

Dubai Investments PJSC and its subsidiaries

Condensed consolidated interim financial
information

31 March 2015

Dubai Investments PJSC and its subsidiaries

Condensed consolidated interim financial information

31 March 2015

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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 31 March 2015 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 profit or loss for the three month period ended 31 March 2015;
- the condensed consolidated statement of other comprehensive income for the three month period ended 31 March 2015;
- the condensed consolidated statement of financial position as at 31 March 2015;
- the condensed consolidated statement of cash flows for the three month period ended 31 March 2015;
- the condensed consolidated statement of changes in equity for the three month period ended 31 March 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 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 31 March 2015 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
29 APR 2015

Dubai Investments PJSC and its subsidiaries

Condensed consolidated statement of profit or loss for the three month period ended 31 March (unaudited)

	Note	Three month period ended 31 March	
		2015 AED 000	2014 AED 000
Sale of goods		233,252	277,911
Rental income		165,197	143,080
Contract revenue		127,999	64,657
Sale of properties		13,568	54,789
Gain on fair valuation of investment properties	9	-	79,861
(Loss)/ gain on fair valuation of investments		(20,751)	79,245
Gain on sale of investment properties		-	11,437
Gain on sale of investments – (net)		1,976	8,681
Dividend income		15,434	10,367
Share of profit from equity accounted investees'		6,421	8,047
		-----	-----
Total income		543,096	738,075
		-----	-----
Direct operating costs	6	(185,445)	(362,532)
Administrative and general expenses	7	(72,730)	(101,931)
Finance expenses		(27,370)	(21,824)
Finance income		15,565	4,160
Other income		12,190	5,963
		-----	-----
Profit for the period		285,306	261,911
		=====	=====
Profit attributable to:			
Owners of the Company		282,183	264,990
Non-controlling interests		3,123	(3,079)
		-----	-----
Profit for the period		285,306	261,911
		=====	=====
Earnings per share			
Basic earnings per share (AED)	15	0.07	0.07
		====	====

The notes set out on pages 7 to 14 form part of these condensed consolidated interim financial information.

Dubai Investments PJSC and its subsidiaries

Condensed consolidated statement of other comprehensive income for the three month period ended 31 March (unaudited)

	Three month period ended	
	31 March	
	2015	2014
	AED 000	AED 000
Profit for the period	285,306	261,911
Other comprehensive income:		
Total other comprehensive income for the period	-	-
Total comprehensive income for the period	285,306	261,911
Attributable to:		
Owners of the Company	282,183	264,990
Non-controlling interests	3,123	(3,079)
Total comprehensive income for the period	285,306	261,911

The notes set out on pages 7 to 14 form part of these condensed consolidated interim financial information.

Dubai Investments PJSC and its subsidiaries


Condensed consolidated statement of financial position (unaudited)

As at 31 March 2015

		31 March 2015 AED 000 (Unaudited)	31 December 2014 AED 000 (Audited)	31 March 2014 AED 000 (Unaudited)
	<i>Note</i>			
Non-current assets				
Property, plant and equipment and biological assets	8	1,500,658	1,518,929	1,618,514
Goodwill and intangible assets		109,057	109,429	130,156
Investment properties	9	4,106,368	4,098,639	4,326,430
Development properties		-	-	3,846
Investments at fair value through other comprehensive income	10	380,764	380,764	422,669
Investment in equity accounted investees'		941,531	935,110	701,265
Rent receivable		62,853	57,649	71,090
Finance lease receivable		146,210	145,087	141,159
Inventories	11	1,415,655	1,234,463	1,198,683
Trade receivables		198,581	198,581	206,468
Other receivables		98,092	98,107	96,035
Total non-current assets		8,959,769	8,776,758	8,916,315
Current assets				
Inventories	11	748,207	744,363	756,680
Investments at fair value through profit or loss	10	1,697,183	1,725,125	664,521
Trade receivables	12	1,177,557	1,227,718	1,355,257
Due from related parties and other receivables		734,146	902,424	503,738
Cash at bank and in hand	14	1,348,343	1,148,296	1,004,630
Total current assets		5,705,436	5,747,926	4,284,826
Total assets		14,665,205	14,524,684	13,201,141
Equity				
Share capital		3,820,322	3,820,322	3,570,395
Share premium		46	46	46
Capital reserve		25,502	25,502	25,502
Legal reserve		775,730	775,730	622,480
General reserve		1,061,561	1,061,561	915,881
Revaluation reserve		67,000	67,000	67,000
Fair value reserve		(147,977)	(147,977)	(124,442)
Proposed dividend/bonus shares	18	687,658	687,658	428,447
Proposed directors' fee	18	8,000	8,000	6,000
Retained earnings		4,089,651	3,807,468	3,795,774
Equity attributable to owners of the Company		10,387,493	10,105,310	9,307,083
Non-controlling interests		435,643	432,520	412,335
Total equity		10,823,136	10,537,830	9,719,418
Liabilities				
Non-current liabilities				
Long-term bank borrowings	16	327,474	351,834	468,618
Sukuk notes	17	1,101,600	1,101,600	1,101,600
Long-term other payables		124,295	128,142	128,539
Total non-current liabilities		1,553,369	1,581,576	1,698,757
Current liabilities				
Bank borrowings	16	1,081,058	1,255,999	609,351
Trade, related parties and other payables		1,207,642	1,149,279	1,173,615
Total current liabilities		2,288,700	2,405,278	1,782,966
Total liabilities		3,842,069	3,986,854	3,481,723
Total equity and liabilities		14,665,205	14,524,684	13,201,141

The condensed consolidated interim financial information was authorized for issue on behalf of the Board of Directors on 29th April 2015.


Khalid Jassim Kalban
 MD & CEO


Mushtaq Masood
 Group CFO

The notes set out on pages 7 to 14 form part of these condensed consolidated interim financial information.

Dubai Investments PJSC and its subsidiaries

Condensed consolidated statement of cash flows

for the three month period ended 31 March (unaudited)

	Three month period ended	
	31 March	
	2015	2014
	AED 000	AED 000
Cash flows from operating activities		
Profit for the period	285,306	261,911
<i>Adjustments for:</i>		
Depreciation	26,043	27,218
Impairment loss on property, plant and equipment	2,000	-
Amortization of intangible assets	372	743
Gain on disposal of property, plant and equipment	(68)	(6)
Gain on fair valuation of investment properties	-	(79,861)
Loss/(gain) on fair valuation of investments	20,751	(79,245)
Gain on sale of investment properties	-	(11,437)
Gain on sale of investments - net	(1,976)	(8,681)
Share of profit from equity accounted investees	(6,421)	(8,047)
Reversal of provision for write down of inventories to net realizable value	(178,000)	-
	-----	-----
Operating profit before changes in working capital	148,007	102,595
Changes in:		
– investments at fair value through profit or loss and at fair value through OCI	9,167	64,810
– trade and other receivables	212,127	(53,348)
– inventories	(7,036)	39,897
– trade and other payables	58,363	115,908
Proceeds from sale of investment properties	-	57,906
Net movement in equity accounted investees'	-	7,850
	-----	-----
Net cash from operating activities	420,628	335,618
	-----	-----
Cash flows from investing activities		
Net movement in investment and development properties	(7,729)	(3,846)
Acquisition of property, plant and equipment	(11,723)	(7,269)
Proceeds from disposal of property, plant and equipment	2,019	1,298
Net additions to intangibles assets	-	(797)
	-----	-----
Net cash used in investing activities	(17,433)	(10,614)
	-----	-----
Cash flows from financing activities		
Net movement in bank borrowings and payables	(219,873)	(850,992)
Proceeds from Sukuk notes issue (refer note 17)	-	1,101,600
Net movement in deposits under lien	(3,292)	14,410
	-----	-----
Net cash (used in)/from financing activities	(223,165)	265,018
	-----	-----
Net increase in cash and cash equivalents	180,030	590,022
Cash and cash equivalents at 1 January	835,698	122,768
	-----	-----
Cash and cash equivalents at 31 March	1,015,728	712,790
	=====	=====
<i>Cash and cash equivalents comprise following:</i>		
Cash in hand, current and call account with banks	540,557	495,928
Short term deposits with banks (excluding those under lien)	774,104	459,440
Bank overdraft, trust receipt loans and bills discounted	(298,933)	(242,578)
	-----	-----
	1,015,728	712,790
	=====	=====

The notes set out on pages 7 to 14 form part of these condensed consolidated interim financial information.

Dubai Investments PJSC and its subsidiaries
Condensed consolidated statement of changes in equity
for the three month period ended 31 March (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 shares	Proposed directors' fee	Retained earnings	Sub total	Non-controlling interests	Total equity
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	-	-	-	-	-	-	-	-	-	264,990	264,990	(3,079)	261,911
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	264,990	264,990	(3,079)	261,911
Balance at 31 March 2014	3,570,395	46	25,502	622,480	915,881	67,000	(124,442)	428,447	6,000	3,795,774	9,307,083	412,335	9,719,418
Balance at 1 January 2015	3,820,322	46	25,502	775,730	1,061,561	67,000	(147,977)	687,658	8,000	3,807,468	10,105,310	432,520	10,537,830
Profit for the period	-	-	-	-	-	-	-	-	-	282,183	282,183	3,123	285,306
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	282,183	282,183	3,123	285,306
Balance at 31 March 2015	3,820,322	46	25,502	775,730	1,061,561	67,000	(147,977)	687,658	8,000	4,089,651	10,387,493	435,643	10,823,136

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information
for the three month period ended 31 March 2015 (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 three month period ended 31 March 2015 (“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 2014.

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 2014.

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 2014. These are disclosed in detail under notes 2 and 3 in the Group’s consolidated financial statements as at and for the year ended 31 December 2014.

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.

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 2014.

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)
for the three month period ended 31 March 2015 (*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 2014.

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>31 March 2015</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	393,784	1,141,610	161,789	1,697,183
Financial assets at fair value through other comprehensive income	-	-	380,764	380,764
	----- 393,784 =====	----- 1,141,610 =====	----- 542,553 =====	----- 2,077,947 =====
 <i>31 December 2014</i>				
Financial assets at fair value through profit or loss	419,067	1,144,269	161,789	1,725,125
Financial assets at fair value through other comprehensive income	-	-	380,764	380,764
	----- 419,067 =====	----- 1,144,269 =====	----- 542,553 =====	----- 2,105,889 =====

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)
for the three month period ended 31 March 2015 (*unaudited*)

5. Financial instruments (*continued*)

Reconciliation of Level 3 fair values measurements of financial assets

	2015 AED'000	2014 AED'000
Opening balance at 1 January	542,553	560,138
Redeemed during the period	-	(916)
	-----	-----
Closing balance at 31 March	542,553	559,222
	=====	=====

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 three month period ended 31 March 2015.

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 December 2014.

6. Direct operating costs

	Three month period ended 31 March	
	2015 AED 000	2014 AED 000
<i>These include:</i>		
Materials consumed	214,039	199,222
Cost of properties sold	9,331	45,116
Staff costs	40,324	36,518
Depreciation	19,065	19,852
Reversal of provision for write down of inventories to net realizable value (refer note 11)	(178,000)	-
	=====	=====

7. Administrative and general expenses

	Three month period ended 31 March	
	2015 AED 000	2014 AED 000
<i>These include:</i>		
Staff costs	47,990	49,552
Selling and marketing expenses	7,361	19,111
Depreciation	6,978	7,366
	=====	=====

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)
for the three month period ended 31 March 2015 (*unaudited*)

8. Property, plant and equipment and biological assets

During the three month period ended 31 March 2015, the Group's additions to assets amounted to AED 11.7 million (*three month period ended 31 March 2014: AED 7.3 million*).

9. Investment properties

These mainly include infrastructure and ancillary facilities 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.

As at 31 December 2014, the Group had obtained valuation of the entire development by an independent registered valuer who carried out the valuation in accordance with the RICS appraisal and valuation manual issued using discounted cash flow model after taking into consideration the cash flows resulting from the 20% share of the net realized profits due to the Government of Dubai starting February 2009.

During the three month period ended 31 March 2014, the Group recorded a fair valuation gain of AED 79.9 million on a property where the exit price valuation changed significantly.

10. Investments

	31 March 2015 AED 000 (Unaudited)	31 December 2014 AED 000 (Audited)	31 March 2014 AED 000 (Unaudited)
Investments at fair value through profit or loss:			
- held for trading quoted equity securities	393,784	419,067	413,819
- unquoted equity securities, funds and bonds	1,303,399	1,306,058	250,702
	-----	-----	-----
(i)	1,697,183	1,725,125	664,521
	=====	=====	=====
Investments at fair value through other comprehensive income:			
- unquoted equity securities	380,764	380,764	422,669
	-----	-----	-----
(ii)	380,764	380,764	422,669
	=====	=====	=====
<i>Geographical distribution of investments</i>			
UAE	778,672	817,346	554,980
Other GCC countries	403,414	401,487	274,932
Other countries	895,861	887,056	257,278
	-----	-----	-----
(i)+(ii)	2,077,947	2,105,889	1,087,190
	=====	=====	=====

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)
for the three month period ended 31 March 2015 (*unaudited*)

11. Inventories

Inventories at 31 March 2015 include properties under development for sale in the ordinary course of business amounting to AED 1,416 million (*31 December 2014: AED 1,234 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.

During the period ended 31 March 2015, the management based on review of the net realizable value of properties under development for sale has reversed a provision of AED 178 million created in the earlier years. 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 31 March 2015 include an amount of AED 222 million (*31 December 2014: AED 222 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 initiated legal proceedings against the customer to recover the outstanding balance and the Dubai Court of First Instance had issued a judgment in the subsidiary’s favor. The customer had filed an appeal with the Dubai Court of Appeal. During the current period, the Group and the customer have commenced negotiations for an out-of-court settlement and discussions are currently ongoing. At the initial stage, both parties have agreed for an adjournment of the current legal proceedings. Also refer note 19.

Based on the recent developments, judgement received from Dubai Court of First Instance and legal advice obtained by the subsidiary, management believes that the balance is fully recoverable.

13. Related party transactions

Significant related party transactions during the period were as follows:

	Three month period ended 31 March	
	2015 AED 000	2014 AED 000
Compensation to key management personnel		
Short term benefits	4,190	3,139
Post-employment benefits	32	32
	=====	=====

14. Cash at bank and in hand

	31 March 2015 AED 000 (Unaudited)	31 December 2014 AED 000 (Audited)	31 March 2014 AED 000 (Unaudited)
Cash in hand	1,871	1,873	2,239
Cash at bank within UAE (current accounts)	530,878	308,567	488,121
Cash at bank outside UAE – GCC Countries (current accounts)	7,808	5,826	5,568
Short term deposits (including deposits of AED 33.68 million (<i>31 December 2014: 30.38 million</i>) under lien with banks)	807,786	832,030	508,702
	----- 1,348,343 =====	----- 1,148,296 =====	----- 1,004,630 =====

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)
for the three month period ended 31 March 2015 (*unaudited*)

15. Basic earnings per share

	Three month period ended	
	31 March	
	2015	2014
Net profit attributable to owners of the Company (AED'000)	282,183	264,990
Weighted average number of shares outstanding ('000s)	3,820,322	3,820,322
	=====	=====

Weighted average number of shares outstanding for the three month period ended 31 March 2014 has been retrospectively adjusted to include the 7% bonus shares approved in the shareholders' Annual General Meeting (AGM) held on 22 April 2014.

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.

17. Sukuk notes

In February 2014, a subsidiary of the Company namely Dubai Investments Park Development Company LLC ("DIPDC") issued 5 year Sukuk certificates maturing in February 2019 for USD 300 million (equivalent to AED 1,101.6 million). The sukuk program is structured as a Wakala and is listed on NASDAQ Dubai and Irish Stock Exchanges. The terms of the arrangement include transfer of certain identified assets (the Wakala assets) of DIPDC to a Special Purpose Vehicle, DIP Sukuk Ltd. (the Issuer), formed for the issuance of sukuk certificates. In substance, the Wakala assets remain in control of DIPDC and shall continue to be serviced by DIPDC. In case of any shortfall in cash flows, DIPDC have provided an undertaking to make good on such shortfall to the sukuk certificate holders. The sukuk certificate holders have no recourse to the assets. These sukuk certificates bear a fixed profit rate of 4.291% p.a. payable semi-annually. The Issuer will service the profit from returns generated from the Wakala assets. The proceeds of the Sukuk notes were partially utilized to settle the outstanding bank loans of DIPDC amounting to AED 710 million.

18. Proposed dividend/bonus shares and directors' fee

- (i) At the Annual General Meeting held on 8th April 2015, the shareholders approved 12% cash dividend and issue of 6% bonus shares as proposed by the Board of Directors.
- (ii) At the Annual General Meeting held on 8th April 2015, the shareholders approved the proposed Directors' fees amounting to AED 8 million for the year ended 31 December 2014.

19. Contingent liabilities

The Company has issued corporate guarantees to commercial banks for loans and advances granted to joint ventures amounting to AED 10.6 million (*31 December 2014: AED 10.6 million*). As the Group follows equity accounting for joint ventures, the borrowings against which these corporate guarantees have been issued are not included in the condensed consolidated statement of financial position.

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)

for the three month period ended 31 March 2015 (*unaudited*)

19. Contingent liabilities (*continued*)

With reference to the legal proceedings initiated by the subsidiary against a customer as mentioned in Note 12, the customer filed an application to the Dubai Court of First Instance alleging that the subsidiary had 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 had 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. During the period, the Group and the customer have commenced negotiations for an out-of-court settlement and discussions are currently ongoing. At the initial stage, both parties have agreed for an adjournment of the current legal proceedings.

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 as a result of the judgment issued by the Dubai Court of First Instance against the customer as stated in note 12.

20. Capital commitments

As at 31 March 2015, the Group has contractual capital commitments amounting to AED 18.6 million (*31 December 2014: AED 25.6 million*).

21. Subsequent events

Subsequent to the period ended 31 March 2015, the Group acquired additional 20.15% interest in Emirates Float Glass LLC increasing its ownership from 67.28% to 87.43%.

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 start-up 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 revenue and profit as management believes that these are 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 three month period ended 31 March 2015 (*unaudited*)

22. Segment reporting (*continued*)

Operating segments

In AED'000

<i>Business Segments</i>	Manufacturing and contracting		Investments		Property		Total	
	Three month period ended 31 March		Three month period ended 31 March		Three month period ended 31 March		Three month period ended 31 March	
	2015	2014	2015	2014	2015	2014	2015	2014
Revenue	366,315	349,380	(3,656)	97,586	180,437	211,248	543,096	658,214
Finance income and other income	7,184	4,066	13,813	2,362	6,758	3,695	27,755	10,123
Finance expenses	(11,425)	(11,342)	(2,046)	(1,370)	(13,899)	(9,112)	(27,370)	(21,824)
Gain on fair valuation of investment properties	-	-	-	-	-	79,861	-	79,861
Reportable segment profit/(loss)	4,405	(19,493)	(6,605)	89,577	287,506	191,827	285,306	261,911
	31 March 2015	31 December 2014	31 March 2015	31 December 2014	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Reportable segment assets	3,128,233	2,930,006	3,609,194	3,289,174	7,927,778	8,305,504	14,665,205	14,524,684
Reportable segment liabilities	1,295,296	1,336,732	780,876	956,107	1,765,897	1,694,015	3,842,069	3,986,854

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