Emaar Malls Group PJSC and its subsidiaries

(Formerly known as Emaar Malls Group LLC)

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2015

Building a better
working world

Ernst & Young
P.O. Box 9267
28th Floor, Al Saqr Business Tower
Sheikh Zayed Road
Dubai, United Arab Emirates

Tel: +971 4 332 4000
Fax: +971 4 332 4004
dubai@ae.ey.com
ey.com/mena

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF EMAAR MALLS GROUP PJSC AND ITS SUBSIDIARIES (Formerly known as Emaar Malls Group LLC)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Emaar Malls Group PJSC (the "Company") and its subsidiaries (formerly known as Emaar Malls Group LLC), (the "Group") as of 31 March 2015 and the related interim condensed consolidated statements of income, other comprehensive income, cash flows and changes in equity for the three and six month periods then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with *International Accounting Standard 34 Interim Financial Reporting ("IAS 34")*. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

The Group has not consolidated its investments in operating subsidiaries for the period ended 31 March 2014 and instead accounted for them at cost, which is not in compliance with International Financial Reporting Standards (IFRSs), which requires the Group to consolidate all material subsidiaries. Historically, the Group was not required to consolidate its investments in subsidiaries as the Group is a part of a Group that publicly issues consolidated financial statements. As a listed entity, the Group is no longer exempt from this requirement of IFRSs. Had the subsidiaries been consolidated, a number of elements in the accompanying interim condensed consolidated financial statements would have been affected. As disclosed in note 2, the Group's investments in subsidiaries were transferred to Emaar Properties PJSC (the "Parent Company") with effect from 3 April 2014. These consolidated financial statements were prepared without consolidating these subsidiaries as management considered that it is more useful to readers of the consolidated financial statements to see it reflected in a manner consistent with the current and future structure of the Group.

Qualified Conclusion

Based on our review, except for the effect of the matter described in the Basis for Qualified conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ernst + Y.

Signed by:
Anthony O'Sullivan
Partner
Registration Number 687

3 May 2015

Dubai, United Arab Emirates

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT
For the period ended 31 March 2015 (Unaudited)

(US $1.00 = AED 3.673)

	Notes	***1 October* 2014 to 31 March 2015 AED'000***	***1 January 2015 to 31 March 2015 AED'000***	*1 January 2014 to 31 March 2014 AED'000*
REVENUE				
Rental income	4	**1,528,145**	**730,812**	600,868
Other income		**7,380**	**4,355**	3,915
Total revenue		**1,535,525**	**735,167**	604,783
EXPENSES				
Operating expenses	5	**(234,884)**	**(100,075)**	(85,014)
Sales and marketing expenses		**(49,872)**	**(9,373)**	(11,165)
Depreciation of property, plant and equipment		**(37,221)**	**(17,866)**	(18,265)
Depreciation of investment properties		**(128,477)**	**(64,909)**	(61,799)
Write-off	6	**(7,883)**	**(7,883)**	-
General and administrative expenses		**(103,931)**	**(35,994)**	(36,775)
Finance costs	7	**(127,494)**	**(65,539)**	(62,719)
Total expenses		**(689,762)**	**(301,639)**	(275,737)
PROFIT FOR THE PERIOD	8	**845,763**	**433,528**	329,046
Earnings per share (AED): basic and diluted	9	**0.06**	**0.03**	1,096,820

* *The period 1 October 2014 to 31 March 2015 is disclosed to provide additional information on the results post the initial public offering.*

The attached notes 1 to 21 form part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the period ended 31 March 2015 (Unaudited)

	(US $1.00 = AED 3.673)		
	1 October* 2014 to 31 March 2015 AED'000	***1 January 2015 to 31 March 2015 AED'000***	*1 January 2014 to 31 March 2014 AED'000*
Profit for the period	**845,763**	**433,528**	329,046
Other comprehensive income to be reclassified to the consolidated income statement in subsequent period:			
Other comprehensive income:			
Net movement on cash flow hedges	**(30,497)**	**(28,681)**	5,380
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**815,266**	**404,847**	334,426

* *The period 1 October 2014 to 31 March 2015 is disclosed to provide additional information on the results post the initial public offering.*

The attached notes 1 to 21 form part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

	Notes	31 March 2015 (Unaudited) AED'000	31 December 2014 (Unaudited) AED'000
		(US $1.00 = AED 3.673)	
ASSETS			
Non-current assets			
Property, plant and equipment	10	**290,015**	320,779
Investment properties	11	**20,492,132**	20,464,639
		20,782,147	20,785,418
Current assets			
Inventories		**14,187**	14,415
Trade receivables	12	**73,060**	106,708
Advances and prepayments		**82,731**	72,325
Due from related parties	13	**188,843**	215,000
Bank balances and cash	14	**1,846,414**	1,363,958
		2,205,235	1,772,406
TOTAL ASSETS		**22,987,382**	22,557,824
EQUITY AND LIABILITIES			
Equity			
Share capital	15	**13,014,300**	13,014,300
Reserves	16	**103,569**	132,250
Retained earnings		**1,087,655**	654,127
TOTAL EQUITY		**14,205,524**	13,800,677
Non-current liabilities			
Employees' end of service benefits		**15,404**	14,757
Interest bearing loans and borrowings	17	**4,545,760**	4,543,886
Sukuk	18	**2,734,515**	2,734,008
Retention payable after 12 months		**19,603**	16,574
		7,315,282	7,309,225
Current liabilities			
Due to related parties	13	**30,355**	98,372
Accounts payable and accruals	19	**368,519**	362,748
Advances and security deposits		**564,189**	521,870
Retentions payable within 12 months		**4,536**	4,130
Deferred income		**498,977**	460,802
		1,466,576	1,447,922
TOTAL LIABILITIES		**8,781,858**	8,757,147
TOTAL EQUITY AND LIABILITIES		**22,987,382**	22,557,824

The consolidated financial statements were authorised for issue on 3 May 2015 by Board of Directors and signed on their behalf by:

Chairman

Director

The attached notes 1 to 21 form part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 31 March 2015 (Unaudited)

		(US $1.00 = AED 3.673)		
	Notes	*1 October* 2014 to 31 March 2015 AED'000*	*1 January 2015 to 31 March 2015 AED'000*	*1 January 2014 to 31 March 2014 AED'000*
OPERATING ACTIVITIES				
Profit for the period		**845,763**	**433,528**	329,046
Adjustments for:				
Depreciation of property, plant and equipment	10	**37,221**	**17,866**	18,265
Depreciation of investment properties	11	**128,477**	**64,909**	61,799
Provision for doubtful debts		**7,423**	**96**	7
Provision for employees' end of service benefits		**1,921**	**1,041**	955
Finance costs		**127,494**	**65,539**	62,719
Loss/ (gain) on disposal of property, plant and equipment		**21**	**16**	(13)
Liabilities no longer payable	8	**-**	**-**	(24,890)
Other income		**(7,380)**	**(4,355)**	(3,915)
Write-off	6	**7,883**	**7,883**	-
		1,148,823	**586,523**	443,973
Working capital changes:				
Inventories		**541**	**228**	(352)
Trade receivables		**7,211**	**33,552**	97,125
Due from related parties		**28,787**	**26,157**	(26,718)
Advances and prepayments		**3,955**	**(10,406)**	(2,217)
Due to related parties		**7,641**	**(68,393)**	(240,172)
Accounts payable and accruals		**(69,710)**	**(54,939)**	29,444
Advances and security deposits		**81,562**	**42,319**	18,681
Retentions payable		**8,115**	**3,435**	-
Deferred income		**68,741**	**38,175**	52,846
Net cash flows from operations		**1,285,666**	**596,651**	372,610
Employees' end of service benefits paid		**(182)**	**(18)**	(78)
Net cash flows from operating activities		**1,285,484**	**596,633**	372,532
INVESTING ACTIVITIES				
Purchases of property, plant and equipment	10	**(28,300)**	**(10,616)**	(28,957)
Amounts incurred on investment properties	11	**(163,338)**	**(76,787)**	(45,473)
Interest received		**6,912**	**4,354**	5,739
Proceeds from disposal of property, plant and equipment		**26**	**-**	35
Deposits under lien or maturing after three months		**(988,699)**	**(443,693)**	298,775
Net cash flows (used in)/ from investing activities		**(1,173,399)**	**(526,742)**	230,119
FINANCING ACTIVITIES				
Repayment of parent company loan		**-**	**-**	(611,178)
Repayment of interest bearing loans and borrowings		**-**	**-**	(45,000)
Finance cost paid		**(119,391)**	**(31,128)**	(30,840)
Net cash flows used in financing activities		**(119,391)**	**(31,128)**	(687,018)
(DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS		**(7,306)**	**38,763**	(84,367)
Cash and cash equivalents at 1 October/ 1 January		**94,331**	**48,262**	156,635
CASH AND CASH EQUIVALENTS AT 31 MARCH	14	**87,025**	**87,025**	72,268

* *The period 1 October 2014 to 31 March 2015 is disclosed to provide additional information on the results post the initial public offering.*

The attached notes 1 to 21 form part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 March 2015 (Unaudited)

(US $1.00 = AED 3.673)

	Share capital AED'000	Reserves AED'000	Retained earnings AED'000	Total AED'000
***1 October 2014 to 31 March 2015:**				
As at 1 October 2014	13,014,300	(993)	376,951	13,390,258
Profit for the period	-	-	845,763	845,763
Other comprehensive loss for the period	-	(30,497)	-	(30,497)
Total comprehensive income for the period	-	**(30,497)**	**845,763**	**815,266**
Transferred to statutory reserve (note 16)	-	135,059	(135,059)	-
As at 31 March 2015	**13,014,300**	**103,569**	**1,087,655**	**14,205,524**

	Share capital AED'000	Reserves AED'000	Retained earnings AED'000	Total AED'000
1 January 2015 to 31 March 2015:				
As at 1 January 2015	13,014,300	132,250	654,127	13,800,677
Profit for the period	-	-	433,528	433,528
Other comprehensive loss for the period	-	(28,681)	-	(28,681)
Total comprehensive income for the period	-	**(28,681)**	**433,528**	**404,847**
As at 31 March 2015	**13,014,300**	**103,569**	**1,087,655**	**14,205,524**

	Share capital AED'000	Reserves AED'000	Retained earnings AED'000	Total AED'000
1 January 2014 to 31 March 2014:				
As at 1 January 2014	300	(34,712)	2,993,342	2,958,930
Profit for the period	-	-	329,046	329,046
Other comprehensive income for the period	-	5,380	-	5,380
Total comprehensive income for the period	-	5,380	329,046	334,426
As at 31 March 2014	300	(29,332)	3,322,388	3,293,356

* *The period 1 October 2014 to 31 March 2015 is disclosed to provide additional information on the results post the initial public offering.*

The attached notes 1 to 21 form part of these interim condensed consolidated financial statements.

1 CORPORATE INFORMATION

Emaar Malls Group Public Joint Stock Company (the "Company") and its subsidiaries (together the "Group") was established as a public joint stock company by Ministerial Decree number 922 of the year 2014 dated 30 September 2014.

The Company is a subsidiary of Emaar Properties PJSC (the "Parent Company"); a Company incorporated in the United Arab Emirates and listed on the Dubai Financial Market. In 2014, the Parent Company converted the legal status of the Company from that of a limited liability company to public joint stock company and sold 15.37% of their shareholding in the Company through an Initial Public Offering ("IPO"). The Company is listed on the Dubai Financial Market and its shares were traded with effect from 2 October 2014.

The principal activities of the Group are retail development and management of shopping malls.

The address of the registered office of the Group is P.O. Box 191741, Dubai, United Arab Emirates.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial statements of the Group for the period ended 31 March 2015 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting and applicable requirements of United Arab Emirates law with investments in operating subsidiaries recorded at cost. The operating subsidiaries of the Group have been transferred to the Parent Company with effect from 3 April 2014. Prior to 3 April 2014, the Group had control over the operating subsidiaries and consequently is required by IFRS 10 'Consolidated financial statements', to present consolidated financial statements. Historically, the Group was not required to prepare consolidated financial statements as the Group is part of a group that publicly issues consolidated financial statements. As the Group is now a listed entity, IFRSs requires consolidated financial statements to be prepared. However, given that the only material operating subsidiaries were transferred by the Group in April 2014, these interim condensed consolidated financial statements with investments in operating subsidiaries recorded at cost are deemed to be reflective of current and future operations and therefore of more value to users.

The period 1 October 2014 to 31 March 2015 is disclosed to provide additional information on the results post the initial public offering.

The interim condensed consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and applicable requirements of United Arab Emirates laws.

The interim condensed consolidated financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards and should be read with the Group's annual financial statements as at 31 December 2013 and consolidated financial statements as at 31 December 2014.

The interim condensed consolidated financial statements have been prepared in United Arab Emirates Dirhams (AED), which is the Company's functional and presentation currency and all values are rounded to the nearest thousands except where otherwise indicated.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and entities controlled by the Company (its subsidiaries) as at 31 March 2015. Control is achieved where all the following criteria are met:

(a) the Company has power over an entity;
(b) the Company has exposure, or rights, to variable returns from its involvement with the entity; and
(c) the Company has the ability to use its power over the entity to affect the amount of the Company's returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

The Group re-assesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Subsidiaries

Subsidiaries are fully consolidated from the date of acquisition or incorporation, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Share of comprehensive income/ (loss) within a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit and loss;
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit and loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

The details of the Company's subsidiaries as at 31 March 2015 are as follows:

Name of the subsidiary	***Country of incorporation***	***Principal activity***	***Beneficial Ownership***	
			2015	*2014*
The Dubai Mall LLC	UAE	Self owned property leasing, buying and selling of real estate and management services	**99%**	99%
Emaar Dubai Malls LLC	UAE	Self owned property leasing, buying and selling of real estate and management services	**99%**	99%
Emaar International Malls LLC	UAE	Self owned property leasing, buying and selling of real estate and management services	**99%**	99%

Special purpose entities

Special purpose entities are entities that are created to accomplish a narrow and well-defined objective. The financial information of special purpose entities is included in the Group's consolidated financial statements where the substance of the relationship is that the Group controls the special purpose entity and hence, they are accounted for as subsidiaries.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)
The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the Group's reviewed financial statements for the period & year ended 31 December 2014, except for the adoption of new standards and interpretations issued by the International Accounting Standard Board ("IASB") and effective for annual periods beginning on or after 1 January 2015, which do not impact the interim condensed consolidated financial statements of the Group.

New standards, interpretations and amendments adopted by the Group
The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2014, except for the adoption of new standards and interpretations effective as of 1 January 2015. Other than IFRS 15 as mentioned below, the Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature and the effect of these changes are disclosed below. Although these new standards and amendments apply for the first time in 2015, they do not have a material impact on the annual consolidated financial statements of the Group or the interim condensed consolidated financial statements of the Group.

The nature and the impact of each new standard or amendment is described below:

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions
IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after 1 July 2014. This amendment is not relevant to the Group, since the Group has no defined benefit plans with contributions from employees or third parties.

Annual Improvements 2010-2012 Cycle
These improvements are effective from 1 July 2014 and include:

IFRS 2 *Share-based Payment*
This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

- A performance condition must contain a service condition
- A performance target must be met while the counterparty is rendering service
- A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group
- A performance condition may be a market or non-market condition
- If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied

The above definitions are consistent with how the Group has identified any performance and service conditions which are vesting conditions in previous periods, and thus these amendments do not impact the Group's accounting policies.

IFRS 3 *Business Combinations*
The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IFRS 9 (or IAS 39, as applicable). This is consistent with the Group's current accounting policy, and thus this amendment does not impact the Group's accounting policy.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

IFRS 8 *Operating Segments*
The amendments are applied retrospectively and clarify that:

- An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'
- The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

The Group has not applied the aggregation criteria in IFRS 8.12. The Group has presented the reconciliation of segment assets to total assets in previous periods and continues to disclose the same in these financial statements as the reconciliation is reported to the chief operating decision maker for the purpose of decision making.

IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets*
The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data by either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset. The Group did not record any revaluation adjustments during the current interim period.

IAS 24 *Related Party Disclosures*
The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. This amendment is not relevant for the Group as it does not receive any management services from other entities.

Annual Improvements 2011-2013 Cycle
These improvements are effective from 1 July 2014 and include:
IFRS 3 *Business Combinations*
The amendment is applied prospectively and clarifies for the scope exceptions within IFRS 3 that:
- Joint arrangements, not just joint ventures, are outside the scope of IFRS 3
- This scope exception applies only to the accounting in the financial statements of the joint arrangement itself. As the Group is not a joint arrangement, and thus this amendment is not relevant for the Group and its subsidiaries.

IFRS 13 *Fair Value Measurement*
The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable). The Group does not apply the portfolio exception in IFRS 13.

IFRS 15 *Revenue from contracts with customers*
The Group has early adopted IFRS 15 during the period ended 31 March 2015. IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Retrospective application was required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The management has performed an assessment of the revenue recognition policies of the Group in line with the requirements of IFRS 15 and concluded that there is no impact of the Group revenue recognition policies.

IAS 40 *Investment Property*
The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or a business combination. In previous periods, the Group has relied on IFRS 3, not IAS 40, in determining whether an acquisition is of an asset or is a business acquisition. Thus, this amendment does not impact the accounting policy of the Group.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective except for IFRS 15.

3 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 profit or loss and is measured consistently with the net profit or loss in the interim condensed consolidated financial statements.

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

Super Regional Malls:
Super regional malls include shopping centres which individually hold 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 Integrated Retail:
Community Retail includes shopping centres or retail outlets individually hold gross leasable area of less than 400 thousands sq. ft.

Specialty Retail:
Specialty retail includes shopping centres mainly offering specialty 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.

The following tables include revenue, results and other segment information from 1 October 2014 to 31 March 2015, for the three months period ended 31 March 2015 and 31 March 2014. Assets and liabilities information regarding business segments are presented as at 31 March 2015 and 31 December 2014.

	Super Regional Malls AED'000	*Regional Malls AED'000*	*Community Integrated Retail AED'000*	*Specialty Retail AED'000*	*Others AED'000*	*Total AED'000*
1 October 2014 to 31 March 2015:						
Revenue						
Rental income	**1,275,839**	**78,479**	**101,269**	**72,558**	**-**	**1,528,145**
Results						
Profit for the period	**878,995**	**39,154**	**56,917**	**39,747**	**(169,050)**	**845,763**
Other segment information						
Capital expenditure (Property, plant and equipment and investment properties)	**135,964**	**7,025**	**37,783**	**10,645**	**221**	**191,638**
Depreciation (Property, plant and equipment and investment properties)	**125,860**	**15,406**	**11,824**	**12,309**	**299**	**165,698**
Finance costs	**-**	**-**	**-**	**-**	**127,494**	**127,494**

3 SEGMENT INFORMATION (continued)

Business segments (continued)

	Super Regional Malls AED'000	*Regional Malls AED'000*	*Community Integrated Retail AED'000*	*Specialty Retail AED'000*	*Others AED'000*	*Total AED'000*
1 January 2015 to 31 March 2015:						
Revenue						
Rental income	**600,847**	**40,758**	**52,630**	**36,577**	**-**	**730,812**
Results						
Profit for the period	**434,345**	**22,141**	**30,348**	**23,410**	**(76,716)**	**433,528**
Other segment information						
Capital expenditure (Property, plant and equipment and investment properties)	**66,962**	**4,274**	**13,300**	**2,646**	**221**	**87,403**
Depreciation (Property, plant and equipment and investment properties)	**63,040**	**7,775**	**5,927**	**5,909**	**124**	**82,775**
Finance costs	**-**	**-**	**-**	**-**	**65,539**	**65,539**
Assets and liabilities as at 31 March 2015:						
Segment assets	**18,165,718**	**1,259,227**	**726,506**	**1,257,032**	**1,578,899**	**22,987,382**
Segment liabilities	**1,081,226**	**93,419**	**146,447**	**80,598**	**7,380,168**	**8,781,858**
1 January 2014 to 31 March 2014:						
Revenue						
Rental income	493,154	33,270	43,267	31,177	-	600,868
Results						
Profit for the period	298,538	16,498	31,801	16,604	(34,395)	329,046
Other segment information						
Capital expenditure (Property, plant and equipment and investment properties)	66,452	1,590	1,333	2,063	2,992	74,430
Depreciation (Property, plant and equipment and investment properties)	60,230	7,810	4,727	7,067	230	80,064
Finance costs	26,780	-	-	-	35,939	62,719
Assets and liabilities as at 31 December 2014:						
Segment assets	18,193,803	1,293,838	681,937	1,248,536	1,139,710	22,557,824
Segment liabilities	1,094,249	86,584	146,862	86,278	7,343,174	8,757,147

4 RENTAL INCOME

	1 October 2014 to 31 March 2015 AED'000	*1 January 2015 to 31 March 2015 AED'000*	*1 January 2014 to 31 March 2014 AED'000*
Base rent	**930,822**	**479,227**	399,578
Turnover rent	**241,443**	**75,103**	42,040
Services charges	**133,449**	**68,582**	60,300
Promotion and marketing contribution	**19,209**	**10,500**	8,974
Others	**203,222**	**97,400**	89,976
	1,528,145	**730,812**	600,868

5 OPERATING EXPENSES

	1 October 2014 to 31 March 2015 AED'000	*1 January 2015 to 31 March 2015 AED'000*	*1 January 2014 to 31 March 2014 AED'000*
Housekeeping and facility management	**111,656**	**46,764**	31,865
Direct staff costs	**49,353**	**23,765**	21,371
Utilities	**34,455**	**10,604**	11,887
Security	**15,759**	**6,308**	5,434
Others	**23,661**	**12,634**	14,457
	234,884	**100,075**	85,014

6 WRITE-OFF

During the three months period ended 31 March 2015, the Group has demolished the Springs Village Community Centre due to a planned redevelopment. Accordingly, the net book value of this asset is written-off from investment properties and property, plant and equipment.

7 FINANCE COSTS

	1 October 2014 to 31 March 2015 AED'000	*1 January 2015 to 31 March 2015 AED'000*	*1 January 2014 to 31 March 2014 AED'000*
Interest on amounts due to the parent company	**-**	**-**	28,828
Interest on loans and borrowings	**123,353**	**63,544**	30,694
Others	**4,141**	**1,995**	3,197
	127,494	**65,539**	62,719

8 PROFIT FOR THE PERIOD

The profit for the period is stated after charging:

	1 October 2014 to 31 March 2015 AED'000	*1 January 2015 to 31 March 2015 AED'000*	*1 January 2014 to 31 March 2014 AED'000*
Indirect staff costs	**24,187**	**11,630**	10,290
Liabilities no longer payable (note a)	**-**	**-**	24,890

(a) This related to accruals for historic third party service contracts where settlements have been reached with the suppliers and the balance accruals are no longer payable.

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

	1 October 2014 to 31 March 2015 AED'000	*1 January 2015 to 31 March 2015 AED'000*	*1 January 2014 to 31 March 2014 AED'000*
Earnings:			
Profit attributable to the shareholders	**845,763**	**433,528**	329,046
Weighted average number of ordinary shares for basic & diluted earnings per share – note (a)	**13,014,300,000**	**13,014,300,000**	300
Earnings per share (AED):			
- basic and diluted	**0.06**	**0.03**	1,096,820

(a) As at 31 March 2014, the Group had issued 300 shares of AED 1,000 each.

10 PROPERTY, PLANT AND EQUIPMENT

Additions

During the period from 1 October 2014 to 31 March 2015, the Group purchased property, plant and equipment of AED 28,300 thousands and charged depreciation expense to interim condensed consolidated income statement of AED 37,221 thousands.

During the period from 1 January 2015 to 31 March 2015, the Group purchased property, plant and equipment of AED 10,616 thousands (period ended 31 March 2014: AED 28,957 thousands) and charged depreciation expense to interim condensed consolidated income statement of AED 17,866 thousands (period ended 31 March 2014: AED 18,265 thousands).

11 INVESTMENT PROPERTIES

Additions
During the period from 1 October 2014 to 31 March 2015, the Group had additions of AED 163,338 thousands and charged depreciation expense to interim condensed consolidated income statement of AED 128,477 thousands.

During the period from 1 January 2015 to 31 March 2015, the Group had additions of AED 76,787 thousands (period ended 31 March 2014: AED 45,473 thousands) and charged depreciation expense to interim condensed consolidated income statement of AED 64,909 thousands (period ended 31 March 2014: AED 61,799 thousands).

12 TRADE RECEIVABLES

	31 March 2015 AED'000	*31 December 2014 AED'000*
Trade receivables - net	**73,060**	106,708

Trade receivables include amounts due from related parties amounting to AED 3,786 thousands (31 December 2014: AED 1,102 thousands) [note 13 (b)].

The above trade receivables are net of allowance for doubtful debts of AED 56,810 thousands (31 December 2014: AED 56,730 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:

	31 March 2015 AED'000	*31 December 2014 AED'000*
Balance at 1 January	**56,730**	58,301
Net charge/ (reversal) for the period/ year	**96**	(1,044)
Written off during the period/ year	**(16)**	(527)
Balance at period/ year-end	**56,810**	56,730

13 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 (equivalent to terms those prevail in arm's length transactions) on terms agreed between the parties:

	1 January 2015 to 31 March 2015 AED'000	*1 January 2014 to 31 March 2014 AED'000*
Rental income		
Parent Company	**4,405**	2,549
Affiliated entities	**12,741**	18,850
Entities owned or controlled by Directors and other related parties	**24,318**	20,259
	41,464	41,658
Operating expenses		
Parent Company	**10,789**	39,393
Affiliated entities	**21,426**	-
Entities owned or controlled by Directors and other related parties	**868**	-
Selling and marketing expenses		
Parent Company	**745**	-
Affiliated entities	**199**	-
Entities owned or controlled by Directors and other related parties	**1,000**	-
General and administrative expenses		
Parent Company	**16,709**	30,478
Affiliated entities	**385**	-
Finance costs		
Parent Company	**-**	28,828
Entities owned or controlled by Directors and other related parties	**1,966**	-

13 RELATED PARTY DISCLOSURES (continued)

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

31 March 2015	*Bank balances and cash AED '000*	*Due from related parties AED '000*	*Trade receivables AED '000*	*Interest bearing loans and borrowings AED '000*	*Due to related parties AED '000*	*Deferred income AED '000*	*Trade payables AED '000*
Non-current							
Entities owned or controlled by Directors and other related parties	-	-	-	214,258	-	-	-
	-	-	-	214,258	-	-	-
Current							
Parent Company	-	-	1,863	-	30,355	1,916	1,403
Affiliated entities	-	188,843	797	-	-	23,897	13,334
Entities owned or controlled by Directors and other related parties	186,649	-	1,126	-	-	34,248	453
	186,649	188,843	3,786	-	30,355	60,061	15,190

Outstanding balances are secured and interest-bearing. For the periods ended 31 March 2015 and year ended 31 December 2014, the Group has not recorded any impairment of receivables relating to amounts owed by related parties.

13 RELATED PARTY DISCLOSURES (continued)

(b) Balances with related parties included in the interim condensed consolidated statement of financial position are as follows: (continued)

31 December 2014	*Bank balances and cash AED '000*	*Due from related parties AED '000*	*Trade receivables AED '000*	*Interest bearing loans and borrowings AED '000*	*Due to related parties AED '000*	*Deferred income AED '000*	*Trade payables AED '000*
Non-current							
Entities owned or controlled by Directors and other related parties	-	-	-	214,258	-	-	-
	-	-	-	214,258	-	-	-
Current							
Parent Company	-	-	-	-	98,069	364	-
Affiliated entities	-	215,000	201	-	303	22,912	3,183
Entities owned or controlled by Directors and other related parties	27,196	-	901	-	-	35,260	3,149
	27,196	215,000	1,102	-	98,372	58,536	6,332

13 RELATED PARTY DISCLOSURES (continued)

(c) In 2010, the Group 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. Last year, the Group fully repaid the loan from Parent Company. Movement in the loan balance is as follows:

	31 March 2015 AED'000	*31 December 2014 AED'000*
Balance at 1 January	-	1,583,493
Repayments made during the period/ year	-	(1,583,493)
Balance at period/ year-end	-	-

(d) Compensation of key management personnel

The remuneration of directors and other members of key management during the year were as follows:

	1 January 2015 to 31 March 2015 AED'000	*1 January 2014 to 31 March 2014 AED'000*
Short term benefits	**11,721**	7,092
End of service benefits	**440**	847

During the period, the number of key management personnel was 25 (31 March 2014: 17).

14 BANK BALANCES AND CASH

	31 March 2015 AED'000	*31 December 2014 AED'000*
Cash in hand	**194**	194
Bank balances:		
Current and call accounts	**86,831**	48,068
Cash and cash equivalents	**87,025**	48,262
Deposits under lien (note 17)	**23,552**	23,550
Deposits maturing after three months	**1,735,837**	1,292,146
Balance at period/ year-end	**1,846,414**	1,363,958

Included in the bank balances and cash is an amount of AED 186,649 thousands (31 December 2014: AED 27,196 thousand) as balance held with related party [note 13(b)].

Cash at banks earn interest at fixed 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 Group, and earn interest at the respective short-term deposit rates. Fixed deposits maturing after three months earn interest at rates between 0.9% and 1.3% per annum (31 December 2014: 0.9% and 1.3% per annum).

15 SHARE CAPITAL

	31 March 2015 AED'000	*31 December 2014 AED'000*
Authorised capital – 13,014,300,000 shares of AED 1 each (2014: 13,014,300,000 shares of AED 1 each)	**13,014,300**	13,014,300
Issued and fully paid – 13,014,300,000 shares of AED 1 each (2014: 13,014,300,000 shares of AED 1 each)	**13,014,300**	13,014,300

16 RESERVES

Movement in reserves is as follows:

	Statutory reserve AED'000	*Hedging reserve AED'000*	*Total AED'000*
1 October 2014 to 31 March 2015:			
As at 1 October 2014	150	(1,143)	(993)
Other comprehensive income for the period	-	(30,497)	(30,497)
Total comprehensive income for the period	-	(30,497)	(30,497)
Transferred to statutory reserve (note a)	135,059	-	135,059
As at 31 March 2015	**135,209**	**(31,640)**	**103,569**

	Statutory reserve AED'000	*Hedging reserve AED'000*	*Total AED'000*
1 January 2015 to 31 March 2015:			
As at 1 January 2015	135,209	(2,959)	132,250
Other comprehensive income for the period	-	(28,681)	(28,681)
Total comprehensive income for the period	-	(28,681)	(28,681)
As at 31 March 2015	**135,209**	**(31,640)**	**103,569**

16 RESERVES (continued)

	Statutory reserve AED'000	*Hedging reserve AED'000*	*Total AED'000*
1 January 2014 to 31 March 2014:			
As at 1 January 2014	150	(34,862)	(34,712)
Other comprehensive income for the period	-	5,380	5,380
Total comprehensive income for the period	-	5,380	5,380
As at 31 March 2014	150	(29,482)	(29,332)

(a) As required by the UAE Federal Commercial Companies Law No. 8 of 1984 (as amended) and the Group's memorandum of association, 10% of the net profit for the year shall be transferred to statutory reserve until it reaches 50% of the issued share capital. Accordingly, 10% of the net profit for the year ended 31 December 2014 has been transferred to statutory reserves. This reserve is not available for distribution except in the circumstances stipulated by the law.

17 INTEREST BEARING LOANS AND BORROWINGS

	31 March 2015 AED'000	*31 December 2014 AED'000*
Interest bearing loans and borrowings (note a)	**4,591,250**	4,591,250
Less: unamortised portion of loan arrangement fee	**(45,490)**	(47,364)
Net interest bearing loans and borrowings	**4,545,760**	4,543,886

Net interest bearing loans and borrowings are repayable as follows:

Within one year (shown under current liabilities)	-	-
After one year (shown under non-current liabilities)	**4,545,760**	4,543,886
	4,545,760	4,543,886

	31 March 2015 AED'000	*31 December 2014 AED'000*
(a) Movement for the year:		
Balance as at 1 January	**4,591,250**	3,510,000
Less: Repaid during the period/ year	-	(3,510,000)
Add: Borrowed during the period/ year	-	4,591,250
Balance at period/ year-end	**4,591,250**	4,591,250

17 INTEREST BEARING LOANS AND BORROWINGS (continued)

During the year ended 31 December 2014, the Group has fully repaid the 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 thousands) availed from the commercial banks of UAE. Out of which the Group has drawn down USD 1.25 billion (AED 4,591,250 thousands) as at 31 March 2015 and the option to further draw down has expired during the period ended 31 December 2014. The new facility is unsecured and carries interest rate at 3 months LIBOR + 1.75% pa and this facility will be repaid in a single instalment in 2021. The bank has a lien on certain cash collateral amounting to AED 23,552 thousands (31 December 2014: AED 23,550 thousands) against interest payable (note 14).

As at 31 March 2015, part of interest bearing loans and borrowings amounting to USD 58,333 thousands (AED 214,258 thousands) (31 December 2014: AED 214,258 thousands) is borrowed from a related party [note13 (b)].

18 SUKUK

EMG Sukuk Limited (the "Issuer"), a limited liability company registered in the Cayman Islands and a wholly-owned subsidiary of the Group, 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 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:

	31 March 2015 AED'000	*31 December 2014 AED'000*
Proceeds from the issuance of the Sukuk	**2,754,750**	2,754,750
Less: Sukuk issuance cost	**(21,587)**	(21,667)
Sukuk liability on initial recognition	**2,733,163**	2,733,083
Profit accrued up to period/ year end	**1,352**	925
Sukuk liability as at period/ year-end	**2,734,515**	2,734,008

19 ACCOUNTS PAYABLE AND ACCRUALS

	31 March 2015 AED'000	*31 December 2014 AED'000*
Trade payables	**62,638**	69,353
Accrued expenses	**232,030**	279,421
Interest payable	**37,352**	7,318
Other payables	**36,499**	6,656
	368,519	362,748

Included in the trade payables is an amount of AED 15,190 thousands (31 December 2014: AED 6,332 thousands) due to related parties [note 13(b)].

20 COMMITMENTS AND CONTINGENCIES

Commitments
At 31 March 2015, the Group had commitments of AED 1,571,363 thousands (31 December 2014: AED 1,569,196 thousands) which includes project commitments of AED 1,368,336 thousands (31 December 2014: 1,365,521 thousands). This represents the value of contracts issued as at 31 March net of invoices received and accruals made as at that date.

Operating lease commitments - Group as lessor
The Group 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:

	31 March 2015 AED'000	*31 December 2014 AED'000*
Within one year	**1,729,781**	1,668,971
After one year but not more than five years	**3,061,621**	3,074,560
More than five years	**187,844**	194,073
	4,979,246	4,937,604

In addition to the base rent, the Group also charges annual service charges to its tenants. The total amount of service charges for the period ended 31 March 2015 was AED 68,582 thousands (period ended 31 March 2014: AED 60,300 thousands).

Operating lease commitments - Group as lessee
The Group has entered into agreement with related party to lease its office space. Future minimum rental payable under non-cancellable operating lease is as follows:

	31 March 2015 AED'000	*31 December 2014 AED'000*
Within one year	**1,502**	724
After one year but not more than five years	**3,240**	1,084
More than five years	**-**	-
	4,742	1,808

Legal claims
As at 31 March 2015, legal proceedings are in progress against certain tenants to recover outstanding rents amounting to AED 18,512 thousands (31 December 2014: AED 17,228 thousands). Based on the advice of legal advisors, outcome of these claims will have no adverse impact on the consolidated financial statements of the Group.

21 HEDGING ACTIVITIES

Cash flow hedges
The Group held certain interest rate swap contract designated as a hedge of expected future payments under the borrowing contracts entered by the Group for which it has firm commitments. The interest rate swap contract is being used to hedge the interest rate risk of the firm commitments. The nominal amount of these contracts is USD 725,000 thousands (AED 2,662,925 thousands) (31 December 2014: AED 2,662,925 thousands).

	31 March 2015		*31 December 2014*	
	Assets AED'000	***Liabilities AED'000***	*Assets AED'000*	*Liabilities AED'000*
Interest rate swap contracts				
Fair value	**-**	**31,640**	-	2,959

The fair values of the interest rate swaps are estimated using quotes from external sources or from the counterparty to the instruments.

The terms of the foreign currency forward contracts match the terms of the expected highly probable forecast transactions. As a result, no hedge ineffectiveness arises requiring recognition through profit or loss.

Fair value hierarchy
The Group uses the following hierarchy for determining and disclosing the fair value of cash flow hedges by valuation technique:

	Total AED'000	***Level 1 AED'000***	***Level 2 AED'000***	***Level 3 AED'000***
31 March 2015				
Interest rate swap contracts	**31,640**	**-**	**31,640**	**-**
31 December 2014				
Interest rate swap contracts	2,959	-	2,959	-

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).

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).

Valuation technique
The present value of interest rate swaps is computed by determining the present value of the fixed leg and the floating leg interest flows. The value of the fixed leg is given by the present value of the fixed coupon payments. The value of the floating leg is given by the present value of the floating coupon payments determined at the agreed dates of each payment. The forward rate for each floating payment date is calculated using the forward curves.