

**EMAAR MISR FOR DEVELOPMENT COMPANY (S.A.E.)
UNAUDITED INTERIM CONDENSED
FINANCIAL STATEMENTS**

FOR THE PERIOD ENDED 30 JUNE 2015

Emaar Misr for Development Company (S.A.E.)

**Unaudited interim condensed Financial Statements
For the period ended 30 June 2015**

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Report on review of interim condensed financial statements

The Board of Directors of Emaar Misr for Development S.A.E.

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Emaar Misr for Development S.A.E. as of 30 June 2015 and the related interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six- month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with IAS 34 *Interim Financial Reporting* (IAS 34). Our responsibility is to express a conclusion on these interim condensed 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 financial statements are not prepared, in all material respects, in accordance with IAS 34.

We have not audited or reviewed the financial information for the six months period ended 30 June 2015 and accordingly do not express an opinion thereon.



Amr El-Shadmi
Partner

5 August 2015

Emaar Misr for Development Company (S.A.E)

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME

For the period ended 30 June 2015 (unaudited)

	Notes	<i>Six Months</i>		<i>Three Months</i>	
		<i>2015</i> <i>Unaudited</i> <i>EGP</i>	<i>2014</i> <i>Unaudited</i> <i>EGP</i>	<i>2015</i> <i>Unaudited</i> <i>EGP</i>	<i>2014</i> <i>Unaudited</i> <i>EGP</i>
Revenue	4	1,560,390,464	999,490,542	808,933,423	641,815,217
Cost of revenue	5	(941,070,770)	(630,955,386)	(414,721,356)	(397,475,553)
GROSS PROFIT		619,319,694	368,535,156	394,212,067	244,339,664
Selling, general and administrative expenses	6	(202,213,853)	(132,856,316)	(116,075,618)	(79,908,411)
Finance income		48,636,769	6,330,683	31,207,826	3,825,926
Finance cost	7	(3,284,134)	(111,109,435)	(1,554,899)	(89,675,391)
Other expenses		(10,167,439)	(8,018,483)	(3,688,654)	(2,007,022)
Other income	8	36,036,638	10,326,263	23,236,537	4,536,699
Provisions no longer required	19	1,866,496	-	106,007	-
Provisions	19	(2,217,388)	-	(2,060,232)	-
PROFIT BEFORE TAX		487,976,783	133,207,868	325,383,034	81,111,465
Income tax		(3,374,524)	8,824,686	(2,207,528)	27,305,924
PROFIT FOR THE PERIOD		484,602,259	142,032,554	323,175,506	108,417,389
OTHER COMPREHENSIVE INCOME					
Other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	-	-	-
TOTAL COMPREHENSIVE INCOME/ LOSS		484,602,259	142,032,554	323,175,506	108,417,389
Earnings per share - basic and diluted	22	0.18	0.16	0.12	0.12

The accompanying notes 1 to 24 form an integral part of these financial statements.

Emaar Misr for Development Company (S.A.E)
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
As at 30 June 2015

		<i>30 June 2015</i>	<i>31 December 2014</i>
	Notes	<i>EGP Unaudited</i>	<i>EGP Audited</i>
ASSETS			
Non-current assets			
Property, plant and equipment	13	584,685,354	586,105,318
Investment properties	14	82,987,701	84,866,442
Deferred tax assets		<u>92,949,812</u>	<u>96,324,334</u>
		760,622,867	767,296,094
Current assets			
Development properties	12	9,716,530,333	9,815,195,982
Accounts and notes receivables	10	1,050,417,544	862,177,324
Due from related parties	24a	13,126	13,126
Other receivables, deposits and prepayments	11	1,025,821,867	777,679,983
Bank balances and cash	9	<u>3,736,266,042</u>	<u>871,900,404</u>
		15,529,048,912	12,326,966,819
TOTAL ASSETS		<u>16,289,671,779</u>	<u>13,094,262,913</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	20	4,619,338,000	878,338,000
Amounts paid under capital increase	20	-	3,141,000,000
Additional paid in capital	20	1,594,567,988	-
Legal reserve	21	21,145,120	247,803
Retained earnings		<u>483,660,650</u>	<u>19,955,708</u>
		6,718,711,758	4,039,541,511
LIABILITIES			
Non-current liabilities			
Interest-bearing loans and borrowings	18	120,385,009	475,020
Land purchase liabilities		508,039,439	635,340,594
Provision for employees' end-of-service benefits		<u>11,969,265</u>	<u>8,852,688</u>
		640,393,713	644,668,302
Current liabilities			
Interest-bearing loans and borrowings	18	472,779,906	815,666,363
Borrowings from related parties	24b	4,705,686	4,445,292
Trade and other payables	15	1,735,129,659	1,423,931,166
Due to related parties	24a	8,132,512	4,812,802
Land purchase liabilities		177,632,033	166,998,103
Advances from customers	16	6,292,227,694	5,733,822,529
Provisions	19	51,140,877	53,004,971
Retentions payable	17	<u>188,817,941</u>	<u>207,371,874</u>
		8,930,566,308	8,410,053,100
TOTAL LIABILITIES		<u>9,570,960,021</u>	<u>9,054,721,402</u>
TOTAL LIABILITIES AND EQUITY		<u>16,289,671,779</u>	<u>13,094,262,913</u>



Board Director



Chairman

The accompanying notes 1 to 24 form an integral part of these financial statements.

Emaar Misr for Development Company (S.A.E)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June 2015 (Unaudited)

	Notes	Share capital	Amounts paid under capital increase	Additional paid in capital	Legal reserve	Retained earnings	Total
		EGP	EGP	EGP	EGP	EGP	EGP
Balance at 1 January 2015		878,338,000	3,141,000,000	-	247,803	19,955,708	4,039,541,511
Profit for the period		-	-	-	-	484,602,259	484,602,259
Other comprehensive income for the period		-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	484,602,259	484,602,259
Transfer to legal reserve	20	3,141,000,000	(3,141,000,000)	-	20,897,317	(20,897,317)	-
Share capital increase	20	600,000,000	-	1,594,567,988	-	-	2,194,567,988
Issuance of new shares		-	-	-	-	-	-
Balance at 30 June 2015		4,619,338,000	-	1,594,567,988	21,145,120	483,660,650	6,718,711,758

The accompanying notes 1 to 24 form an integral part of these financial statements.

Emaar Misr for Development Company (S.A.E)
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
For the period ended 30 June 2015 (Unaudited)

	Share capital		Amounts paid under capital increase		Legal reserve		Retained earnings		Total	
	EGP		EGP		EGP		EGP		EGP	
Balance at 1 January 2014	878,338,000		119,544,000		196,491		(404,040,902)		594,037,589	
Profit for the period	-		-		-		142,032,554		142,032,554	
Other comprehensive income for the period	-		-		-		-		-	
Total comprehensive income for the period	-		-		-		142,032,554		142,032,554	
Cancellation of amounts paid under capital increase	-		(119,544,000)		-		-		(119,544,000)	
Transfer to legal reserve	-		-		51,312		(51,312)		-	
Balance at 30 June 2014	878,338,000		-		247,803		(262,059,660)		616,526,143	

The accompanying notes 1 to 24 form an integral part of these financial statements.

Ermaar Misr for Development Company (S.A.E)
INTERIM CONDENSED STATEMENT OF CASH FLOWS
For the period ended 30 June 2015 (Unaudited)

	Notes	<i>Six Months</i>	
		<i>2015</i> EGP	<i>2014</i> EGP
Cash flows from operating activities			
Profit before tax		487,976,783	133,207,868
Adjustments for:			
Depreciation expenses of property, plant and equipment	13	29,221,283	29,557,125
Depreciation expenses of investment properties	14	1,878,741	285,790
Provision for employees' end-of-service benefits		4,188,879	3,327,829
Provision no longer required	19	(1,866,496)	-
Gain on disposal of property, plant and equipment	8	-	(138,648)
Provisions charged during the year	19	2,217,388	-
Finance costs	7	3,284,134	111,109,435
Finance income		(48,636,769)	(6,330,683)
Cash from operations before working capital changes:		478,263,943	271,018,716
Accounts and notes receivables		(188,240,220)	(102,750,777)
Due from related		-	28,313
Other receivables, deposits and prepayments		(210,797,698)	(134,984,384)
Development properties		174,072,584	(188,467,318)
Advances from customers		558,405,165	352,712,679
Trade and other payables		224,737,427	188,828,756
Due to related parties		2,184,712	4,378,029
Retentions payable		(18,553,933)	13,350,134
Provisions used	19	(2,214,986)	(107,454)
Employees' end-of-service benefits paid		(1,072,302)	(229,427)
Net cash from operating activities		1,016,784,692	403,777,267
Cash flows from investing activities			
Finance income received		38,218,672	4,368,428
Purchase of property, plant and equipment	13	(27,801,319)	(40,094,403)
Proceeds from sale of property, plant and equipment		-	401,050
Net cash (used in) investing activities		10,417,353	(35,324,925)
Cash flows from financing activities			
Proceeds from interest-bearing loans and borrowings	18	179,676,691	253,924,222
Repayment of interest-bearing loans and borrowings	18	(402,653,159)	(1,463,020,644)
Proceeds from additional paid in capital		2,280,000,000	-
Payments of expenses related to additional paid in capital		(12,238,493)	-
Finance costs paid		(27,508,390)	(19,426,466)
Proceeds from related parties		846,341	1,119,855,449
Payments of land purchase liabilities		(157,536,712)	(35,977,484)
Net cash (used in) financing activities		1,860,586,278	(144,644,923)
Increase in cash and cash equivalents		2,887,788,323	223,807,419
Net foreign exchange difference		3,503,404	973,096
Cash and cash equivalents at the beginning of the period		844,974,315	177,707,978
Cash and cash equivalents at the end of the period	9	3,736,266,042	402,488,493

The accompanying notes 1 to 24 form an integral part of these financial statements.

Emaar Misr for Development Company (S.A.E)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period ended 30 June 2015 (Unaudited)

I BACKGROUND

Emaar Misr for Development Company (S.A.E.) (the "Company") is a joint stock company established in Egypt under the Investment Guarantees and Incentives Law No. 8 of 1997. The Company was registered in the commercial register on 16 March 2005 under No. 12841.

The listing of Emaar Misr for Development Company (S.A.E.) on the Egyptian stock exchange was approved on 4 March 2015.

The purpose of the Company is:

- Planning and construction of urban districts and providing them with utilities and services,
- Constructing, operating, managing and maintenance of water desalination and refining plants together with their distribution networks,
- Constructing, operating, managing and maintenance of sewage systems,
- Projects development, investment and real estate development,
- Owning, constructing, managing and touristic marketing for hotels, motels, lodges and tourism villages and its related supplementary activities in servicing, entertainment, sporting, commercial, and cultural,
- Establishing and operating yachts marina, golf courses and diving centres and its related supplementary activities,
- Finance leasing,
- Designing, constructing, managing, operating and maintenance of power plants with their different sources and distribution networks.

The Company is currently engaged in planning and construction of urban districts and providing them with utilities, services and projects development, investment and real estate development.

The Company's parent is Emaar Properties PJSC.

2.1 BASIS OF PREPARATION

The interim condensed financial statements for the six months ended 30 June 2015 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the company's annual financial statements as at 31 December 2014.

The financial statements have been prepared in Egyptian pounds (EGP), which is the Company's functional and presentation currency.

The financial statements have been prepared under the going concern assumption on a historical cost basis.

Results for the six month period ended 30 June 2015 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2015.

2.2 NEW STANDARDS, INTERPRETATION AND AMENDMENTS

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the company's annual financial statements for the year ended 31 December 2014.

The company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Emaar Misr for Development Company (S.A.E)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period ended 30 June 2015 (Unaudited)

2.3 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of interim financial statements requires management to make judgments and estimates that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities at the reporting date. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

Estimates and their underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

The presentation of the interim financial statements for the period ended 30 June 2015 includes the significant judgments made by management in applying the company's accounting policies and the key sources of estimation uncertainty which were the same as those that applied to the 2014 financial statements.

3 SEGMENT INFORMATION

Currently the Company's main business segment is developing projects and selling the developed units. Revenues, profits and investments in other business segments are currently immaterial. Accordingly retail, commercial and hospitality business segments do not meet the criteria of reportable segments under IFRS 8, and as such, are not separately disclosed in the interim financial statements. All revenues of the Company were reported under one segment in the financial statements.

4 REVENUE

Revenue for the six months ended 30 June 2015 and 2014 is as follows:

	<i>Six Months</i>		<i>Three Months</i>	
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
Revenue from sale of property				
Marassi Project	741,405,929	683,530,908	450,772,317	467,948,184
Uptown Cairo Project	147,506,574	133,894,710	49,280,037	70,548,961
Mivida Project	671,477,961	182,064,924	308,881,069	103,318,072
	1,560,390,464	999,490,542	808,933,423	641,815,217

5 COST OF REVENUE

Cost of revenue for the six months ended 30 June 2015 and 2014 is as follows:

	<i>Six Months</i>		<i>Three Months</i>	
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
Cost of revenue from sale of property				
Marassi Project	329,338,218	388,631,075	158,082,976	266,256,953
Uptown Cairo Project*	134,238,117	107,268,052	36,830,076	53,521,445
Mivida Project	477,494,435	135,056,259	219,808,304	77,697,155
	941,070,770	630,955,386	414,721,356	397,475,553

*The cost of revenues of Uptown Cairo Project includes the reversal of an impairment loss amounting to EGP 8,944,091. The reversal was recognized since some of the impaired units were recognized as revenue in the statement of profit or loss during the period ended 30 June 2015.

Emaar Misr for Development Company (S.A.E)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period ended 30 June 2015 (Unaudited)

6 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses for the six months ended 30 June 2015 and 2014 are as follows:

	<i>Six Months</i>		<i>Three Months</i>	
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
Advertisement	19,699,688	19,760,032	13,021,748	14,258,347
Depreciation expenses of PP&E (Note 13)	27,027,196	27,704,264	13,536,482	13,839,679
Depreciation expenses of investment property (Note 14)	1,878,741	285,790	939,370	142,894
Marketing production and material	3,565,028	3,901,968	3,190,229	2,957,403
Events and exhibition	8,333,079	6,439,415	7,197,473	6,020,839
Sales commission	31,172,298	21,646,335	14,066,956	15,232,976
Other marketing expenses	4,261,347	5,147,771	2,685,177	2,953,439
Salaries and benefits	72,277,170	26,768,493	45,029,227	13,791,476
Professional fees	1,766,232	2,344,535	(1,181,307)	873,849
IT expenses	4,175,836	3,371,686	2,263,232	1,887,546
Travel and entertainment	2,670,319	1,672,038	1,456,796	1,124,487
Cleaning and maintenance	3,282,193	2,230,651	1,695,682	1,437,349
Communication	1,150,064	1,410,777	492,708	633,728
Facility management expenses	13,199,051	6,954,495	5,872,542	2,775,725
Other bank charges	691,343	842,578	388,620	548,498
Other expenses	7,064,268	2,375,488	5,420,683	1,430,176
	202,213,853	132,856,316	116,075,618	79,908,411

7 FINANCE COST

Finance cost for the six months ended 30 June 2015 and 2014 is as follows:

	<i>Six Months</i>		<i>Three Months</i>	
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
Interest on bank credit facilities and loans	4,534,258	11,619,163	1,787,812	5,232,936
Loan arrangement fees	-	2,100,000	-	1,050,000
Bank charges – Letters of Guarantees related to borrowings	598,244	3,736,505	65,130	1,877,929
Other bank charges	31,654	309,433	-	86,114
Net foreign exchange (gain) loss	(1,880,022)	93,344,334	(298,043)	81,428,412
	3,284,134	111,109,435	1,554,899	89,675,391

Emaar Misr for Development Company (S.A.E)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period ended 30 June 2015 (Unaudited)

8 OTHER INCOME

Other income for the six months ended 30 June 2015 and 2014 is as follows:

	<i>Six Months</i>		<i>Three Months</i>	
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
Customers service charges	11,889,154	5,405,663	8,422,542	4,165,509
Penalties and units upgrade and Other income	21,741,656	4,781,952	13,746,834	371,190
Operating lease income	2,405,828	-	1,067,161	-
Gain from disposal of property, plant and equipment	-	138,648	-	-
	<u>36,036,638</u>	<u>10,326,263</u>	<u>23,236,537</u>	<u>4,536,699</u>

9 BANK BALANCES AND CASH

	<i>30 June 2015</i>	<i>31 December 2014</i>
	<i>EGP</i>	<i>EGP</i>
Cash on hand	38,339	2,352,369
Cash at banks	2,666,227,703	356,548,035
Time deposits	1,070,000,000	513,000,000
	<u>3,736,266,042</u>	<u>871,900,404</u>

Bank balances and cash are denominated in the following currencies:

	<i>30 June 2015</i>	<i>31 December 2014</i>
	<i>EGP</i>	<i>EGP</i>
United Arab Emirates Dirhams (AED)	727,966	809,158
United States Dollars (USD)	79,189,429	56,993,537
Euros (EUR)	2,231,018	842,654
Egyptian Pounds (EGP)	3,654,084,129	813,255,055
Saudi Reyls	33,500	-
	<u>3,736,266,042</u>	<u>871,900,404</u>

Cash at banks earn interest based on prevailing bank deposit rates. Short-term fixed deposits are made for varying periods between one day and three months, depending on the immediate cash requirements of the company, and earn interest at the respective short-term deposit rates. Current accounts with an average interest rate of 6.8% (2014:7%). Time deposits with an average effective interest rate of 9.2% (2014: 8.5%).

Cash at banks as at 31 December 2014 include an amount of EGP 26,926,089 received from customers during December 2014 towards maintenance deposits and is transferred to customer maintenance - current account in 2015 which is used for financing facility management expenses (other receivables Note 11).

For the purpose of statement of cash flow cash and cash equivalents represents the following:

	<i>30 June 2015</i>	<i>30 June 2014</i>
	<i>EGP</i>	<i>EGP</i>
Bank balances and cash	3,736,266,042	402,488,493
Cash and cash equivalent	<u>3,736,266,042</u>	<u>402,488,493</u>

Emaar Misr for Development Company (S.A.E)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period ended 30 June 2015 (Unaudited)

10 ACCOUNTS AND NOTES RECEIVABLES

	30 June 2015 EGP	31 December 2014 EGP
Amounts receivable within 12 months	405,422,731	337,591,199
Amounts receivable after 12 months	947,045,631	790,165,453
	<u>1,352,468,362</u>	<u>1,127,756,652</u>
Unamortised discount	(304,999,083)	(268,672,597)
Amounts receivable, net	1,047,469,279	859,084,055
Accounts receivables, hotels	2,948,265	3,093,269
	<u>1,050,417,544</u>	<u>862,177,324</u>

The ageing analysis of net accounts and notes receivables is as follows:

	Total EGP	Neither Past Due nor Impaired EGP	Past due but not impaired			More than 90 days EGP
			Less than 30 days EGP	Between 30 to 60 days EGP	Between 60 to 90 days EGP	
30 June 2015	<u>1,050,417,544</u>	<u>1,006,261,925</u>	<u>11,720,644</u>	<u>3,685,974</u>	<u>3,387,770</u>	<u>25,361,231</u>
31 December 2014	<u>862,177,324</u>	<u>820,263,145</u>	<u>3,546,933</u>	<u>1,395,335</u>	<u>-</u>	<u>36,971,911</u>

As at 30 June 2015, accounts and notes receivables were not impaired (impairment of 2014: nil)

11 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30 June 2015 EGP	31 December 2014 EGP
Prepayments	6,095,875	5,714,124
Advances to contractors and suppliers	488,627,982	404,478,822
Advances to employees	7,072,807	1,368,830
Accrued interest	15,656,091	5,237,994
Customers maintenance – Current accounts*	32,805,284	13,950,205
Customers maintenance – Time deposits*	386,570,322	280,143,593
Other receivables and deposits	88,993,506	66,786,415
	<u>1,025,821,867</u>	<u>777,679,983</u>

*These amounts represents amounts collected from customers, which are invested in interest bearing current accounts and time deposits , the interest income generated is used for the purpose of financing the facility management expenses for delivered units, the company cannot use these amounts except for this purpose.

	30 June 2015 EGP	31 December 2014 EGP
Amounts recoverable within 12 months	654,320,174	501,062,761
Amounts recoverable after 12 months	371,501,692	276,617,222
	<u>1,025,821,866</u>	<u>777,679,983</u>

Emaar Misr for Development Company (S.A.E)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period ended 30 June 2015 (Unaudited)

12 DEVELOPMENT PROPERTIES

The movement of development properties during the six months ended 30 June 2015 and 2014 as follows:

	<i>30 June 2015</i> <i>EGP</i>	<i>30 June 2014</i> <i>EGP</i>
Balance at the beginning of the period	9,871,773,436	9,852,504,971
Add: cost incurred during the year including borrowing costs capitalised	766,560,756	797,580,040
Less: transfers to cost of revenue during the period	(874,170,496)	(552,033,676)
Less: transfers to property, plant and equipment, net (Note 13)*	-	(8,426,309)
Development properties	<u>9,764,163,696</u>	<u>10,089,625,026</u>
Less: Impairment of development properties	<u>(47,633,363)</u>	<u>-</u>
Balance at the end of the period	<u>9,716,530,333</u>	<u>10,089,625,026</u>

*Transfers made to property, plant and equipment due to a change in management intention to use these assets instead of selling them in the ordinary course of business.

Development properties as at 30 June 2015 and 31 December 2014 are analysed as follows:

	<i>30 June 2015</i> <i>EGP</i>	<i>31 December 2014</i> <i>EGP</i>
Mivida project	2,953,228,050	3,067,906,214
Marassi project	3,618,086,197	3,687,156,209
Uptown Cairo project	2,964,861,623	2,888,723,186
Cairo Gate project	225,162,088	225,162,089
Smart Village project	2,825,738	2,825,738
	<u>9,764,163,696</u>	<u>9,871,773,436</u>
Less: Impairment of development properties	<u>(47,633,363)</u>	<u>(56,577,454)</u>
	<u>9,716,530,333</u>	<u>9,815,195,982</u>

Emaar Misr for Development Company (S.A.E)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period ended 30 June 2015 (Unaudited)

13 PROPERTY, PLANT AND EQUIPMENT

Cost	Land and Buildings		Computers and office equipment		Plant, machinery and heavy equipment		Motor Vehicles		Furniture and fixtures		Model homes, Sales centre, Mockup and other assets		Capital work-in-progress		Total		
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	
As of 1 January 2015	493,755,017	52,049,707	112,731,313	30,726,901	39,419,320	81,706,418	45,732,626	856,121,302									
Additions	55,425	4,833,812	936,389	3,435,450	5,053,133	392,369	13,094,741	27,801,319									
As of 30 June 2015	<u>493,810,442</u>	<u>56,883,519</u>	<u>113,667,702</u>	<u>34,162,351</u>	<u>44,472,453</u>	<u>82,098,787</u>	<u>58,827,367</u>	<u>883,922,621</u>									
Accumulated depreciation																	
As of 1 January 2015	103,769,975	37,379,825	17,386,162	18,467,547	31,624,902	61,387,573	-	270,015,984									
Depreciation for the period	11,797,338	4,788,425	4,640,651	2,398,732	1,960,214	3,564,673	-	29,221,283									
As of 30 June 2015	<u>115,567,313</u>	<u>42,239,500</u>	<u>22,026,813</u>	<u>20,866,279</u>	<u>33,585,116</u>	<u>64,952,246</u>	<u>-</u>	<u>299,237,267</u>									
Net carrying amount : At 30 June 2015	<u>378,243,129</u>	<u>14,644,019</u>	<u>91,640,889</u>	<u>13,296,072</u>	<u>10,887,337</u>	<u>17,146,541</u>	<u>58,827,367</u>	<u>584,685,354</u>									

Depreciation expense is allocated as follows:

	30 June 2015
Selling , general and administrative expenses (Note 6)	EGP
Facility management expenses	27,027,196
Depreciation expense charged to the income statement	1,806,337
Development properties	28,833,533
Total depreciation expenses	387,750
	<u>29,221,283</u>

Emaar Misr for Development Company (S.A.E)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period ended 30 June 2015 (Unaudited)

13 PROPERTY, PLANT AND EQUIPMENT (continued)

	Land and Buildings		Computers and office equipment		Plant, machinery and heavy equipment		Motor Vehicles		Furniture and fixtures		Model homes, Sales centre, Mockup and other assets		Capital work-in-progress		Total		
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	
Cost																	
As of 1 January 2014	485,322,900		41,662,282	73,535,480	25,961,221	36,293,258	79,370,977	39,627,550	781,773,668								
Additions	385,819		3,368,373	1,924,812	826,500	430,538	2,760,658	30,397,703	40,094,403								
Transfers from PP&E under construction	3,247,176		-	-	-	-	-	-	-	-	-	-	(3,247,176)				
Transfers from Development properties	764,618		-	7,661,691	-	-	-	-	-	-	-	-	-	-	-	8,426,309	(544,400)
Disposals	-		-	-	(544,400)	-	-	-	-	-	-	-	-	-	-	-	-
As of 30 June 2014	489,720,513		45,030,655	83,121,983	26,243,321	36,723,796	82,131,635	66,778,077	829,749,980								
Accumulated depreciation																	
As of 1 January 2014	80,295,557		28,514,064	8,884,912	12,773,524	26,289,705	54,897,680	-	211,655,442								
Depreciation for the period	11,679,859		4,294,392	3,860,765	3,519,557	2,690,121	3,512,431	-	29,557,125								
Disposals	-		-	-	(281,998)	-	-	-	(281,998)								
As of 30 June 2014	91,975,416		32,808,456	12,745,677	16,011,083	28,979,826	58,410,111	-	240,930,569								
Net carrying amount : At 30 June 2014	397,745,097		12,222,199	70,376,306	10,232,238	7,743,970	23,721,524	66,778,077	588,819,411								

Depreciation expense is allocated as follows:

	30 June 2014
Selling , general and administrative expenses (Note 6)	EGP 27,704,264
Facility management expenses	1,465,111
Depreciation expense charged to the income statement	29,169,375
Development properties	387,750
Total depreciation expenses	29,557,125

Emaar Misr for Development Company (S.A.E)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period ended 30 June 2015 (Unaudited)

14 INVESTMENT PROPERTIES

There were no movements in the investment properties during the six months ended 30 June 2015, other than the depreciation charge for the six months amounted to EGP 1,878,741 (the six months ended 30 June 2014: EGP 285,790).

The investment properties fair value valuation in the six months ended 30 June 2015 amounted to EGP 161,405,250 (2014: EGP 149,227,875).

15 TRADE AND OTHER PAYABLES

	<i>30 June 2015</i> EGP	<i>31 December 2014</i> EGP
Projects contracts cost accruals	888,058,309	808,308,124
Trade payables (suppliers, contractors and consultants)	181,582,209	171,387,071
Taxes payables (other than income tax)	8,393,381	5,865,759
Accrued interest payable	19,067,258	9,547,194
Deferred revenue*	19,130,422	19,725,502
Other payables, accruals and deposits	207,619,696	88,077,629
Customers maintenance payable**	411,278,384	321,019,887
	<u>1,735,129,659</u>	<u>1,423,931,166</u>

*Deferred revenue represents amounts deducted from customers who cancelled their contracts. Customers can use these amounts to buy new units from the company during one year. If these amounts are not used by customers, the company has the right to keep these amounts and thus transfer to revenue.

**Customers maintenance payable represents the collected instalments in respect of delivered units that are used to finance facility management expenses. These amounts are invested in deposits and interest-bearing current accounts for this purpose (Note 11).

16 ADVANCES FROM CUSTOMERS

The movement of advances from customers during the six months ended 30 June 2015 and 2014 is as follows:

	<i>30 June 2015</i> EGP	<i>30 June 2014</i> EGP
Balance at the beginning of the period	5,733,822,529	4,812,634,891
Add: amounts collected during the period	2,155,122,115	1,370,200,972
Less: delivered units during the period	(1,596,716,950)	(1,017,488,293)
Balance at the end of the period	<u>6,292,227,694</u>	<u>5,165,347,570</u>

17 RETENTIONS PAYABLE

	<i>30 June 2015</i> EGP	<i>31 December 2014</i> EGP
Retentions payable within 12 months	125,566,259	149,911,052
Retentions payable after 12 months	63,251,682	57,460,822
	<u>188,817,941</u>	<u>207,371,874</u>

Emaar Misr for Development Company (S.A.E)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period ended 30 June 2015 (Unaudited)

18 INTEREST-BEARING LOANS AND BORROWINGS

				30 June 2015	31 December 2014
				EGP	EGP
Maturing within 12 months				472,779,906	815,666,363
Maturing after 12 months				120,385,009	475,020
Balance at the end of the period/year				<u>593,164,915</u>	<u>816,141,383</u>
				30 June 2015	31 December 2014
Type	Interest rate %	Latest maturity (renewal)		EGP	EGP
Current portion interest-bearing loans and borrowings					
Credit facility 1	1% + CBE corridor Offered Rate	May 2016		271,286,528	271,286,528
Credit facility 2	2.5% + CBE corridor Average Rate	Settled		-	223,593,303
Credit facility 3	2.25% + CBE mid corridor Rate	Settled		-	950,040
Credit facility 4	2% + CBE corridor offered Rate	Dec 2017		152,749,624	265,767,136
Credit facility 5	2.25% + CBE corridor offered Rate	Settled		-	54,069,356
Credit facility 6**	1.5% + CBE mid corridor Rate	5 years tenor		48,743,754	-
Total current interest-bearing loans and borrowings				<u>472,779,906</u>	<u>815,666,363</u>
Non-current interest-bearing loans and borrowings					
Credit facility 3	2.25% + CBE mid corridor Rate	Settled		-	475,020
Credit facility 6**	1.5% + CBE mid corridor Rate	5 years tenor		120,385,009	-
Total non-current interest-bearing loans and borrowings				<u>120,385,009</u>	<u>475,020</u>
				<u>593,164,915</u>	<u>816,141,383</u>

*No declared mortgage registered, but there are proxy mortgage as follows:

- Obligation to register mortgage on some units built on Sidi Abdelrahman land as guarantee to Credit facility 4.

** Credit facility 6 secured by post dated checks of delivered units with maximum financing amounting to 90% of its value.

The movement of interest-bearing loans and borrowings during the six months ended 30 June 2015 and 2014 is as follows:

	30 June 2015	30 June 2014
	EGP	EGP
Balance at the beginning of the period	816,141,383	2,247,493,460
Borrowings drawn down during the period	179,676,691	253,924,222
Borrowings repaid during the period	(402,653,159)	(1,463,020,644)
Balance at the end of the period	<u>593,164,915</u>	<u>1,038,397,038</u>

Emaar Misr for Development Company (S.A.E)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period ended 30 June 2015 (Unaudited)

19 PROVISIONS

	Balance as of 1 January 2015	Charged during the period	No longer required during the period	Used during the period	Balance as of 30 June 2015
	EGP	EGP	EGP	EGP	EGP
Provision for legal claims	3,289,108	2,217,388	(1,866,496)	-	3,640,000
Provision for tax and other claims*	49,715,863	-	-	(2,214,986)	47,500,877
	<u>53,004,971</u>	<u>2,217,388</u>	<u>(1,866,496)</u>	<u>(2,214,986)</u>	<u>51,140,877</u>

	Balance as of 1 January 2014	Charged during the period	No longer required during the period	Used during the period	Balance as of 30 June 2014
	EGP	EGP	EGP	EGP	EGP
Provision for tax and other claims*	49,466,486	-	-	(107,455)	49,359,031
	<u>49,466,486</u>	<u>-</u>	<u>-</u>	<u>(107,455)</u>	<u>49,359,031</u>

*Provision for other claims is advised by the tax consultant for withholding taxes related to tax withheld at source on services provided from foreign companies.

No other material contingent liabilities other than what was provided for in the provisions above or what was disclosed in note 26 in respect of tax position.

20 SHARE CAPITAL

	30 June 2015 EGP	31 December 2014 EGP
Authorised capital (shares of EGP 1 each, 2014: EGP 10 each)	<u>10,000,000,000</u>	<u>1,000,000,000</u>
Issued and fully paid-up	<u>4,619,338,000</u>	<u>878,338,000</u>
Number of shares	<u>4,619,338,000</u>	<u>87,833,800</u>

On 16 December 2014, an extraordinary general assembly meeting was held and approved the company capital increase by EGP 3,141,000,000 to be EGP 4,019,338,000, the total amount will be paid at subscription as follows:

- Deducting an amount of EGP 3,086,234,900 from shareholders current account (Emaar Properties PJSC) presented on financial position as of 30 June 2014.
- Payment an amount of EGP 54,765,100 through cash deposit at bank.

On 15 March 2015, the company has registered the increase and updated the commercial register.

On 31 March 2015, an extraordinary general assembly meeting was held and approved adjusting the shares par value from EGP 10 per share to EGP 1 per share and updated the commercial register on 5 May 2015.

On 11 May 2015, an extraordinary general assembly meeting was held and approved the company capital increase by EGP 600,000,000 with issuance price EGP 3.80 per share to be EGP 4,619,338,000 the additional paid in capital amounted to EGP 1,594,567,988 after deducting expenses of EGP 85,432,012 and updated the commercial register on 29 June 2015.

21 LEGAL RESERVE

As required by Egyptian Companies' law and the Company's articles of association, 5% of the net profit for the prior year is to be transferred to legal reserve. The Company may resolve to discontinue such annual transfers when the reserve totals 50% of the issued share capital. The legal reserve is calculated based on Egyptian Accounting Standards financial statements net profit amounting to EGP 417,946,327 for the year ended 31 December 2014.

Emaar Misr for Development Company (S.A.E)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period ended 30 June 2015 (Unaudited)

22 EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit or loss for the period attributable to the ordinary equity holders by the weighted average number of ordinary shares outstanding during the period. The company has no dilutive shares.

The information necessary to calculate basic and diluted earnings per share for the six months ended 30 June 2015 and 2014 is as follows:

	<i>Six Months</i>		<i>Three Months</i>	
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
Net profit/loss attributable to the ordinary equity holders	484,602,259	142,032,554	323,175,506	108,417,389
Weighted average number of ordinary shares	2,748,821,333	878,338,000	2,748,821,333	878,338,000
EPS – basic and diluted	0.18	0.16	0.12	0.12

23 COMMITMENTS

At 30 June 2015, the company had commitments in respect of its projects not provided for in the financial statements amounted to EGP 5,601,373,357 (December 2014: EGP 4,123,265,496).

Operating lease commitments - as lessor

The company has entered into leases on its investment properties. The future minimum rentals receivable under non-cancellable operating leases contracted for as at the reporting date but not recognised as receivables, are as follows:

	<i>30 June 2015</i>	<i>31 December 2014</i>
	<i>EGP</i>	<i>EGP</i>
Within one year	8,755,419	7,773,587
After one year but not more than five years	27,720,223	31,588,788
More than five years	12,198,469	9,727,828
	<u>48,674,111</u>	<u>49,090,203</u>

Emaar Misr for Development Company (S.A.E)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period ended 30 June 2015 (Unaudited)

24 RELATED PARTY DISCLOSURES

For the purpose of these financial statements, parties are considered to be related to the Company, if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties during the six months ended 30 June 2015 and 2014:

Company	Nature	Expenses	IT expenses	Consultancy fees	30 June 2015		Revenue	Sold units**
		EGP	EGP	EGP	Finance costs EGP	Financing* EGP	EGP	EGP
Turner International Egypt	Construction	-	-	37,952,893	-	-	-	-
Emaar Properties – PJSC Board members and key management personnel	Joint venture of the parent Parent	(429,182)	2,613,893	-	-	1,134,998	-	-
		-	-	-	-	-	-	-
Company	Nature	Expenses	IT expenses	Consultancy fees	30 June 2014		Revenue	Sold units**
		EGP	EGP	EGP	Finance costs EGP	Financing* EGP	EGP	EGP
Turner International Egypt	Construction	-	-	34,694,864	-	-	-	-
Emaar Properties – PJSC Board members and key management personnel	Joint venture of the parent Parent	64,482	2,402,587	-	1,780,334	1,337,355,528	-	-
		-	-	-	-	-	2,441,893	10,564,776

*Financing transactions represents funds transferred from Emaar Properties PJSC to Emaar Misr for Development Company and the related foreign exchange differences.

**Sold units transactions represent sales contracts signed with related parties during the Period.

The following table provides the balances with related parties as at 30 June 2015 and 31 December 2014:

a) Related party balances

Significant related party balances are as follows:

	Due from	Due to	30 June 2015		Trade and notes
	EGP	EGP	Trade payables and accruals EGP	Advance from customers EGP	receivables EGP
Parent**	-	8,132,512	-	-	-
Subsidiaries of the parent	13,126	-	-	-	-
Joint venture of the parent	-	-	65,684,446	-	-
Board members and key management personnel	-	-	-	20,092,078	1,933,848
	<u>13,126</u>	<u>8,132,512</u>	<u>65,684,446</u>	<u>20,092,078</u>	<u>1,933,848</u>

Emaar Misr for Development Company (S.A.E)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period ended 30 June 2015 (Unaudited)

24 RELATED PARTY DISCLOSURES (Continued)

Related party transactions (Continued)

	<i>Due from</i>	<i>Due to</i>	<i>31 December 2014</i>				
			<i>EGP</i>	<i>EGP</i>	<i>Trade</i>	<i>Advance from</i>	<i>Trade and notes</i>
					<i>payables and</i>	<i>customers</i>	<i>receivables</i>
			<i>accruals</i>				
			<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	
Parent**	-	4,812,802	-	-	-	-	
Subsidiaries of the parent	13,126	-	-	-	-	-	
Joint venture of the parent	-	-	53,178,542	-	-	-	
Board members and key management personnel	-	-	-	33,904,029	-	2,189,539	
	<u>13,126</u>	<u>4,812,802</u>	<u>53,178,542</u>	<u>33,904,029</u>		<u>2,189,539</u>	

**Due to parent represent a current account, callable by the parent, non-interest bearing, which resulted mainly from the financing and support received from the parent and other operating activities.

b) Related party borrowings

During year 2010, Emaar Misr was granted a loan from Emaar Properties PJSC, with a limit of USD 1,150,000, at interest rate (1%) per year over LIBOR. The balances are as follows:

	<i>30 June 2015</i>	<i>31 December 2014</i>
	<i>EGP</i>	<i>EGP</i>
<i>Borrowings from related party</i>		
Emaar Properties PJSC – Parent	4,705,686	4,445,292
	<u>4,705,686</u>	<u>4,445,292</u>

Compensation of key management personnel

The remuneration of key management personnel during the six months ended 30 June 2015 and 2014 was as follows:

	<i>30 June 2015</i>	<i>30 June 2014</i>
	<i>EGP</i>	<i>EGP</i>
Short-term benefits	15,125,846	9,935,419
end-of-service benefits	2,139,439	1,406,498
Board of directors' share in profit	21,452,251	-
	<u>38,717,536</u>	<u>11,341,917</u>