



Majid Al Futtaim Holding LLC
Condensed Consolidated Interim Financial Statements
For the six month period ended 30 June 2015

Table of Content

	Page No.
The independent auditors' report on review of condensed consolidated interim financial information	1
Condensed consolidated interim statement of financial position	2
Condensed consolidated interim statement of profit or loss and other comprehensive income	3
Condensed consolidated interim statement of cash flows	4
Condensed consolidated interim statement of changes in equity	5 - 6
Notes to the condensed consolidated interim financial statements	7 - 15



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

Telephone +971 (4) 3569 500
Mainfax +971 (4) 3263 788
Audit Fax +971 (4) 3263 773
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 30 June 2015 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 interim statement of financial position as at 30 June 2015;
- the condensed consolidated interim statement of profit or loss and other comprehensive income for the six month period ended 30 June 2015;
- the condensed consolidated interim statement of changes in equity for the six month period ended 30 June 2015;
- the condensed consolidated interim statement of cash flows for the six month period 30 June 2015; and
- 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 2015 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG Lower Gulf Limited

12 SEP 2015

Date



Majid Al Futtain Holding LLC
Condensed Consolidated Interim Financial Statements
For the six month period ended 30 June 2015

Condensed consolidated interim statement of financial position

As at 30 June 2015

In thousands of AED

	Note	30 June 2015 Unaudited	31 December 2014 Audited
Non-current assets			
Property, plant and equipment	6	25,127,492	23,525,929
Investment properties	7	14,794,560	14,280,456
		39,922,052	37,806,385
Investments		1,252,646	1,248,117
Long term receivable from related parties	8.1	83,638	79,779
Intangible assets		105,005	103,997
Deferred tax assets		30,628	32,317
Other non-current assets		327,377	478,367
		1,799,294	1,942,577
Total non-current assets		41,721,346	39,748,962
Current assets			
Development properties		799,183	797,771
Inventories		1,512,515	1,503,026
Trade and other receivables		1,685,815	1,383,844
Due from related parties		89,246	140,576
Cash in hand and at bank		1,555,820	1,049,887
		5,642,579	4,875,104
Current liabilities			
Trade payables, other liabilities and provisions		7,444,632	6,952,602
Short term loan from a related party	8.2	174,545	1,390
Due to related parties		37,737	37,332
Bank overdraft		-	34,980
Current maturity of long term loans	9	2,900,965	2,681,205
		10,557,879	9,707,509
Net current liabilities		(4,915,300)	(4,832,405)
Non-current liabilities			
Long term loans	9	6,503,530	6,333,458
Long term loan from a related party		6,865	6,855
Deferred tax liabilities		99,843	97,397
Other long term liabilities and provisions		591,687	555,542
Total non-current liabilities		7,201,925	6,993,252
Net assets		29,604,121	27,923,305
Equity			
Share capital		2,486,729	2,486,729
Statutory reserve		1,729,271	1,729,271
Revaluation reserve		17,805,641	16,762,720
Other reserves		5,435,516	4,809,712
Total equity attributable to the owners of the Company		27,457,157	25,788,432
Hybrid equity instrument	10	1,825,935	1,825,935
Non-controlling interests		321,029	308,938
Total equity		29,604,121	27,923,305

By order of the Board on 12 September 2015:


Majid Al Futtain Holding LLC
Chief Executive Officer

The notes on pages 7 to 15 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	2015 Unaudited	2014 Unaudited
Revenue	11	13,691,393	12,751,131
Cost of sales		(9,447,952)	(8,815,187)
Operating expenses		(3,027,352)	(2,661,366)
Finance costs		(182,010)	(308,462)
Finance income		52,545	68,814
Other expenses - net		(39,213)	(4,722)
Impairment (charge)/reversal - net		(8,517)	2,465
Share of (loss)/profit in joint ventures and associates - net		(11,198)	31,519
Profit before valuation gain on land and buildings		1,027,696	1,064,192
Net valuation gain on land and buildings		159,318	330,346
Profit before tax		1,187,014	1,394,538
Tax charge - net		(48,334)	(44,309)
Profit for the period		1,138,680	1,350,229
Profit for the period attributable to:			
- Owners of the Company		1,126,909	1,342,801
- Non-controlling interests		11,771	7,428
Profit for the period		1,138,680	1,350,229
Comprehensive income:			
Profit for the period		1,138,680	1,350,229
Other comprehensive income			
<i>Items that will never be reclassified to profit or loss:</i>			
Net gain on valuation of properties		1,044,598	729,772
Deferred tax liability charged on revaluation of properties		(1,677)	(1,957)
		1,042,921	727,815
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation differences from foreign operations		(107,019)	(39,486)
Net change in fair value of cash flow hedges		41,659	18,722
		(65,360)	(20,764)
Total other comprehensive income for the period		977,561	707,051
Total comprehensive income for the period		2,116,241	2,057,280
Total comprehensive income for the period attributable to:			
- Owners of the Company		2,104,150	2,049,852
- Non-controlling interests		12,091	7,428
Total comprehensive income for the period		2,116,241	2,057,280

The notes on pages 7 to 15 are an integral part of these condensed consolidated interim financial statements.

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

In thousands of AED

	2015	2014
	Unaudited	Unaudited
Cash flows from operating activities		
Profit for the period after tax	1,138,680	1,350,229
Adjustments:		
Finance costs/income - net	129,465	239,648
Net valuation gain on land and buildings	(159,318)	(330,346)
Depreciation and amortisation	575,682	515,180
Share of loss/(profit) in joint ventures and associates - net	11,198	(31,519)
Impairment charge/(reversal) - net	8,517	(2,465)
Provision for staff terminal benefits - net	35,977	28,654
	1,740,201	1,769,381
<i>Changes to working capital</i>		
Inventories	(9,489)	(44,968)
Trade and other receivables	(103,543)	(109,587)
Trade and other payables	506,413	147,480
Due from/to related parties - net	27,231	(33,031)
	420,612	(40,106)
Net cash generated from operating activities	2,160,813	1,729,275
Cash flow from investing activities		
Acquisition of property, plant and equipment, investment property and development property	(1,657,955)	(2,064,231)
Proceeds from sale of property, plant and equipment and investment properties	14,344	2,739
Movement in fixed deposits - net	1,243	(16,702)
Payments against intangible assets	(18,099)	(6,604)
Dividend received	4,541	-
Finance income received	21,324	28,162
Net cash used in investing activities	(1,634,602)	(2,056,636)
Cash flow from financing activities		
Short term loan received from a related party	101,717	18,000
Short term loan repaid to a related party	(298,562)	(15,023)
Long term loans received	2,006,505	3,609,268
Long term loans repaid	(1,611,779)	(3,017,022)
Short term loans received	183,650	330,570
Short term loans repaid	(183,650)	(220,380)
Finance cost paid	(116,511)	(150,247)
Coupon paid on hybrid equity instrument	(65,425)	(65,425)
Net cash from financing activities	15,945	489,741
Net increase in cash and cash equivalents	542,156	162,380
Cash and cash equivalents at the beginning of the period	1,005,507	1,179,622
Cash and cash equivalents at the end of the period	1,547,663	1,342,002
Cash and cash equivalents comprise:		
Cash in hand and at bank	1,555,820	1,554,414
Less: fixed deposits with an original maturity of more than three months	(8,157)	(104,507)
bank overdraft	-	(107,905)
	1,547,663	1,342,002

The notes on pages 7 to 15 are an integral part of these condensed consolidated interim financial statements.

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

In thousands of AED

	Attributable to equity share holders of the Company										Total	
	Share capital	Revaluation reserve	Statutory reserve	Retained earnings	Other reserves			Total other reserves	Total equity	Hybrid equity instrument		Non-controlling interests
					Hedging reserve	Currency translation reserve						
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	
Total contribution by and distribution to owners	-	-	-	-	-	-	-	-	-	215,823	215,823	
Coupon paid on hybrid equity instrument	-	-	-	(65,425)	-	-	(65,425)	(65,425)	-	-	(65,425)	
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 7 to 15 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 equity share holders 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	-	-	-	1,126,909	-	-		1,126,909	1,126,909	-	11,771	1,138,680
Other comprehensive income												
Net gain on valuation of properties (note 6)	-	1,044,598	-	-	-	-		-	1,044,598	-	-	1,044,598
Deferred tax liability on revaluation of properties	-	(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	-	1,126,909	41,659	(107,339)		1,061,229	2,104,150	-	12,091	2,116,241
Transactions with owners recorded directly in equity												
<i>Contribution by and distributions to owners and other movement in equity</i>												
Final dividend for 2014 - declared and paid	-	-	-	(40,000)	-	-		(40,000)	(40,000)	-	-	(40,000)
Interim dividend for the period - declared and paid	-	-	-	(330,000)	-	-		(330,000)	(330,000)	-	-	(330,000)
Total contribution by and distribution to owners	-	-	-	(370,000)	-	-		(370,000)	(370,000)	-	-	(370,000)
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	5,934,829	(98,886)	(400,427)		5,435,516	27,457,157	1,825,935	321,029	29,604,121

The notes on pages 7 to 15 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. 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 2015 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 2014. 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 2014.

(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 2014 except that subsequent to 30 June 2015, the title of one of the properties built on land gifted by the Ruler of Dubai, UAE to the majority shareholder of the Parent Company has been converted into freehold land. Accordingly, the estimate used for assessing the fair value of the property as at 30 June 2015 has been adjusted with the amount agreed to be paid to Dubai Land Department for converting the title into freehold.

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 2014. 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 2015.

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 2014.

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 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	608,927	632,250	14,458,966
Inter segment revenue	(135,323)	-	-	(632,250)	(767,573)
Revenue from external customers	<u>1,842,607</u>	<u>11,239,859</u>	<u>608,927</u>	<u>-</u>	<u>13,691,393</u>
Results from continuing operations					
EBITDA	1,252,216	568,940	55,457	577,115	2,453,728
Eliminations and adjustments					<u>(632,250)</u>
					<u>1,821,478</u>
Depreciation expense	(171,790)	(157,599)	(59,283)	(934)	(389,606)
Eliminations and adjustments					<u>(172,341)</u>
					<u>(561,947)</u>
Valuation gain on land and buildings - net	839,807	-	-	-	839,807
Eliminations and adjustments					<u>(680,489)</u>
					<u>159,318</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/(loss) after tax	1,719,336	402,134	(20,956)	785,517	2,886,031
Eliminations and adjustments					<u>(1,747,351)</u>
					<u>1,138,680</u>
Capital expenditure	<u>(1,318,517)</u>	<u>(231,832)</u>	<u>(168,324)</u>	<u>(201)</u>	<u>(1,718,874)</u>
Total assets	40,985,248	5,539,332	1,859,003	20,142,889	68,526,472
Eliminations and adjustments					<u>(21,162,547)</u>
					<u>47,363,925</u>

Notes to the condensed consolidated interim financial statements (continued)

5. SEGMENT REPORTING (continued)

5.1 By business (continued)

	Properties AED '000	Retail AED '000	Ventures AED '000	Head office AED '000	Total AED '000
30 June 2014 (Unaudited)					
Revenue					
Gross revenue	1,895,930	10,479,688	502,046	546,000	13,423,664
Inter segment revenue	(126,533)	-	-	(546,000)	(672,533)
Revenue from external customers	<u>1,769,397</u>	<u>10,479,688</u>	<u>502,046</u>	<u>-</u>	<u>12,751,131</u>
Results from continuing operations					
EBITDA	1,234,794	546,958	67,133	492,689	2,341,574
Eliminations and adjustments					<u>(545,700)</u>
					<u>1,795,874</u>
Depreciation expense	(152,989)	(148,139)	(51,019)	(682)	(352,829)
Eliminations and adjustments					<u>(152,275)</u>
					<u>(505,104)</u>
Valuation gain on land and buildings - net	615,308	-	-	-	615,308
Eliminations and adjustments					<u>(284,962)</u>
					<u>330,346</u>
Net finance (cost)/income	(159,679)	25,854	(8,392)	103,222	(38,995)
Eliminations and adjustments					<u>(200,653)</u>
					<u>(239,648)</u>
Net profit after tax	1,523,728	398,617	11,125	590,523	2,523,993
Eliminations and adjustments					<u>(1,173,764)</u>
					<u>1,350,229</u>
Capital expenditure	<u>(2,122,949)</u>	<u>(109,179)</u>	<u>(47,399)</u>	<u>(527)</u>	<u>(2,280,054)</u>
31 December 2014 (Audited)					
Total assets	39,166,333	5,356,325	1,543,827	19,993,247	66,059,732
Eliminations and adjustments					<u>(21,435,666)</u>
					<u>44,624,066</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 2015 is as follows:

	30 June 2015	30 June 2014
	AED '000	AED '000
	Unaudited	Unaudited
Capital expenditure	1,122,652	494,868
Disposals / write offs / adjustments	(47,617)	(2,883)
Depreciation charge for the period	(561,947)	(505,104)
Valuation gains		
- recognised in other comprehensive income	1,044,598	729,772
- recognised in profit or loss	33,081	48,938
	1,077,679	778,710
Impairment charge - net	(8,973)	-

7. INVESTMENT PROPERTIES

The nature of significant movements during the six month period ended 30 June 2015 is as follows:

	30 June 2015	30 June 2014
	AED '000	AED '000
	Unaudited	Unaudited
Capital expenditure	594,810	1,781,933
Valuation gain recognised in profit or loss	126,237	281,408

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.

Notes to the condensed consolidated interim financial statements (continued)

8. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

8.1 Long term receivable from related parties

	30 June 2015	31 December 2014
	AED '000	AED '000
	Unaudited	Audited
Receivable from a joint venture	82,162	82,162
Less: discounting of receivable	(15,180)	(18,575)
	66,982	63,587
Receivable from a minority shareholder	16,656	16,192
	83,638	79,779

8.2 Short term loan from a related party

	30 June 2015	30 June 2014
	AED '000	AED '000
	Unaudited	Unaudited
At 1 January	1,390	118,500
Borrowed during the period	101,717	18,000
Dividend adjustment	370,000	-
Repaid during the period	(298,562)	(15,023)
	174,545	121,477

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 EIBOR, renewable every year with a final maturity in 2019.

9. LONG TERM LOANS

	30 June 2015	30 June 2014
	AED '000	AED '000
	Unaudited	Unaudited
At 1 January	9,014,663	8,214,517
Borrowed during the period	2,006,505	3,609,268
Fair value movement	(4,894)	31,959
Repaid during the period	(1,611,779)	(3,017,022)
	9,404,495	8,838,722
Less: Current maturity of long term loan	(2,900,965)	(2,081,732)
Non-current portion	6,503,530	6,756,990

9.1 The floating rate loans carry margins ranging from 1.20% to 3.50% (30 June 2014: 1.9% to 3.5%) per annum over the base lending rate, whilst fixed rate on loans ranges from 4.75% to 5.85% (30 June 2014: 4.75% to 5.85%). 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.

Notes to the condensed consolidated interim financial statements (continued)

9. LONG TERM LOANS (continued)

9.2 The details of long term loans are mentioned below:

Loan facility '000	Repayment interval	Repayment commencing	Maturity date	Note	30 June 2015 AED '000 Unaudited
EGP 3,000,000	Unequal installments every year	26-Jul-17	28-Apr-26	9.3	600,201
AED 225,000	Semi-annual	1-Oct-12	29-Mar-21	9.4	188,775
USD 45,000	Semi-annual	5-Nov-15	5-May-22	9.5	128,555
USD 10,000	Annual	27-Sep-16	27-Sep-18	9.5	30,346
LBP 180,000,000	Annual	20-Mar-16	20-Sep-22	9.5	415,663
USD 400,000	Bullet	NA	7-Feb-17	9.6	1,474,347
USD 1,159,000	Revolver	NA	19-Sep-18		1,253,646
AED 1,609,000	Revolver	NA	19-Sep-18		473,856
USD 500,000	Bullet	NA	5-Jul-19	9.7	1,826,416
USD 500,000	Bullet	NA	7-May-24	9.7	1,878,682
USD 100,000	Revolver	NA	24-Jul-19		219,630
USD 500,000	Revolver	NA	11-Sep-19		914,378
					9,404,495

- 9.3 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, which is secured by assignment of lease proceeds and insurance contracts.
- 9.4 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.
- 9.5 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.
- 9.6 In February 2012, the Group issued Sukuk certificates ("bonds") under its USD 1 billion Sukuk program (structured as a "Wakala"), raising USD 400 million (AED 1,469 million). 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 London Stock, NASDAQ Dubai 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. 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. The Sukuk of USD 400 million is hedged by financial derivatives and accordingly, carried at fair value.
- 9.7 Under the USD 2 billion Global Medium Term Note (GMTN) Program, the Group had issued seven year fixed rate unsecured bonds in July 2012 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 these programs are listed in London, NASDAQ Dubai, UAE and Irish Stock Exchanges. Of the total amount, USD 700 million (31 December 2014: USD 700 million) is hedged by financial derivatives and accordingly, carried at fair value.

Notes to the condensed consolidated interim financial statements (continued)

10. 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.

11. REVENUE

	Six months ended 30 June	
	2015	2014
	AED '000	AED '000
	Unaudited	Unaudited
Sale of goods	10,497,971	9,889,184
Listing fees, gondola fees and commissions	805,620	674,640
Rental income	1,342,276	1,251,426
Leisure and entertainment	524,145	431,812
Hospitality revenue	358,699	384,121
Others	162,682	119,948
	13,691,393	12,751,131

12. FINANCIAL INSTRUMENTS

12.1 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:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

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 2015 (Unaudited)

In thousands of AED	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial assets				
Interest rate derivatives	95,984	-	95,984	-
Equities held at fair value through profit and loss	5,000	-	5,000	-
	100,984	-	100,984	-
Financial liabilities				
Interest rate derivatives	145,015	-	145,015	-
Sukuk and Note liabilities	5,179,445	-	5,468,680	-
	5,324,460	-	5,613,695	-

Notes to the condensed consolidated interim financial statements (continued)

12. FINANCIAL INSTRUMENTS (continued)

12.2 Fair value hierarchy (continued)

At 31 December 2014 (Audited)

In thousands of AED	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial assets				
Interest rate derivatives	82,378	-	82,378	-
Equities held at fair value through profit and loss	5,000	-	5,000	-
	87,378	-	87,378	-
Financial liabilities				
Interest rate derivatives	180,503	-	180,503	-
Sukuk and Note liabilities	5,181,198	-	5,479,113	-
	5,361,701	-	5,659,616	-

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. 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.

13. FUNDING AND LIQUIDITY MANAGEMENT

At 30 June 2015, the Group has net current liabilities of AED 4,915 million (31 December 2014: AED 4,832 million) which includes debt maturing in the short-term of AED 2,901 million (31 December 2014: AED 2,681 million). Further, at 30 June 2015 debt maturing in the long term is AED 6,504 million (31 December 2014: AED 6,333 million). Furthermore, in the next 18 months, the Group expects to incur interest cost of AED 1,097 million and capital expenditure of AED 8,725 million.

To meet the above commitments the Group has existing facilities of AED 9,115 million, cash in hand and at bank as at 30 June 2015 is AED 1,556 million and it expects to generate cash from operations of AED 6,121 million the next 18 months.

Notes to the condensed consolidated interim financial statements (continued)

14. CONTINGENT LIABILITIES, GUARANTEES AND COMMITMENTS

	30 June 2015	31 December 2014
	AED '000	AED '000
	Unaudited	Audited
Capital commitments	2,774,476	2,649,851
Group's share of capital commitments in relation to its equity accounted investees	876,796	753,561
Letters of credit outstanding	734	845
Bank guarantees outstanding	98,293	190,602

15. 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.

16. COMPARATIVES

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