

**Mubadala Development Company PJSC**

Review report and unaudited interim  
condensed consolidated financial statements  
for the period ended 30 June 2016

**Principal Business Address**

PO Box 45005  
Abu Dhabi  
United Arab Emirates

# **Mubadala Development Company PJSC**

## **Review report and interim condensed consolidated financial statements for the period ended 30 June 2016**

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**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREDHOLDER OF MUBADALA DEVELOPMENT COMPANY PJSC (“MUBADALA”)**

***Introduction***

We have reviewed the accompanying interim condensed consolidated financial statements of Mubadala Development Company PJSC (“Mubadala” or “the Company”) and its subsidiaries (together the “Group”), as at 30 June 2016, comprising of the interim condensed consolidated statement of financial position as at 30 June 2016 and the related interim condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting* (“IAS 34”). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

***Scope of review***

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

***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

***Other matters***

The interim condensed consolidated financial statements of the Group for the period ended 30 June 2015 were reviewed by another auditor, who expressed an unmodified conclusion on those interim condensed consolidated financial statements on 14 September 2015.

The consolidated financial statements of the Group for the year ended 31 December 2015 were audited by another auditor, who expressed an unmodified opinion on those consolidated financial statements on 21 March 2016.

Signed by:  
Anthony O’Sullivan  
Partner  
Ernst & Young  
Registration No. 687

4 September  
Abu Dhabi

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

	<i>Notes</i>	<b>Six month period ended 30 Jun 2016 AED'000 (unaudited)</b>	Six month period ended 30 Jun 2015 AED'000 (unaudited)
<b><u>Continuing operations</u></b>			
Revenue from sale of goods and services	5	<b>14,320,096</b>	13,629,595
Cost of sales of goods and services	6	<b>(15,659,894)</b>	(12,298,905)
<b>Gross (loss) / profit</b>		<b>(1,339,798)</b>	1,330,690
Income from investments in equity accounted investees ( <i>net</i> )	13	<b>1,696,542</b>	2,194,281
Government grant income		<b>417,732</b>	403,781
Dividend income		<b>540,268</b>	710,188
Other income ( <i>net</i> )	7	<b>778,239</b>	721,074
Research and development expenses		<b>(1,470,525)</b>	(1,640,572)
Exploration costs		<b>(82,352)</b>	(127,753)
General and administrative expenses		<b>(2,840,091)</b>	(2,788,937)
<b>(Loss) / profit before unrealised fair value changes, impairments, net finance expense and taxes</b>		<b>(2,299,985)</b>	802,752
Gain from financial investments ( <i>net</i> )	8	<b>328,028</b>	1,635,032
Increase / (decrease) in fair value of investment properties ( <i>net</i> )		<b>6,953</b>	(1,524)
Impairment of loans and receivables ( <i>net</i> )		<b>(1,552,494)</b>	(951,374)
Impairment of intangible assets	12	<b>(43,223)</b>	-
Impairment of equity accounted investees	13	<b>(152,973)</b>	-
<b>(Loss) / profit before net finance expense and taxes</b>		<b>(3,713,694)</b>	1,484,886
Finance income		<b>266,127</b>	515,068
Finance expense		<b>(994,925)</b>	(974,936)
<b>Net finance expense</b>		<b>(728,798)</b>	(459,868)
<b>(Loss) / income before income tax from continuing operations</b>		<b>(4,442,492)</b>	1,025,018
Income tax benefit / (expense)	9	<b>105,820</b>	(253,204)
<b>(Loss) / income for the period from continuing operations</b>		<b>(4,336,672)</b>	771,814
<b><u>Discontinued operations</u></b>			
Loss for the period from discontinued operations	16	<b>(93,281)</b>	(9,730)
<b>(Loss) / income for the period</b>		<b>(4,429,953)</b>	762,084

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

	<i>Notes</i>	<b>Six month period ended 30 Jun 2016 AED'000 (unaudited)</b>	<b>Six month period ended 30 Jun 2015 AED'000 (unaudited)</b>
<b>Other comprehensive loss from continuing operations</b>			
<i>Items that may be reclassified to profit or loss in subsequent periods</i>			
(Decrease) / increase in fair value of available for sale financial assets ( <i>net</i> )		<b>(28,941)</b>	152,309
Cumulative gain reclassified from equity to profit or loss on disposal of available for sale financial assets	7	-	(199,196)
Effective portion of changes in fair values of cash flow hedges and other reserves net of taxes		<b>(40,721)</b>	115,695
Net change in translation reserve		<b>(60,560)</b>	92,725
Share of effective portion of changes in fair values of hedging instruments and other reserves of equity accounted investees	13(a,b)	<b>(216,158)</b>	30,104
Share of movements in translation reserve of equity accounted investees	13(b)	<b>(51,103)</b>	(291,647)
		<b>(397,483)</b>	(100,010)
Other comprehensive loss from discontinued operations		<b>(149,619)</b>	(162,400)
<b>Other comprehensive loss for the period net of income tax</b>		<b>(547,102)</b>	(262,410)
<b>Total comprehensive (loss) / income for the period</b>		<b>(4,977,055)</b>	499,674
(Loss) / profit for the period		<b>(4,429,953)</b>	762,084
Profit attributable to non-controlling interests		<b>(86)</b>	(136,587)
<b>(Loss) / profit for the period attributable to the Owner of the Group</b>		<b>(4,430,039)</b>	625,497
Total comprehensive (loss) / income for the period		<b>(4,977,055)</b>	499,674
Total comprehensive loss / (income) attributable to non-controlling interests		<b>17,865</b>	(21,968)
<b>Total comprehensive (loss) / income for the period attributable to the Owner of the Group</b>		<b>(4,959,190)</b>	477,706
Total comprehensive (loss) / income for the period attributable to the Owner of the Group from:			
- Continuing operations		<b>(4,716,290)</b>	649,836
- Discontinued operations		<b>(242,900)</b>	(172,130)
<b>Total comprehensive (loss) / income for the period attributable to the Owner of the Group</b>		<b>(4,959,190)</b>	477,706

The notes set out on pages 10 to 33 form an integral part of these interim condensed consolidated financial statements.

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

	<i>Notes</i>	<b>30 Jun 2016</b> <b>AED'000</b> <b>(unaudited)</b>	31 Dec 2015 AED'000 (audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	<i>11</i>	<b>81,958,171</b>	86,945,834
Intangible assets	<i>12</i>	<b>6,693,152</b>	8,329,041
Investment properties		<b>7,605,217</b>	7,217,372
Investments in equity accounted investees			
- associates	<i>13(a)</i>	<b>10,317,341</b>	10,358,834
- jointly controlled entities	<i>13(b)</i>	<b>24,454,166</b>	25,333,681
Financial investments	<i>14</i>	<b>24,495,849</b>	26,084,763
Loans receivable	<i>15</i>	<b>10,419,376</b>	12,463,707
Receivables and prepayments		<b>9,510,812</b>	9,331,822
Finance lease receivables		<b>4,829,874</b>	4,754,474
Deferred tax assets		<b>1,889,742</b>	2,011,162
<b>Total non-current assets</b>		<b>182,173,700</b>	192,830,690
<b>Current assets</b>			
Inventories		<b>7,586,752</b>	7,965,617
Financial investments	<i>14</i>	<b>1,502,088</b>	2,520,808
Loans receivable	<i>15</i>	<b>355,529</b>	1,343,899
Receivables and prepayments		<b>23,813,020</b>	27,855,316
Finance lease receivables		<b>322,634</b>	333,770
Cash and cash equivalents		<b>13,292,880</b>	13,402,998
		<b>46,872,903</b>	53,422,408
Assets classified as held for sale	<i>16</i>	<b>4,366,009</b>	111,150
<b>Total current assets</b>		<b>51,238,912</b>	53,533,558
<b>Total assets</b>		<b>233,412,612</b>	246,364,248

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

	<i>Notes</i>	<b>30 Jun 2016</b> <b>AED'000</b> <b>(unaudited)</b>	31 Dec 2015 AED'000 (audited)
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		<b>28,600,000</b>	28,600,000
Application for share capital		<b>18,367,500</b>	18,367,500
Additional shareholder contributions	20 (e)	<b>123,155,278</b>	123,155,278
Reserves and (deficit) / surplus		<b>(3,416,308)</b>	1,540,461
Government grants		<b>367,350</b>	367,350
<b>Total equity attributable to the Owner of the Group</b>		<b>167,073,820</b>	172,030,589
Non-controlling interests		<b>1,899,636</b>	1,939,089
<b>Total equity</b>		<b>168,973,456</b>	173,969,678
<b>Non-current liabilities</b>			
Interest bearing borrowings	17	<b>30,463,620</b>	30,132,732
Government grants		<b>825,197</b>	929,483
Obligation under finance lease		<b>1,086,893</b>	1,076,005
Deferred tax liabilities		<b>517,842</b>	981,612
Financial liabilities at fair value		<b>1,213,422</b>	1,068,808
Other liabilities		<b>7,973,375</b>	9,179,565
<b>Total non-current liabilities</b>		<b>42,080,349</b>	43,368,205
<b>Current liabilities</b>			
Interest bearing borrowings	17	<b>4,444,598</b>	10,330,846
Government grants		<b>260,717</b>	316,187
Obligation under finance lease		<b>131,352</b>	130,799
Payables and accruals		<b>12,694,759</b>	16,574,235
Amounts due to a jointly controlled entity	13(b)	<b>1,048,495</b>	1,025,471
Income tax payable		<b>181,584</b>	171,880
Financial liabilities at fair value		<b>625,185</b>	460,869
		<b>19,386,690</b>	29,010,287
Liabilities classified as held for sale	16	<b>2,972,117</b>	16,078
<b>Total current liabilities</b>		<b>22,358,807</b>	29,026,365
<b>Total liabilities</b>		<b>64,439,156</b>	72,394,570
<b>Total equity and liabilities</b>		<b>233,412,612</b>	246,364,248

These interim condensed consolidated financial statements were authorised for issue by the Board of Directors on 4 September 2016 and were signed on their behalf by:

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*Director*

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

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*Group Chief Financial Officer  
Carlos Obeid*

The notes set out on pages 10 to 33 form an integral part of these interim condensed consolidated financial statements.

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

The interim condensed consolidated financial statements are unaudited

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

<sup>1</sup> Non distributable reserves



## Mubadala Development Company PJSC

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

The interim condensed consolidated financial statements are unaudited

	Share capital AED'000	Application for share capital AED'000	Statutory reserve <sup>1</sup> AED'000 (note 21)	Fair value reserve <sup>1</sup> AED'000	Foreign currency translation reserve <sup>1</sup> AED'000	Pension reserve AED'000	Hedging and other reserves <sup>1</sup> AED'000	Accumulated losses AED'000	Reserves and (deficit)/ surplus AED'000	Additional shareholder contributions AED'000 (note 20(e))	Government grants AED'000	Total equity attributable to the Owner of the Group AED'000	Non-controlling interests AED'000	Total equity AED'000
At 1 January 2016	28,600,000	18,367,500	1,249,747	3,841,698	143,483	(866,748)	(702,217)	(2,125,502)	1,540,461	123,155,278	367,350	172,030,589	1,939,089	173,969,678
(Loss) / profit for the period	-	-	-	-	-	-	-	(4,430,039)	(4,430,039)	-	-	(4,430,039)	86	(4,429,953)
Decrease in fair value of available for sale financial assets (net)	-	-	-	(28,941)	-	-	-	-	(28,941)	-	-	(28,941)	-	(28,941)
Effective portion of changes in fair values of cash flow hedges and other reserves net of taxes	-	-	-	-	-	-	(40,660)	-	(40,660)	-	-	(40,660)	-	(40,660)
Net change in translation reserve	-	-	-	-	(33,171)	-	-	-	(33,171)	-	-	(33,171)	(17,951)	(51,122)
Share of effective portion of changes in fair values of hedging instruments and other reserves of equity accounted investees	-	-	-	-	-	-	(216,158)	-	(216,158)	-	-	(216,158)	-	(216,158)
Share of movements in translation reserve of equity accounted investees	-	-	-	-	(51,103)	-	-	-	(51,103)	-	-	(51,103)	-	(51,103)
Net movement in defined benefits plan	-	-	-	-	-	(159,118)	-	-	(159,118)	-	-	(159,118)	-	(159,118)
<b>Total other comprehensive loss</b>	-	-	-	(28,941)	(84,274)	(159,118)	(256,818)	-	(529,151)	-	-	(529,151)	(17,951)	(547,102)
<b>Total comprehensive loss</b>	-	-	-	(28,941)	(84,274)	(159,118)	(256,818)	(4,430,039)	(4,959,190)	-	-	(4,959,190)	(17,865)	(4,977,055)
Acquisition of non-controlling interest	-	-	-	-	-	-	-	(10,525)	(10,525)	-	-	(10,525)	10,525	-
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	(42,880)	(42,880)
Other movements	-	-	-	-	-	-	-	12,946	12,946	-	-	12,946	10,767	23,713
<b>At 30 June 2016</b>	<b>28,600,000</b>	<b>18,367,500</b>	<b>1,249,747</b>	<b>3,812,757</b>	<b>59,209</b>	<b>(1,025,866)</b>	<b>(959,035)</b>	<b>(6,553,120)</b>	<b>(3,416,308)</b>	<b>123,155,278</b>	<b>367,350</b>	<b>167,073,820</b>	<b>1,899,636</b>	<b>168,973,456</b>

<sup>1</sup> Non distributable reserves

The notes set out on pages 10 to 33 form an integral part of these interim condensed consolidated financial statements.

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

	<i>Notes</i>	<b>Six month period ended 30 Jun 2016 AED'000 (unaudited)</b>	Six month period ended 30 Jun 2015 AED'000 (unaudited)
<b>Cash flows from operating activities</b>			
(Loss) / profit for the period		<b>(4,429,953)</b>	762,084
Adjustments for:			
Depreciation of property, plant and equipment		<b>6,127,757</b>	4,959,460
Amortisation of intangible assets		<b>384,022</b>	267,058
Amortisation of government grants		<b>(417,732)</b>	(403,781)
Change in fair value of investment properties		<b>(6,953)</b>	1,524
Impairment of intangible assets		<b>55,633</b>	91,862
Gain on disposal of property, plant and equipment		<b>(79,010)</b>	(37,915)
Write-down of excess and obsolete inventories to their estimated net realizable value		<b>1,306,791</b>	229,015
Unrealised gain on financial assets at fair value through profit or loss ( <i>net</i> )	8	<b>(453,468)</b>	(1,197,580)
Net change in the fair value of derivatives used as economic hedges - not designated for hedge accounting		<b>113,592</b>	(498,658)
Finance income relating to finance lease receivables		<b>(161,192)</b>	(152,272)
Impairment of equity accounted investees		<b>152,973</b>	-
Impairment of loans and receivables		<b>1,554,022</b>	950,864
Gain on disposal of investment in equity accounted investees	13	-	(14,392)
Gain on disposal of subsidiaries and working interest	7	<b>(81,001)</b>	(118,622)
Realised gain on financial assets at fair value through profit or loss ( <i>net</i> )	7	<b>(22,585)</b>	(82,923)
Cumulative gain reclassified from equity on disposal of available for sale financial assets	7	-	(199,196)
Share of results of equity accounted investees			
- jointly controlled entities	13	<b>(1,222,965)</b>	(1,814,477)
- associates	13	<b>(473,577)</b>	(365,412)
Finance income and net foreign exchange gain		<b>(269,636)</b>	(558,307)
Finance expense		<b>1,020,341</b>	1,002,995
Income tax (benefit) / expense		<b>(103,576)</b>	250,778
Dividend income		<b>(540,268)</b>	(710,188)
		<b>2,453,215</b>	2,361,917
Change in inventories		<b>(1,141,588)</b>	(1,294,740)
Change in receivables and prepayments		<b>2,902,688</b>	(501,780)
Change in payables and accruals		<b>(2,473,241)</b>	(1,487,093)
Change in other liabilities		<b>(239,161)</b>	1,078,554
Dividends received from financial investments		<b>523,805</b>	680,200
Dividends received from equity accounted investees		<b>1,196,935</b>	685,566
Finance lease rentals paid		<b>(55,719)</b>	(81,027)
Lease rentals received		<b>171,216</b>	148,685
Income taxes paid		<b>(21,748)</b>	(191,615)
<b>Net cash generated from operating activities</b>		<b>3,316,402</b>	1,398,667

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

	<i>Notes</i>	<b>Six month period ended 30 Jun 2016 AED'000 (unaudited)</b>	<b>Six month period ended 30 Jun 2015 AED'000 (unaudited)</b>
<b>Cash flows from investing activities</b>			
Investment in equity accounted investees		(506,811)	(58,314)
Disposal of financial investments ( <i>net</i> )		3,155,774	550,094
Proceeds from disposal of subsidiaries, working interest and net assets classified as held for sale ( <i>net of cash disposed</i> )		15,429	12,903
Distributions from jointly controlled entities	13(b)	1,482,191	-
Acquisition of property, plant and equipment		(3,137,977)	(10,232,256)
Acquisition of investment properties		(227,753)	(103,979)
Acquisition of intangible assets		(315,864)	(411,115)
Proceeds from disposal of property, plant and equipment		135,600	127,457
Loans recovered		1,989,714	2,793,402
Loans disbursed		(558,869)	(1,360,589)
Interest received		240,844	76,720
<b>Net cash generated by / (used in) investing activities</b>		<b>2,272,278</b>	<b>(8,605,677)</b>
<b>Cash flows from financing activities</b>			
Proceeds from interest bearing borrowings		4,813,644	4,142,641
Repayments of interest bearing borrowings		(9,738,174)	(4,223,836)
Acquisition of non-controlling interest		-	(348,941)
Proceeds from government grants		411,966	360,113
Interest paid		(816,267)	(844,534)
Dividends paid to non-controlling interest		(42,880)	(30,096)
<b>Net cash used in financing activities</b>		<b>(5,371,711)</b>	<b>(944,653)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>216,969</b>	<b>(8,151,663)</b>
Cash and cash equivalents at 1 January		13,402,998	31,749,753
Net foreign exchange fluctuation		(108,214)	849,268
<b>Cash and cash equivalents at 30 June</b>		<b>13,511,753</b>	<b>24,447,358</b>

The notes set out on pages 10 to 33 form an integral part of these interim condensed consolidated financial statements.

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

*The interim condensed consolidated financial statements are unaudited*

**1 Legal status and principal activities**

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

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

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

On 29 June 2016, His Highness Sheikh Mohamed Bin Zayed Al Nahyan, Crown Prince of Abu Dhabi and Chairman of the Abu Dhabi Executive Council, issued a resolution to initiate the merger of Mubadala and International Petroleum Investment Company (“IPIC”). The resolution announced the creation of a joint steering committee to oversee the merger of the two companies. Mubadala and IPIC will continue to operate independently until a final decision from the Government of Abu Dhabi is made based on the recommendation of the joint steering committee on the effective date of the merger.

**2 Statement of compliance**

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34, “*Interim Financial Reporting*”. It does not include all the information required for full annual consolidated financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2015, prepared in accordance with IFRS.

The Federal law No. 2 of 2015, concerning Commercial Companies has come into effect from 1 July 2015, replacing the existing law No. 8 of 1984 (as amended). The Group is currently assessing the impact of the new law and expects to be fully compliant on or before 30 June 2017.

**3 Significant accounting policies**

The accounting policies applied by the Group in these interim condensed consolidated financial statements are the same as those applied in the consolidated financial statements as at and for the year ended 31 December 2015.

**4 Estimates and judgments**

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

In preparing these interim condensed consolidated financial statements the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2015.

**Notes to the interim condensed consolidated financial statements (continued)***The interim condensed consolidated financial statements are unaudited***5 Revenue from sale of goods and services**

	<b>Six month period ended 30 Jun 2016 AED'000 (unaudited)</b>	<b>Six month period ended 30 Jun 2015 AED'000 (unaudited)</b>
Sale of semiconductor wafers	<b>9,163,580</b>	7,953,019
Aircraft maintenance and repairs, components leasing and sales	<b>737,187</b>	585,211
Sale of hydrocarbons	<b>1,753,936</b>	2,402,697
Satellite capacity leasing revenue	<b>547,804</b>	642,129
Medical services	<b>716,184</b>	548,889
Revenue from supply of chilled water	<b>356,834</b>	413,818
Revenue from information technology services	<b>194,757</b>	215,258
Revenue from supply of renewable energy	<b>131,667</b>	148,389
Others	<b>718,147</b>	720,185
	<b>14,320,096</b>	13,629,595

**6 Cost of sales of goods and services**

	<b>Six month period ended 30 Jun 2016 AED'000 (unaudited)</b>	<b>Six month period ended 30 Jun 2015 AED'000 (unaudited)</b>
Depreciation of property, plant and equipment	<b>5,655,638</b>	4,369,831
Raw materials	<b>2,232,338</b>	2,038,316
Staff costs	<b>2,431,268</b>	2,184,306
Write-down of excess and obsolete inventories to their estimated net realizable value	<b>1,208,211</b>	229,015
Others	<b>4,132,439</b>	3,477,437
	<b>15,659,894</b>	12,298,905

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

<b>7 Other income (net)</b>	<b>Six month period ended 30 Jun 2016 AED'000 (unaudited)</b>	<b>Six month period ended 30 Jun 2015 AED'000 (unaudited)</b>
Gain on disposal of subsidiaries and working interest	<b>81,001</b>	118,622
Cumulative gain reclassified from equity to profit or loss on disposal of available for sale financial assets (net)	<b>-</b>	199,196
Finance income from loans	<b>123,297</b>	125,035
Realised gain on financial assets at fair value through profit or loss (net)	<b>22,585</b>	82,923
Gain on disposal of property, plant and equipment (net)	<b>59,957</b>	9,604
Derecognition of decommissioning liability	<b>242,006</b>	-
Others	<b>249,393</b>	185,694
	<b>778,239</b>	721,074
	<hr/> <hr/>	<hr/> <hr/>
<b>8 Gain from financial investments (net)</b>	<b>Six month period ended 30 Jun 2016 AED'000 (unaudited)</b>	<b>Six month period ended 30 Jun 2015 AED'000 (unaudited)</b>
<i>Financial assets / liabilities at fair value through profit or loss</i>		
Unrealised gain on financial assets at fair value through profit or loss (net)	<b>453,468</b>	1,197,580
Net change in the fair value of derivatives used as economic hedges - not designated for hedge accounting	<b>(125,440)</b>	437,452
	<b>328,028</b>	1,635,032
	<hr/> <hr/>	<hr/> <hr/>
<b>9 Income tax benefit / (expense)</b>		

The movement in income tax benefit / (expense) for the six month period ended 30 June 2016 and 30 June 2015 is primarily arising from entities incorporated in Europe due to foreign exchange rate fluctuation between the Euro and the US Dollar, causing differences between one of the Group's subsidiaries non monetary assets and their respective tax bases.

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

The interim condensed consolidated financial statements are unaudited

## 10 Operating segments

	Technology AED'000 (unaudited)	Industry AED'000 (unaudited)	Technology and Industry AED'000 (unaudited)	Aerospace and Defence Services AED'000 (unaudited)	Information and Communications Technology AED'000 (unaudited)	Aerospace and Engineering Services AED'000 (unaudited)	Oil & Gas and Energy AED'000 (unaudited)	Renewable Energy AED'000 (unaudited)	Energy AED'000 (unaudited)	Real Estate and Infrastructure AED'000 (unaudited)	Mubadala Capital AED'000 (unaudited)	Healthcare AED'000 (unaudited)	Emerging sectors AED'000 (unaudited)	Corporate AED'000 (unaudited)	Consolidated AED'000 (unaudited)
<b>For the period ended 30 June 2016</b>															
Revenues from external customers	9,163,580	581,887	9,745,467	772,831	752,140	1,524,971	1,742,467	177,465	1,919,932	401,770	-	719,972	1,121,742	7,984	14,320,096
Profit / (loss) for the period attributable to the Owner of the Group	(4,948,974)	457,339	(4,491,635)	71,550	(1,312,556)	(1,241,006)	196,027	(27,246)	168,781	456,243	1,197,882	77,576	1,731,701	(597,880)	(4,430,039)
Total comprehensive income / (loss) for the period attributable to the Owner of the Group <sup>1</sup>	(4,919,375)	407,410	(4,511,965)	(119,852)	(1,353,411)	(1,473,263)	196,148	(351,801)	(155,653)	458,875	1,241,567	77,323	1,777,765	(596,074)	(4,959,190)
Total comprehensive income / (loss) for the period attributable to the Owner of the Group excluding impairments and fair value movements on investment properties and financial investments <sup>1</sup>	(5,177,791)	511,835	(4,665,956)	73,619	177,913	251,532	302,606	15,413	318,019	691,854	191,557	77,691	961,102	(547,344)	(3,682,647)
<b>At 30 June 2016</b>															
Total assets	74,655,669	28,162,056	102,817,725	14,493,149	12,629,855	27,123,004	10,416,623	7,312,729	17,729,352	28,496,482	34,098,783	7,026,838	69,622,103	16,120,428	233,412,612
Total liabilities	15,870,877	5,474,194	21,345,071	6,100,399	6,134,423	12,234,822	4,247,929	2,472,364	6,720,293	5,728,803	2,136,491	416,963	8,282,257	15,856,713	64,439,156
<b>For the period ended 30 June 2015</b>															
Revenues from external customers	7,953,019	558,447	8,511,466	696,902	899,833	1,596,735	2,403,476	193,864	2,597,340	357,523	-	564,200	921,723	2,331	13,629,595
Profit / (loss) for the period attributable to the Owner of the Group	(2,960,975)	968,341	(1,992,634)	293,080	310,811	603,891	478,693	(3,263)	475,430	568,291	1,314,502	18,705	1,901,498	(362,688)	625,497
Total comprehensive income / (loss) for the period attributable to the Owner of the Group <sup>1</sup>	(2,895,399)	928,730	(1,966,669)	236,391	321,031	557,422	480,348	28,770	509,118	570,359	1,154,055	18,705	1,743,119	(365,284)	477,706
Total comprehensive income / (loss) for the period attributable to the Owner of the Group excluding impairments and fair value movements on investment properties and financial investments <sup>1</sup>	(2,666,946)	968,359	(1,698,587)	205,195	311,105	516,300	498,567	10,215	508,782	537,648	979,473	18,667	1,535,788	(475,700)	386,583
	AED'000 (audited)	AED'000 (audited)	AED'000 (audited)	AED'000 (audited)	AED'000 (audited)	AED'000 (audited)	AED'000 (audited)	AED'000 (audited)	AED'000 (audited)	AED'000 (audited)	AED'000 (audited)	AED'000 (audited)	AED'000 (audited)	AED'000 (audited)	AED'000 (audited)
<b>At 31 December 2015</b>															
Total assets	79,158,707	28,211,370	107,370,077	14,358,272	14,127,798	28,486,070	11,217,757	7,977,665	19,195,422	28,547,509	35,345,209	5,608,532	69,501,250	21,811,429	246,364,248
Total liabilities	18,913,205	3,886,197	22,799,402	5,637,600	6,005,461	11,643,061	4,757,056	2,780,135	7,537,191	5,678,223	1,330,336	230,890	7,239,449	23,175,467	72,394,570

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

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

*The interim condensed consolidated financial statements are unaudited*

**10 Operating segments (continued)**

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

	<b>Six month period ended 30 Jun 2016 AED'000 (unaudited)</b>	Six month period ended 30 Jun 2015 AED'000 (unaudited)
Total comprehensive (loss) / income for the period attributable to the Owner of the Group	<b>(4,959,190)</b>	477,706
Impairment of intangible assets	<b>43,223</b>	48,068
Net change in the fair value of derivatives used as economic hedges - not designated for hedge accounting	<b>78,646</b>	(236,917)
(Increase) / decrease in fair value of investment properties ( <i>net</i> )	<b>(6,953)</b>	1,524
Impairment of equity accounted investees	<b>152,973</b>	-
Impairment of loans and receivables ( <i>net</i> )	<b>1,552,494</b>	950,864
Cumulative gain reclassified from equity to profit or loss on disposal of available for sale financial assets ( <i>net</i> )( <i>see note 7</i> )	<b>-</b>	(199,196)
Exchange loss / (gain)	<b>262,448</b>	(177,970)
Foreign exchange impact on deferred tax	<b>(750,857)</b>	316,267
Gain on disposal of property, plant and equipment	<b>(59,957)</b>	(37,915)
Gain on disposal of investment in equity accounted investees ( <i>net</i> ) ( <i>see note 13</i> )	<b>-</b>	(14,392)
Non-controlling interest on derivatives used as economic hedges	<b>(39,060)</b>	15,091
Realised gain on financial assets at fair value through profit or loss ( <i>net</i> ) ( <i>see note 7</i> )	<b>(22,585)</b>	(82,923)
Certain unrealised (gain) / loss on financial assets at fair value through profit or loss ( <i>net</i> )	<b>(462,980)</b>	(821,415)
Movements in other comprehensive loss - attributable to the Owner of the Group	<b>529,151</b>	147,791
Total comprehensive loss for the period attributable to the Owner of the Group excluding impairments and fair value movements on investment properties and financial investments	<b>(3,682,647)</b>	386,583

**11 Property, plant and equipment**

During the six month period ended 30 June 2016, the Group acquired and / or constructed property, plant and equipment with a cost of AED 2,552,896 thousand (*six month period ended 30 June 2015: AED 9,588,101 thousand*) and transferred property, plant and equipment with a carrying value of AED 1,064,064 thousand to assets held for sale (*six month period ended 30 June 2015: AED nil*).



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

During the six month period ended 30 June 2016, the Group acquired intangible assets with a cost of AED 232,166 thousand (*six month period ended 30 June 2015: AED 1,790,238 thousand*) including intangibles acquired through business combinations of AED nil (*six month period ended 30 June 2015: AED 1,592,084 thousand*) and transferred intangible assets with a carrying value of AED 1,486,514 thousand to assets held for sale (*six month period ended 30 June 2015: AED nil*).

**13 Investments in equity accounted investees**Income from investments in equity accounted investees (*net*):

	<b>Six month period ended 30 Jun 2016 AED'000 (unaudited)</b>	Six month period ended 30 Jun 2015 AED'000 (unaudited)
Share of results of jointly controlled entities	1,222,965	1,814,477
Share of results of associates	473,577	365,412
Gain on disposal of investments in equity accounted investees ( <i>net</i> )	-	14,392
	<hr/>	<hr/>
	<b>1,696,542</b>	<b>2,194,281</b>
	<hr/> <hr/>	<hr/> <hr/>

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

	<b>30 Jun 2016 AED'000 (unaudited)</b>	31 Dec 2015 AED'000 (audited)
At the beginning of the period / year	10,718,876	10,645,644
Additions	1,348	10,596
Share of results	473,577	685,137
Disposals	-	(4,800)
Dividends received	(462,182)	(666,027)
Share of effective portion of changes in fair values of hedging instruments and other reserves	(11,217)	11,914
Intercompany loss eliminated	9,293	36,568
Other movements	2,103	(156)
	<hr/>	<hr/>
Accumulated impairment	10,731,798 (414,457)	10,718,876 (360,042)
	<hr/>	<hr/>
<b>At the end of the period / year</b>	<b>10,317,341</b>	<b>10,358,834</b>
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the interim condensed consolidated financial statements (continued)***The interim condensed consolidated financial statements are unaudited***13 Investments in equity accounted investees (continued)**

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

	<b>30 Jun 2016</b> <b>AED'000</b> <b>(unaudited)</b>	31 Dec 2015 AED'000 (audited)
At the beginning of the period / year	<b>24,607,363</b>	19,782,408
Additions and acquisitions	<b>520,463</b>	8,987,949
Eliminated intercompany gain on disposal of subsidiaries	-	(1,592,313)
Share of results	<b>1,222,965</b>	3,003,393
Disposals	-	(2,928,255)
Dividends received	<b>(734,753)</b>	(1,924,903)
Share of effective portion of changes in fair values of hedging instruments and other reserves	<b>(204,941)</b>	1,021
Share of movements in translation reserve	<b>(51,103)</b>	(364,200)
Share of equity movements of a jointly controlled entity	-	328,436
Exchange fluctuation	<b>(30,165)</b>	57,303
Intercompany income eliminated	<b>(51,863)</b>	(84,289)
Redemption of preference shares	-	(674,455)
Distributions received	<b>(1,482,191)</b>	-
Other movements	<b>8,653</b>	15,268
	<b>23,804,428</b>	24,607,363
Accumulated impairment	<b>(398,757)</b>	(299,153)
<b>At the end of the period / year</b>	<b>23,405,671</b>	24,308,210
<b>Disclosed as:</b>		
Investment in jointly controlled entities	<b>24,454,166</b>	25,333,681
Amounts due to a jointly controlled entity <sup>1</sup>	<b>(1,048,495)</b>	(1,025,471)
	<b>23,405,671</b>	24,308,210

<sup>1</sup> In one of the jointly controlled entities, the Group's share of losses exceeded its interest in that entity. The share of losses exceeding the Group's interest in that entity has been presented separately within current liabilities in the interim condensed consolidated statement of financial position, as the Group has a constructive obligation to contribute to such losses to a certain extent. Beyond that, the Group has no constructive or legal obligation to contribute further to losses, hence the Group has stopped applying equity accounting method for that entity. The Group's unrecognised share of losses for the period amounted to AED 2,196,539 thousand (*six month period ended 30 June 2015: AED 699,203 thousand*) and cumulative unrecognised share of losses amounted to AED 4,818,229 thousand (*30 June 2015: AED 2,985,508 thousand*).

**Notes to the interim condensed consolidated financial statements (continued)***The interim condensed consolidated financial statements are unaudited***14 Financial investments**

	<b>30 Jun 2016</b>	31 Dec 2015
	<b>AED'000</b>	AED'000
	<b>(unaudited)</b>	(audited)
<b><i>Fair value through profit or loss financial assets</i></b>		
<b><u>Financial assets designated at FVTPL</u></b>		
Quoted investments		
Equity securities	<b>5,990,938</b>	8,439,838
Unquoted investments		
Convertible bonds	<b>1,460,758</b>	1,460,758
Equity securities	<b>2,408,555</b>	2,297,293
Investments funds	<b>8,544,924</b>	7,735,971
Derivative assets	<b>74,138</b>	97,072
	<b>18,479,313</b>	20,030,932
<b><u>Financial assets held for trading</u></b>		
Quoted investments		
Equity securities	<b>1,287,389</b>	2,103,153
Debt securities other than convertible bonds	<b>85,537</b>	338,803
Derivative assets	<b>82,571</b>	62,492
	<b>1,455,497</b>	2,504,448
<b><i>Total of fair value through profit or loss financial assets</i></b>	<b>19,934,810</b>	22,535,380
<b><i>Available for sale financial assets</i></b>		
Quoted investments		
Equity securities	<b>5,990,014</b>	6,009,116
Unquoted investments		
Equity securities	<b>58,993</b>	59,526
<b><i>Total of available for sale financial assets</i></b>	<b>6,049,007</b>	6,068,642
<b><i>Other financial assets</i></b>		
Derivative assets	<b>14,120</b>	1,549
<b>Financial investments</b>	<b>25,997,937</b>	28,605,571
<b>Disclosed as:</b>		
Current portion	<b>1,502,088</b>	2,520,808
Non-current portion	<b>24,495,849</b>	26,084,763
	<b>25,997,937</b>	28,605,571

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

	<b>30 Jun 2016</b>	31 Dec 2015
	<b>AED'000</b>	AED'000
	<b>(unaudited)</b>	(audited)
Loans to jointly controlled entities	<b>10,053,939</b>	11,509,387
Loans to entities under common control	<b>170,311</b>	166,572
Loans to associates	<b>51,326</b>	32,572
	<hr/>	<hr/>
Loans to related parties	<b>10,275,576</b>	11,708,531
Loans to third parties <sup>1</sup>	<b>2,564,740</b>	5,579,696
	<hr/>	<hr/>
	<b>12,840,316</b>	17,288,227
Less: allowance for impairment <sup>1,2</sup>	<b>(2,065,411)</b>	(3,480,621)
	<hr/>	<hr/>
	<b>10,774,905</b>	13,807,606
	<hr/> <hr/>	<hr/> <hr/>
<b>Disclosed as:</b>		
Current portion	<b>355,529</b>	1,343,899
Non-current portion	<b>10,419,376</b>	12,463,707
	<hr/>	<hr/>
	<b>10,774,905</b>	13,807,606
	<hr/> <hr/>	<hr/> <hr/>

<sup>1</sup> Loan to a third party of AED 2,903,009 thousand, which had been fully provided for in the prior years, was written off during the period resulting in decline in loans to third parties and related allowance for impairment balances.

<sup>2</sup> Allowances for impairment of AED 1,164,260 thousand and AED 323,507 thousand were made during the period against loans to related parties and loans to third parties balances respectively, due to exchange rate fluctuations adversely impacting cash flows available in the underlying entities to repay these loan balances.

**16 Assets and liabilities classified as held for sale**

	<b>30 Jun 2016</b>	31 Dec 2015
	<b>AED'000</b>	AED'000
	<b>(unaudited)</b>	(audited)
Assets classified as held for sale	<b>4,366,009</b> <sup>1</sup>	111,150
	<hr/>	<hr/>
Liabilities classified as held for sale	<b>(2,972,117)</b>	(16,078)
	<hr/>	<hr/>

The assets and liabilities related to one of the Group's subsidiaries, which is held within Aerospace and Engineering Services segment, have been presented as held for sale, since the requirements of *IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations* were met and sale is considered highly probable within one year from the date of classification as held for sale (*see note 24*). Assets classified as held for sale have been carried at the lower of carrying value or fair value less costs to sell.

<sup>1</sup> Includes cash and cash equivalents classified as held for sale amounting to AED 218,873 thousand.

**Notes to the interim condensed consolidated financial statements** *(continued)**The interim condensed consolidated financial statements are unaudited***16 Assets and liabilities classified as held for sale** *(continued)*

The results of operations of the subsidiary for the period are presented below:

	<b>Six month period ended 30 Jun 2016 AED'000 (unaudited)</b>	Six month period ended 30 Jun 2015 AED'000 (unaudited)
Revenue from sale of goods and services	<b>1,874,433</b>	2,271,938
Cost of sales of goods and services	<b>(1,750,559)</b>	(2,100,534)
Loss for the period	<b>(93,281)</b>	(9,730)
<b>17 Interest bearing borrowings</b>	<b>30 Jun 2016 AED'000 (unaudited)</b>	31 Dec 2015 AED'000 (audited)
Unsecured bank loans	<b>3,126,244</b>	6,235,760
Unsecured corporate bonds	-	2,752,886
Secured bank loans	<b>969,884</b>	975,510
Unsecured loans	<b>329,025</b>	347,245
Secured loans	<b>19,445</b>	19,445
<b>Current portion</b>	<b>4,444,598</b>	10,330,846
Secured bank loans	<b>10,118,077</b>	11,031,746
Unsecured corporate bonds	<b>9,921,712</b>	8,058,659
Unsecured bank loans	<b>7,988,795</b>	8,443,188
Unsecured loans	<b>2,138,382</b>	2,302,485
Secured loans	<b>296,654</b>	296,654
<b>Non-current portion</b>	<b>30,463,620</b>	30,132,732

## Mubadala Development Company PJSC

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

The interim condensed consolidated financial statements are unaudited

#### 17 Interest bearing borrowings (continued)

##### Terms and debt repayment schedule

Particulars	Entity name / Project name	Currency	Nominal interest rate	Repayment period	30 Jun 2016 Carrying amount AED '000 (unaudited)	31 Dec 2015 Carrying amount AED '000 (audited)
<i>Current</i>						
Secured bank loan	Al Hikma Development Company PJSC (UAE University)	USD	LIBOR + margin	2016-2017	126,337	122,797
Secured bank loan	Manhal Development Company PJSC (Sorbonne University)	USD	LIBOR + margin	2016-2017	49,979	49,237
Secured bank loan	Manhal Development Company PJSC (Sorbonne University)	AED	EIBOR + margin	2016-2017	16,660	16,412
Secured bank loan	Al Maqsd Development Company PJSC (Zayed University)	USD	LIBOR + margin	2016-2017	58,199	57,006
Secured bank loan	Al Maqsd Development Company PJSC (Zayed University)	AED	EIBOR + margin	2016-2017	105,496	104,348
Secured bank loan	National Central Cooling Company PJSC	USD / AED / OMR	LIBOR / EIBOR + margin / Fixed	2016-2017	189,879	189,021
Secured bank loan	Strata Manufacturing PJSC	USD	LIBOR + margin	2016-2017	75,128	56,319
Secured bank loan	SR Technics	CHF / EUR / USD	LIBOR + margin / Fixed		-	22,759
Secured bank loan	Sanad Aero 1 Limited	USD	LIBOR + margin	2016-2017	68,493	67,014
Secured bank loan	Sanad Aero Solutions Investment LLC	USD	LIBOR + margin	2016-2017	18,585	21,043
Secured bank loan	Sanad Aero Ireland 1 Limited	USD	LIBOR + margin	2016-2017	60,618	59,572
Secured bank loan	Sanad Aero II Limited	USD	LIBOR + margin	2016-2017	50,344	49,273
Secured bank loan	Sanad Aero Ireland 2 Limited	USD	LIBOR + margin	2016-2017	11,507	11,278
Secured bank loan	Sanad Aero Ireland 3 Limited	USD	LIBOR + margin	2016-2017	16,425	16,113
Secured bank loan	Sanad Aero Ireland 4 Limited	USD	LIBOR + margin	2016-2017	14,853	14,585
Secured bank loan	Abu Dhabi Future Energy Company PJSC (London Array)	GBP	LIBOR + margin	2016-2017	79,639	82,922
Secured bank loan	Injazat Data Systems LLC	AED	EIBOR + margin	2016-2017	27,742	27,373
Secured bank loan	Abu Dhabi Finance PJSC	AED	EIBOR + margin		-	8,438
Secured loans	GlobalFoundries Inc.	USD	LIBOR + margin	2016-2017	19,445	19,445
Unsecured bank loan	Mubadala Development Company PJSC – Revolving Credit Facility	USD	LIBOR + margin		-	3,489,825
Unsecured bank loan	Al Yah Satellite Communications Company PJSC	USD	LIBOR + margin	2016-2017	311,924	295,080
Unsecured bank loan	Global Foundries – Atradius term loan	USD	LIBOR + margin	2016-2017	366,685	334,204
Unsecured bank loan	Global Foundries – EXIM guaranteed loan	USD	LIBOR + margin	2016-2017	105,541	211,057
Unsecured bank loan	Global Foundries – EXIM term loan	USD	Fixed coupon	2016-2017	676,222	606,439
Unsecured loan	Manhal Development Company PJSC (Sorbonne University)	AED	Fixed coupon		-	15,193
Unsecured loan	Al Maqsd Development Company PJSC (Zayed University)	AED	Fixed coupon		-	19,000
Unsecured loan	Manhal Development Company PJSC (Sorbonne University)	AED	Fixed coupon	2016-2017	8,411	-
Unsecured loan	Al Maqsd Development Company PJSC (Zayed University)	AED	Fixed coupon	2016-2017	6,790	-
Unsecured loan	Al Hikma Development Company PJSC (UAE University)	AED	Fixed coupon	2016-2017	26,215	24,010
Unsecured loan	Dolphin Investment Company LLC	USD	LIBOR + margin / Fixed	2016-2017	274,380	250,646
Unsecured loan	The Specialist Diabetes Treatment and Research Centre LLC	AED	Fixed coupon	2016-2017	3,229	3,396
Unsecured loan	Abu Dhabi Finance PJSC - deposits	AED	EIBOR + margin	2016-2017	10,000	35,000
Unsecured corporate bond	MDC - GMTN B.V. - Corporate Bond 2016	USD	Fixed coupon		-	2,752,886
Unsecured bank loan	MDC - GMTN B.V. - Commercial Paper	USD / GBP	Fixed coupon	2016-2017	1,665,872	1,299,155
<i>Current total</i>					<b>4,444,598</b>	<b>10,330,846</b>

# Mubadala Development Company PJSC

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

The interim condensed consolidated financial statements are unaudited

### 17 Interest bearing borrowings (continued)

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

Particulars	Entity name / Project name	Currency	Nominal interest rate	Repayment period	30 Jun 2016 Carrying amount AED '000 (unaudited)	31 Dec 2015 Carrying amount AED '000 (audited)
<i>Non-Current</i>						
Secured bank loan	Al Hikma Development Company PJSC (UAE University)	USD	LIBOR + margin	2017-2022	713,529	777,128
Secured bank loan	Manhal Development Company PJSC (Sorbonne University)	USD	LIBOR + margin	2017-2028	545,892	571,310
Secured bank loan	Manhal Development Company PJSC (Sorbonne University)	AED	EIBOR + margin	2017-2028	181,964	190,437
Secured bank loan	Al Maqsed Development Company PJSC (Zayed University)	USD	LIBOR + margin	2017-2019	955,227	985,143
Secured bank loan	Al Maqsed Development Company PJSC (Zayed University)	AED	EIBOR + margin	2017-2019	1,747,633	1,803,260
Secured bank loan	SR Technics	CHF / EUR / USD	LIBOR + margin		-	635,159
Secured bank loan	Sanad Aero 1 Limited	USD	LIBOR + margin	2017-2022	448,869	483,489
Secured bank loan	Sanad Aero Solutions Investments LLC	USD	LIBOR + margin	2017-2018	18,076	28,839
Secured bank loan	Sanad Aero Ireland 1 Limited	USD	LIBOR + margin	2017-2024	251,763	282,336
Secured bank loan	Sanad Aero II Limited	USD	LIBOR + margin	2017-2029	410,095	435,537
Secured bank loan	Sanad Aero Ireland 2 Limited	USD	LIBOR + margin	2017-2024	91,021	96,832
Secured bank loan	Sanad Aero Ireland 3 Limited	USD	LIBOR + margin	2017-2023	162,138	170,429
Secured bank loan	Sanad Aero Ireland 4 Limited	USD	LIBOR + margin	2017-2022	97,956	105,450
Secured bank loan	Strata Manufacturing PJSC	USD	LIBOR + margin	2017-2022	260,877	286,255
Secured bank loan	National Central Cooling Company PJSC	USD / AED / OMR	LIBOR / EIBOR + margin / Fixed	2017-2024	2,999,816	2,808,286
Secured bank loan	Abu Dhabi Future Energy Company PJSC (London Array)	GBP	LIBOR + margin	2017-2025	889,035	1,022,253
Secured bank loan	Abu Dhabi Finance PJSC	AED	EIBOR + margin	2017-2020	75,000	66,563
Secured bank loan	Injazat Data Systems LLC	AED	EIBOR + margin	2017-2024	269,186	283,040
Secured loan	GlobalFoundries Inc. - bond	USD	LIBOR + margin	2017-2022	149,714	149,714
Secured loan	Fifty Seventh Investment Company (Trafigura Ventures) - loan	USD	LIBOR + margin	2018	146,940	146,940
Unsecured bank loan	Al Yah Satellite Communications Company PJSC	USD	LIBOR + margin	2017-2022	2,450,112	2,373,137
Unsecured bank loan	Mubadala Treasury Holding Company LLC - EIB term loan	EUR	EURIBOR + margin	2019	959,387	938,320
Unsecured bank loan	Mubadala Treasury Holding Company LLC - EIB term loan	EUR	EURIBOR + margin	2020	1,223,794	1,196,921
Unsecured bank loan	Global Foundries – Atradius term loan	USD	LIBOR + margin	2017-2019	827,620	1,025,427
Unsecured bank loan	Global Foundries – EXIM guaranteed loan	USD	LIBOR + margin		-	775
Unsecured bank loan	Global Foundries – EXIM term loan	USD	Fixed coupon	2017-2019	2,527,882	2,908,608
Unsecured loan	Dolphin Investment Company LLC	USD	LIBOR + margin / Fixed coupon	2017-2021	2,007,869	2,151,564
Unsecured loan	The Specialist Diabetes Treatment and Research Centre LLC	AED	Fixed coupon	2017-2020	21,402	21,235
Unsecured loan	Al Maqsed Development Company PJSC (Zayed University)	AED	Fixed coupon		-	6,175
Unsecured loan	Al Hikma Development Company PJSC (UAE University)	AED	Fixed coupon	2017-2020	74,111	88,511
Unsecured loan	Abu Dhabi Finance PJSC - deposits	AED	EIBOR + margin	2017-2020	35,000	35,000
Unsecured corporate bond	MDC - GMTN B.V. - JPY Private Placement	JPY	Fixed coupon	2031	491,412	455,445
Unsecured corporate bond	MDC - GMTN B.V. - EUR Private Placement	EUR	Fixed coupon	2018	325,681	318,493
Unsecured corporate bond	MDC - GMTN B.V. - Corporate Bond 2019	USD	Fixed coupon	2019	1,829,121	1,828,193
Unsecured corporate bond	MDC - GMTN B.V. - Corporate Bond 2021	USD	Fixed coupon	2021	2,742,790	2,741,954
Unsecured corporate bond	MDC - GMTN B.V. - Corporate Bond 2022	USD	Fixed coupon	2022	2,717,318	2,714,574
Unsecured corporate bond	MDC - GMTN B.V. - Corporate Bond 2023	USD	Fixed coupon	2023	1,815,390	-
<i>Non-current total</i>					<b>30,463,620</b>	<b>30,132,732</b>
<i>Total</i>					<b>34,908,218</b>	<b>40,463,578</b>

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

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

	<b>30 Jun 2016</b> <b>AED'000</b> <b>(unaudited)</b>	31 Dec 2015 AED'000 (audited)
At the beginning of the period / year	<b>40,463,578</b>	41,288,824
New borrowings	<b>4,813,644</b>	10,228,715
Repayments	<b>(9,738,174)</b>	(10,666,602)
Acquired through business combination	-	77,190
Transferred to liabilities held for sale	<b>(650,455)</b>	-
Disposal upon losing control in a subsidiary	-	(177,493)
Foreign exchange fluctuations and other movements	<b>19,625</b>	(287,056)
	<hr/>	<hr/>
At the end of the period / year	<b>34,908,218</b>	40,463,578
	<hr/> <hr/>	<hr/> <hr/>

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

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

	<b>30 Jun 2016</b> <b>AED'000</b> <b>(unaudited)</b>	31 Dec 2015 AED'000 (audited)
Capital commitments		
Commitments for equity investments	<b>12,189,633</b>	11,510,561
Commitments for acquisition of property, plant and equipment	<b>7,415,969</b>	9,548,172
Unfunded loan commitments	<b>7,315</b>	15,014
Contingent liabilities <sup>1</sup>	<b>1,539,372</b>	2,028,443
	<hr/>	<hr/>
	<b>21,152,289</b>	23,102,190
	<hr/> <hr/>	<hr/> <hr/>



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

The operating lease commitments of the Group are as follows:

	<b>30 Jun 2016</b> <b>AED'000</b> <b>(unaudited)</b>	31 Dec 2015 AED'000 (audited)
Within one year	<b>625,692</b>	626,981
After one year but not more than five years	<b>1,890,046</b>	1,972,020
After five years	<b>1,704,411</b>	1,880,331
Total	<b>4,220,149</b>	4,479,332

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

	<b>30 Jun 2016</b> <b>AED'000</b> <b>(unaudited)</b>	31 Dec 2015 AED'000 (audited)
Capital commitments		
Commitments for acquisition of property, plant and equipment	<b>7,567,208</b>	10,341,236
Operating lease commitments	<b>720,986</b>	595,295
Commitment to provide loans	<b>187,199</b>	3,197,096
Contingent liabilities <sup>1</sup>	<b>3,053,787</b>	3,928,530
	<b>11,529,180</b>	18,062,157

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

*Exploration commitments*

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

	<b>30 Jun 2016</b> <b>AED'000</b> <b>(unaudited)</b>	31 Dec 2015 AED'000 (audited)
Due in less than one year	<b>29,392</b>	299,726
Later than one year but not later than five years	<b>109,033</b>	138,425
Total	<b>138,425</b>	438,151

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

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

<b>Land identification</b>	Granted in year	Approximate area in square feet	<b>Carrying amount as at 30 Jun 2016</b> AED '000 (unaudited)	Carrying amount as at 31 Dec 2015 AED '000 (audited)	Currently classified as <sup>1</sup>
<b>Future economic benefits certain</b>					
Madinat Zayed	2008	26,909,776	-	-	PPE
Arzanah land	2006	13,302,119	<b>1,944,109</b>	1,944,109	Inventory
Healthpoint	2006	179,486	-	-	PPE
Military City	2009	12,242,393	-	-	PPE
Al Maryah Island - Abu Dhabi Global Market Square Development	2006	747,019	-	-	IP
Al Maryah Island - Development work in progress	2006	103,985	-	-	Inventory
Al Maryah Island - Plots for sale	2006	4,115,157	<b>445,492</b>	508,086	Inventory
Al Maryah Island	2006	697,864	<b>49,864</b>	31,222	PPE
New Fish Market	2006	484,448	<b>12,761</b>	14,182	IP
Old Fish Market - New York Institute of Technology	2006	163,877	-	-	IP
New Headquarter	2004	102,675	-	-	PPE
Parking lot - New Headquarter	2009	70,000	-	-	PPE
Hai Al Dawoody	2009	1,076	-	-	PPE
Hamran	2009	1,076	-	-	PPE
Masdar City Land:					
Own use	2008	2,283,359	-	-	PPE
Commercial use	2008	537,986	<b>206,951</b>	206,951	IP
Phase 1 - remaining portion	2008	5,622,943	<b>357,443</b>	385,935	Inventory
Phases 2 & 5	2008	25,833,105	<b>95,002</b>	104,810	Inventory
<b>Future economic benefits uncertain / no future economic benefits</b>					
Jabel Al Dhannah	2009	10,956,700	-	-	N/A
Masdar City Phase 1 - Recreational Plots	2008	490,739	-	-	N/A
Masdar City Land (remaining portion)	2008	23,776,104	-	-	N/A
Madinat Zayed (remaining portion)	2008	116,202,049	-	-	N/A
Masdar Institute of Science and Technology	2008	356,813	-	-	N/A
Al Reem Island - Sorbonne University	2006	1,001,934	-	-	N/A
Al Maryah Island - Cleveland Clinic	2006	1,007,158	-	-	N/A
Al Maryah Island (remaining portion)	2006	4,907,950	-	-	N/A
Plot P48 Abu Dhabi Island	2013	131,014	-	-	N/A
Plot P52 Abu Dhabi Island	2014	622,323	-	-	N/A
Khalifa City - Zayed University	2006	8,207,745	-	-	N/A
East Al Reem Island	2006	3,609,265	-	-	N/A
Al Falah - Plot 5	2008	1,599,939	-	-	N/A
Al Falah - Plot 3	2007	23,079,801	-	-	N/A
Abu Al Habil	2008	39,747,609	-	-	N/A
Lulu Island	2008	20,194,878	-	-	N/A
Others	2004-2009	1,302,312	-	-	N/A

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

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

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

**(b) Transactions with key management personnel**

Key management personnel compensation is as follows:

	<b>Six month period ended 30 Jun 2016 AED'000 (unaudited)</b>	Six month period ended 30 Jun 2015 AED'000 (unaudited)
<i>Other key management personnel</i>		
Short term benefits	<b>84,964</b>	102,773
Post-employment benefits	<b>2,875</b>	3,399
	<b>87,839</b>	106,172

**(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 2016 AED'000 (unaudited)</b>	Six month period ended 30 Jun 2015 AED'000 (unaudited)
<b>Revenue</b>		
Entities under common control	<b>963,443</b>	1,001,300
Jointly controlled entities	<b>291,504</b>	216,299
Associates	<b>492,013</b>	2,047,266
Shareholder	<b>100,834</b>	73,438
	<b>1,847,794</b>	3,338,303
<b>Interest income</b>		
Entities under common control	<b>219,181</b>	244,697
Jointly controlled entities	<b>69,385</b>	79,135
Shareholder	<b>14,904</b>	15,558
	<b>303,470</b>	339,390

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

The interim condensed consolidated financial statements are unaudited

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

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

	Six month period ended 30 Jun 2016 AED'000 (unaudited)	Six month period ended 30 Jun 2015 AED'000 (unaudited)
<i>Income from provision of manpower, project management and consultancy services</i>		
Jointly controlled entities	81,935	129,581
<i>Purchase of goods and services</i>		
Jointly controlled entities	419,020	332,161
Associates	93,792	47,978
Entities under common control	86,308	95,091
	<b>599,120</b>	<b>475,230</b>
<i>Interest bearing borrowing repaid</i>		
Entity under common control	218,383	199,993
Jointly controlled entities	169,943	165,493
	<b>388,326</b>	<b>365,486</b>
<i>Interest bearing borrowing drawn from entities under common control</i>		
	<b>69,529</b>	<b>727,268</b>
<i>Loans given</i>		
Jointly controlled entities	337,283	974,636
Associates	19,672	11,120
	<b>356,955</b>	<b>985,756</b>
<i>Loans recovered</i>		
Jointly controlled entities	1,876,579	2,628,064
<i>Interest expense</i>		
Entities under common control	151,092	140,365
Jointly controlled entities	76,450	85,895
Associates	648	729
	<b>228,190</b>	<b>226,989</b>

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

	<b>Six month period ended 30 Jun 2016 AED'000 (unaudited)</b>	<b>Six month period ended 30 Jun 2015 AED'000 (unaudited)</b>
<i>Shareholder reimbursements for recoverable projects</i>	-	696,300
<i>Assets transferred from an associate</i>	-	108,000
<i>Sale of subsidiaries to a jointly controlled entity</i>	-	436,000
<i>Cash calls paid to jointly controlled entities for joint operations</i>	<b>780,479</b>	929,618
<i>Other miscellaneous transactions</i>		
Entities under common control	<b>108,620</b>	20,675
Associates	<b>6,404</b>	4,874
Jointly controlled entities	<b>7,269</b>	198
	<b>122,293</b>	25,747
<i>(d) Related party balances</i>		
	<b>30 Jun 2016 AED'000 (unaudited)</b>	<b>31 Dec 2015 AED'000 (audited)</b>
<i>Amounts due to related parties</i> <sup>1</sup>		
Jointly controlled entities	<b>533,203</b>	523,034
Entities under common control	<b>155,388</b>	332,655
Associates	<b>155,672</b>	44,832
Shareholder	-	38,326
	<b>844,263</b>	938,847
<i>Advances from related parties</i>		
Shareholder	<b>1,810,382</b>	1,857,000
Entity under common control	<b>1,068,988</b>	1,068,988
	<b>2,879,370</b>	2,925,988
<i>Unearned revenue</i>		
Entity under common control	-	9,026
Associates	<b>107,144</b>	-
	<b>107,144</b>	9,026

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

	<b>30 Jun 2016</b> <b>AED'000</b> <b>(unaudited)</b>	31 Dec 2015 AED'000 (audited)
<i>Amounts due from related parties</i>		
Shareholder	5,600,283	4,207,171
Entities under common control	1,135,441	988,134
Jointly controlled entities	408,919	708,242
Associates	261,815	828,217
	<hr/> <b>7,406,458</b> <hr/>	<hr/> <b>6,731,764</b> <hr/>
<b>Deposits from the Shareholder <sup>2</sup></b>	<hr/> <b>696,841</b> <hr/>	<hr/> <b>693,270</b> <hr/>
<i>Bank balances with entities under common control</i>	<hr/> <b>3,445,433</b> <hr/>	<hr/> <b>6,071,460</b> <hr/>
<i>Loans to related parties (see note 15)</i>		
Jointly controlled entities	8,459,274	11,078,982
Entities under common control	170,311	166,572
Associates	51,326	32,572
	<hr/> <b>8,680,911</b> <hr/>	<hr/> <b>11,278,126</b> <hr/>
<i>Preferred securities of a jointly controlled entity</i>	<hr/> <b>2,137,199</b> <hr/>	<hr/> <b>2,130,935</b> <hr/>
<i>Service concession receivables</i>		
Entities under common control	5,893,306	5,976,276
Shareholder	440,676	475,626
	<hr/> <b>6,333,982</b> <hr/>	<hr/> <b>6,451,902</b> <hr/>
<i>Interest bearing borrowings</i>		
Entities under common control	5,598,721	5,877,257
Jointly controlled entities	2,397,777	2,555,099
Associates	24,631	24,631
	<hr/> <b>8,021,129</b> <hr/>	<hr/> <b>8,456,987</b> <hr/>
<i>Finance lease receivables</i>		
Entity under common control	2,475,645	2,493,383
Jointly controlled entity	848,095	793,859
	<hr/> <b>3,323,740</b> <hr/>	<hr/> <b>3,287,242</b> <hr/>

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

<sup>1</sup> Includes amounts due to related parties except for amounts due to a jointly controlled entity, disclosed under note 13(b).

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

**(e) Additional shareholder contributions**

	<b>30 Jun 2016</b> <b>AED'000</b> <b>(unaudited)</b>	31 Dec 2015 AED'000 (audited)
As the beginning of the period / year	<b>123,155,278</b>	141,522,778 <sup>1</sup>
Reduction against application for share capital	-	(18,367,500)
At the end of the period / year	<b>123,155,278</b>	123,155,278

<sup>1</sup> Additional shareholder contributions represent interest free loans from the Shareholder. As per the terms of the agreements for the amounts received from 2008 to 2013, any repayments are at the discretion of the Board of Directors of the Company, who do not intend to repay any such amounts in the foreseeable future. In addition, the terms of the agreements specify that, on dissolution of the Company, the rights, benefits and obligations in the residual net assets and liabilities, attached to these loans, shall rank pari passu with those attached to the share capital of the Company. Therefore, these loans are more akin to equity instruments rather than liabilities, and accordingly are presented within equity.

**21 Statutory reserve**

As required by the UAE Federal Law No. 2 of 2015 and the Articles of Association of the Company, 10 percent of the Group's net profit is transferred to a non-distributable statutory reserve until the amount of the statutory reserve equals 50 percent of the Company's paid up share capital. The statutory reserve is not available for distribution. Such transfers are made annually and therefore, no such transfers were made during the current period.

**22 Fair value disclosures**

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2015. Fair value disclosures are mentioned below:

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

**Notes to the interim condensed consolidated financial statements (continued)***The interim condensed consolidated financial statements are unaudited***22 Fair value disclosures (continued)**

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

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

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

*As at 30 June 2016 (unaudited)*

Financial assets / liabilities	Carrying amount AED'000	Fair value AED'000	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000
<b>Financial assets measured at fair value</b>					
<u>Financial assets designated at FVTPL</u>					
<i>Quoted investments</i>					
Equity securities	5,990,938	5,990,938	3,859,722	-	2,131,216
<i>Un-quoted investments</i>					
Convertible bonds	1,460,758	1,460,758	-	-	1,460,758
Equity securities	2,408,555	2,408,555	-	-	2,408,555
Investment funds	8,544,924	8,544,924	-	2,932,244	5,612,680
Derivative assets	74,138	74,138	-	74,138	-
<u>Financial assets held for trading (FVTPL)</u>					
<i>Quoted investments</i>					
Equity securities	1,287,389	1,287,389	1,287,389	-	-
Debt securities other than convertible bonds	85,537	85,537	85,537	-	-
Derivative assets	82,571	82,571	-	82,571	-
<u>Available for sale financial assets</u>					
<i>Quoted investments</i>					
Equity securities	5,990,014	5,990,014	5,990,014	-	-
<i>Un-quoted investments</i>					
Equity securities <sup>1</sup>	58,993				
<u>Other financial assets</u>					
<i>Derivative assets</i>	14,120	14,120	-	14,120	-
	<u>25,997,937</u>				
<b>Financial assets not measured at fair value</b>					
Receivables	30,532,953	30,532,953			
Loans receivable	10,774,905	10,774,905			
Finance lease receivables	5,152,508	5,152,508			
Cash and cash equivalents	13,292,880	13,292,880			
	<u>59,753,246</u>				
<b>Financial liabilities measured at fair value</b>					
<i>Derivatives designated and effective as hedging instruments carried at fair value</i>					
Interest rate swaps	416,485	416,485	-	416,485	-
Foreign exchange forward contracts	15,214	15,214	-	15,214	-
<i>Financial liabilities designated at fair value through profit or loss</i>					
Interest rate / cross currency swaps	975,060	975,060	-	975,060	-
Foreign exchange forward contracts	47,230	47,230	-	47,230	-
Equity options	19,679	19,679	-	19,679	-
<i>Financial liabilities held for trading</i>					
Equity options	10,083	10,083	-	10,083	-
Equity swaps	31,486	31,486	-	31,486	-
Exchange traded securities	323,370	323,370	323,370	-	-
	<u>1,838,607</u>				
<b>Financial liabilities not measured at fair value</b>					
Payables and accruals	7,836,765	7,836,765			
Obligation under finance lease	1,218,245	1,218,245			
Amounts due to a jointly controlled entity	1,048,495	1,048,495			
Other liabilities	3,674,948	3,674,948			
Interest bearing borrowings	34,908,218	35,727,038			
	<u>48,686,671</u>				



**Notes to the interim condensed consolidated financial statements (continued)***The interim condensed consolidated financial statements are unaudited***22 Fair value disclosures (continued)***As at 31 December 2015 (audited)*

Financial assets / liabilities	Carrying amount AED'000	Fair value AED'000	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000
<b>Financial assets measured at fair value</b>					
<u>Financial assets designated at FVTPL</u>					
<i>Quoted investments</i>					
Equity securities	8,439,838	8,439,838	6,770,798	-	1,669,040
<i>Un-quoted investments</i>					
Convertible bonds	1,460,758	1,460,758	-	-	1,460,758
Equity securities	2,297,293	2,297,293	-	-	2,297,293
Investment funds	7,735,971	7,735,971	-	2,633,381	5,102,590
Derivative assets	97,072	97,072	-	97,072	-
<u>Financial assets held for trading (FVTPL)</u>					
<i>Quoted investments</i>					
Equity securities	2,103,153	2,103,153	2,103,153	-	-
Debt securities other than convertible bonds	338,803	338,803	338,803	-	-
Derivative assets	62,492	62,492	-	62,492	-
<u>Available for sale financial assets</u>					
<i>Quoted investments</i>					
Equity securities	6,009,116	6,009,116	6,009,116	-	-
<i>Un-quoted investments</i>					
Equity securities <sup>1</sup>	59,526				
<u>Other financial assets</u>					
Derivative assets	1,549	1,549	-	1,549	-
	<u>28,605,571</u>				
<b>Financial assets not measured at fair value</b>					
Receivables	34,252,251	34,252,251			
Loans receivable	13,807,606	13,807,606			
Finance lease receivables	5,088,244	5,088,244			
Cash and cash equivalents	13,402,998	13,402,998			
	<u>66,551,099</u>				
<b>Financial liabilities measured at fair value</b>					
<i>Derivatives designated and effective as hedging instruments carried at fair value</i>					
Interest rate swaps	344,603	344,603	-	344,603	-
Foreign exchange forward contracts	7,773	7,773	-	7,773	-
<i>Financial liabilities designated at fair value through profit or loss</i>					
Interest rate / cross currency swaps	838,012	838,012	-	838,012	-
Foreign exchange forward contracts	15,722	15,722	-	15,722	-
Equity options	3,355	3,355	-	3,355	-
<i>Financial liabilities held for trading</i>					
Equity options	15,421	15,421	-	15,421	-
Equity swaps	9,369	9,369	-	9,369	-
Exchange traded securities	295,422	295,422	295,422	-	-
	<u>1,529,677</u>				
<b>Financial liabilities not measured at fair value</b>					
Payables and accruals	8,370,574	8,370,574			
Obligation under finance lease	1,206,804	1,206,804			
Amounts due to a jointly controlled entity	1,025,471	1,025,471			
Other liabilities	2,846,960	2,846,960			
Interest bearing borrowings	40,463,578	41,143,653			
	<u>53,913,387</u>				

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

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

*The interim condensed consolidated financial statements are unaudited*

**22 Fair value disclosures (continued)**

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

<b>Type of financial asset / liability</b>	<b>Valuation techniques and key inputs</b>	<b>Significant unobservable inputs</b>
Financial assets designated at FVTPL - Quoted equity securities / Level 1	Quoted bid prices in an active market	N/A
Financial assets designated at FVTPL - Quoted equity securities / Level 3	Net present value of estimated cashflows	N/A
Financial assets designated at FVTPL - Unquoted equity securities	Combination of market and income approach	Information on recent market transactions, EBITDA exit multiple of 12, taking into account management's experience and knowledge of market conditions of the specific industries
Financial assets designated at FVTPL -Unquoted convertible bonds	Combination of market and income approach	Discount rate of 6.2 percent, exit cap rates of 4.8 percent and rent growth rates of 3.5 percent to 5.3 percent, taking into account management's experience and knowledge of market conditions of the specific industries
Investment funds designated at FVTPL	Combination of market and income approach	Net assets value provided by the fund manager taking into consideration management experience and knowledge of market conditions
Derivative assets designated at FVTPL	Market approach. Value is based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates	N/A
Debt securities other than convertible bonds held for trading	Market approach	N/A
Financial assets held for trading (FVTPL)	Quoted bid prices in an active market	N/A
Available for sale investments - Quoted equity securities	Quoted bid prices in an active market	N/A
Derivative assets	Net present value of estimated cashflows	N/A
Interest rate swaps and foreign exchange forward contracts designated for hedging	Net present value of estimated cashflows, based on forward interest rates (from observable yield curves at the end of the reporting period)	N/A
Interest rate / cross currency swaps and foreign exchange forward contracts designated at FVTPL	Net present value of estimated cashflows, based on forward interest rates (from observable yield curves at the end of the reporting period)	N/A
Equity options and exchange traded securities held for trading	Net present value of estimated cashflows	N/A
Equity swaps held for trading	Net present value of estimated cashflows	N/A

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

*The interim condensed consolidated financial statements are unaudited*

**22 Fair value disclosures (continued)**

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

	30 Jun 2016			31 Dec 2015		
	Convertible bonds AED'000 (unaudited)	Equity securities AED'000 (unaudited)	Investment funds AED'000 (unaudited)	Convertible bonds AED'000 (audited)	Equity securities AED'000 (audited)	Investment funds AED'000 (audited)
At the beginning of the period / year	<b>1,460,758</b>	<b>3,966,333</b>	<b>5,102,590</b>	1,133,817	1,288,827	4,499,372
Additions / contributions	-	<b>509,586</b>	<b>662,024</b>	-	1,127,661	1,348,064
Increase in fair value recognised in profit or loss ( <i>net</i> ) <sup>1</sup>	-	<b>86,818</b>	<b>220,287</b>	326,941	1,094,587	387,472
Disposals / distributions	-	<b>(22,966)</b>	<b>(372,221)</b>	-	(9,956)	(1,132,318)
Transfer out of Level 1 to Level 3	-	-	-	-	465,214	-
At the end of the period / year	<b>1,460,758</b>	<b>4,539,771</b>	<b>5,612,680</b>	1,460,758	3,966,333	5,102,590

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

**23 Comparative figures**

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

**24 Subsequent events**

Subsequent to the reporting period end, Group's management has entered into an agreement to dispose of its 80 percent ownership stake in one of the Group's subsidiaries, which is held within Aerospace and Engineering Services segment (*see note 16*). The transaction close is subject to satisfaction of agreement conditions.