

**EMAAR MISR FOR DEVELOPMENT COMPANY (S.A.E.)
UNAUDITED INTERIM CONDENSED
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2016**

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

**Unaudited interim condensed Financial Statements
For the period ended 30 June 2016**

Table of Contents

	<u>Page</u>
Report on review of interim condensed financial statements	3
Interim Condensed Statement of Profit or Loss and other Comprehensive Income	4
Interim Condensed Statement of Financial Position	5
Interim Condensed Statement of Changes in Equity	6 – 7
Interim Condensed Statement of Cash Flows	8
Notes to the interim condensed financial statements	9 – 24



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REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF EMAAR MISR FOR DEVELOPMENT COMPANY (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 2016 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.


Amr M. El Shabini
Partner



Cairo, Egypt

30 August 2016

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 2016 (Unaudited)

	Notes	<i>Six Months</i>		<i>Three Months</i>	
		<i>2016</i> <i>EGP</i>	<i>2015</i> <i>EGP</i>	<i>2016</i> <i>EGP</i>	<i>2015</i> <i>EGP</i>
Revenue	4	1,780,688,494	1,560,390,464	1,183,263,678	808,933,423
Cost of revenue	5	(1,107,836,522)	(941,070,770)	(752,762,601)	(414,721,356)
GROSS PROFIT		672,851,972	619,319,694	430,501,077	394,212,067
Selling, general and administrative expenses	6	(181,853,686)	(202,213,853)	(90,435,491)	(116,075,618)
Finance income	7	232,867,507	50,516,790	121,384,905	31,505,873
Finance cost	8	(13,936,251)	(5,164,156)	(597,833)	(1,852,942)
Other income	9	20,646,696	25,869,200	10,229,535	19,547,884
Provisions no longer required	22	626,500	1,866,496	176,500	106,007
Provisions	22	(932,818)	(2,217,388)	(842,818)	(2,060,232)
PROFIT BEFORE TAX		730,269,920	487,976,783	470,415,875	325,383,039
Income tax		(39,342,887)	(3,374,524)	(30,635,300)	(2,207,528)
PROFIT FOR THE PERIOD		690,927,033	484,602,259	439,780,575	323,175,511
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		690,927,033	484,602,259	439,780,575	323,175,511
Earnings per share - basic and diluted	25	0.15	0.18	0.10	0.12

The accompanying notes 1 to 29 form an integral part of these financial statements.

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

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

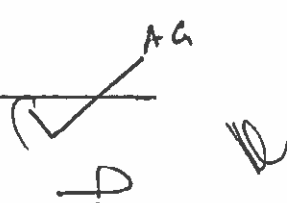
As at 30 June 2016

	Notes	30 June 2016 EGP Unaudited	31 December 2015 EGP Audited
ASSETS			
Non-current assets			
Property, plant and equipment	15	592,631,656	585,071,329
Investment properties	16	79,146,998	79,281,356
Held to maturity investments	11	266,891,372	867,835,636
Deferred tax assets		108,620,293	91,860,399
		<u>1,047,290,319</u>	<u>1,624,048,720</u>
Current assets			
Development properties	14	10,060,425,019	9,882,470,716
Held to maturity investments	11	1,898,896,043	1,068,385,745
Accounts and notes receivables	12	1,704,769,789	1,380,891,635
Due from related parties	27a	2,818	2,818
Other receivables, deposits and prepayments	13	1,705,295,148	1,481,732,021
Bank balances and cash	10	2,658,081,309	2,092,569,704
		<u>18,027,470,126</u>	<u>15,906,052,639</u>
TOTAL ASSETS		<u>19,074,760,445</u>	<u>17,530,101,359</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	23	4,619,338,000	4,619,338,000
Additional paid in capital	23	1,602,790,008	1,602,790,008
Treasury shares	23	(342,503,840)	(342,503,840)
Legal reserve	24	63,878,774	21,145,120
Retained earnings		1,503,855,284	855,661,905
		<u>7,447,358,226</u>	<u>6,756,431,193</u>
LIABILITIES			
Non-current liabilities			
Interest-bearing borrowings	20	36,007,606	158,665,846
Land purchase liabilities		-	471,115,573
Provision for employees' end-of-service benefits	21	16,037,392	12,291,596
		<u>52,044,998</u>	<u>642,073,015</u>
Current liabilities			
Interest-bearing borrowings	20	77,130,779	132,550,519
Borrowings from related parties	27b	5,493,067	4,842,083
Trade and other payables	17	2,494,121,260	2,152,605,942
Due to related parties	27a	14,751,021	9,250,255
Income tax payable		48,361,216	14,728,532
Land purchase liabilities		571,989,330	247,664,609
Advances from customers	18	8,110,355,498	7,330,175,161
Provisions	22	50,726,969	50,521,690
Retentions payable	19	202,428,081	189,258,360
		<u>11,575,357,221</u>	<u>10,131,597,151</u>
TOTAL LIABILITIES		<u>11,627,402,219</u>	<u>10,773,670,166</u>
TOTAL LIABILITIES AND EQUITY		<u>19,074,760,445</u>	<u>17,530,101,359</u>


Board Director


Chairman

The accompanying notes 1 to 29 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 2016 (Unaudited)

	Share capital EGP	Additional paid in capital EGP	Treasury stock EGP	Legal reserve EGP	Retained earnings EGP	Total EGP
Balance at 1 January 2016	4,619,338,000	1,602,790,008	(342,503,840)	21,145,120	855,661,905	6,756,431,193
Profit for the period	-	-	-	-	690,927,033	690,927,033
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	690,927,033	690,927,033
Transfer to legal reserve	-	-	-	42,733,654	(42,733,654)	-
Balance at 30 June 2016	4,619,338,000	1,602,790,008	(342,503,840)	63,878,774	1,503,855,284	7,447,358,226

The accompanying notes 1 to 29 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 2016 (Unaudited)

	Notes	Share capital		Amounts paid under capital increase		Additional paid in capital		Legal reserve		Retained earnings		Total	
		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		-	-	-	-	-	484,602,259						
Other comprehensive income for the period		-	-	-	-	-	-						
Total comprehensive income for the period							484,602,259						
Transfer to legal reserve		-	-	-	20,897,317	-	(20,897,317)						
Share capital increase	23	3,141,000,000	(3,141,000,000)	-	-	-	-						
Issuance of new shares	23	600,000,000	-	1,594,567,988	-	-	-						
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 29 form an integral part of these financial statements.

Emaar Misr for Development Company (S.A.E)
INTERIM CONDENSED STATEMENT OF CASH FLOWS
30 June 2016 (Unaudited)

	Notes	<i>Six Months</i>	
		<i>2016</i> <i>EGP</i>	<i>2015</i> <i>EGP</i>
Cash flows from operating activities			
Profit before tax		730,269,920	487,976,783
Adjustments for:			
Depreciation expenses of property, plant and equipment	15	28,045,131	29,221,283
Depreciation expenses of investment properties	16	1,844,850	1,878,741
Provision for employees' end-of-service benefits	21	4,561,997	4,188,879
Provision no longer required	22	(626,500)	(1,866,496)
Provisions charged during the period	22	1,162,757	2,217,388
Gain on disposal of property, plant and equipment	9	(96,925)	-
Reversal of impairment of development properties	14	(3,707,780)	(8,944,089)
Finance costs	8	13,936,251	5,164,156
Finance income	7	(232,867,507)	(50,516,790)
		<u>542,522,194</u>	<u>469,319,855</u>
Accounts and notes receivables		(323,878,154)	(188,240,220)
Other receivables, deposits and prepayments		(194,827,471)	(210,797,698)
Development properties		(137,002,580)	186,455,520
Advances from customers		780,180,337	558,405,165
Trade and other payables		326,805,291	224,737,427
Due to related parties		4,021,024	2,184,712
Retentions payable		13,169,721	(18,553,933)
Provisions used	22	(330,978)	(2,214,986)
Employees' end-of-service benefits paid	21	(816,201)	(1,072,302)
Income tax paid		(18,786,600)	-
Net cash flows from operating activities		<u>991,056,583</u>	<u>1,020,223,540</u>
Cash flows from investing activities			
Finance income received		174,177,395	41,232,061
Purchase of property, plant and equipment	15	(8,521,700)	(27,801,319)
Purchase of investment properties		(1,710,492)	-
Property and plant under construction		(27,211,633)	-
Purchase of investments in securities		(583,956,712)	-
Proceeds from investments in securities		380,661,637	-
Proceeds from sale of property, plant and equipment		224,800	-
Net cash flows used in / from investing activities		<u>(66,336,705)</u>	<u>13,430,742</u>
Cash flows from financing activities			
Proceeds from interest-bearing borrowings	20	18,578,691	179,676,691
Repayment of interest-bearing borrowings	20	(196,656,671)	(402,653,159)
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		(9,352,138)	(33,960,627)
Proceeds from related parties		-	846,341
Payments of land purchase liabilities		(177,548,888)	(157,536,712)
Net cash flows used in / from financing activities		<u>(364,979,006)</u>	<u>1,854,134,041</u>
Increase in cash and cash equivalents		<u>559,740,872</u>	<u>2,887,788,323</u>
Net foreign exchange difference		5,770,733	3,503,404
Cash and cash equivalents at the beginning of the period		2,092,569,704	844,974,315
Cash and cash equivalents at the end of the period	10	<u>2,658,081,309</u>	<u>3,736,266,042</u>

The accompanying notes 1 to 29 form an integral part of these financial statements.

30 June 2016 (Unaudited)

11 HELD TO MATURITY INVESTMENTS

	30 June 2016 EGP	31 December 2015 EGP
Treasury Bills	603,000,000	400,000,000
Unearned interest	(14,854,763)	(19,338,363)
	<u>588,145,237</u>	<u>380,661,637</u>
Bonds	1,577,642,178	1,555,559,744
	<u>1,577,642,178</u>	<u>1,555,559,744</u>
Total held to maturity investments	<u>2,165,787,415</u>	<u>1,936,221,381</u>
	30 June 2016 EGP	31 December 2015 EGP
Amounts matures within 12 months	1,898,896,043	1,068,385,745
Amounts matures after 12 months	266,891,372	867,835,636
	<u>2,165,787,415</u>	<u>1,936,221,381</u>

12 ACCOUNTS AND NOTES RECEIVABLES

	30 June 2016 EGP	31 December 2015 EGP
Amounts receivable within 12 months	708,824,990	552,838,923
Amounts receivable after 12 months	1,408,409,853	1,203,127,810
	<u>2,117,234,843</u>	<u>1,755,966,733</u>
Unamortised discount	(417,652,356)	(380,482,992)
Amounts receivable, net	1,699,582,487	1,375,483,741
Accounts receivables, hotels	5,187,302	5,407,894
	<u>1,704,769,789</u>	<u>1,380,891,635</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 June 2016	1,699,582,487	1,621,185,416	16,812,939	10,514,057	3,876,447	47,193,628
31 December 2015	1,380,891,635	1,315,748,125	8,132,027	8,472,259	679,331	47,859,893

As at 30 June 2016, accounts and notes receivables were not impaired (impairment of 2015: nil)

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 June 2016 (Unaudited)

13 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	<i>30 June 2016</i> <i>EGP</i>	<i>31 December 2015</i> <i>EGP</i>
Prepayments	8,572,085	9,293,030
Advances to contractors and suppliers	769,220,723	772,725,895
Advances to employees	3,812,133	1,516,099
Accrued interest	81,660,797	52,925,141
Customers maintenance – Current accounts*	47,477,135	34,288,629
Customers maintenance – Time deposits*	672,029,474	517,160,435
Other receivables and deposits	122,522,801	93,822,792
	<u>1,705,295,148</u>	<u>1,481,732,021</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.

*These amounts represent 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.

Customers' maintenance - Current account with an average effective interest rate of 7.62% (2015:6.75%) for balance of EGP 47,477,135 (2015: EGP 34,288,629)

Customers' maintenance- Time deposits with effective interest rate of 10.28% (2015:9.2%) for balance of EGP 672,029,474 (2015: EGP 517,160,435).

	<i>30 June 2016</i> <i>EGP</i>	<i>31 December 2015</i> <i>EGP</i>
Amounts recoverable within 12 months	1,109,337,284	846,042,809
Amounts recoverable after 12 months	595,957,864	635,689,212
	<u>1,705,295,148</u>	<u>1,481,732,021</u>

14 DEVELOPMENT PROPERTIES

The movement of development properties during the six months ended 30 June 2016 and 2015 as follows:

	<i>Six Months</i>	
	<i>2016</i> <i>EGP</i>	<i>2015</i> <i>EGP</i>
Balance at the beginning of the period	9,882,470,716	9,815,195,982
Add: cost incurred during the period including borrowing costs capitalised	1,155,355,623	766,560,756
Less: transfers to cost of revenue during the period	(981,109,100)	(874,170,496)
Add: Reversal of impairment of development properties	3,707,780	8,944,091
	<u>10,060,425,019</u>	<u>9,716,530,333</u>

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 June 2016 (Unaudited)

14 DEVELOPMENT PROPERTIES (Continued)

Development properties as at 30 June 2016 and 31 December 2015 are analysed as follows:

	<i>30 June 2016</i> <i>EGP</i>	<i>31 December 2015</i> <i>EGP</i>
Mivida project	3,314,386,981	3,103,645,277
Marassi project	3,372,397,091	3,512,280,674
Uptown Cairo project	3,150,006,350	3,044,617,948
Cairo Gate project	223,162,089	225,162,089
Smart Village project	2,825,738	2,825,738
	<hr/> 10,062,778,249	<hr/> 9,888,531,726
Less: Impairment of development properties	(2,353,230)	(6,061,010)
	<hr/> 10,060,425,019	<hr/> 9,882,470,716

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 June 2016 (Unaudited)

15 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 2016	507,908,136	115,537,970	61,865,736	115,537,970	34,969,721	47,750,545	81,853,332	65,983,022	915,868,462								
Additions	1,686,332	776,040	4,001,047	776,040	479,030	1,566,051	13,200	27,211,633	35,733,333								
Disposals	-	-	-	-	(255,750)	-	-	-	(255,750)								
As of 30 June 2016	509,594,468	116,314,010	65,866,783	116,314,010	35,193,001	49,316,596	81,866,532	93,194,655	951,346,045								
Accumulated depreciation																	
As of 1 January 2016	127,522,461	26,856,969	46,899,318	26,856,969	25,458,752	35,906,027	68,153,606	-	330,797,133								
Depreciation for the period	12,094,279	4,072,020	4,814,406	4,072,020	1,746,506	2,422,913	2,895,007	-	28,045,131								
Disposals	-	-	-	-	(127,875)	-	-	-	(127,875)								
As of 30 June 2016	139,616,740	30,928,989	51,713,724	30,928,989	27,077,383	38,328,940	71,048,613	-	358,714,389								
Net carrying amount :	369,977,728	85,385,021	14,153,059	85,385,021	8,115,618	10,987,656	10,817,919	93,194,655	592,631,656								
At 30 June 2016																	

Depreciation expense is allocated as follows:

	2016 EGP
Selling , general and administrative expenses (Note 6)	26,569,855
Facility management expenses	1,087,526
Depreciation expense charged to the income statement	27,657,381
Development properties	387,750
Total depreciation expenses	28,045,131

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 June 2016 (Unaudited)

15 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 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>883,972,621</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>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
	EGP
Selling , general and administrative expenses (Note 6)	27,027,196
Facility management expenses	1,806,337
Depreciation expense charged to the income statement	28,833,533
Development properties	387,750
Total depreciation expenses	<u>29,221,283</u>

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 June 2016 (Unaudited)

16 INVESTMENT PROPERTIES

	<i>30 June 2016</i>	<i>30 June 2015</i>
	<i>EGP</i>	<i>EGP</i>
Cost		
Beginning balance	85,055,189	87,030,973
Additions	1,710,492	-
Ending balance	<u>86,765,681</u>	<u>87,030,973</u>
Accumulated depreciation		
Beginning balance	(5,773,833)	(2,164,531)
Depreciation charge for the period	(1,844,850)	(1,878,741)
Ending balance	<u>(7,618,683)</u>	<u>(4,043,272)</u>
Net carrying amount	<u>79,146,998</u>	<u>82,987,701</u>
	<i>30 June 2016</i>	<i>31 December 2015</i>
	<i>EGP</i>	<i>EGP</i>
Land	11,881,336	11,881,336
Building	67,265,662	67,400,020
Net carrying amount	<u>79,146,998</u>	<u>79,281,356</u>

Investment property includes land amounting to EGP 11,881,336 (2015: EGP 11,881,336), and buildings amounting to EGP 67,265,662 (2015: EGP 67,400,020)

No material changes in Investment properties fair value valuation in the six months ended 30 June 2016 from last valuation dated 31 December 2015.

17 TRADE AND OTHER PAYABLES

	<i>30 June 2016</i>	<i>31 December 2015</i>
	<i>EGP</i>	<i>EGP</i>
Projects contracts cost accruals	1,347,806,517	1,246,039,965
Trade payables (suppliers, contractors and consultants)	263,242,555	208,178,308
Taxes payables (other than income tax)	8,011,221	8,901,673
Deferred revenue*	21,830,531	4,095,464
Other payables, accruals and deposits	138,680,189	138,452,941
Customers maintenance payable**	714,550,247	546,937,591
	<u>2,494,121,260</u>	<u>2,152,605,942</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 13).

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 June 2016 (Unaudited)

18 ADVANCES FROM CUSTOMERS

The movement of advances from customers during the six months ended 30 June 2016 and 2015 is as follows:

	<i>30 June 2016</i> <i>EGP</i>	<i>30 June 2015</i> <i>EGP</i>
Balance at the beginning of the period	7,330,175,161	5,733,822,529
Add: amounts collected during the period	2,598,038,194	2,155,122,115
Less: delivered units during the period	<u>(1,817,857,857)</u>	<u>(1,596,716,950)</u>
Balance at the end of the period	<u>8,110,355,498</u>	<u>6,292,227,694</u>

19 RETENTIONS PAYABLE

	<i>30 June 2016</i> <i>EGP</i>	<i>31 December 2015</i> <i>EGP</i>
Retentions payable within 12 months	87,956,752	106,987,647
Retentions payable after 12 months	<u>114,471,329</u>	<u>82,270,713</u>
	<u>202,428,081</u>	<u>189,258,360</u>

20 INTEREST-BEARING BORROWINGS

	<i>30 June 2016</i> <i>EGP</i>	<i>31 December 2015</i> <i>EGP</i>
Maturing within 12 months	77,130,779	132,550,519
Maturing after 12 months	<u>36,007,606</u>	<u>158,665,846</u>
Balance at the end of the period/year	<u>113,138,385</u>	<u>291,216,365</u>

<i>Type</i>	<i>Interest rate %</i>	<i>Latest maturity (renewal)</i>	<i>30 June 2016</i> <i>EGP</i>	<i>31 December 2015</i> <i>EGP</i>
Current portion credit facilities				
Credit facility 1*	1.5%+CBE Deposit Corridor rate	June 2017	17,047,224	34,427,947
Credit facility 3***	0.5%+CBE Lending Corridor rate	June 2017	<u>60,083,555</u>	<u>98,122,572</u>
Total current credit facilities			<u>77,130,779</u>	<u>132,550,519</u>
Non-current credit facilities				
Credit facility 1*	1.5%+CBE Deposit Corridor rate	October 2020	5,752,016	9,735,734
Credit facility 2**	1%+CBE Average Discount Corridor rate	December 2021	<u>30,255,590</u>	<u>130,351,421</u>
Credit facility 3***	0.5%+CBE Lending Corridor rate		-	18,578,691
Total non-current credit facilities			<u>36,007,606</u>	<u>158,665,846</u>
			<u>113,138,385</u>	<u>291,216,365</u>

* Credit facility (1) is against discounted post-dated checks of customer's units who settled 50% of their units' value.

** Credit facility (2) is against discounted post-dated checks of customer's who delivered units

*** Credit facility (3) secured by post-dated checks of delivered units with maximum financing amounting to 90% of its value.

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 June 2016 (Unaudited)

21 PROVISION FOR EMPLOYEES' END-OF-SERVICE BENEFITS

End-of-Service Benefits

The movement in the provision for employees' end-of-service benefits during the six months ended 30 June 2016 and 2015 is as follows:

	30 June 2016 EGP	30 June 2015 EGP
Balance at the beginning of the period	12,291,596	8,852,688
Provided during the period	4,561,997	4,188,879
Paid during the period	(816,201)	(1,072,302)
Balance at the end of the period	<u>16,037,392</u>	<u>11,969,265</u>

22 PROVISIONS

	Balance as of 1 January 2016 EGP	Charged during the period EGP	No longer required during the period EGP	Used during the period EGP	Balance as of 30 June 2016 EGP
Provision for legal claims	2,947,365	932,818	(626,500)	-	3,253,683
Provision for other claims*	47,574,325	229,939	-	(330,978)	47,473,286
	<u>50,521,690</u>	<u>1,162,757</u>	<u>(626,500)</u>	<u>(330,978)</u>	<u>50,726,969</u>

	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 30 June 2015 EGP
Provision for legal claims	3,289,108	2,217,388	(1,866,496)	-	3,640,000
Provision for 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>

*Provision for other claims is mainly related to withholding taxes advised by the tax consultant for 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 28 in respect of tax position.

23 SHARE CAPITAL

	30 June 2016 EGP	31 December 2015 EGP
Authorised capital (shares of EGP 1 each)	<u>10,000,000,000</u>	<u>10,000,000,000</u>
Issued and fully paid-up	<u>4,619,338,000</u>	<u>4,619,338,000</u>
Number of shares	<u>4,619,338,000</u>	<u>4,619,338,000</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.

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 June 2016 (Unaudited)

23 SHARE CAPITAL (Continued)

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 1,602,790,008 after deducting expenses of EGP 77,209,992 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 stabilise the share price in open market in addition to costs of EGP 503,840 in accordance with stability of share price in the market after issuance.

On 17 May 2016, a board of directors meeting was held to reduce the Company's capital by 90 million ordinary shares (treasury shares) to be 4,529,338,000 share, the necessary legal procedures in this regard are currently being undertaken.

24 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 854,673,084 for the year ended 31 December 2015.

25 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 2016 and 2015 is as follows:

	<i>Six Months</i>		<i>Three Months</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>	<i>EGP</i>
Net profit attributable to the ordinary equity holders	690,927,033	484,602,259	439,780,575	323,175,506
Weighted average number of ordinary shares	4,529,338,000	2,748,821,333	4,529,338,000	2,748,821,333
EPS – basic and diluted	0.15	0.18	0.10	0.12

26 COMMITMENTS

At 30 June 2016, the company had commitments in respect of its projects not provided for in the financial statements amounted to EGP 7,299,483,324 (31 December 2015: EGP 6,619,437,412).

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 2016</i>	<i>31 December 2015</i>
	<i>EGP</i>	<i>EGP</i>
Within one year	10,451,941	9,773,845
After one year but not more than five years	28,498,936	30,776,312
More than five years	11,454,847	13,663,338
	<u>50,405,724</u>	<u>54,213,495</u>

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 June 2016 (Unaudited)

27 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 2016 and 2015:

Company	Nature	Payments on behalf	IT and other expenses	30 June 2016		Revenue	Sold units**
				Consultancy fees	Financing*		
		EGP	EGP	EGP	EGP	EGP	EGP
Turner International Egypt	Construction Joint venture	-	-	55,534,091	-	-	-
Emaar Properties – PJSC	Parent	469,608	4,490,632	-	1,479,742	-	-
Board members and key management personnel	key	-	-	-	-	-	-

Company	Nature	Payments on behalf	IT and other expenses	30 June 2015		Revenue	Sold units**
				Finance costs	Financing*		
		EGP	EGP	EGP	EGP	EGP	EGP
Turner International Egypt	Construction Joint venture of the parent	-	-	37,952,893	-	-	-
Emaar Properties – PJSC	Parent	429,182	2,613,893	-	1,134,998	-	-
Board members and key management personnel	key	-	-	-	-	-	-

*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 2016 and 31 December 2015:

a) Related party balances

Significant related party balances are as follows:

	Due from	Due to	30 June 2016		Trade and notes receivables
			Trade payables and accruals	Advance from customers	
	EGP	EGP	EGP	EGP	EGP
Parent**	-	14,751,021	-	-	-
Subsidiaries of the parent	2,818	-	-	-	-
Joint venture of the parent	-	-	118,529,011	-	-
Board members and key management personnel	-	-	-	31,442,797	1,555,745
	<u>2,818</u>	<u>14,751,021</u>	<u>118,529,011</u>	<u>31,442,797</u>	<u>1,555,745</u>

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 June 2016 (Unaudited)

27 RELATED PARTY DISCLOSURES (Continued)

	<i>Due from</i>	<i>Due to</i>	<i>31 December 2015</i>		<i>Trade and notes receivables EGP</i>
	<i>EGP</i>	<i>EGP</i>	<i>Trade payables and accruals EGP</i>	<i>Advance from customers EGP</i>	
Parent**	-	9,250,255	-	-	-
Subsidiaries of the parent	2,818	-	-	-	-
Joint venture of the parent	-	-	52,727,710	-	-
Board members and key management personnel	-	-	-	37,893,181	1,806,352
	<u>2,818</u>	<u>9,250,255</u>	<u>52,727,710</u>	<u>37,893,181</u>	<u>1,806,352</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 2016</i>	<i>31 December 2015</i>
	<i>EGP</i>	<i>EGP</i>
<i>Borrowings from related party</i>		
Emaar Properties PJSC – Parent	5,493,067	4,842,083
	<u>5,493,067</u>	<u>4,842,083</u>

Compensation of key management personnel

The remuneration of key management personnel during the six months ended 30 June 2016 and 2015 was as follows:

	<i>30 June 2016</i>	<i>30 June 2015</i>
	<i>EGP</i>	<i>EGP</i>
Short-term benefits	8,651,456	15,125,846
End-of-service benefits	4,255,791	2,139,439
Board of directors' share in profit	-	21,452,251
	<u>12,907,247</u>	<u>38,717,536</u>

28 INCOME TAX

The Company's tax position is as follows:

1. Corporate Tax

- The company regularly files its corporate income tax return on due dates.
- The company's records were inspected from inception to 31 December 2008 and the tax authority has sent the tax claim requiring to the company. The company has submitted an objection to such claim and the dispute points have been transferred to the Internal Committee that issue its decision by resolving some dispute points and there are some points transferred to the appeal committee.
- The company's records were inspected for period from 1 January 2009 to 31 December 2010, and the company has submitted an objection to the inspection result and the dispute points have been transferred to the internal committee.
- The company's records were not inspected for the period from 1 January 2011 to 30 June 2016. The company submitted tax returns for such period within the legal grace period.
- The company enjoys tax relief on the projects established in the urban area to 31 December 2018.

2. Salary Tax

- The company's records were inspected from inception to 31 December 2008 and all tax dues were settled.
- The company's records are in process of inspection for years from 1 January 2009 to 31 December 2011.
- The company's records were not inspected from 1 January 2012 to 30 June 2016.

28 INCOME TAX (Continued)

3. Sales Tax

- The company's records were inspected from inception to 31 December 2013, all tax dues were settled.
- The company's records were not inspected for the period from 1 January 2014 to 30 June 2016.

4. Stamp Tax

- The company's records were inspected from inception to 31 December 2010 and tax due were settled.
- The company's records were not inspected for the period from 1 January 2011 to 30 June 2016.

29 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, held to maturity investments and due from related parties. Financial liabilities of the company include interest-bearing borrowings, trade and other payables, land purchase liabilities of, 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.