

Majid Al Futtaim Holding LLC
Condensed Consolidated Interim Financial Statements
For the six month period ended 30 June 2014

	Page no.
Independent auditor's report	2
Condensed consolidated interim statement of financial position	3-4
Condensed consolidated interim statement of profit or loss and other comprehensive income	5
Condensed consolidated interim statement of cash flows	6 - 7
Condensed consolidated interim statement of changes in equity	8 - 9
Notes to the condensed consolidated interim financial statements	10 - 19



KPMG Lower Gulf Limited
P.O.Box 341145
Level 12, IT Plaza Tower
Dubai Silicon Oasis
Dubai
United Arab Emirates

Telephone +971 (4) 356 9500
Main Fax +971 (4) 326 3788
Audit Fax +971 (4) 326 3773
Website: www.ae-kpmg.com

Independent auditors' report on review of condensed consolidated interim financial information

The Shareholders
Majid Al Futtaim Holding LLC

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Majid Al Futtaim Holding LLC ("the Company") and its subsidiaries (collectively referred to as "the Group") as at 30 June 2014, the condensed consolidated statements of profit or loss, the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows and selected explanatory notes for the six month period then ended ("the condensed consolidated interim financial information"). Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, *'Interim Financial Reporting'*. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with the 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 condensed consolidated interim financial information as at 30 June 2014 is not prepared, in all material respects, in accordance with IAS 34 *'Interim Financial Reporting'*.

20 SEP 2014

KPMG Lower Gulf Limited

Majid Al Futtain Holding LLC
Condensed Consolidated Interim Financial Statements
For the six month period ended 30 June 2014

Condensed consolidated interim statement of financial position

As at 30 June 2014

In thousands of AED

	Notes	30 June 2014 Unaudited	31 December 2013 Audited
Tangible fixed assets			
Property, plant and equipment	6	22,359,917	21,601,020
Investment properties	7	14,104,296	12,098,363
		36,464,213	33,699,383
Other non-current assets			
Investments		1,208,259	1,192,178
Long term prepaid lease premium		9,844	10,742
Long term loans and advances		14,892	13,903
Long term receivable from related parties	8.1	89,123	70,899
Intangible assets		115,336	118,669
Deferred tax asset		27,089	25,842
		1,464,543	1,432,233
Total non-current assets		37,928,756	35,131,616
Current assets			
Development properties		79,358	76,105
Inventories		1,306,804	1,261,836
Trade and other receivables		1,773,485	1,612,894
Due from related parties	8.2	127,070	97,810
Cash in hand and at bank	9	1,554,414	1,300,088
		4,841,131	4,348,733
Current liabilities			
Short term loan from a related party	8.3	121,477	118,500
Trade and other payables		6,499,736	6,185,688
Due to related parties	8.4	45,357	49,128
Other employment benefits payable - current portion		102,563	173,220
Bank overdraft		107,905	32,661
Short term loan	10	110,190	-
Current maturity of long term loans	11	2,081,732	1,529,679
		9,068,960	8,088,876
Net current liabilities		(4,227,829)	(3,740,143)
Non-current liabilities			
Long term loans	11	6,756,990	6,684,838
Deferred tax liabilities		99,805	97,413
Other long term liabilities		67,377	60,349
Other employment benefits payable - non current portion		12,048	20,498
Provision for staff terminal benefits		393,368	364,714
Total non-current liabilities		7,329,588	7,227,812
Net assets		26,371,339	24,163,661



Majid Al Futtaim Holding LLC
Condensed Consolidated Interim Financial Statements
For the six month period ended 30 June 2014

Condensed consolidated interim statement of financial position (continued)

As at 30 June 2014

In thousands of AED

	Notes	30 June 2014 Unaudited	31 December 2013 Audited
Equity			
Share capital		2,486,729	2,486,729
Statutory reserve		1,521,682	1,521,682
Revaluation reserve		16,185,915	15,458,100
Other reserves		4,053,776	2,797,164
Total equity attributable to the owners of the Company		24,248,102	22,263,675
Hybrid equity instrument	12	1,825,935	1,825,935
Non-controlling interests		297,302	74,051
Total equity		26,371,339	24,163,661

The notes on pages 10 to 19 form part of these condensed consolidated interim financial statements.

Independent auditor's report on review of condensed consolidated interim financial information is set out on page 2.

By order of the Board on 20 September 2014.


Chief Executive Officer


Chief Financial Officer

Majid Al Futtaim Holding LLC
Condensed Consolidated Interim Financial Statements
For the six month period ended 30 June 2014

Condensed consolidated interim statement of profit or loss and other comprehensive income
For the six month period ended 30 June
In thousands of AED

	Notes	For six month period ended 30 June 2014 Unaudited	For six month period ended 30 June 2013 Unaudited
Continuing operations			
Revenue	13	12,813,163	11,259,562
Cost of sales		(8,769,782)	(7,685,332)
Operating expenses		(2,792,200)	(2,496,514)
Finance costs		(316,411)	(278,987)
Finance income		79,166	77,608
Other income - net		16,272	25,140
Impairment reversal - net		2,465	18,836
Share of gain in joint ventures and associates - net		31,519	16,555
Profit before valuation gain on land and buildings		1,064,192	936,868
Net valuation gain on land and buildings		330,346	140,532
Profit before tax		1,394,538	1,077,400
Tax charge - net		(44,309)	(50,770)
Profit after tax from continuing operations		1,350,229	1,026,630
Discontinued operations			
Profit from discontinued operations		-	11,187
Profit for the period		1,350,229	1,037,817
Profit attributable to:			
- Owners of the Company		1,342,801	969,210
- Non-controlling interest		7,428	68,607
Profit for the period		1,350,229	1,037,817
Comprehensive income:			
Profit for the period		1,350,229	1,037,817
Other comprehensive income:			
Items that will never be reclassified to profit or loss:			
Net gain on valuation of properties	6	729,772	298,419
Deferred tax liability charged on revaluation of properties		(1,957)	(1,881)
		727,815	296,538
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences from foreign operations		(39,486)	(132,333)
Net change in fair value of cash flow hedges		18,722	65,511
		(20,764)	(66,822)
Total other comprehensive income for the period		707,051	229,716
Total comprehensive income for the period		2,057,280	1,267,533
Total comprehensive income for the period attributable to:			
- Owners of the Company		2,049,852	1,197,846
- Non-controlling interest		7,428	69,687
Total comprehensive income for the period		2,057,280	1,267,533

The notes on pages 10 to 19 form part of these condensed consolidated interim financial statements.

Majid Al Futtaim Holding LLC
Condensed Consolidated Interim Financial Statements
For the six month period ended 30 June 2014

Condensed consolidated interim statement of cash flows
For the six month period ended 30 June
In thousands of AED

	For six month period ended 30 June 2014 Unaudited	For six month period ended 30 June 2013 Unaudited
Profit for the period after tax	1,350,229	1,037,817
Adjustments:		
Finance income	(79,166)	(77,608)
Net valuation gain on land and buildings	(330,346)	(140,532)
Finance costs	316,411	278,987
Depreciation	505,243	480,201
Deferred tax charge	3,320	4,912
Amortization	9,937	10,576
Share of gain in joint ventures and associates - net	(31,519)	(16,555)
Impairment reversal - net	(2,465)	(18,836)
Provision for staff benefits - net	(50,447)	(45,855)
Net cash from operations	1,691,197	1,513,107
Changes to working capital		
Inventories	(44,968)	(214,612)
Trade and other receivables	(125,645)	(976,164)
Trade and other payables	344,980	1,332,905
Due from/to related parties - net	(33,031)	13,646
	141,336	155,775
Net cash from operating activities	1,832,533	1,668,882
Cashflow from investing activities		
Acquisition of non-controlling interest	-	(2,555,178)
Acquisition of property, plant and equipment, investment properties and development properties - net off land contribution	(2,064,231)	(778,832)
Proceeds from sale of property, plant and equipment and investment properties	2,739	2,865
Proceeds from sale of bonds	-	93,119
Investment in joint ventures and associates	-	2,465
Investment / encashment of fixed deposits	(16,702)	970,366
Payments against intangible assets	(6,604)	(2,140)
Funding provided to a joint venture	-	(58,000)
Finance income received	44,220	28,864
Net cash used in investing activities	(2,040,578)	(2,296,471)

Majid Al Futtain Holding LLC
Condensed Consolidated Interim Financial Statements
For the six month period ended 30 June 2014

Condensed consolidated interim statement of cash flows (continued)

For the six month period ended 30 June

In thousands of AED

	For six month period ended 30 June 2014 Unaudited	For six month period ended 30 June 2013 Unaudited
Cashflow from financing activities		
Short term loan borrowed from a related party	18,000	221,600
Short term loan repaid to a related party	(15,023)	(209,600)
Short term loan granted to a related party	-	(4,792)
Short term loan borrowed	330,570	-
Short term loan repaid	(220,380)	-
Long term loans borrowed	3,609,268	1,432,070
Long term loans repaid	(3,017,022)	(275,617)
Finance cost paid	(269,563)	(192,172)
Coupon / dividend paid	(65,425)	(152,615)
Net cash from financing activities	370,425	818,874
Net increase in cash and cash equivalents	162,380	191,285
Cash and cash equivalents at the beginning of the period	1,179,622	1,469,635
Cash and cash equivalents at the end of the period	1,342,002	1,660,920
Cash and cash equivalents comprise:		
Cash in hand and at bank (note 9)	1,449,907	1,662,676
Bank overdrafts	(107,905)	(1,756)
	1,342,002	1,660,920

The notes on pages 10 to 19 form part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of changes in equity
For the six month period ended 30 June 2013
 In thousands of AED

	-----Other Reserves-----							Attributable to equity holders of the Company	Non- controlling interests	Total
	Share capital	Revaluation reserve	Statutory reserve	Retained earnings	Hedging reserve	Currency translation reserve	Total other reserves			
At 1 January 2013 (audited)	2,486,729	14,051,364	1,355,179	3,907,811	(293,409)	(148,260)	3,466,142	21,359,414	583,273	21,942,687
Total comprehensive income for the period										
Net profit for the period	-	-	-	969,210	-	-	969,210	969,210	68,607	1,037,817
Other comprehensive income										
Net gain on valuation of properties (note 6)	-	298,419	-	-	-	-	-	298,419	-	298,419
Deferred tax liability charged on revaluation of properties	-	(1,881)	-	-	-	-	-	(1,881)	-	(1,881)
Net change in fair value of cash flow hedges	-	-	-	-	65,511	-	65,511	65,511	-	65,511
Currency translation differences in foreign operations	-	-	-	-	-	(133,413)	(133,413)	(133,413)	1,080	(132,333)
Total comprehensive income for the period	-	296,538	-	969,210	65,511	(133,413)	901,308	1,197,846	69,687	1,267,533
Transactions with owners recorded directly in equity										
<i>Contribution by and distributions to owners and other movement in equity</i>										
Dividends declared	-	-	-	(114,600)	-	-	(114,600)	(114,600)	(78,015)	(192,615)
Acquisition of non-controlling interest	-	-	-	(2,137,862)	-	-	(2,137,862)	(2,137,862)	(417,316)	(2,555,178)
Others	-	-	-	(52)	-	-	(52)	(52)	(17)	(69)
Total contribution by and distribution to owners	-	-	-	(2,252,514)	-	-	(2,252,514)	(2,252,514)	(495,348)	(2,747,862)
At 30 June 2013 (unaudited)	2,486,729	14,347,902	1,355,179	2,624,507	(227,898)	(281,673)	2,114,936	20,304,746	157,612	20,462,358

The notes on pages 10 to 19 form part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of changes in equity
For the six month period ended 30 June 2014
In thousands of AED

	-----Other Reserves-----										Total
	Share capital	Revaluation reserve	Statutory reserve	Retained earnings	Hedging reserve	Currency translation reserve	Total other reserves	Attributable to equity holders of the Company	Hybrid equity instruments	Non-controlling interests	
At 1 January 2014 (audited)	2,486,729	15,458,100	1,521,682	3,248,031	(187,944)	(262,923)	2,797,164	22,263,675	1,825,935	74,051	24,163,661
Total comprehensive income for the period											
Net profit for the period	-	-	-	1,342,801	-	-	1,342,801	1,342,801	-	7,428	1,350,229
Other comprehensive income											
Net gain on valuation of properties (note 6)	-	729,772	-	-	-	-	-	729,772	-	-	729,772
Deferred tax liability on revaluation of properties	-	(1,957)	-	-	-	-	-	(1,957)	-	-	(1,957)
Net change in fair value of cash flow hedges	-	-	-	-	18,722	-	18,722	18,722	-	-	18,722
Currency translation differences in foreign operations	-	-	-	-	-	(39,486)	(39,486)	(39,486)	-	-	(39,486)
Total comprehensive income for the period	-	727,815	-	1,342,801	18,722	(39,486)	1,322,037	2,049,852	-	7,428	2,057,280
Transactions with owners recorded directly in equity											
<i>Contribution by and distributions to owners and other movement in equity</i>											
Increase in non controlling interest by way of land contribution	-	-	-	-	-	-	-	-	-	215,823	215,823
Coupon paid on hybrid equity instrument	-	-	-	(65,425)	-	-	(65,425)	(65,425)	-	-	(65,425)
Total contribution by and distribution to owners	-	-	-	(65,425)	-	-	(65,425)	(65,425)	-	215,823	150,398
At 30 June 2014 (unaudited)	2,486,729	16,185,915	1,521,682	4,525,407	(169,222)	(302,409)	4,053,776	24,248,102	1,825,935	297,302	26,371,339

The notes on pages 10 to 19 form part of these condensed consolidated interim financial statements.

Notes to the condensed consolidated interim financial statements

1. LEGAL STATUS AND PRINCIPAL ACTIVITIES

Majid Al Futtaim Holding LLC (“the Company”) is registered as a limited liability company in the Emirate of Dubai under the UAE Federal Law No. 8 of 1984 (as amended) as applicable to commercial Companies.

The condensed consolidated interim financial statements of the Company as at and for the six month period ended 30 June 2014 comprises the Company and its subsidiaries (together referred to as “the Group”), and the Group’s interest in jointly controlled entities and associates. The principal activities of the Group includes establishment and management of shopping malls, hotels, residential projects, hypermarkets, supermarkets, fashion retailing, leisure and entertainment, credit cards operations, and investment activities. Majid Al Futtaim Holding LLC is wholly owned by Majid Al Futtaim Capital LLC (“the Parent Company”).

The registered address of the Group and its Parent is P.O. Box 91100, Dubai, United Arab Emirates.

2. BASIS OF PREPARATION

a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) IAS 34 - Interim Financial Reporting. Selected explanatory notes are included to explain events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the last annual audited consolidated financial statements as at and for the year ended 31 December 2013. These condensed consolidated interim financial statements do not include all the information required for full annual audited consolidated financial statements and should be read in conjunction with the annual audited consolidated financial statements of the Group as at and for the year ended 31 December 2013.

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on 20 September 2014.

b) Use of estimates and judgements

The preparation of condensed consolidated interim 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 expenses. Actual results may differ from these estimates.

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

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies with regards to recognition and measurement, applied in the preparation of these condensed consolidated interim financial statements are consistent with those applied by the Group in its annual audited consolidated financial statements as at and for the year ended 31 December 2013, except to the extent of the adoption of new standards and amendments described below.

The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2014:

- IAS 32 (Amendment) Offsetting Financial Assets and Financial Liabilities
- IAS 36 (Amendment) Recoverable Amount Disclosures for Non-Financial Assets

The adoption of the above set out changes has no material impact on the recognized assets, liabilities, profit or loss and other comprehensive income of the Group.

Notes to the condensed consolidated interim financial statements (continued)

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's Financial Risk Management objectives, policies and procedures are consistent with those disclosed in the annual audited consolidated financial statements as at and for the year ended 31 December 2013.

Notes to the condensed consolidated interim financial statements (continued)

5. SEGMENT REPORTING

The segment information (based on IFRS) provided to the Board of Directors for the reportable segments for the six month period ended 30 June 2014 are as follows:

Business segments:	Properties		Retail		Ventures		Head office		Total		Eliminations/ adjustments		Group (after eliminations)	
	30 June 2014 AED '000 Unaudited	30 June 2013 AED '000 Unaudited	30 June 2014 AED '000 Unaudited	30 June 2013 AED '000 Unaudited	30 June 2014 AED '000 Unaudited	30 June 2013 AED '000 Unaudited	30 June 2014 AED '000 Unaudited	30 June 2013 AED '000 Unaudited	30 June 2014 AED '000 Unaudited	30 June 2013 AED '000 Unaudited	30 June 2014 AED '000 Unaudited	30 June 2013 AED '000 Unaudited	30 June 2014 AED '000 Unaudited	30 June 2013 AED '000 Unaudited
Revenue														
Inter-segment	163,169	93,071	-	-	-	-	552,948	257,056	716,117	350,127	(716,117)	(350,127)	-	-
Others	1,769,397	1,630,749	10,540,534	9,207,873	502,046	419,681	1,186	1,259	12,813,163	11,259,562	-	-	12,813,163	11,259,562
Discontinued operations	-	-	-	-	-	25,862	-	-	-	25,862	-	-	-	25,862
Finance costs	(166,866)	(162,009)	(1,158)	(15)	(8,741)	(8,933)	(236,558)	(180,314)	(413,323)	(351,271)	96,912	72,284	(316,411)	(278,987)
Finance income	7,187	5,537	25,890	31,418	349	14	334,139	248,345	367,565	285,314	(288,399)	(207,706)	79,166	77,608
Depreciation	(153,146)	(150,387)	(148,139)	(139,445)	(51,019)	(34,782)	(664)	(285)	(352,968)	(324,899)	(152,275)	(155,302)	(505,243)	(480,201)
Share of gain/(loss) in joint ventures & associates	21,627	7,544	-	-	9,892	9,011	-	-	31,519	16,555	-	-	31,519	16,555
Impairment - net	-	-	2,465	18,836	-	-	-	-	2,465	18,836	-	-	2,465	18,836
Profit before tax	1,541,621	923,157	422,542	371,465	14,578	21,490	589,589	291,799	2,568,330	1,607,911	(1,173,792)	(530,511)	1,394,538	1,077,400
Tax charge - net	(17,894)	(26,826)	(23,925)	(25,802)	(3,454)	(741)	-	-	(45,273)	(53,369)	964	2,599	(44,309)	(50,770)
Net valuation gain/(loss) on land and buildings														
Recorded in profit or loss	615,308	135,718	-	-	-	-	-	-	615,308	135,718	(284,962)	4,814	330,346	140,532
Recorded in revaluation reserve	292,893	156,518	-	-	-	-	-	-	292,893	156,518	436,879	141,901	729,772	298,419
EBITDA	1,234,794	1,103,254	546,958	456,584	67,133	56,016	492,689	222,102	2,341,574	1,837,956	(545,700)	(244,600)	1,795,874	1,593,356
Capital expenditure	(2,122,949)	(484,593)	(109,179)	(169,119)	(47,399)	(125,043)	(527)	(77)	(2,280,054)	(778,832)	-	-	(2,280,054)	(778,832)
Business segments:	Properties		Retail		Ventures		Head office		Total		Eliminations/ adjustments		Group (after eliminations)	
	30 June 2014 AED '000 Unaudited	31 Dec 2013 AED '000 Audited	30 June 2014 AED '000 Unaudited	31 Dec 2013 AED '000 Audited	30 June 2014 AED '000 Unaudited	31 Dec 2013 AED '000 Audited	30 June 2014 AED '000 Unaudited	31 Dec 2013 AED '000 Audited	30 June 2014 AED '000 Unaudited	31 Dec 2013 AED '000 Audited	30 June 2014 AED '000 Unaudited	31 Dec 2013 AED '000 Audited	30 June 2014 AED '000 Unaudited	31 Dec 2013 AED '000 Audited
Total assets	37,169,834	34,341,091	5,252,228	5,021,872	1,317,145	1,238,757	14,068,561	12,743,216	57,807,769	53,344,936	(15,037,882)	(13,864,587)	42,769,887	39,480,349
Total liabilities	(10,413,840)	(9,466,063)	(4,429,397)	(3,991,788)	(1,088,931)	(1,021,493)	(7,927,403)	(7,122,042)	(23,859,571)	(21,601,386)	7,461,023	6,284,698	(16,398,548)	(15,316,688)

Notes to the condensed consolidated interim financial statements (continued)

6. PROPERTY, PLANT AND EQUIPMENT

The nature of significant movements during the six month period ended 30 June 2014 is as follows:

	30 June 2014	30 June 2013
	AED'000	AED'000
	Unaudited	Unaudited
Capital expenditure	<u>494,868</u>	531,552
Disposals/write offs/adjustments	<u>2,883</u>	6,417
Depreciation charge for the period	<u>505,243</u>	480,201
Valuation gains		
- recognised in other comprehensive income	729,772	298,419
- recognised in profit or loss	<u>48,938</u>	34,208
	<u>778,710</u>	332,627

7. INVESTMENT PROPERTIES

The nature of significant movements during the six month period ended 30 June 2014 is as follows:

	30 June 2014	30 June 2013
	AED'000	AED'000
	Unaudited	Unaudited
Capital expenditure	<u>1,781,933</u>	243,663
Disposals/write offs/adjustments	<u>-</u>	7,460
Valuation gain recognised in profit or loss	<u>281,408</u>	106,324

8. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include the Parent Company and its shareholders, fellow subsidiaries, associates, joint ventures, key management personnel and / or their close family members. Transactions with related parties are carried out at agreed terms.

8.1 Long term receivable from related parties:

	30 June 2014	31 December 2013
	AED'000	AED'000
	Unaudited	Audited
Receivable from joint ventures	96,062	82,162
Less: discounting of receivable	(22,326)	(26,044)
	<u>73,736</u>	56,118
Receivable from a minority shareholder	<u>15,387</u>	14,781
	<u>89,123</u>	70,899

Notes to the condensed consolidated interim financial statements (continued)

8. RELATED PARTY TRANSACTIONS (continued)

8.2 Due from related parties:

	30 June 2014	31 December 2013
	AED'000	AED'000
	Unaudited	Audited
The Egypt Emirates Mall Group SAE	31,297	32,258
Waterfront City SARL	26,179	27,927
Sharjah Holding Co. P.J.S.C.	19,257	9,944
Yenkit Tourism Development LLC	15,062	15,066
Perfect World for Kids Entertainment Co.	10,620	9,378
Others	49,387	27,969
	151,802	122,542
Provision for doubtful receivables	(24,732)	(24,732)
	127,070	97,810

8.3 Short term loan from a related party:

	30 June 2014	31 December 2013
	AED'000	AED'000
	Unaudited	Audited
At 1 January	118,500	177,000
Borrowed during the period/year	18,000	313,600
Repaid during the period/year	(15,023)	(372,100)
	121,477	118,500

The above loan is obtained from the Parent Company, against a loan facility of AED 500 million, at a margin of 0.4% per annum over average of 3 month fixed deposits and call accounts. The facility is renewable every year with a final maturity in 2015.

8.4 Due to related parties:

	30 June 2014	31 December 2013
	AED'000	AED'000
	Unaudited	Audited
Majid Al Futtaim Capital LLC	-	6,896
Hollister Fashion LLC	-	1,755
Others	45,357	40,477
	45,357	49,128

Notes to the condensed consolidated interim financial statements (continued)

8. RELATED PARTY TRANSACTIONS (continued)

8.5 Compensation to key management personnel:

The aggregate compensation of key management personnel of the Group's entities, including non-executive directors is disclosed as follows:

	30 June 2014 AED'000 Unaudited	30 June 2013 AED'000 Unaudited
Directors' fees and expenses	8,642	5,971
Employee benefits (salaries and allowances including provision for bonus)	34,169	36,226
Post employment benefits (provision for end of service benefits)	1,288	1,307
	44,099	43,504

9. CASH IN HAND AND AT BANK

	30 June 2014 AED'000 Unaudited	31 December 2013 AED'000 Audited
Cash in hand	108,665	90,782
Fixed deposits	88,165	117,752
Cash at bank	1,253,077	1,003,749
Cash and cash equivalents	1,449,907	1,212,283
Fixed deposits with an original maturity of more than three months	104,507	87,805
	1,554,414	1,300,088

10. SHORT TERM LOAN

	30 June 2014 AED'000 Unaudited	31 December 2013 AED'000 Audited
At 1 January	-	-
Borrowed during the period - aggregate	330,570	-
Repaid during the period - aggregate	(220,380)	-
	110,190	-

The loan is a revolving facility of USD 50 million with a margin of 1.25% per annum over 1 month LIBOR maturing within 6 months from the date of each drawdown.

Notes to the condensed consolidated interim financial statements (continued)

11. LONG TERM LOANS

	30 June 2014	31 December 2013
	AED'000	AED'000
	Unaudited	Audited
At 1 January	8,214,517	9,551,497
Transferred on sale of a subsidiary	-	(245,546)
Borrowed during the period/year	3,609,268	3,502,274
Fair value movements	31,959	(25,726)
Repaid during the period/year	(3,017,022)	(4,567,982)
At 30 June/ 31 December	8,838,722	8,214,517
Less: Current maturity of long term loans	(2,081,732)	(1,529,679)
Non-current portion	6,756,990	6,684,838

11.1 The details of the loans are set out below:

Loan facility	Repayment interval	Repayment commencement	Maturity date	Note	30 June 2014 AED '000 Unaudited
USD 290,000	Semi-annual	31-May-13	30-Nov-16		434,110
EGP 3,000,000	Unequal installments every year	2017	Apr 2026	11.3	203,411
AED 225,000	Semi-annual	29-Sep-13	29-Mar-21	11.4	208,125
USD 45,000	Semi-annual	5-Nov-15	5-May-22	11.5	166,217
USD 10,000	Annual	27-Sep-16	27-Sep-18	11.5	30,517
LBP 180,000,000	Semi-annual	20-Mar-16	20-Sep-22	11.5	413,140
USD 400,000	Bullet	NA	7-Feb-17	11.6	1,470,247
AED 300,000	Semi-annual	6-Sep-09	6-Mar-15		50,000
AED 154,688	Quarterly	25-Jan-14	24-Oct-19		145,486
AED 193,000	Annual	21-Jun-13	21-Jun-17		159,466
USD 208,000	Quarterly	15-Nov-11	15-Aug-14		299,085
USD 1,159,000	Revolver	NA	19-Sep-18		1,157,546
AED 1,609,000	Revolver	NA	19-Sep-18		437,541
USD 500,000	Bullet	NA	5-Jul-19	11.7	1,819,941
USD 500,000	Bullet	NA	7-May-24	11.7	1,843,890
					8,838,722

11.2 The floating rate loans carry margins ranging from 1.9 % to 3.5 % (30 June 2013: 1.0% to 3.5%) over the base lending rate, whilst fixed rate on loans ranges from 4.75 % to 5.85 % (30 June 2013: 5.25% to 5.85%). For loans obtained in the UAE, the base lending rate used is EIBOR/LIBOR. For loans obtained by overseas subsidiaries an appropriate base lending rate prevailing in the related markets is used.

11.3 In 2013, a loan facility of EGP 3 billion was obtained by a subsidiary in Egypt in relation to the construction of a shopping mall.

11.4 The loan facility is secured by way of a first degree mortgage over land and building of a shopping mall in UAE, assignment of insurance policies of the property and lease rentals of the shopping mall.

11.5 These loan facilities were obtained by a subsidiary in Lebanon during 2011 and are secured by way of a first ranking charge over the plot on which a shopping mall is constructed and the assignment of lease rentals of the shopping mall.

Notes to the condensed consolidated interim financial statements (continued)

11. LONG TERM LOANS (continued)

- 11.6 In February 2012, the Group issued Sukuk certificates under its USD 1 billion Sukuk program, raising USD 400 million (AED 1,469 million).

The Sukuk program is structured as a “Wakala”. The 5 year senior unsecured bonds issued under this program are listed on the London Stock Exchange and NASDAQ Dubai, UAE together with additional listings of the program on NASDAQ Dubai, UAE and Irish Stock Exchanges. The terms of the arrangement include transfer of ownership of certain identified assets (the “Wakala assets”) of the Group to a Special Purpose Vehicle, MAF Sukuk Ltd. (the “Issuer”), formed for the issuance of bonds. In substance, the Wakala assets remain in control of the Group and shall continue to be serviced by the Group. The bond holders have no recourse to the assets. The Sukuk certificates mature during February 2017.

These bonds bear a fixed profit rate payable to the investors at the rate of 5.85% per annum on a semi-annual basis. The Issuer will service the profit from returns generated from the Wakala assets. The Sukuk of USD 400 million is hedged by financial derivatives and accordingly, carried at fair value.

- 11.7 The Group issued ten year fixed rate unsecured bonds in May 2014 under its USD 2 billion Global Medium Term Note (GMTN) Program, raising an additional USD 500 million (AED 1,837 million) and bringing the total issuance under GMTN Program, as of 30 June 2014, to USD 1 billion (AED 3,673 million). As of 31 December 2013, the total issuance under the GMTN Program was USD 500 million (AED 1,837 million) in the form of seven year fixed rate unsecured bonds. The bonds carry coupon rates ranging from 4.75% to 5.25% per annum, payable every six months. These bonds are listed on the London Stock Exchange and NASDAQ Dubai, UAE together with additional listing of the programs on the Irish Stock Exchange and NASDAQ Dubai, UAE. Of the total amount, USD 600 million (31 Dec 2013: USD 200 million) is hedged by financial derivatives and accordingly, carried at fair value.

12. HYBRID EQUITY INSTRUMENT

	30 June 2014	31 December 2013
	AED'000	AED'000
	Unaudited	Audited
Issuance of Hybrid Perpetual Notes	1,836,500	1,836,500
Less: underwriting fee	(10,565)	(10,565)
	1,825,935	1,825,935

In October 2013, the Group had issued Hybrid Perpetual Note Instruments (‘the Notes’) of AED 1,836 million (USD 500 million) which are listed on the Irish Stock Exchange. The Notes are deeply subordinated with no maturity date. The Notes carry interest at the rate of 7.125% payable semi-annually in arrear till the first call date on 29 October 2018 and will be reset thereafter every 5 years to a new fixed rate plus the margin. The Group may elect at its sole and absolute discretion not to pay interest on interest payment dates. Pursuant to the requirements of IAS 32 and the terms/conditions, these are classified as equity.

Notes to the condensed consolidated interim financial statements (continued)

13. REVENUE

	30 June 2014 AED'000 Unaudited	30 June 2013 AED'000 Unaudited
Sales	9,655,040	8,422,696
Rental income	1,256,918	1,175,676
Listing fees, gondola fees and commissions	882,765	781,861
Leisure and entertainment	426,321	369,426
Hospitality revenue	387,399	333,658
Fashion goods	124,247	116,198
Others	80,473	60,047
	12,813,163	11,259,562

14. FINANCIAL INSTRUMENTS

14.1 Fair values

The fair value of the Group's financial assets and liabilities are not materially different from their carrying amounts.

14.2 Fair value hierarchy

The table below shows information in respect of those financial assets and financial liabilities that are measured at fair value including their levels in the fair value hierarchy:

30 June 2014		Valuation based on		
In thousands of AED	Carrying amount Unaudited	Quoted market prices Level 1	Observable inputs Level 2	Significant unobservable inputs Level 3
Financial assets measured at fair value				
Interest rate swaps used for hedging purposes	28,845	-	28,845	-
Equities held at fair value through profit and loss	5,000	-	5,000	-
	33,845			
Financial liabilities measured at fair value				
Interest rate swaps used for hedging purposes	211,250	-	211,250	-
31 December 2013		Valuation based on		
In thousands of AED	Carrying amount Audited	Quoted market prices Level 1	Observable inputs Level 2	Significant unobservable inputs Level 3
Financial assets measured at fair value				
Interest rate swaps used for hedging purposes	3,310	-	3,310	-
Equities held at fair value through profit and loss	5,000	-	5,000	-
	8,310			
Financial liabilities measured at fair value				
Interest rate swaps used for hedging purposes	248,652	-	248,652	-

Notes to the condensed consolidated interim financial statements (continued)

15. FUNDING AND LIQUIDITY MANAGEMENT

The Group's approach to managing funding and liquidity is to ensure, as far as possible, that it will always have sufficient funds to meet its liabilities, when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group's funding needs as at 30 June 2014 are summarized below:

At 30 June 2014, the Group has net current liabilities of AED 4,228 million (31 Dec 2013: AED 3,740 million) which includes debt maturing in the short-term of AED 2,313 million (31 Dec 2013: AED 1,649 million). Further, at 30 June 2014 debt maturing in the long term is AED 6,757 million (31 Dec 2013: AED 6,685 million). Furthermore, from 1 July 2014 to 30 June 2015, the Group expects to incur interest cost of AED 791 million and capital expenditure of AED 5,397 million.

The Group continuously monitors the level of its expected cash inflows and outflows. To manage the funding positions the Group, as at 30 June 2014, has undrawn facilities amounting AED 7,438 million, cash and cash equivalents of AED 1,342 million and it expects to generate cash from operations of approximately AED 4,077 million in the next year. On the basis of this, the management believes that the Group will be able to meet its funding requirement as and when due.

16. CONTINGENT LIABILITIES, GUARANTEES AND COMMITMENTS

	30 June 2014	31 December 2013
	AED'000	AED'000
	Unaudited	Audited
Capital commitments	3,095,102	2,557,293
Group's share of capital commitments in relation to its equity accounted investees	749,099	661,031
Letters of credits outstanding	4,663	570
Bank guarantees outstanding	146,658	138,060

17. LIST OF NEW SUBSIDIARIES

The condensed consolidated interim financial statements include the results of the following new subsidiaries incorporated in the current period:

Subsidiaries	Country of incorporation	Effective ownership %
Majid Al Futtaim Properties Asset Management LLC	UAE	100%
Tanweer VoxMedia LLC	UAE	51%
Majid Mohamed Al Futtaim Properties LLC	KSA	100%
Aswaq Al Narjis Trading LLC	KSA	100%
Majid Mohamed Al Futtaim Trading LLC	KSA	100%
Majid Mohamed Al Futtaim Real Estate Development LLC	KSA	100%
Aswaq Al Emarat Trading CJSC	KSA	85%
Majid Al Futtaim Gulf Cinemas LLC	Oman	100%

18. SUBSEQUENT EVENTS

There have been no significant events up to the date of authorization, which would have a material effect on these condensed consolidated interim financial statements.