

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

FOR THE PERIOD ENDED 31 MARCH 2015

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

**Unaudited interim condensed Financial Statements
For the period ended 31 March 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 31 March 2015 and the related interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-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

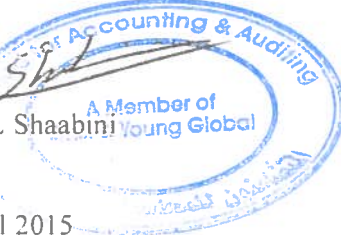
We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial 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 three month period ended 31 March 2014 and accordingly do not express an opinion thereon.


Amr EL Shaabini
Partner



26 April 2015

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

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME

For the period ended 31 March 2015 (unaudited)

		<i>Period from 1 January 2015 to 31 March 2015</i>	<i>Period from 1 January 2014 to 31 March 2014</i>
	Notes	<i>EGP</i>	<i>EGP</i>
Revenue	4	751,457,041	357,675,325
Cost of revenue	5	<u>(526,349,414)</u>	<u>(233,479,833)</u>
GROSS PROFIT		225,107,627	124,195,492
Selling, general and administrative expenses	6	(86,138,235)	(52,947,905)
Finance income		17,428,943	2,504,757
Finance cost	7	(1,729,235)	(21,434,044)
Other expenses		(6,478,785)	(6,011,461)
Other income	8	12,800,101	5,789,564
Provisions no longer required	20	1,760,489	-
Provisions	20	(157,156)	-
PROFIT BEFORE TAX		162,593,749	52,096,403
Income tax		(1,166,996)	(18,481,238)
PROFIT FOR THE PERIOD		161,426,753	33,615,165
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		-	-
Earnings per share - basic and diluted	22	1.15	0.38

The accompanying notes 1 to 27 form an integral part of these financial statements.

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

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

	Notes	31 March 2015 EGP Unaudited	31 December 2014 EGP Audited
ASSETS			
Non-current assets			
Property, plant and equipment	13	583,890,351	586,105,318
Investment properties	14	83,927,071	84,866,442
Deferred tax assets		95,157,339	96,324,334
		<u>762,974,761</u>	<u>767,296,094</u>
Current assets			
Development properties	12	9,713,579,303	9,815,195,982
Accounts and notes receivables	10	1,024,454,440	862,177,324
Due from related parties	25a	13,126	13,126
Other receivables, deposits and prepayments	11	876,664,682	777,679,983
Bank balances and cash	9	1,113,328,630	871,900,404
		<u>12,728,040,181</u>	<u>12,326,966,819</u>
TOTAL ASSETS		<u>13,491,014,942</u>	<u>13,094,262,913</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	21	4,019,338,000	878,338,000
Amounts paid under capital increase	21	-	3,141,000,000
Legal reserve	22	21,145,120	247,803
Retained earnings		160,485,144	19,955,708
		<u>4,200,968,264</u>	<u>4,039,541,511</u>
LIABILITIES			
Non-current liabilities			
Interest-bearing loans and borrowings	18	-	475,020
Land purchase liabilities		525,812,458	635,440,594
Provision for employees' end-of-service benefits	19	12,837,160	8,852,688
		<u>538,649,618</u>	<u>644,668,302</u>
Current liabilities			
Interest-bearing loans and borrowings	18	611,530,032	815,666,363
Borrowings from related parties	25b	4,705,686	4,445,292
Trade and other payables	15	1,551,752,718	1,423,931,166
Due to related parties	25a	6,753,724	4,812,802
Land purchase liabilities		301,363,930	166,998,103
Advances from customers	16	6,016,004,068	5,733,822,529
Provisions	20	51,126,390	53,004,971
Retentions payable	17	208,160,512	207,371,874
		<u>8,751,397,060</u>	<u>8,410,053,100</u>
TOTAL LIABILITIES		<u>9,290,046,678</u>	<u>9,054,721,402</u>
TOTAL LIABILITIES AND EQUITY		<u>13,491,014,942</u>	<u>13,094,262,913</u>

Board Director

Chairman

The accompanying notes 1 to 27 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 31 March 2015 (Unaudited)

	Notes	Share capital	Amounts paid under capital increase	Legal reserve	Retained Earnings	Total
		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		-	-	-	161,426,753	161,426,753
Other comprehensive income for the period		-	-	-	-	-
Total comprehensive income for the period		-	-	-	161,426,753	161,426,753
Transfer to legal reserve		-	-	20,897,317	(20,897,317)	-
Transfer to share capital	21	3,141,000,000	(3,141,000,000)	-	-	-
Balance at 31 March 2015		4,019,338,000	-	21,145,120	160,485,144	4,200,968,264

The accompanying notes 1 to 27 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 31 March 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	-	-	-	33,615,165	33,615,165
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	33,615,165	33,615,165
Transfer to legal reserve	-	-	51,312	(51,312)	-
Balance at 31 March 2014	878,338,000	119,544,000	247,803	(370,477,049)	627,652,754

The accompanying notes 1 to 27 form an integral part of these financial statements.

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

INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the period ended 31 March 2015 (Unaudited)

	Notes	Period from 1 January 2015 to 31 March 2015 EGP	Period from 1 January 2014 to 31 March 2014 EGP
Cash flows from operating activities			
Profit before tax		162,593,749	52,096,403
Adjustments for:			
Depreciation expenses of property, plant and equipment	13	14,397,009	14,569,110
Depreciation expenses of investment properties	14	939,371	142,895
Provision for employees' end-of-service benefits	19	4,188,879	2,220,650
Provision no longer required	20	(1,760,489)	-
Gain on disposal of property, plant and equipment	8	-	(138,648)
Provisions charged during the year	20	157,156	-
Finance costs	7	1,729,235	21,434,044
Finance income		(17,428,943)	(2,504,757)
Cash from operations before working capital changes:		164,815,967	87,819,697
Accounts and notes receivables		(162,277,116)	(35,762,493)
Other receivables, deposits and prepayments		(65,878,474)	4,852,093
Development properties		126,648,244	(195,715,501)
Advances from customers		282,181,539	233,403,819
Trade and other payables		121,819,507	100,012,701
Due to related parties		1,094,324	1,472,785
Retentions payable		788,638	9,952,400
Provisions used	20	(275,248)	(123,264)
Employees' end-of-service benefits paid	19	(204,407)	(69,098)
Net cash from operating activities		468,712,974	205,843,139
Cash flows from investing activities			
Finance income received		11,248,808	1,999,150
Purchase of property, plant and equipment	13	(12,375,917)	(30,240,815)
Proceeds from sale of property, plant and equipment		-	401,050
Net cash (used in) investing activities		(1,127,109)	(27,840,615)
Cash flows from financing activities			
Proceeds from interest-bearing loans and borrowings	18	10,547,928	3,534,598
Repayment of interest-bearing loans and borrowings	18	(215,159,279)	(1,194,283,431)
Finance costs paid		1,301,290	(14,073,131)
Proceeds from related parties		575,107	1,117,303,733
Payments of land purchase liabilities		-	(35,977,484)
Net cash (used in) financing activities		(202,734,954)	(123,495,715)
Increase in cash and cash equivalents		264,850,911	54,506,809
Net foreign exchange difference		3,503,404	131,434
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	1,113,328,630	232,346,221

The accompanying notes 1 to 27 form an integral part of these financial statements.

1 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 three months ended 31 March 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 three month period ended 31 March 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.

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.

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period ended 31 March 2015 (Unaudited)

The presentation of the interim financial statements for the period ended 31 March 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 three months ended 31 March 2015 and 2014 is as follows:

	<i>Period from 1 January 2015 to 31 March 2015</i>	<i>Period from 1 January 2014 to 31 March 2014</i>
	<i>EGP</i>	<i>EGP</i>
Revenue from sale of property		
Marassi Project	290,633,612	215,582,724
Uptown Cairo Project	98,226,537	63,345,749
Mivida Project	362,596,892	78,746,852
	<u>751,457,041</u>	<u>357,675,325</u>

5 COST OF REVENUE

Cost of revenue for the three months ended 31 March 2015 and 2014 is as follows:

	<i>Period from 1 January 2015 to 31 March 2015</i>	<i>Period from 1 January 2014 to 31 March 2014</i>
	<i>EGP</i>	<i>EGP</i>
Cost of revenue from sale of property		
Marassi Project	171,255,242	122,374,122
Uptown Cairo Project*	97,408,041	53,746,607
Mivida Project	207,686,131	57,359,104
	<u>526,349,414</u>	<u>233,479,833</u>

*The cost of revenues of Uptown Cairo Project includes the reversal of an impairment loss amounting to EGP 5,883,688. The reversal was recognized since some of the impaired units were sold during the first quarter of 2015.

6 SELLING, GENERAL AND ADMINSTARTIVE EXPENSES

Selling, general and adminstartive expenses for the three months ended 31 March 2015 and 2014 are as follows:

	<i>Period from 1 January 2015 to 31 March 2015</i>	<i>Period from 1 January 2014 to 31 March 2014</i>
	<i>EGP</i>	<i>EGP</i>
Advertisement	6,677,940	5,501,685
Depreciation expenses of PP&E (Note 13)	13,490,714	13,864,585
Depreciation expenses of investment property (Note 14)	939,371	1,421,897
Marketing production and material	374,799	944,565
Events and exhibition	1,135,606	418,576
Sales commission	17,105,342	6,413,359
Other marketing expenses	1,576,170	2,194,332
Salaries and benefits	27,247,943	12,977,017
Professional fees	2,947,039	1,470,787
IT expenses	1,912,704	1,484,140
Travel and entertainment	1,212,023	547,001
Cleaning and maintenance	1,087,011	792,302
Communication	607,306	777,049
Facility management expenses	7,327,009	4,178,770
Other bank charges	302,723	294,000

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period ended 31 March 2015 (Unaudited)

Other expenses	1,643,080	945,312
	<u>86,138,235</u>	<u>52,947,905</u>

7 FINANCE COST

Finance cost for the three months ended 31 March 2015 and 2014 is as follows:

	<i>Period from 1 January 2015 to 31 March 2015 EGP</i>	<i>Period from 1 January 2014 to 31 March 2014 EGP</i>
Interest on bank credit facilities and loans	2,746,446	6,386,227
Loan arrangement fees	-	1,050,000
Bank charges – Letters of Guarantees related to borrowings	533,114	1,858,576
Other bank charges	31,654	223,319
Net foreign exchange (gain) loss	(1,081,979)	11,910,922
	<u>1,729,235</u>	<u>21,434,044</u>

8 OTHER INCOME

Other income for the three months ended 31 March 2015 and 2014 is as follows:

	<i>Period from 1 January 2015 to 31 March 2015 EGP</i>	<i>Period from 1 January 2014 to 31 March 2014 EGP</i>
Customers service charges	3,466,612	1,240,154
Penalties and units upgrade	6,919,359	1,717,687
Other income	1,075,463	2,693,075
Operating lease income	1,338,667	-
Gain from disposal of property, plant and equipment	-	138,648
	<u>12,800,101</u>	<u>5,789,564</u>

9 BANK BALANCES AND CASH

	<i>31 March 2015 EGP</i>	<i>31 December 2014 EGP</i>
Cash on hand	34,400	2,352,369
Cash at banks	298,294,230	356,548,035
Time deposits	815,000,000	513,000,000
	<u>1,113,328,630</u>	<u>871,900,404</u>

Bank balances and cash are denominated in the following currencies:

	<i>31 March 2015 EGP</i>	<i>31 December 2014 EGP</i>
United Arab Emirates Dirham (AED)	815,981	809,158
United States Dollar (USD)	65,469,280	56,993,537
Euro (EUR)	1,082,445	842,654
Egyptian Pound (EGP)	1,045,960,924	813,255,055
	<u>1,113,328,630</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 7% (2014:7%). Time deposits with an average effective interest rate of 8.7% (2014: 8.5%).

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period ended 31 March 2015 (Unaudited)

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).

9 BANK BALANCES AND CASH (continued)

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

	<i>31 March 2015</i> <i>EGP</i>	<i>31 March 2014</i> <i>EGP</i>
Bank balances and cash	<u>1,113,328,630</u>	<u>232,346,221</u>
Cash and cash equivalent	<u>1,113,328,630</u>	<u>232,346,221</u>

10 ACCOUNTS AND NOTES RECEIVABLES

	<i>31 March 2015</i> <i>EGP</i>	<i>31 December 2014</i> <i>EGP</i>
Amounts receivable within 12 months	431,439,279	337,591,199
Amounts receivable after 12 months	<u>879,236,568</u>	<u>790,165,453</u>
	1,310,675,847	1,127,756,652
Unamortised discount	<u>(288,854,078)</u>	<u>(268,672,597)</u>
Amounts receivable, net	1,021,821,769	859,084,055
Accounts receivables, hotels	<u>2,632,671</u>	<u>3,093,269</u>
	<u>1,024,454,440</u>	<u>862,177,324</u>

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

	<i>Total</i> <i>EGP</i>	<i>Neither</i> <i>Past</i> <i>Due nor</i> <i>Impaired</i> <i>EGP</i>	<i>Past due but not impaired</i>			<i>More than</i> <i>90 days</i> <i>EGP</i>
			<i>Less than</i> <i>30 days</i> <i>EGP</i>	<i>Between</i> <i>30 to 60 days</i> <i>EGP</i>	<i>Between</i> <i>60 to 90 days</i> <i>EGP</i>	
31 March 2015	<u>1,024,454,440</u>	<u>922,653,398</u>	<u>26,314,208</u>	<u>32,387,779</u>	<u>4,672,084</u>	<u>38,426,971</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 31 March 2015, accounts and notes receivables were not impaired (impairment of 2014: nil)

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period ended 31 March 2015 (Unaudited)

11 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	<i>31 March 2015</i> <i>EGP</i>	<i>31 December 2014</i> <i>EGP</i>
Prepayments	3,884,363	5,714,124
Advances to contractors and suppliers	418,484,573	404,478,822
Advances to employees	2,567,782	1,368,830
Accrued interest	11,418,129	5,237,994
Customers maintenance – Current accounts*	23,008,055	13,950,205
Customers maintenance – Time deposits*	340,517,948	280,143,593
Other receivables and deposits	76,783,832	66,786,415
	<u>876,664,682</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 can not use these amounts except for this purpose.

	<i>31 March 2015</i> <i>EGP</i>	<i>31 December 2014</i> <i>EGP</i>
Amounts recoverable within 12 months	577,950,558	501,062,761
Amounts recoverable after 12 months	298,714,124	276,617,222
	<u>876,664,682</u>	<u>777,679,983</u>

12 DEVELOPMENT PROPERTIES

The movement of development properties during the three months ended 31 March 2015 and 2014 as follows:

	<i>31 March 2015</i> <i>EGP</i>	<i>31 March 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	352,075,804	433,675,075
Less: transfers to cost of revenue during the period	(459,576,173)	(200,323,816)
Less: transfers to property, plant and equipment, net (Note 13)*	-	(8,426,309)
Development properties	<u>9,764,273,067</u>	<u>10,077,429,921</u>
Less: Impairment of development properties	(50,693,764)	-
Balance at the end of the period	<u>9,713,579,303</u>	<u>10,077,429,921</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 31 March 2015 and 31 December 2014 are analysed as follows:

	<i>31 March 2015</i> <i>EGP</i>	<i>31 December 2014</i> <i>EGP</i>
Mivida project	2,981,538,466	3,067,906,214
Marassi project	3,674,097,184	3,687,156,209
Uptown Cairo project	2,880,649,590	2,888,723,186
Cairo Gate project	225,162,089	225,162,089
Smart Village project	2,825,738	2,825,738
	<u>9,764,273,067</u>	<u>9,871,773,436</u>
Less: Impairment of development properties	(50,693,764)	(56,577,454)

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period ended 31 March 2015 (Unaudited)

9,713,579,303

9,815,195,982

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

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 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	5,351	2,170,760	169,178	538,000	481,345	241,351	8,769,932	12,375,917									
Reclassification	-	838,679	-	-	(838,679)	-	-	-									
As of 31 March 2015	493,760,368	55,059,146	112,900,491	31,264,901	39,061,986	81,947,769	54,502,558	868,497,219									
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	5,890,884	2,435,661	2,308,917	1,172,391	1,000,703	1,782,328	-	14,590,884									
Reclassification	-	35,625	-	-	(35,625)	-	-	-									
As of 31 March 2015	109,660,859	39,851,111	19,695,079	19,639,938	32,589,980	63,169,901	-	284,606,868									
Net carrying amount :																	
At 31 March 2015	384,099,509	15,208,035	93,205,412	11,624,963	6,472,006	18,777,868	54,502,558	583,890,351									

Depreciation expense is allocated as follows:

	31 March 2015
Selling , general and administrative expenses (Note 6)	EGP
Facility management expenses	13,490,714
Depreciation expense charged to the income statement	906,295
Development properties	14,397,009
Total depreciation expenses	193,875
	14,590,884

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

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015 (Unaudited)

13 PROPERTY, PLANT AND EQUIPMENT (continued)

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
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	252,548	992,280	259,864	511,500	264,849	4,044	27,955,730	30,240,815
Transfers from development properties	764,618	-	7,661,691	-	-	-	-	8,426,309
Disposals	-	-	-	(544,400)	-	-	-	(544,400)
As of 31 March 2014	486,340,066	42,654,562	81,457,035	25,928,321	36,558,107	79,375,021	67,583,280	819,896,392
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	5,825,933	2,144,690	1,885,491	1,792,208	1,335,599	1,779,064	-	14,762,985
Disposals	-	-	-	(281,998)	-	-	-	(281,998)
As of 31 March 2014	86,121,490	30,658,754	10,770,403	14,283,734	27,625,304	56,676,744	-	226,136,429
Net carrying amount : At 31 March 2014	400,218,576	11,995,808	70,686,632	11,644,587	8,932,803	22,698,277	67,583,280	593,759,963
Net carrying amount : At 31 December 2014	389,985,042	14,669,882	95,345,151	12,259,354	7,794,418	20,318,845	45,732,626	586,105,318

Depreciation expense is allocated as follows:

	31 March 2014
	EGP
Selling , general and administrative expenses (Note 6)	13,864,585
Facility management expenses	704,525
Depreciation expense charged to the income statement	14,569,110
Development properties	193,875
Total depreciation expenses	14,762,985

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

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015 (Unaudited)

14 INVESTMENT PROPERTIES

No movements in the investment properties during the three months ended 31 March 2015, except the depreciation charge for the three months amounted to EGP 939,371 (the three months ended 31 March 2014: EGP 142,896). No material changes in Investment properties fair value valuation in the three months ended 31 March 2015.

15 TRADE AND OTHER PAYABLES

	<i>31 March 2015</i> <i>EGP</i>	<i>31 December 2014</i> <i>EGP</i>
Projects contracts cost accruals	883,905,720	808,308,124
Trade payables (suppliers, contractors and consultants)	176,288,877	171,387,071
Taxes payables (other than income tax)	10,978,029	5,865,759
Accrued interest payable	11,444,352	9,547,194
Deferred revenue*	17,065,489	19,725,502
Other payables, accruals and deposits	91,205,521	88,077,629
Customers maintenance payable**	360,864,730	321,019,887
	<u>1,551,752,718</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 three months ended 31 March 2015 and 2014 is as follows:

	<i>31 March 2015</i> <i>EGP</i>	<i>31 March 2014</i> <i>EGP</i>
Balance at the beginning of the period	5,733,822,529	4,812,634,891
Add: amounts collected during the period	1,053,820,061	608,137,024
Less: delivered units during the period	<u>(771,638,522)</u>	<u>(374,733,205)</u>
Balance at the end of the period	<u>6,016,004,068</u>	<u>5,046,038,710</u>

17 RETENTIONS PAYABLE

	<i>31 March 2015</i> <i>EGP</i>	<i>31 December 2014</i> <i>EGP</i>
Retentions payable within 12 months	144,711,282	149,911,052
Retentions payable after 12 months	63,449,230	57,460,822
	<u>208,160,512</u>	<u>207,371,874</u>

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

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015 (Unaudited)

18 INTEREST-BEARING LOANS AND BORROWINGS

	<i>31 March 2015</i>	<i>31 December 2014</i>
	<i>EGP</i>	<i>EGP</i>
Maturing within 12 months	611,530,032	815,666,363
Maturing after 12 months	-	475,020
Balance at the end of the period/year	<u>611,530,032</u>	<u>816,141,383</u>

<i>Type</i>	<i>Interest rate %</i>	<i>Latest maturity (renewal)</i>	<i>31 March 2015</i>	<i>31 December 2014</i>
			<i>EGP</i>	<i>EGP</i>
Current portion interest-bearing loans and borrowings				
Credit facility 1	2.25% + CBE corridor Offered Rate	May 2015	271,286,528	271,286,528
Credit facility 2	CBE corridor Average Rate + 2.5%	Oct 2015	62,975,063	223,593,303
Credit facility 3	CBE mid corridor Rate + 2.25%	Settled	-	950,040
Credit facility 4	CBE corridor offered Rate + 2.25%	Dec 2017	223,199,085	265,767,136
Credit facility 5	CBE corridor offered Rate + 2.25%	May 2015	54,069,356	54,069,356
Total current interest-bearing loans and borrowings			<u>611,530,032</u>	<u>815,666,363</u>
Non-current interest-bearing loans and borrowings				
Credit facility 3	CBE mid corridor Rate + 2.25%	Settled	-	475,020
Total non-current interest-bearing loans and borrowings			-	475,020
Total interest-bearing loans and borrowings			<u>611,530,032</u>	<u>816,141,383</u>

* As per the company's legal certificate, 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.

The movement of interest-bearing loans and borrowings during the three months ended 31 March 2015 and 2014 is as follows:

	<i>31 March 2015</i>	<i>31 March 2014</i>
	<i>EGP</i>	<i>EGP</i>
Balance at the beginning of the period	816,141,383	2,247,493,460
Borrowings drawn down during the period	10,547,928	3,534,598
Borrowings repaid during the period	<u>(215,159,279)</u>	<u>(1,194,283,431)</u>
Balance at the end of the period	<u>611,530,032</u>	<u>1,056,744,627</u>

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

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015 (Unaudited)

19 PROVISION FOR EMPLOYEES' END-OF-SERVICE BENEFITS

End-of-Service Benefits

The movement in the provision for employees' end-of-service benefits during the three months ended 31 March 2015 and 2014 was as follows:

	31 March 2015 EGP	31 March 2014 EGP
Balance at the beginning of the period	8,852,688	6,768,775
Provided during the period	4,188,879	2,220,650
Paid during the period	(204,407)	(69,098)
Balance at the end of the period	<u>12,837,160</u>	<u>8,920,327</u>

20 PROVISIONS

	Balance as of 1 January 2015 EGP	Charged during the period EGP	No longer required during the period EGP	Used during the period EGP	Balance as of 31 March 2015 EGP
Provision for legal claims	3,289,108	157,156	(1,760,489)	-	1,685,775
Provision for tax and other claims*	49,715,863	-	-	(275,248)	49,440,615
	<u>53,004,971</u>	<u>157,156</u>	<u>(1,760,489)</u>	<u>(275,248)</u>	<u>51,126,390</u>
	Balance as of 1 January 2014 EGP	Charged during the period EGP	No longer required during the period EGP	Used during the period EGP	Balance as of 31 March 2014 EGP
Provision for tax and other claims*	49,466,486	-	-	(123,264)	49,343,222
	<u>49,466,486</u>	<u>-</u>	<u>-</u>	<u>(123,264)</u>	<u>49,343,222</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 27 in respect of tax position.

21 SHARE CAPITAL

	31 March 2015 EGP	31 December 2014 EGP
Authorised capital (shares of EGP 10 each)	<u>4,500,000,000</u>	<u>1,000,000,000</u>
Issued and fully paid-up	<u>4,019,338,000</u>	<u>878,338,000</u>
Number of shares	<u>401,933,800</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.

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

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015 (Unaudited)

22 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.

23 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 three months ended 31 March 2015 and 2014 is as follows:

	<i>31 March 2015</i> <i>EGP</i>	<i>31 March 2014</i> <i>EGP</i>
Net profit/loss attributable to the ordinary equity holders	161,426,753	33,615,165
Weighted average number of ordinary shares	140,183,800	87,833,800
EPS – basic and diluted	1.15	0.38

24 COMMITMENTS

At 31 March 2015, the company had commitments in respect of its projects not provided for in the financial statements amounted to EGP 4,166,607,380 (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>31 March 2015</i> <i>EGP</i>	<i>31 December 2014</i> <i>EGP</i>
Within one year	7,769,439	7,773,587
After one year but not more than five years	30,450,248	31,588,788
More than five years	8,927,119	9,727,828
	<u>47,146,806</u>	<u>49,090,203</u>

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

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015 (Unaudited)

25 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 three months ended 31 March 2015 and 2014:

Company	Nature	Expenses EGP	IT expenses EGP	Consultancy fees EGP	31 March 2015		Revenue EGP	Sold units** EGP
					Finance costs EGP	Financing* EGP		
Turner International Egypt	Construction Joint venture of the parent	-	-	18,899,327	-	-	-	-
Emaar Properties – PJSC Board members and key management personnel	Parent	(224,551)	1,318,873	-	-	846,598	-	-

Company	Nature	Expenses EGP	IT expenses EGP	Consultancy fees EGP	31 March 2014		Revenue EGP	Sold units** EGP
					Finance costs EGP	Financing* EGP		
Turner International Egypt	Construction Joint venture of the parent	-	-	18,793,998	-	-	-	-
Emaar Properties – PJSC Board members and key management personnel	Parent	14,774	1,327,385	-	130,626	1,132,743,115	-	-
		-	-	-	-	-	٢,٤٤١,٨٩٢	٦,٨٠٦,٨٨٨

*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 31 March 2015 and 31 December 2014:

a) Related party balances

Significant related party balances are as follows:

	Due from EGP	Due to EGP	31 March 2015		Trade and notes receivables EGP
			Trade payables and accruals EGP	Advance from customers EGP	
Parent**	-	6,753,724	-	-	-
Subsidiaries of the parent	13,126	-	-	-	-
Joint venture of the parent	-	-	51,287,752	-	-
Board members and key management personnel	-	-	-	٣٦,١٥٠,٦٨٢	٢,١٨٩,٥٣٩
	<u>13,126</u>	<u>6,753,724</u>	<u>51,287,752</u>	<u>٣٦,١٥٠,٦٨٢</u>	<u>٢,١٨٩,٥٣٩</u>

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

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015 (Unaudited)

25 RELATED PARTY DISCLOSURES (Continued)

Related party transactions (Continued)

	<i>Due from</i>	<i>Due to</i>	<i>31 December 2014</i>		
			<i>Trade</i>	<i>Advance from</i>	<i>Trade and notes</i>
			<i>payables and</i>	<i>customers</i>	<i>receivables</i>
	<i>EGP</i>	<i>EGP</i>	<i>accruals</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>31 March 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 three months ended 31 March 2015 and 2014 was as follows:

	<i>31 March 2015</i>	<i>31 March 2014</i>
	<i>EGP</i>	<i>EGP</i>
Short-term benefits	9,403,683	7,101,889
Employees' end-of-service benefits	1,096,274	841,988
	<u>10,499,957</u>	<u>7,943,877</u>

26 INCOME TAX

The company's tax position is as follows:

1. Corporate Tax

- The company submits the tax returns within the legal grace period.
- The company's records were inspected for the period since inception till 31 December 2008, the company objected on the results and the disputed points have been transferred to the Internal Committee which issued its decision by resolving some disputed points and transferred others to the appeal committee.
- The company's records are in process of being inspected for the years 2009 and 2010.
- No corporate tax inspection has taken place for the period from 1 January 2015 till 31 March 2015.
- The company enjoys tax holiday on the projects established in the urban area till 31 December 2018.

2. Salary Tax

- The company's records were inspected for the period since inception date till 2008, all tax dues were settled.
- The company's records are in process of being inspected for the years from 2009 to 2011.
- No Salary tax inspection took place for the periods from 1 January 2012 till 31 March 2015.

3. Sales Tax

- The company's records were inspected for the periods since inception date till 2011, all tax dues were settled.
- The company's records were inspected for the years 2012 and 2013, and the tax authority did not issue the tax claim till date.
- No Sales tax inspection took place for the periods from 1 January 2014 till 31 March 2015.

4. Stamp Tax

- The company's records are in process of being inspected for the period from inception date till 2010, and the tax authority did not issue the tax claim till date.
- No Stamp tax inspection took place for the periods from 1 January 2011 till 31 March 2015.

27 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets of the company include bank balances and cash, accounts and notes receivables, other receivables and due from related parties. Financial liabilities of the company include interest-bearing loans and borrowings, trade and other payables, land purchase liabilities, due to related parties and retentions payable.

The fair values of the financial assets and liabilities are not materially different from their carrying value unless stated otherwise.