

Emaar Malls Group LLC

UNAUDITED MANAGEMENT ACCOUNTS

FOR THE PERIOD ENDED 30 JUNE 2014

Emaar Malls Group LLC

STATEMENT OF INCOME

Period ended 30 June 2014 (Unaudited)

(US \$1.00 = AED 3.673)

	<i>Notes</i>	<i>Six month period ended</i>		<i>Three month period ended</i>	
		<i>30 June 2014 AED'000</i>	<i>30 June 2013 AED'000</i>	<i>30 June 2014 AED'000</i>	<i>30 June 2013 AED'000</i>
REVENUE					
Rental income		1,250,306	1,105,838	649,438	583,904
Other income		7,747	2,871	3,832	1,607
Total revenue		1,258,053	1,108,709	653,270	585,511
EXPENSES					
Operating expenses		179,629	199,474	94,615	98,957
Sales and marketing expenses		16,588	16,580	5,423	5,133
Depreciation of property, plant and equipment		37,388	23,133	19,123	12,826
Depreciation of investment properties		126,412	119,082	64,613	59,438
General and administrative expenses		63,156	75,403	26,381	33,740
Finance costs	2	217,704	177,020	154,985	88,129
Total expenses		640,877	610,692	365,140	298,223
PROFIT FOR THE PERIOD	3	617,176	498,017	288,130	287,288
Earnings per share (AED):	4				
- basic		2,057,253	1,660,057	960,433	957,623
- diluted		47	38	22	22

Emaar Malls Group LLC

STATEMENT OF OTHER COMPREHENSIVE INCOME

Period ended 30 June 2014 (Unaudited)

(US \$1.00 = AED 3.673)

	<i>Six month period ended</i>		<i>Three month period ended</i>	
	<i>30 June 2014 AED'000</i>	<i>30 June 2013 AED'000</i>	<i>30 June 2014 AED'000</i>	<i>30 June 2013 AED'000</i>
Profit for the period	617,176	498,017	288,130	287,288
<i>Other comprehensive income/ (loss) to be reclassified to income statement in subsequent periods:</i>				
Other comprehensive income/ (loss):				
Net movement on cash flow hedges	27,479	10,643	22,099	16,476
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	644,655	508,660	310,229	303,764

Emaar Malls Group LLC
STATEMENT OF FINANCIAL POSITION
As at 30 June 2014

(US \$1.00 = AED 3.673)

		<i>30 June 2014 AED'000</i>	<i>31 December 2013 AED'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment	5	313,294	303,207
Investment properties	6	20,363,395	7,329,802
		20,676,689	7,633,009
Current assets			
Inventories		15,299	14,524
Trade receivables	7	93,596	194,312
Advances and prepayments		45,647	34,830
Due from related parties	16	219,716	171,854
Bank balances and cash	8	1,482,934	1,362,709
		1,857,192	1,778,229
TOTAL ASSETS		22,533,881	9,411,238
EQUITY AND LIABILITIES			
Equity			
Share capital	9	300	300
Proposed increase in share capital	10	13,014,000	-
Statutory reserve		150	150
Retained earnings		855,768	2,993,342
Hedging reserve		(7,383)	(34,862)
Total equity		13,862,835	2,958,930
Non-current liabilities			
Employees' end of service benefits		13,086	10,852
Interest bearing loans and borrowings	13	3,631,077	3,275,067
Sukuk	14	2,733,027	-
Due to related parties	16	-	1,825,345
Retention payable after 12 months		4,010	-
		6,381,200	5,111,264
Current liabilities			
Due to related parties	16	1,119,155	-
Interest bearing loans and borrowings	13	-	180,000
Accounts payable and accruals	12	290,298	335,605
Advances and security deposits		469,079	445,429
Retentions payable within 12 months		3,351	3,513
Deferred income		407,963	376,497
		2,289,846	1,341,044
Total liabilities		8,671,046	6,452,308
TOTAL EQUITY AND LIABILITIES		22,533,881	9,411,238

Emaar Malls Group LLC
STATEMENT OF CASH FLOWS
Period ended 30 June 2014 (Unaudited)

(US \$1.00 = AED 3.673)
For the six month period ended

	Note	30 June 2014 AED'000	30 June 2013 AED'000
OPERATING ACTIVITIES			
Profit for the period		617,176	498,017
Adjustments for:			
Depreciation of property, plant and equipment		37,388	23,133
Depreciation of investment properties		126,412	119,082
(Reversal)/ provision for doubtful debts		(10,292)	2,300
Doubtful debts written off		23	-
Provision for employees' end of service benefits		2,281	2,395
Finance costs		217,704	177,020
Gain on disposal of property, plant and equipment		(65)	(37)
Liabilities no longer payable	3	(45,025)	-
Other income		(7,747)	(2,871)
		937,855	819,039
Working capital changes:			
Inventories		(775)	(2,565)
Trade receivables		110,985	155,179
Due from related parties		(47,862)	(16,515)
Advances and prepayments		(11,184)	(11,032)
Accounts payable and accruals		27,499	70,541
Advances and security deposits		23,650	23,209
Retentions payable		3,848	672
Deferred income		31,466	51,426
Net cash flows from operations		1,075,482	1,089,954
Employees' end of service benefits paid		(282)	(189)
Net cash flows from operating activities		1,075,200	1,089,765
INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(49,718)	(74,592)
Amounts incurred on investment properties		(146,403)	(60,226)
Interest received		7,813	2,587
Proceeds from disposal of property, plant and equipment		85	37
Deposits under lien or maturing after three months		(220,139)	(375,934)
Net cash flows used in investing activities		(408,362)	(508,128)
FINANCING ACTIVITIES			
Movement in due to related parties, net		(744,589)	(779,346)
Proceeds from interest bearing loans and borrowings	13	3,673,000	-
Repayment of interest bearing loans and borrowings	13	(3,510,000)	(45,000)
Proceeds from issuance of Sukuk	14	2,754,750	-
Dividend paid	11	(2,754,750)	-
Finance cost paid		(185,163)	(94,552)
Net cash flows used in financing activities		(766,752)	(918,898)
DECREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at 1 January	8	156,635	398,829
CASH AND CASH EQUIVALENTS AT 30 JUNE			
	8	56,721	61,568
SUPPLEMENTAL NON-CASH INFORMATION			
Transfer of land against proposed increase in share capital	6	13,014,000	-

Emaar Malls Group LLC

STATEMENT OF CHANGES IN EQUITY

Period ended 30 June 2014 (Unaudited)

(US \$1.00 = AED 3.673)

	<i>Share capital AED'000</i>	<i>Proposed increase in share capital AED'000</i>	<i>Statutory reserve AED'000</i>	<i>Retained earnings AED'000</i>	<i>Hedging reserve AED'000</i>	<i>Total AED'000</i>
At 1 January 2014	300	-	150	2,993,342	(34,862)	2,958,930
Profit for the period	-	-	-	617,176	-	617,176
Dividend paid (note 11)	-	-	-	(2,754,750)	-	(2,754,750)
Proposed increase in share capital (note 10)	-	13,014,000	-	-	-	13,014,000
Other comprehensive income for the period	-	-	-	-	27,479	27,479
Balance at 30 June 2014	300	13,014,000	150	855,768	(7,383)	13,862,835

	<i>Share capital AED'000</i>	<i>Proposed increase in share capital AED'000</i>	<i>Statutory reserve AED'000</i>	<i>Retained earnings AED'000</i>	<i>Hedging reserve AED'000</i>	<i>Total AED'000</i>
At 1 January 2013	300	-	150	1,893,903	(45,096)	1,849,257
Profit for the period	-	-	-	498,017	-	498,017
Other comprehensive income for the period	-	-	-	-	10,643	10,643
Balance at 30 June 2013	300	-	150	2,391,920	(34,453)	2,357,917

1 SEGMENT INFORMATION

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with the net profit or loss in the management accounts. Reporting segments are in line with the unaudited management accounts for the period ended 31 March 2014 except for minimum gross leasable area of Super Regional Malls and Regional Malls has increased from 500 thousands sq. ft. to 800 thousands sq. ft. and 300 thousands sq. ft. to 400 thousands sq. ft. respectively.

Business segments

For management purposes, the Company is organised into five segments, namely:

Super Regional Malls:

Super regional malls include shopping centres individually holds gross leasable area of more than 800 thousands sq. ft.

Regional Malls:

Regional malls include shopping centres individually holds gross leasable area of more than 400 thousands sq. ft. but less than 800 thousands sq. ft.

Community Retail:

Community Retail includes shopping centres or retail outlets individually hold gross leasable area of less than 400 thousands sq. ft.

Speciality Retail:

Speciality retail includes shopping centres mainly offering speciality stores for fine and casual dining, commercial offices or retail outlets of manufacturers.

Others:

Other segments include businesses that individually do not meet the criteria for a reportable segment as per IFRS 8 *Operating Segments* and head office balances.

Emaar Malls Group LLC

NOTES TO THE MANAGEMENT ACCOUNTS

As at 30 June 2014 (Unaudited)

1 SEGMENT INFORMATION (continued)

Business segments (continued)

The following tables include revenue, results and other segment information for the six and three month periods ended 30 June 2014 and 30 June 2013. Assets and liabilities information regarding business segments are presented as at 30 June 2014 and 31 December 2013.

	<i>Super Malls AED'000</i>	<i>Regional Malls AED'000</i>	<i>Community Retail AED'000</i>	<i>Speciality Retail AED'000</i>	<i>Others AED'000</i>	<i>Total AED'000</i>
Six month period ended 30 June 2014:						
Revenue						
Rental income	1,025,817	70,539	88,782	65,168	-	1,250,306
Results						
Contributions for the period	663,665	33,429	60,021	35,227	(175,166)	617,176
Other segment information						
Capital expenditure (Property, plant and equipment and investment properties)	12,215,035	354,452	39,056	597,505	4,073	13,210,121
Depreciation (Property, plant and equipment and investment properties)	123,123	15,664	11,115	13,441	457	163,800
Three month period ended 30 June 2014:						
Revenue						
Rental income	532,663	41,294	41,490	33,991	-	649,438
Results						
Contributions for the period	365,127	19,444	25,707	18,623	(140,771)	288,130
Other segment information						
Capital expenditure (Property, plant and equipment and investment properties)	12,148,583	353,058	37,527	595,442	1,081	13,135,691
Depreciation (Property, plant and equipment and investment properties)	62,893	8,747	5,495	6,374	227	83,736
Assets and liabilities as at 30 June 2014:						
Segment assets	18,043,129	1,288,316	567,246	1,230,793	1,404,397	22,533,881
Segment liabilities	2,498,682	747,693	158,837	112,267	5,153,567	8,671,046

Emaar Malls Group LLC

NOTES TO THE MANAGEMENT ACCOUNTS

As at 30 June 2014 (Unaudited)

1 SEGMENT INFORMATION (continued)

Business segments (continued)

	<i>Super Malls AED'000</i>	<i>Regional Malls AED'000</i>	<i>Community Retail AED'000</i>	<i>Speciality Retail AED'000</i>	<i>Others AED'000</i>	<i>Total AED'000</i>
Six month period ended 30 June 2013:						
Revenue						
Rental income	930,926	55,110	60,308	59,494	-	1,105,838
Results						
Contributions for the period	539,301	22,203	38,331	31,535	(133,353)	498,017
Other segment information						
Capital expenditure (Property, plant and equipment and investment properties)	71,134	273	53,890	9,017	503	134,817
Depreciation (Property, plant and equipment and investment properties)	108,344	14,190	7,696	11,518	467	142,215
Three month period ended 30 June 2013:						
Revenue						
Rental income	495,034	29,153	30,174	29,543	-	583,904
Results						
Contributions for the period	304,064	12,810	20,538	15,517	(65,641)	287,288
Other segment information						
Capital expenditure (Property, plant and equipment and investment properties)	30,469	-	11,724	5,319	-	47,512
Depreciation (Property, plant and equipment and investment properties)	54,045	7,117	4,486	6,342	274	72,264
Assets and liabilities as at 31 December 2013:						
Segment assets	6,037,228	935,256	419,015	463,890	1,555,849	9,411,238
Segment liabilities	4,305,505	72,907	116,724	66,401	1,890,771	6,452,308

Emaar Malls Group LLC

NOTES TO THE MANAGEMENT ACCOUNTS

As at 30 June 2014 (Unaudited)

2 FINANCE COSTS

	<i>Six month period ended</i>		<i>Three month period ended</i>	
	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Interest on amounts due to the parent company	50,520	76,849	21,692	37,986
Interest on loans and borrowings	61,808	93,773	31,114	46,947
Unamortised loan arrangement fee written off	50,732	-	50,732	-
Loss on early settlement of hedging contract	49,782	-	49,782	-
Others	4,862	6,398	1,665	3,196
	217,704	177,020	154,985	88,129

3 PROFIT FOR THE PERIOD

The profit for the period is stated after charging:

	<i>Six month period ended</i>		<i>Three month period ended</i>	
	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Liabilities no longer payable	45,025	-	20,135	-

4 EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit or loss for the period by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding assuming conversion of all dilutive potential ordinary shares. The Company has proposed to issue additional shares in the Company to the existing shareholders against transfer of legal titles of certain plots of land (notes 6 & 10).

The information necessary to calculate basic and diluted earnings per share is as follows:

	<i>Six month period ended</i>		<i>Three month period ended</i>	
	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Earnings:				
Net profit for the period	617,176	498,017	288,130	287,288
Adjustment on dilution of profit	-	-	-	-
Net profit for the period adjusted for the effect of dilution	617,176	498,017	288,130	287,288

Emaar Malls Group LLC

NOTES TO THE MANAGEMENT ACCOUNTS

As at 30 June 2014 (Unaudited)

4 EARNINGS PER SHARE (continued)

	<i>30 June 2014</i>
No. of Shares:	
Weighted average number of ordinary shares for basic earnings per share	300
Effect of dilution - Proposed issue (notes 6 & 10)	13,014,000
Weighted average number of ordinary shares adjusted for the effect of dilution	13,014,300

	<i>Six month period ended</i>		<i>Three month period ended</i>	
	<i>30 June 2014 AED</i>	<i>30 June 2013 AED</i>	<i>30 June 2014 AED</i>	<i>30 June 2013 AED</i>
Earnings per share:				
- basic	2,057,253	1,660,057	960,433	957,623
- diluted	47	38	22	22

5 PROPERTY, PLANT AND EQUIPMENT

Additions

During the six months period ended 30 June 2014, the Company purchased property, plant and equipment of AED 49,718 thousands (year ended 31 December 2013: AED 159,010 thousands).

6 INVESTMENT PROPERTIES

Additions

During the six months period ended 30 June 2014, the Company has additions of AED 13,160,403 thousands (year ended 31 December 2013: AED 105,251 thousands) in investment properties.

During the period, legal titles of all the investment properties held by the Company has been transferred by the Parent Company to the Company. The Parent company had also transferred legal titles for plots of land related to certain investment properties held by the Company for a consideration of AED 13,014,000 thousands against proposed issue of shares in the Company. The consideration was determined based on the valuation as of 31 December 2013 carried out by third party valuer for plots within the same development (note 10).

Emaar Malls Group LLC

NOTES TO THE MANAGEMENT ACCOUNTS

As at 30 June 2014 (Unaudited)

7 TRADE RECEIVABLES

	<i>30 June 2014 AED'000</i>	<i>31 December 2013 AED'000</i>
Trade receivables-net	<u>93,596</u>	<u>194,312</u>

Included in the trade receivable is an amount of AED 7,539 thousands (31 December 2013: AED 9,504 thousands) due from related parties (note16).

The above trade receivables are net of allowance for doubtful debts of AED 47,541 thousands (31 December 2013: AED 58,301 thousands) representing management's best estimate of doubtful trade receivables which are past due and impaired.

Movement in the allowance for doubtful debts is as follows:

	<i>30 June 2014 AED'000</i>	<i>31 December 2013 AED'000</i>
At the beginning of the period/ year	58,301	89,478
Net reversals for the period/ year	(10,292)	(365)
Written off during the period/ year	(468)	(30,812)
At the end of the period/ year	<u>47,541</u>	<u>58,301</u>

8 BANK BALANCES AND CASH

Cash and cash equivalents in the statement of cash flows consist of the following statement of financial position amounts:

	<i>30 June 2014 AED'000</i>	<i>31 December 2013 AED'000</i>
Cash in hand	180	213
Bank balances:		
Current and call accounts	56,541	26,422
Deposits maturing within three months	-	130,000
Cash and cash equivalents	<u>56,721</u>	<u>156,635</u>
Deposits under lien (note 13)	18,423	68,542
Deposits maturing after three months	1,407,790	1,137,532
Balance at the end of period/ year	<u>1,482,934</u>	<u>1,362,709</u>

Included in the bank balances and cash is an amount of AED 44,637 thousands (31 December 2013: AED 2 thousand) as balance held with related party (note16).

Cash at banks earn interest at floating rates based on prevailing bank deposit rates. Short-term fixed deposits are made for varying periods between one day and six months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates. Fixed deposits maturing after three months earn interest at rates between 0.95% and 1.1% per annum (2013: 1.1% and 1.7%).

Emaar Malls Group LLC

NOTES TO THE MANAGEMENT ACCOUNTS

As at 30 June 2014 (Unaudited)

9 SHARE CAPITAL

Share capital consists of 300 authorised, issued and fully paid up shares (31 December 2013: 300 shares) of AED 1,000 each amounting to AED 300 thousands (31 December 2013: AED 300 thousands).

10 PROPOSED INCREASE IN SHARE CAPITAL

During the period, Company has proposed to issue additional shares in the Company to the existing shareholders against transfer of titles of certain plots of land for a consideration of AED 13,014,000 thousands. On 20 July 2014, the Company has registered the increase in share capital with Government authorities amounting to AED 13,014,000 thousand consisting of 13,014,000 shares of AED 1,000 each through an addendum to its Memorandum of Association.

11 INTERIM DIVIDENDS

A cash dividend of AED 2,754,750 thousands was approved by the shareholders of the Company on 17 June 2014 out of the retained earnings of AED 2,993,342 thousands as at 31 December 2013 and was paid during the period.

12 ACCOUNTS PAYABLE AND ACCRUALS

	<i>30 June 2014 AED'000</i>	<i>31 December 2013 AED'000</i>
Trade payables	43,189	34,536
Accrued expenses	223,521	253,058
Interest payable	1,287	10,622
Other payables	22,301	37,389
	290,298	335,605

Included in the trade payables is an amount of AED 8,883 thousands (31 December 2013: AED 1,638 thousands) due to related parties (note 16).

13 INTEREST BEARING LOANS AND BORROWINGS

	<i>30 June 2014 AED'000</i>	<i>31 December 2013 AED'000</i>
Interest bearing loans and borrowings (a)	3,673,000	3,510,000
Less: unamortised portion of loan arrangement fee	(41,923)	(54,933)
Net interest bearing loans and borrowings	3,631,077	3,455,067
Net interest bearing loans and borrowings are repayable as follows:		
Within one year (shown under current liabilities)	-	180,000
After one year (shown under non-current liabilities)	3,631,077	3,275,067
	3,631,077	3,455,067

Emaar Malls Group LLC

NOTES TO THE MANAGEMENT ACCOUNTS

As at 30 June 2014 (Unaudited)

13 INTEREST BEARING LOANS AND BORROWINGS (continued)

	<i>2014</i> <i>AED'000</i>
(a) Movement for the period:	
Balance as at 1 January	3,510,000
Less: Repaid during the period	(3,510,000)
Add: Borrowed during the period	3,673,000
Balance as at 30 June	3,673,000

During the period, the Company has fully repaid finance facility of AED 3,600,000 thousands which was availed in 2011. The previous facility is replaced with new Syndicated Murhabha Islamic finance facility for USD 1.5 billion (AED 5,509,500 thousand) availed from the commercial banks of UAE. Out of which the Company has drawdown USD 1 billion (AED 3,673,000 thousand) as at 30 Jun 2014. The new facility is unsecured and carries interest at LIBOR + 1.75% pa and this facility would be repaid in single instalment in 2021. The bank has a lien on certain cash collateral amounting to AED 18,423 thousands (31 December 2013: AED 68,542 thousands) against interest payable (note 8).

Part of interest bearing loans and borrowings amounting to USD 200,000 thousand (AED 734,600 thousand) (31 December 2013: AED Nil) is borrowed from related party (note 16).

14 SUKUK

EMG Sukuk Limited (the "Issuer"), is a limited liability company registered in the Cayman Islands and a wholly-owned subsidiary of the Company, has issued trust certificates (the "Sukuk") amounting to USD 750,000 thousands (AED 2,754,750 thousands) on 18 June 2014. The Sukuk is listed on the NASDAQ Dubai and is due for repayment in 2024. The Sukuk carries a profit distribution rate of 4.564% per annum to be paid semi-annually. The carrying value of the Sukuk is as follows:

	<i>30 June</i> <i>2014</i> <i>AED'000</i>
Proceeds from the issuance of the Sukuk	2,754,750
Less: Sukuk issuance cost	(21,786)
Sukuk liability on initial recognition	2,732,964
Profit accrued up to period end	63
Sukuk liability as at period end	2,733,027

15 COMMITMENTS AND CONTINGENCIES

Commitments

As at 30 June 2014, the Company had commitments of AED 1,804,993 thousands (31 December 2013: AED 406,491 thousands) which includes project commitments of AED 1,576,369 (31 December 2013: AED 180,214). This represents the value of contracts issued as at the reporting date net of invoices received and accruals made as at that date.

Emaar Malls Group LLC

NOTES TO THE MANAGEMENT ACCOUNTS

As at 30 June 2014 (Unaudited)

15 COMMITMENTS AND CONTINGENCIES (continued)

Operating lease commitments - Company as lessor

The Company leases out its property under operating leases as a lessor. The future minimum lease payments receivable (base rent) under non-cancellable operating leases contracted for at the reporting date but not recognised as receivables, are as follows:

	<i>30 June 2014 AED'000</i>	<i>31 December 2013 AED'000</i>
Within one year	1,319,317	1,348,088
After one year but not more than five years	2,319,559	2,088,846
More than five years	211,930	264,519
	<u>3,850,806</u>	<u>3,701,453</u>

In addition to the base rent, the Company also charges annual service charges to its tenants. The total amount of service charges for the period ended 30 June 2014 was AED 123,464 thousands (for the year ended 31 December 2013: AED 229,675 thousands).

Operating lease commitments - Company as lessee

The Company has entered into agreement with Emaar Properties PJSC to lease its office space. Future minimum rental payable under non-cancellable operating lease is as follows:

	<i>30 June 2014 AED'000</i>	<i>31 December 2013 AED'000</i>
Within one year	901	-
After one year but not more than five years	1,447	-
More than five years	-	-
	<u>2,348</u>	<u>-</u>

Legal claims

As at 30 June 2014, legal proceedings are in progress against certain tenants to recover outstanding rents amounting to AED 12,460 thousands (31 December 2013: 16,008 thousands). The management is confident that the outcome of these claims will be in favor of the Company and will have no adverse impact on the management accounts of the Company.

Emaar Malls Group LLC

NOTES TO THE MANAGEMENT ACCOUNTS

As at 30 June 2014 (Unaudited)

16 RELATED PARTY DISCLOSURES

- (a) During the period, the following were the significant related party transactions, which were carried out in the normal course of business on terms agreed between the parties:

	<i>Six month period ended</i>	
	<i>30 June 2014 AED'000</i>	<i>30 June 2013 AED'000</i>
<i>Rental income</i>		
Parent Company	6,088	3,540
Associated companies	37,000	33,701
Entities owned by Directors and other related parties	43,309	33,868
	86,397	71,109
<i>Operating expenses</i>		
Parent Company	48,381	44,154
Associated companies	28,643	-
Entities owned by Directors and other related parties	2,701	-
<i>General and administrative expenses</i>		
Parent Company	57,655	40,676
Associated companies	925	-
Entities owned by Directors and other related parties	679	-
<i>Finance costs</i>		
Parent Company	50,520	76,849
Entities owned by Directors and other related parties	1,445	-

Emaar Malls Group LLC

NOTES TO THE MANAGEMENT ACCOUNTS

As at 30 June 2014 (Unaudited)

16 RELATED PARTY DISCLOSURES (continued)

b) Balances with related parties included in the statement of financial position are as follows:

	<i>Bank balances and cash AED '000</i>	<i>Due from related parties AED '000</i>	<i>Interest bearing loans and borrowings AED '000</i>	<i>Due to related parties AED '000</i>	<i>Trade receivables AED '000</i>	<i>Deferred income AED '000</i>	<i>Trade payables AED '000</i>
30 June 2014							
<i>Non-current</i>							
Parent company - loan	-	-	-	-	-	-	-
- interest	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-
Associated companies	-	-	-	-	-	-	-
Entities owned by Directors and other related parties	-	-	726,215	-	-	-	-
	<u>-</u>	<u>-</u>	<u>726,215</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>726,215</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Current</i>							
Parent company - loan	-	-	-	972,315	-	-	-
- interest	-	-	-	26,361	-	-	-
- other	-	-	-	120,079	4,210	2,295	-
Associated companies	-	219,716	-	400	802	15,580	8,274
Entities owned by Directors and other related parties	44,637	-	-	-	2,527	33,585	609
	<u>44,637</u>	<u>219,716</u>	<u>-</u>	<u>1,119,155</u>	<u>7,539</u>	<u>51,460</u>	<u>8,883</u>
	<u>44,637</u>	<u>219,716</u>	<u>-</u>	<u>1,119,155</u>	<u>7,539</u>	<u>51,460</u>	<u>8,883</u>

Emaar Malls Group LLC

NOTES TO THE MANAGEMENT ACCOUNTS

As at 30 June 2014 (Unaudited)

16 RELATED PARTY DISCLOSURES (continued)

	<i>Bank balances and cash AED '000</i>	<i>Due from related parties AED '000</i>	<i>Interest bearing loans and borrowings AED '000</i>	<i>Due to related parties AED '000</i>	<i>Trade receivables AED '000</i>	<i>Deferred income AED '000</i>	<i>Trade payables AED '000</i>
<i>31 December 2013</i>							
<i>Non-current</i>							
Parent company - loan	-	-	-	1,583,493	-	-	-
- interest	-	-	-	86,212	-	-	-
- other	-	-	-	155,338	-	-	-
Associated companies	-	-	-	302	-	-	-
Entities owned by Directors and other related parties	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,825,345</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>1,825,345</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
<i>Current</i>							
Parent company - loan	-	-	-	-	-	-	-
- interest	-	-	-	-	-	-	-
- other	-	-	-	-	655	-	-
Associated companies	-	10,783	-	-	520	1,502	1,051
Subsidiaries	-	161,071	-	-	507	18,530	-
Entities owned by Directors and other related parties	2	-	-	-	7,822	40,903	587
	<u>2</u>	<u>171,854</u>	<u>-</u>	<u>-</u>	<u>9,504</u>	<u>60,935</u>	<u>1,638</u>
	<u><u>2</u></u>	<u><u>171,854</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>9,504</u></u>	<u><u>60,935</u></u>	<u><u>1,638</u></u>

Emaar Malls Group LLC

NOTES TO THE MANAGEMENT ACCOUNTS

As at 30 June 2014 (Unaudited)

16 RELATED PARTY DISCLOSURES (continued)

- c) Due to the Parent Company represents the amount payable for the investment properties and property, plant and equipment transferred to the Company at cost.

In 2010, the Company reached an agreement with the Parent Company to convert an amount of AED 6,372,059 thousands, from the balance due, to a long term loan carrying interest at 8% p.a. This loan is repayable when the funds are available with the Company. Movement in the loan balance during the period is as follows:

	<i>30 June 2014 AED'000</i>	<i>31 December 2013 AED'000</i>
Balance at 1 January	1,583,493	2,001,973
Repayments made during the period/ year	(611,178)	(418,480)
Balance at period/ year-end	<u>972,315</u>	<u>1,583,493</u>