

Dubai Investments PJSC and its subsidiaries

Condensed consolidated interim financial
information

30 September 2014

Dubai Investments PJSC and its subsidiaries

Condensed consolidated interim financial information

30 September 2014

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Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Information

The Shareholders
Dubai Investments PJSC

Introduction

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

Muhammad Tariq
Registration No. 793
Dubai, United Arab Emirates
Date; 26 OCT 2014

Dubai Investments PJSC and its subsidiaries

Condensed consolidated statement of profit or loss for the nine month period ended 30 September (unaudited)

		Three month period ended 30 September		Nine month period ended 30 September	
	Note	2014 AED 000	2013 AED 000	2014 AED 000	2013 AED 000
Sale of goods		262,721	282,384	841,085	850,101
Rental income		172,889	141,083	467,215	392,296
Contract revenue		115,514	72,268	260,420	225,579
Sale of properties		16,050	38,186	98,787	92,790
Gain on fair valuation of investment properties	9	-	12,200	79,861	196,423
Gain on fair valuation of investments		47,127	26,040	87,955	57,977
Gain on sale of investment properties		4,709	15,315	32,394	28,555
Gain on sale of investments – (net)		910	-	12,647	15,687
Share of profit from equity accounted investees'		3,053	43,035	13,521	50,405
Dividend income		328	327	16,313	15,622
Gain on disposal of controlling interest in a subsidiary and fair value gain on retained investment	19	-	-	471,929	-
Total income		623,301	630,838	2,382,127	1,925,435
Direct operating costs	6	(345,512)	(357,758)	(1,078,100)	(1,064,343)
Administrative and general expenses	7	(88,258)	(100,954)	(277,262)	(301,922)
Finance expenses		(20,879)	(23,033)	(91,361)	(63,334)
Finance income		14,005	1,495	28,034	4,214
Other income		7,558	7,360	39,559	26,143
Profit for the period		190,215	157,948	1,002,997	526,193
Profit attributable to:					
Owners of the Company		189,090	161,050	994,614	530,590
Non-controlling interests		1,125	(3,102)	8,383	(4,397)
Profit for the period		190,215	157,948	1,002,997	526,193
Earnings per share					
Basic earnings per share (AED)	15	0.05	0.04	0.26	0.14

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 nine month period ended 30 September (unaudited)

	Three month period ended 30 September		Nine month period ended 30 September	
	2014	2013	2014	2013
	AED 000	AED 000	AED 000	AED 000
Profit for the period	190,215	157,948	1,002,997	526,193
Other comprehensive income:				
Items that will never be reclassified to profit or loss				
Net change in fair value of investments at fair value through other comprehensive income (OCI)	-	-	(18,318)	(7,446)
Total other comprehensive income for the period	-	-	(18,318)	(7,446)
Total comprehensive income for the period	190,215	157,948	984,679	518,747
Attributable to:				
Owners of the Company	189,090	161,050	976,296	523,144
Non-controlling interests	1,125	(3,102)	8,383	(4,397)
Total comprehensive income for the period	190,215	157,948	984,679	518,747

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

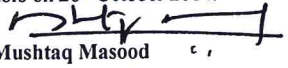
Dubai Investments PJSC and its subsidiaries

Condensed consolidated statement of financial position (unaudited)

		30 September 2014 AED 000 (Unaudited)	31 December 2013 AED 000 (Audited)	30 September 2013 AED 000 (Unaudited)
	Note			
Non-current assets				
Property, plant and equipment and biological assets	8	1,541,834	1,639,755	1,689,640
Goodwill and intangible assets		109,454	130,102	133,953
Investment properties	9	4,283,887	4,293,038	3,971,546
Development properties		10,989	-	60,500
Investments at fair value through other comprehensive income	10	404,352	422,669	432,359
Investment in equity accounted investees'	19	919,662	701,068	698,318
Rent receivable		49,428	66,129	51,265
Finance lease receivable		147,756	142,270	130,133
Inventories	11	1,208,379	1,198,037	1,206,772
Trade receivables	12	211,800	206,472	226,376
Other receivables		112,819	96,933	111,291
Total non-current assets		9,000,360	8,896,473	8,712,153
Current assets				
Inventories	11	749,958	797,223	931,150
Investments at fair value through profit or loss	10	1,727,776	641,405	646,530
Trade receivables	12	1,292,388	1,314,500	1,317,915
Due from related parties and other receivables		488,307	494,095	529,944
Cash at bank and in hand	14	989,782	477,277	437,542
Total current assets		5,248,211	3,724,500	3,863,081
Total assets		14,248,571	12,620,973	12,575,234
Equity				
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/bonus	18	-	428,447	-
Proposed directors' fees	18	-	6,000	-
Retained earnings		4,456,026	3,530,784	3,792,232
Equity attributable to owners of the Company		9,762,461	9,042,093	8,757,953
Non-controlling interests		423,797	415,414	452,524
Total equity		10,186,258	9,457,507	9,210,477
Liabilities				
Non-current liabilities				
Long-term bank borrowings	16	396,608	831,721	1,163,530
Sukuk notes	17	1,101,600	-	-
Long-term other payables		121,651	130,125	125,369
Total non-current liabilities		1,619,859	961,846	1,288,899
Current liabilities				
Bank borrowings	16	1,298,177	1,143,913	932,776
Trade, related parties and other payables		1,144,277	1,057,707	1,143,082
Total current liabilities		2,442,454	2,201,620	2,075,858
Total liabilities		4,062,313	3,163,466	3,364,757
Total equity and liabilities		14,248,571	12,620,973	12,575,234

The condensed consolidated interim financial information was authorized for issue on behalf of the Board of Directors on 26th October 2014.


Khalid Jassim Kalban
MD & CEO


Mushtaq Masood
Group CFO

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 nine month period ended 30 September (unaudited)

	Nine month period ended 30 September	
	2014	2013
	AED 000	AED 000
Cash flows from operating activities		
Profit for the period	1,002,997	526,193
<i>Adjustments for:</i>		
Depreciation	79,830	84,295
Impairment loss on property, plant & equipment	2,999	-
Amortization of intangible assets	2,097	2,385
Loss/(Gain) on disposal of property, plant & equipment	436	(201)
Gain on sale of investments – (net)	(12,647)	(15,687)
Gain on fair valuation of investment properties	(79,861)	(196,423)
Gain on sale of investment properties	(32,394)	(28,555)
Share of profit from equity accounted investees'	(13,521)	(50,405)
Gain on fair valuation of investments	(87,955)	(57,977)
Gain on disposal of controlling interest in a subsidiary and fair value gain on retained investment	(471,929)	-
	-----	-----
Operating profit before changes in working capital	390,052	263,625
<i>Changes in:</i>		
- investment at fair value through profit or loss and at fair value through OCI (net)	(248,621)	28,565
- trade and other receivables	(11,256)	(345,180)
- inventories	12,529	62,050
- trade and other payables	107,482	44,547
Proceeds from sale of investment properties	121,406	229,392
Net movement in equity accounted investees'	2,864	6,894
Proceeds from disposal / dilution of stake in a subsidiary	352,146	-
Directors' fee paid	(6,000)	(4,000)
	-----	-----
Net cash from operating activities	720,602	285,893
	-----	-----
Cash flows from investing activities		
Consideration paid for acquisition of non-controlling interest in a subsidiary	-	(10,000)
Net movement in investment and development properties	(10,989)	72,423
Acquisition of property, plant and equipment	(31,787)	(30,831)
Proceeds from disposal of property, plant and equipment	7,591	7,102
Net additions to intangible assets	(2,308)	(2,336)
	-----	-----
Net cash (used in)/ from investing activities	(37,493)	36,358
	-----	-----
Cash flows from financing activities		
Net movement in bank borrowings and payables	(988,510)	(45,908)
Proceeds from Sukuk notes (refer note 17)	1,101,600	-
Net movement in non-controlling interests	-	(1,708)
Dividend paid	(249,928)	(249,928)
Net movement in deposits under lien	33,724	6,238
	-----	-----
Net cash used in financing activities	(103,114)	(291,306)
	-----	-----
Net increase in cash and cash equivalents	579,995	30,945
Cash and cash equivalents at 1 January	122,768	68,354
	-----	-----
Cash and cash equivalents at 30 September	702,763	99,299
	-----	-----
<i>Cash and cash equivalents comprise following:</i>		
Cash in hand, current and call accounts with banks	286,374	215,149
Short term deposits with banks (excluding those under lien)	673,460	159,722
Bank overdrafts, trust receipt loans and bills discounted	(257,071)	(275,572)
	-----	-----
	702,763	99,299
	=====	=====

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 nine month period ended 30 September (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/bonus	Proposed Directors' fees	Retained Earnings	Sub total	Non controlling interest	Total
Balance at 1 January 2013	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	-	-	-	-	-	-	-	-	-	530,590	530,590	(4,397)	526,193
Other comprehensive income													
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)
Total comprehensive income for the period	-	-	-	-	-	-	(7,446)	-	-	530,590	523,144	(4,397)	518,747
Transactions with owners, recorded directly in equity													
Contributions by and distributions to owners													
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)
Total contributions by and distribution to owners	-	-	-	-	-	-	-	(249,928)	(4,000)	-	(253,928)	(1,706)	(255,634)
Changes in ownership interests in subsidiaries													
On acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	4,419	4,419	(14,419)	(10,000)
Total change in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	4,419	4,419	(14,419)	(10,000)
Total transactions with owners	-	-	-	-	-	-	-	(249,928)	(4,000)	4,419	(249,509)	(16,125)	(265,634)
Balance at 30 September 2013	3,570,395	46	25,502	544,596	872,935	67,000	(114,753)	-	-	3,792,232	8,757,953	452,524	9,210,477

Dubai Investments PJSC and its subsidiaries

Condensed consolidated statement of changes in equity

for the nine month period ended 30 September (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/ bonus	Proposed directors' fees	Retained earnings	Sub total	Non-controlling interests	Total
Balance at 1 January 2014	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	-	-	-	-	-	-	-	-	-	994,614	994,614	8,383	1,002,997
Other comprehensive income													
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)
Total comprehensive income for the period	-	-	-	-	-	-	(18,318)	-	-	994,614	976,296	8,383	984,679
Transactions with owners, recorded directly in equity													
Contributions by and distributions to owners													
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)	-	-	-
Total contributions by and distribution to owners	249,927	-	-	-	-	-	-	(428,447)	(6,000)	(71,408)	(255,928)	-	(255,928)
Changes in ownership interests in subsidiaries													
On disposal of controlling interest in a subsidiary (refer note 19)	-	-	-	(2,036)	-	-	-	-	-	2,036	-	-	-
Total change in ownership interests in subsidiaries	-	-	-	(2,036)	-	-	-	-	-	2,036	-	-	-
Total transactions with owners	249,927	-	-	(2,036)	-	-	-	(428,447)	(6,000)	(69,372)	(255,928)	-	(255,928)
Balance at 30 September 2014	3,820,322	46	25,502	620,444	915,881	67,000	(142,760)	-	-	4,456,026	9,762,461	423,797	10,186,258

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 nine month period ended 30 September 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 nine month period ended 30th September 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 nine month period ended 30 September 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 September 2014</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	445,156	1,120,830	161,790	1,727,776
Financial assets at fair value through other comprehensive income	-	-	404,352	404,352
	445,156	1,120,830	566,142	2,132,128
	=====	=====	=====	=====
<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
	372,885	131,051	560,138	1,064,074
	=====	=====	=====	=====

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)
for the nine month period ended 30 September 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
Purchases during the period	22,044	-
Redeemed/sold during the period	(920)	(7,680)
Loss included in OCI		
Net change in fair value (unrealized)	(18,318)	(7,446)
Gain included in gain on fair valuation of investments		
- Net change in fair value (unrealized)	3,198	-
	=====	=====
As at 30 September	566,142	612,449
	=====	=====

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 nine month period ended 30 September 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 31st December 2013.

6. Direct operating costs

	Three month period ended 30 September		Nine month period ended 30 September	
	2014 AED 000	2013 AED 000	2014 AED 000	2013 AED 000
<i>These include:</i>				
Materials consumed	230,424	227,033	608,087	596,851
Cost of properties sold	12,028	35,469	79,795	87,948
Staff costs	41,504	39,757	115,859	117,988
Depreciation	18,079	20,494	58,369	62,187
	=====	=====	=====	=====

7. Administrative and general expenses

	Three month period ended 30 September		Nine month period ended 30 September	
	2014 AED 000	2013 AED 000	2014 AED 000	2013 AED 000
<i>These include:</i>				
Staff costs	45,201	50,283	146,604	145,842
Selling and marketing expenses	8,338	8,463	46,158	63,681
Depreciation	6,799	7,370	21,461	22,108
	=====	=====	=====	=====

Dubai Investments PJSC and its subsidiaries

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

8. Property, plant and equipment and biological assets

During the nine month period ended 30 September 2014, the Group's additions to assets amounted to AED 31.79 (*nine month period ended 30 September 2013: AED 30.83 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 79.86 was recognized on a property where the exit price valuation changed significantly.

10. Investments

	30 September 2014 AED 000 (Unaudited)	31 December 2013 AED 000 (Audited)	30 September 2013 AED 000 (Unaudited)
Investments at fair value through profit or loss:			
- held for trading quoted equity securities	445,156	372,885	339,161
- unquoted equity securities, funds and bonds*	1,282,620	268,520	307,369
	-----	-----	-----
(i)	1,727,776	641,405	646,530
	=====	=====	=====
Investments at fair value through other comprehensive income:			
- unquoted equity securities	404,352	422,669	432,359
	-----	-----	-----
(ii)	404,352	422,669	432,359
	=====	=====	=====
Geographical distribution of investments			
UAE	854,647	509,689	475,978
Other GCC countries	402,009	272,572	271,906
Other countries	875,472	281,813	331,005
	-----	-----	-----
(i)+(ii)	2,132,128	1,064,074	1,078,889
	=====	=====	=====

* During the period ended 30th September 2014, the Company invested AED 940 million in bonds against which short term credit facilities have been availed from an international bank amounting to AED 727 million.

Dubai Investments PJSC and its subsidiaries

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

11. Inventories

Inventories at 30 September 2014 include properties under development for sale in the ordinary course of business amounting to AED 1,208 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 September 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 September 2014. Also refer note 20.

13. Related party transactions

Significant related party transactions during the period were as follows:

	Three month period ended 30 September		Nine month period ended 30 September	
	2014	2013	2014	2013
	AED 000	AED 000	AED 000	AED 000
Compensation to key management personnel is as follows:				
- Short term benefits	3,203	3,241	9,609	9,723
- Post employee benefits	32	31	96	95
	===	===	===	===

Dubai Investments PJSC and its subsidiaries

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

14. Cash at bank and in hand

	30 September 2014 AED 000 (Unaudited)	31 December 2013 AED 000 (Audited)	30 September 2013 AED 000 (Unaudited)
Cash in hand	1,705	2,010	1,963
Cash at bank within UAE (current accounts)	276,113	346,531	205,895
Cash at bank outside UAE – GCC Countries (current accounts)	8,556	2,594	7,291
Short term deposits within UAE (including deposits of AED 29.948 (31 December 2013: 63.672 million) under lien with banks)	703,408	126,142	222,393
	=====	=====	=====
	989,782	477,277	437,542
	=====	=====	=====

15. Basic earnings per share

	Three months period ended 30 September		Nine months period ended 30 September	
	2014	2013	2014	2013
Net profit attributable to owners of the Company (AED'000)	189,090	161,050	994,614	530,590
Weighted average number of shares outstanding ('000s) (refer note 18)	3,820,322	3,820,322	3,820,322	3,820,322
	=====	=====	=====	=====

16. Bank borrowings

Repayment periods in respect of long term 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

- At the Annual General Meeting (AGM) held on 22nd 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.
- At the Annual General Meeting (AGM) held on 22nd April 2014, the shareholders approved the proposed Directors' fees amounting to AED 6 million for the year ended 31st December 2013.

Dubai Investments PJSC and its subsidiaries

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

19. Disposal of controlling interest in a subsidiary

On 26th 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.

	AED’000
Non-current assets	73,158
Current assets	72,030

Total assets	145,188
Less: current liabilities	(37,814)

Net assets at the date of disposal	107,374
	=====
Consideration agreed – see (i) below	380,366
Fair value of investment retained – see (ii) below	207,937
Less: net assets disposed	(107,374)
Less: estimated expenses on disposal	(9,000)

Net gain on disposal of controlling interest in a subsidiary	471,929
	=====
<i>This comprises:</i>	
Realized gain on disposal of controlling interest in a subsidiary	296,181
Fair valuation gain on retained interest	175,748

Net gain on disposal of controlling interest in a subsidiary	471,929
	=====
	AED’000
Consideration agreed	380,366
Net cash and cash equivalents transferred on disposal	(9,610)
Present value of deferred consideration	(18,610)

Net cash received from disposal	352,146
	=====

- (i) Consideration amounting to AED 23.87 million is deferred which 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 nine month period ended 30 September 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 21.3 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 September 2014, the Group has contractual capital commitments amounting to AED 78.68 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:

<i>Manufacturing and contracting</i>	: 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.
<i>Investments</i>	: strategic minority investments in startup ventures and IPO's, bonds, funds and shares held for trading purposes.
<i>Property</i>	: 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 nine month period ended 30 September 2014 (*unaudited*)

22. Segment reporting (*continued*)

Information about reportable segments

	AED'000							
<i>Business Segments</i>	Manufacturing and contracting		Investments		Property		Total	
	Nine month period ended 30 September		Nine month period ended 30 September		Nine month period ended 30 September		Nine month period ended 30 September	
	2014	2013	2014	2013	2014	2013	2014	2013
Revenue	1,135,697	1,087,062	588,844	86,936	590,420	555,013	2,314,961	1,729,011
Finance income and other income	27,135	13,112	14,843	3,002	25,615	14,242	67,593	30,356
Finance expenses	(53,147)	(22,860)	(4,557)	(6,543)	(33,657)	(33,930)	(91,361)	(63,333)
Gain on fair valuation of investment properties	-	-	-	-	79,861	196,423	79,861	196,423
Reportable segment profit	(30,389)	3,554	603,192	28,438	421,811	498,598	994,614	530,590
	30 September 2014	31 December 2013	30 September 2014	31 December 2013	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Reportable segment assets	2,886,402	2,943,611	3,163,995	1,323,884	8,198,174	8,353,478	14,248,571	12,620,973
Reportable segment liabilities	1,357,178	1,429,435	1,005,412	405,027	1,699,723	1,329,004	4,062,313	3,163,466

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