إعمار مولز ش.م.ع
ص. ب. 191741، دبي
الإمارات العربية المتحدة
رأس المال المدفوع: 13,014,300,000 درهم
سجل تجاري: 1145125

ت + 971 4 3675588
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Emaar Malls PJSC
P.O. Box 191741, Dubai
United Arab Emirates
Paid up capital: AED 13,014,300,000
Commercial Registration: 1145125

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10 May 2016

١٠ مايو ٢٠١٦

Mr. Hasan Abdul Rahman Al Serkal
Executive Vice President &
Chief Operations Officer
Dubai Financial Market
Dubai – United Arab Emirates

الاستاذ/ حسن عبد الرحمن السركال الموقر
نائب رئيس تنفيذي – رئيس تنفيذي العمليات
رئيس قطاع العمليات
سوق دبي المالي
دبي- الإمارات العربية المتحدة

Submitted Through Efsah System

مقدم من خلال نظام إفصاح الإلكتروني

Subject: Unaudited interim condensed consolidated financial statements for Q1 2016

الموضوع: البيانات المالية الموحدة الموجزة المرحلية غير المدققة للربع الأول من عام ٢٠١٦

Dear Mr. Al Serkal,

تحية طيبة وبعد،

Please find attached the unaudited interim condensed consolidated financial statement of Emaar Malls PJSC for the first quarter of year 2016 in both English and Arabic.

مرفق طيه البيانات المالية الموحدة الموجزة المرحلية غير المدققة لشركة إعمار مولز ش.م.ع. للربع الأول من عام ٢٠١٦ باللغتين الإنكليزية والعربية.

وتفضلوا بقبول فائق الشكر والاحترام،،،

Yours sincerely,

Ahmad Thani Al Matrooshi
Vice Chairman

احمد ثاني المطروشي
نائب رئيس مجلس الإدارة

CC: Securities and Commodities Authority

نسخة إلى هيئة الأوراق المالية والسلع

إعمار مولز ش.م.ع.
Emaar Malls PJSC
P.O. Box 191741, Dubai, UAE

Emaar Malls Group PJSC and its subsidiaries

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2016

Ernst & Young
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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF EMAAR MALLS GROUP PJSC AND ITS SUBSIDIARIES

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Emaar Malls Group PJSC (the "Company") and its subsidiaries (the "Group") as of 31 March 2016 and the related interim condensed consolidated statements of income, other comprehensive income, cash flows and changes in equity for the three-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with *International Accounting Standard 34 Interim Financial Reporting ("IAS 34")*. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

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

Conclusion

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

Ernst + Y

Signed by:
Anthony O'Sullivan
Partner
Registration Number 687
8 May 2016

Dubai, United Arab Emirates

Emaar Malls Group PJSC and its subsidiaries

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

For the period ended 31 March 2016 (unaudited)

	Notes	*(US $1.00 = AED 3.673)*	
		1 January 2016 to 31 March 2016 AED'000	*1 January 2015 to 31 March 2015 AED'000*
REVENUE			
Rental income	4	**833,192**	730,812
Total revenue		**833,192**	730,812
EXPENSES			
Operating expenses	5	**(107,707)**	(100,075)
Sales and marketing expenses		**(12,307)**	(9,373)
Depreciation of property, plant and equipment	10	**(11,500)**	(17,866)
Depreciation of investment properties	11	**(78,039)**	(64,909)
General and administrative expenses		**(43,436)**	(35,994)
Write-off	6	**(3,873)**	(7,883)
Total expenses		**(256,862)**	(236,100)
OPERATING PROFIT FOR THE PERIOD		**576,330**	494,712
Finance income		**20,603**	4,355
Finance costs	7	**(68,205)**	(65,539)
PROFIT FOR THE PERIOD	8	**528,728**	433,528
ATTRIBUTABLE TO:			
Equity holders of the Company		**528,728**	433,528
Earnings per share (AED):			
- basic and diluted	9	**0.04**	0.03

The attached notes 1 to 22 form part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the period ended 31 March 2016 (unaudited)

	(US $1.00 = AED 3.673)	
	1 January 2016 to 31 March 2016 AED'000	*1 January 2015 to 31 March 2015 AED'000*
Profit for the period	**528,728**	433,528
Other comprehensive income to be reclassified to the consolidated income statement in subsequent period:		
Other comprehensive income:		
Net movement on cash flow hedges	**(41,765)**	(28,681)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**486,963**	404,847
ATTRIBUTABLE TO:		
Equity holders of the Company	**486,963**	404,847

The attached notes 1 to 22 form part of these interim condensed consolidated financial statements.

Emaar Malls Group PJSC and its subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2016

	Notes	*31 March 2016 (Unaudited) AED'000*	*31 December 2015 (Audited) AED'000*
		(US $1.00 = AED 3.673)	
ASSETS			
Non-current assets			
Property, plant and equipment		**224,997**	242,169
Investment properties		**20,858,897**	20,807,452
		21,083,894	21,049,621
Current assets			
Inventories		**13,716**	13,765
Trade and unbilled receivables	12	**126,380**	133,336
Advances, prepayments and other receivables		**94,060**	80,119
Due from related parties	13	**79,258**	114,250
Bank balances and cash	14	**3,719,084**	3,169,826
		4,032,498	3,511,296
TOTAL ASSETS		**25,116,392**	24,560,917
EQUITY AND LIABILITIES			
Equity			
Share capital	15	**13,014,300**	13,014,300
Reserves	16	**449,654**	491,419
Retained earnings		**2,466,673**	1,937,945
TOTAL EQUITY		**15,930,627**	15,443,664
Non-current liabilities			
Employees' end of service benefits		**16,743**	16,753
Interest bearing loans and borrowings	17	**4,553,048**	4,551,135
Sukuk	18	**2,736,325**	2,735,867
Retentions payable after 12 months		**29,415**	23,541
		7,335,531	7,327,296
Current liabilities			
Due to related parties	13	**80,573**	96,039
Accounts payable and accruals	19	**566,956**	477,324
Advances and security deposits		**766,323**	789,357
Retentions payable within 12 months		**12,277**	13,655
Deferred income		**424,105**	413,582
		1,850,234	1,789,957
TOTAL LIABILITIES		**9,185,765**	9,117,253
TOTAL EQUITY AND LIABILITIES		**25,116,392**	24,560,917

These interim condensed consolidated financial statements were authorised for issue on 8 May 2016 by Board of Directors and signed on their behalf by:

Chairman

Director

The attached notes 1 to 22 form part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 31 March 2016 (unaudited)

	Notes	*(US $1.00 = AED 3.673)* *1 January 2016 to 31 March 2016 AED'000*	*1 January 2015 to 31 March 2015 AED'000*
OPERATING ACTIVITIES			
Profit for the period		**528,728**	433,528
Adjustments for:			
Depreciation of property, plant and equipment	10	**11,500**	17,866
Depreciation of investment properties	11	**78,039**	64,909
Provision for doubtful debts		**118**	96
Provision for employees' end of service benefits		**440**	1,041
Finance costs		**68,205**	65,539
Loss on disposal of property, plant and equipment		**59**	16
Finance income		**(20,603)**	(4,355)
Write-off		**3,873**	7,883
		670,359	586,523
Working capital changes:			
Inventories		**49**	228
Trade and unbilled receivables		**6,838**	33,552
Due from related parties		**34,992**	26,157
Advances, prepayments and other receivables		**(1,099)**	(10,406)
Due to related parties		**(15,466)**	(68,393)
Accounts payable and accruals		**16,593**	(54,939)
Advances and security deposits		**(23,034)**	42,319
Retentions payable		**4,496**	3,435
Deferred income		**10,523**	38,175
Net cash flows from operations		**704,251**	596,651
Employees' end of service benefits paid		**(450)**	(18)
Net cash flows from operating activities		**703,801**	596,633
INVESTING ACTIVITIES			
Purchases of property, plant and equipment	10	**(5,442)**	(10,616)
Amounts incurred on investment properties	11	**(122,338)**	(76,787)
Interest received		**7,761**	4,354
Proceeds from disposal of property, plant and equipment		**36**	-
Deposits under lien or maturing after three months		**(519,153)**	(443,693)
Net cash flows used in investing activities		**(639,136)**	(526,742)
FINANCING ACTIVITIES			
Finance cost paid		**(34,560)**	(31,128)
Net cash flows used in financing activities		**(34,560)**	(31,128)
INCREASE IN CASH AND CASH EQUIVALENTS		**30,105**	38,763
Cash and cash equivalents at 1 January		**26,777**	48,262
CASH AND CASH EQUIVALENTS AT 31 MARCH	14	**56,882**	87,025

The attached notes 1 to 22 form part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 March 2016 (unaudited)

	Share capital AED'000	*Reserves AED'000*	*Retained earnings AED'000*	*Total AED'000*
1 January 2016 to 31 March 2016:				
As at 1 January 2016	13,014,300	491,419	1,937,945	15,443,664
Profit for the period	-	-	528,728	528,728
Other comprehensive loss for the period	-	(41,765)	-	(41,765)
Total comprehensive income/ (loss) for the period	-	(41,765)	528,728	486,963
As at 31 March 2016	**13,014,300**	**449,654**	**2,466,673**	**15,930,627**

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

The attached notes 1 to 22 form part of these interim condensed consolidated financial statements.

1 CORPORATE INFORMATION

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation
The interim condensed consolidated financial statements of the Group for the period ended 31 March 2016 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting and applicable requirements of United Arab Emirates law.

The interim condensed consolidated financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards and should be read with the Group's annual consolidated financial statements as at 31 December 2015.

Results for the three-months period ended 31 March 2016 are not necessarily indicative of the results that may be expected for the year ending 31 December 2016.

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

Basis of consolidation
The consolidated financial statements comprise the financial statements of the Company and entities controlled by the Company (its subsidiaries) as at 31 March 2016. Control is achieved where all the following criteria are met:

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

Subsidiaries

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

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

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

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

The details of the Company's subsidiaries are as follows:

Name of the subsidiary	*Country of incorporation*	*Principal activity*	*Beneficial Ownership*	
			2016	*2015*
The Dubai Mall LLC	UAE	Self owned property leasing, buying and selling of real estate and management services	**99%**	99%
Emaar Dubai Malls LLC	UAE	Self owned property leasing, buying and selling of real estate and management services	**99%**	99%
Emaar International Malls LLC	UAE	Self owned property leasing, buying and selling of real estate and management services	**99%**	99%

Special purpose entities

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements for the three-months period ended 31 March 2016 are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 December 2015, except for the adoption of new standards and interpretations issued by the International Accounting Standard Board ("IASB") and effective for annual periods beginning on or after 1 January 2016, which do not impact the interim condensed consolidated financial statements of the Group.

New standards, interpretations and amendments adopted by the Group
The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective except for IFRS 15 "Revenue from Contacts with Customers" as disclosed in the annual consolidated financial statements for the year ended 31 December 2015.

3 SEGMENT INFORMATION

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with the net profit or loss in the interim condensed consolidated financial statements.

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

Super Regional Malls:
Super regional malls include shopping centres which individually hold gross leasable area of more than 800 thousands sq. ft.

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

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

Specialty Retail:
Specialty retail includes shopping centres mainly offering specialty stores for fine and casual dining, commercial offices or retail outlets of manufacturers.

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

3 SEGMENT INFORMATION (continued)

Business segments (continued)
The following tables include revenue, results and other segment information from 1 January 2016 to 31 March 2016 and 1 January 2015 to 31 March 2015. Assets and liabilities information regarding business segments are presented as at 31 March 2016 and 31 December 2015.

	Super Regional Malls AED'000	*Regional Malls AED'000*	*Community Integrated Retail AED'000*	*Specialty Retail AED'000*	*Others AED'000*	*Total AED'000*
1 January 2016 to 31 March 2016:						
Revenue						
Rental income	**681,778**	**47,539**	**66,989**	**36,886**	**-**	**833,192**
Results						
Profit for the period	**513,287**	**29,003**	**43,095**	**23,475**	**(80,132)**	**528,728**
Other segment information						
Capital expenditure (Property, plant and equipment and investment properties)	**101,187**	**1,340**	**19,869**	**3,638**	**1,746**	**127,780**
Depreciation (Property, plant and equipment and investment properties)	**65,529**	**9,323**	**8,613**	**5,455**	**619**	**89,539**
Finance costs	**-**	**-**	**-**	**-**	**68,205**	**68,205**
Assets and liabilities as at 31 March 2016:						
Segment assets	**18,398,013**	**1,252,717**	**813,498**	**1,279,727**	**3,372,437**	**25,116,392**
Segment liabilities	**1,315,916**	**88,862**	**172,345**	**99,495**	**7,509,147**	**9,185,765**

	Super Regional Malls AED'000	*Regional Malls AED'000*	*Community Integrated Retail AED'000*	*Specialty Retail AED'000*	*Others AED'000*	*Total AED'000*
1 January 2015 to 31 March 2015:						
Revenue						
Rental income	600,847	40,758	52,630	36,577	-	730,812
Results						
Profit for the period	434,345	22,141	30,348	23,410	(76,716)	433,528

3 SEGMENT INFORMATION (continued)

Business segments (continued)

	Super Regional Malls AED'000	*Regional Malls AED'000*	*Community Integrated Retail AED'000*	*Specialty Retail AED'000*	*Others AED'000*	*Total AED'000*
Other segment information						
Capital expenditure (Property, plant and equipment and investment properties)	66,962	4,274	13,300	2,646	221	87,403
Depreciation (Property, plant and equipment and investment properties)	63,040	7,775	5,927	5,909	124	82,775
Finance costs	-	-	-	-	65,539	65,539
Assets and liabilities as at 31 December 2015:						
Segment assets	18,341,712	1,268,000	788,209	1,279,064	2,883,932	24,560,917
Segment liabilities	1,311,045	109,004	190,150	92,368	7,414,686	9,117,253

4 RENTAL INCOME

	1 January 2016 to 31 March 2016 AED'000	*1 January 2015 to 31 March 2015 AED'000*
Base rent	**532,640**	479,227
Turnover rent	**76,564**	75,103
Services charges	**88,493**	68,582
Promotion and marketing contribution	**11,617**	10,500
Specialty leasing	**59,835**	52,480
Multimedia	**23,440**	19,160
Others	**40,603**	25,760
	833,192	730,812

5 OPERATING EXPENSES

	1 January 2016 to 31 March 2016 AED'000	*1 January 2015 to 31 March 2015 AED'000*
Housekeeping and facility management	**49,072**	46,764
Direct staff costs	**24,485**	23,765
Utilities - net	**11,404**	10,604
Security	**8,745**	6,308
Others	**14,001**	12,634
	107,707	100,075

6 WRITE-OFF

During the period ended 31 March 2016, the Group has partly or completely demolished certain Community Integrated Retail assets amounting to AED 3,873 thousands (period ended 31 March 2015: AED 7,883 thousands) due to a planned redevelopment. Accordingly, the net book value of these asset were written-off from investment properties and property, plant and equipment.

7 FINANCE COSTS

	1 January 2016 to 31 March 2016 AED'000	*1 January 2015 to 31 March 2015 AED'000*
Interest on loans and borrowings	**66,109**	63,544
Others	**2,096**	1,995
	68,205	65,539

8 PROFIT FOR THE PERIOD

The profit for the period is stated after charging:

	1 January 2016 to 31 March 2016 AED'000	*1 January 2015 to 31 March 2015 AED'000*
Indirect staff costs	**8,551**	11,630

9 EARNINGS PER SHARE

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

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding assuming conversion of all dilutive potential ordinary shares.

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

	1 January 2016 to 31 March 2016 AED'000	*1 January 2015 to 31 March 2015 AED'000*
Earnings:		
Profit attributable to the equity holders of the Company	**528,728**	433,528
No of shares:		
Weighted average number of ordinary shares for basic and diluted earnings per share	**13,014,300,000**	13,014,300,000
Earnings per share (AED):		
- basic and diluted	**0.04**	0.03

10 PROPERTY, PLANT AND EQUIPMENT

Additions and depreciation
During the period ended 31 March 2016, the Group purchased property, plant and equipment of AED 5,442 thousands (period ended 31 March 2015: AED 10,616 thousands) and charged depreciation expense to interim condensed consolidated income statement of AED 11,500 thousands (period ended 31 March 2015: AED 17,866 thousands).

11 INVESTMENT PROPERTIES

Additions and depreciation
During the period ended 31 March 2016, the Group had additions of AED 122,338 thousands (period ended 31 March 2015: AED 76,787 thousands) and charged depreciation expense to interim condensed consolidated income statement of AED 78,039 thousands (period ended 31 March 2015: AED 64,909 thousands).

12 TRADE AND UNBILLED RECEIVABLES

	31 March 2016 AED'000	*31 December 2015 AED'000*
Trade receivables – net	**49,011**	46,979
Unbilled receivables	**77,369**	86,357
	126,380	133,336

Trade receivables include amounts due from related parties amounting to AED 5,735 thousands (31 December 2015: AED 6,755 thousands) [note 13 (b)].

The above trade receivables are net of allowance for doubtful debts of AED 55,314 thousands (31 December 2015: AED 55,257 thousands) representing management's best estimate of doubtful trade receivables which are past due and impaired.

Movement in the allowance for doubtful debts is as follows:

	31 March 2016 AED'000	*31 December 2015 AED'000*
Balance at 1 January	**55,257**	56,730
Net charge for the period/ year	**118**	691
Written off during the period/ year	**(61)**	(2,164)
Balance at period/ year-end	**55,314**	55,257

13 RELATED PARTY DISCLOSURES

(a) During the period, the following were the significant related party transactions, which were carried out in the normal course of business (equivalent to terms which prevail in arm's length transactions) on terms agreed between the parties:

	1 January 2016 to 31 March 2016 AED'000	*1 January 2015 to 31 March 2015 AED'000*
Rental income		
Parent Company	**4,908**	4,405
Affiliated entities	**14,986**	12,741
Entities owned or controlled by Directors and other related parties	**32,967**	24,318
	52,861	41,464
Operating expenses – net		
Parent Company	**10,671**	10,789
Affiliated entities	**15,966**	16,264
Entities owned or controlled by Directors and other related parties	**(945)**	(349)
Sales and marketing expenses		
Parent Company	**176**	745
Affiliated entities	**210**	199
Entities owned or controlled by Directors and other related parties	**133**	1,000
General and administrative expenses		
Parent Company	**18,701**	16,709
Affiliated entities	**355**	385
Finance income		
Entities owned or controlled by Directors and other related parties	**5,130**	208
Finance costs		
Entities owned or controlled by Directors and other related parties	**2,800**	1,966
Capital expenditures		
Parent Company	**-**	22,912
Affiliated entities	**2,979**	1,250

13 RELATED PARTY DISCLOSURES (continued)

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

31 March 2016	*Bank balances and cash AED '000*	*Due from related parties AED '000*	*Trade and unbilled receivables AED '000*	*Interest bearing loans and borrowings AED '000*	*Due to related parties AED '000*	*Deferred income AED '000*	*Trade payables AED '000*
Non-current							
Entities owned or controlled by Directors and other related parties	-	-	-	214,258	-	-	-
	-	-	-	**214,258**	-	-	-
Current							
Parent Company	-	-	-	-	78,682	3,366	-
Affiliated entities	-	79,258	-	-	1,891	14,700	-
Entities owned or controlled by Directors and other related parties	839,162	-	5,735	-	-	17,511	152
	839,162	**79,258**	**5,735**	-	**80,573**	**35,577**	**152**

Outstanding balances are secured and interest-bearing. For the periods ended 31 March 2016 and year ended 31 December 2015, the Group has not recorded any impairment of receivables relating to amounts owed by related parties.

13 RELATED PARTY DISCLOSURES (continued)

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

31 December 2015	*Bank balances and cash AED '000*	*Due from related parties AED '000*	*Trade and unbilled receivables AED '000*	*Interest bearing loans and borrowings AED '000*	*Due to related parties AED '000*	*Deferred income AED '000*	*Trade payables AED '000*
Non-current							
Entities owned or controlled by Directors and other related parties	-	-	-	214,258	-	-	-
	-	-	-	214,258	-	-	-
Current							
Parent Company	-	-	-	-	86,397	23	-
Affiliated entities	-	114,250	-	-	9,642	9,617	-
Entities owned or controlled by Directors and other related parties	819,567	-	6,755	-	-	23,095	212
	819,567	114,250	6,755	-	96,039	32,735	212

13 RELATED PARTY DISCLOSURES (continued)

(c) Compensation of key management personnel

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

	1 January 2016 to 31 March 2016 AED'000	*1 January 2015 to 31 March 2015 AED'000*
Short term benefits	**5,090**	11,721
End of service benefits	**357**	440

As at 31 March 2016, the number of key management personnel was 17 (31 March 2015: 25).

14 BANK BALANCES AND CASH

	31 March 2016 AED'000	*31 December 2015 AED'000*
Cash in hand	**194**	189
Bank balances:		
Current and call accounts	**56,688**	26,588
Cash and cash equivalents	**56,882**	26,777
Deposits under lien (note 17)	**27,208**	27,208
Deposits maturing after three months	**3,634,994**	3,115,841
Balance at period/ year-end	**3,719,084**	3,169,826

Included in the bank balances and cash is an amount of AED 839,162 thousands (31 December 2015: AED 819,567 thousands) as balance held with related party [note 13(b)].

Cash at banks earn interest at fixed rates based on prevailing bank deposit rates. Short-term fixed deposits are made for varying periods between one day and six months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. Fixed deposits maturing after three months earn interest at rates between 1.55% and 3.05% per annum (31 December 2015: 1.4% and 3.05% per annum).

15 SHARE CAPITAL

	31 March 2016 AED'000	*31 December 2015 AED'000*
Authorised capital – 13,014,300,000 shares of AED 1 each (2015: 13,014,300,000 shares of AED 1 each)	**13,014,300**	13,014,300
Issued and fully paid – 13,014,300,000 shares of AED 1 each (2015: 13,014,300,000 shares of AED 1 each)	**13,014,300**	13,014,300

16 RESERVES

Movement in reserves is as follows:

	Statutory reserve AED'000	*Legal reserve AED'000*	*Hedging reserve AED'000*	*Total AED'000*
1 January 2016 to 31 March 2016:				
As at 1 January 2016	300,839	206,853	(16,273)	491,419
Other comprehensive income for the period	-	-	(41,765)	(41,765)
Total comprehensive income for the period	-	-	(41,765)	(41,765)
As at 31 March 2016	**300,839**	**206,853**	**(58,038)**	**449,654**

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

As required by the UAE Federal Commercial Companies Law No. (2) of 2015 and the Article number 56 of the Company's Article of Association, 10% of the net profit for the year shall be transferred to legal reserve until it reaches 50% of the share capital. Further, 10% of the net profit for the year shall be transferred to statutory reserve until it reaches 50% of the paid-up share capital. These reserves are not available for distribution except in the circumstances stipulated by the law.

17 INTEREST BEARING LOANS AND BORROWINGS

	31 March 2016 AED'000	*31 December 2015 AED'000*
Interest bearing loans and borrowings	**4,591,250**	4,591,250
Less: unamortised portion of loan arrangement fee	**(38,202)**	(40,115)
Net interest bearing loans and borrowings	**4,553,048**	4,551,135

Net interest bearing loans and borrowings are repayable as follows:

Within one year (shown under current liabilities)	-	-
After one year (shown under non-current liabilities)	**4,553,048**	4,551,135
	4,553,048	4,551,135

The Group has Syndicated Murhabha Islamic finance facility for USD 1.25 billion (AED 4,591,250 thousands) availed from the commercial banks of UAE. The facility is unsecured and carries interest rate at 3 months LIBOR + 1.75% pa and this facility will be repaid in a single instalment in 2021. The bank has a lien on certain cash collateral amounting to AED 27,208 thousands (31 December 2015: AED 27,208 thousands) against interest payable (note 14).

As at 31 March 2016, part of interest bearing loans and borrowings amounting to USD 58,333 thousands (AED 214,258 thousands) (31 December 2015: AED 214,258 thousands) is borrowed from a related party [note13 (b)].

18 SUKUK

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

	31 March 2016 AED'000	*31 December 2015 AED'000*
Proceeds from the issuance of the Sukuk	**2,754,750**	2,754,750
Less: Sukuk issuance cost	**(21,587)**	(21,587)
Sukuk liability on initial recognition	**2,733,163**	2,733,163
Profit accrued up to period/ year-end	**3,162**	2,704
Sukuk liability as at period/ year-end	**2,736,325**	2,735,867

19 ACCOUNTS PAYABLE AND ACCRUALS

	31 March 2016 AED'000	*31 December 2015 AED'000*
Trade payables	**40,579**	41,476
Accrued expenses	**423,103**	404,606
Interest payable	**38,762**	7,488
Other payables	**64,512**	23,754
	566,956	477,324

Included in the trade payables is an amount of AED 152 thousands (31 December 2015: AED 212 thousands) due to related parties [note 13(b)].

20 COMMITMENTS AND CONTINGENCIES

Commitments
At 31 March 2016, the Group had commitments of AED 1,332,782 thousands (31 December 2015: AED 1,342,534 thousands) which includes project commitments of AED 1,145,631 thousands (31 December 2015: 1,200,821 thousands). This represents the value of contracts issued as at reporting date net of invoices received and accruals made as at that date.

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

	31 March 2016 AED'000	*31 December 2015 AED'000*
Within one year	**1,996,262**	1,983,193
After one year but not more than five years	**2,966,912**	3,049,572
More than five years	**252,555**	247,889
	5,215,729	5,280,654

In addition to the base rent, the Group also charges annual service charges to its tenants. The total amount of service charges for the period ended 31 March 2016 was AED 88,493 thousands (period ended 31 March 2015: AED 68,582 thousands).

20 COMMITMENTS AND CONTINGENCIES (continued)

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

	31 March 2016 AED'000	*31 December 2015 AED'000*
Within one year	**1,761**	1,761
After one year but not more than five years	**1,478**	1,918
More than five years	**-**	-
	3,239	3,679

Legal claims
As at 31 March 2016, legal proceedings are in progress against certain tenants to recover outstanding rents amounting to AED 27,579 thousands (31 December 2015: AED 26,792 thousands). Based on the advice of legal advisors, outcome of these claims will have no adverse impact on the interim condensed consolidated financial statements of the Group.

21 EVENTS AFTER THE REPORTING PERIOD

During the Annual General Meeting of the Company held on 19 April 2016, the shareholders have approved:

- a cash dividend of AED 0.10 per share for 2015.
- the amendment to the Articles of Association of the Company in accordance with the provisions of Federal Law No. (2) of 2015 regarding Commercial Companies.
- to amend the name of the Company from "Emaar Malls Group" to "Emaar Malls". Legal formalities with respect to amendment of name are under process.
- approved to pay bonus to the members of the Board of Directors amounting to AED 650 thousands for each board member (including the Vice Chairman) and a bonus amounting to AED 1 million to the Chairman of the Board.

22 HEDGING ACTIVITIES

Cash flow hedges
The Group held certain interest rate swap contracts designated as a hedge of expected future payments under the borrowing contracts entered by the Group for which it has firm commitments. The interest rate swap contract is being used to hedge the interest rate risk of the firm commitments. The nominal amount of these contracts is USD 725,000 thousands (AED 2,662,925 thousands) (31 December 2015: AED 2,662,925 thousands).

	31 March 2016		*31 December 2015*	
	Assets AED'000	***Liabilities AED'000***	*Assets AED'000*	*Liabilities AED'000*
Interest rate swap contracts				
Fair value	-	**58,038**	-	16,273

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

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

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

	Total AED'000	***Level 1 AED'000***	***Level 2 AED'000***	***Level 3 AED'000***
31 March 2016				
Interest rate swap contracts	**58,038**	-	**58,038**	-
31 December 2015				
Interest rate swap contracts	16,273	-	16,273	-

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

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

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

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