

Dubai Investments PJSC and its subsidiaries

Condensed consolidated interim financial
information

31 March 2016

Dubai Investments PJSC and its subsidiaries

Condensed consolidated interim financial information

31 March 2016

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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 2016 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 2016;
- the condensed consolidated statement of comprehensive income for the three month period ended 31 March 2016;
- the condensed consolidated statement of financial position as at 31 March 2016;
- the condensed consolidated statement of cash flows for the three month period ended 31 March 2016;
- the condensed consolidated statement of changes in equity for the three month period ended 31 March 2016; and
- notes to the condensed consolidated 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 2016 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
27 April 2016

Dubai Investments PJSC and its subsidiaries

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

	<i>Note</i>	Three month period ended	
		31 March	
		2016	2015
		AED 000	AED 000
Sale of goods		223,130	233,252
Rental income		207,021	165,197
Contract revenue		97,387	127,999
Sale of properties		1,425	13,568
Loss on fair valuation of investments		(684)	(20,751)
(Loss)/gain on sale of investments – (net)		(1,634)	1,976
Dividend income		612	15,434
Share of profit from equity accounted investees		792	6,421
Gain on disposal of subsidiaries	20	186,632	-
		-----	-----
Total income		714,681	543,096
		-----	-----
Direct operating costs	6	(339,235)	(185,445)
Administrative and general expenses	7	(87,327)	(72,730)
Finance expenses		(21,310)	(27,370)
Finance income		19,994	15,565
Other income		4,809	12,190
		-----	-----
Profit for the period		291,612	285,306
		=====	=====
Profit attributable to:			
Owners of the Company		297,548	282,183
Non-controlling interests		(5,936)	3,123
		-----	-----
Profit for the period		291,612	285,306
		=====	=====
Earnings per share			
Basic earnings per share (AED)	15	0.07	0.07
		====	====

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 comprehensive income
for the three month period ended 31 March (unaudited)

	Three month period ended	
	31 March	
	2016	2015
	AED 000	AED 000
Profit for the period	291,612	285,306
Other comprehensive income:		
<i>Items that will never be reclassified to profit or loss</i>		
Net change in fair value of investments at fair value through other comprehensive income (OCI)	(41,039)	-
	-----	-----
Total other comprehensive income for the period	(41,039)	-
	-----	-----
Total comprehensive income for the period	250,573	285,306
	=====	=====
Attributable to:		
Owners of the Company	261,106	282,183
Non-controlling interests	(10,533)	3,123
	-----	-----
Total comprehensive income for the period	250,573	285,306
	=====	=====

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)

As at

		31 March 2016 AED 000 (Unaudited)	31 December 2015 AED 000 (Audited)	31 March 2015 AED 000 (Unaudited)
	<i>Note</i>			
Non-current assets				
Property, plant and equipment and biological assets	8	1,253,523	1,367,073	1,500,658
Goodwill and intangible assets		101,821	102,313	109,057
Investment properties	9	5,232,938	4,990,408	4,106,368
Investments at fair value through other comprehensive income	10	338,781	387,400	380,764
Investment in equity accounted investees		875,677	874,709	941,531
Rent receivable		50,207	48,878	62,853
Finance lease receivable		130,793	129,019	146,210
Inventories	11	1,464,291	1,457,540	1,415,655
Trade receivables		216,018	218,901	198,581
Other receivables		50,499	84,909	98,092
Total non-current assets		9,714,548	9,661,150	8,959,769
Current assets				
Inventories	11	714,760	749,141	748,207
Investments at fair value through profit or loss	10	1,727,836	1,688,287	1,697,183
Trade receivables	12	1,180,106	1,169,542	1,177,557
Due from related parties and other receivables		501,879	485,155	734,146
Cash at bank and in hand	14	1,633,457	1,500,855	1,348,343
Assets held for sale	20	91,368	-	-
Total current assets		5,849,406	5,592,980	5,705,436
Total assets		15,563,954	15,254,130	14,665,205
Equity				
Share capital		4,049,541	4,049,541	3,820,322
Share premium		46	46	46
Capital reserve		25,502	25,502	25,502
Legal reserve		890,756	890,756	775,730
General reserve		1,174,719	1,174,719	1,061,561
Revaluation reserve		22,000	67,000	67,000
Fair value reserve	22	(227,539)	(191,097)	(147,977)
Proposed dividend/bonus shares	18	485,945	485,945	687,658
Proposed directors' fee	18	8,000	8,000	8,000
Retained earnings		4,543,555	4,201,404	4,089,651
Equity attributable to owners of the Company		10,972,525	10,711,816	10,387,493
Non-controlling interests		470,219	487,567	435,643
Total equity		11,442,744	11,199,383	10,823,136
Liabilities				
Non-current liabilities				
Long-term bank borrowings	16	414,444	430,166	327,474
Sukuk notes	17	1,101,600	1,101,600	1,101,600
Other payables		48,654	54,680	124,295
Total non-current liabilities		1,564,698	1,586,446	1,553,369
Current liabilities				
Bank borrowings	16	1,204,023	1,222,858	1,081,058
Trade, related parties and other payables		1,312,641	1,245,443	1,207,642
Liabilities held for sale	20	39,848	-	-
Total current liabilities		2,556,512	2,468,301	2,288,700
Total liabilities		4,121,210	4,054,747	3,842,069
Total equity and liabilities		15,563,954	15,254,130	14,665,205

The condensed consolidated interim financial information was authorized for issue on behalf of the Board of Directors on 27 April 2016.


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 three month period ended 31 March (unaudited)

	Three month period ended	
	31 March	
	2016	2015
	AED 000	AED 000
Cash flows from operating activities		
Profit for the period	291,612	285,306
<i>Adjustments for:</i>		
Depreciation	25,547	26,043
Impairment loss on property, plant and equipment	-	2,000
Amortization of intangible assets	492	372
Gain on disposal of property, plant and equipment	(327)	(68)
Loss on fair valuation of investments	684	20,751
Loss/(gain) on sale of investments - net	1,634	(1,976)
Share of profit from equity accounted investees	(792)	(6,421)
Reversal of provision for write down of inventories to net realizable value	-	(178,000)
Gain on disposal of subsidiaries (refer note 20)	(186,632)	-
	-----	-----
Operating profit before changes in working capital	132,218	148,007
Changes in:		
- investments at fair value through profit or loss and at fair value through OCI	(34,287)	9,167
- trade and other receivables	(23,758)	212,127
- inventories	14,379	(7,036)
- trade and other payables	85,090	58,363
Net movement in equity accounted investees'	(176)	-
	-----	-----
Net cash from operating activities	173,466	420,628
	-----	-----
Cash flows from investing activities		
Acquisition of non-controlling interest (refer note 21)	(5,359)	-
Net movement in investment properties	(5,898)	(7,729)
Acquisition of property, plant and equipment	(11,433)	(11,723)
Proceeds from disposal of property, plant and equipment	2,306	2,019
	-----	-----
Net cash used in investing activities	(20,384)	(17,433)
	-----	-----
Cash flows from financing activities		
Net movement in bank borrowings and payables	(7,841)	(219,873)
Net movement in deposits under lien	(13,150)	(3,292)
Net movement in non-controlling interests	(1,853)	-
	-----	-----
Net cash used in financing activities	(22,844)	(223,165)
	-----	-----
Net increase in cash and cash equivalents	130,238	180,030
Cash and cash equivalents at 1 January	1,178,491	835,698
	-----	-----
Cash and cash equivalents at 31 March	1,308,729	1,015,728
	=====	=====
<i>Cash and cash equivalents comprise following:</i>		
Cash in hand, current and call account with banks	581,771	540,557
Short term deposits with banks (excluding those under lien)	1,018,427	774,104
Bank overdraft, trust receipt loans and bills discounted	(291,469)	(298,933)
	-----	-----
	1,308,729	1,015,728
	=====	=====

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 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 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

Condensed consolidated statement of changes in equity (continued)

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 2016	4,049,541	46	25,502	890,756	1,174,719	67,000	(191,097)	485,945	8,000	4,201,404	10,711,816	487,567	11,199,383
Profit for the period	-	-	-	-	-	-	-	-	-	297,548	297,548	(5,936)	291,612
Other comprehensive income													
Net change in fair value of investments at fair value through OCI	-	-	-	-	-	-	(36,442)	-	-	-	(36,442)	(4,597)	(41,039)
Total other comprehensive income for the period	-	-	-	-	-	-	(36,442)	-	-	-	(36,442)	(4,597)	(41,039)
Total comprehensive income for the period	-	-	-	-	-	-	(36,442)	-	-	297,548	261,106	(10,533)	250,573
Transactions with owners, recorded directly in equity													
<i>Contributions by and distributions to owners</i>													
Dividend paid by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(450)	(450)
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	-	-	-	(450)	(450)
<i>Changes in ownership interests</i>													
On acquisition of non-controlling interests (refer note 21)	-	-	-	-	-	-	-	-	-	(397)	(397)	(4,962)	(5,359)
On dilution of stake in a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(2,473)	(2,473)
Introduction of share capital in a subsidiary	-	-	-	-	-	-	-	-	-	-	-	1,070	1,070
Total changes in ownership interest in subsidiaries	-	-	-	-	-	-	-	-	-	(397)	(397)	(6,365)	(6,762)
Total transaction with owners	-	-	-	-	-	-	-	-	-	(397)	(397)	(6,815)	(7,212)
Other movements (refer note 22)	-	-	-	-	-	(45,000)	-	-	-	45,000	-	-	-
Balance at 31 March 2016	4,049,541	46	25,502	890,756	1,174,719	22,000	(227,539)	485,945	8,000	4,543,555	10,972,525	470,219	11,442,744

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 three month period ended 31 March 2016 (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 2016 (“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, investment banking, asset management and financial investments.

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 2015.

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 2015.

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 2015. 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 2015.

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 2015.

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)
for the three month period ended 31 March 2016 (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 2015.

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 2016</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	396,737	1,074,009	257,090	1,727,836
Financial assets at fair value through other comprehensive income	772	-	338,009	338,781
	=====	=====	=====	=====
	397,509	1,074,009	595,099	2,066,617
	=====	=====	=====	=====
 <i>31 December 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	379,447	1,051,775	257,065	1,688,287
Financial assets at fair value through other comprehensive income	11,310	-	376,090	387,400
	=====	=====	=====	=====
	390,757	1,051,775	633,155	2,075,687
	=====	=====	=====	=====

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)
for the three month period ended 31 March 2016 (*unaudited*)

5. Financial instruments (*continued*)

Reconciliation of Level 3 fair values measurements of financial assets

	2016 AED'000	2015 AED'000
As at 1 January	633,155	542,553
Purchased during the period	2,983	-
Loss recorded in OCI		
- Net change in fair value (unrealized)	(41,039)	-
	-----	-----
As at 31 March	595,099	542,553
	=====	=====

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 2016.

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 2015.

6. Direct operating costs

	Three month period ended 31 March	
	2016 AED 000	2015 AED 000
<i>These include:</i>		
Materials consumed	173,335	214,039
Cost of properties sold	1,184	9,331
Staff costs	42,605	40,324
Factory overheads (excluding depreciation)	38,459	38,129
Depreciation	18,593	19,065
Share of Government of Dubai in the realized profits of a subsidiary (refer note 9)	26,299	22,844
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	
	2016 AED 000	2015 AED 000
<i>These include:</i>		
Staff costs	50,596	47,990
Selling and marketing expenses	8,479	7,361
Depreciation	6,954	6,978
	=====	=====

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)
for the three month period ended 31 March 2016 (*unaudited*)

8. Property, plant and equipment and biological assets

During the three month period ended 31 March 2016, the Group's additions to assets amounted to AED 11.4 million (*three month period ended 31 March 2015: AED 11.7 million*). Furthermore, assets with net book value of AED 97.40 million have been disposed/reclassified as held for sale at 31 March 2016 (also refer note 20).

9. Investment properties

These mainly include infrastructure and ancillary facilities leased to third parties 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 to the Government of Dubai.

As at 31 December 2015, the Group has obtained fair values of all phases. The valuation was carried out by an independent registered valuer in accordance with the RICS Appraisal and Valuation Manual issued by the Royal Institute of Chartered Surveyors using discounted cash flow model after taking into consideration the cash outflows resulting from the estimated 20% share of the net realized profits due to the Government of Dubai commencing February 2009.

Also refer note 20.

10. Investments

	31 March 2016 AED 000 (Unaudited)	31 December 2015 AED 000 (Audited)	31 March 2015 AED 000 (Unaudited)
Investments at fair value through other comprehensive income:			
- equity securities	338,781	387,400	380,764
	-----	-----	-----
(i)	338,781	387,400	380,764
	=====	=====	=====
Investments at fair value through profit or loss:			
- held for trading quoted equity securities	396,737	379,447	393,784
- unquoted equity securities, funds, bonds and sukus	1,331,099	1,308,840	1,303,399
	-----	-----	-----
(ii)	1,727,836	1,688,287	1,697,183
	=====	=====	=====
<i>Geographical distribution of investments:</i>			
UAE	943,956	818,719	778,672
Other GCC countries	464,434	468,634	403,414
Other countries	658,227	788,334	895,861
	-----	-----	-----
(i)+(ii)	2,066,617	2,075,687	2,077,947
	=====	=====	=====

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)
for the three month period ended 31 March 2016 (*unaudited*)

11. Inventories

Inventories at 31 March 2016 include properties under development for sale in the ordinary course of business amounting to AED 1,464 million (*31 December 2015: AED 1,458 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 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 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 2016 include an amount of AED 222 million (*31 December 2015: 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 subsidiary’s favor. The customer filed an appeal with the Dubai Court of Appeal.

During the previous year, the Company and the customer agreed an out-of-court settlement and established a joint venture entity namely Palisades Development Company LLC for the purposes of management and administration of a project to be undertaken on the subject land. The joint venture is being managed by the Company and it has been agreed that the outstanding receivables will be settled through cash flows generated from the sale of the project.

Accordingly, legal proceedings have been adjourned. Also refer note 19.

13. Related party transactions

Significant related party transactions during the period were as follows:

	Three month period ended	
	31 March	
	2016	2015
	AED 000	AED 000
Land and other lease charges	3,700	4,211
	=====	=====
Compensation to key management personnel		
Short term benefits	3,751	4,190
Post-employment benefits	101	101
	=====	=====

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)
for the three month period ended 31 March 2016 (unaudited)

14. Cash at bank and in hand

	31 March 2016 AED 000 (Unaudited)	31 December 2015 AED 000 (Audited)	31 March 2015 AED 000 (Unaudited)
Cash in hand	2,081	1,517	1,871
Cash at bank within UAE (current accounts)	513,398	396,269	530,878
Cash at bank outside UAE – GCC Countries (current accounts)	12,368	24,505	7,808
Cash at bank outside UAE – Other countries (current accounts)	53,924	60,722	-
Short term deposits (including deposits of AED 33.26 million (31 December 2015: 20.11 million) under lien with banks)	1,051,686	1,017,842	807,786
	1,633,457	1,500,855	1,348,343
	=====	=====	=====

15. Basic earnings per share

	Three month period ended 31 March	
	2016	2015
Net profit attributable to owners of the Company (AED'000)	297,548	282,183
Weighted average number of shares outstanding ('000s)	4,049,541	4,049,541
	=====	=====

Weighted average number of shares outstanding for the three month period ended 31 March 2015 has been retrospectively adjusted to include the 6% bonus shares approved in the shareholders' Annual General Meeting (AGM) held on 8 April 2015.

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 the Company's corporate guarantee, mortgages over certain inventories, trade receivables, property, plant and equipment, pledge of investments, assignment of insurance policies over assets of the Group and lien on bank deposits. Where there is a corporate guarantee, 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.

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)
for the three month period ended 31 March 2016 (*unaudited*)

18. Proposed dividend/bonus shares and directors' fee

- (i) At the Annual General Meeting held on 13 April 2016, the shareholders approved 12% cash dividend as proposed by the Board of Directors.
- (ii) At the Annual General Meeting held on 13 April 2016, the shareholders approved the proposed Directors' fees amounting to AED 8 million for the year ended 31 December 2015.

19. Contingent liabilities

The Company has issued corporate guarantee to commercial bank for credit facilities granted to a joint venture amounting to AED 252.50 million (*31 December 2015: AED 252.50 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.

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 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 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 previous year, the Company and the customer agreed an out-of-court settlement and established a joint venture entity namely Palisades Development Company LLC for the purposes of management and administration of a project to be undertaken on the subject land. The joint venture is being managed by the Company and it has been agreed that the outstanding receivables will be settled through cash flows generated from the sale of the project.

Accordingly, legal proceedings have been adjourned. Also refer note 12.

20. Gain on disposal of subsidiaries and assets held for sale

During the current period, the Group reached an agreement with related authorities to relocate the operations of Marmum Dairy Farm LLC and its distribution arm United Sales Partners LLC ("the Subsidiaries") within an agreed timeframe and return the plot of land. Accordingly, the authorities agreed to a compensation comprising value of land, plant and equipment and loss of profits. The compensation amount will be settled by transfer of ownership of a land of equivalent value which has been recorded under investment properties. Furthermore, assets and liabilities of the Subsidiaries have been classified as held for sale and carried at the lower of the carrying amounts and fair value less cost to sell.

21. Acquisition of non-controlling interests

During the period, the Company acquired additional 2.40% stake in its existing subsidiary Al Mal Capital PSC. Post-acquisition of additional interest, the Company's shareholding in Al Mal Capital PSC has increased to 63.26%.

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial information (*continued*)
for the three month period ended 31 March 2016 (*unaudited*)

22. Revaluation reserve

With reference to note 20, the related revaluation reserve for land amounting to AED 45 million has been credited directly to retained earnings.

23. Capital commitments

As at 31 March 2016, the Group has contractual capital commitments amounting to AED 46 million (31 December 2015: AED 31 million).

24. Subsequent events

Subsequent to the period ended 31 March 2016, the Company completed the acquisition of additional 20% equity interest in its existing joint venture Properties Investments LLC. Upon completion of the acquisition, Properties Investments LLC has become a subsidiary of the Company.

25. 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 start-up ventures, bonds, funds, structured products 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 segment is included below. Performance is measured based on segment results as management believes that operating results are the most relevant factor in evaluating the segments relative to other entities that operate within these industries. There are few transactions between the segments and any such transaction is priced on an 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 2016 (*unaudited*)

25. Segment reporting (*continued*)

Information about reportable segments

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	
	2016	2015	2016	2015	2016	2015	2016	2015
Revenue	317,754	366,315	2,470	(3,656)	207,825	180,437	528,049	543,096
Gain on disposal of subsidiaries	186,632	-	-	-	-	-	186,632	-
Total income	504,386	366,315	2,470	(3,656)	207,825	180,437	714,681	543,096
Direct operating costs	(279,400)	(303,977)	-	-	(59,835)	118,532	(339,235)	(185,445)
Administrative and general expenses	(58,232)	(50,216)	(17,902)	(14,679)	(11,193)	(7,835)	(87,327)	(72,730)
Finance expenses	(8,459)	(11,425)	(4,472)	(2,046)	(8,379)	(13,899)	(21,310)	(27,370)
Finance income and other income	3,588	7,184	16,690	13,813	4,525	6,758	24,803	27,755
Profit for the period	161,883	7,881	(3,214)	(6,568)	132,943	283,993	291,612	285,306
Profit attributable to:								
Owners of the Company	167,549	4,681	(2,944)	(6,491)	132,943	283,993	297,548	282,183
Non – controlling interests	(5,666)	3,200	(270)	(77)	-	-	(5,936)	3,123
Profit for the period	161,883	7,881	(3,214)	(6,568)	132,943	283,993	291,612	285,306
	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015
Assets	3,116,127	3,000,778	3,633,252	3,409,948	8,814,575	8,843,404	15,563,954	15,254,130
Liabilities	1,328,916	1,311,570	1,088,753	1,059,422	1,703,541	1,683,755	4,121,210	4,054,747

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