21 April 2015

DAMAC Properties Dubai Co PJSC
Financial Results for Q1 2015

Revenues up 11%,
Net profit of AED 792.9 million

DAMAC Properties Dubai Co PJSC (DFM: DAMAC) ("DAMAC" or the "Company"), a leading developer of high-end property in the Middle East, announces results for the quarter ending 31st March 2015.

Financial Highlights for Quarter 1 2015:

- **Revenues** of **AED 1,785.7** million ($485.9m)
- **Net profit** of **AED 792.9** million ($215.8m).
- **Total assets** at **AED 20,413.9** million, ($5,554.7m), representing growth of 8% compared to 31st December 2014.
- **Cash and Bank Balance** at **AED 8,032.6** million, ($2,185.7m), representing growth of 21% compared to 31st December 2014
- **Advances from customers** stood at **AED 7,850.0** million, ($2,136.1m) as at 31st March 2015.
- **Development properties** at **AED 8,549.9** million, ($2,326.5m), largely unchanged compared to 31 December 2014 levels.

Operational Highlights for Quarter 1 2015:

- **Booked Sales AED 2,806.9** million ($764m).
- **999 units were handed over** in Lakeside. This results in cumulative deliveries of 13,865 units to date by DAMAC.
- Company is planning handover of the first project in Doha-Qatar in Q2 2015.
- Opening of three new projects under the DAMAC Maison and NAIA hospitality brands.

Good construction across the portfolio :

- DAMAC Heights at level 69.
- DAMAC Maison Upper Crest topped out.
- DAMAC Maison The Distinction at level 52.

-more-

21 أبريل 2015

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

792.9 مليون درهم إماراتي صافي الأرباح وارتفاع الإيرادات بنسبة 11%

تعلن داماك العقارية دبي (ش.م.ع.) (سوق دبي المالي: DAMAC) ("داماك" أو "الشركة")، المطور الرائد للعقارات السكنية المترفة في الشرق الأوسط، عن نتائج الربع الأول المنتهي في 31 مارس 2015.

الجوانب المالية الرئيسة للربع الاول من عام 2015:

- بلغت الإيرادات 1,785.7 مليون درهم إماراتي (485.9 مليون دولار أمريكي)
- بلغت صافي الأرباح 792.9 مليون درهم إماراتي (215.8 مليون دولار أمريكي)
- بلغ مجموع الموجودات 20,413.9 مليون درهم إماراتي (5,554.7 مليون دولار أمريكي) ما يشكل نمواً بنسبة 8% مقارنة بنهاية العام السابق الموافق 31 ديسمبر 2014.
- بلغ النقد والارصدة لدى البنوك 8,032.6 مليون درهم إماراتي (2,185.7 مليون دولار أمريكي) ما يشكل نمواً بنسبة 21% مقارنة بنهاية العام السابق الموافق 31 ديسمبر 2014.
- بلغت قيمة المبالغ المدفوعة مقدماً من العملاء 7,850.0 مليون درهم إماراتي (2,136.1 مليون دولار أمريكي) حتى 31 مارس 2015.
- بلغت قيمة العقارات قيد التطوير 8,549.9 مليون درهم إماراتي (2,326.5 مليون دولار أمريكي) ولم تشهد تغيراً يذكر مقارنة بنهاية العام السابق الموافق 31 ديسمبر 2014.

الجوانب التشغيلية الرئيسة للربع الاول من عام 2015:

- بلغت حجوزات البيع: 2،806.9 مليون درهم إماراتي (764مليون دولار أمريكي).
- سلّمت الشركة 999 وحدة في مشروع "ليك سايد" ما رفع العدد الإجمالي للوحدات التي سلمتها الشركة حتى تاريخه إلى 13,865.
- تتجه الشركة إلى تسليم أول مشروع لها في الدوحة - قطر خلال الربع الثاني من عام 2015.

- يتبع-

- DAMAC Towers by Paramount (almost 2,000 keys) is at level 28 above podium on all four towers.
- AKOYA Oxygen: significant early construction progress with external road works well underway. Bulk earthwork designs approved and contractor on site. Contracts for the first 1,500 villas awarded. Designs for the Tiger Woods designed golf course finished and tender for construction to be issued in coming months.
- AKOYA by DAMAC: work is progressing well; golf course is substantially finished with the clubhouse construction underway. Main works package for over 2,200 villas awarded with the handover of the first villas at AKOYA expected between Q4 2015 and Q1 2016.

Hussain Sajwani, Chairman of DAMAC, commented:
"The first quarter of the year has seen the Company build on its strong performance and results achieved for the full year 2014. Booked sales for the first three months of 2015 show that there continues to be strong interest in the right product at the right price.

In the period we saw recognised revenue to AED 1.79 billion and a gross profit of AED1.14 billion. The company generated net profit of AED 793 million during the quarter.

In regards to our key home market of Dubai, the Emirate is continually outperforming real estate markets around the world with long-term, stable growth patterns and we have seen demand for luxury property remain solid, underlining the Dubai's position as the region's primary business and tourist destination. The Dubai market continues to mature and we are confident that this will bring long-term stability to the sector.

We are pleased with the continuous positive response to our product lines, from buyers all over the world within our master developments and luxury hotel offering. We are firm believers in the Dubai property market – it is our home and I believe we are set for a period of steady, sustained growth in the medium term.

-more-

- افتتحت الشركة ثلاثة مشاريع جديدة ضمن العلامتين التجاريتين للضيافة "داماك ميزون" و"نايا".
- سُجل تقدم جيد في البناء في المشاريع قيد الانشاء.

- بلغت أعمال البناء الطابق 69 في مشروع "داماك هايتس" في مرسى دبي.
- انتهى بناء الطابق الأخير في مشروع "داماك ميزون أبركريست".
- بلغت أعمال البناء الطابق 52 في مشروع "داماك ميزون ذا ديستنكشن".
- بلغت أعمال البناء في مشروع "داماك تاورز من باراماونت" (2000 مفتاح تقريباً) الطابق 28 فوق المنصة وذلك في الأبراج الأربعة.

- أكويا أكسجين: تقدّم جيد في أعمال البناء اضافة الى شبكة الطرق الخارجية، كما تم الموافقة على مخططات أعمال الحفر، والمقاول متواجد في الموقع. وأُسندت العقود لإنشاء الدفعة الأولى من الفلل (1500 فيلا)، وباتت تصاميم تايغر وودز لمضمار الغولف جاهزة وسيتم طرح المناقصة لأعمال البناء في غضون الأشهر المقبلة.
- أكويا من داماك: يتقدم العمل بشكل جيد في المشروع، وقد انتهى تقريباً مضمار الغولف في حين يستمر العمل في "الكلوب هاوس". وتم منح عقود الأعمال لأكثر من 2,200 فيلا ومن المتوقع تسليم المجموعة الأولى من الفلل في أكويا ما بين الربع الرابع من عام 2015 والربع الأول من عام 2016.

وعلق حسين سجواني، رئيس مجلس إدارة داماك قائلاً:

"دعم الأداء القوي للشركة خلال العام 2014 بشكل واضح نتائجنا الربيعة الحالية، إذ أظهر إجمالي الدفعات المقدمة من العملاء خلال الأشهر الثلاثة الأولى من عام 2015، تزايد اهتمام المستثمرين في المنتج الجيد بالسعر المناسب".

وشهدت هذه الفترة إيرادات بلغت 1.79 مليار درهم إماراتي، فيما سجلت إجمالي الأرباح 1.14 مليار درهم إماراتي. وقد حققت الشركة أرباحاً صافية بلغت 793 مليون درهم إماراتي خلال هذا الربع".

"وبالنسبة إلى سوقنا الأم في دبي، فإن أداء سوق العقارات في الإمارة يتفوق باستمرار على أداء الأسواق في مختلف أنحاء العالم، في ظل معدلات نمو مستدامة ومستقرة على المدى الطويل.

كما رأينا أن الطلب على العقارات المترفة بقي قوياً مما يُبرز موقع دبي كوجهة أساسية في المنطقة للأعمال والسياحة.

- يتبع-

كما لا تزال سوق دبي في طور النضوج الأمر الذي يمنح القطاع مزيد من الاستقرار على الأمد الطويل".

"إننا مسرورون لما تشهده كافة منتجاتنا من استجابة من قبل المشترين في كافة أنحاء العالم، والتي تأتي ضمن مخططاتنا الرئيسة وعروضنا الفندقية الفخمة. ونحن نثق بسوق دبي للعقارات، مدينتنا الأم، وأؤكد أننا مقبلون على فترة من النمو الثابت والمستدام على المدى المتوسط".

وبالنسبة إلى حقوق المساهمين، سيوصي مجلس إدارة الشركة الى الجمعية العمومية بتوزيع أرباح نقدية لا تقل عن 25% من رأس المال (5.5 مليار درهم إماراتي) لكل من ألعاميين 2015 و 2016.

في ما خص توزيع ارباح عام 2015، سيتم توزيعها على أقله دفعتين: دفعة مرحلية توازي 10% ودفعة نهائية توازي 15%.

سعر الصرف 1 دولار أمريكي = 3.675 درهم إماراتي

-إنتهى-

داماك العقارية دبي (ش.م.ع)
نايل ماكلوغلن\ 3731000 4 971+
Investor.relations@damacgroup.com

ملاحظات:

داماك العقارية دبي (ش.م.ع.) (سوق دبي المالي: DAMAC) ("داماك" أو "الشركة")، مطور رائد للعقارات السكنية المترفة في الشرق الأوسط مع سجل قوي في دبي وتواجد متنامٍ في الأسواق الأخرى في المنطقة. الجوائز التي حازت عليها مشاريع داماك التطويرية تشمل بعضاً من أبرز المباني في قطاع العقارات الفاخرة في دبي وعلامتها التجارية معروفة بصورة كبيرة في المنطقة.

تعمل داماك بصورة رئيسة في القطاع السكني للعقارات الفاخرة لكنها طورت أيضاً عدداً من العقارات التجارية والعقارات متعددة الاستخدامات. تقوم حالياً داماك بتوسيع جذبها وكذلك الطلب على الوحدات السكنية عبر تقديمها منتجات تشتمل على (1) شقق فندقية متكاملة الخدمات وفنادق؛ (2) شقق وفلل تحمل علامات تجارية مشتركة ورائدة مثل "فندي كازا" و"فيرساتشي هوم" ومؤسسة ترامب و"باراماونت هوتيلز آند ريزورتس"؛ (3) فلل وشقق في مجتمعات غولف مطوّرة وفخمة مثل "أكويا من داماك" و"أكويا أكسجين".

Finally in regard to shareholder dividend, the Board of Directors of the Company will recommend to the Annual General Meeting a cash dividend of at least 25% of the paid up share capital (AED 5.5 Billion) for each of the years 2015 and 2016.

For 2015, the dividend payment will be made over at least 2 payments: an interim of 10% and a final payment of 15%.

Exchange rate 1 USD=3.675 AED

-end-

DAMAC Properties Dubai Co PJSC
Niall McLoughlin / +971 4 3731000
Investor.relations@damacgroup.com

NOTES:
DAMAC Properties Dubai Co PJSC (DFM: DAMAC) ("DAMAC" or the "Company") is a leading developer of high end property in the Middle East, with a strong track record in Dubai and a growing presence in other markets in the region. Its award-winning developments include some of the most iconic buildings in Dubai's luxury property sector and its brand is widely recognized throughout the region.

DAMAC operates primarily in the residential segment of the luxury property sector but has also developed a number of mixed-use and commercial properties. DAMAC is currently expanding the appeal of and demand for its residential units by delivering products including (i) fully serviced hotel apartments and hotels; (ii) apartments and villas that are co-branded with premium lifestyle brands such as FENDI Casa, Versace Home, The Trump Organization and Paramount Hotels & Resorts; and (iii) villas and apartments in luxury lifestyle golf community developments such as its AKOYA by DAMAC and AKOYA Oxygen master developments.

Damac Properties Dubai Co. PJSC
Dubai - United Arab Emirates

Interim condensed consolidated financial information and review report for the three month period ended 31 March 2015

Damac Properties Dubai Co. PJSC

Table of contents **Pages**

Directors' report	**1**
Report on review of interim condensed consolidated financial information	**2**
Interim consolidated statement of financial position	**3**
Interim consolidated statement of profit or loss and other comprehensive income (Unaudited)	**4**
Interim consolidated statement of changes in shareholders' equity	**5**
Interim consolidated statement of cash flows (Unaudited)	**6**
Notes to the interim condensed consolidated financial information	**7 - 19**

Directors' Report

The Directors have the pleasure in submitting their report together with the interim condensed consolidated financial information of the Company and its subsidiaries (collectively the "Group") for the period ended 31 March 2015. Profit for the period is AED 792.9 million (2014: AED 1,281.7 million).

Principal activities

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

The movement in retained earnings is as follows:

	AED'000	AED'000
Balance at 1 January 2015		4,072,517
Profit for the period from continuing operations		
Revenue	1,785,766	
Cost of sales	(647,867)	
Other income	43,744	
Expenses	(388,785)	
Total		792,858
Acquisition of non-controlling interest in DRED (Note 4.1)		752,336
Balance at 31 March 2015		**5,617,711**

On behalf of the Board of Directors

Chairman

Deloitte.

Deloitte & Touche (M.E.)
Building 3, Level 6
Emaar Square
Downtown Dubai
P.O. Box 4254
Dubai
United Arab Emirates

Tel: +971 (0) 4 376 8888
Fax: +971 (0) 4 376 8899
www.deloitte.com/middleeast

Report on Review of Interim Condensed Consolidated Financial Information

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

Introduction

We have reviewed the accompanying interim consolidated statement of financial position of **Damac Properties Dubai Co. PJSC** (the "Company") and its subsidiaries (together the "Group") as of 31 March 2015 and the related interim consolidated statement of comprehensive income, interim consolidated statement of changes in equity and the interim consolidated statement of cash flows for the period from 1 January 2015 to 31 March 2015, and a summary of significant accounting policies and other explanatory information. The Directors of the Group are responsible for the preparation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34 '*Interim Financial Reporting*' ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects in accordance with IAS 34.

Deloitte & Touche (M.E.)

Georges F. Najem
Registration No.809
Partner

Dubai
21 April 2015

Anis Sadek (521), Georges Najem (809), Mohammad Khamees Al Tah (717), Musa Ramahi (872), Mutasem Dajani (726), Rama Padmanabha Acharya (701) and Samir Madbak (386) are registered practicing auditors with the UAE Ministry of Economy.

Interim consolidated statement of financial position
As at 31 March 2015

	Notes	31 March 2015 (Unaudited) AED'000	31 December 2014 (Audited) AED'000
ASSETS			
Property and equipment		**69,818**	59,941
Development properties	**7**	**8,549,850**	8,553,738
Other financial assets	**8**	**805,336**	852,750
Trade and other receivables	**9**	**2,937,867**	2,729,027
Financial investments	**10**	**18,372**	18,372
Cash and bank balances	**11**	**8,032,624**	6,612,368
Total assets		**20,413,867**	18,826,196
EQUITY AND LIABILITIES			
Equity			
Share capital	**12**	**5,000,000**	5,000,000
Statutory reserve	**13**	**356,367**	356,367
Group restructuring reserve	**14**	**(4,912,810)**	(4,912,810)
Retained earnings		**5,617,711**	4,072,517
Equity attributable to shareholders of the Company		**6,061,268**	4,516,074
Non-controlling interests		**-**	752,336
Total equity		**6,061,268**	5,268,410
Liabilities			
Bank borrowings	**15**	**562,782**	276,735
Sukuk certificates	**16**	**2,368,999**	2,367,946
Due to a related party	**17**	**35,140**	40,345
Provision for employees' end-of-service indemnity		**31,158**	28,957
Trade and other payables	**18**	**11,354,520**	10,843,803
Total liabilities		**14,352,599**	13,557,786
Total equity and liabilities		**20,413,867**	18,826,196

Chairman **Director**

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

Interim consolidated statement of profit or loss and other comprehensive income
For the period ended 31 March 2015

	Notes	1 January to 31 March 2015 (3 months) (Unaudited) AED'000	1 January to 31 March 2014 (3 months) (Unaudited) AED'000
Revenue	19	**1,785,766**	573
Cost of sales		**(647,867)**	(345)
Gross profit		**1,137,899**	228
Other operating income		**15,415**	-
General, administrative and selling expenses		**(292,433)**	(355)
Brokerage and commission		**(58,936)**	-
Depreciation		**(3,862)**	(112)
Gain realised on recognition of investment in an associate		**-**	1,281,963
Operating profit		**798,083**	1,281,724
Other income		**9,057**	16
Finance income		**19,272**	-
Finance costs		**(33,554)**	-
Profit for the period		**792,858**	1,281,740
Other comprehensive income for the period			
Items that may be reclassified subsequently to profit or loss			
- Unrealised gain on fair value of available-for-sale financial asset		**-**	517,563
- Gain realised on recognition of investment in an associate		**-**	(1,281,963)
Other comprehensive loss for the period		**-**	(764,400)
Total comprehensive income for the period		**792,858**	517,340
Earnings per share			
Basic and diluted (AED)	23	**0.16**	0.26

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

Interim consolidated statement of changes in shareholders' equity
For the period ended 31 March 2015

	Share capital AED'000	Statutory reserve AED'000	Group restructuring reserve AED'000	Investment revaluation reserve AED'000	Retained earnings AED'000	Equity attributable to shareholders of the Company AED'000	Non-controlling interests AED'000	Total AED'000
Balance at 1 January 2014 (Audited)	3,000,000	305,326	-	764,400	98,237	4,167,963	-	4,167,963
Total comprehensive income for the period	-	-	-	(764,400)	1,281,740	517,340	-	517,340
Balance at 31 March 2014 (Unaudited)	3,000,000	305,326	-	-	1,379,977	4,685,303	-	4,685,303
Balance at 1 January 2015 (Audited)	5,000,000	356,367	(4,912,810)	-	4,072,517	4,516,074	752,336	5,268,410
Total comprehensive income for the period	-	-	-	-	792,858	792,858	-	792,858
Acquisition of non-controlling interest in DRED (Note 4.1)	-	-	-	-	752,336	752,336	(752,336)	-
Balance at 31 March 2015 (Unaudited)	**5,000,000**	**356,367**	**(4,912,810)**	**-**	**5,617,711**	**6,061,268**	**-**	**6,061,268**

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

Interim consolidated statement of cash flows
For the period ended 31 March 2015

	1 January to 31 March 2015 (3 months) (Unaudited) AED'000	1 January to 31 March 2014 (3 months) (Unaudited) AED'000
Cash flows from operating activities		
Profit for the period	**792,858**	1,281,740
Adjustments for:		
Depreciation on property and equipment	**3,862**	112
Provision for employees' end-of-service indemnity	**2,770**	3
Gain realised on recognition of investment in an associate	**-**	(1,281,963)
Amortisation of issue costs on Sukuk Certificates	**1,053**	-
Finance costs	**33,554**	-
Finance income	**(19,272)**	-
Provision for impairment on trade receivables	**60,481**	-
Operating cash flows before changes in operating assets and liabilities	**875,306**	(108)
(Increase)/decrease in trade and other receivables	**(270,282)**	206
Decrease in inventories	**-**	105
Decrease in development properties	**3,888**	-
Decrease in due to a related party	**(5,205)**	(233)
(Increase)/decrease in trade and other payables	**480,846**	(116)
Cash generated from/(used in) operations	**1,084,553**	(146)
Finance costs paid	**(3,683)**	-
Interest received	**20,233**	-
Employees' end of service indemnity paid	**(569)**	-
Net cash generated from/(used in) operating activities	**1,100,534**	(146)
Cash flows from investing activities		
Purchases of property and equipment	**(13,739)**	-
Decrease in other financial assets	**47,414**	-
Increase in deposits with an original maturity of greater than three months	**(125,940)**	-
Net cash used in investing activities	**(92,265)**	-
Cash flows from financing activity		
Drawdown of bank borrowings	**286,047**	-
Net cash generated from financing activity	**286,047**	-
Net increase/(decrease) in cash and cash equivalents	**1,294,316**	(146)
Cash and cash equivalents at the beginning of the period	**5,353,155**	689
Cash and cash equivalents at the end of the period (Note 11)	**6,647,471**	543

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

Notes to the interim condensed consolidated financial information For the period ended 31 March 2015

1. General information

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

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

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

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

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

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

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

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

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

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

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

Notes to the interim condensed consolidated financial information
For the period ended 31 March 2015 (continued)

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

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

New and revised IFRSs	Effective for annual periods beginning on or after
A new measurement category of fair value through other comprehensive income (FVTOCI) will apply for debt instruments held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets. A new impairment model based on expected credit losses will apply to debt instruments measured at amortised costs or FVTOCI, lease receivables, contract assets and certain written loan commitments and financial guarantee contract.	1 January 2018
• IFRS 14 *Regulatory Deferral Accounts* issued in January 2014 specifies the financial reporting requirements for 'regulatory deferral account balance' that arise when an entity provides good or services to customers at a price or rate that is subject to rate regulation.	1 January 2016
• IFRS 15 *Revenue from Contracts with Customers*: IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers.	1 January 2017
• Annual Improvements to IFRSs 2012 - 2014 Cycle that include amendments to IFRS 5, IFRS 7 and IAS 19.	1 July 2016
• Amendments to IAS 16 and IAS 38 to clarify the acceptable methods of depreciation and amortisation.	1 January 2016
• Amendments to IFRS 11 to clarify accounting for acquisitions of *Interests in Joint Operations.*	1 January 2016
• Amendments to IFRS 10 and IAS 28 clarify that the recognition of the gain or loss on the sale or contribution of assets between an investor and its associate or joint venture depends on whether the assets sold or contributed constitute a business.	1 January 2016
• Amendments to IAS 27 allow an entity to account for investments in subsidiaries, joint ventures and associates either at cost, in accordance with IAS 39/IFRS 9 or using the equity method in an entity's separate financial statements.	1 January 2016
• Amendments to IFRS 10, IFRS 12 and IAS 28 clarifying certain aspects of applying the consolidation exception for investment entities.	1 January 2016
• Amendments to IAS 1 to address perceived impediments to preparers exercising their judgment in presenting their financial reports.	1 January 2016
• Amendments to IAS 16 and IAS 41 require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16.	1 January 2016

Notes to the interim condensed consolidated financial information
For the period ended 31 March 2015 (continued)

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

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

The Group anticipates that these new standards will be adopted in the Group's condensed consolidated financial statements in the year of initial application and that the application of such standards may have a significant impact on amounts reported in respect of the Group's financial statements. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

3. Significant accounting policies

3.1 Basis of preparation

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

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

The accounting policies used in the preparation of these condensed consolidated financial statements are consistent with those used in the audited annual consolidated financial statements for the year ended 31 December 2014.

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

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

3.2 Property and equipment

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

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

Notes to the interim condensed consolidated financial information For the period ended 31 March 2015 (continued)

3. Significant accounting policies (continued)

3.2 Property and equipment (continued)

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

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

	Years
Buildings	15
Furniture and fixtures	6
Tools and office equipment	6
Motor vehicles	6

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

3.3 Development properties

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

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

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

4. Basis of consolidation

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

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

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

Notes to the interim condensed consolidated financial information For the period ended 31 March 2015 (continued)

4. Basis of consolidation (continued)

4.1 Acquisition of non-controlling interest in DRED

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

4.2 Financial risk management

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

5. Critical accounting judgments and key sources of estimation of uncertainty

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

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

6. Segment analysis

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

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

	31 March 2015 (3 months) (Unaudited) AED'000	31 March 2014 (3 months) (Unaudited) AED'000
Revenue		
Domestic	**1,762,174**	573
International	**23,592**	-
	1,785,766	573

Notes to the interim condensed consolidated financial information
For the period ended 31 March 2015 (continued)

6. Segment analysis (continued)

	31 March 2015 (Unaudited) AED'000	31 December 2014 (Audited) AED'000
Development properties		
Domestic	**6,554,328**	6,597,958
International	**1,995,522**	1,955,780
	8,549,850	8,553,738

7. Development properties

	31 March 2015 (Unaudited) AED'000	31 December 2014 (Audited) AED'000
Balance at the beginning of the period/year	**8,553,738**	-
Recognition on acquisition of controlling interest in DRED	**-**	6,928,845
Additions	**621,573**	2,993,138
Transferred to cost of sales	**(625,461)**	(1,508,979)
Transferred to a related party	**-**	(14,882)
Impairment reversal	**-**	155,616
Balance at the end of the period/year	**8,549,850**	8,553,738

Assets held as development properties

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

	31 March 2015 (Unaudited) AED'000	31 December 2014 (Audited) AED'000
Land held for future development	**514,817**	514,744
Properties under development	**7,254,012**	6,894,555
Completed properties	**781,021**	1,144,439
	8,549,850	8,553,738

Notes to the interim condensed consolidated financial information
For the period ended 31 March 2015 (continued)

8. Other financial assets

	31 March 2015 (Unaudited) AED'000	31 December 2014 (Audited) AED'000
Escrow retentions	**792,445**	839,859
Margin deposits	**10,284**	10,202
Other	**2,607**	2,689
	805,336	852,750

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

At 31 March 2015, margin deposits are held by banks under lien against credit facilities issued to the Group and carry interest at commercial rates.

9. Trade and other receivables

	31 March 2015 (Unaudited) AED'000	31 December 2014 (Audited) AED'000
Trade receivables	**2,504,147**	2,254,194
Provision for impairment on trade receivables	**(263,634)**	(203,153)
	2,240,513	2,051,041
Advances and deposits	**639,838**	629,476
Other receivables and prepayments	**57,516**	48,510
	2,937,867	2,729,027

10. Financial investments

During 2014, the Group invested AED 18.4 million in Damac International Limited, a related entity with a total share capital of US$ 50.0 million.

Notes to the interim condensed consolidated financial information
For the period ended 31 March 2015 (continued)

11. Cash and cash equivalents

	31 March 2015 (Unaudited) AED'000	31 December 2014 (Audited) AED'000
Cash on hand	**552**	566
Cash held in escrow	**6,257,443**	5,190,196
Bank balances	**389,476**	32,908
Fixed deposits	**1,385,153**	1,388,698
Cash and bank balances	**8,032,624**	6,612,368
Less: Fixed deposits with an original maturity of greater than three months	**(1,385,153)**	(1,259,213)
Cash and cash equivalents	**6,647,471**	5,353,155

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

12. Share capital

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

13. Statutory reserve

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

14. Group restructuring reserve

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

Notes to the interim condensed consolidated financial information
For the period ended 31 March 2015 (continued)

15. Bank borrowings

	31 March 2015 (Unaudited) AED'000	31 December 2014 (Audited) AED'000
Bank loans	**422,360**	146,900
Overdrafts	**140,422**	129,835
	562,782	276,735

Banks and financial institutions

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

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

	31 March 2015 (Unaudited) AED'000	31 December 2014 (Audited) AED'000
On demand within one year	**213,657**	203,285
In the second year	**349,125**	73,450
	562,782	276,735
Less: Amount due for settlement within 12 months	**(213,657)**	(203,285)
Amount due for settlement after 12 months	**349,125**	73,450

16. Sukuk certificates

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

Notes to the interim condensed consolidated financial information For the period ended 31 March 2015 (continued)

16. Sukuk certificates (continued)

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

	31 March 2015 (Unaudited) AED'000	31 December 2014 (Audited) AED'000
Proceeds from the issue of Sukuk Certificates	**2,388,750**	2,388,750
Gross issue costs	**(23,153)**	(23,153)
Less: Amortised upto period/year end	**3,402**	2,349
Unamortised issue costs	**(19,751)**	(20,804)
Carrying amount	**2,368,999**	2,367,946

17. Related party transactions

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

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

	31 March 2015 (Unaudited) AED'000	31 December 2014 (Audited) AED'000
Due to a related party		
Due to an entity under the Chairman's control	**35,140**	40,345

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

	31 March 2015 (3 months) (Unaudited) AED'000	31 March 2014 (3 months) (Unaudited) AED'000
Construction work executed	**2,020**	-
Transfer of shares in DRED	**-**	1,341,681

During the period, the Group utilised construction services worth AED 2.0 million from Draieh Contracting LLC, an entity under the control of Chairman.

Notes to the interim condensed consolidated financial information For the period ended 31 March 2015 (continued)

17. Related party transactions (continued)

Remuneration of key management personnel

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

	31 March 2015 (3 months) (Unaudited) AED'000	31 March 2014 (3 months) (Unaudited) AED'000
Short term employee benefits	**4,264**	2,254
Termination benefits - EOSB	**120**	87
	4,384	2,341

18. Trade and other payables

	31 March 2015 (Unaudited) AED'000	31 December 2014 (Audited) AED'000
Advances from customers	**7,850,008**	7,295,131
Accruals	**673,613**	612,530
Other payables	**878,254**	794,386
Retentions payable	**455,195**	416,699
Deferred consideration for land payments	**1,497,450**	1,725,057
	11,354,520	10,843,803

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

19. Revenue

	31 March 2015 (3 months) (Unaudited) AED'000	31 March 2014 (3 months) (Unaudited) AED'000
Constructed units	**684,591**	573
Sale of land	**1,101,175**	-
	1,785,766	573

Notes to the interim condensed consolidated financial information
For the period ended 31 March 2015 (continued)

20. Contingent liabilities

	31 March 2015 (Unaudited) AED'000	31 December 2014 (Audited) AED'000
Bank guarantees	**922,759**	881,341

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

21. Commitments

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

	31 March 2015 (Unaudited) AED'000	31 December 2014 (Audited) AED'000
Contracted for	**6,255,217**	6,070,486

22. Fair value of financial instruments

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

Fair value of financial instruments measured at amortised cost

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

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

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

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

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices; and
- the fair value of other financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on the present value calculation of the expected future cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

Notes to the interim condensed consolidated financial information For the period ended 31 March 2015 (continued)

22. Fair value of financial instruments (continued)

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

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

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

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

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

23. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	31 March 2015 (3 months) (Unaudited)	31 March 2014 (3 months) (Unaudited)
Profit for the period (AED'000)	**792,858**	1,281,740
Number of ordinary shares ('000)	**5,000,000**	5,000,000
Earnings per ordinary share - basic and diluted (AED)	**0.16**	0.26

There were no instruments or any other items which could cause an anti-dilutive effect on the earnings per share calculation

24. Dividend

On 22 March 2015, the Company held its annual general meeting which, among other things, approved a share dividend equal to AED 0.10 per share amounting to AED 500 million.

24.1 Subsequent event

The bonus shares were issued on 1 April 2015 consequent to which the total number of issued, subscribed and fully paid up shares of the Company increased to 5.5 billion.

25. Approval of the interim condensed consolidated financial information

The interim condensed consolidated financial information for the period ended 31 March 2015 was approved by the Board and authorised for issue on 21 April 2015.

Damac Real Estate Development Limited, DIFC
Dubai - United Arab Emirates

Interim condensed consolidated financial information and review report for the three month period ended 31 March 2015

Damac Real Estate Development Limited, DIFC
Dubai – United Arab Emirates

Table of contents **Pages**

Directors' report	**1**
Report on review of interim condensed consolidated financial information	**2**
Interim consolidated statement of financial position	**3**
Interim consolidated statement of comprehensive income (Unaudited)	**4**
Interim consolidated statement of changes in shareholders' equity	**5**
Interim consolidated statement of cash flows (Unaudited)	**6 - 7**
Notes to the interim condensed consolidated financial information	**8 - 24**

Directors' Report

The Directors have the pleasure in submitting their report together with the interim condensed consolidated financial information of the Company and its subsidiaries (collectively the "Group") for the period ended 31 March 2015. Profit for the period is US$ 215.8 million (2014: US$ 209.6 million).

Principal activities

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

The movement in retained earnings is as follows:

	US$ million	US$ million
Balance at 1 January 2015		1,309.0
Profit for the period from continuing operations		
Revenue	485.9	
Cost of sales	(176.3)	
Other income	11.9	
Expenses	(105.7)	
Total		215.8
Dividend (Note 24)		(150.0)
Balance at 31 March 2015		**1,374.8**

On behalf of the Board of Directors



Chief Executive Officer

Deloitte.

Deloitte & Touche (M.E.)
Building 3, Level 6
Emaar Square
Downtown Dubai
P.O. Box 4254
Dubai
United Arab Emirates

Tel: +971 (0) 4 376 8888
Fax: +971 (0) 4 376 8899
www.deloitte.com/middleeast

Report on Review of Interim Condensed Consolidated Financial Information

The Board of Directors
Damac Real Estate Development Limited, DIFC
Dubai
United Arab Emirates

Introduction

We have reviewed the accompanying interim consolidated statement of financial position of **Damac Real Estate Development Limited, DIFC** (the "Company") and its subsidiaries (together the "Group") as of 31 March 2015 and the related interim consolidated statement of comprehensive income, interim consolidated statement of changes in shareholder's equity and interim consolidated statement of cash flows for the period from 1 January 2015 to 31 March 2015, and a summary of significant accounting policies and other explanatory information. The Directors of the Group are responsible for the preparation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34 '*Interim Financial Reporting*' ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects in accordance with IAS 34.

Deloitte & Touche

21 April 2015

Anis Sadek (521), Georges Najem (809), Mohammad Khamees Al Tah (717), Musa Ramahi (872), Mutasem Dajani (726), Rama Padmanabha Acharya (701) and Samir Madbak (386) are registered practicing auditors with the UAE Ministry of Economy.

Damac Real Estate Development Limited, DIFC
Dubai - United Arab Emirates

Interim consolidated statement of financial position
As at 31 March 2015

	Notes	31 March 2015 (Unaudited) US$ million	31 December 2014 (Audited) US$ million
ASSETS			
Property and equipment		**19.0**	16.3
Development properties	7	**2,326.5**	2,327.5
Other financial assets	8	**219.1**	232.0
Trade and other receivables	9	**799.4**	742.6
Financial investments	10	**5.0**	5.0
Cash and bank balances	11	**2,185.7**	1,799.3
Total assets		**5,554.7**	5,122.7
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity			
Share capital	12	**650.0**	650.0
Proposed capital increase	12	**150.0**	-
Statutory reserve	13	**41.3**	41.3
Group restructuring reserve	14	**(566.7)**	(566.7)
Retained earnings		**1,374.8**	1,309.0
Total equity		**1,649.4**	1,433.6
Liabilities			
Bank borrowings	15	**153.1**	75.3
Sukuk certificates	16	**644.6**	644.3
Due to a related party	17	**9.5**	11.0
Provision for employees' end-of-service indemnity		**8.5**	7.9
Trade and other payables	18	**3,089.6**	2,950.6
Total liabilities		**3,905.3**	3,689.1
Total equity and liabilities		**5,554.7**	5,122.7

Chief Executive Officer **Director**

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

Interim consolidated statement of comprehensive income
For the period ended 31 March 2015

	Notes	**1 January to 31 March 2015 (3 months) (Unaudited) US$ million**	1 January to 31 March 2014 (3 months) (Unaudited) US$ million
Revenue	19	**485.9**	435.8
Cost of sales		**(176.3)**	(168.3)
Gross profit		**309.6**	267.5
Other operating income		**4.2**	2.2
General, administrative and selling expenses		**(79.5)**	(49.9)
Brokerage and commission		**(16.0)**	(13.9)
Depreciation		**(1.1)**	(1.0)
Operating profit		**217.2**	204.9
Other income		**2.5**	2.5
Finance income		**5.2**	3.0
Finance costs		**(9.1)**	(0.8)
Profit for the period		**215.8**	209.6
Other comprehensive income for the period			
Items that may be reclassified subsequently to profit or loss			
- Revaluation reserve recycled to disposal of financial investments		**-**	0.5
Other comprehensive income for the period		**-**	0.5
Total comprehensive income for the period		**215.8**	210.1
Earnings per ordinary share			
Basic and diluted (US Cents)	23	**33**	32

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

Damac Real Estate Development Limited, DIFC
Dubai - United Arab Emirates

Interim consolidated statement of changes in shareholders' equity
For the period ended 31 March 2015

	Share capital US$ million	Proposed capital increase US$ million	Statutory reserve US$ million	Group restructuring reserve US$ million	Investment revaluation reserve US$ million	Retained earnings US$ million	Total US$ million
Balance at 1 January 2014 (Audited)	650.0	-	41.3	(566.7)	0.5	534.0	659.1
Profit for the period	-	-	-	-	-	209.6	209.6
Total comprehensive income for the period	-	-	-	-	(0.5)	0.5	-
Balance at 31 March 2014 (Unaudited)	650.0	-	41.3	(566.7)	-	744.1	868.7
Balance at 1 January 2015 (Audited)	650.0	-	41.3	(566.7)	-	1,309.0	1,433.6
Total comprehensive income for the period	-	-	-	-	-	215.8	215.8
Proposed issue of new shares (Note 12)	-	150.0	-	-	-	-	150.0
Dividend (Note 24)	-	-	-	-	-	(150.0)	(150.0)
Balance at 31 March 2015 (Unaudited)	**650.0**	**150.0**	**41.3**	**(566.7)**	-	**1,374.8**	**1,649.4**

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

Interim consolidated statement of cash flows
For the period ended 31 March 2015

	1 January to 31 March 2015 (3 months) (Unaudited) US$ million	1 January to 31 March 2014 (3 months) (Unaudited) US$ million
Cash flows from operating activities		
Profit for the period	**215.8**	209.6
Adjustments for:		
Depreciation on property and equipment	**1.1**	1.0
Provision for employees' end of service indemnity	**0.8**	0.6
Amortisation of issue costs on Sukuk Certificates	**0.3**	-
Loss on disposal of financial investments	**-**	0.3
Finance costs	**9.1**	0.8
Finance income	**(5.2)**	(3.0)
Provision for/(reversal of) impairment on trade receivables	**16.4**	(3.8)
Operating cash flows before changes in operating assets and liabilities	**238.3**	205.5
Increase in trade and other receivables	**(73.2)**	(105.2)
Decrease in development properties	**1.0**	16.9
Increase in trade and other payables	**131.0**	210.8
Decrease in due to a related party	**(1.5)**	(1.2)
Cash generated from operations	**295.6**	326.8
Finance costs paid	**(1.1)**	(0.8)
Interest received	**5.2**	3.0
Employee end-of-service indemnity paid	**(0.2)**	(0.1)
Net cash generated from operating activities	**299.5**	328.9
Cash flows from investing activities		
Purchases of property and equipment	**(3.8)**	(2.1)
Increase in deposits with original maturity of greater than three months	**(34.2)**	(4.3)
Proceeds from disposal of financial instruments	**-**	30.4
Decrease/(increase) in other financial assets	**12.9**	(21.4)
Net cash (used in)/generated from investing activities	**(25.1)**	2.6

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

Interim consolidated statement of cash flows
For the period ended 31 March 2015 (continued)

	1 January to 31 March 2015 (3 months) (Unaudited) US$ million	1 January to 31 March 2014 (3 months) (Unaudited) US$ million
Cash flows from financing activities		
Drawdown of bank borrowings	**77.8**	64.8
Dividend paid (Note 24)	**(150.0)**	-
Amount received towards the proposed capital increase (Note 12)	**150.0**	-
Net cash generated from financing activities	**77.8**	64.8
Net increase in cash and cash equivalents	**352.2**	396.3
Cash and cash equivalents at the beginning of the period	**1,456.7**	545.7
Cash and cash equivalents at the end of the period (Note 11)	**1,808.9**	942.0

Notes to the interim condensed consolidated financial information For the period ended 31 March 2015

1. General information

DAMAC Real Estate Development Limited, DIFC (the "Company") was incorporated on 31 October 2013 as a Company Limited by shares (registration number 1476) with the Registrar of Companies of the Dubai International Financial Centre (the "DIFC") under the Companies Law, DIFC Law No. 2. The registered address of the Company is Office No. 206A, Level 2, Park Towers, Dubai International Financial Centre, P.O. Box 2195, Dubai, United Arab Emirates.

The Company is 100% owned by Damac Properties Dubai Co. PJSC (the "Parent") whose majority shareholder is Mr.Hussain Ali Habib Sajwani (the "Chief Executive Officer"). The Company and its subsidiaries (collectively the "Group") are involved in the development of properties in the Middle East.

During the period, the eligible holders of Global Depository Receipts (the "GDRs") representing ordinary shares of the Company were made an offer by the Parent to exchange their GDRs for ordinary shares of the Parent at a defined exchange rate. The offer closed on 9 January 2015 and the shares issued by the Parent were listed on the Dubai Financial Market on 12 January 2015.

Following the exchange of shares, the Company delisted its GDRs from the London Stock Exchange on 17 March 2015 at which point the Parent's ownership increased from 85.7% to 100%.

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

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

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

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

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

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

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

Notes to the interim condensed consolidated financial information
For the period ended 31 March 2015 (continued)

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

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

New and revised IFRSs	Effective for annual periods beginning on or after
A new measurement category of fair value through other comprehensive income (FVTOCI) will apply for debt instruments held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets. A new impairment model based on expected credit losses will apply to debt instruments measured at amortised costs or FVTOCI, lease receivables, contract assets and certain written loan commitments and financial guarantee contract.	1 January 2018
• IFRS 14 *Regulatory Deferral Accounts* issued in January 2014 specifies the financial reporting requirements for 'regulatory deferral account balance' that arise when an entity provides good or services to customers at a price or rate that is subject to rate regulation.	1 January 2016
• IFRS 15 *Revenue from Contracts with Customers*: IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers.	1 January 2017
• Annual Improvements to IFRSs 2012 - 2014 Cycle that include amendments to IFRS 5, IFRS 7 and IAS 19.	1 July 2016
• Amendments to IAS 16 and IAS 38 to clarify the acceptable methods of depreciation and amortisation.	1 January 2016
• Amendments to IFRS 11 to clarify accounting for acquisitions of *Interests in Joint Operations.*	1 January 2016
• Amendments to IFRS 10 and IAS 28 clarify that the recognition of the gain or loss on the sale or contribution of assets between an investor and its associate or joint venture depends on whether the assets sold or contributed constitute a business.	1 January 2016
• Amendments to IAS 27 allow an entity to account for investments in subsidiaries, joint ventures and associates either at cost, in accordance with IAS 39/IFRS 9 or using the equity method in an entity's separate financial statements.	1 January 2016
• Amendments to IFRS 10, IFRS 12 and IAS 28 clarifying certain aspects of applying the consolidation exception for investment entities.	1 January 2016
• Amendments to IAS 1 to address perceived impediments to preparers exercising their judgment in presenting their financial reports.	1 January 2016
• Amendments to IAS 16 and IAS 41 require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16.	1 January 2016

Notes to the interim condensed consolidated financial information For the period ended 31 March 2015 (continued)

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

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

The Group anticipates that these new standards will be adopted in the Group's condensed consolidated financial statements in the year of initial application and that the application of such standards may have a significant impact on amounts reported in respect of the Group's financial statements. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

3. Significant accounting policies

3.1 Basis of preparation

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

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

The accounting policies used in the preparation of these condensed consolidated financial statements are consistent with those used in the audited annual consolidated financial statements for the year ended 31 December 2014.

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

4. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Group:

- has power over the investee;
- is exposed, or has the rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

The Company reassesses 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 listed above.

Notes to the interim condensed consolidated financial information For the period ended 31 March 2015 (continued)

4. Basis of consolidation (continued)

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
  any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meeting.

When the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interest;
- Derecognizes the cumulative translation differences recorded in equity;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes 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.

The financial statements of the subsidiaries owned through special purpose entities (intermediary parent companies) are prepared for the same reporting period as the company, using consistent accounting policies.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those adopted at Group level.

All intra-Group balances, transactions, income and expenses and profits or losses resulting from intra-Group transactions are eliminated in full on consolidation.

Notes to the interim condensed consolidated financial information For the period ended 31 March 2015 (continued)

4. Basis of consolidation (continued)

The Company consolidated 100% of the operations, assets and liabilities of the subsidiaries (excluding branches) listed below which in total are 75 companies (31 December 2014: 76) (together the "Group").

Entity	Country of incorporation	Principal activities	Legal interest	Economic interest
Damac Crescent Properties Co LLC	Abu Dhabi, UAE	Real estate development	100%	100%
Damac Luxury Real Estate Properties Co LLC	Abu Dhabi, UAE	Real estate development	100%	100%
Damac Heritage Properties Co LLC	Abu Dhabi, UAE	Real estate development	100%	100%
Damac General Trading LLC	Dubai, UAE	Holding company	100%	100%
Damac Ocean Heights Co. LLC	Dubai, UAE	Sales office	100%	100%
Frontline Investment Management Co. LLC	Dubai, UAE	Shell company	100%	100%
Al Aman Investment Management Co. LLC	Dubai, UAE	Holding company	100%	100%
Business Tower Investment LLC	Dubai, UAE	Real estate development	100%	100%
Damac Enterprises & Management Co. LLC	Dubai, UAE	Trade marks	100%	100%
Damac Media And Marketing LLC	Dubai, UAE	Marketing and public relations	100%	100%
Damac Properties Development Co LLC	Dubai, UAE	Holding company	100%	100%
Damac Properties Co. LLC	Dubai, UAE	Holding company	100%	100%
Marina Terrace Co. LLC	Dubai, UAE	Real estate development	100%	100%
Damac Gulf Properties LLC	Dubai, UAE	Real estate development	100%	100%
Lake Terrace Co. LLC	Dubai, UAE	Real estate development	100%	100%
Royal Crown Properties Co. LLC	Dubai, UAE	Holding company	100%	100%
Damac Star Properties LLC	Dubai, UAE	Real estate development	100%	100%
Island Oasis Properties LLC	Dubai, UAE	Real estate development	100%	100%
Damac Crescent Properties LLC	Dubai, UAE	Real estate development	100%	100%
Damac Development LLC	Dubai, UAE	Real estate development	100%	100%
Luxury Facilities Management Co. LLC	Dubai, UAE	Facilities management	100%	100%
Damac Tuscan Residence LLC	Dubai, UAE	Holding company	100%	100%
Abraj Al Rakhaa General Trading Limited	Iraq	Real estate development	100%	100%

Notes to the interim condensed consolidated financial information
For the period ended 31 March 2015 (continued)

4. Basis of consolidation (continued)

Entity	Country of incorporation	Principal activities	Legal interest	Economic interest
Global Properties Company Limited	Dubai, UAE	Real estate development	100%	100%
Middle East Properties Company Limited	Dubai, UAE	Real estate development	100%	100%
Damac Fortune Properties Company Ltd	Dubai, UAE	Real estate development	100%	100%
Damac Lake View Company Limited	Dubai, UAE	Real estate development	100%	100%
Damac Properties Company Limited	Dubai, UAE	Real estate development	100%	100%
Damac Park Towers Company Limited	Dubai, UAE	Real estate development	100%	100%
Excel Operations Company Limited	Dubai, UAE	Holding company	100%	100%
Damac Ocean Heights Company Limited.	Dubai, UAE	Hotels management	100%	100%
Damac Crown Properties Company Limited	Dubai, UAE	Real estate development	100%	100%
Damac Investment & Properties (Jordan) LLC	Jordan	Real estate development	100%	100%
Al-Imaratieh Properties LLC	Jordan	Real estate development	100%	100%
Damac Lebanon SAL (Holding)	Lebanon	Holding company	100%	100%
Damac Properties Lebanon SAL	Lebanon	Real estate development	100%	100%
Damac Properties International Limited	Mauritius	Holding company	100%	100%
Damac Enterprises Co. Ltd	Mauritius	Trade marks	100%	100%
Damac Properties Company Limited	Saudi Arabia	Real estate development	100%	100%
The Waves FZ LLC	Dubai, UAE	Real estate development	100%	100%
Damac Real Estate Developers FZ LLC	Dubai, UAE	Real estate development	100%	100%
Damac Properties FZ LLC	Dubai, UAE	Real estate development	100%	100%
Damac Real Estate Services Co LLC	Dubai, UAE	Holding company	100%	100%
Namaa Properties Development LLC	Dubai, UAE	Real estate development	100%	100%
Damac Homes LLC	Dubai, UAE	Group treasury operation	100%	100%
Kings Valley Investment Co LLC	Dubai, UAE	Shell company	100%	100%
Damac Properties Services Co. Shj LLC	Sharjah, UAE	Sales office	49%	100%

Notes to the interim condensed consolidated financial information
For the period ended 31 March 2015 (continued)

4. Basis of consolidation (continued)

Entity	Country of incorporation	Principal activities	Legal interest	Economic interest
Valencia Development Company WLL	Bahrain	Real estate development	100%	100%
Al Hikmah International Enterprises LLC	Qatar	Project development	49%	100%
Quality Investment Co LLC	Dubai, UAE	Shell company	100%	100%
Damac Properties Qatar WLL	Qatar	Holding company	100%	100%
Ocean Pearl Real Estate Company LLC	Abu Dhabi, UAE	Real estate development	100%	100%
Bright Gulf Investments Limited	BVI	Shell company	100%	100%
Luxury Owner Association Management Services	Dubai, UAE	Facilities management	100%	100%
Majara Investments Limited	BVI	Investment company	100%	100%
Ali Habib Kukar's Real Estate Office	Saudi Arabia	Sales office	100%	100%
Arjann Holdings Limited	BVI	Shell company	100%	100%
Middle East Dubai	Qatar	Shell Company	100%	100%
Premier Vision Property Development	Qatar	Shell company	100%	100%
Heritage Properties	Qatar	Shell company	100%	100%
Priority Holding Limited	Cayman Island	Holding company	100%	100%
Alpha Star Holding Limited	Cayman Island	Holding company	0%	100%
Maksab Holding Limited	BVI	Holding company	100%	100%
Malak Al Rafidayn Properties Investment	Iraq	Real estate development	100%	100%
Elegance Marketing Co LLC	Dubai, UAE	Marketing and public relations	100%	100%
Damac Hotels & Resorts Management LLC	Dubai, UAE	Hotels management	100%	100%
Tilal Development Holding SAL	Lebanon	Holding company	100%	100%
Prosperity Trading WOFE	China	Trading company	100%	100%
Blue Eagle Investment Co LLC	Dubai, UAE	Trust arrangement	100%	100%
Damac TR Holding Co Ltd	Dubai, UAE	Holding company	100%	100%
Damac FC Holding Co Ltd	Dubai, UAE	Holding company	100%	100%
Damac Business Village LLC	Dubai, UAE	Investment company	100%	100%
Damac Private Real Estate Management LLC	Dubai, UAE	Sales office	100%	100%
Damac World Real Estate LLC	Dubai, UAE	Sales office	100%	100%
Alpha Star Holding II Limited	Cayman Island	Trust arrangement	0%	100%

Financial risk management

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

Notes to the interim condensed consolidated financial information For the period ended 31 March 2015 (continued)

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

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

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

6. Segment analysis

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

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

	31 March 2015 (3 months) (Unaudited) US$ million	31 March 2014 (3 months) (Unaudited) US$ million
Revenue		
Domestic	**479.5**	435.8
International	**6.4**	-
	485.9	435.8

	31 March 2015 (Unaudited) US$ million	31 December 2014 (Audited) US$ million
Development properties		
Domestic	**1,783.5**	1,795.4
International	**543.0**	532.1
	2,326.5	2,327.5

Notes to the interim condensed consolidated financial information
For the period ended 31 March 2015 (continued)

7. Development properties

	31 March 2015 (Unaudited) US$ million	31 December 2014 (Audited) US$ million
Balance at the beginning of the period/year	**2,327.5**	1,932.7
Additions	**169.2**	1,189.5
Transferred to cost of sales	**(170.2)**	(833.0)
Transferred to a related party	**-**	(4.0)
Impairment reversal	**-**	42.3
Balance at the end of the period/year	**2,326.5**	2,327.5

Assets held as development properties

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

	31 March 2015 (Unaudited) US$ million	31 December 2014 (Audited) US$ million
Land held for future development	**140.1**	140.1
Properties under development	**1,973.9**	1,876.1
Completed properties	**212.5**	311.3
	2,326.5	2,327.5

8. Other financial assets

	31 March 2015 (Unaudited) US$ million	31 December 2014 (Audited) US$ million
Escrow retentions	**215.6**	228.5
Margin deposits	**2.8**	2.8
Other	**0.7**	0.7
	219.1	232.0

8. Other financial assets (continued)

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

At 31 March 2015, margin deposits are held by banks under lien against credit facilities issued to the Group and carry interest at commercial rates.

9. Trade and other receivables

	31 March 2015 (Unaudited) US$ million	31 December 2014 (Audited) US$ million
Trade receivables	**681.4**	613.4
Provision for impairment on trade receivables	**(71.7)**	(55.3)
	609.7	558.1
Advances and deposits	**174.1**	171.3
Other receivables and prepayments	**15.6**	13.2
	799.4	742.6

Trade receivables represent amounts due from customers at the point of handover. The outstanding balance represents the total amount which is yet to be collected at the reporting date. Customers are allowed 30 days from each invoice date to settle outstanding dues.

10. Financial investments

During 2014, the Group invested US$ 5.0 million in Damac International Limited, a related entity with a total share capital of US$ 50.0 million.

Notes to the interim condensed consolidated financial information
For the period ended 31 March 2015 (continued)

11. Cash and cash equivalents

	31 March 2015 (Unaudited) US$ million	31 December 2014 (Audited) US$ million
Cash on hand	**0.2**	0.2
Cash held in escrow	**1,702.7**	1,412.3
Bank balances	**106.0**	8.9
Fixed deposits	**376.8**	377.9
Cash and bank balances	**2,185.7**	1,799.3
Less: Fixed deposits with an original maturity of greater than three months	**(376.8)**	(342.6)
Cash and cash equivalents	**1,808.9**	1,456.7

Cash held in escrow represents cash received from customers which is held in escrow bank accounts managed by approved escrow agents. Use of this cash is restricted to the specific development properties to which the cash receipts relate and, hence, considered as cash and cash equivalents.

12. Share capital

	31 March 2015 (Unaudited) US$ million	31 December 2014 (Audited) US$ million
Authorised, issued and fully paid shares of US$ 1 each	**650.0**	650.0
Proposed issue of new shares of US$ 1 each	**150.0**	-

The Company has received US$ 150 million towards a proposed increase in share capital pursuant to the Board of Directors' resolution dated 29 March 2015.

Notes to the interim condensed consolidated financial information
For the period ended 31 March 2015 (continued)

13. Statutory reserve

In accordance with the Commercial Companies Laws in the respective countries of operation, Articles of Association of the respective entities in the Group, 10% of profit for the year is required to be transferred to statutory reserve for certain entities. The respective entities may resolve to discontinue such annual transfers when the statutory reserve is equal to 50% of the paid up share capital of such entities. The reserve is not available for distribution except in the circumstances stipulated by the Commercial Companies Laws in the respective countries of operation and the Articles of Association of the respective entities in the Group.

14. Group restructuring reserve

The group restructuring reserve arises upon the group restructuring which took place on 3 December 2013. This reserve is not distributable.

15. Bank borrowings

	31 March 2015 (Unaudited) US$ million	31 December 2014 (Audited) US$ million
Bank loans	**114.9**	40.0
Overdrafts	**38.2**	35.3
	153.1	75.3

Banks and financial institutions

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

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

	31 March 2015 (Unaudited) US$ million	31 December 2014 (Audited) US$ million
On demand within one year	**58.1**	55.3
In the second year	**95.0**	20.0
	153.1	75.3
Less: Amount due for settlement within 12 months	**(58.1)**	(55.3)
Amount due for settlement after 12 months	**95.0**	20.0

Notes to the interim condensed consolidated financial information
For the period ended 31 March 2015 (continued)

15. Bank borrowings (continued)

During 2014, the Group has entered into an unsecured term loan facility with a commercial bank bearing interest at 3 months LIBOR plus 3.25% per annum and is repayable by 2016.

During the current period in 2015, the Group entered into an unsecured revolving term loan facility with a commercial bank bearing interest at 3 months LIBOR plus 3.75% per annum and is repayable by 2017.

16. Sukuk certificates

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

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

	31 March 2015 (Unaudited) US$ million	31 December 2014 (Audited) US$ million
Proceeds from the issue of Sukuk Certificates	**650.0**	650.0
Gross issue costs	**(6.3)**	(6.3)
Less: Amortised upto period/year end	**0.9**	0.6
Unamortised issue costs	**(5.4)**	(5.7)
Carrying amount	**644.6**	644.3

17. Related party transactions

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

Notes to the interim condensed consolidated financial information For the period ended 31 March 2015 (continued)

17. Related party transactions (continued)

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

	31 March 2015 (Unaudited) US$ million	31 December 2014 (Audited) US$ million
Due to a related party		
Due to an entity under the Chief Executive Officer's control	**9.5**	11.0

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

	31 March 2015 (3 months) (Unaudited) US$ million	31 March 2014 (3 months) (Unaudited) US$ million
Construction work executed	**0.5**	-

During the period, the Group utilised construction services worth US$ 0.5 million from Draieh Contracting LLC, an entity under the control of the Chief Executive Officer.

Remuneration of key management personnel

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

	31 March 2015 (3 months) (Unaudited) US$ million	31 March 2014 (3 months) (Unaudited) US$ million
Short term employee benefits	**1.1**	0.6
Termination benefits - EOSB	**0.1**	0.1
	1.2	0.7

Notes to the interim condensed consolidated financial information
For the period ended 31 March 2015 (continued)

18. Trade and other payables

	31 March 2015 (Unaudited) US$ million	31 December 2014 (Audited) US$ million
Advances from customers	**2,136.1**	1985.1
Accruals	**183.3**	166.7
Other payables	**238.8**	216.0
Retentions payable	**123.9**	113.4
Deferred consideration for land payments	**407.5**	469.4
	3,089.6	2,950.6

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

19. Revenue

	31 March 2015 (3 months) (Unaudited) US$ million	31 March 2014 (3 months) (Unaudited) US$ million
Constructed units	**186.3**	262.4
Sale of land	**299.6**	173.4
	485.9	435.8

20. Contingent liabilities

	31 March 2015 (Unaudited) US$ million	31 December 2014 (Audited) US$ million
Bank guarantees	**251.1**	239.8

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

Notes to the interim condensed consolidated financial information
For the period ended 31 March 2015 (continued)

21. Commitments

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

	31 March 2015 (Unaudited) US$ million	31 December 2014 (Audited) US$ million
Contracted for	**1,702.1**	1,651.8

22. Fair value of financial instruments

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

Fair value of financial instruments measured at amortised cost

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

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

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

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

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

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

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

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

Notes to the interim condensed consolidated financial information For the period ended 31 March 2015 (continued)

22. Fair value of financial instruments (continued)

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).

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

23. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	31 March 2015 (3 months) (Unaudited)	31 March 2014 (3 months) (Unaudited)
Profit for the period (US$ million)	**215.8**	209.6
Weighted average number of ordinary shares (million)	**650.0**	650.0
Earnings per ordinary share - basic and diluted (US Cents)	**33**	32

There were no instruments or any other items which could cause an anti-dilutive effect on the earnings per share calculation.

24. Dividend

A cash dividend equal to US$ 0.23 per share amounting to US$ 150 million for the year ended 31 December 2014 was proposed by the Board of Directors and approved by the shareholders in the annual general meeting on 22 March 2015. The dividend was paid on 29 March 2015.

25. Approval of the interim condensed consolidated financial information

The interim condensed consolidated financial information for the period ended 31 March 2015 was approved by the Board and authorised for issue on 21 April 2015.