

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2016



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

The Shareholders
Majid Al Futtaim Holding LLC

Introduction

We have reviewed the accompanying 30 June 2016 condensed consolidated interim financial information of Majid Al Futtaim Holding LLC ("the Company") and its subsidiaries (collectively referred as "the Group"), which comprises:

- the condensed consolidated statement of profit or loss and other comprehensive income for the six month period ended 30 June 2016;
- the condensed consolidated statement of financial position as at 30 June 2016;
- the condensed consolidated statement of cash flows for the six month period 30 June 2016; and
- the condensed consolidated statement of changes of equity for the six month period ended 30 June 2016;
- notes to the 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 30 June 2016 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

A handwritten signature in blue ink, appearing to read 'KPMG'.

KPMG Lower Gulf Limited

Date: 24 SEP 2016

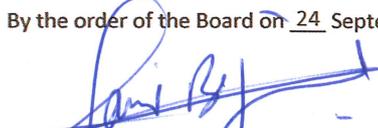
Condensed consolidated interim statement of financial position

As at 30 June 2016

In thousands of AED

	Note	30 June 2016 Unaudited	31 December 2015 Audited
Non-current assets			
Property, plant and equipment	6	11,454,119	11,409,630
Investment properties	7	33,803,551	32,470,704
		45,257,670	43,880,334
Investments			
Long term receivable from related parties	8.1	84,181	121,166
Intangible assets		196,484	188,016
Deferred tax assets		40,420	43,111
Other non-current assets		569,045	414,041
		2,143,472	1,975,570
Total non-current assets		47,401,142	45,855,904
Current assets			
Inventories		1,615,841	1,712,071
Trade and other receivables		2,200,550	1,861,041
Due from related parties		88,609	59,578
Cash in hand and at bank		1,207,062	1,394,332
		5,112,062	5,027,022
Current liabilities			
Trade payables, other liabilities and provisions		7,766,859	7,671,455
Short term loan from a related party	8.2	70,477	53,126
Due to related parties		45,988	37,392
Current maturity of long term loans	10	3,964,565	2,102,082
		11,847,889	9,864,055
Net current liabilities		(6,735,827)	(4,837,033)
Non-current liabilities			
Long term loans	10	7,238,977	8,483,918
Long term loan from related parties	8.3	33,387	-
Deferred tax liabilities		193,443	196,104
Other long term liabilities and provisions		604,429	607,587
Total non-current liabilities		8,070,236	9,287,609
Net assets		32,595,079	31,731,262
Equity			
Share capital		2,486,729	2,486,729
Statutory reserve		2,045,940	2,045,940
Revaluation reserve		18,078,201	17,899,475
Other reserves		7,772,864	7,095,243
Total equity attributable to the owners of the Company		30,383,734	29,527,387
Hybrid equity instrument	11	1,825,935	1,825,935
Non-controlling interests		385,410	377,940
Total equity		32,595,079	31,731,262

By the order of the Board on 24 September 2016:


Majid Al Futtaim Holding LLC
Chief Executive Officer


Majid Al Futtaim Holding LLC
Chief Financial Officer

The notes on pages 8 to 17 are an integral part of these condensed consolidated interim financial statements.

The independent auditors' report on review of condensed consolidated interim financial information is set out on page 1.

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

In thousands of AED

	Note	2016 Unaudited	2015 Unaudited
Revenue	12	15,174,760	13,716,248
Cost of sales		(10,407,963)	(9,450,612)
Operating expenses		(3,354,368)	(3,019,322)
Finance costs - net	13	(191,665)	(129,465)
Other expenses - net		(63,368)	(17,736)
Impairment charge - net		(8,656)	(8,517)
Share of profit / (loss) from joint ventures and associates - net		6,307	(16,362)
Profit before valuation gain on land and buildings		1,155,047	1,074,234
Net valuation gain on land and buildings		119,591	159,318
Profit before tax		1,274,638	1,233,552
Tax charge - net		(32,163)	(48,334)
Profit for the period		1,242,475	1,185,218
Profit for the period attributable to:			
- Owners of the Company		1,231,125	1,169,182
- Non-controlling interests		11,350	16,036
Profit for the period		1,242,475	1,185,218
Comprehensive income:			
Profit for the period		1,242,475	1,185,218
Other comprehensive income			
<i>Items that will never be reclassified to profit or loss:</i>			
Valuation gain on land and buildings - net		182,071	1,044,598
Deferred tax on revaluation of land and buildings		(3,345)	(1,677)
		178,726	1,042,921
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation differences from foreign operations		(233,084)	(107,019)
Net change in fair value of cash flow hedges		(45,468)	41,659
Share of other comprehensive income of equity accounted investments		243	-
		(278,309)	(65,360)
Total other comprehensive income for the period		(99,583)	977,561
Total comprehensive income for the period		1,142,892	2,162,779
Total comprehensive income for the period attributable to:			
- Owners of the Company		1,131,772	2,146,423
- Non-controlling interests		11,120	16,356
Total comprehensive income for the period		1,142,892	2,162,779

The notes on pages 8 to 17 are an integral part of these condensed consolidated interim financial statements.

The independent auditors' report on review of condensed consolidated interim financial information is set out on page 1.

Condensed consolidated interim statement of cash flows

For the six month period ended 30 June

In thousands of AED

	2016 Unaudited	2015 Unaudited
Cash flows from operating activities		
Profit for the period after tax	1,242,475	1,185,218
Adjustments:		
Finance costs - net	191,665	129,465
Net valuation gain on land and buildings	(119,591)	(159,318)
Depreciation and amortisation	539,496	575,682
Share of (profit)/loss in joint ventures and associates - net	(6,307)	16,362
Gain on acquiring control of jointly controlled entities	-	(43,171)
Provision for bad debts	70,959	17,319
Impairment charge - net	8,656	8,517
Provision for staff terminal benefits - net	42,280	35,977
	1,969,633	1,766,051
<i>Changes to working capital</i>		
Inventories	96,230	(9,489)
Trade and other receivables	(414,550)	(103,543)
Trade and other payables	134,308	509,366
Due from/to related parties - net	(20,435)	19,733
	(204,447)	416,067
Net cash generated from operating activities	1,765,186	2,182,118
Cash flow from investing activities		
Acquisition of property, plant and equipment, investment property and development property	(1,931,577)	(1,657,955)
Proceeds from sale of property, plant and equipment and investment properties	19,131	14,344
Investment in joint ventures and associates	(9,179)	-
Movement in fixed deposits - net	8,300	1,243
Payments against intangible assets	(11,071)	(18,099)
Dividend received	958	4,541
Finance income received	16,092	21,324
Net cash used in investing activities	(1,907,346)	(1,634,602)
Cash flow from financing activities		
Short term loan received from a related party	94,242	101,717
Short term loan repaid to a related party	(286,891)	(298,562)
Long term loan from related parties - net	33,387	-
Long term loans received	1,355,217	816,453
Long term loans repaid	(811,400)	(399,213)
Short term loans received	1,413,921	1,190,052
Short term loans repaid	(1,413,921)	(1,190,052)
Payment against finance lease liability	(35,042)	(202)
Finance cost paid	(317,248)	(160,128)
Coupon paid on hybrid equity instrument	(65,425)	(65,425)
Dividend paid to non-controlling interest	(3,650)	-
Net cash used in financing activities	(36,810)	(5,360)
Net (decrease)/increase in cash and cash equivalents	(178,970)	542,156
Cash and cash equivalents at the beginning of the period	1,386,032	1,005,507
Cash and cash equivalents at the end of the period	1,207,062	1,547,663
Cash and cash equivalents comprise:		
Cash in hand and at bank	1,207,062	1,555,820
Less: fixed deposits with an original maturity of more than three months	-	(8,157)
	1,207,062	1,547,663

The notes on pages 8 to 17 are an integral part of these condensed consolidated interim financial statements.

The independent auditors' report on review of condensed consolidated interim financial information is set out on page 1.

**Condensed consolidated interim statement of changes in equity
For the six month period ended 30 June**

In thousands of AED

	Attributable to owners of the Company											
	Share capital	Revaluation reserve	Statutory reserve	Retained earnings	Other reserves			Total other reserves	Total equity	Hybrid equity instrument	Non-controlling interests	Total
					Hedging reserve	Currency translation reserve						
At 1 January 2015 (audited)	2,486,729	16,762,720	1,729,271	5,243,345	(140,545)	(293,088)	4,809,712	25,788,432	1,825,935	308,938	27,923,305	
Total comprehensive income for the period												
Net profit for the period	-	-	-	1,169,182	-	-	1,169,182	1,169,182	-	16,036	1,185,218	
Other comprehensive income												
Net gain on valuation of land and buildings (note 6)	-	1,044,598	-	-	-	-	-	1,044,598	-	-	1,044,598	
Deferred tax liability arising on revaluation of land and buildings	-	(1,677)	-	-	-	-	-	(1,677)	-	-	(1,677)	
Net change in fair value of cash flow hedges	-	-	-	-	41,659	-	41,659	41,659	-	-	41,659	
Currency translation differences in foreign operations	-	-	-	-	-	(107,339)	(107,339)	(107,339)	-	320	(107,019)	
Total comprehensive income for the period	-	1,042,921	-	1,169,182	41,659	(107,339)	1,103,502	2,146,423	-	16,356	2,162,779	
Transactions with owners recorded directly in equity												
<i>Contribution by and distributions to owners and other movement in equity</i>												
Acquisition of non-controlling interest on accounting for change in control	-	-	-	-	-	-	-	-	-	23,411	23,411	
Dividend declared and settled (note 8.2)	-	-	-	(370,000)	-	-	(370,000)	(370,000)	-	-	(370,000)	
Total contribution by and distribution to owners	-	-	-	(370,000)	-	-	(370,000)	(370,000)	-	23,411	(346,589)	
Coupon paid on hybrid equity instrument	-	-	-	(65,425)	-	-	(65,425)	(65,425)	-	-	(65,425)	
At 30 June 2015 (unaudited)	2,486,729	17,805,641	1,729,271	5,977,102	(98,886)	(400,427)	5,477,789	27,499,430	1,825,935	348,705	29,674,070	

The notes on pages 8 to 17 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of changes in equity (continued)
For the six month period ended 30 June

In thousands of AED

	Attributable to owners of the Company											
	Share capital	Revaluation reserve	Statutory reserve	Retained earnings	Other reserves			Total other reserves	Total equity	Hybrid equity instrument	Non-controlling interests	Total
					Hedging reserve	Currency translation reserve						
At 1 January 2016 (audited)	2,486,729	17,899,475	2,045,940	7,651,722	(95,556)	(460,923)	7,095,243	29,527,387	1,825,935	377,940	31,731,262	
Total comprehensive income for the period												
Net profit for the period	-	-	-	1,231,125	-	-	1,231,125	1,231,125	-	11,350	1,242,475	
Other comprehensive income												
Net gain on valuation of land and buildings (note 6)	-	182,071	-	-	-	-	-	182,071	-	-	182,071	
Deferred tax liability arising on revaluation of land and buildings	-	(3,345)	-	-	-	-	-	(3,345)	-	-	(3,345)	
Net change in fair value of cash flow hedges	-	-	-	-	(45,468)	-	(45,468)	(45,468)	-	-	(45,468)	
Currency translation differences in foreign operations	-	-	-	-	-	(232,854)	(232,854)	(232,854)	-	(230)	(233,084)	
Share of other comprehensive income of equity accounted investments	-	-	-	243	-	-	243	243	-	-	243	
Total comprehensive income for the period	-	178,726	-	1,231,368	(45,468)	(232,854)	953,046	1,131,772	-	11,120	1,142,892	
Transactions with owners recorded directly in equity												
<i>Contribution by and distributions to owners and other movement in equity</i>												
Dividend declared and settled / paid (note 8.2)	-	-	-	(210,000)	-	-	(210,000)	(210,000)	-	(3,650)	(213,650)	
Total contribution by and distribution to owners	-	-	-	(210,000)	-	-	(210,000)	(210,000)	-	(3,650)	(213,650)	
Coupon paid on hybrid equity instrument	-	-	-	(65,425)	-	-	(65,425)	(65,425)	-	-	(65,425)	
At 30 June 2016 (unaudited)	2,486,729	18,078,201	2,045,940	8,607,665	(141,024)	(693,777)	7,772,864	30,383,734	1,825,935	385,410	32,595,079	

The notes on pages 8 to 17 are an integral 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. 2 of 2015 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 2016 comprises the Company and its subsidiaries (together referred to as “the Group”), and the Group’s interest in jointly controlled entities and associates. The activities of its subsidiaries are the establishment and management of shopping malls, hotels, residential projects, hypermarkets, supermarkets, fashion retailing, leisure and entertainment, credit cards operations, leasing 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 Company 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 2015. 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 2015.

(b) Use of estimates and judgments

In preparing the condensed consolidated interim financial statements, management has made judgments, estimates and assumptions that affect the application of the Group's accounting policies and the reported amount 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 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 2015.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies 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 2015. There are no new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2016.

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 2015.

Notes to the condensed consolidated interim financial statements (continued)
5. SEGMENT REPORTING
5.1 By business

The segment information provided to the Board of Directors for the reportable segments for the six month period ended 30 June 2016 are as follows:

	Properties AED '000	Retail AED '000	Ventures AED '000	Head office AED '000	Total AED '000
30 June 2016 (Unaudited)					
Revenue					
Gross revenue	2,188,634	12,271,458	869,509	-	15,329,601
Inter segment revenue	(154,841)	-	-	-	(154,841)
Revenue from external customers	<u>2,033,793</u>	<u>12,271,458</u>	<u>869,509</u>	<u>-</u>	<u>15,174,760</u>
Results from continuing operations					
EBITDA	1,394,438	582,192	56,192	(81,987)	1,950,835
Eliminations and adjustments					<u>(4,317)</u>
					<u>1,946,518</u>
Depreciation and amortisation expense	(203,834)	(163,934)	(95,663)	(2,700)	(466,131)
Eliminations and adjustments					<u>(73,365)</u>
					<u>(539,496)</u>
Net finance (cost)/income	(183,684)	39,039	(23,957)	283,586	114,984
Eliminations and adjustments					<u>(306,649)</u>
					<u>(191,665)</u>
Net profit/(loss) after tax	1,126,814	397,430	(87,155)	199,055	1,636,144
Eliminations and adjustments					<u>(393,669)</u>
					<u>1,242,475</u>
Capital expenditure	<u>(1,643,605)</u>	<u>(204,583)</u>	<u>(158,896)</u>	<u>(5,120)</u>	<u>(2,012,204)</u>
Total assets	45,664,242	5,645,053	2,505,583	571,271	54,386,149
Eliminations and adjustments					<u>(1,872,945)</u>
					<u>52,513,204</u>

Notes to the condensed consolidated interim financial statements (continued)
5. SEGMENT REPORTING (continued)
5.1 By business (continued)

The segment information provided to the Board of Directors for the reportable segments for the six month period ended 30 June 2015 are as follows:

	Properties AED '000	Retail AED '000	Ventures AED '000	Head office AED '000	Total AED '000
30 June 2015 (Unaudited)					
Revenue					
Gross revenue	1,977,930	11,239,859	633,782	-	13,851,571
Inter segment revenue	(135,323)	-	-	-	(135,323)
Revenue from external customers	<u>1,842,607</u>	<u>11,239,859</u>	<u>633,782</u>	<u>-</u>	<u>13,716,248</u>
Results from continuing operations					
EBITDA	1,252,216	568,940	63,988	(55,135)	1,830,009
Eliminations and adjustments					<u>-</u>
					<u>1,830,009</u>
Depreciation and amortisation expense	(181,862)	(158,472)	(61,910)	(1,097)	(403,341)
Eliminations and adjustments					<u>(172,341)</u>
					<u>(575,682)</u>
Net finance (cost)/income	(121,451)	32,473	(11,557)	231,507	130,972
Eliminations and adjustments					<u>(260,437)</u>
					<u>(129,465)</u>
Net profit after tax	1,719,336	402,134	25,582	153,267	2,300,319
Eliminations and adjustments					<u>(1,115,101)</u>
					<u>1,185,218</u>
Capital expenditure	<u>(1,318,517)</u>	<u>(231,832)</u>	<u>(168,324)</u>	<u>(201)</u>	<u>(1,718,874)</u>
31 December 2015 (Audited)					
Total assets	43,997,192	5,756,668	2,421,540	270,295	52,445,695
Eliminations and adjustments					<u>(1,562,769)</u>
					<u>50,882,926</u>

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 is as follows:

	30 June	30 June
	2016	2015
	AED '000	AED '000
	Unaudited	Unaudited
Capital expenditure	537,919	1,122,652
Disposals / write offs / adjustments	(19,131)	(47,617)
Depreciation charge for the period	(514,887)	(561,947)
Valuation (loss) / gains of land and buildings		
- recognised in other comprehensive income	182,071	1,044,598
- recognised in profit or loss	(46,088)	33,081
	135,983	1,077,679
Impairment charge - net	(8,038)	(8,973)

7. INVESTMENT PROPERTIES

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

	30 June	30 June
	2016	2015
	AED '000	AED '000
	Unaudited	Unaudited
Capital expenditure	1,474,285	594,810
Valuation gain recognised in profit or loss	165,679	126,237

7.1 Capital expenditure includes purchase of a plot of land for AED 750 million classified as investment property, as the use of the land is still under determination by management as at the reporting date.

8. RELATED PARTY TRANSACTIONS AND BALANCES

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	31 December
	2016	2015
	AED '000	AED '000
	Unaudited	Audited
Receivable from joint ventures	74,885	111,000
Less: discounting of receivable	(13,394)	(11,785)
	61,491	99,215
Receivable from a minority shareholder	18,265	17,526
Receivable from a joint operator	4,425	4,425
	84,181	121,166

Notes to the condensed consolidated interim financial statements (continued)
8. RELATED PARTY TRANSACTIONS AND BALANCES (continued)
8.2 Short term loan from a related party

	30 June	30 June
	2016	2015
	AED '000	AED '000
	Unaudited	Unaudited
At 1 January	53,126	1,390
Borrowed during the period	94,242	101,717
Adjustment for dividend settlement	210,000	370,000
Repaid during the period	(286,891)	(298,562)
	70,477	174,545

8.2.1 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 three month fixed deposit rate, renewable every year with a final maturity in 2019.

8.3 Long term loan from related parties

Long term loans from related parties include:

- The loan amounting to AED 29.7 million by a Group's subsidiary from non-controlling shareholder with margin of 4% per annum over 3 month LIBOR, payable every quarter.
- AED 3.6 million interest free loan by a Group's joint operation from joint operator of a jointly controlled operation by the Group.

8.4 Related party transactions

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

	30 June	30 June
	2016	2015
	AED '000	AED '000
	Unaudited	Unaudited
Directors' fees and expenses	6,509	8,185
Employee benefits (salaries and allowances including provision for bonus)	51,348	45,000
Post employment benefits (provision for end of service benefits)	3,150	2,559
	61,007	55,744

9. SHORT TERM LOAN

	30 June	30 June
	2016	2015
	AED '000	AED '000
	Unaudited	Unaudited
At 1 January	-	-
Borrowed during the period	1,413,921	1,190,052
Repaid during the period	(1,413,921)	(1,190,052)
	-	-

9.1 The loan is a revolving facility of USD 100 million with a margin of 1.3% per annum over 1 week LIBOR maturing within 6 months from the date of each drawdown.

Notes to the condensed consolidated interim financial statements (continued)
10. LONG TERM LOANS

	30 June 2016 AED '000 Unaudited	30 June 2015 AED '000 Unaudited
At 1 January	10,586,000	9,014,663
Borrowed during the period	1,355,217	816,453
Fair value movement	172,015	(4,894)
Repaid during the period	(811,400)	(399,213)
Currency translation adjustment	(98,290)	(22,514)
	11,203,542	9,404,495
Less: Current maturity of long term loans	(3,964,565)	(2,900,965)
Non-current portion	7,238,977	6,503,530

10.1 The floating rate loans carry margins ranging from 1.2% to 3.8% (30 June 2015: 1.2% to 3.5%) per annum over the base lending rate, whilst fixed rate on loans ranges from 4.5% to 5.9% (30 June 2015: 4.8% to 5.9%). For loans obtained in the UAE, the base lending rate used is EIBOR/LIBOR while loans obtained by overseas subsidiaries an appropriate base lending rate prevailing in the related markets is used.

10.2 The details of long term loans are mentioned below:

Loan facility '000	Repayment interval	Repayment commencing	Maturity date	Note	30 June 2016 AED '000 Unaudited
EGP 3,000,000	Unequal installments every year	26-Jul-17	28-Apr-26	10.3	828,379
AED 225,000	Semi-annual	29-Sep-13	29-Mar-21	10.4	167,175
USD 45,000	Semi-annual	5-Nov-15	5-May-22	10.5	121,209
USD 8,262	Annual	27-Sep-16	27-Sep-18	10.5	30,346
LBP 170,633,264	Annual	20-Mar-16	20-Sep-22	10.5	405,157
KES 1,530	Semi-annual	31-Dec-18	30-Jun-20	10.7	18,347
GEL 10,939	Semi-annual	17-Mar-18	17-Mar-21	10.7	17,153
PKR 1,850,000	Quarterly	6-Aug-18	9-May-21	10.8	8,771
USD 400,000	Bullet	NA	7-Feb-17	10.9	1,469,431
USD 500,000	Bullet	NA	3-Nov-25	10.9	1,869,198
USD 1,159,000	Revolver	NA	19-Sep-18		1,184,462
AED 1,609,000	Revolver	NA	19-Sep-18		447,700
USD 500,000	Bullet	NA	5-Jul-19	10.10	1,852,343
USD 500,000	Bullet	NA	7-May-24	10.10	1,999,895
USD 100,000	Revolver	NA	24-Jul-19		36,164
USD 800,000	Revolver	NA	16-Sep-20		747,812
					11,203,542

10.3 In 2013, a loan facility of EGP 3,000 million was obtained by a subsidiary in Egypt in relation to the construction of a shopping mall, which is secured by assignment of lease proceeds and insurance contracts.

10.4 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.

10.5 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)

10. LONG TERM LOANS (continued)

10.6 During the period, a loan facility of EGP 2,500 million was obtained by a subsidiary in Egypt in relation to the construction of a shopping mall. As at the reporting date the Group had no outstanding balance on this loan facility.

10.7 During the period, term loan facilities of KES 1.53 million and GEL 10.9 million were obtained by the Group's subsidiaries in Kenya and Georgia respectively.

10.8 During the period, a term loan facility of PKR 1,850 million was obtained by a subsidiary in Pakistan, which is secured by a bank guarantee issued to lending bank amounting to PKR 1,575 million and a charge on inventory amounting to PKR 500 million.

10.9 In February 2012 the Group had issued five year Sukuk certificates ("bonds") under its USD 1,000 million Sukuk program (structured as a "Wakala"), raising USD 400 million (AED 1,469 million). The five year senior unsecured bonds issued in 2012 under this program are listed on the London Stock Exchange and on the NASDAQ Dubai, UAE. 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. These bonds bear a fixed profit rate of 5.85% per annum on a semi-annual basis to be serviced from returns generated from the Wakala assets.

In 2015, the size of the Sukuk Trust Certificate Issuance Program was increased to USD 1,500 million and the structure of the Program was amended to incorporate a Commodity Murabaha Investment option within the "Wakala" structure.

In November 2015, the Group issued ten year Sukuk certificates ("bonds") under its Sukuk Program dated 8 October 2015, raising USD 500 million (AED 1,836.5 million). The ten year senior unsecured bonds issued in November under this program are listed on the NASDAQ Dubai, UAE and on the Irish Stock Exchange. The terms of the arrangement include payment to the Group for the purchase of an Asset Portfolio by MAF Sukuk Ltd, the Issuer, and the purchase of a Commodity Murabaha Investment for a deferred sale price. The Asset Portfolio, the Commodity Murabaha Investment and all other rights arising under or with respect to such asset portfolio and the Commodity Murabaha Investment shall comprise the "Wakala Portfolio".

In substance, the Wakala Portfolio remains in control of the Group and shall continue to be serviced by the Group. The bond holders have no recourse to the assets. These bonds bear a fixed profit rate of 4.5% per annum on a semi-annual basis to be serviced from returns generated from the Wakala Portfolio.

The Sukuk Program was originally listed on the London Stock Exchange in 2012. All subsequent updates of the program since then, have been listed on the Irish Stock Exchange and on the NASDAQ Dubai, UAE. Of the total amount raised under the Sukuk Program, USD 600 million (31 December 2015: USD 600 million) is hedged by financial derivatives and accordingly, carried at fair value.

10.10 In July 2012, under the USD 2,000 million Global Medium Term Note (GMTN) Program (increased to USD 3,000 million in 2015), the Group had issued seven year fixed rate unsecured bonds of USD 500 million (AED 1,837 million) and ten year fixed rate unsecured bonds in May 2014 of USD 500 million (AED 1,837 million). The bonds carry coupon rates ranging from 4.75% to 5.25% per annum, payable every six months. The bonds issued in July 2012 are listed on London and NASDAQ Dubai, UAE Stock Exchanges and bonds issued in May 2014 are listed on NASDAQ Dubai, UAE and Irish Stock Exchanges. In addition the GMTN Program was originally listed on the London Stock Exchange in 2011. All subsequent updates of the Program have been listed on the Irish Stock Exchange and on the NASDAQ Dubai, UAE. Of the total amount raised under the GMTN Program, USD 700 million (31 December 2015: USD 700 million) is hedged by financial derivatives and accordingly, carried at fair value.

Subsequent to the period end, the Group has issued additional USD 300 million (AED 1,102 million) under the GMTN program.

11. HYBRID EQUITY INSTRUMENT

In October 2013, the Group has 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 until the first call date on October 29, 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 net of transaction costs amounting to AED 10.5 million.

Notes to the condensed consolidated interim financial statements (continued)
12. REVENUE

	Six month period ended 30 June	
	2016	2015
	AED '000	AED '000
	Unaudited	Unaudited
Sale of goods	11,513,326	10,497,971
Listing fees, gondola fees and commissions	926,514	805,620
Rental income	1,558,389	1,342,276
Leisure and entertainment	604,743	549,000
Hospitality revenue	362,225	358,699
Others	209,563	162,682
	15,174,760	13,716,248

13. FINANCE COSTS - NET

	Six month period ended 30 June	
	2016	2015
	AED '000	AED '000
	Unaudited	Unaudited
<i>Finance costs:</i>		
Arrangement and participation fee	(20,244)	(16,550)
Interest charges on bank loans	(269,061)	(207,047)
Capitalized interest on development expenditure	66,796	60,919
	(222,509)	(162,678)
Changes in the fair value/settlement of derivatives held as FVPL	26,884	33,799
Cash flow hedges reclassified from hedging reserve	(21,089)	(31,045)
Bond programme cost	(2,230)	(2,106)
	(218,944)	(162,030)
<i>Finance income:</i>		
Interest income on bank balances	16,092	21,849
Unwinding of discount	11,187	10,716
	27,279	32,565
	(191,665)	(129,465)

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.

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

- **Level 1:** Quoted market price (unadjusted) in an active market for an asset/liability. An asset/liability is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry, group, pricing service or regulatory agency, and those prices represent actual and regularly recurring market transactions on an arm's length basis.

Notes to the condensed consolidated interim financial statements (continued)
14. FINANCIAL INSTRUMENTS (continued)
14.1 Fair values (continued)

- **Level 2:** Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes assets/liabilities valued using: quoted market prices in active or the most advantageous market for similar assets/liabilities; quoted prices for identical or similar assets/liabilities; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- **Level 3:** Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs based on unobservable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The following table shows the carrying amount and fair values of financial assets and financial liabilities including their levels in the fair value hierarchy.

At 30 June 2016 (Unaudited)

In thousands of AED	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial assets				
Interest rate derivatives	248,031	-	248,031	-
Equities held at fair value through profit and loss	7,524	-	7,524	-
	255,555	-	255,555	-
Financial liabilities				
Interest rate derivatives	147,895	-	147,895	-
Sukuk and Note liabilities	7,190,867	-	7,349,957	-
	7,338,762	-	7,497,852	-

At 31 December 2015 (Audited)

In thousands of AED	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial assets				
Interest rate derivatives	103,815	-	103,815	-
Equities held at fair value through profit and loss	7,524	-	7,524	-
	111,339	-	111,339	-
Financial liabilities				
Interest rate derivatives	135,978	-	135,978	-
Sukuk and Note liabilities	7,027,851	-	7,122,554	-
	7,163,829	-	7,258,532	-

There were no changes in valuation techniques during the periods.

When available, the Group measures the fair value of an instrument using the quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

If a market for a financial instrument is not active, the Group establishes fair value using valuation techniques. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instrument that are substantially the same, net present value techniques and discounted cash flow methods.

Notes to the condensed consolidated interim financial statements (continued)
14. FINANCIAL INSTRUMENTS (continued)
14.1 Fair values (continued)

The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Group, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument.

The fair value of derivatives that are not exchange traded is estimated at the present value of the amount that the Group would receive or pay to terminate the contract at the reporting date taking into account current market conditions and the current creditworthiness of the counterparty.

15. FUNDING AND LIQUIDITY MANAGEMENT

At 30 June 2016, the Group has net current liabilities of AED 6,736 million (31 December 2015: AED 4,837 million) which includes debt maturing in the short-term of AED 4,062 million (31 December 2015: AED 2,185 million). Further, at 30 June 2016 debt maturing in the long term is AED 7,283 million (31 December 2015: AED 8,621 million).

At 30 June 2016, the Group has undrawn facilities of AED 10,100 million (31 December 2015: AED 8,642 million) and cash in hand and at bank of AED 1,207 million (31 December 2015: AED 1,394 million) to cover its liquidity needs for at least the next 18 months.

16. CONTINGENT LIABILITIES, GUARANTEES AND COMMITMENTS

	30 June 2016 AED '000 Unaudited	31 December 2015 AED '000 Audited
Capital commitments	3,521,146	3,302,169
Group's share of capital commitments in relation to its equity accounted investees	774,432	731,454
Letters of credit outstanding	420	263
Bank guarantees outstanding	177,871	97,229

17. 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, except as disclosed in note 10.10.

18. COMPARATIVES

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