

# Dubai Investments PJSC and its subsidiaries

Condensed consolidated interim financial  
information

*30 June 2014*

# Dubai Investments PJSC and its subsidiaries

## Condensed consolidated interim financial information

30 June 2014

<i>Contents</i>	<i>Page</i>
Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Information	1
Condensed consolidated statement of profit or loss	2
Condensed consolidated statement of other comprehensive income	3
Condensed consolidated statement of financial position	4
Condensed consolidated statement of cash flows	5
Condensed consolidated statement of changes in equity	6-7
Notes to the condensed consolidated interim financial information	8-16



**KPMG Lower Gulf Limited**  
P O Box 341145  
Level 12, IT Plaza Building  
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  
Dubai Investments PJSC

### **Introduction**

We have reviewed the accompanying 30 June 2014 condensed consolidated interim financial information of Dubai Investments PJSC ("the Company") and its subsidiaries (collectively referred to as the "Group"), which comprises:

- the condensed consolidated statement of financial position as at 30 June 2014;
- the condensed consolidated statement of profit or loss for the three month and six month period ended 30 June 2014;
- the condensed consolidated statement of other comprehensive income for the three month and six month period ended 30 June 2014;
- the condensed consolidated statement of cash flows for the six month period ended 30 June 2014;
- the condensed consolidated statement of changes in equity for the six month period ended 30 June 2014; 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 the 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 2014 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

Munther Dajani  
Registration No. 268  
Abu Dhabi, United Arab Emirates

Date; 03 AUG 2014

# Dubai Investments PJSC and its subsidiaries

## Condensed consolidated statement of profit or loss for the six month period ended 30 June (unaudited)

	Note	Three month period ended 30 June		Six month period ended 30 June	
		2014 AED 000	2013 AED 000	2014 AED 000	2013 AED 000
Sale of goods		300,453	294,449	578,364	567,717
Rental income		151,246	121,643	294,326	251,213
Contract revenue		80,249	87,296	144,906	153,311
Sale of properties		27,948	29,807	82,737	54,604
Gain on fair valuation of investment properties	9	-	63,168	79,861	184,223
(Loss)/gain on fair valuation of investments		(38,417)	24,172	40,828	31,937
Gain on sale of investment properties		16,248	13,240	27,685	13,240
Gain on sale of investments – (net)		3,056	3,275	11,737	15,687
Share of profit from equity accounted investees'		2,421	6,303	10,468	7,370
Dividend income		5,618	1,830	15,985	15,295
Gain on disposal of controlling interest in a subsidiary and fair value gain on retained investment	19	471,929	-	471,929	-
<b>Total income</b>		<b>1,020,751</b>	645,183	<b>1,758,826</b>	1,294,597
Direct operating costs	6	(370,056)	(376,543)	(732,588)	(706,585)
Administrative and general expenses	7	(87,073)	(104,901)	(189,004)	(200,968)
Finance expenses		(48,658)	(14,244)	(70,482)	(40,324)
Finance income		9,869	1,620	14,029	2,742
Other income		26,038	12,289	32,001	18,783
<b>Profit for the period</b>		<b>550,871</b>	163,404	<b>812,782</b>	368,245
<b>Profit attributable to:</b>					
Owners of the Company		540,534	158,530	805,524	369,540
Non-controlling interests		10,337	4,874	7,258	(1,295)
<b>Profit for the period</b>		<b>550,871</b>	163,404	<b>812,782</b>	368,245
<b>Earnings per share</b>					
Basic earnings per share (AED)	15	0.14	0.04	0.21	0.10

The notes set out on pages 8 to 16 form part of these condensed consolidated interim financial information.

# Dubai Investments PJSC and its subsidiaries

## Condensed consolidated statement of other comprehensive income for the six month period ended 30 June (unaudited)

	Three month period ended		Six month period ended	
	30 June		30 June	
	2014 AED 000	2013 AED 000	2014 AED 000	2013 AED 000
<b>Profit for the period</b>	<b>550,871</b>	163,404	<b>812,782</b>	368,245
<b>Other comprehensive income:</b>				
<b>Items that will never be reclassified to profit or loss</b>				
Net change in fair value of investments at fair value through other comprehensive income (OCI)	(18,318)	(7,446)	(18,318)	(7,446)
<b>Total other comprehensive income for the period</b>	<b>(18,318)</b>	(7,446)	<b>(18,318)</b>	(7,446)
<b>Total comprehensive income for the period</b>	<b>532,553</b>	155,958	<b>794,464</b>	360,799
Owners of the Company	522,216	151,084	787,206	362,094
Non-controlling interests	10,337	4,874	7,258	(1,295)
<b>Total comprehensive income for the period</b>	<b>532,553</b>	155,958	<b>794,464</b>	360,799

The notes set out on pages 8 to 16 form part of these condensed consolidated interim financial information.

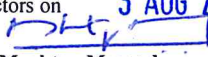
# Dubai Investments PJSC and its subsidiaries

## Condensed consolidated statement of financial position (unaudited)

		30 June 2014 AED 000 (Unaudited)	31 December 2013 AED 000 (Audited)	30 June 2013 AED 000 (Unaudited)
<b>Non-current assets</b>				
Property, plant and equipment and biological assets	8	1,565,226	1,639,755	1,712,113
Goodwill and intangible assets		109,830	130,102	134,286
Investment properties	9	4,285,992	4,293,038	4,235,064
Development properties		7,454	-	57,692
Investments at fair value through other comprehensive income	10	404,351	422,669	432,359
Investment in equity accounted investees <sup>7</sup>	19	915,343	701,068	655,284
Long term rent receivable		41,358	66,129	49,464
Finance lease receivable		144,738	142,270	-
Inventories	11	1,198,882	1,198,037	1,206,772
Trade receivables	12	212,084	206,472	226,172
Other receivables		94,209	96,933	120,123
<b>Total non-current assets</b>		<b>8,979,467</b>	<b>8,896,473</b>	<b>8,829,329</b>
<b>Current assets</b>				
Inventories	11	740,386	797,223	955,685
Investments at fair value through profit or loss	10	874,571	641,405	612,358
Trade receivables	12	1,320,120	1,314,500	1,246,183
Due from related parties and other receivables	19	841,784	494,095	528,270
Cash at bank and in hand	14	751,278	477,277	411,691
<b>Total current assets</b>		<b>4,528,139</b>	<b>3,724,500</b>	<b>3,754,187</b>
<b>Total assets</b>		<b>13,507,606</b>	<b>12,620,973</b>	<b>12,583,516</b>
<b>Equity</b>				
Share capital		3,820,322	3,570,395	3,570,395
Share premium		46	46	46
Capital reserve		25,502	25,502	25,502
Legal reserve		620,444	622,480	544,596
General reserve		915,881	915,881	872,935
Revaluation reserve		67,000	67,000	67,000
Fair value reserve		(142,760)	(124,442)	(114,753)
Proposed dividend	18	-	428,447	-
Proposed directors' fee	18	-	6,000	-
Retained earnings		4,266,936	3,530,784	3,631,182
<b>Equity attributable to owners of the Company</b>		<b>9,573,371</b>	<b>9,042,093</b>	<b>8,596,903</b>
<b>Non-controlling interests</b>		<b>422,672</b>	<b>415,414</b>	<b>455,626</b>
<b>Total equity</b>		<b>9,996,043</b>	<b>9,457,507</b>	<b>9,052,529</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Long-term bank borrowings	16	415,685	831,721	1,236,807
Sukuk notes	17	1,101,600	-	-
Long-term other payables		123,420	130,125	127,063
<b>Total non-current liabilities</b>		<b>1,640,705</b>	<b>961,846</b>	<b>1,363,870</b>
<b>Current liabilities</b>				
Bank borrowings	16	573,046	1,143,913	961,831
Trade, related parties and other payables		1,297,812	1,057,707	1,205,286
<b>Total current liabilities</b>		<b>1,870,858</b>	<b>2,201,620</b>	<b>2,167,117</b>
<b>Total liabilities</b>		<b>3,511,563</b>	<b>3,163,466</b>	<b>3,530,987</b>
<b>Total equity and liabilities</b>		<b>13,507,606</b>	<b>12,620,973</b>	<b>12,583,516</b>

The condensed consolidated interim financial information was authorized for issue on behalf of the Board of Directors on

  
Khalid Jassim Kalban  
MD & CEO

  
Mushtaq Masood  
Group CFO

3 AUG 2014

The notes set out on pages 8 to 16 form part of these condensed consolidated interim financial information.

# Dubai Investments PJSC and its subsidiaries

## Condensed consolidated statement of cash flows

for the six month period ended 30 June (unaudited)

	Six month period ended 30 June	
	2014	2013
	AED 000	AED 000
<b>Cash flows from operating activities</b>		
Profit for the period	812,782	368,245
<i>Adjustments for:</i>		
Depreciation	54,952	56,431
Amortization of intangible assets	1,721	1,636
Gain on disposal of property, plant & equipment	(68)	(122)
Gain on sale of investments – (net)	(11,737)	(15,687)
Gain on fair valuation of investment properties	(79,861)	(184,223)
Gain on sale of investment properties	(27,685)	(13,240)
Share of profit from equity accounted investees'	(10,468)	(7,370)
Gain on fair valuation of investments	(40,828)	(31,937)
Gain on disposal of controlling interest in a subsidiary and fair value gain on retained investment	(471,929)	-
	-----	-----
<b>Operating profit before changes in working capital</b>	<b>226,879</b>	<b>173,733</b>
<i>Changes in:</i>		
- investment at fair value through profit or loss and at fair value through OCI	(193,296)	36,698
- trade and other receivables	(10,934)	(148,468)
- inventories	31,598	37,515
- trade and other payables	273,721	106,751
Proceeds from sale of investment properties	114,592	49,665
Net movement in equity accounted investees'	4,130	6,893
Directors' fee paid	(6,000)	(4,000)
	-----	-----
<b>Net cash from operating activities</b>	<b>440,690</b>	<b>258,787</b>
	-----	-----
<b>Cash flows from investing activities</b>		
Consideration paid for acquisition of non-controlling interest in a subsidiary	-	(10,000)
Net movement in investment and development properties	(7,454)	(36,075)
Acquisition of property, plant and equipment	(21,545)	(23,493)
Proceeds from disposal of property, plant and equipment	2,358	5,076
Net additions to intangible assets	(2,308)	(1,920)
	-----	-----
<b>Net cash used in investing activities</b>	<b>(28,949)</b>	<b>(66,412)</b>
	-----	-----
<b>Cash flows from financing activities</b>		
Net movement in bank borrowings and payables	(971,786)	83,049
Proceeds from Sukuk notes (refer note 17)	1,101,600	-
Net movement in non-controlling interests	-	(1,706)
Dividend paid	(249,928)	(249,928)
Net movement in deposits under lien	(4,411)	6,697
	-----	-----
<b>Net cash used in financing activities</b>	<b>(124,525)</b>	<b>(161,888)</b>
	-----	-----
<b>Net increase in cash and cash equivalents</b>	<b>287,216</b>	<b>30,487</b>
Cash and cash equivalents at 1 January	122,768	68,358
	-----	-----
<b>Cash and cash equivalents at 30 June</b>	<b>409,984</b>	<b>98,845</b>
	-----	-----
<i>Cash and cash equivalents comprise following:</i>		
Cash in hand, current and call accounts with banks	365,979	170,570
Short term deposits with banks (excluding those under lien)	317,216	178,908
Bank overdrafts, trust receipt loans and bills discounted	(273,211)	(250,633)
	-----	-----
	<b>409,984</b>	<b>98,845</b>
	=====	=====

The notes set out on pages 8 to 16 form part of these condensed consolidated interim financial information.

**Dubai Investments PJSC and its subsidiaries**  
**Condensed consolidated statement of changes in equity**  
*for the six month period ended 30 June (unaudited)*

	-----Equity attributable to owners of the Company-----												AED 000
	Share capital	Share premium	Capital reserve	Legal reserve	General reserve	Revaluation reserve	Fair value reserve	Proposed dividend	Proposed directors' fee	Retained earnings	Sub total	Non-controlling interests	Total
<b>Balance at 1 January 2013</b>	3,570,395	46	25,502	544,596	872,935	67,000	(107,307)	249,928	4,000	3,257,223	8,484,318	473,046	8,957,364
Profit for the period	-	-	-	-	-	-	-	-	-	369,540	369,540	(1,295)	368,245
<b>Other comprehensive income</b>													
Net change in fair value of investments at fair value through other comprehensive income (OCI)	-	-	-	-	-	-	(7,446)	-	-	-	(7,446)	-	(7,446)
Total other comprehensive income for the period	-	-	-	-	-	-	(7,446)	-	-	-	(7,446)	-	(7,446)
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	<b>(7,446)</b>	-	-	<b>369,540</b>	<b>362,094</b>	<b>(1,295)</b>	<b>360,799</b>
<b>Transactions with owners, recorded directly in equity</b>													
<b>Contributions by and distributions to owners</b>													
Directors' fee paid	-	-	-	-	-	-	-	-	(4,000)	-	(4,000)	-	(4,000)
Dividend paid	-	-	-	-	-	-	-	(249,928)	-	-	(249,928)	-	(249,928)
Dividend paid by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(1,706)	(1,706)
<b>Total contributions by and distribution to owners</b>	-	-	-	-	-	-	-	<b>(249,928)</b>	<b>(4,000)</b>	-	<b>(253,928)</b>	<b>(1,706)</b>	<b>(255,634)</b>
<b>Changes in ownership interests in subsidiaries</b>													
On acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	4,419	4,419	(14,419)	(10,000)
<b>Total change in ownership interest in subsidiaries</b>	-	-	-	-	-	-	-	-	-	<b>4,419</b>	<b>4,419</b>	<b>(14,419)</b>	<b>(10,000)</b>
<b>Total transactions with owners</b>	-	-	-	-	-	-	-	<b>(249,928)</b>	<b>(4,000)</b>	<b>4,419</b>	<b>(249,509)</b>	<b>(16,125)</b>	<b>(265,634)</b>
<b>Balance at 30 June 2013</b>	<b>3,570,395</b>	<b>46</b>	<b>25,502</b>	<b>544,596</b>	<b>872,935</b>	<b>67,000</b>	<b>(114,753)</b>	-	-	<b>3,631,182</b>	<b>8,596,903</b>	<b>455,626</b>	<b>9,052,529</b>



**Dubai Investments PJSC and its subsidiaries**  
**Condensed consolidated statement of changes in equity**  
*for the six month period ended 30 June (unaudited)*

	-----Equity attributable to owners of the Company-----												<i>AED 000</i>
	Share capital	Share premium	Capital reserve	Legal reserve	General reserve	Revaluation reserve	Fair value reserve	Proposed dividend	Proposed directors' fee	Retained earnings	Sub total	Non-controlling interests	Total
<b>Balance at 1 January 2014</b>	3,570,395	46	25,502	622,480	915,881	67,000	(124,442)	428,447	6,000	3,530,784	9,042,093	415,414	9,457,507
Profit for the period	-	-	-	-	-	-	-	-	-	805,524	805,524	7,258	812,782
<b>Other comprehensive income</b>													
Net change in fair value of investments at fair value through other comprehensive income (OCI)	-	-	-	-	-	-	(18,318)	-	-	-	(18,318)	-	(18,318)
Total other comprehensive income for the period	-	-	-	-	-	-	(18,318)	-	-	-	(18,318)	-	(18,318)
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	<b>(18,318)</b>	-	-	<b>805,524</b>	<b>787,206</b>	<b>7,258</b>	<b>794,464</b>
<b>Transactions with owners, recorded directly in equity</b>													
<b>Contributions by and distributions to owners</b>													
Directors' fee paid	-	-	-	-	-	-	-	-	(6,000)	-	(6,000)	-	(6,000)
Dividend paid	-	-	-	-	-	-	-	(249,928)	-	-	(249,928)	-	(249,928)
Bonus shares issued	249,927	-	-	-	-	-	-	(178,519)	-	(71,408)	-	-	-
<b>Total contributions by and distribution to owners</b>	<b>249,927</b>	-	-	-	-	-	-	<b>(428,447)</b>	<b>(6,000)</b>	<b>(71,408)</b>	<b>(255,928)</b>	-	<b>(255,928)</b>
<b>Changes in ownership interests in subsidiaries</b>													
On disposal of controlling interest in a subsidiary (refer note 19)	-	-	-	(2,036)	-	-	-	-	-	2,036	-	-	-
<b>Total change in ownership interests in subsidiaries</b>	-	-	-	<b>(2,036)</b>	-	-	-	-	-	<b>2,036</b>	-	-	-
Total transactions with owners	249,927	-	-	(2,036)	-	-	-	(428,447)	(6,000)	(69,372)	(255,928)	-	(255,928)
<b>Balance at 30 June 2014</b>	<b>3,820,322</b>	<b>46</b>	<b>25,502</b>	<b>620,444</b>	<b>915,881</b>	<b>67,000</b>	<b>(142,760)</b>	-	-	<b>4,266,936</b>	<b>9,573,371</b>	<b>422,672</b>	<b>9,996,043</b>

The notes set out on pages 8 to 16 form part of these condensed consolidated interim financial information.

# Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information  
for the six month period ended 30 June 2014 (unaudited)

## 1. Reporting entity

Dubai Investments PJSC (“the Company”) was incorporated in the United Arab Emirates by Ministerial Resolution No. 46 of 1995, on 16th July 1995. This condensed consolidated interim financial information as at and for the six month period ended 30<sup>th</sup> June 2014 (“the current period”) comprises the financial information of the Company and its subsidiaries (collectively referred to as “the Group”) and the Group’s interest in associates and joint arrangements.

The Group is primarily involved in development of real estate for sale and leasing, contracting activities, manufacturing and trading of products in various sectors and investing in bonds, funds and equity securities.

The registered address of the Company is P.O.Box 28171, Dubai, UAE.

## 2. Statement of compliance

The condensed consolidated interim financial information has been prepared in accordance with the International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*. The condensed consolidated interim financial information does not include all of the information required for full annual consolidated financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2013.

## 3. Significant accounting policies

The accounting policies applied in the preparation of the condensed consolidated interim financial information are consistent with those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2013.

### *Financial assets and liabilities*

The accounting policies, classifications and measurement principles for financial assets and liabilities applied by the Group in these condensed consolidated interim financial information are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2013. These are disclosed in detail under notes 2 and 4 in the Group’s consolidated financial statements as at and for the year ended 31 December 2013.

## 4. Use of estimates and judgments

The preparation of condensed consolidated interim financial information requires management to make judgements, 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 the current environment obtaining reliable fair value has been one of the greatest challenges. The nature and reliability of information available to management to support the making of a fair value accounting estimate vary widely, and thereby affect the degree of estimation uncertainty associated with that fair value.

The significant judgments made by the management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that were applied in preparation of the consolidated financial statements of the Group as at and for the year ended 31 December 2013.

# Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)  
for the six month period ended 30 June 2014 (*unaudited*)

## 5. Financial instruments

### Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2013.

### Valuation of financial instruments

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: inputs that are quoted market price (unadjusted) in an active market for identical instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted market prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: inputs that are unobservable. This category includes all instruments where the valuation technique includes inputs not based on observable 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 table below analyses financial instruments, measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorized:

<i>30 June 2014</i>	<b>Level 1</b> <b>AED'000</b>	<b>Level 2</b> <b>AED'000</b>	<b>Level 3</b> <b>AED'000</b>	<b>Total</b> <b>AED'000</b>
Financial assets at fair value through profit or loss	<b>362,237</b>	<b>371,518</b>	<b>140,816</b>	<b>874,571</b>
Financial assets at fair value through other comprehensive income	-	-	<b>404,351</b>	<b>404,351</b>
	<b>-----</b>	<b>-----</b>	<b>-----</b>	<b>-----</b>
	<b>362,237</b>	<b>371,518</b>	<b>545,167</b>	<b>1,278,922</b>
	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>
 <i>31 December 2013</i>	 Level 1 AED'000	 Level 2 AED'000	 Level 3 AED'000	 Total AED'000
Financial assets at fair value through profit or loss	372,885	131,051	137,469	641,405
Financial assets at fair value through other comprehensive income	-	-	422,669	422,669
	<b>-----</b>	<b>-----</b>	<b>-----</b>	<b>-----</b>
	<b>372,885</b>	<b>131,051</b>	<b>560,138</b>	<b>1,064,074</b>
	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

# Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)  
for the six month period ended 30 June 2014 (*unaudited*)

## 5. Financial instruments (*continued*)

### Reconciliation of Level 3 fair value measurements of financial assets

	2014 AED'000	2013 AED'000
As at 1 January	560,138	627,575
Redeemed/sold during the period	(916)	(3,649)
<b>Loss included in OCI</b>		
Net change in fair value (unrealized)	(18,318)	(7,446)
<b>Gain included in gain on fair valuation of investments</b>		
- Net change in fair value (unrealized)	4,263	-
	-----	-----
As at 30 June	<u>545,167</u>	<u>616,480</u>

There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements during the six month period ended 30 June 2014.

### Valuation techniques

The fair values of Level 3 financial instruments have been determined on the same basis and assumptions as for the year ended 31<sup>st</sup> December 2013.

## 6. Direct operating costs

	Three month period ended 30 June		Six month period ended 30 June	
	2014 AED 000	2013 AED 000	2014 AED 000	2013 AED 000
<i>These include:</i>				
Materials consumed	178,441	178,346	377,663	369,818
Cost of properties sold	22,651	29,075	67,767	52,479
Staff costs	37,837	41,596	74,355	78,231
Depreciation	20,438	20,825	40,290	41,693
	=====	=====	=====	=====

## 7. Administrative and general expenses

	Three month period ended 30 June		Six month period ended 30 June	
	2014 AED 000	2013 AED 000	2014 AED 000	2013 AED 000
<i>These include:</i>				
Staff costs	51,851	50,828	101,403	95,559
Selling and marketing expenses	18,709	28,431	37,820	55,218
Depreciation	7,296	7,431	14,662	14,738
	=====	=====	=====	=====

# Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)  
for the six month period ended 30 June 2014 (*unaudited*)

## 8. Property, plant and equipment and biological assets

During the six month period ended 30 June 2014, the Group's additions to assets amounted to AED 21.55 million (*six month period ended 30 June 2013: AED 23.49 million*).

## 9. Investment properties

These mainly include infrastructure facilities which are leased to third parties. These are built on the land (number 598-0100 and 597-0100 located in Jebel Ali Industrial Area) obtained from the Government of Dubai on a renewable, non-cancellable long-term lease of 99 years. The Group was exempted to pay the lease rentals for the first ten years and thereafter, starting 1 February 2009, 20% of the net realized profits from the project are payable.

The leased land from the Government of Dubai is developed in phases. As at 31 December 2013, the Group had obtained valuation of the entire development by an independent registered valuer who carried out the valuation in accordance with the Valuation Standards of the Royal Institute of Chartered Surveyors which also takes into consideration the cash outflows resulting from the estimated 20% share of the net realized profits due to the Government of Dubai starting February 2009.

During the current period, management reviewed fair valuation of investment properties and a fair valuation gain of AED 79.9 million was recognized on a property where the exit price valuation changed significantly.

## 10. Investments

	<b>30 June 2014 AED 000 (Unaudited)</b>	31 December 2013 AED 000 (Audited)	30 June 2013 AED 000 (Unaudited)
Investments at fair value through profit or loss:			
- held for trading quoted equity securities	<b>362,237</b>	372,885	301,469
- unquoted equity securities, funds and bonds	<b>512,334</b>	268,520	310,889
	-----	-----	-----
(i)	<b>874,571</b>	641,405	612,358
	=====	=====	=====
Investments at fair value through other comprehensive income:			
- unquoted equity securities	<b>404,351</b>	422,669	432,359
	-----	-----	-----
(ii)	<b>404,351</b>	422,669	432,359
	=====	=====	=====
<b><i>Geographical distribution of investments</i></b>			
UAE	<b>511,977</b>	509,689	429,318
Other GCC countries	<b>314,612</b>	272,572	274,470
Other countries	<b>452,333</b>	281,813	340,929
	-----	-----	-----
(i)+(ii)	<b>1,278,922</b>	1,064,074	1,044,717
	=====	=====	=====

# Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)  
for the six month period ended 30 June 2014 (*unaudited*)

## 11. Inventories

Inventories at 30 June 2014 include properties under development for sale in the ordinary course of business amounting to AED 1,198 million (*31 December 2013: AED 1,198 million*) and represent costs of land and expenditure incurred towards the development of properties for subsequent sale. The Group intends to develop these properties for sale and has classified certain properties as long term based on completion/future development plans.

The management has reviewed the value of inventories and properties under development for sale to assess the write down required, if any, to bring them to the net realizable value. The net realizable value estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore, cannot be determined with precision. Where discounted cash flows have been used to estimate net realizable values, the cash flows have been estimated by the management based on the latest information available.

## 12. Trade receivables

Trade receivables as at 30th June 2014 include an amount of AED 217.9 million (*31 December 2013: AED 217.9 million*) representing balance of the consideration receivable in respect of the sale by Dubai Investments Park Development Company LLC (“the subsidiary”) to a customer (“the customer”) for a 90 year usufruct right in a plot of land located in Dubai Investments Park. The subsidiary has initiated legal proceedings against the customer to recover the outstanding balance and the Dubai Court of First Instance had issued a judgment in subsidiary’s favor. The customer has filed an appeal with the Dubai Court of Appeal and the proceedings are currently ongoing. Based on the judgment received from Dubai Court of First Instance and legal advice obtained by the subsidiary, management believes that the balance is fully recoverable and accordingly no provision has been created at 30 June 2014. Also refer note 20.

## 13. Related party transactions

Significant related party transactions during the period were as follows:

	Three month period ended 30 June		Six month period ended 30 June	
	2014 AED 000	2013 AED 000	2014 AED 000	2013 AED 000
<b>Compensation to key management personnel is as follows:</b>				
- Short term benefits	3,267	3,352	6,406	6,482
- Post employee benefits	32	34	64	64
	===	===	===	===

# Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)  
for the six month period ended 30 June 2014 (*unaudited*)

## 14. Cash at bank and in hand

	<b>30 June 2014 AED 000 (Unaudited)</b>	31 December 2013 AED 000 (Audited)	30 June 2013 AED 000 (Unaudited)
Cash in hand	<b>1,843</b>	2,010	1,975
Cash at bank within UAE (current accounts)	<b>357,476</b>	346,531	163,794
Cash at bank outside UAE – GCC Countries (current accounts)	<b>6,660</b>	2,594	4,801
Short term deposits (including deposits of AED 68.08 million ( <i>31 December 2013: 63.67 million</i> ) under lien with banks)	<b>385,299</b>	126,142	241,121
	<b>751,278</b>	477,277	411,691
	=====	=====	=====

## 15. Basic earnings per share

	Three months period ended 30 June		Six months period ended 30 June	
	2014	2013	2014	2013
Net profit attributable to owners of the Company (AED'000)	<b>540,534</b>	158,530	<b>805,524</b>	369,540
Weighted average number of shares outstanding ('000s) (refer note 18)	<b>3,820,322</b>	3,820,322	<b>3,820,322</b>	3,820,322
	=====	=====	=====	=====

## 16. Bank borrowings

Repayment periods in respect of bank borrowings vary from three to seven years and these borrowings are secured by a combination of corporate guarantees and mortgages over certain inventories, trade receivables, property, plant and equipment, investment at fair value through profit or loss, investment properties and assignment of insurance policies over certain assets of the Group. Where there is a corporate guarantee provided by the Company, the Company's liability is generally restricted to its percentage of equity interest in the borrowing entity.

Also refer note 17 for the repayments of certain bank loans in the current period.

## 17. Sukuk notes

In February 2014, a subsidiary of the Company namely Dubai Investments Park Development Company LLC ("DIPDC") through its wholly owned subsidiary DIP Sukuk Limited (the "Issuer") issued unsecured trust certificates ("sukuk") of USD 300 million. The Issuer is a limited liability company registered in the Cayman Islands. The trust certificates mature in February 2019 and carry a profit rate of 4.291% per annum payable semi-annually and are listed on NASDAQ Dubai and Irish Stock Exchange. The proceeds of the sukuk have been partially utilized to settle the outstanding bank loans of DIPDC amounting to AED 710 million.

## 18. Proposed dividend and directors' fees

- (i) At the Annual General Meeting (AGM) held on 22<sup>nd</sup> April 2014, the shareholders approved 7% cash dividend and issue of 7% bonus shares as opposed to 7% cash dividend and issue of 5% bonus shares proposed by the Board of Directors. Weighted average number of shares outstanding has been retrospectively adjusted to include the 7% bonus shares approved in the aforesaid AGM for the purpose of calculation of earnings per share.
- (ii) At the Annual General Meeting (AGM) held on 22<sup>nd</sup> April 2014, the shareholders approved the proposed Directors' fees amounting to AED 6 million for the year ended 31<sup>st</sup> December 2013.

# Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)  
for the six month period ended 30 June 2014 (*unaudited*)

## 19. Disposal of controlling interest in a subsidiary

On 26<sup>th</sup> June 2014, the Group sold 66% interest (“the controlling interest”) in its wholly owned subsidiary Globalpharma Company LLC (“Globalpharma or the subsidiary”).

Upon the loss of control, the Group derecognized assets and liabilities of Globalpharma at their carrying amounts at the date of loss of control. Subsequently, the retained investment of 34% in the investee has been measured at fair value and accounted for as an investment in an equity accounted investee.

The disposal of controlling interest in Globalpharma had the following effect on the Group’s assets and liabilities at the date of disposal.

	<b>AED’000</b>
Non-current assets	<b>73,158</b>
Current assets	<b>72,030</b>
	-----
Total assets	<b>145,188</b>
Less: current liabilities	<b>(37,814)</b>
	-----
<b>Net assets at the date of disposal</b>	<b>107,374</b>
	=====
Consideration agreed – see (i) below	<b>380,366</b>
Fair value of investment retained – see (ii) below	<b>207,937</b>
Less: net assets disposed	<b>(107,374)</b>
Less: estimated expenses on disposal	<b>(9,000)</b>
	-----
<b>Net gain on disposal of controlling interest in a subsidiary</b>	<b>471,929</b>
	=====
<i>This comprises:</i>	
Realized gain on disposal of controlling interest in a subsidiary	<b>296,181</b>
Fair valuation gain on retained interest	<b>175,748</b>
	-----
<b>Net gain on disposal of controlling interest in a subsidiary</b>	<b>471,929</b>
	=====
	<b>AED’000</b>
Consideration agreed	<b>380,366</b>
Net cash and cash equivalents transferred on disposal	<b>(9,610)</b>
	-----
<b>Net amount receivable from disposal (included in other receivables)</b>	<b>370,756</b>
	=====

(i) Consideration amounting to AED 23.87 million is deferred and will be received in the years 2016 to 2019 and has been discounted using the effective interest rate method.

(ii) The fair value of investment retained i.e. 34% interest was determined by an external, independent valuer having appropriate professional qualifications and experience in similar business valuations. The valuation was carried out using discounted cash flows (DCF) model at a value of AED 207.94 million. Significant unobservable inputs used in measuring the fair value are weighted average cost of capital, forecast growth in EBITDA, terminal growth rate and minority discount.



# Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)  
for the six month period ended 30 June 2014 (*unaudited*)

## 20. Contingent liabilities

The Company has issued corporate guarantees to commercial banks for loans and advances granted to equity accounted investees' amounting to AED 489 million (*31 December 2013: AED 489 million*). The borrowings against which these corporate guarantees have been issued are not included in the condensed consolidated statement of financial position.

With reference to the legal proceedings initiated by the subsidiary against a customer as mentioned in note 12, the customer has filed an application to the Dubai Court of First Instance alleging that the subsidiary has breached its contractual obligations under the agreement and as a result of which it had suffered substantial losses, being significantly in excess of the purchase price for the usufruct right in the land. The subsidiary has also separately made a counter-claim against the customer for damages suffered as a result of alleged breaches by the customer of its obligations under the relevant agreement. Proceedings are ongoing in the Dubai Court of First Instance.

Based upon a formal legal advice that the subsidiary has received, the subsidiary believes that the customer claims are entirely without merit and that it has meritorious defenses to each of the customer's claims. The subsidiary considers the customer claims to be frivolous and a delaying tactic employed by the customer following the judgment issued by the Dubai Court of First Instance against the customer as stated in note 12.

## 21. Capital commitments

As at 30 June 2014, the Group has contractual capital commitments amounting to AED 90 million (*31 December 2013: AED 60.3 million*) mainly relating to new projects/investments.

## 22. Segment reporting

The Group has broadly three reportable segments as discussed below, which are the Group's strategic business units. The strategic business units operate in different sectors and are managed separately because they required different strategies. The following summary describes the operation in each of the Group's reportable segments:

*Manufacturing and contracting* : manufacture and sale of materials used in building construction projects, executing construction contracts, production, pharmaceuticals, production and distribution of dairy products, aluminum extruded products and laboratory furniture.

*Investments* : strategic minority investments in startup ventures and IPO's, bonds, funds and shares held for trading purposes.

*Property* : the development of real estate projects for rentals and sale of developed property units.

Information regarding the operations of each separate segment is included below. Performance is measured based on segment profit as management believes that profit is the most relevant factor in evaluating the results of certain segments relative to other entities that operate within these industries. There are few transactions between the segments and any such transaction is priced on arm's length basis.

# Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*  
for the six month period ended 30 June 2014 (unaudited)

## 22. Segment reporting *(continued)*

### Information about reportable segments

AED'000

<i>Business Segments</i>	Manufacturing and contracting		Investments		Property		Total	
	Six month period ended 30 June		Six month period ended 30 June		Six month period ended 30 June		Six month period ended 30 June	
	2014	2013	2014	2013	2014	2013	2014	2013
Revenue	<b>752,939</b>	727,530	<b>526,435</b>	62,442	<b>399,591</b>	320,402	<b>1,678,965</b>	1,110,374
Finance income and other income	<b>22,706</b>	10,723	<b>5,411</b>	1,888	<b>17,913</b>	8,914	<b>46,030</b>	21,525
Finance expenses	<b>(44,097)</b>	(12,768)	<b>(2,675)</b>	(4,111)	<b>(23,710)</b>	(23,445)	<b>(70,482)</b>	(40,324)
Gain on fair valuation of investment properties	-	-	-	-	<b>79,861</b>	184,223	<b>79,861</b>	184,223
Reportable segment profit	<b>(16,977)</b>	9,127	<b>517,524</b>	19,732	<b>304,977</b>	340,681	<b>805,524</b>	369,540
	<b>30 June 2014</b>	31 December 2013	<b>30 June 2014</b>	31 December 2013	<b>30 June 2014</b>	31 December 2013	<b>30 June 2014</b>	31 December 2013
Reportable segment assets	<b>2,883,250</b>	2,943,611	<b>2,425,559</b>	1,323,884	<b>8,198,797</b>	8,353,478	<b>13,507,606</b>	12,620,973
Reportable segment liabilities	<b>1,376,187</b>	1,429,435	<b>301,725</b>	405,027	<b>1,833,651</b>	1,329,004	<b>3,511,563</b>	3,163,466

The Group's revenue is mainly earned from transaction carried out in UAE and other GCC countries.