Damac Properties Dubai Co. PJSC

شركة داماك العقارية دبي ش.م.ع

4th August 2015

4 أغسطس 2015

DAMAC Properties Dubai Co PJSC Financial Results for H1 2015

More than 50% growth in Net Profit over H1 2014

Interim Dividend payment of 20%.

Revenues at AED 4,749 million, Net Profit at AED 2,650 million

DAMAC Properties Dubai Co PJSC (DFM: DAMAC) (“DAMAC” or the "Company"), a leading developer of high-end property in the Middle East, announces results for the six months ending 30th June 2015.

DAMAC Financial Highlights for H1 2015:

- **Revenues** of **AED 4,749** million ($1,292m).
- **Net profit of AED 2,650** million ($721m).
- **Total assets** at **AED 20,813** million, ($5,663m), representing growth of 11% compared to 31st December 2014.
- **Cash and Bank Balance** at **AED 8,731 million**, ($2,376m), representing growth of 32% compared to 31st December 2014.
- **Advances from customers** stood at **AED 5,922** million**,** ($1,611m) as at 30th June 2015.
- **Development properties** at **AED 7,508** million, ($2,043m) as at 30th June 2015.
- **Net cash generated from operating activities: AED 1,735 million.**
- **Six month EPS of AED .48 per share**
- **Interim Dividend payment:** 10% Cash Dividends and 10% Bonus shares.

DAMAC has adopted the International Financial Reporting Standard 15 (IFRS 15) effective 1st January 2015.

داماك العقارية دبي (ش.م.ع.) النتائج المالية للنصف الأول من عام 2015

نمّو صافي الارباح أكثر من 50% مقارنة بالنصف الاول من العام 2014

توصية باصدار أرباح فصلية 20%

4,749 مليون درهم عائدات 2,650 مليون درهم أرباح صافية

تعلن داماك العقارية دبي (ش.م.ع.) (سوق دبي المالي: DAMAC) ("داماك" أو "الشركة")، المطور الرائد للعقارات السكنية المترفة في الشرق الأوسط، عن نتائج النصف الأول المنتهي في 30 يونيو 2015.

الجوانب المالية الرئيسة للنصف الأول من عام 2015:

- بلغت الإيرادات 4,749 مليون درهم إماراتي (1,292مليون دولار أمريكي)
- بلغت صافي الأرباح 2,650 مليون درهم إماراتي (721 مليون دولار أمريكي)
- بلغ مجموع الموجودات 20,813 مليون درهم إماراتي (5,663 مليون دولار أمريكي) ما يشكل نمواً بنسبة 11% مقارنة بنهاية العام السابق الموافق 31 ديسمبر 2014.
- بلغ مجموع النقد والارصدة لدى البنوك 8,731 مليون درهم إماراتي (2,376 مليون دولار أمريكي) ما يشكل نمواً بنسبة 32% مقارنة بنهاية العام السابق الموافق 31 ديسمبر 2014.
- بلغت قيمة المبالغ المدفوعة مقدماً من العملاء 5,922 مليون درهم إماراتي (1,611 مليون دولار أمريكي) حتى 30 يونيو 2015.
- بلغت قيمة العقارات قيد التطوير 7,508 مليون درهم إماراتي (2,043 مليون دولار أمريكي) حتى تاريخ 30 يونيو 2015.
- صافي النقد الناتج من أنشطة التشغيل: 1,735 مليون درهم إماراتي.
- ربحية السهم خلال الأشهر الستة بلغت 0.48 فلس للسهم الواحد
- توزيعات الأرباح الفصلية: 10% أرباح نقدية و 10% أسهم منحة.

أعتمدت شركة داماك المعيار المحاسبي (IFRS 15) لتطبيقه على البيانات المالية للشركة اعتباراً من تاريخ 1 يناير 2015.

Due to the restructuring of DAMAC Properties Dubai Co PJSC in 2014, year on year % comparisons are not applicable. For relevant year on year comparable, the results of DAMAC Real Estate development limited or "DRED", the wholly owned subsidiary of DAMAC and the owner of all real estate assets should be reviewed.

DAMAC Operational Highlights for H1 2015:

- **Booked Sales AED 5,109** million ($**1,390** million).
- **1511 units handed over in 1H**. This results in cumulative deliveries of **14,375** units to date by DAMAC.
- Introduction of the Residences at Paramount Tower Hotel & Residences on Sh Zayed Road, Dubai.
- Introduction of 'Vista Lux', the entertainment and hospitality component of AKOYA Oxygen.
- Introduction of 'Golf Promenade' Serviced Hotel apartments at AKOYA by DAMAC.
- Introduction of 'Carson' at AKOYA by DAMAC.
- Introduction of 'The Woods' at AKOYA Oxygen.
- Introduction of 'NOVA Serviced Hotel Villas' at AKOYA Oxygen.
- Company commenced handover of the first project in Doha-Qatar in Q2 2015.
- Opening of three new projects under the DAMAC Maison and NAIA hospitality brands.

The company has seen good construction progress across the portfolio in H1 2015 :

- DAMAC Heights has reached level 82.
- DAMAC Towers by Paramount (almost 2,000 keys) is at level 41 above podium on all four towers.
- Since the launch of AKOYA Oxygen, there continues to be strong interest in real estate that are part of Golf Communities, in particular those which have collaborations with Global brands.

ونظراً لإعادة هيكلة شركة داماك العقارية دبي (ش.م.ع.) في عام 2014، فالمقارنة السنوية غير قابلة للتطبيق. وينبغي في حال الحاجة للمقارنة مراجعة نتائج شركة داماك للتنمية العقارية المحدودة (DRED) المملوكة بالكامل لشركة داماك، والتي تمتلك جميع الأصول العقارية.

الجوانب التشغيلية الرئيسة للنصف الأول من عام 2015:

- بلغت حجوزات البيع: 5,109 مليون درهم إماراتي (1,390 مليون دولار أمريكي).
- سلّمت الشركة 1511 وحدة في النصف الأول، ما رفع العدد الإجمالي للوحدات التي سلمتها الشركة حتى تاريخه إلى 14,375 وحدة.
- قدمت ذا ريزيدنسز في باراماونت تاور هوتيل آند ريزيدنسز في شارع الشيخ زايد، دبي.
- أطلقت الشركة مشروع فيستلكس عنصر الترفيه والضيافة في أكويا أكسجين
- قدمت غولف بروميناد – شقق فندقية كاملة الخدمات في أكويا من داماك
- أطلقت كارسن- ذا درايف أكويا في أكويا من داماك
- قدمت ذا وودز في أكويا أكسجين
- فلل نوفا الفندقية في أكويا أكسجين
- بدأت الشركة تسليم أول مشروع لها في الدوحة - قطر خلال الربع الثاني من عام 2015.
- افتتحت الشركة ثلاثة مشاريع جديدة ضمن العلامتين التجاريتين للضيافة "داماك ميزون" و"نايا".

سُجلت الشركة تقدماً جيداً في البناء في المشاريع قيد الانشاء خلال النصف الاول من عام 2015:

- بلغت أعمال البناء الطابق 82 في مشروع "داماك هايتس" في مرسى دبي.
- بلغت أعمال البناء في مشروع "داماك تاورز من باراماونت" (2000 مفتاح تقريباً) الطابق 41 فوق المنصة وذلك في الأبراج الأربعة.
- منذ إطلاق أكويا أكسجين، لا يزال هناك اهتمام قوي في العقارات التي هي جزء من مجتمعات الغولف، ولا سيما تلك التي يتم تطويرها بالتعاون العلامات التجارية العالمية. أعمال الطرق الخارجية تسير بشكل جيد لتيسير الوصول، تم تعيين مستشار الرئيسي للمشروع، وتم الإنتهاء من تصميم ملعب الغولف، وكذلك تم أكتمال أعمال

- The external road works are well underway to provide access, the lead consultant has been appointed, the Golf Course design is completed and the grading works on four major clusters is now completed, with work underway on 11 further clusters.
- At AKOYA by DAMAC work is progressing well; the golf course is 96% complete and the clubhouse construction underway. Low rise apartments are also continuing to rise, with the first six buildings of the G+7 projects reaching rooftop.
- At AKOYA by DAMAC, 2,200 villas under construction with circa 50% on second floors and structure complete. The first villas and G+7 are expected to be handed over at the end of this year.

الردم لأربع مجموعات رئيسية، في الوقت الذي يجري فيه العمل 11 مجموعة أخرى.

- في أكويا من داماك يسير العمل بشكل جيد؛ حيث تم الانتهاء من 96% من ملعب الغولف، وجاري أعمال الإنشاء للـ "كلوب هاوس". وتتواصل كذلك الأعمال في البنايات منخفضة الارتفاع، إذ بلغت المباني الستة الأولى من G+7 إلى مستوى السطح.
- في أكويا من داماك 2200 فيلا قيد الإنشاء بنسبة إنجاز 50٪ مع اكتمال الهياكل والطابق الثاني، ومن المتوقع أن يتم تسليمه أول فيلا ومبني G+7 نهاية العام الجاري.

Hussain Sajwani, Chairman of DAMAC, commented:

“The Dubai real estate market has continued to mature with price stabilisation in 2015. This is a welcome and natural progression for any developing market which ensures long-term sustainability.

The first half of the year has seen strong performance for DAMAC with booked sales of AED **5,109 million** showing that interest levels for the right real estate product at the right price remains robust.

In the past six month period we saw recognised revenue of AED 4,749 million ($1,292m) and gross profit of AED 2,863 million ($779m). The company generated net profit of AED 2,650 million ($721) during the first six months of 2015.

The Board of Directors are proposing to the forthcoming general meeting an interim cash dividend of 10% of the paid up share capital. Dividend paid would amount to AED550 million in cash. With these strong results, the Board is further recommending a Bonus Share equivalent to 10% of the Company’s Share Capital equating to 550 million shares

وعلق حسين سجواني، رئيس مجلس إدارة داماك قائلاً:

"لا تزال السوق العقارية فى دبي في طور النضوج مع ثبات فى الاسعار الأمر الذي يمنح القطاع مزيد من الاستقرار خلال عام 2015. وهو موضع ترحيب وتطور طبيعي لأي سوق نامية لضمان الاستدامة والاستقرار على المدى الطويل."

"وشهد النصف الأول من العام أداء قوي لشركة داماك مع حجوزات البيع التى بلغت قيمتها 5,109 مليون درهم إماراتي، الأمر الذي يبين أن هناك اهتمام متزايد من المستثمرين في المنتج الجيد بالسعر المناسب."

"وشهد النصف الأول من العام الجاري إيرادات بلغت 4,749 مليار درهم إماراتي (1,292مليون دولار أمريكي)، فيما سجلت إجمالي الأرباح 2,86 مليار درهم إماراتي. وقد حققت الشركة أرباحاً صافية بلغت 2,650 مليار درهم إماراتي (721 مليون دولار أمريكي) خلال الأشهر الستة الأولى من العام 2015."

" وبالنسبة إلى حقوق المساهمين، أوصى مجلس إدارة الشركة الى الجمعية العمومية بتوزيع أرباح نقدية توازى 10% من رأس المال والبالغ قيمتها 550 مليون درهم إماراتي. اضافة الى ذلك ونظرا للنتائج الايجابية، أوصى مجلس ادارة الشركة الى الجمعية العمومية اصدار أسهم منحة توازي 10% من رأسمال الشركة.

"لقد طورنا علامة تجارية رائدة في السوق تسير بخطى ثابتة في قطاع الفخامة، ونعتقد أن ذلك يوسع الفارق بيننا وبين منافسينا، ونحن نواصل تقديم منتج فريد من نوعه مع مجموعة واسعة من العقارات، والتي تلائم كافة الشرائح التي تستهدفها الشركة."

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Registered Details:
Damac Properties Dubai PJSC
Commercial Register No.300068
Capital: AED 5,500,000,000

تفاصيل التسجيل:
شركة داماك العقارية دبي ش.م.ع
سجل تجاري رقم 300068
رأس المال: 5,500,000,000 درهم

المكتب الرئيسي:
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فاكس: 04 332 1961
موقع إنترنت: www.damacproperties.com

We have developed a market leading brand firmly positioned in the luxury sector and believe this to be a powerful differentiator from our competitors as we continue to offer a unique product with a range of properties and offers to address most sub-segments of our target customers.

We strongly believe that our Sales and Marketing initiatives and financial strength will help us further distinguish ourselves during this period in the cycle.

We have already seen a marked improvement in the first trading month post these results whereby in the month of July we have seen strong growth in booked sales over the traditionally quieter June summer month.

We do expect prices to continue to stabilise through 2015 as we operate in a now mature real estate market. This stabilisation is the natural progression for any developing market which ensures long-term sustainability.

On a macro perspective, Dubai is growing faster than most predictions, underpinned by 13 percent of the AED 41 billion deficit-free budget allocated to infrastructure spending this year alone. Tourism numbers continue to break records, with more than 20 million visitors expected through Dubai airports in June, July and August, and the GDP target of 4.5% is set to outperform the global economy.

Looking further out, continued economic and demographic growth, together with ambitious infrastructure spend and global world class events, should support the market through 2020.

I would finally like to express my appreciation to all my colleagues for their dedication and hard work in delivering this performance. We strive to continue delivering value to our customers and shareholders."

-end-

Exchange rate 1 USD=3.675 AED

DAMAC Properties Dubai Co PJSC
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"نحن نؤمن ان مبادراتنا فى مجالى التسويق و المبيعات بالاضافة مقدراتنا المالية سوف تسمح لنا بمواصلة ادائنا المميز خلال هذه الفترة فى دورة السوق العقارية."
"وشهدنا بالفعل تحسناً ملحوظاً خلال الشهر الأول بعد النتائج، وهو شهر يوليو الذي سجل نمو قوياً في حجوزات البيع نسبة لشهر يونيوالذي يتسم بالهدوء النسبي."

"ونتوقع أن تواصل الأسعار استقرارها خلال عام 2015، إذ لا نزال نعمل في سوق في طور النضوج، وهو تطور طبيعي لأي سوق نامية، ما يمثل ضمانة لاستدامة النمو على المدى الطويل.

"ومن منظور كلي، تسجل دبي نمواً يتجاوز التوقعات، مدعومة بإجمالي إنفاق على البنية التحتية يصل إلى13% من 41 مليار درهم في الميزانية الحالية و الخالية من العجز. ولا تزال أعداد السياح تتجه إلى تحطيمالارقام القياسية، مع أكثر من 20 مليون زائر متوقع عبر مطارات دبي في يونيو ويوليو وأغسطس، ويستهدف الناتج المحلي الإجمالي بلوغ نسبة 4.5% ليتفوق على الاقتصاد العالمي."

"أتطلع إلى استمرار النمو الاقتصادي والسكاني، جنبا إلى جنب مع الإنفاق على البنية التحتيةبالاضافة لمواصلة استضافة العروض العالمية, لتكون العامل الداعم للسوق العقارية حتى عام 2020."

"وأود أخيرا أن أعرب عن تقديري لجميع زملائي على تفانيهم وعملهم الدؤوب في تقديم هذا الأداء. ونحن نسعى جاهدين لمواصلة تقديم قيمة لعملائنا ومساهمينا."

– أنتهي –

سعر الصرف 1 دولار أمريكي = 3.675 درهم إماراتي

داماك العقارية دبي (ش.م.ع.)
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Damac Properties Dubai Co. PJSC
Dubai - United Arab Emirates

Interim condensed consolidated financial information and review report for the six month period ended 30 June 2015

Damac Properties Dubai Co. PJSC

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Director's Report

The Directors have the pleasure in submitting their report together with the interim condensed consolidated financial information of the Company and its subsidiaries (collectively the "Group") for the period ended 30 June 2015. Profit for the period is AED 2,650.3 million (2014: AED 1,742.9 million).

Principal activities

The principal activity of the Group is investment in real estate development companies.

The movement in retained earnings is as follows:

	AED'000	AED'000
Balance at 31 December 2014		4,072,517
Effect of change in accounting policy (Note 5)		597,673
Balance at 1 January 2015		4,670,190
Profit for the period from continuing operations		
Revenue	4,748,989	
Cost of sales	(1,886,071)	
Other income	382,019	
Expenses	(594,629)	
Total		2,650,308
Acquisition of non-controlling interest in DRED (Note 3.6)		752,336
Issue of bonus shares (Note 24)		(500,000)
Balance at 30 June 2015		**7,572,834**

On behalf of the Board of Directors

Chairman

Deloitte.

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Report on Review of Interim Condensed Consolidated Financial Information

The Board of Directors
Damac Properties Dubai Co. PJSC
Dubai
United Arab Emirates

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of **Damac Properties Dubai Co. PJSC** (the "Company") and its subsidiaries (together the "Group") as of 30 June 2015 and the related interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the period from 1 January 2015 to 30 June 2015, and a summary of significant accounting policies and other explanatory information. The Directors of the Group are responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34 '*Interim Financial Reporting*' ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed consolidated 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 interim condensed 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 interim condensed consolidated financial information is not prepared, in all material respects in accordance with IAS 34.

Deloitte & Touche (M.E.)

Musa Ramahi
Registration No.872
Dubai

04 AUG 2015

Interim condensed consolidated statement of financial position
As at 30 June 2015

	Notes	30 June 2015 (Unaudited) AED'000	31 December 2014 (Audited) AED'000
ASSETS			
Property and equipment		65,810	59,941
Development properties	7	7,507,830	8,553,738
Other financial assets	8	671,426	852,750
Trade and other receivables	9	3,703,881	2,729,027
Financial investments	10	132,300	18,372
Cash and bank balances	11	8,731,272	6,612,368
Total assets		20,812,519	18,826,196
EQUITY AND LIABILITIES			
Equity			
Share capital	12	5,500,000	5,000,000
Statutory reserve	13	356,367	356,367
Group restructuring reserve	14	(4,912,810)	(4,912,810)
Retained earnings		7,572,834	4,072,517
Equity attributable to shareholders of the Company		8,516,391	4,516,074
Non-controlling interests		-	752,336
Total equity		8,516,391	5,268,410
Liabilities			
Bank borrowings	15	607,038	276,735
Sukuk certificates	16	2,370,063	2,367,946
Due to a related party	17	-	40,345
Provision for employees' end-of-service indemnity		33,483	28,957
Trade and other payables	18	9,285,544	10,843,803
Total liabilities		12,296,128	13,557,786
Total equity and liabilities		20,812,519	18,826,196

Chairman **Director**

The accompanying notes form an integral part of this interim condensed consolidated financial information

Interim condensed consolidated statement of comprehensive income
For the period ended 30 June 2015

	Notes	3 months ended 30 June		6 months ended 30 June	
		2015	2014	**2015**	2014
		(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
		AED'000	AED'000	**AED'000**	AED'000
Revenue	**19**	**2,318,612**	-	**4,748,989**	-
Cost of sales		**(1,035,330)**	-	**(1,886,071)**	-
Gross profit		**1,283,282**	-	**2,862,918**	-
Other operating income		**307,046**	-	**322,461**	-
General, administrative and selling expenses		**(136,672)**	-	**(429,105)**	-
Brokerage and commission		**(29,725)**	-	**(88,661)**	-
Depreciation		**(3,242)**	-	**(7,104)**	-
Gain realised on recognition of investment in an associate		**-**	-	**-**	1,281,963
Share of profit in an associate		**-**	457,992	**-**	457,992
Profit for the period from discontinued operations		**-**	3,142	**-**	2,919
Operating profit		**1,420,689**	461,134	**2,660,509**	1,742,874
Other income		**9,182**	-	**18,239**	-
Finance income		**22,047**	-	**41,319**	-
Finance costs		**(36,205)**	-	**(69,759)**	-
Profit for the period		**1,415,713**	461,134	**2,650,308**	1,742,874
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
- Unrealised gain on fair value of available-for-sale financial asset		**-**	-	**-**	517,563
- Gain realised on recognition of investment in an associate		**-**	-	**-**	(1,281,963)
Other comprehensive loss		**-**	-	**-**	(764,400)
Total comprehensive income for the period		**1,415,713**	461,134	**2,650,308**	978,474
Earnings per share					
Basic and diluted (AED)	**23**	**0.26**	0.08	**0.48**	0.32

Interim condensed consolidated statement of changes in shareholders' equity
For the period ended 30 June 2015

	Share capital AED'000	Statutory reserve AED'000	Group restructuring reserve AED'000	Investment revaluation reserve AED'000	Retained earnings AED'000	Equity attributable to shareholders of the Company AED'000	Non-controlling interests AED'000	Total AED'000
Balance at 1 January 2014 (Audited)	3,000,000	305,326	-	764,400	98,237	**4,167,963**	-	**4,167,963**
Issue of new shares	2,000,000	-	-	-	-	**2,000,000**	-	**2,000,000**
Total comprehensive income for the period	-	-	-	(764,400)	1,742,874	**978,474**	-	**978,474**
Dividend	-	-	-	-	(1,841,111)	**(1,841,111)**	-	**(1,841,111)**
Acquisition of controlling interest in DRED	-	-	(4,912,810)	315	3,142,020	**(1,770,475)**	588,867	**(1,181,608)**
Balance at 30 June 2014 (Unaudited)	**5,000,000**	**305,326**	**(4,912,810)**	**315**	**3,142,020**	**3,534,851**	**588,867**	**4,123,718**
Balance at 31 December 2014 (Audited)	5,000,000	356,367	(4,912,810)	-	4,072,517	**4,516,074**	752,336	**5,268,410**
Effect of change in accounting policy (Note 5)	-	-	-	-	597,673	**597,673**	-	**597,673**
Balance at 1 January 2015	5,000,000	356,367	(4,912,810)	-	4,670,190	**5,113,747**	752,336	**5,866,083**
Total comprehensive income for the period	-	-	-	-	2,650,308	**2,650,308**	-	**2,650,308**
Issue of bonus shares (Note 24)	500,000	-	-	-	(500,000)	**-**	-	**-**
Acquisition of non-controlling interest in DRED (Note 3.6)	-	-	-	-	752,336	**752,336**	(752,336)	**-**
Balance at 30 June 2015 (Unaudited)	**5,500,000**	**356,367**	**(4,912,810)**	**-**	**7,572,834**	**8,516,391**	**-**	**8,516,391**

The accompanying notes form an integral part of this interim condensed consolidated financial information

Interim condensed consolidated statement of cash flows
For the period ended 30 June 2015

	1 January to 30 June 2015 (6 months) (Unaudited) AED'000	1 January to 30 June 2014 (6 months) (Unaudited) AED'000
Cash flows from operating activities		
Profit for the period	**2,650,308**	1,742,874
Adjustments for:		
Depreciation on property and equipment	**7,104**	222
Provision for employees' end-of-service indemnity	**6,101**	-
Amortisation of issue costs on Sukuk Certificates	**2,117**	-
Loss on retirement of property and equipment	**599**	-
Gain realised on recognition of investment in an associate	**-**	(1,281,963)
Share of income in an associate	**-**	(457,992)
Profit on disposal of gypsum business	**-**	(3,248)
Reversal of impairment on trade receivables	**(39,826)**	-
Finance costs	**69,759**	-
Finance income	**(41,319)**	-
Operating cash flows before changes in operating assets and liabilities	**2,654,843**	(107)
(Increase)/decrease in trade and other receivables	**(920,722)**	30
Decrease in inventories	**-**	225
Decrease in development properties	**448,512**	-
Decrease in due to a related party	**(40,345)**	(149)
(Decrease)/increase in trade and other payables	**(379,022)**	126
Cash generated from operations	**1,763,266**	125
Finance costs paid	**(69,171)**	-
Interest received	**42,257**	-
Employees' end of service indemnity paid	**(1,575)**	-
Net cash generated from operating activities	**1,734,777**	125

Interim condensed consolidated statement of cash flows
For the period ended 30 June 2015 (continued)

	1 January to 30 June 2015 (6 months) (Unaudited) AED'000	1 January to 30 June 2014 (6 months) (Unaudited) AED'000
Cash flows from investing activities		
Purchases of property and equipment	**(13,572)**	-
Acquisition of financial investments (Note 10)	**(113,928)**	-
Decrease in other financial assets	**181,324**	-
Decrease/(increase) in deposits with an original maturity of greater than three months	**20,242**	(1,570,327)
Net cash outflow on disposal of gypsum operations	**-**	(814)
Net cash inflow on acquisition of subsidiaries	**-**	6,115,568
Net cash generated from investing activities	**74,066**	4,544,427
Cash flows from financing activity		
Drawdown of bank borrowings – net	**330,303**	-
Net cash generated from financing activity	**330,303**	-
Net increase in cash and cash equivalents	**2,139,146**	4,544,552
Cash and cash equivalents at the beginning of the period	**5,353,155**	689
Cash and cash equivalents at the end of the period (Note 11)	**7,492,301**	4,545,241

Notes to the interim condensed consolidated financial statements
For the period ended 30 June 2015

1. General information

Damac Properties Dubai Co. PJSC (the "Company" or the "Parent") was incorporated in Dubai on 20 June 1976 as a Public Stock Company and operates in the United Arab Emirates under a trade license issued in Dubai. The address of the Company's registered office is P.O. Box 12265, Dubai, United Arab Emirates.

The majority shareholder is Mr. Hussain Sajwani (the "Chairman").

The Parent and its subsidiaries (collectively the "Group") are involved in the development of properties in the Middle East.

The eligible holders of Global Depository Receipts (the "GDRs") representing 14.3% of the ordinary shares of DAMAC Real Estate Development Limited, DIFC ("DRED") were made an offer by the Company to exchange their GDRs for ordinary shares of the Company at a defined exchange rate which was accepted by all eligible holders. The offer closed on 9 January 2015 and the shares issued by the Company were listed on the Dubai Financial Market on 12 January 2015.

2. Application of new and revised International Financial Reporting Standards ("IFRS")

2.1 New and revised IFRSs applied with no material effect on the condensed consolidated financial statements

The following revised IFRS, which became effective for annual periods beginning on or after 1 January 2015, have been adopted in these condensed consolidated financial statements. The application of these revised and new IFRSs has not had any material impact on the amounts reported for the current period and prior year but may affect the accounting for future transactions or arrangements.

New and revised IFRSs	Effective for annual periods beginning on or after
• Amendments to IAS 19 Employee Benefits clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service.	1 July 2014

2.2 New and revised IFRSs in issue but not yet effective and not early adopted

The Group has not early applied the following new standards, amendments and interpretations that have been issued but are not yet effective:

New and revised IFRSs	Effective for annual periods beginning on or after
• Finalised version of IFRS 9 (IFRS 9 *Financial Instruments* (2014)) was issued in July 2014 incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition. This amends classification and measurement requirement of financial assets and introduces new expected loss impairment model.	1 January 2018

Notes to the interim condensed consolidated financial statements
For the period ended 30 June 2015 (continued)

2. Application of new and revised International Financial Reporting Standards ("IFRS") (continued)

2.2 New and revised IFRSs in issue but not yet effective and not early adopted (continued)

New and revised IFRSs	**Effective for annual periods beginning on or after**
A new measurement category of fair value through other comprehensive income (FVTOCI) will apply for debt instruments held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets. A new impairment model based on expected credit losses will apply to debt instruments measured at amortised costs or FVTOCI, lease receivables, contract assets and certain written loan commitments and financial guarantee contract.	1 January 2018
• IFRS 14 *Regulatory Deferral Accounts* issued in January 2014 specifies the financial reporting requirements for 'regulatory deferral account balance' that arise when an entity provides good or services to customers at a price or rate that is subject to rate regulation.	1 January 2016
• Annual Improvements to IFRSs 2012 - 2014 Cycle that include amendments to IFRS 5, IFRS 7 and IAS 19.	1 July 2016
• Amendments to IAS 16 and IAS 38 to clarify the acceptable methods of depreciation and amortisation.	1 January 2016
• Amendments to IFRS 11 to clarify accounting for acquisitions of *Interests in Joint Operations.*	1 January 2016
• Amendments to IFRS 10 and IAS 28 clarify that the recognition of the gain or loss on the sale or contribution of assets between an investor and its associate or joint venture depends on whether the assets sold or contributed constitute a business.	1 January 2016
• Amendments to IAS 27 allow an entity to account for investments in subsidiaries, joint ventures and associates either at cost, in accordance with IAS 39/IFRS 9 or using the equity method in an entity's separate financial statements.	1 January 2016
• Amendments to IFRS 10, IFRS 12 and IAS 28 clarifying certain aspects of applying the consolidation exception for investment entities.	1 January 2016
• Amendments to IAS 1 to address perceived impediments to preparers exercising their judgment in presenting their financial reports.	1 January 2016
• Amendments to IAS 16 and IAS 41 require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16.	1 January 2016

2. Application of new and revised International Financial Reporting Standards ("IFRS") (continued)

2.2 New and revised IFRSs in issue but not yet effective and not early adopted (continued)

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's interim condensed consolidated financial statements for the period of initial application and adoption of these new standards, interpretations and amendments, except for IFRS 9, may have no material impact on the interim condensed consolidated financial statements of the Group in the period of initial application.

The application of the finalised version of IFRS 9 may have a significant impact on amounts reported and disclosures made in the Group's interim condensed consolidated financial statements in respect of the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of effects of the application until the Group performs a detailed review.

2.3 New IFRS in issue but not yet effective that has been early adopted by the Group

IFRS 15 *Revenue from contracts with customers* was issued in May 2014 and is effective for annual periods commencing on or after 1 January 2018, with early adoption permitted. The Group has reviewed the impact of IFRS 15 on its revenue from operations and has elected to early adopt it with effect from 1 January 2015. Refer Note 3.4 and Note 5 for further details.

3. Summary of significant accounting policies

3.1 Basis of preparation

The condensed consolidated financial statements of the Group are prepared under the historical cost basis except for certain financial instruments which are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

These condensed consolidated financial statements are prepared in accordance with International Accounting Standard 34: *Interim Financial Reporting* ("IAS 34") issued by the International Accounting Standard Board (IASB) and also comply with the applicable requirements of the UAE Commercial Law.

The accounting policies used in the preparation of these condensed consolidated financial statements are consistent with those used in the audited annual consolidated financial statements for the year ended 31 December 2014, except for the early adoption of IFRS 15 "*Revenue from contracts with customers*" (refer Note 3.4).

These condensed consolidated financial statements do not include all the information and disclosure required in full consolidated financial statements and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2014. In addition, results for the period from 1 January 2015 to 30 June 2015 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2015.

The accounting policies disclosed in the annual audited consolidated financial statements for the year ended 31 December 2014 are stated below as required by Securities and Commodities Authority notification dated 12 October 2008.

Notes to the interim condensed consolidated financial statements
For the period ended 30 June 2015 (continued)

3. Summary of significant accounting policies (continued)

3.2 Property and equipment

Property and equipment is stated at cost less accumulated depreciation and any identified impairment loss. The cost of property and equipment is the purchase consideration together with any incidental costs of acquisition.

Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets commences when the assets are ready for their intended use.

Depreciation is charged so as to write off the cost other than freehold land and properties under construction, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The following useful lives are used in the calculation of depreciation:

	Years
Furniture and fixtures	6
Tools and office equipment	6
Motor vehicles	6

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated statement of comprehensive income.

3.3 Development properties

Properties acquired, or being developed with the intention of sale are classified as development properties. These are stated at the lower of cost and net realisable value.

Cost principally includes the cost of the land and construction cost and all other costs which are necessary to get the properties ready for sale. Net realisable value represents the estimated selling value, based on sales relevant in the year, less costs to be incurred in selling the properties.

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

3. Summary of significant accounting policies (continued)

3.4 Revenue recognition

IFRS 15 *Revenue from contracts with customers* outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found across several Standards and Interpretations within IFRSs. It establishes a new five-step model that will apply to revenue arising from contracts with customers.

Step 1 Identify the contract with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for each of those rights and obligations.
Step 2 Identify the performance obligations in the contract: A performance obligation in a contract is a promise to transfer a good or service to the customer.
Step 3 Determine the transaction price: Transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods and services to a customer, excluding amounts collected on behalf of third parties.
Step 4 Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
Step 5 Recognise revenue as and when the entity satisfies a performance obligation.

The Group recognises revenue over time if any one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance obligation completed to date.

The Group allocates the transaction price to the performance obligations in a contract based on the input method which requires revenue recognition on the basis of the Group's efforts or inputs to the satisfaction of the performance obligations. The Group estimates the total costs to complete the projects in order to determine the amount of revenue to be recognised.

When the Group satisfies a performance obligation by delivering the promised goods and services, it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

Revenue is measured at the fair value of consideration received or receivable, taking into account the contractually agreed terms of payment excluding taxes and duties. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent and has concluded that it is acting as a principal in all of its revenue arrangements.

Revenue is recognised in the interim condensed consolidated financial information to the extent that it is probable that the economic benefits will flow to the Group and the revenue and costs, if and when applicable, can be measured reliably.

3. Summary of significant accounting policies (continued)

3.5 Basis of consolidation

On 30 June 2014, the Company acquired 85.7% of ownership interest in DRED through the Chairman transferring his ownership interest held through five holding companies listed below:

Name of the entity	Place of incorporation and operations	Principal activities	Beneficial interest and effective control
Najah Company Limited	British Virgin Islands	Holding company	100%
Al Khazna Company Limited	British Virgin Islands	Holding company	100%
Imtiaz Holding Limited	British Virgin Islands	Holding company	100%
Sahira Company Limited	British Virgin Islands	Holding company	100%
Al Firdous Holding Limited	British Virgin Islands	Holding company	100%

From 30 June 2014, the Group consolidated the five holding entities noted above and the 75 entities (excluding branches) (2014: 76 entities) which together constitute the DRED Group.

3.6 Acquisition of non-controlling interest in DRED

As explained in Note 1, an offer was made to eligible holders of GDRs representing ordinary shares in DRED to exchange their GDRs for ordinary shares in the Company at a defined exchange rate. The Chairman transferred shares in the Company to the GDR holders. As the Company's interest in DRED became 100% the resulting change in non-controlling interest was recorded in equity. The Company's shares were listed on the Dubai Financial Market on 12 January 2015.

3.7 Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2014.

4. Critical accounting judgements and key sources of estimation of uncertainty

The preparation of interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2014, except for financial investments.

4. Critical accounting judgements and key sources of estimation of uncertainty (continued)

Financial investments

Financial investments represents the Group's 20% equity interest in a related entity (note 10). Management has assessed the impact of IAS 28 *Investments in Associates and Joint Ventures* and has concluded that the Group does not have any significant influence in the form of participation in the financial and operating policy decisions of the investee and hence the investment has not been accounted for as an 'Associate'.

5. Impact of IFRS 15 adoption

The Group has opted for modified retrospective application of the standard as permitted by IFRS 15 upon early adoption. Accordingly the standard has been applied to the period ended 30 June 2015 (the initial application period). Modified retrospective application requires the recognition of the cumulative impact of adoption on all contracts that are not yet complete as at 1 January 2015 in the form of an adjustment to the opening balance of retained earnings as at that date.

Adjustments to the opening consolidated statement of financial position are detailed below:

	31 December 2014	Adjustments/ reclassification	1 January 2015
	AED'000	AED'000	AED'000
Assets			
Development properties	8,553,738	(597,396)	7,956,342
Trade and other receivables	2,729,027	15,244	2,744,271
Liabilities			
Trade and other payables	10,843,803	(1,179,825)	9,663,978
Shareholders' Equity			
Retained earnings	4,072,517	597,673	4,670,190

Adjustments to the interim condensed consolidated income statement for the period are detailed below:

	As per IFRS 15	As per old policy	Impact due to change
	AED'000	AED'000	AED'000
Revenue	4,748,989	3,325,636	1,423,353
Cost of sales	(1,886,071)	(1,279,662)	(606,409)
Profit for the period	2,650,308	1,833,364	816,944

Notes to the interim condensed consolidated financial statements
For the period ended 30 June 2015 (continued)

6. Segment analysis

Information reported to the Board for the purpose of the resource allocation and assessment of performance is primarily determined by the nature of the different activities that the Group engages in, rather than the geographical location of these operations. The Group currently comprises a single reportable operating segment, being property development.

Geographic information for the Group is split between operations in the UAE "Domestic" and operations in other jurisdictions "International".

	3 months ended 30 June		**6 months ended 30 June**	
	2015	2014	**2015**	2014
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	AED'000	AED'000	**AED'000**	AED'000
Revenue				
Domestic	**1,808,604**	-	**4,218,815**	-
International	**510,008**	-	**530,174**	-
	2,318,612	-	**4,748,989**	-

	30 June	31 December
	2015	2014
	(Unaudited)	(Audited)
	AED'000	AED'000
Development properties		
Domestic	**5,871,443**	6,597,958
International	**1,636,387**	1,955,780
	7,507,830	8,553,738

Notes to the interim condensed consolidated financial statements
For the period ended 30 June 2015 (continued)

7. Development properties

	30 June 2015 (Unaudited) AED'000	31 December 2014 (Audited) AED'000
Balance at the beginning of the period/year	**8,553,738**	-
Recognition on acquisition of controlling interest in DRED	**-**	6,928,845
Additions	**1,435,747**	2,993,138
Effect of change in policy (Note 5)	**(597,396)**	-
Transferred to cost of sales	**(1,884,259)**	(1,508,979)
Transferred to a related party	**-**	(14,882)
Impairment reversal	**-**	155,616
Balance at the end of the period/year	**7,507,830**	8,553,738

Assets held as development properties

The development properties balance includes land plots for future development, properties under development and completed units held in inventory. The balances above are split into these categories as follows:

	30 June 2015 (Unaudited) AED'000	31 December 2014 (Audited) AED'000
Land held for future development	**371,079**	514,744
Properties under development	**6,273,590**	6,894,555
Completed properties	**863,161**	1,144,439
	7,507,830	8,553,738

Notes to the interim condensed consolidated financial statements
For the period ended 30 June 2015 (continued)

8. Other financial assets

	30 June 2015 (Unaudited) AED'000	31 December 2014 (Audited) AED'000
Escrow retentions	**656,073**	839,859
Margin deposits	**12,894**	10,202
Other	**2,459**	2,689
	671,426	852,750

In accordance with applicable laws, the Group holds funds under escrow in Real Estate Regulatory Authority ("RERA") authorised bank accounts. These funds must be held in these escrow accounts for a fixed period of one year after completion of the relevant development properties, at which point they are released to the Group. These funds carry interest at commercial rates.

At 30 June 2015, margin deposits are held by banks under lien against credit facilities issued to the Group and carry interest at commercial rates.

9. Trade and other receivables

	30 June 2015 (Unaudited) AED'000	31 December 2014 (Audited) AED'000
Trade receivables	**3,020,575**	2,254,194
Provision for impairment on trade receivables	**(163,253)**	(203,153)
	2,857,322	2,051,041
Advances and deposits	**800,672**	629,476
Other receivables and prepayments	**45,887**	48,510
	3,703,881	2,729,027

Trade receivables represent amounts outstanding that are yet to be collected at the reporting date. Customers are allowed 30 days from each invoice date to settle outstanding dues.

10. Financial investments

During the period, the Group increased its investment in Damac International Limited, a related entity, from AED 18.4 million to AED 132.3 million which represents a 20% equity interest in the related entity.

11. Cash and cash equivalents

	30 June 2015 (Unaudited) AED'000	31 December 2014 (Audited) AED'000
Cash on hand	**3,165**	566
Cash held in escrow	**7,437,251**	5,190,196
Bank balances	**41,246**	32,908
Fixed deposits	**1,249,610**	1,388,698
Cash and bank balances	**8,731,272**	6,612,368
Less: Fixed deposits with an original maturity of greater than three months	**(1,238,971)**	(1,259,213)
Cash and cash equivalents	**7,492,301**	5,353,155

Cash held in escrow represents cash received from customers which is held with banks authorised by the Real Estate Regulatory Authority ("RERA"). Use of this cash is restricted to the specific development properties to which the cash receipts relate and, hence is considered as cash and cash equivalents.

12. Share capital

	30 June 2015 (Unaudited) AED'000	31 December 2014 (Audited) AED'000
Authorised, issued and fully paid shares of AED 1 each	**5,500,000**	5,000,000

During the period, the Company issued bonus shares consequent to which the total number of issued, subscribed and fully paid up shares of the Company increased to 5.5 billion (Note 24).

Notes to the interim condensed consolidated financial statements
For the period ended 30 June 2015 (continued)

13. Statutory reserve

As required by the U.A.E. Company Law and the Company's articles of association, 10% of the profit for the year is required to be transferred to statutory reserve. The Company may resolve to discontinue such transfers when the reserve totals 50% of the paid up share capital.

14. Group restructuring reserve

The group restructuring reserve arose on 30 June 2014. This reserve is not distributable.

15. Bank borrowings

	30 June 2015 (Unaudited) AED'000	31 December 2014 (Audited) AED'000
Bank loans	**435,649**	146,900
Overdrafts	**171,389**	129,835
	607,038	276,735

Banks and financial institutions

The Group has borrowings under various loan arrangements with a number of banks and financial institutions. These institutions provide the Group with term loans and overdraft facilities.

The repayment profile of the above bank borrowings is as follows:

	30 June 2015 (Unaudited) AED'000	31 December 2014 (Audited) AED'000
On demand within one year	**500,138**	203,285
In the second year	**106,900**	73,450
	607,038	276,735
Less: Amount due for settlement within 12 months	**(500,138)**	(203,285)
Amount due for settlement after 12 months	**106,900**	73,450

Notes to the interim condensed consolidated financial statements
For the period ended 30 June 2015 (continued)

15. Bank borrowings (continued)

During the period, the Group has the following unsecured interest-bearing loans and borrowings:

- US$ 40 million (AED 147.0 million) term loan facility with a commercial bank bearing interest at 3 months LIBOR plus 3.25% per annum, fully repayable by 2016. During the period, US$ 10 million (AED 36.8 million) was repaid.
- US$ 75 million (AED 275.4 million) revolving term loan facility with a commercial bank bearing interest at 3 months LIBOR plus 3.75% per annum, repayable by 2017.
- AED 50 million term loan with a commercial bank bearing interest at 3 months EIBOR plus 3.5% per annum, repayable by 2018.

16. Sukuk certificates

On 9 April 2014, the DRED Group issued US$ 650 million Sukuk Trust Certificates (the "Certificates") maturing in 2019. Alpha Star Holding Limited is the Issuer and Trustee with DRED as Guarantor. The Certificates are listed on the Irish Stock Exchange and NASDAQ Dubai. The Certificates confer on the holders of the Certificates from time to time (the ''Certificateholders'') the right to receive certain payments arising from an undivided ownership interest in the assets of a trust declared by the Trustee pursuant to the Declaration of Trust (the ''Trust'') over certain Trust Assets and the Trustee will hold such Trust Assets upon trust absolutely for the Certificateholders pro rata according to the face amount of Certificates held by each Certificateholder in accordance with the Declaration of Trust and the terms and conditions of the Certificates.

The Certificates carry interest at 4.97% per annum and are secured by assigned trust assets.

	30 June 2015 (Unaudited) AED'000	31 December 2014 (Audited) AED'000
Proceeds from the issue of Sukuk Certificates	**2,388,750**	2,388,750
Gross issue costs	**(23,153)**	(23,153)
Less: Amortised upto period/year end	**4,466**	2,349
Unamortised issue costs	**(18,687)**	(20,804)
Carrying amount	**2,370,063**	2,367,946

17. Related party transactions

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in IAS 24 *Related Party Disclosures*. Related parties comprise entities under common ownership and/or common management and control, their partners and key management personnel. Management decides on the terms and conditions of the transactions and services received/rendered from/to related parties as well as on other charges. Pricing policies and terms of all transactions are approved by the management.

At the reporting date, balances with related parties were as follows:

	30 June 2015 (Unaudited) AED'000	31 December 2014 (Audited) AED'000
Due to a related party		
Due to an entity under the Chairman's control	**-**	40,345

Nature of significant related party transactions and amounts involved are as follows:

	30 June 2015 (6 months) (Unaudited) AED'000	30 June 2014 (6 months) (Unaudited) AED'000
Construction work executed	**8,998**	-

During the period, the Group utilised construction services worth AED 9.0 million from Draieh Contracting Company WLL, an entity under the control of the Chairman.

Remuneration of key management personnel

The remuneration of the key management personnel of the Group is set out below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosures*.

	30 June 2015 (6 months) (Unaudited) AED'000	30 June 2014 (6 months) (Unaudited) AED'000
Short term employee benefits	**9,015**	4,393
Termination benefits - EOSB	**242**	174
	9,257	4,567

Notes to the interim condensed consolidated financial statements
For the period ended 30 June 2015 (continued)

18. Trade and other payables

	30 June 2015 (Unaudited) AED'000	31 December 2014 (Audited) AED'000
Advances from customers	**5,922,057**	7,295,131
Accruals	**795,214**	612,530
Other payables	**840,435**	794,386
Retentions payable	**494,974**	416,699
Deferred consideration for land payments	**1,232,864**	1,725,057
	9,285,544	10,843,803

Retentions comprise amounts due to contractors which are held for one year after the completion of a project until the defect liability period has passed, and are typically between 5% and 15% of work done.

19. Revenue

	3 months ended 30 June		**6 months ended 30 June**	
	2015 (Unaudited) AED'000	2014 (Unaudited) AED'000	**2015 (Unaudited) AED'000**	2014 (Unaudited) AED'000
Constructed apartments	**1,355,164**	-	**2,655,574**	-
Sale of land	**963,448**	-	**2,093,415**	-
	2,318,612	-	**4,748,989**	-

20. Contingent liabilities

	30 June 2015 (Unaudited) AED'000	31 December 2014 (Audited) AED'000
Bank guarantees	**988,417**	881,341

The Group has contingent liabilities in respect of bank guarantees issued in the normal course of business from which it is anticipated that no material liabilities will arise as at the above dates.

21. Commitments

Commitments for the acquisition of services for the development and construction of assets classified under developments in progress:

	30 June 2015 (Unaudited) AED'000	31 December 2014 (Audited) AED'000
Contracted for	**6,192,187**	6,070,486

22. Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Differences can therefore arise between book value under historical cost method and fair value estimates.

Fair value of financial instruments measured at amortised cost

The management considers that the carrying amounts of financial assets and financial liabilities recognised in the condensed consolidated financial statements approximate their fair values.

Valuation techniques and assumptions applied for the purposes of measuring fair value

Valuation of financial instruments recorded at fair value is based on quoted market prices and other valuation techniques.

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices; and

- the fair value of other financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on the present value calculation of the expected future cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

The financial instruments are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Notes to the interim condensed consolidated financial statements
For the period ended 30 June 2015 (continued)

22. Fair value of financial instruments (continued)

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at the period end date, the carrying value of the financial assets and financial liabilities is approximate to their fair values. The entire portfolio of financial investments is classified as Level 3.

23. Earnings per share

The basic and diluted earnings per share is calculated by dividing the profit for the period by the weighted average number of ordinary shares in issue during the period. In accordance with IAS 33 *Earnings per share*, the impact of bonus shares issued (Note 24) has been considered retrospectively while computing the weighted average number of ordinary shares during all periods presented. There were no instruments or any other items which could cause an anti-dilutive effect on the earnings per share calculation.

	3 months ended 30 June		6 months ended 30 June	
	2015	2014	**2015**	2014
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	AED'000	AED'000	**AED'000**	AED'000
Profit for the period (AED'000)	**1,415,713**	461,134	**2,650,308**	1,742,874
Number of ordinary shares ('000)	**5,500,000**	5,500,000	**5,500,000**	5,500,000
Earnings per ordinary share – basic and diluted (AED)	**0.26**	0.08	**0.48**	0.32

24. Dividend

On 22 March 2015, the Company held its annual general meeting which, among other things, approved a share dividend equal to AED 0.10 per share amounting to AED 500 million. The bonus shares were issued on 1 April 2015 consequent to which the total number of issued, subscribed and fully paid up shares of the Company increased to 5.5 billion.

An interim cash dividend of AED 0.10 per share amounting to AED 550 million and share dividend of AED 0.10 per share amounting to AED 550 million for the period ended 30 June 2015 was proposed by the Board of Directors on 4 August 2015, which is subject to approval by the shareholders at the next Extraordinary General Meeting.

25. Approval of the interim condensed consolidated financial information

The interim condensed consolidated financial information for the period ended 30 June 2015 was approved by the Board and authorised for issue on 4 August 2015.