

**Dubai Investments PJSC  
and its subsidiaries**

Condensed consolidated interim financial  
statements

*30 September 2016*

# Dubai Investments PJSC and its subsidiaries

## Condensed consolidated interim financial statements

30 September 2016

<b><i>Contents</i></b>	<b><i>Page</i></b>
Independent auditors' report on review of condensed consolidated interim financial statements	1-2
Condensed consolidated statement of profit or loss	3
Condensed consolidated statement of comprehensive income	4
Condensed consolidated statement of financial position	5
Condensed consolidated statement of cash flows	6
Condensed consolidated statement of changes in equity	7-8
Notes to the condensed consolidated interim financial statements	9-18



KPMG Lower Gulf Limited  
Level 12, IT Plaza  
Dubai Silicon Oasis, Dubai, UAE  
Tel. +971 (4) 356 9500, Fax +971 (4) 326 3788

## **Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Statements**

The Shareholders  
Dubai Investments PJSC

### **Introduction**

We have reviewed the accompanying 30 September 2016 condensed consolidated interim financial statements of Dubai Investments PJSC ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprise:

- the condensed consolidated statement of profit or loss for the three month and nine month periods ended 30 September 2016;
- the condensed consolidated statement of comprehensive income for the three month and nine month periods ended 30 September 2016;
- the condensed consolidated statement of financial position as at 30 September 2016;
- the condensed consolidated statement of cash flows for the nine month period ended 30 September 2016;
- the condensed consolidated statement of changes in equity for the nine month period ended 30 September 2016; and
- notes to the condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of this condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed consolidated interim financial statements based on our review.



**Dubai Investments PJSC**  
*Independent Auditors' Report on Review of Condensed  
Consolidated Interim Financial Statements  
30 September 2016*

**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 statements 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 condensed consolidated interim financial statements as at 30 September 2016 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG Lower Gulf Limited  
Fawzi AbuRass  
Registration No. 968  
Dubai, United Arab Emirates

31 October 2016

# Dubai Investments PJSC and its subsidiaries

## Condensed consolidated statement of profit or loss

for the three month and nine month periods ended 30 September (unaudited)

		Three month period ended 30 September		Nine month period ended 30 September	
	Note	2016 AED 000	2015 AED 000	2016 AED 000	2015 AED 000
Sale of goods		211,855	224,722	661,682	691,205
Rental income		230,072	188,314	654,287	540,940
Contract revenue		121,413	87,211	356,916	305,163
Sale of properties		750	1,430	2,175	22,556
Gain on fair valuation of investment properties	10	229,250	247,864	315,389	247,864
Gain/(loss) on fair valuation of investments		15,538	(54,615)	(12,290)	(34,478)
Gain on sale of investment properties		408	-	6,618	13,995
(Loss)/gain on sale of investments – (net)		(7,786)	146	(10,132)	15,166
Share of profit from equity accounted investees		8,249	5,537	15,495	43,095
Dividend income		4,590	523	9,199	20,493
Gain/(loss) on disposal of subsidiaries	23	-	-	186,632	(4,833)
<b>Total income</b>		<b>814,339</b>	<b>701,132</b>	<b>2,185,971</b>	<b>1,861,166</b>
Direct operating costs	6	(384,314)	(341,812)	(1,098,983)	(871,010)
Administrative and general expenses	7	(90,219)	(85,342)	(275,436)	(253,658)
Finance expenses		(23,752)	(27,614)	(67,952)	(66,910)
Finance income		16,002	15,235	49,904	46,002
Other income	8	8,186	3,851	49,614	51,269
<b>Profit for the period</b>		<b>340,242</b>	<b>265,450</b>	<b>843,118</b>	<b>766,859</b>
<b>Profit attributable to:</b>					
Owners of the Company		334,402	246,068	850,312	751,689
Non-controlling interests		5,840	19,382	(7,194)	15,170
<b>Profit for the period</b>		<b>340,242</b>	<b>265,450</b>	<b>843,118</b>	<b>766,859</b>
<b>Earnings per share</b>					
Basic earnings per share (AED)	16	0.08	0.06	0.21	0.19

The notes set out on pages 9 to 18 form part of these condensed consolidated interim financial statements.

# Dubai Investments PJSC and its subsidiaries

## Condensed consolidated statement of comprehensive income for the three month and nine month periods ended 30 September (unaudited)

	Three month period ended 30 September		Nine month period ended 30 September	
	2016	2015	2016	2015
	AED 000	AED 000	AED 000	AED 000
<b>Profit for the period</b>	<b>340,242</b>	265,450	<b>843,118</b>	766,859
<b>Other comprehensive income:</b>				
<b>Items that will never be reclassified to profit or loss</b>				
Net change in fair value of investments at fair value through other comprehensive income (OCI)	(12,744)	(17,608)	(55,182)	(28,617)
	-----	-----	-----	-----
Total other comprehensive income for the period	(12,744)	(17,608)	(55,182)	(28,617)
	-----	-----	-----	-----
<b>Total comprehensive income for the period</b>	<b>327,498</b>	247,842	<b>787,936</b>	738,242
	=====	=====	=====	=====
<b>Attributable to:</b>				
Owners of the Company	325,838	228,460	803,907	726,731
Non-controlling interests	1,660	19,382	(15,971)	11,511
	-----	-----	-----	-----
<b>Total comprehensive income for the period</b>	<b>327,498</b>	247,842	<b>787,936</b>	738,242
	=====	=====	=====	=====

The notes set out on pages 9 to 18 form part of these condensed consolidated interim financial statements.

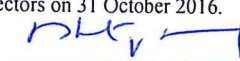
# Dubai Investments PJSC and its subsidiaries

## Condensed consolidated statement of financial position (unaudited)

		30 September 2016 AED 000 (Unaudited)	31 December 2015 AED 000 (Audited)	30 September 2015 AED 000 (Unaudited)
	Note			
<b>Non-current assets</b>				
Property, plant and equipment and biological assets	9	1,328,047	1,367,073	1,437,232
Goodwill and intangible assets		100,970	102,313	102,674
Investment properties	10	6,265,064	4,990,408	4,568,064
Investments at fair value through other comprehensive income	11	289,544	387,400	399,922
Investment in equity accounted investees	21	645,881	874,709	849,733
Rent receivable		44,028	48,878	46,393
Finance lease receivable		75,502	129,019	75,809
Inventories	12	1,858,581	1,457,540	1,525,730
Trade receivables	13	219,758	218,901	190,975
Other receivables		66,086	84,909	95,099
<b>Total non-current assets</b>		<b>10,893,461</b>	<b>9,661,150</b>	<b>9,291,631</b>
<b>Current assets</b>				
Inventories	12	446,209	749,141	742,605
Investments at fair value through profit or loss	11	1,726,107	1,688,287	1,724,646
Trade receivables	13	1,112,031	1,169,542	1,306,942
Due from related parties and other receivables		681,464	485,155	587,112
Cash at bank and in hand	15	1,104,838	1,500,855	1,329,009
Asset held for sale		87,479	-	-
<b>Total current assets</b>		<b>5,158,128</b>	<b>5,592,980</b>	<b>5,690,314</b>
<b>Total assets</b>		<b>16,051,589</b>	<b>15,254,130</b>	<b>14,981,945</b>
<b>Equity</b>				
Share capital		4,049,541	4,049,541	4,049,541
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	24	22,000	67,000	67,000
Fair value reserve		(237,502)	(191,097)	(172,935)
Proposed dividend	19	-	485,945	-
Proposed directors' fee	19	-	8,000	-
Retained earnings		5,086,779	4,201,404	4,565,386
<b>Equity attributable to owners of the Company</b>		<b>11,011,841</b>	<b>10,711,816</b>	<b>10,371,831</b>
<b>Non-controlling interests</b>		<b>610,306</b>	<b>487,567</b>	<b>511,710</b>
<b>Total equity</b>		<b>11,622,147</b>	<b>11,199,383</b>	<b>10,883,541</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Long-term bank borrowings	17	515,729	430,166	455,102
Sukuk notes	18	1,101,600	1,101,600	1,101,600
Other payables		68,571	54,680	119,158
<b>Total non-current liabilities</b>		<b>1,685,900</b>	<b>1,586,446</b>	<b>1,675,860</b>
<b>Current liabilities</b>				
Bank borrowings	17	1,273,713	1,222,858	1,044,800
Trade, related parties and other payables		1,436,931	1,245,443	1,377,744
Liabilities held for sale		32,898	-	-
<b>Total current liabilities</b>		<b>2,743,542</b>	<b>2,468,301</b>	<b>2,422,544</b>
<b>Total liabilities</b>		<b>4,429,442</b>	<b>4,054,747</b>	<b>4,098,404</b>
<b>Total equity and liabilities</b>		<b>16,051,589</b>	<b>15,254,130</b>	<b>14,981,945</b>

The condensed consolidated interim financial statements was authorized for issue on behalf of the Board of Directors on 31 October 2016.

  
Khalid Jassim Kalban  
MD & CEO

  
Mushtaq Masood  
Group CFO

The notes set out on pages 9 to 18 form part of these condensed consolidated interim financial statements.

# 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	
	2016	2015
	AED 000	AED 000
<b>Cash flows from operating activities</b>		
Profit for the period	843,118	766,859
<i>Adjustments for:</i>		
Depreciation	84,553	78,182
Amortization of intangible assets	1,343	1,105
Impairment loss on property, plant and equipment	-	1,012
Gain on disposal of property, plant and equipment	(2,474)	(2,969)
Gain on fair valuation of existing interest prior to acquisition of a subsidiary (refer note 21)	(7,275)	-
Loss/(gain) on sale of investments – (net)	10,132	(15,166)
Gain on fair valuation of investment properties	(315,389)	(247,864)
Gain on sale of investment properties	(6,618)	(13,995)
Share of profit from equity accounted investees	(15,495)	(43,095)
Loss on fair valuation of investments	12,290	34,478
(Gain)/loss on disposal of subsidiaries	(186,632)	4,833
Reversal of provision for write down of inventories to net realizable value	-	(178,000)
Bargain purchase gain	-	(27,613)
	-----	-----
<b>Operating profit before changes in working capital</b>	<b>417,553</b>	<b>357,767</b>
<i>Changes in:</i>		
- investment at fair value through profit or loss and at fair value through OCI	83,906	117,428
- trade and other receivables	(20,051)	380,066
- inventories	(114,646)	(35,432)
- trade and other payables	55,643	(27,486)
Directors' fee paid	(8,000)	(8,000)
	-----	-----
<b>Net cash from operating activities</b>	<b>414,405</b>	<b>784,343</b>
	-----	-----
<b>Cash flows from investing activities</b>		
Cash paid for acquisition of controlling/non-controlling interests – net of consideration acquired (refer notes 20 and 21)	(93,961)	12,134
Net movement in investment properties	(273,166)	(9,372)
Acquisition of property, plant and equipment	(52,836)	(48,958)
Proceeds from disposal of property, plant and equipment	13,787	32,693
Proceeds from disposal of subsidiaries	-	32,757
	-----	-----
<b>Net cash (used in)/from investing activities</b>	<b>(406,176)</b>	<b>19,254</b>
	-----	-----
<b>Cash flows from financing activities</b>		
Net movement in bank borrowings and payables	37,435	(190,091)
Net movement in non-controlling interests	470	(11,312)
Net movement in equity accounted investees	4,554	35,503
Dividend paid	(485,945)	(458,439)
Net movement in deposits under lien	(1,515)	5,376
	-----	-----
<b>Net cash used in financing activities</b>	<b>(445,001)</b>	<b>(618,963)</b>
	-----	-----
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(436,772)</b>	<b>184,634</b>
Cash and cash equivalents at 1 January	1,178,491	835,698
	-----	-----
<b>Cash and cash equivalents at 30 September</b>	<b>741,719</b>	<b>1,020,332</b>
	-----	-----
<i>Cash and cash equivalents comprise the following:</i>		
Cash in hand, current and call accounts with banks	485,235	602,023
Short term deposits with banks (excluding those under lien)	597,979	701,977
Bank overdrafts, trust receipt loans and bills discounted	(341,495)	(283,668)
	-----	-----
	<b>741,719</b>	<b>1,020,332</b>
	=====	=====

The notes set out on pages 9 to 18 form part of these condensed consolidated interim financial statements.



# 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	Proposed directors' fee	Retained earnings	Sub total	Non-controlling interests	Total
<b>Balance at 1 January 2015</b>	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	-	-	-	-	-	-	-	-	-	751,689	751,689	15,170	766,859
<b>Other comprehensive income</b>													
Net change in fair value of investments at fair value through OCI	-	-	-	-	-	-	(24,958)	-	-	-	(24,958)	(3,659)	(28,617)
Total other comprehensive income for the period	-	-	-	-	-	-	(24,958)	-	-	-	(24,958)	(3,659)	(28,617)
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	(24,958)	-	-	751,689	726,731	11,511	738,242
<b>Transactions with owners, recorded directly in equity</b>													
<i>Contributions by and distributions to owners</i>													
Dividend paid	-	-	-	-	-	-	-	(458,439)	-	-	(458,439)	-	(458,439)
Bonus shares issued	229,219	-	-	-	-	-	-	(229,219)	-	-	-	-	-
Dividend paid by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(9,418)	(9,418)
Total contributions by and distribution to owners	229,219	-	-	-	-	-	-	(687,658)	-	-	(458,439)	(9,418)	(467,857)
<i>Changes in ownership interests</i>													
On acquisitions and disposals of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	103,489	103,489
On acquisitions of non-controlling interests	-	-	-	-	-	-	-	-	-	6,229	6,229	(26,392)	(20,163)
Total change in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	6,229	6,229	77,097	83,326
<b>Total transactions with owners</b>	229,219	-	-	-	-	-	-	(687,658)	-	6,229	(452,210)	67,679	(384,531)
<b>Other movements</b>													
Directors' fee paid	-	-	-	-	-	-	-	-	(8,000)	-	(8,000)	-	(8,000)
<b>Total other movements</b>	-	-	-	-	-	-	-	-	(8,000)	-	(8,000)	-	(8,000)
<b>Balance at 30 September 2015</b>	<b>4,049,541</b>	<b>46</b>	<b>25,502</b>	<b>775,730</b>	<b>1,061,561</b>	<b>67,000</b>	<b>(172,935)</b>	<b>-</b>	<b>-</b>	<b>4,565,386</b>	<b>10,371,831</b>	<b>511,710</b>	<b>10,883,541</b>

**Dubai Investments PJSC and its subsidiaries**  
**Condensed consolidated statement of changes in equity (continued)**  
*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	Proposed directors' fee	Retained earnings	Sub total	Non-controlling interests	Total
<b>Balance at 1 January 2016</b>	<b>4,049,541</b>	<b>46</b>	<b>25,502</b>	<b>890,756</b>	<b>1,174,719</b>	<b>67,000</b>	<b>(191,097)</b>	<b>485,945</b>	<b>8,000</b>	<b>4,201,404</b>	<b>10,711,816</b>	<b>487,567</b>	<b>11,199,383</b>
Profit for the period	-	-	-	-	-	-	-	-	-	850,312	850,312	(7,194)	843,118
<b>Other comprehensive income</b>													
Net change in fair value of investments at fair value through OCI	-	-	-	-	-	-	(46,405)	-	-	-	(46,405)	(8,777)	(55,182)
<b>Total other comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(46,405)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(46,405)</b>	<b>(15,971)</b>	<b>(55,182)</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(46,405)</b>	<b>-</b>	<b>-</b>	<b>850,312</b>	<b>803,907</b>	<b>(15,971)</b>	<b>787,936</b>
<b>Transactions with owners, recorded directly in equity</b>													
<i>Contributions by and distributions to owners</i>													
Dividend paid	-	-	-	-	-	-	-	(485,945)	-	-	(485,945)	-	(485,945)
Dividend paid by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(450)	(450)
<b>Total contributions by and distribution to owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(485,945)</b>	<b>-</b>	<b>-</b>	<b>(485,945)</b>	<b>(450)</b>	<b>(486,395)</b>
<i>Changes in ownership interests</i>													
On acquisition by a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(9,097)	(9,097)
On acquisitions of non-controlling interests (note 20)	-	-	-	-	-	-	-	-	-	(9,937)	(9,937)	(919)	(10,856)
On acquisition of a subsidiary (note 21)	-	-	-	-	-	-	-	-	-	-	-	147,877	147,877
Introduction of share capital in a subsidiary	-	-	-	-	-	-	-	-	-	-	-	1,299	1,299
<b>Total change in ownership interests in subsidiaries</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9,937)</b>	<b>(9,937)</b>	<b>139,160</b>	<b>129,223</b>
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(485,945)</b>	<b>-</b>	<b>(9,937)</b>	<b>(495,882)</b>	<b>138,710</b>	<b>(357,172)</b>
<b>Other movements</b>													
Directors' fee paid	-	-	-	-	-	-	-	-	(8,000)	-	(8,000)	-	(8,000)
Others (refer note 24)	-	-	-	-	-	(45,000)	-	-	-	45,000	-	-	-
<b>Total other movements</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(45,000)</b>	<b>-</b>	<b>-</b>	<b>(8,000)</b>	<b>45,000</b>	<b>(8,000)</b>	<b>-</b>	<b>(8,000)</b>
<b>Balance at 30 September 2016</b>	<b>4,049,541</b>	<b>46</b>	<b>25,502</b>	<b>890,756</b>	<b>1,174,719</b>	<b>22,000</b>	<b>(237,502)</b>	<b>-</b>	<b>-</b>	<b>5,086,779</b>	<b>11,011,841</b>	<b>610,306</b>	<b>11,622,147</b>

The notes set out on pages 9 to 18 form part of these condensed consolidated interim financial statements.

# Dubai Investments PJSC and its subsidiaries

## Notes to the condensed consolidated interim financial statements for the nine month period ended 30 September 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. These condensed consolidated interim financial statements as at and for the nine month period ended 30 September 2016 (“the current period”) comprise the financial statements 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 statements have been prepared in accordance with the International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*. The condensed consolidated interim financial statements 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 statements 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 statements 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 statements requires management to make judgments, 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 statements (*continued*)  
for the nine month period ended 30 September 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>30 September 2016</i>	<b>Level 1 AED'000</b>	<b>Level 2 AED'000</b>	<b>Level 3 AED'000</b>	<b>Total AED'000</b>
Financial assets at fair value through profit or loss	<b>394,868</b>	<b>1,052,135</b>	<b>279,104</b>	<b>1,726,107</b>
Financial assets at fair value through other comprehensive income	<b>697</b>	<b>-</b>	<b>288,847</b>	<b>289,544</b>
	<b>395,565</b>	<b>1,052,135</b>	<b>567,951</b>	<b>2,015,651</b>
<i>31 December 2015</i>	<b>Level 1 AED'000</b>	<b>Level 2 AED'000</b>	<b>Level 3 AED'000</b>	<b>Total AED'000</b>
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 statements (*continued*)  
for the nine month period ended 30 September 2016 (*unaudited*)

## 5. Financial instruments (*continued*)

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

	2016 AED'000	2015 AED'000
As at 1 January	633,155	542,553
Additions upon business combination	-	75,276
Purchased during the period	39,389	86,525
Redeemed/sold during the period	(49,411)	(38,305)
<b>Loss included in OCI</b>		
Net change in fair value (unrealized)	(55,182)	(28,617)
<b>Gain included in gain on fair valuation of investments</b>		
- Net change in fair value (unrealized)	-	3,365
Transfer out of Level 3 on acquisition	-	(2,320)
	-----	-----
As at 30 September	567,951	638,477
	=====	=====

There were no transfers between Level 1 and Level 2 fair value measurements.

### 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 30 September		Nine month period ended 30 September	
	2016 AED 000	2015 AED 000	2016 AED 000	2015 AED 000
<i>These include:</i>				
Materials consumed	182,224	189,125	567,431	600,500
Cost of properties sold	660	1,569	1,844	16,194
Staff costs	46,484	47,786	129,879	130,587
Depreciation	17,158	18,934	57,085	56,429
Share of Government of Dubai in the realized profits of a subsidiary (refer note 10)	30,204	23,619	86,355	71,739
Reversal of provision for write down of inventories to net realizable value (refer note 12)	-	-	-	(178,000)
	=====	=====	=====	=====

## 7. Administrative and general expenses

	Three month period ended 30 September		Nine month period ended 30 September	
	2016 AED 000	2015 AED 000	2016 AED 000	2015 AED 000
<i>These include:</i>				
Staff costs	53,719	51,098	156,266	148,183
Selling and marketing expenses	14,240	9,913	35,329	30,955
Depreciation	10,884	7,474	27,468	21,753
	=====	=====	=====	=====

# Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements (*continued*)  
for the nine month period ended 30 September 2016 (unaudited)

## 8. Other income

It includes gain on fair valuation of existing interest prior to acquisition of a subsidiary of AED 7.3 million (refer note 21) and insurance claim of AED 8 million (*nine month period ended 30 September 2015: mainly includes bargain purchase gain of AED 27.6 million*).

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

During the nine month period ended 30 September 2016, the Group's additions to assets amounted to AED 52.84 million (*nine month period ended 30 September 2015: AED 48.96 million*). Furthermore, in relation to disposal of subsidiaries, assets with net book value of AED 97.40 million have been disposed/reclassified as held for sale at 30 September 2016 (also refer note 23).

## 10. Investment properties

- i) As at 30 September 2016, the Group has obtained fair values of infrastructure and ancillary facilities leased to third parties built on the land (number 598-0100 and 597-0100 located in Jebel Ali Industrial Area). 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 a discounted cash flow model. The fair valuation gain of AED 196 million (*nine month period ended 30 September 2015: fair valuation gain of AED 163 million*) has arisen due to significant change in the contractual net cash flows as per the terms of lease contracts with tenants.
  - ii) During the current period, the management based on a change of use of properties from sale to leases to third parties, have reclassified inventories with a carrying value of AED 301.9 million to investment properties. Accordingly, the difference between the carrying value and fair value of properties amounting to AED 86.1 million has been recognized in the condensed consolidated statement of profit and loss.
  - iii) The Group obtained fair valuation of a shopping mall and a plot of land resulting in a gain on fair valuation of AED 33 million during the current period. The valuation was carried out by an independent registered valuer using comparative sales prices.
  - iv) The Group acquired properties amounting to AED 272.9 million during the current period.
- Also refer note 21 and 23.

# Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements (*continued*)  
for the nine month period ended 30 September 2016 (unaudited)

## 11. Investments

	30 September 2016 AED 000 (Unaudited)	31 December 2015 AED 000 (Audited)	30 September 2015 AED 000 (Unaudited)
Investments at fair value through other comprehensive income:			
- unquoted equity securities	289,544	387,400	399,922
	-----	-----	-----
(i)	289,544	387,400	399,922
	=====	=====	=====
Investments at fair value through profit or loss:			
- held for trading quoted equity securities	395,565	379,447	418,765
- unquoted equity securities, funds, bonds and sukus	1,330,542	1,308,840	1,305,881
	-----	-----	-----
(ii)	1,726,107	1,688,287	1,724,646
	=====	=====	=====

### *Geographical distribution of investments*

UAE	896,320	818,719	856,049
Other GCC countries	406,210	468,634	478,562
Other countries	713,121	788,334	789,957
	-----	-----	-----
(i)+(ii)	2,015,651	2,075,687	2,124,568
	=====	=====	=====

## 12. Inventories

Inventories at 30 September 2016 include properties under development for sale in the ordinary course of business amounting to AED 1,859 million (*31 December 2015: AED 1,458 million*) and represent costs of land, expenditure incurred towards the development of properties for subsequent sale and borrowing costs. The Group intends to develop these properties for sale and has classified these properties as long term based on completion/future development plans.

Also refer notes 10 and 21.

During the period ended 30 September 2015, the management based on a 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.

## 13. Trade receivables

Trade receivables as at 30 September 2016 include an amount of AED 222 million (*31 December 2015: AED 222 million*) representing the 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 filed an appeal with the Dubai Court of Appeal.

# Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements (*continued*)  
for the nine month period ended 30 September 2016 (unaudited)

## 13. Trade receivables (*continued*)

The Company and the customer has 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 22.

## 14. 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	
	2016	2015	2016	2015
	AED 000	AED 000	AED 000	AED 000
Land and other lease charges	1,000	4,211	5,700	12,633
<b>Compensation to key management personnel is as follows:</b>				
- Short term benefits	4,014	3,594	12,030	10,779
- Post employee benefits	102	32	307	96
	===	===	===	===

## 15. Cash at bank and in hand

	30 September 2016	31 December 2015	30 September 2015
	AED 000	AED 000	AED 000
	(Unaudited)	(Audited)	(Unaudited)
Cash in hand	1,640	1,517	1,745
Cash at bank within UAE (current accounts)	436,083	396,269	519,185
Cash at bank outside UAE – GCC Countries (current accounts)	11,759	24,505	12,762
Cash at bank outside UAE – Other countries (current accounts)	35,753	60,722	68,331
Short term deposits (including deposits of AED 21.62 million (31 December 2015: 20.11 million) under lien with banks)	619,603	1,017,842	726,986
	=====	=====	=====
	1,104,838	1,500,855	1,329,009
	=====	=====	=====



# Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements (*continued*)  
for the nine month period ended 30 September 2016 (unaudited)

## 16. Basic earnings per share

	Three month period ended 30 September		Nine month period ended 30 September	
	2016	2015	2016	2015
Net profit attributable to owners of the Company (AED'000)	<b>334,402</b>	246,068	<b>850,312</b>	<b>751,689</b>
Weighted average number of shares outstanding ('000s)	<b>4,049,541</b>	4,049,541	<b>4,049,541</b>	<b>4,049,541</b>
	=====	=====	=====	=====

## 17. 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 guarantee by the Company, mortgages over certain inventories, trade receivables, property, plant and equipment, investment properties, 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.

## 18. 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.

## 19. Proposed dividend 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 which was paid during the current period.
- (ii) At the Annual General Meeting held on 13 April 2016, the shareholders approved the proposed Directors' fee amounting to AED 8 million for the year ended 31 December 2015 which was paid during the current period.

## 20. Acquisition of non-controlling interests

- 1) During the current period, the Company acquired additional 3.90% 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 64.76%.
- 2) During the current period, the Company acquired 3.58% stake in its existing subsidiary Masharie LLC from another subsidiary of the Group. Post-acquisition of additional interest, the Group's effective shareholding in this subsidiary has increased from 73.65% to 75.58%.

# Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements (*continued*)  
for the nine month period ended 30 September 2016 (unaudited)

## 21. Acquisition of a subsidiary

With effect from 12 April 2016, the Group acquired additional 20% interest in its existing jointly controlled entity, Properties Investments LLC (PI) from the joint venture partner. Upon acquisition of additional interest, PI has become a subsidiary of the Group and hence the investment in equity accounted investee has been derecognized and has been consolidated on a line by line basis. The acquisition had the following effect on the consolidated financial statements on the date of acquisition:

<b>Entity acquired</b>	<b>Properties Investments LLC</b>
<b>% acquired</b>	<b>20%</b>
<b>Fair value of assets and liabilities acquired:</b>	<b>AED'000</b>
Non-current assets	601,341
Current assets	147,305
Non-current liabilities	(74,998)
Current liabilities	(180,729)
	-----
<b>Fair value of net assets acquired</b>	<b>492,919</b>
	=====
Purchase consideration – (A)	98,000
Add: carrying value of existing interest	239,769
	-----
<b>Total consideration</b>	<b>337,769</b>
Less: Group's share in the fair value of net assets acquired	(345,044)
	-----
Gain on fair valuation of existing interest prior to acquisition (included in other income)	7,275
	=====
Cash acquired (B)	32,795
	-----
<b>Net cash outflow (A) – (B)</b>	<b>(65,205)</b>
	=====

## 22. Contingent liabilities

Corporate guarantee issued to commercial banks for credit facilities granted to equity accounted investees' amounts to AED Nil. (31 December 2015: AED 252.50 million).

With reference to the legal proceedings initiated by the subsidiary against a customer as mentioned in Note 13, 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.

The Company and the customer has 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 13.

# Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements (*continued*)  
for the nine month period ended 30 September 2016 (unaudited)

## 23. 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 has been settled by transfer 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.

## 24. Revaluation reserve

With reference to note 23, the related revaluation reserve for land amounting to AED 45 million has been credited directly to retained earnings.

## 25. Capital commitments

As at 30 September 2016, the Group has contractual capital commitments amounting to AED 114 million (*31 December 2015: AED 31 million*) mainly relating to new projects/investments.

## 26. 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 require 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, 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 separate segment is included below. Performance is measured based on segment revenue and 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 a 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 statements *(continued)*

for the nine month period ended 30 September 2016 (unaudited)

### 26. Segment reporting *(continued)*

#### Information about reportable segments

	AED'000							
<i>Business Segments</i>	<b>Manufacturing and contracting</b>		<b>Investments</b>		<b>Property</b>		<b>Total</b>	
	<b>Nine month period ended 30 September</b>		<b>Nine month period ended 30 September</b>		<b>Nine month period ended 30 September</b>		<b>Nine month period ended 30 September</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Revenue	<b>1,031,439</b>	1,030,410	<b>(8,620)</b>	3,554	<b>661,131</b>	584,171	<b>1,683,950</b>	1,618,135
Gain on fair valuation of investments properties	-	-	-	-	<b>315,389</b>	247,864	<b>315,389</b>	247,864
Gain/(loss) on disposal of subsidiaries	<b>186,632</b>	(4,833)	-	-	-	-	<b>186,632</b>	(4,833)
	=====	=====	=====	=====	=====	=====	=====	=====
<b>Total income</b>	<b>1,218,071</b>	1,025,577	<b>(8,620)</b>	3,554	<b>976,520</b>	832,035	<b>2,185,971</b>	1,861,166
Direct operating costs	<b>(901,191)</b>	(877,475)	-	-	<b>(197,792)</b>	(171,535)	<b>(1,098,983)</b>	(1,049,010)
Administrative and general expenses	<b>(169,005)</b>	(165,131)	<b>(69,011)</b>	(58,620)	<b>(37,420)</b>	(29,907)	<b>(275,436)</b>	(253,658)
Reversal for write down of inventories to net realizable value	-	-	-	-	-	178,000	-	178,000
Finance expenses	<b>(28,775)</b>	(27,849)	<b>(13,396)</b>	(12,763)	<b>(25,781)</b>	(26,298)	<b>(67,952)</b>	(66,910)
Finance income and other income	<b>22,804</b>	14,284	<b>45,158</b>	41,141	<b>31,556</b>	41,846	<b>99,518</b>	97,271
	=====	=====	=====	=====	=====	=====	=====	=====
<b>Profit for the period</b>	<b>141,904</b>	(30,594)	<b>(45,869)</b>	(26,688)	<b>747,083</b>	824,141	<b>843,118</b>	766,859
	=====	=====	=====	=====	=====	=====	=====	=====
<b>Profit attributable to:</b>								
Owners of the Company	<b>157,018</b>	(13,103)	<b>(45,187)</b>	(25,349)	<b>738,481</b>	790,141	<b>850,312</b>	751,689
Non – controlling interests	<b>(15,114)</b>	(17,491)	<b>(682)</b>	(1,339)	<b>8,602</b>	34,000	<b>(7,194)</b>	15,170
	=====	=====	=====	=====	=====	=====	=====	=====
<b>Profit for the period</b>	<b>141,904</b>	(30,594)	<b>(45,869)</b>	(26,688)	<b>747,083</b>	824,141	<b>843,118</b>	766,859
	=====	=====	=====	=====	=====	=====	=====	=====
	<b>30 September 2016</b>	<b>31 December 2015</b>	<b>30 September 2016</b>	<b>31 December 2015</b>	<b>30 September 2016</b>	<b>31 December 2015</b>	<b>30 September 2016</b>	<b>31 December 2015</b>
<b>Assets</b>	<b>3,099,325</b>	3,000,778	<b>3,198,463</b>	3,409,948	<b>9,753,801</b>	8,843,404	<b>16,051,589</b>	15,254,130
	=====	=====	=====	=====	=====	=====	=====	=====
<b>Liabilities</b>	<b>1,369,195</b>	1,311,570	<b>945,157</b>	1,059,422	<b>2,115,090</b>	1,683,755	<b>4,429,442</b>	4,054,747
	=====	=====	=====	=====	=====	=====	=====	=====

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