

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

FOR THE PERIOD ENDED 30 SEPTEMBER 2015

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

**Unaudited interim condensed Financial Statements
For the period ended 30 September 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 September 2015 and the related interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the nine 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.

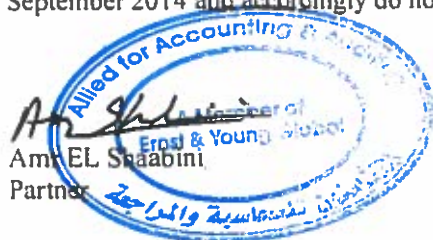
Scope of review

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 nine months period ended 30 September 2014 and accordingly do not express an opinion thereon.



Amr EL Shaabini
Partner

5 November 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 September 2015 (unaudited)

	Notes	Nine Months		Three Months	
		2015 Unaudited EGP	2014 Unaudited EGP	2015 Unaudited EGP	2014 Unaudited EGP
Revenue	4	2,148,971,049	1,788,216,974	588,580,585	788,726,432
Cost of revenue	5	(1,306,068,137)	(1,113,000,132)	(364,997,367)	(482,044,746)
GROSS PROFIT		842,902,912	675,216,842	223,583,218	306,681,686
Selling, general and administrative expenses	6	(326,612,140)	(229,474,907)	(124,398,288)	(96,618,591)
Finance income		136,429,792	13,958,753	87,793,023	7,628,070
Finance cost	7	(5,302,131)	(113,366,325)	(2,017,997)	(2,256,890)
Other income	8	59,088,245	22,130,205	33,219,046	19,822,425
Provisions no longer required	20	2,317,888	-	451,392	-
Provisions	20	(3,002,685)	-	(785,297)	-
PROFIT BEFORE TAX		705,821,881	368,464,568	217,845,097	235,256,700
Income tax		(22,126,041)	(6,670,237)	(18,751,517)	(15,494,923)
PROFIT FOR THE PERIOD		683,695,840	361,794,331	199,093,580	219,761,777
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		683,695,840	361,794,331	199,093,580	219,761,777
Earnings per share - basic and diluted	23	0.20	0.41	0.06	0.25

The accompanying notes 1 to 25 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 September 2015

	Notes	30 September 2015 EGP Unaudited	31 December 2014 EGP Audited
ASSETS			
Non-current assets			
Property, plant and equipment	14	585,254,991	586,105,318
Investment properties	15	91,770,309	84,866,442
Held to maturity investments	10	1,443,715,838	-
Deferred tax assets		86,354,652	96,324,334
		<u>2,207,095,790</u>	<u>767,296,094</u>
Current assets			
Development properties	13	9,935,584,564	9,815,195,982
Held to maturity investments	10	471,432,395	-
Accounts and notes receivables	11	1,175,678,333	862,177,324
Due from related parties	25a	13,126	13,126
Other receivables, deposits and prepayments	12	1,218,018,522	777,679,983
Bank balances and cash	9	1,948,109,838	871,900,404
		<u>14,748,836,778</u>	<u>12,326,966,819</u>
TOTAL ASSETS		<u>16,955,932,568</u>	<u>13,094,262,913</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	21	4,619,338,000	878,338,000
Amounts paid under capital increase	21	-	3,141,000,000
Additional paid in capital	21	1,594,567,988	-
Treasury stocks	21	(342,174,540)	-
Legal reserve	22	21,145,120	247,803
Retained earnings		682,754,231	19,955,708
		<u>6,575,630,799</u>	<u>4,039,541,511</u>
LIABILITIES			
Non-current liabilities			
Interest-bearing loans and borrowings	19	181,802,556	475,020
Land purchase liabilities		489,803,201	635,340,594
Provision for employees' end-of-service benefits		12,385,756	8,852,688
		<u>683,991,513</u>	<u>644,668,302</u>
Current liabilities			
Interest-bearing loans and borrowings	19	339,318,759	815,666,363
Borrowings from related parties	25b	4,842,083	4,445,292
Trade and other payables	16	1,909,866,657	1,423,931,166
Due to related parties	25a	8,065,308	4,812,802
Income tax payable		2,843,757	-
Land purchase liabilities		212,223,790	166,998,103
Advances from customers	17	6,963,982,929	5,733,822,529
Provisions	20	51,542,060	53,004,971
Retentions payable	18	203,624,913	207,371,874
		<u>9,696,310,256</u>	<u>8,410,053,100</u>
TOTAL LIABILITIES		<u>10,380,301,769</u>	<u>9,054,721,402</u>
TOTAL LIABILITIES AND EQUITY		<u>16,955,932,568</u>	<u>13,094,262,913</u>


Board Director


Chairman

The accompanying notes 1 to 25 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 September 2015 (Unaudited)

	Notes	Share capital		Amounts paid under capital increase		Additional paid in capital		Treasury shares		Legal reserve		Retained earnings		Total	
		EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	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		-	-	-	-	-	-	-	-	-	-	683,695,840	683,695,840	-	-
Other comprehensive income for the period		-	-	-	-	-	-	-	-	-	-	-	683,695,840	-	-
Total comprehensive income for the period		-	-	-	-	-	-	-	-	20,897,317	-	(20,897,317)	-	-	-
Transfer to legal reserve		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share capital increase	21	3,141,000,000	-	(3,141,000,000)	-	-	-	-	-	-	-	-	-	-	2,194,567,988
Issuance of new shares	21	600,000,000	-	-	1,594,567,988	-	-	-	-	-	-	-	-	-	(342,174,540)
Treasury Shares	21	-	-	-	-	-	-	(342,174,540)	-	-	-	-	-	-	6,575,630,799
Balance at 30 September 2015		4,619,338,000	-	-	1,594,567,988	-	-	(342,174,540)	-	21,145,120	-	682,754,231	6,575,630,799	-	-

The accompanying notes 1 to 25 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 September 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	-	-	-	-	-	-	361,794,331	-	361,794,331	-
Other comprehensive income for the period	-	-	-	-	-	-	361,794,331	-	361,794,331	-
Total comprehensive income for the period	-	-	-	-	-	-	(51,312)	-	-	-
Transfer to legal reserve	-	-	-	-	51,312	-	-	-	(119,544,000)	-
Reverse of amounts paid under capital increase	-	-	(119,544,000)	-	-	-	-	-	-	-
Balance at 30 September 2014	878,338,000	-	-	-	247,803	-	(42,297,883)	-	836,287,920	-

The accompanying notes 1 to 25 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 30 September 2015 (Unaudited)

	Notes	<i>Nine Months</i>	
		<i>2015</i> <i>EGP</i>	<i>2014</i> <i>EGP</i>
Cash flows from operating activities			
Profit before tax		705,821,881	368,464,568
Adjustments for:			
Depreciation expenses of property, plant and equipment	14	44,154,637	44,706,906
Depreciation expenses of investment properties	15	2,821,133	428,686
Provision for employees' end-of-service benefits		5,967,121	3,717,941
Provision no longer required	20	(2,317,888)	-
Gain on disposal of property, plant and equipment	8	-	(165,137)
Provisions charged during the year	20	3,002,685	-
Finance costs	7	5,302,131	113,366,325
Finance income		(136,429,792)	(13,958,753)
Cash from operations before working capital changes:		628,321,908	516,560,536
Accounts and notes receivables		(313,501,009)	(158,153,445)
Due from related parties		-	28,313
Other receivables, deposits and prepayments		(378,558,550)	(207,731,954)
Development properties		(2,918,065)	(29,211,358)
Advances from customers		1,230,160,400	488,432,218
Trade and other payables		379,374,249	321,834,378
Due to related parties		3,051,904	(116,431,631)
Retentions payable		(3,746,961)	9,174,973
Provisions used	20	(2,147,708)	(34,325)
Employees' end-of-service benefits paid		(2,434,053)	(651,858)
Net cash from operating activities		1,537,602,115	823,815,847
Cash flows from investing activities			
Finance income received		101,575,892	8,753,444
Purchase of property, plant and equipment	14	(43,304,310)	(65,914,307)
Purchase of held to maturity investments	10	(1,915,148,233)	-
Proceeds from sale of property, plant and equipment		-	584,435
Net cash (used in) investing activities		(1,856,876,651)	(56,576,428)
Cash flows from financing activities			
Proceeds from interest-bearing loans and borrowings	19	267,349,761	303,785,818
Repayment of interest-bearing loans and borrowings	19	(562,369,829)	(1,583,912,391)
Proceeds from additional paid in capital		2,280,000,000	-
Payments of expenses related to additional paid in capital		(12,238,493)	-
Payments of treasury shares		(342,174,540)	-
Finance costs paid		(55,735,341)	(126,314,617)
Payments of land purchase liability		(157,536,712)	(35,977,484)
Proceeds from due to related parties		(299,153)	1,240,736,795
Proceeds from borrowings from related parties		(27,481)	-
Net cash from (used in) financing activities		1,416,968,212	(201,681,879)
Increase in cash and cash equivalents		1,097,693,676	565,557,540
Net foreign exchange difference		5,441,847	973,099
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	1,948,109,838	744,238,617

The accompanying notes 1 to 25 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 September 2015 (Unaudited)

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 nine months ended 30 September 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 nine month period ended 30 September 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 September 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 September 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 nine months ended 30 September 2015 and 2014 is as follows:

	<i>Nine 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	1,019,651,714	1,241,247,899	278,245,785	557,716,991
Uptown Cairo Project	273,328,056	219,488,413	125,821,482	85,593,703
Mivida Project	855,991,279	327,480,662	184,513,318	145,415,738
	<u>2,148,971,049</u>	<u>1,788,216,974</u>	<u>588,580,585</u>	<u>788,726,432</u>

5 COST OF REVENUE

Cost of revenue for the nine months ended 30 September 2015 and 2014 is as follows:

	<i>Nine 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	486,481,855	685,326,397	157,143,637	296,695,322
Uptown Cairo Project*	216,289,723	193,171,541	82,051,606	85,903,489
Mivida Project	603,296,559	234,502,194	125,802,124	99,445,935
	<u>1,306,068,137</u>	<u>1,113,000,132</u>	<u>364,997,367</u>	<u>482,044,746</u>

*The cost of revenues of Uptown Cairo Project includes the reversal of an impairment loss amounting to EGP 11,010,965. 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 September 2015.

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period ended 30 September 2015 (Unaudited)

6 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

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

	<i>Nine 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	38,383,656	44,246,007	18,683,968	24,485,975
Depreciation expenses of PP&E (Note 14)	41,038,981	41,637,540	14,011,785	8,530,878
Depreciation expenses of investment property (Note 15)	2,821,133	428,686	942,392	142,896
Marketing production and material	5,096,425	6,851,345	1,531,397	2,949,377
Events and exhibition	9,238,174	8,907,550	905,095	2,468,135
Sales commission	48,236,720	35,473,141	17,064,422	13,826,806
Other marketing expenses	5,763,548	9,685,609	1,502,201	4,537,838
Salaries and benefits	120,212,376	38,021,873	47,935,206	11,253,380
Professional fees	3,193,204	4,846,354	1,426,972	2,501,819
IT expenses	6,423,771	4,911,647	2,247,935	1,539,961
Travel and entertainment	5,884,168	4,145,525	3,213,849	2,473,487
Cleaning and maintenance	5,886,772	4,026,529	2,604,579	1,795,878
Communication	2,159,052	1,875,729	1,008,988	464,952
Facility management expenses	21,367,561	18,468,942	8,168,510	11,514,447
Other bank charges	1,342,892	1,190,889	651,549	348,311
Other expenses	9,563,707	4,757,541	2,499,440	7,784,451
	326,612,140	229,474,907	124,398,288	96,618,591

7 FINANCE COST

Finance cost for the nine months ended 30 September 2015 and 2014 is as follows:

	<i>Nine 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	5,719,557	16,890,018	1,185,299	5,270,855
Loan arrangement fees	-	2,100,000	-	-
Bank charges – Letters of Guarantees related to borrowings	9,467	4,661,712	(588,777)	925,207
Other bank charges	31,654	378,545	-	69,112
Net foreign exchange (gain) loss	(458,547)	89,336,050	1,421,475	(4,008,284)
	5,302,131	113,366,325	2,017,997	2,256,890

8 OTHER INCOME

Other income for the nine months ended 30 September 2015 and 2014 is as follows:

	<i>Nine 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	9,620,508	20,551,036	(2,640,002)	9,522,813
Penalties and units upgrade	36,178,447	1,168,130	14,808,146	2,008,738
Operating lease income	3,981,623	46,212	1,575,795	46,212
Gain from disposal of property, plant and equipment	-	165,137	-	26,489
Operating income from El Almain hotel , Golf club ,Beach club in Marassi and Golf club in UTC	9,307,667	199,690	19,475,107	8,218,173
	59,088,245	22,130,205	33,219,046	19,822,425

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period ended 30 September 2015 (Unaudited)

9 BANK BALANCES AND CASH

	<i>30 September 2015</i> EGP	<i>31 December 2014</i> EGP
Cash on hand	104,885	2,352,369
Cash at banks	458,004,953	356,548,035
Time deposits	1,490,000,000	513,000,000
	<u>1,948,109,838</u>	<u>871,900,404</u>

Bank balances and cash are denominated in the following currencies:

	<i>30 September 2015</i> EGP	<i>31 December 2014</i> EGP
United Arab Emirates Dirhams (AED)	696,644	809,158
United States Dollars (USD)	67,013,255	56,993,537
Euros (EUR)	1,370,159	842,654
Egyptian Pounds (EGP)	1,878,994,940	813,255,055
Saudi Riyals	34,840	-
	<u>1,948,109,838</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.

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 12).

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

	<i>30 September 2015</i> EGP	<i>30 September 2014</i> EGP
Bank balances and cash	1,948,109,838	744,238,617
Cash and cash equivalent	1,948,109,838	744,238,617

10 HELD TO MATURITY INVESTMENTS

	<i>30 September 2015</i> EGP	<i>31 December 2014</i> EGP
Treasury Bills	370,276,255	-
Bonds	101,156,140	-
Total current	<u>471,432,395</u>	<u>-</u>
Bonds	1,443,715,838	-
Total noncurrent	<u>1,443,715,838</u>	<u>-</u>
Total held to maturity investments	<u>1,915,148,233</u>	<u>-</u>

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period ended 30 September 2015 (Unaudited)

11 ACCOUNTS AND NOTES RECEIVABLES

	30 September 2015 EGP	31 December 2014 EGP
Amounts receivable within 12 months	451,000,492	337,591,199
Amounts receivable after 12 months	1,053,354,446	790,165,453
	<u>1,504,354,938</u>	<u>1,127,756,652</u>
Unamortised discount	(333,711,242)	(268,672,597)
Amounts receivable, net	1,170,643,696	859,084,055
Accounts receivables, hotels	5,034,637	3,093,269
	<u>1,175,678,333</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			
			Less than 30 days EGP	Between 30 to 60 days EGP	Between 60 to 90 days EGP	More than 90 days EGP
30 September 2015	1,175,678,333	1,132,163,343	8,420,235	7,189,325	900,722	27,004,708
31 December 2014	862,177,324	820,263,145	3,546,933	1,395,335	-	36,971,911

12 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30 September 2015 EGP	31 December 2014 EGP
Prepayments	8,414,886	5,714,124
Advances to contractors and suppliers	597,567,492	404,478,822
Advances to employees	4,865,012	1,368,830
Accrued interest	40,091,894	5,237,994
Customers maintenance – Current accounts*	14,315,945	13,950,205
Customers maintenance – Time deposits*	449,279,535	280,143,593
Other receivables and deposits	103,483,758	66,786,415
	<u>1,218,018,522</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 September 2015 EGP	31 December 2014 EGP
Amounts recoverable within 12 months	761,863,014	501,062,761
Amounts recoverable after 12 months	456,155,508	276,617,222
	<u>1,218,018,522</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 September 2015 (Unaudited)

13 DEVELOPMENT PROPERTIES

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

	<i>30 September 2015</i> <i>EGP</i>	<i>30 September 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	1,305,448,311	1,200,367,903
Less: transfers to cost of revenue during the period	(1,196,070,696)	(983,961,390)
Less: transfers to property, plant and equipment, net (Note 14)*	-	(8,426,309)
Development properties	<u>9,981,151,051</u>	<u>10,060,485,175</u>
Less: Impairment of development properties	(45,566,487)	-
Balance at the end of the period	<u>9,935,584,564</u>	<u>10,060,485,175</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 September 2015 and 31 December 2014 are analysed as follows:

	<i>30 September 2015</i> <i>EGP</i>	<i>31 December 2014</i> <i>EGP</i>
Mivida project	3,007,171,369	3,067,906,214
Marassi project	3,686,309,006	3,687,156,209
Uptown Cairo project	3,059,682,849	2,888,723,186
Cairo Gate project	225,162,089	225,162,089
Smart Village project	2,825,738	2,825,738
	<u>9,981,151,051</u>	<u>9,871,773,436</u>
Less: Impairment of development properties	(45,566,487)	(56,577,454)
	<u>9,935,584,564</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 September 2015 (Unaudited)

14 PROPERTY, PLANT AND EQUIPMENT

	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 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	366,611		6,935,831	3,557,295	4,090,000	7,423,964	1,066,507	19,864,102	43,304,310								
Transferred from fixed assets under construction	3,153,691		-	-	-	-	-	-	-	-	-	(3,153,691)					
As of 30 September 2015	497,275,319		58,985,538	116,288,608	34,816,901	46,843,284	82,772,925	62,443,037	899,425,612								
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	17,796,746		7,217,725	6,989,891	3,710,308	3,067,723	5,372,244	-	44,154,637								
As of 30 September 2015	121,566,721		44,597,550	24,376,053	22,177,855	34,692,625	66,759,817	-	314,170,621								
Net carrying amount : At 30 September 2015	375,708,598		14,387,988	91,912,555	12,639,046	12,150,659	16,013,108	62,443,037	585,254,991								

Depreciation expense is allocated as follows:

	30 September 2015
	EGP
Selling , general and administrative expenses (Note 6)	41,038,981
Facility management expenses	2,534,031
Depreciation expense charged to the income statement	43,573,012
Development properties	581,625
Total depreciation expenses	44,154,637

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period ended 30 September 2015 (Unaudited)

14 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	466,539	6,830,267	2,183,101	4,989,150	1,851,585	6,002,425	43,591,240	65,914,307										
Transfers from PP&E under construction	3,247,176	-	-	-	-	-	(3,247,176)	-										
Transfers from Development properties	764,618	-	7,661,691	-	-	-	-	8,426,309										
Disposals	-	-	-	(765,900)	-	-	(765,900)	(765,900)										
As of 30 September 2014	489,801,233	48,492,549	83,380,272	30,184,471	38,144,843	85,373,402	79,971,614	855,348,384										
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	17,575,370	6,512,575	5,856,984	5,361,755	4,028,096	5,372,126	-	44,706,906										
Disposals	-	-	-	(346,602)	-	-	-	(346,602)										
As of 30 September 2014	97,870,927	35,026,639	14,741,896	17,788,677	30,317,801	60,269,806	-	256,015,746										
Net carrying amount :	391,930,306	13,465,910	68,638,376	12,395,794	7,827,042	25,103,596	79,971,614	599,332,638										
At 30 September 2014																		

Depreciation expense is allocated as follows:

30 September 2014
EGP

Selling, general and administrative expenses (Note 6)	41,637,540
Facility management expenses	2,487,741
Depreciation expense charged to the income statement	44,125,281
Development properties	581,625
Total depreciation expenses	44,706,906

Emaar Misr for Development Company (S.A.E)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
For the period ended 30 September 2015 (Unaudited)

15 INVESTMENT PROPERTIES

There was a movement during the nine months ended 30 September 2015 by total additions of EGP 9,725,000 (the nine months ended 30 September 2014: Nil) in addition to the depreciation charge for the nine months amounted to EGP 2,821,133 (the nine months ended 30 September 2014: EGP 428,686).
The investment properties fair value valuation in the nine months ended 30 September 2015 amounted to EGP 161,405,250 (2014: EGP 149,227,875).

16 TRADE AND OTHER PAYABLES

	<i>30 September 2015</i> EGP	<i>31 December 2014</i> EGP
Projects contracts cost accruals	982,863,801	808,308,124
Trade payables (suppliers, contractors and consultants)	189,902,300	171,387,071
Taxes payables (other than income tax)	7,651,815	5,865,759
Accrued interest payable	5,063,042	9,547,194
Deferred revenue*	15,848,540	19,725,502
Other payables, accruals and deposits	250,681,161	88,077,629
Customers maintenance payable**	457,855,998	321,019,887
	<u>1,909,866,657</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 12).

17 ADVANCES FROM CUSTOMERS

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

	<i>30 September 2015</i> EGP	<i>30 September 2014</i> EGP
Balance at the beginning of the period	5,733,822,529	4,812,634,891
Add: amounts collected during the period	3,444,170,094	2,273,649,190
Less: delivered units during the period	(2,214,009,694)	(1,788,216,974)
Balance at the end of the period	<u>6,963,982,929</u>	<u>5,298,067,107</u>

18 RETENTIONS PAYABLE

	<i>30 September 2015</i> EGP	<i>31 December 2014</i> EGP
Retentions payable within 12 months	125,848,327	149,911,052
Retentions payable after 12 months	77,776,586	57,460,822
	<u>203,624,913</u>	<u>207,371,874</u>

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

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For the period ended 30 September 2015 (Unaudited)

19 INTEREST-BEARING LOANS AND BORROWINGS

			30 September 2015	31 December 2014
			EGP	EGP
Maturing within 12 months			339,318,759	815,666,363
Maturing after 12 months			181,802,556	475,020
Balance at the end of the period/year			<u>521,121,315</u>	<u>816,141,383</u>
			30 September 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*	1.5 % + CBE bid corridor Rate	September 2016	14,099,743	950,040
Credit facility 3	2.5% + CBE corridor Average Rate	Settled	-	223,593,303
Credit facility 4	2% + CBE corridor offered Rate	Settled	-	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	53,932,488	-
Total current interest-bearing loans and borrowings			<u>339,318,759</u>	<u>815,666,363</u>
Non-current interest-bearing loans and borrowings				
Credit facility 2*	2.25% + CBE mid corridor Rate	December 2017	5,383,622	475,020
Credit facility 6**	1.5% + CBE bid corridor Rate	5 years tenor	176,418,934	-
Total non-current interest-bearing loans and borrowings			<u>181,802,556</u>	<u>475,020</u>
			<u>521,121,315</u>	<u>816,141,383</u>

* Credit facility (2) is against discounted post-dated checks of customer's units who settled 50% of their units value.

** 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 nine months ended 30 September 2015 and 2014 is as follows:

	30 September 2015	30 September 2014
	EGP	EGP
Balance at the beginning of the period	816,141,383	2,247,493,460
Borrowings drawn down during the period	267,349,761	303,785,818
Borrowings repaid during the period	(562,369,829)	(1,583,912,391)
Balance at the end of the period	<u>521,121,315</u>	<u>967,366,887</u>

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period ended 30 September 2015 (Unaudited)

20 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 September 2015
	EGP	EGP	EGP	EGP	EGP
Provision for legal claims	3,289,108	3,002,685	(2,317,888)	-	3,973,905
Provision for tax and other claims*	49,715,863	-	-	(2,147,708)	47,568,155
	<u>53,004,971</u>	<u>3,002,685</u>	<u>(2,317,888)</u>	<u>(2,147,708)</u>	<u>51,542,060</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 September 2014
	EGP	EGP	EGP	EGP	EGP
Provision for tax and other claims*	49,466,486	-	-	(34,325)	49,432,161
	<u>49,466,486</u>	<u>-</u>	<u>-</u>	<u>(34,325)</u>	<u>49,432,161</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 .

21 SHARE CAPITAL

	30 September 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 the shareholders current account (Emaar Properties PJSC).
- 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.

On 4 August 2015, The company acquired 90 million ordinary shares (treasury shares) at price of EGP 3.80 per share amounted to EGP 342,000,000 to stabilize the share price in open market in addition to costs of EGP 174,540 in accordance with stability of share price in the market after issuance.

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period ended 30 September 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 nine months ended 30 September 2015 and 2014 is as follows:

	<i>Nine 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	683,695,840	361,794,331	199,093,580	219,761,777
Weighted average number of ordinary shares	3406544207	878338000	3406544207	878338000
EPS – basic and diluted	0.20	0.41	0.06	0.25

24 COMMITMENTS

At 30 September 2015, the company had commitments in respect of its projects not provided for in the financial statements amounted to EGP 6,602,070,800 (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 September 2015</i>	<i>31 December 2014</i>
	<i>EGP</i>	<i>EGP</i>
Within one year	8,598,291	7,773,587
After one year but not more than five years	26,938,265	31,588,788
More than five years	11,089,175	9,727,828
	<u>46,625,731</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 September 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 nine months ended 30 September 2015 and 2014:

Company	Nature	30 September 2015						
		Expenses EGP	IT expenses EGP	Consultancy fees EGP	Finance costs EGP	Financing* EGP	Revenue EGP	Sold units** EGP
Turner International Egypt	Construction	-	-	56,972,125	-	-	-	-
Emaar Properties – PJSC Board members and key management personnel	Joint venture of the parent Parent	(946,222)	3,998,125	-	-	200,602	-	-

Company	Nature	30 September 2014						
		Expenses EGP	IT expenses EGP	Consultancy fees EGP	Finance costs EGP	Financing* EGP	Revenue EGP	Sold units** EGP
Turner International Egypt	Construction	-	-	51,867,712	-	-	-	-
Emaar Properties – PJSC Board members and key management personnel	Joint venture of the parent Parent	66,398	3,566,155	-	1,780,334	1,338,692,874	2,441,893	18,231,064

*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 September 2015 and 31 December 2014:

a) Related party balances

Significant related party balances are as follows:

	Due from EGP	Due to EGP	30 September 2015		
			Trade payables and accruals EGP	Advance from customers EGP	Trade and notes receivables EGP
Parent**	-	8,065,308	-	-	-
Subsidiaries of the parent	13,126	-	-	-	-
Joint venture of the parent	-	-	73,903,986	-	-
Board members and key management personnel	-	-	-	36,812,495	1,833,377
	<u>13,126</u>	<u>8,065,308</u>	<u>73,903,986</u>	<u>36,812,495</u>	<u>1,833,377</u>

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period ended 30 September 2015 (Unaudited)

25 RELATED PARTY DISCLOSURES (Continued)

Related party transactions (Continued)

	Due from	Due to	31 December 2014		
			Trade payables and accruals	Advance from customers	Trade and notes receivables
	EGP	EGP	EGP	EGP	EGP
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:

	30 September 2015	31 December 2014
	EGP	EGP
Borrowings from related party		
Emaar Properties PJSC – Parent	4,842,083	4,445,292
	<u>4,842,083</u>	<u>4,445,292</u>

Compensation of key management personnel

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

	30 September 2015	30 September 2014
	EGP	EGP
Short-term benefits	16,852,242	12,670,376
End-of-service benefits	2,851,487	2,492,918
Board of directors' share in profit	40,561,234	-
	<u>60,264,963</u>	<u>15,163,294</u>