	(1,019,785)
Non-controlling interest upon acquisition of stake in a subsidiary <i>(see note 5 (b))</i>	-	-	-	-	-	-	-	-	-	-	967,355	967,355
Other movement in non-controlling interest	-	-	-	-	-	-	-	-	-	-	1,907	1,907
At 30 June 2012	15,000,000	802,307	2,613,703	518,225	(2,039,066)	(6,827,259)	(4,932,090)	112,299,530	367,350	122,734,790	1,488,067	124,222,857

¹ 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 ¹ AED'000 (note 28)	Fair value reserve ¹ AED'000	Foreign currency translation reserve ¹ AED'000	Hedging and other reserves ¹ AED'000	Accumulated losses AED'000	Reserves and deficit AED'000	Additional shareholder contributions AED'000 (note 27(e))	Government grants AED'000 (note 26(b))	Total attributable to the equity holder AED'000	Non-controlling interest AED'000	Total AED'000
At 1 January 2013 (as originally stated)	15,000,000	815,548	3,042,200	712,283	(990,454)	(5,255,688)	(1,676,111)	120,315,476	367,350	134,006,715	1,958,814	135,965,529
Effect of change in accounting policy for defined benefit obligations and plan assets (see note 3(a))	-	-	-	-	(573,277)	19,420	(553,857)	-	-	(553,857)	-	(553,857)
At 1 January 2013 (as restated)	15,000,000	815,548	3,042,200	712,283	(1,563,731)	(5,236,268)	(2,229,968)	120,315,476	367,350	133,452,858	1,958,814	135,411,672
Profit for the period	-	-	-	-	-	1,087,127	1,087,127	-	-	1,087,127	81,595	1,168,722
Increase in fair value of available-for-sale financial assets (net)	-	-	1,094,045	-	-	-	1,094,045	-	-	1,094,045	-	1,094,045
Net change in translation reserve	-	-	-	(137,433)	-	-	(137,433)	-	-	(137,433)	(119,075)	(256,508)
Share of changes in translation reserve of equity accounted investees	-	-	-	(223,630)	-	-	(223,630)	-	-	(223,630)	-	(223,630)
Share of effective portion of changes in fair values of cash flow hedges and other reserves of equity accounted investees	-	-	-	-	185,377	-	185,377	-	-	185,377	-	185,377
Effective portion of changes in fair values of cash flow hedges and other reserves	-	-	-	-	108,924	-	108,924	-	-	108,924	(2,172)	106,752
Total other comprehensive income / (loss)	-	-	1,094,045	(361,063)	294,301	-	1,027,283	-	-	1,027,283	(121,247)	906,036
Total comprehensive income / (loss)	-	-	1,094,045	(361,063)	294,301	1,087,127	2,114,410	-	-	2,114,410	(39,652)	2,074,758
Dividends paid to non-controlling interest holders	-	-	-	-	-	-	-	-	-	-	(4,533)	(4,533)
Additional shareholder contributions (net)	-	-	-	-	-	-	-	3,769,376	-	3,769,376	-	3,769,376
Non-controlling interest movement upon acquisition of stake in subsidiaries	-	-	-	-	-	(1,942)	(1,942)	-	-	(1,942)	(8,495)	(10,437)
Surrender of shareholding by non-controlling interest	-	-	-	-	-	21,256	21,256	-	-	21,256	(21,256)	-
Other movement in non-controlling interest	-	-	-	-	-	-	-	-	-	-	2,141	2,141
At 30 June 2013	15,000,000	815,548	4,136,245	351,220	(1,269,430)	(4,129,827)	(96,244)	124,084,852	367,350	139,355,958	1,887,019	141,242,977

¹ Non distributable reserves

The notes set out on pages 9 to 37 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

	Six month period ended 30 Jun 2013 AED '000 (unaudited)	Six month period ended 30 Jun 2012 AED '000 (unaudited)
Cash flows from operating activities		
Profit for the period	1,168,722	851,540
<i>Adjustments for:</i>		
Depreciation of property, plant, and equipment	3,757,809	3,638,056
Amortisation of intangible assets	365,928	343,169
Amortisation of government grants	(437,530)	(261,561)
Provision for inventory obsolescence	(38,350)	(234,888)
Change in fair value of investment properties (<i>net</i>)	1,755	54,786
Impairment losses on property, plant and equipment and intangible assets	140,381	9,395
Gain on disposal of property, plant and equipment	(27,607)	(1,870)
Net change in fair value of financial assets / liabilities at fair value through profit or loss	(1,284,689)	(1,105,516)
Revenue recognised for non-monetary considerations	-	(509,976)
Finance income relating to finance lease receivable	(63,442)	(63,120)
Impairment losses on available for sale financial assets	-	1,877,159
Gain on disposal of financial investments	(72,293)	(31,683)
Gain on disposal of working interest	-	(11,259)
Share of results of equity accounted investees		
- associates	17 (104,805)	(544,976)
- jointly controlled entities	17 (896,410)	(640,617)
Provision for loans and trade receivables	50,234	18,177
Finance income	(615,345)	(902,855)
Finance expense	1,133,672	1,336,083
Income tax expense (<i>net</i>)	69,552	175,155
Dividend income	(420,001)	(341,584)
	2,727,581	3,653,615
Change in inventories	142,593	(170,721)
Change in receivables and prepayments	1,954,025	(1,437,151)
Change in payables and accruals	(986,738)	(568,000)
Change in obligation under finance lease	(104,276)	14,124
Change in other liabilities	21,760	(86,872)
Change in other assets	76,850	112,315
Finance lease rental received	66,763	49,700
Income taxes paid	(411,499)	(522,767)
Dividends received from financial investments	420,001	291,476
Dividends received from equity accounted investees	925,358	1,566,251
Net cash generated by operating activities	4,832,418	2,901,970

Continued

Mubadala Development Company PJSC

Condensed consolidated statement of cash flows (*continued*)

The condensed consolidated financial statements are unaudited

		Six month period ended 30 Jun 2013 AED '000 (unaudited)	Six month period ended 30 Jun 2012 AED '000 (unaudited)
	<i>Notes</i>		
Cash flows from investing activities			
Proceeds from disposal of working interest		-	9,841
Investment in equity accounted investees		(331,511)	(2,276,713)
Acquisition of financial investments		(1,615,871)	(955,584)
Proceeds from disposal of financial investments		281,697	1,128,183
Net proceeds from disposal of exchange traded securities		156,625	-
Acquisition of property, plant and equipment		(5,875,532)	(8,885,624)
Acquisition of investment properties		(159,442)	(352,789)
Acquisition of intangible assets	15	(269,059)	(486,537)
Proceeds from disposal of property, plant and equipment		100,522	71,926
Loans recovered / (disbursed) (<i>net</i>)		3,875,528	(9,321,961)
Interest received		72,382	936,629
		(3,764,661)	(20,132,629)
Net cash used in investing activities			
Cash flows from financing activities			
Proceeds from interest bearing borrowings	22	6,838,688	3,985,207
Repayment of interest bearing borrowings	22	(8,562,899)	(5,558,004)
Additional shareholder contributions	27(e)	6,800,000	17,797,000
Proceeds from government grants	26(b)	296,675	309,432
Interest paid		(1,079,324)	(1,103,917)
Dividends paid to non-controlling interest		(4,533)	(9,759)
Change in non-controlling interest		-	1,907
Cash from acquisition of non-controlling interest in subsidiaries		-	967,355
		4,288,607	16,389,221
Net cash generated by financing activities			
Net increase in cash and cash equivalents			
Cash and cash equivalents at 1 January		11,724,680	14,524,088
Exchange fluctuation on consolidation of foreign entities		58,541	(125,264)
		17,139,585	13,557,386
Cash and cash equivalents at 30 June			

The notes set out on pages 9 to 37 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 2012, 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 2012, except for the adoption of new standards and interpretations effective as of 1 January 2013.

a) New and revised IFRSs adopted in the condensed consolidated financial statements

New and revised IFRSs

Summary of requirements

IAS 19 Employee Benefits (as revised in 2011)

IAS19 includes a number of amendments to the accounting for defined benefit plans, including actuarial gains and losses that are now recognised in other comprehensive income (OCI) and permanently excluded from profit and loss; expected returns on plan assets that are no longer recognised in profit or loss, instead, there is a requirement to recognise interest on the net defined benefit liability (asset) in profit or loss, calculated using the discount rate used to measure the defined benefit obligation, and; unvested past service costs are now recognised in profit or loss at the earlier of when the amendment occurs or when the related restructuring or termination costs are recognised.

As of result of adoption of IAS 19 Employee Benefits (as revised in 2011) from 1 January 2013, with retrospective application, the cumulative effect on the other reserves as at 1 January 2012 was AED 865,572 thousand with the corresponding effect of decrease in pension assets by AED 278,354 thousand and increase in pension liabilities by AED 587,218 thousand. The cumulative effect on the other reserves as at 1 January 2013 was decrease by AED 573,277 thousand and retained earnings increase was AED 19,420 thousand with the corresponding effect of decrease in pension assets by AED 527,615 thousand and increase in pension liabilities by AED 26,242 thousand.

Annual Improvements 2009 – 2011 Cycle covering amendments to IFRS 1, IAS 1, IAS 16, IAS 32 and IAS 34

Makes amendments to the following standards: IFRS 1 - Permit the repeated application of IFRS 1, borrowing costs on certain qualifying assets, IAS 1 - Clarification of the requirements for comparative information, IAS 16 - Classification of servicing equipment, IAS 32 - Clarify that tax effect of a distribution to holders of equity instruments should be accounted for in accordance with IAS 12 Income Taxes, IAS 34 - Clarify interim reporting of segment information for total assets in order to enhance consistency with the requirements in IFRS 8 Operating Segments. The amendment had no impact on the Group's financial position or performance.

Mubadala Development Company PJSC

Notes to the condensed consolidated financial statements (continued)

The condensed consolidated financial statements are unaudited

3 Significant accounting policies (continued)

a) New and revised IFRSs adopted in the condensed consolidated financial statements (continued)

New and revised IFRSs

Summary of requirements

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine Clarifies the requirements for accounting for stripping costs associated with waste removal in surface mining, including when production stripping costs should be recognised as an asset, how the asset is initially recognised, and subsequent measurement. The amendment had no impact on the Group's financial position or performance.

Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards relating to accounting for government loans at below market interest rate Amends IFRS 1 First-time Adoption of International Financial Reporting Standards to address how a first-time adopter would account for a government loan with a below-market rate of interest when transitioning to IFRSs. The amendments mirror the requirements for existing IFRS preparers in relation to the application of amendments made to IAS 20 Accounting for Government Grants and Disclosure of Government Assistance in relation to accounting for government loans. The amendment had no impact on the Group's financial position or performance.

Amendments to IFRS 7 Financial Instruments: Disclosures relating to offsetting financial assets and liabilities Amends the disclosure requirements in IFRS 7 Financial Instruments: Disclosures to require information about all recognised financial instruments that are set off in accordance with paragraph 42 of IAS 32 Financial Instruments: Presentation. The amendment had no impact on the Group's financial position or performance.

IFRS 10 Consolidated Financial Statements The Standard identifies the principles of control, determines how to identify whether an investor controls an investee and therefore must consolidate the investee, and sets out the principles for the preparation of consolidated financial statements.

The Standard introduces a single consolidation model for all entities based on control, irrespective of the nature of the investee (i.e. whether an entity is controlled through voting rights of investors or through other contractual arrangements as is common in 'special purpose entities'). The amendment had no impact on the Group's financial position or performance.

IFRS 11 Joint Arrangements Replaces IAS 31 Interests in Joint Ventures. Requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and then account for those rights and obligations in accordance with that type of joint arrangement. The amendment had no impact on the Group's financial position or performance.

IFRS 12 Disclosure of Interests in Other Entities Requires the extensive disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on its financial position, financial performance and cash flows. None of these disclosure requirements are applicable for interim condensed consolidated financial statements, but will result in additional disclosures in December 2013 consolidated financial statements.

IFRS 13 Fair Value Measurement IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements). With some exceptions, the standard requires entities to classify these measurements into a 'fair value hierarchy' based on the nature of the inputs, Level 1 - quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date, Level 2 - inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, Level 3 - unobservable inputs for the asset or liability.

Mubadala Development Company PJSC

Notes to the condensed consolidated financial statements (continued)

The condensed consolidated financial statements are unaudited

3 Significant accounting policies (continued)

a) New and revised IFRSs adopted in the condensed consolidated financial statements (continued)

New and revised IFRSs

Summary of requirements

IFRS 13 Fair Value Measurement (continued)

Entities are required to make various disclosures depending upon the nature of the fair value measurement (e.g. whether it is recognised in the financial statements or merely disclosed) and the level in which it is classified. Some of these disclosures are specifically required for interim condensed consolidated financial statements which are disclosed in note 29.

IAS 27 Separate Financial Statements (as revised in 2011)

The Standard requires that when an entity prepares separate financial statements, investments in subsidiaries, associates, and jointly controlled entities are accounted for either at cost, or in accordance with IAS 39 Financial Instruments: Recognition and Measurement. The Standard also deals with the recognition of dividends, certain group reorganisations and includes a number of disclosure requirements.

IAS 28 Investments in Associates and Joint Ventures (as revised in 2011)

This standard prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

The Standard defines 'significant influence' and provides guidance on how the equity method of accounting is to be applied (including exemptions from applying the equity method in some cases). It also prescribes how investments in associates and joint ventures should be tested for impairment.

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:

New and revised IFRSs

Effective for annual periods beginning on or after

Amendments to IAS 32 Financial Instruments: Presentation relating to offsetting financial assets and liabilities	1 January 2014
IFRS 9 Financial Instruments (as revised in 2010)	1 January 2015
Amendments to IFRS 7 Financial Instruments: Disclosures relating to transition to IFRS 9 (or otherwise when IFRS 9 is first applied)	1 January 2015
IFRS 10 Consolidated Financial Statements – Amendments for Investments entities	1 January 2014
IFRS 12 Disclosure of Interests in Other Entities – Amendments for Investments entities	1 January 2014
IAS 27 Separate Financial Statements – Amendments for Investments entities	1 January 2014
IAS 36 Impairment of Assets – Amendments arising from recoverable amount disclosures for financial assets	1 January 2014
IAS 39 Financial instruments – Recognition and Measurement amendments for novations of derivatives	1 January 2014
IFRIC 21 – Levies	1 January 2014

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 2012.

Mubadala Development Company PJSC

Notes to the condensed consolidated financial statements (continued)

The condensed consolidated financial statements are unaudited

4 Estimates (continued)

During the six month period ended 30 June 2013 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 1,755 thousand (six month period ended 30 June 2012: AED 54,786 thousand).

The Group reviews its investments for impairment at every reporting period date. During the prior period, 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 prior period, as a result of reassessment of its estimates and valuation taking into consideration the market conditions, management recognised an impairment of AED 1,877,159 thousand (*see note 11*). Following this in the prior period, this asset management firm completed a partial initial public offering, following which management revised its basis of measurement from cost less impairment to fair value and accordingly the investment, since then, is disclosed under quoted securities.

5 Acquisitions and disposals

(a) Acquisition of stake in Global foundries

During the prior period, the Group had 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 prior 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 had 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 had agreed to pay AED 1,561 million over instalments 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 was no longer a non-controlling shareholder in GF. The Group had recognised the aggregate consideration of AED 2,581 million of the limited waiver as revenue rateably over the 2012 wafer supply period.

(b) Acquisition of stake in DH Publishing Limited

On 29 June 2012, the Group had 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.

As a result of purchase price allocation in the prior period, an amount of AED 1,776 million was recognised as an investment in equity accounted joint venture and a corresponding non-controlling interest of AED 967 million had been recognised.

Mubadala Development Company PJSC

Notes to the condensed consolidated financial statements (continued)

The condensed consolidated financial statements are unaudited

6 Revenue from sale of goods and services

	Six month period ended 30 Jun 2013 AED '000 (unaudited)	Six month period ended 30 Jun 2012 AED '000 (unaudited)
Sale from semi conductor wafers	7,088,841	7,785,958
Aircraft maintenance and repairs	2,769,680	2,796,313
Sale of hydrocarbons	2,543,546	3,478,554
Satellite capacity service revenue	525,583	320,865
Revenue from supply of chilled water	454,748	443,694
Medical services	366,765	306,569
Contract revenue	139,516	132,404
Service concession revenue	79,247	81,319
Others	852,752	712,378
	14,820,678	16,058,054

7 Cost of sales of goods and services

	Six month period ended 30 Jun 2013 AED '000 (unaudited)	Six month period ended 30 Jun 2012 AED '000 (unaudited)
Depreciation of property, plant and equipment	3,273,170	3,251,770
Raw material	2,833,235	2,302,286
Staff costs	2,440,177	2,289,522
Maintenance	751,940	715,225
Amortisation of intangible assets	115,960	111,241
Others	2,340,114	2,542,855
	11,754,596	11,212,899

8 Other income (net)

	Six month period ended 30 Jun 2013 AED '000 (unaudited)	Six month period ended 30 Jun 2012 AED '000 (unaudited)
Gain on disposal of financial assets at fair value through profit or loss	72,293	31,683
Rental income	20,036	24,275
Gain on disposal of property, plant and equipment	27,607	1,870
Management fee	175,335	22,301
Gain on disposal of working interest	-	11,259
Others	184,844	98,512
	480,115	189,900

Mubadala Development Company PJSC

Notes to the condensed consolidated financial statements (continued)

The condensed consolidated financial statements are unaudited

9 Research and development expenses

	Six month period ended 30 Jun 2013 AED '000 (unaudited)	Six month period ended 30 Jun 2012 AED '000 (unaudited)
Staff costs	802,727	544,231
Materials costs	389,588	267,517
Depreciation of property, plant and equipment	215,385	155,025
Joint development agreement fees	205,716	242,451
Maintenance costs	175,762	150,964
Amortisation of intangible assets	118,915	68,557
Other research and development expenses	451,069	325,431
	2,359,162	1,754,176

10 Other general and administrative expenses

	Six month period ended 30 Jun 2013 AED '000 (unaudited)	Six month period ended 30 Jun 2012 AED '000 (unaudited)
Staff costs	1,249,049	1,339,907
Office expenses	293,309	271,826
Depreciation of property, plant and equipment	269,254	231,261
Maintenance and repair expenses	173,207	162,292
Amortisation of intangible assets	93,427	127,887
Public relations	84,627	88,413
Others	276,321	373,855
	2,439,194	2,595,441

11 Income / (loss) from financial investments (net)

	Six month period ended 30 Jun 2013 AED '000 (unaudited)	Six month period ended 30 Jun 2012 AED '000 (unaudited)
<i>Financial assets / liabilities at fair value through profit or loss</i>		
Net change in fair value of investments	1,111,194	1,168,247
Net change in the fair value of derivatives used as economic hedges - not designated for hedge accounting	173,495	(62,731)
	1,284,689	1,105,516
<i>Available for sale financial assets</i>		
Impairment losses ¹	-	(1,877,159)
	1,284,689	(771,643)

¹ See note 4.

Mubadala Development Company PJSC

Notes to the condensed consolidated financial statements (continued)

The condensed consolidated financial statements are unaudited

12 Income tax expense (net)

	Six month period ended 30 Jun 2013 AED '000 (unaudited)	Six month period ended 30 Jun 2012 AED '000 (unaudited)
Income tax credit	12,083	39,616
Income tax expense ¹	(81,635)	(214,771)
Income tax expense (net)	<u>(69,552)</u>	<u>(175,155)</u>

¹ Income tax expense in the current and prior periods 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 30-Jun-13 AED '000 (unaudited)	Renewable Energy 30-Jun-13 AED '000 (unaudited)	Industry 30-Jun-13 AED '000 (unaudited)	Real Estate & Infrastructure 30-Jun-13 AED '000 (unaudited)	Services Ventures 30-Jun-13 AED '000 (unaudited)	Aerospace 30-Jun-13 AED '000 (unaudited)	Information & Communication Technology 30-Jun-13 AED '000 (unaudited)	Healthcare 30-Jun-13 AED '000 (unaudited)	Semi Conductor Technology 30-Jun-13 AED '000 (unaudited)	Corporate / Acquisitions 30-Jun-13 AED '000 (unaudited)	Consolidated 30-Jun-13 AED '000 (unaudited)
Revenues from external customers	2,543,546	150,975	499,828	196,749	171,738	3,107,234	542,422	368,110	7,218,850	21,226	14,820,678
Profit / (loss) for the period attributable to the owner of the Group	1,020,426	(157,497)	388,747	497,600	25,280	(14,737)	270,164	53,918	(2,272,405)	1,275,631	1,087,127
Total comprehensive income / (loss) attributable to the owner of the Group ¹	1,020,696	(196,482)	430,384	497,490	23,838	(76,836)	481,707	53,918	(2,409,790)	2,289,485	2,114,410
Total comprehensive income / (loss) attributable to the owner of the Group excluding impairments and fair value movements on investment property and financial investments ¹	1,020,427	(53,438)	388,747	354,108	25,516	(18,184)	270,164	53,918	(2,225,366)	187,619	3,511
Total assets	15,043,230	8,288,660	14,174,838	23,004,877	2,522,839	13,781,982	14,210,509	2,671,422	54,978,464	55,288,556	203,965,377
Total liabilities	(4,979,835)	(1,126,496)	(3,345,114)	(7,313,172)	(898,844)	(5,876,420)	(6,624,159)	(285,688)	(12,782,131)	(19,490,541)	(62,722,400)
	30-Jun-12 AED '000 (unaudited)	30-Jun-12 AED '000 (unaudited)	30-Jun-12 AED '000 (unaudited)	30-Jun-12 AED '000 (unaudited)	30-Jun-12 AED '000 (unaudited)	30-Jun-12 AED '000 (unaudited)	30-Jun-12 AED '000 (unaudited)	30-Jun-12 AED '000 (unaudited)	30-Jun-12 AED '000 (unaudited)	30-Jun-12 AED '000 (unaudited)	30-Jun-12 AED '000 (unaudited)
Revenues from external customers	3,478,554	16,880	521,344	93,792	162,592	3,100,756	409,609	330,406	7,932,027	12,094	16,058,054
Profit / (loss) for the period attributable to the owner of the Group	1,993,668	(238,266)	155,852	(46,358)	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 ¹	1,994,958	(324,988)	124,128	(47,264)	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 ¹	1,993,668	(241,236)	251,852	82,259	29,739	133,278	88,567	58,156	(789,185)	301,903	1,909,001
	31-Dec-12 AED '000 (audited)	31-Dec-12 AED '000 (audited)	31-Dec-12 AED '000 (audited)	31-Dec-12 AED '000 (audited)	31-Dec-12 AED '000 (audited)	31-Dec-12 AED '000 (audited) (restated) ²	31-Dec-12 AED '000 (audited)	31-Dec-12 AED '000 (audited)	31-Dec-12 AED '000 (audited)	31-Dec-12 AED '000 (audited)	31-Dec-12 AED '000 (audited) (restated) ²
Total assets	14,429,302	11,457,364	16,695,904	23,651,241	2,511,555	13,175,719	14,238,262	2,831,705	54,030,253	49,212,910	202,234,215
Total liabilities	(5,206,982)	(1,268,078)	(3,537,736)	(7,471,168)	(851,615)	(5,857,834)	(6,949,574)	(258,632)	(15,326,618)	(20,094,306)	(66,822,543)

¹ For reconciliation between 'Total comprehensive income / (loss) attributable to the owner of the Group' and 'Total comprehensive income attributable to the owner of the Group excluding impairments and fair value movements on investment property and financial investments', refer to page 17.

² See note 3(a).

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

	Six month period ended 30 Jun 2013 AED '000 (unaudited)	Six month period ended 30 Jun 2012 AED '000 (unaudited)
Total comprehensive income attributable to the owner of the Group	2,114,410	1,083,672
Net change in fair value of financial investments	(1,111,194)	(1,168,247)
Movement in other comprehensive income attributable to the owner	(1,027,283)	(98,945)
Net change in the fair value of derivatives used as economic hedges	(173,495)	62,731
Impairment losses on property, plant and equipment	140,381	9,395
Non-controlling interest attributable to net change in derivatives used as economic hedges	58,937	(7,550)
Impairment losses on available-for-sale financial assets	-	1,877,159
Decrease in fair value of investment properties	1,755	54,786
Impairment losses on an equity accounted investee	-	96,000
	<hr/>	<hr/>
Total comprehensive income attributable to the owner of the Group excluding impairments and fair value movements on investment property and financial investments	<u>3,511</u>	<u>1,909,001</u>

14 Property, plant and equipment

During the six month period ended 30 June 2013, the Group acquired or constructed property, plant and equipment with a cost of AED 5,872,934 thousand (six month period ended 30 June 2012: AED 8,995,493 thousand).

Furthermore, during the current period, in accordance with decision 18 of 2013 of the Executive Council, the Group was required to transfer the Masdar Institute of Science & Technology campus MIST 1A and 1B amounting to AED 3,030,624 thousand to the Abu Dhabi Education Council (*see note 30(b)*).

15 Intangible assets

During the six month period ended 30 June 2013, the Group acquired intangible assets with a cost of AED 269,059 thousand (six month period ended 30 June 2012: AED 572,803 thousand).

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Notes to the condensed consolidated financial statements (continued)

The condensed consolidated financial statements are unaudited

16 Investment properties

	30 Jun 2013	31 Dec 2012
	AED '000	AED '000
	(unaudited)	(audited)
Investment properties	5,301,608	5,284,370
Investment properties under development	1,162,174	994,125
	<u>6,463,782</u>	<u>6,278,495</u>

	30 Jun 2013	31 Dec 2012
	AED '000	AED '000
	(unaudited)	(audited)

Movement in investment properties is as follows:

At 1 January	5,284,370	1,427,800
Additions during the period / year	53,293	-
Disposals during the period / year	(34,300)	-
Transferred from investment property under development	-	3,863,795
Decrease in fair value during the period / year	(1,755)	(7,225)
	<u>5,301,608</u>	<u>5,284,370</u>

	30 Jun 2013	31 Dec 2012
	AED '000	AED '000
	(unaudited)	(audited)

Movement in investment properties under development is as follows:

At 1 January	994,124	4,209,783
Additions during the period / year	106,149	520,198
Transferred from property, plant and equipment during the period / year	61,901	225,855
Transferred to investment properties	-	(3,863,795)
Decrease in fair value during the period / year	-	(97,916)
	<u>1,162,174</u>	<u>994,125</u>

17 Investment in equity accounted investees

Income from investment in equity accounted investees (net)

	Six month	Six month
	period ended	period ended
	30 Jun 2013	30 Jun 2012
	AED '000	AED '000
	(unaudited)	(unaudited)
Share of results of associates	104,805	544,976
Share of results of jointly controlled entities	896,410	640,617
	<u>1,001,215</u>	<u>1,185,593</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:

	30 Jun 2013	31 Dec 2012
	AED '000	AED '000
	(unaudited)	(audited)
At the beginning of the period / year	9,915,293	8,178,287
Share of results for the period / year (<i>net</i>)	104,805	795,589
Additions during the period / year ¹	615,428	109,737
Share of movement in translation reserve during the period / year	(4,604)	9,211
Share of movement in hedging and other reserves during the period / year	70,347	(39,342)
Transferred to investment in jointly controlled entities during the period / year	-	(4,334)
Transferred from financial investments during the period / year	-	1,320,697
Other transfers	-	33,782
Dividends during the period / year	(449,901)	(281,906)
Intercompany income eliminated during the period / year	21,957	(206,428)
	10,273,325	9,915,293
Impairment	(825,788)	(825,788)
At the end of the period / year	9,447,537	9,089,505

¹ Current period additions include conversion of Aldar mandatorily convertible bonds into equity shares (*see note 30(a)*).

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

	30 Jun 2013	31 Dec 2012
	AED '000	AED '000
	(unaudited)	(audited)
At the beginning of the period / year	7,579,025	5,169,855
Additions during the period / year	326,694	4,379,135
Disposal during the period / year	-	(176,131)
Share of results for the period / year (<i>net</i>)	896,410	909,078
Dividends during the period / year	(475,457)	(2,534,070)
Share of movement in translation reserve during the period / year	(219,026)	65,525
Share of movement in hedging reserves during the period / year	115,030	(19,931)
Share of movement in other reserves during the period / year	-	11,156
Other transfers during the period / year	19,069	8,555
Transferred from investment in associates during the period / year	-	4,334
Exchange fluctuation during the period / year	19,526	(30,953)
Intercompany income eliminated during the period / year	(85,197)	(224,013)
Other movements	(10,239)	16,485
	8,165,835	7,579,025
Impairment	(148,257)	(148,257)
At the end of the period / year	8,017,578	7,430,768

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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 are set out below (continued):

	30 Jun 2013	31 Dec 2012
	AED '000	AED '000
	(unaudited)	(audited)
Disclosed as:		
Investment in jointly controlled entities	9,252,880	8,697,641
Due to jointly controlled entities ¹	(1,235,302)	(1,266,873)
At the end of the period / year	<u>8,017,578</u>	<u>7,430,768</u>

¹ The Group's share of losses in certain jointly controlled entities 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 believes it has or had a constructive or legal obligation to contribute to such losses. In certain cases, where the Group has no constructive obligation to contribute to such losses, the Group has stopped applying equity accounting method and Group's unrecognised share of losses for the period amounts to AED 422,780 thousand (six month period ended 30 June 2012: AED 17,654 thousand) and cumulative unrecognised share of losses amounts to AED 443,900 thousand (30 June 2012: AED 36,632 thousand).

18 Financial investments

	30 Jun 2013	31 Dec 2012
	AED '000	AED '000
	(unaudited)	(audited)
Financial assets at fair value through profit or loss		
- quoted securities	9,849,621	8,694,534
- funds	3,233,028	2,843,881
- unquoted securities	551,025	551,025
- other bonds	153,425	188,755
- convertible bonds issued by a related party (see notes 27 and 30(a))	98,068	609,325
- derivative assets	54,138	60,520
- investments held for trading	49,181	51,452
	<u>13,988,486</u>	<u>12,999,492</u>
Available for sale financial assets ¹		
- quoted securities	6,887,733	4,890,503
- unquoted securities	719,749	719,935
	<u>7,607,482</u>	<u>5,610,438</u>
Other derivative assets	23,893	88,792
At the end of the period / year	<u>21,619,861</u>	<u>18,698,722</u>
Less: current portion	(3,001,369)	(2,742,805)
Non-current portion	<u>18,618,492</u>	<u>15,955,917</u>

¹ See notes 4 and 11.

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Notes to the condensed consolidated financial statements (continued)

The condensed consolidated financial statements are unaudited

19 Loans receivable

	30 Jun 2013 AED '000 (unaudited)	31 Dec 2012 AED '000 (audited)
Loans to jointly controlled entities	11,973,792	15,423,942
Loans to associates	220,282	181,865
	<hr/>	<hr/>
Loans to related parties (see note 27)	12,194,074	15,605,807
Loans to third parties ^{1,2}	12,370,684	12,946,766
	<hr/>	<hr/>
Less: current portion	(1,850,020)	(3,256,979)
	<hr/>	<hr/>
Non-current portion	<u>22,714,738</u>	<u>25,295,594</u>

¹ Loans given to third parties mentioned above are disclosed net of provision amounting to AED 77,541 thousand (2012: AED 72,902 thousand). There is no provision on loans given to related parties.

² At 30 June 2013, a third party to whom the Group extended a loan for AED 7,347,000 thousand, had failed to meet certain covenants under the terms of the agreement. Subsequent to 30 June 2013, the Group agreed to modify the terms of the loan. Consequently, a part of the exposure was repaid in a combination of cash and securities and the remaining loan receivable was agreed to be progressively repaid during the term of the loan with the final payment due on 30 June 2017. The loan is backed by certain corporate guarantees and pledges over securities in various entities of the third party group.

20 Receivables and prepayments

	30 Jun 2013 AED '000 (unaudited)	31 Dec 2012 AED '000 (audited)
<i>Non-current portion</i>		
Service concession receivables ¹	6,480,419	6,685,777
Receivable against sale of land	492,308	725,623
Other long term receivables and advances	1,017,347	756,825
Amounts due from related parties (see note 27)	32,635	19,884
Restricted and long term deposits ²	19,200	70,000
	<hr/>	<hr/>
	<u>8,041,909</u>	<u>8,258,109</u>
<i>Current portion</i>		
Amounts due from related parties (see note 27)	5,273,118	6,074,794
Trade receivables	3,234,524	3,067,621
Restricted and long term deposits ²	746,652	1,496,374
Service concession receivables ¹	975,991	968,278
Prepaid expenses	673,140	603,333
Sales tax recoverable	305,427	341,536
Contract work in progress	317,146	360,987
Receivable against government grants	307,810	530,733
Receivable against sale of land	264,722	-
Interest receivable from third parties	163,626	459,199
Advances to contractors	437,541	269,230
Other receivables	1,587,980	1,728,210
	<hr/>	<hr/>
	<u>14,287,677</u>	<u>15,900,295</u>
Less: allowance for impairment	(265,142)	(259,586)
	<hr/>	<hr/>
	<u>14,022,535</u>	<u>15,640,709</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)

¹Service 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 27*). Service concession receivables will be recovered over the respective concession periods of the universities. Details of the same are set out below:

	30 Jun 2013	31 Dec 2012
	AED '000	AED '000
	(unaudited)	(audited)
At the beginning of the period / year	7,654,055	8,031,075
Effective interest on receivables during the period / year	277,699	569,785
Costs incurred during the period / year	4,478	18,482
Attributable profits during the period / year	11,859	27,471
Less: transferred to intangible assets during the period / year	-	(15)
Less: availability charges received during the period / year	(491,681)	(992,743)
	7,456,410	7,654,055

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

21 Cash and cash equivalents

	30 Jun 2013	31 Dec 2012
	AED '000	AED '000
	(unaudited)	(audited)
Bank balances:		
- deposit accounts	13,247,085	7,581,937
- call and current accounts	3,920,742	4,142,572
Cash in hand	1,652	2,866
	17,169,479	11,727,375
Bank overdrafts	(29,894)	(2,695)
	17,139,585	11,724,680

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 397,560 thousand (2012: AED 1,082,741 thousand) held with entities under common control (*see note 27*).

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 2013	31 Dec 2012
					Carrying amount AED '000 (unaudited)	Carrying amount AED '000 (audited)
Current						
Secured bank loan	Al Hikma Development Company PJSC (UAE University)	USD	LIBOR + margin	2013	106,804	105,534
Secured bank loan	Manhal Development Company PJSC (Sorbonne University)	USD	LIBOR + margin	2013	48,780	47,836
Secured bank loan	Manhal Development Company PJSC (Sorbonne University)	AED	EIBOR + margin	2013	16,260	15,946
Secured bank loan	Al Maqsed Development Company PJSC (Zayed University)	USD	LIBOR + margin	2013	55,514	53,517
Secured bank loan	Al Maqsed Development Company PJSC (Zayed University)	AED	EIBOR + margin	2013	101,615	97,960
Secured bank loan	National Central District Cooling Company PJSC- Tabreed Islamic Finance	AED	EIBOR + margin	2013	22,893	22,893
Secured bank loan	National Central District Cooling Company PJSC	USD / AED / OMR	LIBOR/EIBOR + margin	2013	135,382	135,382
Secured bank loan	Abu Dhabi Aircraft Technologies LLC	AED	EIBOR + margin	2014	30,000	30,000
Secured bank loan	SR Technics	CHF/EUR/USD	LIBOR + margin	2013	79,170	139,485
Secured bank loan	Sanad Aero 1 Limited	USD	LIBOR + margin	2014	53,171	38,095
Secured bank loan	Sanad Aero Solutions Investment LLC	USD	LIBOR + margin	2014	30,690	30,066
Secured bank loan	Sanad Aero Ireland 1 Limited	USD	LIBOR + margin	2014	45,843	45,066
Secured bank loan	Mubadala Development Company PJSC	AED	Fixed coupon	2013	-	480,411
Secured bank loan	Abu Dhabi Aircraft Technologies LLC	USD	LIBOR + margin	2013	1,854	6,268
Secured bank loan	Abu Dhabi Aircraft Technologies LLC	AED	EIBOR + margin	2013	56,302	51,440
Unsecured bank loan	MDC - GMTN B.V. - Commercial Paper	USD/GBP/HKD/CHF	Fixed coupon	2013	1,463,952	1,879,218
Unsecured bank loan	Mubadala - Corporate revolver	GBP	LIBOR + margin	2013	-	177,987
Unsecured bank loan	Al Yahsat Communications Company PJSC	USD	LIBOR + margin	2014	245,982	239,078
Unsecured bank loan	Advanced Technology Investment Company - Atradius term loan	USD	LIBOR + margin	2014	108,431	-
Unsecured bank loan	Advanced Technology Investment Company - EXIM guaranteed loan	USD	LIBOR + margin	2014	427,456	423,220
Unsecured notes	Advanced Technology Investment Company - Senior notes	USD	Fixed coupon	2013	-	972,280
Unsecured loan	Manhal Development Company PJSC (Sorbonne University)	AED	Fixed coupon	2014	8,071	-
Unsecured loan	Al Maqsed Development Company PJSC (Zayed University)	AED	Fixed coupon	2014	16,475	-
Unsecured loan	Dolphin Investment Company LLC	USD	LIBOR + margin / Fixed	2013-2014	209,154	204,156
Unsecured loan	Abu Dhabi Aircraft Technologies LLC	USD	Fixed coupon	2013	187,170	374,340
Unsecured loan	The Specialist Diabetes Treatment and Research Centre LLC	AED	Fixed coupon	2013	3,376	4,269
Unsecured deposits	Abu Dhabi Finance	AED	EIBOR + margin	2013-2014	78,132	46,010
Unsecured corporate bond	MDC - GMTN B.V. - Corporate Bond 2014	USD	Fixed coupon	2014	4,579,915	-
Current total					8,112,392	5,620,457

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 2013 Carrying amount AED '000 (unaudited)	31 Dec 2012 Carrying amount AED '000 (audited)
Non-Current						
Secured bank loan	Al Hikma Development Company PJSC (UAE University)	USD	LIBOR + margin	2014-2022	1,069,273	1,121,985
Secured bank loan	Manhal Development Company PJSC (Sorbonne University)	USD	LIBOR + margin	2014-2028	694,906	719,688
Secured bank loan	Manhal Development Company PJSC (Sorbonne University)	AED	EIBOR + margin	2014-2028	231,635	239,896
Secured bank loan	Al Maqsed Development Company PJSC (Zayed University)	USD	LIBOR + margin	2014-2019	1,131,084	1,159,603
Secured bank loan	Al Maqsed Development Company PJSC (Zayed University)	AED	EIBOR + margin	2014-2019	2,070,398	2,122,601
Secured bank loan	Sigma Investment Company (BVI) (PTC) Limited (GE margin loan)	USD	LIBOR + margin	2015	1,345,869	1,345,869
Secured bank loan	SR Technics	CHF/EUR/USD	LIBOR + margin	2015-2017	739,526	750,734
Secured bank loan	Sanad Aero 1 Limited	USD	LIBOR + margin	2022	498,472	375,099
Secured bank loan	Sanad Aero Solutions Investments LLC	USD	LIBOR + margin	2018	107,620	123,165
Secured bank loan	Sanad Aero Ireland 1 Limited	USD	LIBOR + margin	2020	336,666	359,783
Secured bank loan	Strata Manufacturing PJSC	USD	LIBOR + margin	2022	163,934	-
Secured bank loan	National Central District Cooling Company PJSC- Tabreed Islamic Finance	AED	EIBOR + margin	2019	495,140	505,790
Secured bank loan	National Central District Cooling Company PJSC	USD / AED / OMR	LIBOR/EIBOR + margin	2014-2019	1,856,455	1,963,172
Secured bank loan	Abu Dhabi Aircraft Technologies LLC	AED	EIBOR + margin	2016	77,585	92,654
Unsecured bank loan	Advanced Technology Investment Company - Syndicated loan	USD	LIBOR + margin		-	1,639,288
Unsecured bank loan	Al Yah Satellite Communications Company PJSC	USD	LIBOR + margin	2022	3,060,420	3,180,850
Unsecured bank loan	Mubadala Treasury Holding Company LLC - EIB term loan	EUR	EURIBOR + margin	2019	1,123,796	1,141,636
Unsecured bank loan	Mubadala Treasury Holding Company LLC - EIB term loan	EUR	EURIBOR + margin	2020	1,433,514	1,456,305
Unsecured bank loan	Advanced Technology Investment Company - Atradius term loan	USD	LIBOR + margin	2018	619,811	-
Unsecured bank loan	Advanced Technology Investment Company - EXIM guaranteed loan	USD	LIBOR + margin	2014-2016	742,198	954,361
Unsecured bank loan	Advanced Technology Investment Company - EXIM term loan	USD	Fixed coupon	2019	1,851,988	-
Unsecured notes	Advanced Technology Investment Company - Senior notes	USD	Fixed coupon	2015	356,752	356,752
Unsecured loan	Dolphin Investment Company LLC	USD	LIBOR + margin / Fixed coupon	2014-2021	2,720,544	2,826,358
Unsecured loan	The Specialist Diabetes Treatment and Research Centre LLC	AED	Fixed coupon	2020	30,465	29,572
Unsecured loan ¹	Manhal Development Company PJSC (Sorbonne University)	AED	Fixed coupon		59,142	71,294
Unsecured loan ¹	Al Maqsed Development Company PJSC (Zayed University)	AED	Fixed coupon		63,892	80,367
Unsecured corporate bond	MDC - GMTN B.V. - JPY Private Placement	JPY	Fixed coupon	2031	552,490	637,786
Unsecured corporate bond	MDC - GMTN B.V. - EUR Private Placement	EUR	Fixed coupon	2018	380,771	386,839
Unsecured corporate bond	MDC - GMTN B.V. - Corporate Bond 2014	USD	Fixed coupon	2014	-	4,574,537
Unsecured corporate bond	MDC - GMTN B.V. - Corporate Bond 2016	USD	Fixed coupon	2016	2,734,524	2,731,605
Unsecured corporate bond	MDC - GMTN B.V. - Corporate Bond 2019	USD	Fixed coupon	2019	1,822,614	1,822,315
Unsecured corporate bond	MDC - GMTN B.V. - Corporate Bond 2021	USD	Fixed coupon	2021	2,736,547	2,736,298
Non-Current total					31,108,031	35,506,202
Total					39,220,423	41,126,659

¹These loans are repayable subject to certain conditions which are not expected to be met within next twelve months.

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:

	30 Jun 2013	31 Dec 2012
	AED '000	AED '000
	(unaudited)	(audited)
At the beginning of the period / year	41,126,659	43,177,460
New borrowings during the period / year	6,838,688	8,887,837
Repayments during the period / year	(8,562,899)	(10,547,576)
Foreign exchange fluctuations and other movements during the period / year	(182,025)	(391,062)
	39,220,423	41,126,659

23 Other liabilities

	30 Jun 2013	31 Dec 2012
	AED '000	AED '000
	(unaudited)	(audited)
Advance from a related party (see note 27)	1,068,988	1,068,988
Decommissioning liabilities	458,269	303,679
Asset retirement obligation	147,153	141,331
Interest free loan from the Shareholder (see note 27)	90,435	90,435
Others	671,328	809,981
	2,436,173	2,414,414

24 Payables and accruals

	30 Jun 2013	31 Dec 2012
	AED '000	AED '000
	(unaudited)	(audited)
Accrued expenses	3,294,439	3,524,623
Trade payables	3,167,987	2,552,709
Unearned revenue	1,287,979	1,621,858
Staff costs payable	446,837	662,390
Deposit from the Shareholder ¹ (see note 27)	679,706	675,570
Amounts due to related parties (see note 27)	712,927	580,810
Advances from customers	484,402	564,553
Interest free loan from the Shareholder (see note 27)	399,106	399,106
Other provisions	387,353	251,387
Provision for staff terminal benefits	305,409	343,174
Retentions payable	232,048	315,277
Advance from an associate (see note 27)	1,628	73,869
Other payables	1,739,653	2,743,048
	13,139,474	14,308,374

¹ Deposit from the Shareholder has original maturity of less than three months and at the reporting date carried an annual effective interest rate of 1.22% per annum (2012: 1.46% per annum).

Mubadala Development Company PJSC

Notes to the condensed consolidated financial statements (continued)

The condensed consolidated financial statements are unaudited

25 Commitments and contingent liabilities

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

	30 Jun 2013	31 Dec 2012
	AED '000	AED '000
	(unaudited)	(audited)
Capital commitments		
Commitments for equity investments	11,011,051	1,443,646
Commitments for acquisition of property, plant and equipment	6,725,430	7,855,453
Unfunded loan commitments	2,348,676	3,172,040
Contingent liabilities ¹	8,051,312	4,213,296
	28,136,469	16,684,435

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

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

	30 Jun 2013	31 Dec 2012
	AED '000	AED '000
	(unaudited)	(audited)
Capital Commitments		
Commitments for acquisition of property, plant and equipment	4,809,036	5,417,610
Commitment to provide loans	1,622,595	4,840,612
Operating lease commitments	306,375	390,492
Commitments for equity investments in joint ventures	198,798	386,496
Contingent liabilities	766,276	944,383
	7,703,080	11,979,593

Exploration commitments

The obligations of the Group to perform exploration activities are:

	30 Jun 2013	31 Dec 2012
	AED '000	AED '000
	(unaudited)	(audited)
Due in less than one year	672,390	579,468
Later than one year but not later than five years	310,230	319,984
	982,620	899,452

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

	30 Jun 2013	31 Dec 2012
	AED '000	AED '000
	(unaudited)	(audited)
Within one year	446,569	529,447
After one year but not more than five years	1,411,313	1,390,593
After five years	1,722,253	1,310,253
Total	3,580,135	3,230,293

Mubadala Development Company PJSC

Notes to the condensed consolidated financial statements (continued)

The condensed consolidated financial statements are unaudited

26 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 ⁹	Carrying amount as at 30 Jun 2013 AED '000 (unaudited)	Carrying amount as at 31 Dec 2012 AED '000 (audited)	Currently classified as ⁸
Future economic benefits certain					
Madinat Zayed ¹	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 ²	2006	747,019	-	-	IP/IPUD
Al Maryah Island - Development work in progress ²	2006	103,985	-	-	Inventory
Al Maryah Island - Plots for sale ²	2006	4,139,343	509,233	537,295	Inventory
Al Maryah Island ²	2006	697,864	49,670	31,087	PPE
New Fish Market	2006	484,448	17,342	19,097	IP
New Headquarter	2004	102,675	-	-	PPE
Parking lot - New Headquarter	2009	70,000	-	-	PPE
Mussafah	2007	-	-	34,300	IP
Hai Al Dawoody	2009	1,076	-	-	PPE
Hamran	2009	1,076	-	-	PPE
Masdar City Land					
Masdar Institute of Science and Technology ⁶	2008	353,090	-	-	PPE
10MW Power Plant ⁶	2008	2,367,200	-	-	PPE
Masdar Head Quarter ⁶	2008	272,163	-	-	PPE
Masdar City - Project 1 ⁶	2008	573,508	-	-	PPE
Masdar City ⁶	2008	863,357	67,787	67,787	IPUD
Al Falah- Plot 3	2007	4,719,243	-	-	PPE
Future economic benefits uncertain / no future economic benefits³					
Jabel Al Dhannah ⁷	2009	10,956,700	-	-	N/A
Masdar City Land ⁵ (remaining portion)	2008	55,427,474	-	-	N/A
Al Reem Island - Sorbonne University ⁴	2006	1,001,934	-	-	N/A
Al Maryah Island - Cleveland Clinic ²	2006	1,007,158	-	-	N/A
Al Maryah Island (remaining portion) ²	2006	4,907,950	-	-	N/A
Khalifa City - Zayed University ⁴	2006	8,207,745	-	-	N/A
East Al Reem Island	2006	3,609,265	-	-	N/A
Old Fish Market - New York Institute of Technology ⁴	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

26 Government grants (continued)

(a) Non-monetary government grants (continued)

(i) Land (continued)

¹The 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.

²On the Maryah Island out of the total unsold land area of 11,603,319 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 Maryah Island. Accordingly, these plots of land with a land area of 4,139,343 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. Maryah Island includes approximately five million square feet of land earmarked for roads and waterfront for common public use.

³Having 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.

⁴These 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.

⁵The 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 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 consolidated financial information, 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

26 Government grants (continued)

(a) Non-monetary government grants (continued)

(i) Land (continued)

⁶The 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 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.

⁷The 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.

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

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

(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 2013 the Group had an outstanding commitment to invest an additional AED 27,511 thousand (31 December 2012: AED 39,962 thousand) in the Fund.

During the six month period ended 30 June 2013 the Group received government grants of AED 296,675 thousand (six month period ended 30 June 2012: AED 309,432 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

27 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:

	Six month period ended 30 Jun 2013 AED '000 (unaudited)	Six month period ended 30 Jun 2012 AED '000 (unaudited)
Directors' remuneration	<u>1,912</u>	<u>1,860</u>
<i>Other key management personnel</i>		
Short term benefits	75,168	50,788
Post employment benefits	5,725	9,646
	<u>80,893</u>	<u>60,434</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:

	Six month period ended 30 Jun 2013 AED '000 (unaudited)	Six month period ended 30 Jun 2012 AED '000 (unaudited)
Revenue		
Associates	2,420,278	41,776
Entities under common control	1,518,666	1,110,362
Jointly controlled entities	167,370	401,977
Shareholder	83,832	48,054
	<u>4,190,146</u>	<u>1,602,169</u>
Interest income		
Entities under common control	260,369	239,715
Jointly controlled entities	102,055	196,769
Shareholder	20,273	57,326
Associates	2,091	14,492
	<u>384,788</u>	<u>508,302</u>

Mubadala Development Company PJSC

Notes to the condensed consolidated financial statements (continued)

The condensed consolidated financial statements are unaudited

27 Balances and transactions with related parties (continued)

(c) Other related party transactions (continued)

	Six month period ended 30 Jun 2013 AED '000 (unaudited)	Six month period ended 30 Jun 2012 AED '000 (unaudited)
Interest expense		
Jointly controlled entities	98,397	36,081
Entities under common control	97,364	38,602
	195,761	74,683
Income from provision of manpower, project management and consultancy services		
Jointly controlled entities	139,639	27,828
Entities under common control	76	-
Associates	-	1,190
	139,715	29,018
Purchase of goods and services		
Jointly controlled entities	269,014	197,530
Associates	158,743	320,779
Entities under common control	59,649	921
Shareholder	120	-
	487,526	519,230
Loans given		
Jointly controlled entities	1,034,520	828,417
Associates	62,234	-
Entities under common control	-	3,571
	1,096,754	831,988
Loans recovered		
Jointly controlled entities	3,593,608	416,915
Associates	-	50,000
	3,593,608	466,915
Interest bearing loan repaid		
Entities under common control	944,350	51,233
Jointly controlled entities	290,288	108,018
	1,234,638	159,251
Interest bearing borrowing drawn from entities under common control		
	163,392	-
Cash calls paid to a jointly controlled entities for jointly controlled assets		
	893,514	-
Deposit received from Shareholder during the period		
	-	5,156
Other transactions		
Jointly controlled entities	29,574	165,343
Entities under common control	15,776	14,023
	45,350	179,366

Mubadala Development Company PJSC

Notes to the condensed consolidated financial statements (continued)

The condensed consolidated financial statements are unaudited

27 Balances and transactions with related parties (continued)

(d) Related party balances

	30 Jun 2013	31 Dec 2012
	AED '000	AED '000
	(unaudited)	(audited)
Amounts due to related parties¹ (see note 24)		
Associates	181,703	165,170
Jointly controlled entities	373,391	246,241
Entities under common control	157,056	165,257
Shareholder	777	4,142
	712,927	580,810
Advances from related parties		
Entity under common control (see note 23)	1,068,988	1,068,988
Associate (see note 24)	1,628	73,869
	1,070,616	1,142,857
Amounts due from related parties² (see note 20)		
Shareholder	2,064,630	3,447,989
Associates	1,577,228	1,093,796
Entities under common control	932,028	811,259
Jointly controlled entities	731,867	741,634
	5,305,753	6,094,678
Loan and deposits from the shareholder³ (see note 23 and 24)		
	1,169,247	1,165,111
Deposits with entities under common control (see note 21)		
	397,560	1,082,741
Loans to related parties		
Jointly controlled entities	11,973,792	15,423,942
Associates	220,282	181,865
	12,194,074	15,605,807
Financial investment in shares of an entity under common control		
	980,033	587,234
Financial investment in warrants of an associate		
	524,576	307,288
Convertible bonds of an associate (see note 18)		
	98,068	609,325
Service concession receivables (see note 20)		
Entities under common control	6,840,188	7,006,930
Shareholder	616,222	647,125
	7,456,410	7,654,055

Mubadala Development Company PJSC

Notes to the condensed consolidated financial statements (continued)

The condensed consolidated financial statements are unaudited

27 Balances and transactions with related parties (continued)

(d) Related party balances (continued)

	30 Jun 2013	31 Dec 2012
	AED '000	AED '000
	(unaudited)	(audited)
Interest bearing borrowings		
Entities under common control	4,266,389	5,519,740
Jointly controlled entities	3,264,448	3,404,854
Associates	33,841	33,841
	7,564,678	8,958,435
Unearned revenue from an associate	673,128	1,098,377

¹ Includes amounts due to related parties except for amounts due to jointly controlled entities, disclosed under note 17 (b).

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

³ Loan and deposits from the Shareholder are included under payables and accruals and other liabilities.

(e) Additional shareholder contributions

	30 Jun 2013	31 Dec 2012
	AED '000	AED '000
	(unaudited)	(audited)
At the beginning of the period / year	120,315,476	92,068,476 ¹
Cash contributions during the period / year ²	6,800,000	28,247,000
Reduction towards Masdar MIST 1A & 1B transfer to Abu Dhabi Education Council ("ADEC") (see note 30(b))	(3,030,624)	-
At the end of the period / year	124,084,852	120,315,476

¹ Includes cash contributions which 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.

² Cash contributions represent equity funding received from the Shareholder.

28 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.

29 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 2012. For fair value disclosures, refer to the next page.

Mubadala Development Company PJSC

Notes to the condensed consolidated financial statements (continued)

The condensed consolidated financial statements are unaudited

29 Fair value disclosures (continued)

Fair value

Fair value versus carrying amounts

The fair values of the financial assets and liabilities, together with their carrying amounts shown in the statement of financial position, are as follows:

	30 Jun 2013		31 Dec 2012	
	Carrying amount AED '000 (unaudited)	Fair value AED '000 (unaudited)	Carrying amount AED '000 (audited)	Fair value AED '000 (audited)
Assets carried at fair value				
Financial assets at fair value through profit or loss				
- quoted securities	9,849,621	9,849,621	8,694,534	8,694,534
- funds	3,233,028	3,233,028	2,843,881	2,843,881
- convertible bonds issued by related parties	98,068	98,068	609,325	609,325
- unquoted securities ¹	551,025	-	551,025	-
- other bonds	153,425	153,425	188,755	188,755
- investments held for trading	49,181	49,181	51,452	51,452
- derivative assets	54,138	54,138	60,520	60,520
Available for sale financial assets				
- quoted securities	6,887,733	6,887,733	4,890,503	4,890,503
- unquoted securities ²	719,749	-	719,935	-
Other derivative assets	23,893	23,893	88,792	88,792
	<u>21,619,861</u>		<u>18,698,722</u>	
Assets carried at amortised cost³				
Receivables and prepayments	19,883,442	19,883,442	22,471,193	22,471,193
Loans receivable	24,564,758	24,564,758	28,552,573	28,552,573
Finance lease receivables	1,549,923	1,549,923	1,553,244	1,553,244
Other assets	90,286	90,286	35,242	35,242
Cash and cash equivalents	17,139,585	17,139,585	11,724,680	11,724,680
	<u>63,227,994</u>		<u>64,336,932</u>	
Liabilities carried at fair value				
<i>Derivatives designated and effective as hedging instruments carried at fair value</i>				
- interest rate swaps	(516,592)	(516,592)	(739,812)	(739,812)
- foreign exchange forward contracts	(72,070)	(72,070)	(17,662)	(17,662)
<i>Financial liabilities carried at fair value through profit or loss</i>				
- interest rate swaps	(741,579)	(741,579)	(1,036,054)	(1,036,054)
- foreign exchange forward contracts	(38,651)	(38,651)	(32,939)	(32,939)
- equity options	(14,355)	(14,355)	(13,102)	(13,102)
- equity swaps	(68,623)	(68,623)	(11,673)	(11,673)
Exchange traded securities	(294,812)	(294,812)	(153,651)	(153,651)
	<u>(1,746,682)</u>		<u>(2,004,893)</u>	

Mubadala Development Company PJSC

Notes to the condensed consolidated financial statements (continued)

The condensed consolidated financial statements are unaudited

29 Fair value disclosures (continued)

Fair value (continued)

Fair value versus carrying amounts (continued)

	30 Jun 2013		31 Dec 2012	
	Carrying amount AED '000 (unaudited)	Fair value AED '000 (unaudited)	Carrying amount AED '000 (audited)	Fair value AED '000 (audited)
Liabilities carried at amortised cost ³				
Payables and accruals	(11,212,407)	(11,212,407)	(11,389,552)	(11,389,552)
Obligation under finance lease	(1,456,375)	(1,456,375)	(1,609,610)	(1,609,610)
Amounts due to equity accounted investees	(1,235,302)	(1,235,302)	(1,266,873)	(1,266,873)
Other liabilities	(528,926)	(528,926)	(542,596)	(542,596)
Interest bearing borrowings	(39,220,423)	(40,205,215)	(41,126,659)	(42,727,550)
	<u>(53,653,433)</u>		<u>(55,935,290)</u>	

¹ Unquoted equity instruments are carried at cost, which is approximately equal to their fair value (see note 18).

² Unquoted equity instruments are carried at cost less impairment, since no reliable measure of fair value is available (see note 18).

³ Fair values disclosed for financial assets and liabilities carried at amortised cost indicate management's estimate of minimum realisable values.

Fair valuation techniques 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 2012.

Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels are defined as follows:

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).

30 June 2013

	Level 1 AED '000 (unaudited)	Level 2 AED '000 (unaudited)	Level 3 AED '000 (unaudited)	Total AED '000 (unaudited)
Financial assets at fair value through profit or loss	9,996,870	207,563	3,784,053 ¹	13,988,486
Available for sale financial assets				
Quoted securities	6,887,733	-	-	6,887,733
Other derivative assets	-	23,893	-	23,893
Financial liabilities at fair value through profit or loss				
Cash flow hedges	-	(588,662)	-	(588,662)
Interest rate swaps used as economic hedges	-	(741,579)	-	(741,579)
Other derivatives	(14,355)	(107,274)	-	(121,629)
Exchange traded securities	(294,812)	-	-	(294,812)
	<u>16,575,436</u>	<u>(1,206,059)</u>	<u>3,784,053</u>	<u>19,153,430</u>

Mubadala Development Company PJSC

Notes to the condensed consolidated financial statements (continued)

The condensed consolidated financial statements are unaudited

29 Fair value disclosures (continued)

Fair value (continued)

Fair value hierarchy (continued)

31 December 2012

	Level 1 AED '000 (audited)	Level 2 AED '000 (audited)	Level 3 AED '000 (audited)	Total AED '000 (audited)
Financial assets at fair value through profit or loss	8,847,402	757,184	3,394,906 ¹	12,999,492
Available for sale financial assets				
Quoted securities	4,890,503	-	-	4,890,503
Other derivative assets	-	88,792	-	88,792
Financial liabilities at fair value through profit or loss				
Cash flow hedges	-	(757,474)	-	(757,474)
Interest rate swaps used as economic hedges	-	(1,036,054)	-	(1,036,054)
Other derivatives	(13,102)	(44,612)	-	(57,714)
Exchange traded securities	(153,651)	-	-	(153,651)
	<u>13,571,152</u>	<u>(992,164)</u>	<u>3,394,906</u>	<u>15,973,894</u>

¹ Primarily represents investments in private equity funds which are valued based on net assets value reported by the respective fund managers, as per accepted industry practices.

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

	2013 AED '000 (unaudited)
At 1 January	3,394,906
Additions during the year	291,375
Increase in fair value recognised in profit or loss (net) ¹	180,853
Disposals during the year ²	(83,081)
At 30 June	<u>3,784,053</u>

¹ Increase in fair value recognised in profit or loss, is attributable to assets held at the statement of financial position date. The total net increase in fair value was recorded in "Income / (loss) from financial investments (net)" in the statement of comprehensive income.

² There has been no gain or loss on disposal of a financial asset at fair value through profit or loss.

Mubadala Development Company PJSC

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

The condensed consolidated financial statements are unaudited

30 Significant non-cash transactions

a) During the current period Mubadala converted its remaining portion of Aldar mandatory convertible bonds in the notional amount of AED 693,876 thousand, thereby increasing its legal ownership in Aldar to 41 percent. Further during the current period following the merger of Aldar Properties PJSC (“Aldar”) and Sorouh Real Estate PJSC becoming effective, Mubadala’s ownership in Aldar is now approximately 31 percent *(see note 17(a))*.

b) In accordance with Decision 18 of 2013 of the Executive Council, dated and effective 12 February 2013, the Group was required to transfer the Masdar Institute of Science & Technology campus MIST 1A and 1B to the Abu Dhabi Education Council. The impact of the above decision was derecognition in the current period of Property, Plant and Equipment with a carrying amount of AED 3,030,624 thousand *(see note 14)* with a corresponding reduction in additional shareholder contribution *(see Note 27(e))*.

31 Comparatives

Certain comparative figures have been reclassified, wherever necessary, to conform to the presentation adopted in the condensed consolidated financial statements *(see note 3(a))*.