

**Dubai Investments PJSC
and its subsidiaries**

Condensed consolidated interim financial
statements

31 March 2017

Dubai Investments PJSC and its subsidiaries

Condensed consolidated interim financial statements

31 March 2017

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

To the Shareholders of Dubai Investments PJSC

Introduction

We have reviewed the accompanying 31 March 2017 condensed consolidated interim financial statements of Dubai Investments PJSC ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprise:

- the condensed consolidated statement of profit or loss for the three month period ended 31 March 2017;
- the condensed consolidated statement of comprehensive income for the three month period ended 31 March 2017;
- the condensed consolidated statement of financial position as at 31 March 2017;
- the condensed consolidated statement of cash flows for the three month period ended 31 March 2017;
- the condensed consolidated statement of changes in equity for the three month period ended 31 March 2017; and
- notes to the condensed consolidated interim financial statements.

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



Dubai Investments PJSC
*Independent Auditors' Report on Review of Condensed
Consolidated Interim Financial Statements
31 March 2017*

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at 31 March 2017 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG Lower Gulf Limited

Fawzi AbuRass
Registration No.: 968
Dubai, United Arab Emirates
Date: 4 May 2017

Dubai Investments PJSC and its subsidiaries

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

	Note	Three month period ended 31 March	
		2017 AED 000	2016 AED 000
Sale of goods		207,064	223,130
Rental income		223,969	207,021
Contract revenue		86,736	97,387
Sale of properties		-	1,425
Loss on fair valuation of investments		(1,759)	(684)
Gain/(loss) on sale of investments – (net)		1,660	(1,634)
Gain on sale of investment properties		1,049	-
Gain on fair valuation of investment properties	10	174,770	-
Dividend income		2,816	612
Share of profit from equity accounted investees		932	792
Gain on disposal of subsidiaries	22	-	186,632
Total income		697,237	714,681
Direct operating costs	6	(340,964)	(339,235)
Administrative and general expenses	7	(89,749)	(87,327)
Finance expenses		(22,135)	(21,310)
Finance income		13,741	19,994
Other income	8	17,372	4,809
Profit for the period		275,502	291,612
Profit attributable to:			
Owners of the Company		288,977	297,548
Non-controlling interests		(13,475)	(5,936)
Profit for the period		275,502	291,612
Earnings per share			
Basic earnings per share (AED)	16	0.07	0.07

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

Dubai Investments PJSC and its subsidiaries

Condensed consolidated statement of comprehensive income
for the three month period ended 31 March (unaudited)

	Three month period ended	
	31 March	
	2017	2016
	AED 000	AED 000
Profit for the period	275,502	291,612
Other comprehensive income:		
<i>Items that will never be reclassified to profit or loss</i>		
Net change in fair value of investments at fair value through other comprehensive income (OCI)	113	(41,039)
	-----	-----
Total other comprehensive income for the period	113	(41,039)
	-----	-----
Total comprehensive income for the period	275,615	250,573
	=====	=====
Attributable to:		
Owners of the Company	289,090	261,106
Non-controlling interests	(13,475)	(10,533)
	-----	-----
Total comprehensive income for the period	275,615	250,573
	=====	=====

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

Dubai Investments PJSC and its subsidiaries

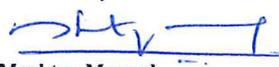
Condensed consolidated statement of financial position (unaudited)

as at

		31 March 2017 AED 000 (Unaudited)	31 December 2016 AED 000 (Audited)	31 March 2016 AED 000 (Unaudited)
	<i>Note</i>			
Non-current assets				
Property, plant and equipment	9	1,302,894	1,320,308	1,253,523
Goodwill and intangible assets		99,390	99,768	101,821
Investment properties	10	6,886,085	6,731,697	5,232,938
Investments at fair value through other comprehensive income	11	246,384	246,272	338,781
Investment in equity accounted investees		666,805	664,251	875,677
Rent receivable		41,077	44,093	50,207
Finance lease receivable		7,774	6,878	130,793
Inventories	12	1,640,734	1,603,905	1,464,291
Trade receivables	13	125,308	143,030	216,018
Due from related parties and other receivables		69,428	41,751	50,499
Total non-current assets		11,085,879	10,901,953	9,714,548
Current assets				
Inventories	12	690,646	615,934	714,760
Investments at fair value through profit or loss	11	1,655,590	1,596,532	1,727,836
Trade receivables	13	1,240,260	1,163,265	1,180,106
Due from related parties and other receivables		574,789	505,135	501,879
Cash at bank and in hand	15	1,514,575	1,331,997	1,633,457
Asset held for sale		-	-	91,368
Total current assets		5,675,860	5,212,863	5,849,406
Total assets		16,761,739	16,114,816	15,563,954
Equity				
Share capital		4,049,541	4,049,541	4,049,541
Share premium		46	46	46
Capital reserve		25,502	25,502	25,502
Legal reserve		975,958	975,958	890,756
General reserve		1,253,943	1,253,943	1,174,719
Revaluation reserve	23	22,000	22,000	22,000
Fair value reserve		(249,623)	(249,736)	(227,539)
Proposed dividend/bonus	19	607,431	607,431	485,945
Proposed directors' fee	19	10,000	10,000	8,000
Retained earnings		4,957,342	4,669,545	4,543,555
Equity attributable to owners of the Company		11,652,140	11,364,230	10,972,525
Non-controlling interests		533,756	574,647	470,219
Total equity		12,185,896	11,938,877	11,442,744
Liabilities				
Non-current liabilities				
Long-term bank borrowings	17	704,227	522,078	414,444
Sukuk notes	18	1,101,600	1,101,600	1,101,600
Other payables		61,944	77,819	48,654
Total non-current liabilities		1,867,771	1,701,497	1,564,698
Current liabilities				
Bank borrowings	17	1,315,164	1,182,824	1,204,023
Trade, related parties and other payables		1,392,908	1,291,618	1,312,641
Liabilities held for sale		-	-	39,848
Total current liabilities		2,708,072	2,474,442	2,556,512
Total liabilities		4,575,843	4,175,939	4,121,210
Total equity and liabilities		16,761,739	16,114,816	15,563,954

The condensed consolidated interim financial statements was authorized for issue on behalf of the Board of Directors on 4 May 2017.


Khalid Jassim Kalban
MD & CEO


Mushtaq Masood
Group CFO

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

Dubai Investments PJSC and its subsidiaries
Condensed consolidated statement of cash flows
for the three month period ended 31 March (unaudited)

	Three month period ended	
	31 March	
	2017	2016
	AED 000	AED 000
Cash flows from operating activities		
Profit for the period	275,502	291,612
<i>Adjustments for:</i>		
Depreciation	26,893	25,547
Amortization of intangible assets	378	492
Gain on disposal of property, plant and equipment	82	(327)
Gain on fair valuation of investment properties	(174,770)	-
Gain on sale of investment properties	(1,049)	-
(Gain)/loss on sale of investments – (net)	(1,660)	1,634
Share of profit from equity accounted investees	(932)	(792)
Loss on fair valuation of investments	1,759	684
Gain on disposal of subsidiaries	-	(186,632)
	-----	-----
Operating profit before changes in working capital	126,203	132,218
<i>Changes in:</i>		
- investment at fair value through profit or loss and at fair value through OCI	(59,156)	(34,287)
- trade, related parties and other receivables	(154,484)	(23,758)
- inventories	(111,541)	14,379
- trade, related parties and other payables	101,290	85,090
Net movement in equity accounted investees	(1,622)	(176)
	-----	-----
Net cash (used in)/ from operating activities	(99,310)	173,466
	-----	-----
Cash flows from investing activities		
Acquisition of non-controlling interests	(28,526)	(5,359)
Net movement in investment properties	21,431	(5,898)
Acquisition of property, plant and equipment	(9,575)	(11,433)
Proceeds from disposal of property, plant and equipment	14	2,306
	-----	-----
Net cash used in investing activities	(16,656)	(20,384)
	-----	-----
Cash flows from financing activities		
Net movement in bank borrowings and payables	173,216	(7,841)
Net movement in deposits under lien	(1)	(13,150)
Net movement in non-controlling interests	(70)	(1,853)
	-----	-----
Net cash from / (used in) financing activities	173,145	(22,844)
	-----	-----
Net increase in cash and cash equivalents	57,179	130,238
Cash and cash equivalents at 1 January	946,528	1,178,491
	-----	-----
Cash and cash equivalents at 31 March	1,003,707	1,308,729
	-----	-----
<i>Cash and cash equivalents comprise the following:</i>		
Cash in hand, current and call accounts with banks	844,368	581,771
Short term deposits with banks (excluding those under lien)	661,311	1,018,427
Bank overdrafts, trust receipt loans and bills discounted	(501,972)	(291,469)
	-----	-----
	1,003,707	1,308,729
	=====	=====

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

Dubai Investments PJSC and its subsidiaries

Condensed consolidated statement of changes in equity

for the three month period ended 31 March 2016 (unaudited)

	-----Equity attributable to owners of the Company-----											Non- controlling interests	AED 000 Total
	Share capital	Share premium	Capital reserve	Legal reserve	General reserve	Reval- uation reserve	Fair value reserve	Proposed dividend	Proposed directors' fee	Retained earnings	Sub total		
Balance at 1 January 2016	4,049,541	46	25,502	890,756	1,174,719	67,000	(191,097)	485,945	8,000	4,201,404	10,711,816	487,567	11,199,383
Profit for the period	-	-	-	-	-	-	-	-	-	297,548	297,548	(5,936)	291,612
Other comprehensive income													
Net change in fair value of investments at fair value through OCI	-	-	-	-	-	-	(36,442)	-	-	-	(36,442)	(4,597)	(41,039)
Total other comprehensive income for the period	-	-	-	-	-	-	(36,442)	-	-	-	(36,442)	(4,597)	(41,039)
Total comprehensive income for the period	-	-	-	-	-	-	(36,442)	-	-	297,548	261,106	(10,533)	250,573
Transactions with owners, recorded directly in equity													
<i>Contributions by and distributions to owners</i>													
Dividend paid by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(450)	(450)
Total contributions by and distribution to owners	-	-	-	-	-	-	-	-	-	-	-	(450)	(450)
<i>Changes in ownership interests</i>													
On acquisitions of non-controlling interests	-	-	-	-	-	-	-	-	-	(397)	(397)	(4,962)	(5,359)
On dilution of stake in a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(2,473)	(2,473)
Introduction of share capital in a subsidiary	-	-	-	-	-	-	-	-	-	-	-	1,070	1,070
Total change in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	(397)	(397)	(6,365)	(6,762)
Total transactions with owners	-	-	-	-	-	-	-	-	-	(397)	(397)	(6,815)	(7,212)
Other movements (refer note 23)	-	-	-	-	-	(45,000)	-	-	-	45,000	-	-	-
Balance at 31 March 2016	4,049,541	46	25,502	890,756	1,174,719	22,000	(227,539)	485,945	8,000	4,543,555	10,972,525	470,219	11,442,744

Dubai Investments PJSC and its subsidiaries
Condensed consolidated statement of changes in equity (continued)
for the three month period ended 31 March 2017 (unaudited)

	-----Equity attributable to owners of the Company-----											AED 000	
	Share capital	Share premium	Capital reserve	Legal reserve	General reserve	Revaluation reserve	Fair value reserve	Proposed dividend/bonus	Proposed directors' fee	Retained earnings	Sub total	Non-controlling interests	Total
Balance at 1 January 2017	4,049,541	46	25,502	975,958	1,253,943	22,000	(249,736)	607,431	10,000	4,669,545	11,364,230	574,647	11,938,877
Profit for the period	-	-	-	-	-	-	-	-	-	288,977	288,977	(13,475)	275,502
Other comprehensive income													
Net change in fair value of investments at fair value through OCI	-	-	-	-	-	-	113	-	-	-	113	-	113
Total other comprehensive income for the period	-	-	-	-	-	-	113	-	-	-	113	-	113
Total comprehensive income for the period	-	-	-	-	-	-	113	-	-	288,977	289,090	(13,475)	275,615
Transactions with owners, recorded directly in equity													
<i>Contributions by and distributions to owners</i>													
Dividend paid by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(70)	(70)
Total contributions by and distribution to owners	-	-	-	-	-	-	-	-	-	-	-	(70)	(70)
<i>Changes in ownership interests</i>													
On acquisitions of non-controlling interests (note 20)	-	-	-	-	-	-	-	-	-	(1,180)	(1,180)	(27,346)	(28,526)
Total change in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	(1,180)	(1,180)	(27,346)	(28,526)
Total transactions with owners	-	-	-	-	-	-	-	-	-	(1,180)	(1,180)	(27,416)	(28,596)
Balance at 31 March 2017	4,049,541	46	25,502	975,958	1,253,943	22,000	(249,623)	607,431	10,000	4,957,342	11,652,140	533,756	12,185,896

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

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements for the three month period ended 31 March 2017 (unaudited)

1. Reporting entity

Dubai Investments PJSC (“the Company”) was incorporated in the United Arab Emirates by Ministerial Resolution No. 46 of 1995, on 16th July 1995. These condensed consolidated interim financial statements as at and for the three month period ended 31 March 2017 (“the current period”) comprise the financial statements of the Company and its subsidiaries (collectively referred to as “the Group”) and the Group’s interest in associates and joint arrangements.

The Group is primarily involved in development of real estate for sale and leasing, contracting activities, manufacturing and trading of products in various sectors, investment banking, asset management and financial investments.

The registered address of the Company is P.O. Box 28171, Dubai, UAE.

2. Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with the International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*. The condensed consolidated interim financial statements does not include all of the information required for full annual consolidated financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2016.

3. Significant accounting policies

The accounting policies applied in the preparation of the condensed consolidated interim financial statements are consistent with those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2016.

Financial assets and liabilities

The accounting policies, classifications and measurement principles for financial assets and liabilities applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2016. These are disclosed in detail under notes 2 and 3 in the Group’s consolidated financial statements as at and for the year ended 31 December 2016.

4. Use of estimates and judgments

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

The significant judgments made by the management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that were applied in preparation of the consolidated financial statements of the Group as at and for the year ended 31 December 2016.

Dubai Investments PJSC and its subsidiaries

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

5. Financial instruments

Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2016.

Valuation of financial instruments

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: inputs that are quoted market price (unadjusted) in an active market for identical instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted market prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: inputs that are unobservable. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The table below analyses financial instruments, measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorized:

<i>31 March 2017</i>	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Financial assets at fair value through profit or loss	518,516	799,919	337,155	1,655,590
Financial assets at fair value through other comprehensive income	841	-	245,543	246,384
	=====	=====	=====	=====
	519,357	799,919	582,698	1,901,974
	=====	=====	=====	=====
 <i>31 December 2016</i>	 Level 1 AED'000	 Level 2 AED'000	 Level 3 AED'000	 Total AED'000
Financial assets at fair value through profit or loss	417,087	871,369	308,076	1,596,532
Financial assets at fair value through other comprehensive income	663	-	245,609	246,272
	=====	=====	=====	=====
	417,750	871,369	553,685	1,842,804
	=====	=====	=====	=====

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements (*continued*)
for the three month period ended 31 March 2017 (unaudited)

5. Financial instruments (*continued*)

Reconciliation of Level 3 fair value measurements of financial assets

	2017 AED'000	2016 AED'000
As at 1 January	553,685	633,155
Purchased during the period	25,718	2,983
Redeemed/sold during the period	(735)	-
Loss included in OCI	-	
Net change in fair value (unrealized)	(66)	(41,039)
Gain recorded in profit and loss		
-Net change in fair value (unrealized)	4,096	-
	-----	-----
As at 31 March	<u>582,698</u>	<u>595,099</u>

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

Valuation techniques

The fair values of Level 3 financial instruments have been determined on the same basis and assumptions as for the year ended 31 December 2016.

6. Direct operating costs

	Three month period ended 31 March	
	2017 AED 000	2016 AED 000
<i>These include:</i>		
Materials consumed	194,476	173,335
Cost of properties sold	-	1,184
Staff costs	37,494	42,605
Factory overheads (excluding depreciation)	39,927	38,459
Depreciation	18,611	18,593
Share of Government of Dubai in the realized profits of a subsidiary	27,402	26,299
	=====	=====

7. Administrative and general expenses

	Three month period ended 31 March	
	2017 AED 000	2016 AED 000
<i>These include:</i>		
Staff costs	51,557	50,596
Selling and marketing expenses	15,409	8,479
Depreciation	8,282	6,954
	=====	=====

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements (*continued*)
for the three month period ended 31 March 2017 (unaudited)

8. Other income

It includes insurance claim received by a subsidiary of AED 5.3 million and income from leased operations of AED 4.2 million.

9. Property, plant and equipment

During the three month period ended 31 March 2017, the Group's additions to assets amounted to AED 9.5 million (*three month period ended 31 March 2016: AED 11.4 million*).

10. Investment properties

Included in investment properties are mainly the following:

	31 March 2017 AED'000	31 December 2016 AED'000	31 March 2016 AED'000
- Infrastructure and ancillary facilities	4,479,700	4,302,293	3,902,903
- Plots of land for future development	604,426	604,426	496,632
- Residential, retail and commercial facilities	1,133,059	1,156,078	202,932
- Labor camps and warehouses	668,900	668,900	630,471
	6,886,085	6,731,697	5,232,938
	=====	=====	=====

- i) The valuation basis and assumptions used for valuation of investments properties remains consistent with the methodology adopted as at 31 December 2016 and were last valued as at that date except as mentioned in (ii) below.
- ii) During the current period, the Group obtained fair values of infrastructure and ancillary facilities leased to third parties built on the land (number 598-0100 and 597-0100 located in Jebel Ali Industrial Area). The valuation was carried out by an independent registered valuer in accordance with the RICS Appraisal and Valuation Manual issued by the Royal Institute of Chartered Surveyors using a discounted cash flow model. The valuation resulted in a gain of AED 174.8 million mainly due to the increase in underlying cash flows.
- ii) During the current period, the Group disposed one of the residential buildings with a carrying value of AED 23.7 million.

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements (*continued*)
for the three month period ended 31 March 2017 (*unaudited*)

11. Investments

	31 March 2017 AED 000 (Unaudited)	31 December 2016 AED 000 (Audited)	31 March 2016 AED 000 (Unaudited)
Investments at fair value through other comprehensive income:			
- unquoted equity securities	246,384	246,272	338,781
	-----	-----	-----
(i)	246,384	246,272	338,781
	=====	=====	=====
Investments at fair value through profit or loss:			
- held for trading quoted equity securities	518,516	417,087	396,737
- unquoted equity securities, funds, bonds and sukus	1,137,074	1,179,445	1,331,099
	-----	-----	-----
(ii)	1,655,590	1,596,532	1,727,836
	=====	=====	=====
<i>Geographical distribution of investments</i>			
UAE	857,250	828,942	943,956
Other GCC countries	414,920	412,045	464,434
Other countries	629,804	601,817	658,227
	-----	-----	-----
(i)+(ii)	1,901,974	1,842,804	2,066,617
	=====	=====	=====

12. Inventories

Inventories at 31 March 2017 include properties under development for sale in the ordinary course of business amounting to AED 2,136 million (*31 December 2016: AED 2,008 million*) and represent costs of land, expenditure incurred towards the development of properties for subsequent sale and borrowing costs. The Group intends to develop these properties for sale and has classified these properties as long term based on completion/future development plans.

13. Trade receivables

Trade receivables as at 31 March 2017 include an amount of AED 222 million (*31 December 2016: AED 222 million*) representing the balance of the consideration receivable in respect of the sale by Dubai Investments Park Development Company LLC (“the subsidiary”) to a customer (“the customer”) for a 90 year usufruct right in a plot of land located in Dubai Investments Park. The subsidiary initiated legal proceedings against the customer to recover the outstanding balance and the Dubai Court of First Instance had issued a judgment in the subsidiary’s favor. The customer filed an appeal with the Dubai Court of Appeal.

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

Accordingly, legal proceedings had been adjourned. Also refer to note 21.

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements (*continued*)
for the three month period ended 31 March 2017 (*unaudited*)

14. Related party transactions

Significant related party transactions during the period were as follows:

	Three month period ended 31 March	
	2017 AED 000	2016 AED 000
Land and other lease charges	1,223	3,700
Compensation to key management personnel is as follows:		
- Short term benefits	4,247	3,751
- Post employee benefits	102	101
	===	===

15. Cash at bank and in hand

	31 March 2017 AED 000 (Unaudited)	31 December 2016 AED 000 (Audited)	31 March 2016 AED 000 (Unaudited)
Cash in hand	1,853	1,638	2,081
Cash at bank within UAE (current accounts)	702,060	441,289	513,398
Cash at bank outside UAE – GCC Countries (current accounts)	30,523	35,155	12,368
Cash at bank outside UAE – Other countries (current accounts)	109,932	49,663	53,924
Short term deposits (including deposits of AED 8.90 million (31 December 2016: 8.89 million) under lien with banks)	670,207	804,252	1,051,686
	----- 1,514,575 =====	----- 1,331,997 =====	----- 1,633,457 =====

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements (*continued*)
for the three month period ended 31 March 2017 (unaudited)

16. Basic earnings per share

	Three month period ended	
	31 March	
	2017	2016
Net profit attributable to owners of the Company (AED'000)	288,977	297,548
Weighted average number of shares outstanding ('000s)	4,252,018	4,252,018
	=====	=====

Weighted average number of shares outstanding for the three month periods ended 31 March 2017 and 31 March 2016 have been retrospectively adjusted to include the 5% bonus shares approved in the shareholders' Annual General Meeting (AGM) held on 10 April 2017.

17. Bank borrowings

Repayment periods in respect of bank borrowings vary from three to nine years and these borrowings are secured by a combination of corporate guarantee by the Company, mortgages over certain inventories, trade receivables, property, plant and equipment, investment properties, pledge of investments, assignment of insurance policies over assets of the Group and lien on bank deposits. Where there is a corporate guarantee, the Company's liability is generally restricted to its percentage of equity interest in the borrowing entity.

18. Sukuk notes

In February 2014, a subsidiary of the Company namely Dubai Investments Park Development Company LLC ("DIPDC") issued 5 year Sukuk certificates maturing in February 2019 for USD 300 million (equivalent to AED 1,101.6 million). The sukuk program is structured as a Wakala and is listed on NASDAQ Dubai and Irish Stock Exchanges. The terms of the arrangement include transfer of certain identified assets (the Wakala assets) of DIPDC to a Special Purpose Vehicle, DIP Sukuk Ltd. (the Issuer), formed for the issuance of sukuk certificates. In substance, the Wakala assets remain in control of DIPDC and shall continue to be serviced by DIPDC. In case of any shortfall in cash flows, DIPDC have provided an undertaking to make good on such shortfall to the sukuk certificate holders. The sukuk certificate holders have no recourse to the assets. These sukuk certificates bear a fixed profit rate of 4.291% p.a. payable semi-annually. The Issuer will service the profit from returns generated from the Wakala assets.

19. Proposed dividend/bonus and directors' fee

- (i) At the Annual General Meeting held on 10 April 2017, the shareholders approved 12% cash dividend as opposed to 10% cash dividend proposed by the Board of Directors and also approved issue of 5% bonus shares proposed by the Board of Directors.
- (ii) At the Annual General Meeting held on 10 April 2017, the shareholders approved the proposed Directors' fee amounting to AED 10 million for the year ended 31 December 2016.

20. Acquisition of non-controlling interests

- 1) During the current period, the Company acquired additional 1.50% equity interest in its existing subsidiary Al Mal Capital PSC. Post-acquisition of additional interest, the Company's shareholding in Al Mal Capital PSC has increased to 66.26%.
- 2) During the current period, the Group acquired additional 12.57% equity interest in its existing subsidiary Emirates Float Glass LLC. Upon acquisition, Emirates Float Glass LLC has become 100% subsidiary of the Group.

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements (*continued*)
for the three month period ended 31 March 2017 (*unaudited*)

21. Contingent liabilities

With reference to the legal proceedings initiated by the subsidiary against a customer as mentioned in Note 13, the customer filed an application to the Dubai Court of First Instance alleging that the subsidiary has breached its contractual obligations under the agreement and as a result of which it had suffered substantial losses, being significantly in excess of the purchase price for the usufruct right in the land. The subsidiary also separately made a counter-claim against the customer for damages suffered as a result of alleged breaches by the customer of its obligations under the relevant agreement.

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

Accordingly, legal proceedings had been adjourned. Also refer note 13.

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

During the previous period, the Group reached an agreement with related authorities to relocate the operations of Marmum Dairy Farm LLC and its distribution arm United Sales Partners LLC (“the Subsidiaries”) within an agreed timeframe and return the plot of land. Accordingly, the authorities agreed to a compensation comprising value of land, plant and equipment and loss of profits. The compensation amount was settled by transfer of a land of equivalent value which was recorded under investment properties. Furthermore, assets and liabilities of the Subsidiaries were classified as held for sale and carried at the lower of the carrying amounts and fair value less cost to sell as at 31 March 2016.

Furthermore, on 21 November 2016, the Group disposed 100% shareholding of the Subsidiaries with the underlying assets and liabilities.

23. Revaluation reserve

With reference to note 22, the related revaluation reserve for land amounting to AED 45 million was credited directly to retained earnings in the previous period.

24. Commitments

	31 March 2017 AED'000 (Unaudited)	31 December 2016 AED'000 (Audited)
Commitments – contracted and committed	1,838,925 =====	1,968,240 =====

Commitments mainly include the following:

- value of construction contracts awarded to contractors for real estate projects under development.
- a subsidiary of the Company namely Dubai Investments Park Development Company LLC has signed an agreement with Roads and Transport Authority to share in the cost of infrastructure and development works of the adjoining areas. Total outstanding commitment as at 31st March 2017 amounts to AED 363.5 million (*31 December 2016: AED 363.5 million*) which will be invoiced and paid over the next 13 years.

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements (*continued*)
for the three month period ended 31 March 2017 (*unaudited*)

25. Segment reporting

The Group has broadly three reportable segments as discussed below, which are the Group's strategic business units. The strategic business units operate in different sectors and are managed separately because they require different strategies. The following summary describes the operation in each of the Group's reportable segments:

Manufacturing and contracting : manufacture and sale of materials used in building construction projects, executing construction contracts, production, aluminum extruded products, laboratory furniture, education and healthcare.

Investments : strategic minority investments in startup ventures, bonds, funds, structured products and shares held for trading purposes.

Property : the development of real estate projects for rentals and sale of developed property units.

Information regarding the operations of each separate segment is included below. Performance is measured based on segment revenue and profit as management believes that profit is the most relevant factor in evaluating the results of certain segments relative to other entities that operate within these industries. There are a few transactions between the segments and any such transaction is priced on an arm's length basis.

Dubai Investments PJSC and its subsidiaries

Notes to the condensed consolidated interim financial statements *(continued)*

for the three month period ended 31 March 2017 (unaudited)

25. Segment reporting *(continued)*

Information about reportable segments

<i>Business Segments</i>	AED'000							
	Manufacturing and contracting		Investments		Property		Total	
	Three month period ended 31 March		Three month period ended 31 March		Three month period ended 31 March		Three month period ended 31 March	
	2017	2016	2017	2016	2017	2016	2017	2016
Revenue	280,470	317,754	5,799	2,470	236,198	207,825	522,467	528,049
Gain on fair valuation of investments properties	-	-	-	-	174,770	-	174,770	-
Gain on disposal of subsidiaries	-	186,632	-	-	-	-	-	186,632
Total income	280,470	504,386	5,799	2,470	410,968	207,825	697,237	714,681
Direct operating costs	(260,894)	(279,400)	-	-	(80,070)	(59,835)	(340,964)	(339,235)
Administrative and general expenses	(48,350)	(58,232)	(23,511)	(17,902)	(17,888)	(11,193)	(89,749)	(87,327)
Finance expenses	(9,039)	(8,459)	(4,837)	(4,472)	(8,259)	(8,379)	(22,135)	(21,310)
Finance income and other income	9,695	3,588	11,346	16,690	10,072	4,525	31,113	24,803
(Loss) / profit for the period	(28,118)	161,883	(11,203)	(3,214)	314,823	132,943	275,502	291,612
(Loss) / profit attributable to:								
Owners of the Company	(15,281)	167,549	(10,603)	(2,944)	314,861	132,943	288,977	297,548
Non – controlling interests	(12,837)	(5,666)	(600)	(270)	(38)	-	(13,475)	(5,936)
(Loss) / profit for the period	(28,118)	161,883	(11,203)	(3,214)	314,823	132,943	275,502	291,612
	31 March 2017	31 December 2016						
Assets	3,058,258	3,050,023	3,253,987	3,001,759	10,449,494	10,063,034	16,761,739	16,114,816
Liabilities	1,235,497	1,239,232	1,145,514	867,883	2,194,832	2,068,824	4,575,843	4,175,939

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