

**Investment Corporation of Dubai
and its subsidiaries**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)**

30 June 2014

REVIEW REPORT ON INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE OWNER OF INVESTMENT CORPORATION OF DUBAI

Introduction

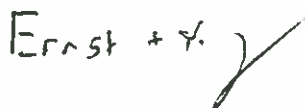
We have reviewed the accompanying interim condensed consolidated financial statements of Investment Corporation of Dubai (“ICD”) and its subsidiaries (collectively referred to as the “Group”), comprising the interim consolidated statement of financial position as at 30 June 2014 and the related interim consolidated statements of income, comprehensive income, cash flows and changes in equity for the six-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting (“IAS 34”). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

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

Conclusion

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



Signed by:
Anthony O’Sullivan
Partner
Registration No. 687

16 October 2014

Dubai, United Arab Emirates

Investment Corporation of Dubai and its subsidiaries

INTERIM CONSOLIDATED INCOME STATEMENT

For the six-month period ended 30 June 2014

		<i>Six-month period ended 30 June</i>	
		<i>2014</i>	<i>2013</i>
		<i>AED'000</i>	<i>AED'000</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>
Continuing operations	<i>Notes</i>		
Revenues	20	98,105,148	86,440,306
Cost of revenues		(80,480,231)	(71,447,571)
		<u>17,624,917</u>	<u>14,992,735</u>
Other income		3,228,592	2,227,950
Net (loss) /gain from derivative instruments		(28,427)	178,253
General, administrative and other expenses		(9,060,592)	(7,836,091)
Net impairment losses on financial assets and equity accounted investees	3	(3,668,817)	(2,077,042)
Other finance income		392,120	530,061
Other finance costs		(1,736,606)	(1,753,605)
Share of results of associates and joint ventures for the period - net	8	<u>1,980,993</u>	<u>1,258,626</u>
PROFIT FOR THE PERIOD BEFORE INCOME TAX FROM CONTINUING OPERATIONS		<u>8,732,180</u>	<u>7,520,887</u>
Income tax expense		(476,722)	(411,767)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		<u>8,255,458</u>	<u>7,109,120</u>
Discontinued operations			
Profit for the period from discontinued operations	13	<u>5,865,852</u>	<u>1,026,398</u>
PROFIT FOR THE PERIOD		<u><u>14,121,310</u></u>	<u><u>8,135,518</u></u>
Attributable to:			
The equity holder of ICD		12,076,302	6,578,541
Non-controlling interests		2,045,008	1,556,977
		<u><u>14,121,310</u></u>	<u><u>8,135,518</u></u>

The attached notes 1 to 21 form part of these interim condensed consolidated financial statements.

Investment Corporation of Dubai and its subsidiaries

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six-month period ended 30 June 2014

	<i>Six-month period ended 30 June</i>	
	<i>2014 AED'000 (Unaudited)</i>	<i>2013 AED'000 (Unaudited)</i>
PROFIT FOR THE PERIOD	14,121,310	8,135,518
Other comprehensive income		
<i>Other comprehensive income that are / to be reclassified to income statement in subsequent periods:</i>		
Net movement in fair value of available-for-sale investments and cash flow hedges	998,916	918,519
Cash flow hedge reserves relating to discontinued operations reclassified to income statement	(2,378,077)	-
Foreign currency translation differences	51,242	(163,414)
Group's share in other comprehensive income of equity accounted investees	105,182	(256,234)
Other reserve movement	(653)	-
Net other comprehensive income to be reclassified to income statement in subsequent periods	(1,223,390)	498,871
<i>Items not to be reclassified to income statement in subsequent periods:</i>		
Actuarial loss on defined benefit plans	(39,366)	(177,697)
Other comprehensive income for the period	(1,262,756)	321,174
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	12,858,554	8,456,692
Attributable to:		
The equity holder of ICD	10,602,175	7,063,685
Non-controlling interests	2,256,379	1,393,007
	12,858,554	8,456,692

The attached notes 1 to 21 form part of these interim condensed consolidated financial statements.

Investment Corporation of Dubai and its subsidiaries

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2014

	<i>Notes</i>	<i>30 June 2014 AED'000 (Unaudited)</i>	<i>31 December 2013 AED'000 (Audited)</i>
ASSETS			
Non-current assets			
Property, plant and equipment	5	117,937,675	101,597,567
Intangible assets	6	27,648,008	27,512,290
Investment properties	7	7,431,302	7,398,980
Development properties		283,563	476,014
Investments in associates and joint ventures	8	42,652,263	31,333,268
Investments in marketable securities	9	20,147,652	21,255,750
Other non-current assets		20,241,904	14,937,763
Islamic financing and investment products	10	22,707,320	22,793,942
Loans and receivables	11	87,576,940	71,590,011
Cash and deposits with banks	12	5,112,342	3,563,511
Positive fair value of derivatives		1,037,305	1,072,383
Deferred tax assets		96,887	130,703
		<u>352,873,161</u>	<u>303,662,182</u>
Current assets			
Investments in marketable securities	9	4,703,103	4,353,870
Inventories		11,660,736	10,598,510
Trade and other receivables		34,057,337	30,661,265
Islamic financing and investment products	10	18,121,354	13,620,933
Loans and receivables	11	115,918,213	127,935,571
Cash and deposits with banks	12	102,016,227	90,000,638
Positive fair value of derivatives		739,417	878,237
Customer acceptances		3,629,009	4,986,419
		<u>290,845,396</u>	<u>283,035,443</u>
Assets of disposal group classified as held for sale		-	21,625,423
		<u>290,845,396</u>	<u>304,660,866</u>
TOTAL ASSETS		<u><u>643,718,557</u></u>	<u><u>608,323,048</u></u>

The attached notes 1 to 21 form part of these interim condensed consolidated financial statements.

Investment Corporation of Dubai and its Subsidiaries

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

At 30 June 2014

	Notes	30 June 2014 AED'000 (Unaudited)	31 December 2013 AED'000 (Audited)
EQUITY AND LIABILITIES			
Equity attributable to the equity holder of ICD			
Capital	14	64,534,449	64,534,449
Retained earnings		60,132,928	50,214,166
Other reserves	15	16,555,671	15,604,942
Reserves of disposal group classified as held for sale		-	2,378,077
		<u>141,223,048</u>	<u>132,731,634</u>
Non-controlling interests	16	34,406,978	29,291,829
Total equity		<u>175,630,026</u>	<u>162,023,463</u>
Non-current liabilities			
Employees' end of service benefits		2,045,838	1,857,079
Borrowings and lease liabilities		105,555,056	98,245,608
Negative fair value of derivatives		1,707,626	1,612,445
Other non-current payables		5,312,116	4,979,738
Customer deposits		10,020,478	6,648,250
Islamic customer deposits		12,867,964	11,209,566
Deferred tax liabilities		1,143,103	1,100,157
Deposits under repurchase agreements		100,285	-
		<u>138,752,466</u>	<u>125,652,843</u>
Current liabilities			
Employees' end of service benefits		8,832	1,223
Borrowings and lease liabilities		50,293,184	49,718,323
Negative fair value of derivatives		859,243	670,208
Trade and other payables		70,847,106	65,609,798
Customer deposits		177,556,011	167,382,683
Islamic customer deposits		25,139,315	27,283,768
Deposits under repurchase agreements		-	67,129
Current income tax liability		1,003,365	1,098,616
Customer acceptances		3,629,009	4,986,419
		<u>329,336,065</u>	<u>316,818,167</u>
Liabilities of disposal group classified as held for sale		-	3,828,575
		<u>329,336,065</u>	<u>320,646,742</u>
Total liabilities		<u>468,088,531</u>	<u>446,299,585</u>
TOTAL EQUITY AND LIABILITIES		<u>643,718,557</u>	<u>608,323,048</u>

Director

Director

The attached notes 1 to 21 form part of these interim condensed consolidated financial statements.

Investment Corporation of Dubai and its Subsidiaries

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2014

	<i>Six-month period ended 30 June</i>	
	<i>2014 AED'000 (Unaudited)</i>	<i>2013 AED'000 (Unaudited)</i>
OPERATING ACTIVITIES		
Profit before tax from continuing operations	8,732,180	7,520,887
Profit before tax from discontinued operations	5,865,852	1,027,242
Adjustments for:		
Depreciation and impairment on property, plant and equipment, investment properties and development properties	5,536,988	4,695,761
Impairment allowances on loans and receivables - net	3 1,709,856	1,257,761
Impairment allowances on Islamic financing and investment products - net	3 911,800	490,628
Amortisation and impairment of intangible assets	482,291	348,608
(Gain) / loss on disposal of property, plant and equipment, investment properties, intangible assets and sale and leaseback of aircrafts	(268,514)	15,129
Net change in fair value of investments carried at fair value through profit or loss	(128,135)	(21,776)
Impairment loss on available-for-sale investments	306,751	292,885
Impairment loss on investment in associates and joint ventures	406,899	18,733
Other finance income	(392,120)	(710,435)
Other finance costs	1,736,606	1,793,961
Share of results of associates and joint ventures - net	8 (1,980,993)	(1,334,627)
Provision for employees' end of service benefits	461,532	447,827
Gain on disposal of discontinued operation	13 (3,089,993)	-
Reserves relating to discontinued operations reclassified to income statement	13 (2,378,077)	-
Gain on deemed disposal of investment in associates	-	(329,763)
	<u>17,912,923</u>	<u>15,512,821</u>
Working capital changes:		
Inventories	(924,648)	99,982
Trade and other receivables	(3,258,712)	(7,061,370)
Trade and other payables	4,802,224	8,627,798
Loans and receivables	(5,679,427)	(12,782,527)
Statutory deposits (banking operations)	(2,822,523)	(4,897,838)
Deposits with banks with original maturity over three months (banking operations)	(4,025,779)	(673,427)
Customer deposits including Islamic customer deposits	13,059,501	3,581,715
Fair value of derivatives - net	278,513	(436,214)
Islamic financing and investment products	(3,449,574)	(4,040,478)
Other non-current assets	(574,382)	3,445,782
Other non-current payables	312,471	654,561
	<u>15,630,587</u>	<u>2,030,805</u>
Net cash generated from operations	15,630,587	2,030,805
Employees' end of service benefits paid	(346,120)	(330,216)
Income tax paid	(513,221)	(659,664)
Exchange translation reserve and other movements	(169,382)	70,302
	<u>14,601,864</u>	<u>1,111,227</u>
Net cash generated from operating activities	14,601,864	1,111,227

The attached notes 1 to 21 form part of these interim condensed consolidated financial statements.

Investment Corporation of Dubai and its Subsidiaries

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the six-month period ended 30 June 2014

	<i>Six-month period ended 30 June</i>	
	<i>2014 AED'000 (Unaudited)</i>	<i>2013 AED'000 (Unaudited)</i>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment, intangible assets, investment properties and development properties	(9,142,212)	(12,327,969)
Proceeds from disposal of property, plant and equipment, intangible assets, investment properties and development properties	609,293	310,249
Acquisition of subsidiaries	(2,973,030)	(1,941,094)
Proceeds from disposal of a discontinued operation	13 7,016,358	-
Proceeds from dilution of investment in an indirect associate of the Group	-	230,464
Other finance income received (non-banking operations)	392,120	710,435
Net movement in investment in marketable securities	1,533,702	(1,513,691)
Investments in associates and joint ventures	(1,362,917)	(46,641)
Dividend from associates and joint ventures	8 1,002,257	762,425
Net movement in deposits with banks with original maturity over three months (non-banking operations)	(7,742,939)	(8,522,159)
Net cash used in investing activities	(10,667,368)	(22,337,981)
FINANCING ACTIVITIES		
Issuance of Tier 1 Capital Notes by a banking subsidiary	-	3,648,497
Interest on Tier 1 Capital Notes issued by a banking subsidiary	(235,301)	(18,184)
Distribution to the Government	(2,107,456)	(131,456)
Net movement in borrowings and lease liabilities	9,334,808	13,296,810
Net movement in deposit under repurchase agreements	(67,129)	(580,755)
Other finance costs paid (non-banking operations)	(1,736,606)	(1,793,961)
Dividend paid to the non-controlling interests	(912,522)	(811,951)
Directors' fees paid	(3,802)	(2,305)
Net cash generated from financing activities	4,271,992	13,606,695
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	8,206,488	(7,620,059)
Cash and cash equivalents acquired on business combinations	539,857	4,066,207
Cash and cash equivalents at the beginning of the period	15,178,896	12,990,394
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	23,925,241	9,436,542

Cash and cash equivalents noted above include the following:

	<i>30 June 2014 AED'000 (Unaudited)</i>	<i>31 December 2013 AED'000 (Audited)</i>	<i>30 June 2013 AED'000 (Unaudited)</i>
Cash and deposits with banks - current	102,016,227	90,000,638	88,493,097
Islamic financing and investment products with original maturity of less than three months	2,356,591	480,566	703,779
Due to banks	(16,050,600)	(23,637,377)	(29,703,142)
Bank overdrafts	(560,631)	(350,297)	(329,943)
	87,761,587	66,493,530	59,163,791
Due to banks with original maturity of more than three months	3,008,181	2,496,479	4,465,574
Deposits with Central Bank for regulatory purposes	(21,787,549)	(18,965,026)	(17,216,689)
Interest bearing certificates of deposits with Central Bank with original maturity of more than three months	(9,000,000)	(4,901,993)	(8,250,000)
Deposits with other banks with original maturity of more than three months	(36,056,978)	(29,944,094)	(28,726,134)
	23,925,241	15,178,896	9,436,542

The attached notes 1 to 21 form part of these interim condensed consolidated financial statements.

Investment Corporation of Dubai and its Subsidiaries

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)

For the six-month period ended 30 June 2014

	Attributable to the equity holder of ICD						
	Capital AED '000 (see note 14)	Retained earnings AED '000	Other reserves AED '000 (see note 15)	Discontinued operations AED '000	Total AED '000	Non-controlling interests AED '000	Total equity AED '000
Balance at 1 January 2014	64,534,449	50,214,166	15,604,942	2,378,077	132,731,634	29,291,829	162,023,463
Profit for the period	-	12,076,302	-	-	12,076,302	2,045,008	14,121,310
Other comprehensive income for the period	-	(39,366)	(1,434,761)	-	(1,474,127)	211,371	(1,262,756)
Total comprehensive income for the period	-	12,036,936	(1,434,761)	-	10,602,175	2,256,379	12,858,554
Distribution paid to the Government (see note 18)	-	(2,107,456)	-	-	(2,107,456)	-	(2,107,456)
Transfer related to discontinued operations	-	-	2,378,077	(2,378,077)	-	-	-
Transfer of Tier 1 capital notes (see note 16)	-	-	-	-	-	4,000,000	4,000,000
Interest on Tier 1 capital notes	-	-	-	-	-	(235,301)	(235,301)
Directors' fees in subsidiaries, associates and joint ventures	-	(3,802)	-	-	(3,802)	-	(3,802)
Dividend paid to the non-controlling interests	-	-	-	-	-	(912,522)	(912,522)
Other movements	-	(6,916)	7,413	-	497	6,593	7,090
Balance at 30 June 2014	64,534,449	60,132,928	16,555,671	-	141,223,048	34,406,978	175,630,026

The attached notes 1 to 21 form part of these interim condensed consolidated financial statements.

Investment Corporation of Dubai and its Subsidiaries

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited) (continued)

For the six-month period ended 30 June 2014

	Attributable to the equity holder of ICD					
	Capital AED '000 (see note 14)	Retained earnings AED '000	Other reserves AED '000 (see note 15)	Total AED '000	Non-controlling interests AED '000	Total equity AED '000
Balance at 1 January 2013	64,534,449	38,630,617	14,980,789	118,145,855	23,698,292	141,844,147
Profit for the period	-	6,578,541	-	6,578,541	1,556,977	8,135,518
Other comprehensive income for the period	-	(177,697)	662,841	485,144	(163,970)	321,174
Total comprehensive income for the period	-	6,400,844	662,841	7,063,685	1,393,007	8,456,692
Distribution paid to the Government (see note 18)	-	(131,456)	-	(131,456)	-	(131,456)
Tier 1 capital notes issued (see note 16)	-	-	-	-	3,648,497	3,648,497
Interest on Tier 1 capital notes	-	-	-	-	(18,184)	(18,184)
Directors' fees in subsidiaries, associates and joint ventures	-	(2,305)	-	(2,305)	-	(2,305)
Dividend paid to the non-controlling interests	-	-	-	-	(811,951)	(811,951)
Transfers	-	6,890	(6,890)	-	-	-
Increase in non-controlling interests	-	-	-	-	1,175	1,175
Arising on acquisition of a subsidiary	-	-	-	-	88,324	88,324
Other movements	-	(57,391)	(40,490)	(97,881)	13,337	(84,544)
Balance at 30 June 2013	64,534,449	44,847,199	15,596,250	124,977,898	28,012,497	152,990,395

The attached notes 1 to 21 form part of these interim condensed consolidated financial statements.

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2014

1 ACTIVITIES

Investment Corporation of Dubai ("ICD"), an entity wholly owned by the Government of Dubai (the "Government"), was established in Dubai on 3 May 2006 under Emiree Decree 11 of 2006 issued by H.H. Sheikh Mohammed Bin Rashid Al Maktoum, Vice President and Prime Minister of United Arab Emirates and The Ruler of Dubai.

ICD is a principal investment arm of the Government and was capitalised with the transfer of certain of the Government's portfolio of investments from the Department of Finance-Investments Division. ICD's role is to supervise the Government's investment portfolio, adding value through the implementation of best practice corporate governance and embracing a global investment strategy.

These interim condensed consolidated financial statements for the six-month period ended 30 June 2014 were approved by the Board of Directors of ICD on 16 October 2014.

The address of ICD's registered office is at PO Box 333888, Dubai, United Arab Emirates.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements of ICD and its subsidiaries (together referred to as the "Group") for the six-month period ended 30 June 2014 have been prepared in accordance with IAS 34 "Interim Financial Reporting".

These interim condensed consolidated financial statements have been prepared on a historical cost basis, except for the measurement of available-for-sale investments and financial instruments at fair value through profit or loss (including derivative financial instruments) at fair value. The interim condensed consolidated financial statements are presented in United Arab Emirates Dirhams (AED), which is ICD's functional and presentation currency and all values are rounded to the nearest thousand (AED'000) except when otherwise indicated.

These interim condensed consolidated financial statements do not contain all information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2013. In addition, results for the six-month period ended 30 June 2014 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2014.

2.2 NEW ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS

The interim condensed consolidated financial statements are prepared in accordance with International Accounting Standard IAS 34, "Interim Financial Reporting". The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2013, except for the adoption of new Standards and Interpretations effective as of 1 January 2014.

The nature and the impact of the new standards / amendments are described below:

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10 Consolidated Financial Statements. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments have no impact on the Group, since ICD does not qualify to be an investment entity under IFRS 10.

Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32

These amendments clarify the meaning of 'currently has a legally enforceable right to set-off' and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. These amendments have no significant impact on the financial statements of the Group.

2.2 NEW ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS (continued)

Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39

These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. These amendments have no significant impact on the financial statements of the Group.

Recoverable Amount Disclosures for Non-Financial Assets – Amendments to IAS 36

These amendments remove the unintended consequences of IFRS 13 Fair Value Measurement on the disclosures required under IAS 36 Impairment of Assets. In addition, these amendments require disclosure of the recoverable amounts for the assets or cash-generating units (CGUs) for which an impairment loss has been recognised or reversed during the period. These amendments have no significant impact on the financial statements of the Group.

IFRIC 21 Levies

IFRIC 21 is effective for annual periods beginning on or after 1 January 2014. It is applicable to all levies imposed by governments under legislation, other than outflows that are within the scope of other standards (e.g., IAS 12 Income Taxes) and fines or other penalties for breaches of legislation. The interpretation clarifies that an entity recognises a liability for a levy no earlier than when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, no liability is recognised before the specified minimum threshold is reached. The interpretation requires these same principles to be applied in interim financial statements. These amendments have no significant impact on the financial statements of the Group.

Several other new standards and amendments apply for the first time in 2014. However, they do not have any impact on the interim condensed consolidated financial statements of the Group. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3 NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS AND EQUITY ACCOUNTED INVESTEEES

This includes impairment losses amounting to AED 2,621,656 thousand (unaudited) (six-month period ended 30 June 2013: AED 1,748,389 thousand (unaudited)) relating to loans and receivables and Islamic financing and investment products held by the Group's subsidiary engaged in banking operations.

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2014

4 BUSINESS COMBINATIONS

a) Acquisition of Atlantis The Palm Holding Company Limited

During the current period, the Group acquired the business of Atlantis The Palm Holding Company Limited ("Atlantis") for a consideration of AED 2,742,285 thousand.

The Group recorded fair value of assets and liabilities of Atlantis at the date of acquisition which are summarised as below:

	<i>Fair values</i> <i>AED '000</i>
Property, plant and equipment (note 5)	6,271,123
Inventories	15,598
Trade and other receivables	137,361
Cash and deposits with banks	487,764
Employees' end of service benefits	(29,215)
Borrowings and lease liabilities	(3,670,087)
Negative fair value of derivatives (note 9)	(179,601)
Other non-current payables	(19,910)
Trade and other payables	(232,260)
Fair value of the net assets acquired	2,780,773
Purchase consideration	(2,742,285)
Gain on a bargain purchase	38,488
Analysis of cash flow on acquisition:	
Cash and deposits with banks acquired	487,764
Cash paid	(2,742,285)
Net cash outflow on acquisition	(2,254,521)

Costs of acquisition have been charged to the consolidated income statement.

If the acquisition had taken place at the beginning of the period, the contribution to Group's revenue and profit would have been AED 981,265 thousand and AED 126,497 thousand respectively. The above business combination has not contributed to the revenue or profit of the Group for the current period, as the acquisition took place at the end of the period.

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2014

4 BUSINESS COMBINATIONS (continued)

b) Acquisition of Gold Medal International plc

During the current period, one of the subsidiaries of the Group acquired the business of Gold Medal International plc ("Gold Medal"). Gold Medal is one of the leading distributors of scheduled long-haul travel products in the United Kingdom.

The Group recorded fair value of assets and liabilities of Gold Medal at the date of acquisition which are summarised as below:

	<i>Fair values</i> <i>AED '000</i>
Property, plant and equipment (note 5)	5,944
Intangible assets (note 6)	160,820
Trade and other receivables	79,709
Deferred tax assets	14,306
Cash and deposits with banks	52,093
Deferred tax liabilities	(32,316)
Trade and other payables	(202,824)
Fair value of the net assets acquired	77,732
Goodwill (note 6)	153,013
Consideration	230,745
Cash and deposits with banks acquired	(52,093)
Net cash outflow on acquisition	178,652

Costs of acquisition amounting to AED 5,449 thousand have been charged to the consolidated income statement.

Goodwill is attributable to expected synergies, revenue growth and future market development of the acquired business.

The acquired business contributed revenue of AED 261,992 thousand and a profit of AED 4,058 thousand from the acquisition date to 30 June 2014. If the acquisition had taken place at the beginning of the period, the contribution to Group's revenue and profit would have been AED 364,357 thousand and AED 23,080 thousand respectively.

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2014

4 BUSINESS COMBINATIONS (continued)

c) Acquisition of BNP Paribas Egypt S.A.E

During the prior year, a banking subsidiary of the Group acquired the business of BNP Paribas Egypt S.A.E ("BNPP, Egypt") for a consideration of AED 1,837,686 thousand.

The Group recorded fair value of assets and liabilities of BNPP, Egypt at the date of acquisition which are summarised as below:

	<i>Fair values</i> <i>AED '000</i>
Property, plant and equipment (note 5)	421,009
Intangible assets (note 6)	456,000
Investments in marketable securities	1,649,000
Other non-current assets	43,000
Loans and receivables	3,554,000
Cash and deposits with banks	3,599,000
Trade and other payables	(284,303)
Customer deposits	(7,735,000)
Fair value of the net assets acquired	1,702,706
Purchase consideration	1,837,686
Goodwill (note 6)	134,980
Analysis of cash flow on acquisition	
Cash and deposits with banks acquired	3,599,000
Cash paid	(1,837,686)
Net cash inflow on acquisition	1,761,314

Costs of acquisition amounting to AED 24 million have been charged to consolidated income statement.

d) Acquisition of Broadlex Air Services

During the prior year, one of the subsidiaries of the Group acquired the business of Broadlex Air Services. Broadlex Air Services provides professional aircraft cabin cleaning services at various airports in Australia.

The Group recorded fair value of assets and liabilities of Broadlex Air Services at the date of acquisition which are summarised as below:

	<i>Fair values</i> <i>AED '000</i>
Property, plant and equipment (note 5)	8,261
Intangible assets (note 6)	20,991
Trade and other receivables	282
Deferred tax liability	(6,295)
Trade and other payables	(3,047)
Fair value of the net assets acquired	20,192
Goodwill (note 6)	38,343
Consideration and cash outflow on acquisition	58,535

Costs of acquisition amounting to AED 2,731 thousand have been charged to consolidated income statement.

Goodwill is attributable to expected synergies, revenue growth and future market development of the acquired business.

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2014

4 BUSINESS COMBINATIONS (continued)

e) Acquisition of Servair Air Chef srl

During the prior year, one of the subsidiaries of the Group obtained control of an existing joint venture, Servair Air Chef srl ("Servair"), by acquiring the remaining 50% shares of Servair. Servair is one of the leading in-flight catering companies in Italy operating in 23 airports.

The Group recorded fair value of assets and liabilities of Servair at the date of acquisition which are summarised as below:

	<i>Fair values</i> <i>AED '000</i>
Property, plant and equipment (note 5)	11,270
Intangible assets (note 6)	26,906
Investments in associates and joint ventures	2,869
Deferred tax asset	3,503
Trade and other receivables	77,764
Cash and deposits with banks	39,980
Trade and other payables	(87,822)
Fair value of the net assets acquired	74,470
Less: Non-controlling interests	(1,090)
Group's share of net assets acquired	73,380
Goodwill (note 6)	177,622
Consideration	251,002
Less: Cash and deposits with banks acquired	(39,980)
Less: Fair value of existing interest	(118,394)
Net cash outflow on acquisition	92,628

Costs of acquisition amounting to AED 2,213 thousand have been charged to the consolidated income statement.

The retained interest in the indirect joint venture at the acquisition date was re-measured to fair value resulting in a net gain of AED 31,312 thousand as set out below:

	<i>AED '000</i>
Fair value of retained interest	118,394
Less: carrying amount of investment	(48,899)
Less: de-recognition of goodwill	(38,183)
Gain on re-measurement of retained interest	31,312

Above gain is included under "Other income" in the consolidated income statement.

The goodwill is attributable to the profitability of the acquired business and expected synergies with existing inflight catering business. The full acquisition of this business reflects the subsidiary's long term strategy to further invest in its core business. The Italian business complements the subsidiary's existing in-flight catering and cabin cleaning operations around the world.

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2014

5 PROPERTY PLANT AND EQUIPMENT

	<i>Land, buildings and leasehold improvements AED '000</i>	<i>Furniture, fixtures and office equipment AED '000</i>	<i>Plant, machinery equipment and vehicles AED '000</i>	<i>Oil and gas interests AED '000</i>	<i>Aircraft AED '000</i>	<i>Aircraft engines and parts AED '000</i>	<i>Capital work-in-progress AED '000</i>	<i>Total AED '000</i>
<i>Six-month period ended 30 June 2014 (Unaudited)</i>								
Additions during the period	400,619	162,215	1,139,418	1,023,943	470,249	261,777	11,611,025	15,069,246
Disposals during the period (net book value)	15,487	2,912	76,766	-	50,752	10,954	39,935	196,806
Impairment and depreciation charge for the period	528,209	234,434	1,434,519	489,635	1,986,193	180,855	-	4,853,845
Additions arising on business combinations (see note 4)	6,064,988	192,745	-	-	-	-	19,334	6,277,067
<i>Six-month period ended 30 June 2013 (Unaudited)</i>								
Additions during the period	333,505	273,085	1,780,327	454,344	270,047	137,169	9,020,551	12,269,028
Disposals during the period (net book value)	5,584	23,009	61,862	-	-	21,408	30,122	141,985
Impairment and depreciation charge for the period	572,985	249,719	1,725,303	374,306	1,527,002	140,181	1,569	4,591,065
Additions arising on business combinations (see note 4)	323,586	1,018	49,269	-	-	-	66,667	440,540

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2014

6 INTANGIBLE ASSETS

	Licences and exclusive rights AED '000	Goodwill AED '000	Customer relationships and trade names AED '000	Computer software AED '000	Service rights AED '000	Contractual rights AED '000	Capital work-in- progress AED '000	Total AED '000
<i>Six-month period ended 30 June 2014 (Unaudited)</i>								
Additions during the period	65,018	-	-	40,209	124,788	-	64,821	294,836
Impairment and amortisation charge for the period	228,513	-	30,674	67,211	117,934	37,959	-	482,291
Additions arising on business combinations (see note 4)	-	153,013	20,269	3,473	-	137,078	-	313,833
<i>Six-month period ended 30 June 2013 (Unaudited)</i>								
Additions during the period	4,040,300	-	-	5,478	94,198	199	83,732	4,223,907
Impairment and amortisation charge for the period	187,025	15	26,429	65,035	36,463	33,641	-	348,608
Additions arising on business combinations (see note 4)	357,000	350,945	46,115	1,782	99,000	-	-	854,842

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2014

7 INVESTMENT PROPERTIES

	<i>Six-month period ended 30 June</i>	
	<i>2014 AED'000 (Unaudited)</i>	<i>2013 AED'000 (Unaudited)</i>
Additions during the period	<u>587,748</u>	<u>268,728</u>
Depreciation and impairment charge for the period	<u>684,486</u>	<u>56,538</u>

8 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	<i>30 June 2014 AED'000 (Unaudited)</i>	<i>31 December 2013 AED'000 (Audited)</i>
Investment in associates	29,512,451	27,771,503
Investment in joint ventures	13,139,812	3,561,765
	<u>42,652,263</u>	<u>31,333,268</u>

	<i>Six-month period ended 30 June</i>	
	<i>2014 AED'000 (Unaudited)</i>	<i>2013 AED'000 (Unaudited)</i>
Investments made during the period (see note 13)	<u>10,892,656</u>	<u>46,641</u>
Share of results of associates and joint ventures for the period (related to continuing operations)	<u>1,980,993</u>	<u>1,258,626</u>
Dividends received during the period	<u>1,002,257</u>	<u>762,425</u>
Impairment on investment in associates and joint ventures	<u>406,899</u>	<u>18,733</u>

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2014

9 INVESTMENTS IN MARKETABLE SECURITIES

	<i>30 June 2014 AED'000 (Unaudited)</i>	<i>31 December 2013 AED'000 (Audited)</i>
Available-for-sale investments	21,573,643	21,947,889
Held-to-maturity investments	1,056,332	1,096,419
Fair value through profit or loss	2,220,780	2,565,312
Total investment in marketable securities	24,850,755	25,609,620

Disclosed as follows:

	<i>30 June 2014 AED'000 (Unaudited)</i>	<i>31 December 2013 AED'000 (Audited)</i>
Non-current assets	20,147,652	21,255,750
Current assets	4,703,103	4,353,870
	24,850,755	25,609,620

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The Group holds the following financial instruments measured at fair value:

	<i>30 June 2014 (Unaudited)</i>			
	<i>Total</i>	<i>Financial Instruments carried at fair value</i>		
	<i>AED'000</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>
		<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Available-for-sale investments	21,573,643	13,569,516	4,925,509	3,078,618
Fair value through profit or loss	2,220,780	2,062,513	68,408	89,859
Derivative financial instruments - net	(790,147)	(96,960)	(520,509)	(172,678)
	23,004,276	15,535,069	4,473,408	2,995,799

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2014

9 INVESTMENTS IN MARKETABLE SECURITIES (continued)

	<i>31 December 2013 (Audited)</i>			
	<i>Total</i>	<i>Financial instruments carried at fair value</i>		
		<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Available-for-sale investments	21,947,889	13,332,465	5,458,431	3,156,993
Fair value through profit or loss	2,565,312	2,224,481	213,350	127,481
Derivative financial instruments - net	(332,033)	(37,673)	(295,036)	676
	<u>24,181,168</u>	<u>15,519,273</u>	<u>5,376,745</u>	<u>3,285,150</u>

During the period ended 30 June 2013, available-for-sale financial assets with a carrying amount of AED 151 million were transferred from Level 1 to Level 2 because quoted prices in the market for such debt securities were no longer regularly available. In order to determine the fair value of such debt securities, management used a valuation technique in which all significant inputs were based on observable market data. Further, during the period ended 30 June 2013, investments amounting to AED 80 million were transferred from Level 2 to Level 1 as quoted prices for such investments were available.

The following table shows a reconciliation of the opening and closing amounts of investments classified within Level 3 of the fair value hierarchy:

	<i>Six-month period ended</i>	
	<i>30 June</i>	
	<i>2014</i>	<i>2013</i>
	<i>AED'000</i>	<i>AED'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Balance at beginning of the period	3,285,150	3,297,018
Investments made during the period	15,007	258,764
Settlements / disposals during the period	(277,356)	(201,283)
Arising on business combination (see note 4)	(179,601)	-
Fair value movement during the period taken to income statement	13,443	113,276
Fair value movement during the period taken to statement of comprehensive income	150,243	86,990
Net transfers from level 3	(11,087)	-
Balance at the end of the period	<u>2,995,799</u>	<u>3,554,765</u>

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2014

10 ISLAMIC FINANCING AND INVESTMENT PRODUCTS

	30 June 2014 AED'000 (Unaudited)	31 December 2013 AED'000 (Audited)
Murabaha	22,476,016	18,763,490
Ijara	11,815,715	12,084,157
Wakala	10,092,131	7,498,974
Mudaraba	28,489	-
istisna'a	1,197,167	1,227,003
Credit cards receivable	766,169	859,108
Others	1,388,565	1,610,960
	<u>47,764,252</u>	<u>42,043,692</u>
Less: Deferred income	(2,596,505)	(2,200,957)
Less: Allowance for impairment (see note (b))	(4,339,073)	(3,427,860)
	<u>40,828,674</u>	<u>36,414,875</u>

(a) Analysis by economic activity:

	30 June 2014 AED'000 (Unaudited)	31 December 2013 AED'000 (Audited)
Services and personal	22,815,569	20,018,523
Construction and real estate	8,591,570	9,238,544
Trade	1,990,955	1,901,555
Financial services	10,884,553	8,116,660
Transport and communication	427,281	306,469
Manufacturing	860,829	755,882
Agriculture and allied activities	10,001	7,560
Others	2,183,494	1,698,499
	<u>47,764,252</u>	<u>42,043,692</u>
Less: Deferred income	(2,596,505)	(2,200,957)
Less: Allowance for impairment (see note (b))	(4,339,073)	(3,427,860)
	<u>40,828,674</u>	<u>36,414,875</u>

Disclosed as follows:

Non-current assets	22,707,320	22,793,942
Current assets	18,121,354	13,620,933
	<u>40,828,674</u>	<u>36,414,875</u>

Investment Corporation of Dubai and its subsidiaries

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At 30 June 2014

10 ISLAMIC FINANCING AND INVESTMENT PRODUCTS (continued)

(b) Movement in allowances for impairment during the period

	<i>Six-month period ended 30 June</i>	
	<i>2014 AED'000 (Unaudited)</i>	<i>2013 AED'000 (Unaudited)</i>
Balance at the beginning of the period	3,427,860	2,085,951
Allowance for impairment made during the period – net of recoveries and write back	911,800	490,628
Write off during the period	(587)	-
Other transfers	-	82,696
Balance at the end of the period	<u>4,339,073</u>	<u>2,659,275</u>

11 LOANS AND RECEIVABLES

Loans and receivables represent the receivables arising from the banking operations of the Group carried out through the Group's banking subsidiary. The details of loans and receivables are as follows:

	<i>30 June 2014 AED'000 (Unaudited)</i>	<i>31 December 2013 AED'000 (Audited)</i>
Overdrafts	79,305,169	100,258,999
Time loans	128,219,710	101,060,092
Loans against trust receipts	4,510,837	4,629,788
Bills discounted	4,651,167	5,512,038
Credit card receivables	4,416,336	4,029,428
Others	1,107,873	1,118,074
	<u>222,211,092</u>	<u>216,608,419</u>
Other debt instruments	240,923	255,173
Less: Allowance for impairment (see note (b))	(18,956,862)	(17,338,010)
Net loans and receivables	<u>203,495,153</u>	<u>199,525,582</u>
Disclosed as follows:		
Non-current assets	87,576,940	71,590,011
Current assets	115,918,213	127,935,571
Net loans and receivables	<u>203,495,153</u>	<u>199,525,582</u>

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2014

11 LOANS AND RECEIVABLES (continued)

(a) Analysis by economic activity:

	30 June 2014 AED'000 (Unaudited)	31 December 2013 AED'000 (Audited)
Services (includes financial services)	31,953,505	31,666,810
Personal	31,829,629	31,738,332
Sovereign	97,808,149	90,251,554
Construction and real estate	39,219,704	40,191,349
Manufacturing	5,913,777	6,535,350
Trade	8,247,117	8,771,954
Transport and communication	2,597,030	2,359,101
Mining and quarrying	419,596	453,443
Agriculture and allied activities	5,928	13,612
Others	4,457,580	4,882,087
Loans and receivables before allowance for impairment	222,452,015	216,863,592
Less: allowance for impairment (see note (b) below)	(18,956,862)	(17,338,010)
Net loans and receivables	<u>203,495,153</u>	<u>199,525,582</u>

(b) Movement in allowances for impairment during the period

	Six-month period ended 30 June	
	2014 AED'000 (Unaudited)	2013 AED'000 (Unaudited)
Balance at the beginning of the period	17,338,010	14,509,232
Allowance for impairment made during the period	1,988,345	1,382,802
Write back / recoveries made during the period	(278,489)	(125,041)
Amounts written-off during the period	(24,947)	(26,656)
Interest unwind on impaired loans and receivables	(49,070)	(45,660)
Other transfers	(16,987)	(83,495)
Balance at the end of the period	<u>18,956,862</u>	<u>15,611,182</u>

12 CASH AND DEPOSITS WITH BANKS

Cash and deposits with banks include reserve requirements maintained by the Group's banking subsidiary with the Central Bank of the UAE in AED and US Dollars and are not available for use in the subsidiary's day to day operations and cannot be withdrawn without the Central Bank of the UAE's approval. The level of reserve required changes every month in accordance with the Central Bank of the UAE's directives.

At 30 June 2014

13 ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE / DISCONTINUED OPERATIONS

On 3 June 2013, Dubal Holding LLC ("Dubal Holding"), a wholly owned subsidiary of the Group, and MDC Industry Holding Company LLC ("MDC Holding") entered into a combination agreement pursuant to which Dubal Holding and MDC Holding agreed to create Emirates Global Aluminium PJSC ("EGA") a jointly-held, equal ownership company that will integrate the business of Dubai Aluminium ("DUBAL"), a wholly owned subsidiary of the Group, and Emirates Aluminium Company Limited PJSC ("EMAL"), a joint venture of the Group (referred as the "Transaction"). As at 31 December 2013, various regulatory clearance and approvals were pending and accordingly DUBAL was classified as a disposal group held for sale in the consolidated statement of financial position.

During the current period, the Transaction was completed and DUBAL was transferred to EGA.

- a) The results and cash flows of the discontinued operations included in the Group's profit for the period ended 30 June 2014 (until the date of disposal) and for six-month period ended 30 June 2013 are set out below:

	<i>Six-month period ended 30 June</i>	
	<i>2014 AED'million (Unaudited)*</i>	<i>2013 AED'million (Unaudited)</i>
Revenue	2,299	4,744
Cost of revenues	(1,862)	(3,634)
Other income	34	93
General, administrative and other expenses	(169)	(374)
Net impairment losses on financial assets	-	(18)
Other finance income	77	180
Other finance costs	(9)	(40)
Share of results of associates and joint ventures	28	76
Profit for the period before income tax from discontinued operations	398	1,027
Income tax expense	-	(1)
Profit during the period from discontinued operations	<u>398</u>	<u>1,026</u>
	<i>Six-month period ended 30 June</i>	
	<i>2014 AED'million (Unaudited)*</i>	<i>2013 AED'million (Unaudited)</i>
Net cash generated from operating activities	<u>262</u>	<u>1,209</u>
Net cash used in investing activities	<u>225</u>	<u>281</u>
Net cash used in financing activities	<u>311</u>	<u>808</u>

As DUBAL was disposed off during the current period, the assets and liabilities classified as held for sale are no longer included in the interim consolidated statement of financial position.

* Represents activity prior to the completion of the Transaction and hence not comparable to comparative information which represents activity for six months.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2014

13 ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE / DISCONTINUED OPERATIONS (continued)

b)	Profit for the period from discontinued operations	<i>AED' million</i>
	Net assets directly associated with disposal group classified as held for sale as at 31 December 2013	17,796
	Add: profit during the period until disposal	398
	Less: assets retained by the Group	(5,057)
	Less: other adjustments	(88)
		13,049
	Carrying value of DUBAL on date of disposal	13,049
	Consideration received (see below)	16,139
		3,090
	Profit during the period until disposal (refer to note (a))	398
	Reserve relating to discontinued operations reclassified from other comprehensive income to income statement (see note i5)	2,378
		5,866

The Group transferred the disposal group for a consideration of AED 16,139 million. The consideration was partly in cash amounting to AED 7,016 million and partly in the form of an investment in a joint venture (EGA) having a fair value of AED 9,123 million.

		<i>AED' million</i>
	Consideration received	
	Fair value of 50% stake in EGA (see note 8)	9,123
	Cash	7,016
		16,139

14 CAPITAL

Capital represents the permanent capital provided by the Government and subsequent contributions in cash or in kind by the Government less repayments / return by ICD in cash or in kind.

	<i>Six-month period ended 30 June</i>	
	<i>2014</i>	<i>2013</i>
	<i>AED'000</i>	<i>AED'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Balance at the beginning and end of the period	64,534,449	64,534,449

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15 OTHER RESERVES (Unaudited)

	Legal and statutory reserve AED '000	Capital reserve AED '000	Merger reserve AED '000	Cost of share based payments AED '000	Cumulative changes in fair value AED '000	General reserve AED '000	Asset replacement reserve AED '000	Translation reserve AED '000	Others AED '000	Total AED '000
Balance at 1 January 2014	1,971,394	1,504,071	9,179,316	17,267	3,844,891	309,247	10,309	(1,054,977)	(176,576)	15,604,942
Unrealised gain / (loss) on available-for-sale investments (net)	-	-	-	-	798,267	-	-	-	-	798,267
- ICD and its subsidiaries	-	-	-	-	(42,735)	-	-	-	-	(42,735)
- Associates and joint ventures	-	-	-	-	-	-	-	-	-	-
Loss on hedging instruments (net)	-	-	-	-	(110,564)	-	-	-	-	(110,564)
- ICD and its subsidiaries	-	-	-	-	(40)	-	-	-	-	(40)
- Associates and joint ventures	-	-	-	-	-	-	-	-	-	-
Foreign currency translation differences (net)	-	-	-	-	-	-	-	48,035	-	48,035
- ICD and its subsidiaries	-	-	-	-	-	-	-	147,116	-	147,116
- Associates and joint ventures	-	-	-	-	-	-	-	-	-	-
Cash flow hedge reserves relating to discontinued operations reclassified to income statement (see note 13(b))	-	-	-	-	(2,378,077)	-	-	-	-	(2,378,077)
Reclassification of reserve upon dilution of investments in associates - net	-	-	-	-	76,343	-	-	27,547	(653)	103,237
Total income for the period recognised directly in equity	-	-	-	-	(1,656,806)	-	-	222,698	(653)	(1,434,761)
Discontinued operations	-	-	-	-	2,378,077	-	-	-	-	2,378,077
Transfers (to) / from retained earnings	-	-	-	-	-	-	2,636	-	(2,683)	(47)
Other movements	(3)	4,367	(4)	-	572	-	-	(5)	2,533	7,460
Total at 30 June 2014	1,971,391	1,508,438	9,179,312	17,267	4,566,734	309,247	12,945	(832,284)	(177,379)	16,555,671

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15 OTHER RESERVES (Unaudited) (continued)

	Legal and statutory reserve AED '000	Capital reserve AED '000	Merger reserve AED '000	Cost of share based payments AED '000	Cumulative changes in fair value AED '000	General reserve AED '000	Asset replacement reserve AED '000	Translation reserve AED '000	Others AED '000	Total AED '000
Balance at 1 January 2013	1,668,262	1,482,398	9,179,316	17,267	3,350,027	309,247	9,141	(856,481)	(178,388)	14,980,789
Unrealised gain on available-for-sale investments (net)	-	-	-	-	504,892	-	-	-	-	504,892
- ICD and its subsidiaries	-	-	-	-	154,990	-	-	-	-	154,990
- Associates and joint ventures	-	-	-	-	-	-	-	-	-	-
Gain on hedging instruments (net)	-	-	-	-	542,305	-	-	-	-	542,305
- ICD and its subsidiaries	-	-	-	-	5,079	-	-	-	-	5,079
- Associates and joint ventures	-	-	-	-	-	-	-	-	-	-
Foreign currency translation differences (net)	-	-	-	-	-	-	-	(150,459)	-	(150,459)
- ICD and its subsidiaries	-	-	-	-	-	-	-	(393,966)	-	(393,966)
- Associates and joint ventures	-	-	-	-	-	-	-	-	-	-
Total income for the period recognised directly in equity	-	-	-	-	1,207,266	-	-	(544,425)	-	662,841
Transfers (to) / from retained earnings	-	(581)	-	-	-	-	1,030	-	(7,339)	(6,890)
Other movements	2,314	19,145	-	-	(553)	-	-	1,393	(62,789)	(40,490)
Total at 30 June 2013	1,670,576	1,500,962	9,179,316	17,267	4,556,740	309,247	10,171	(1,399,513)	(248,516)	15,596,250

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16 NON-CONTROLLING INTERESTS

This includes two regulatory Tier 1 Capital notes ("Notes") issued in 2009 ("2009 Notes") and 2013 ("2013 Notes") by the banking subsidiary of the Group amounting to AED 4 billion and USD 1 billion (AED 3.65 billion (net of issuance cost)) respectively. 2009 Notes were issued at fixed interest rate for the first five years and on a floating rate basis thereafter and 2013 Notes were issued at fixed interest rate with a reset after six years. The Notes are perpetual, subordinated and unsecured. The issuer can elect not to pay a coupon at its own discretion. Note holders will not have a right to claim the coupon and such event will not be considered an event of default. The Notes carry no maturity date and have been classified under equity.

During the current period end, ownership of 2009 Notes, which was previously subscribed to by ICD, was changed and accordingly disclosed as a transfer to non-controlling interest in these financial statements.

17 COMMITMENTS AND CONTINGENCIES

(a) Investment commitments

The Group has the following investment commitments as at period-end / year-end:

	<i>30 June 2014 AED'000 (Unaudited)</i>	<i>31 December 2013 AED'000 (Audited)</i>
Available-for-sale investments	6,890	14,057
Group's share of investment commitments in associates	10,661	10,661
Group's share of investment commitment in joint ventures	838,972	1,564,783
	<u>856,523</u>	<u>1,589,501</u>

(b) Operating lease commitments

Group as lessee

Future minimum rentals payable under non-cancellable operating leases as at period-end / year-end are as follows:

	<i>30 June 2014 AED'000 (Unaudited)</i>	<i>31 December 2013 AED'000 (Audited)</i>
Within one year	8,513,339	7,751,232
After one year but not more than five years	22,267,819	22,944,336
More than five years	13,494,448	15,369,941
	<u>44,275,606</u>	<u>46,065,509</u>

Group as lessor

Future minimum rentals receivable as at period-end / year-end are as follows:

	<i>30 June 2014 AED'000 (Unaudited)</i>	<i>31 December 2013 AED'000 (Audited)</i>
Within one year	1,570,923	1,607,466
After one year but not more than five years	3,188,889	3,004,191
More than five years	1,426,846	1,680,989
	<u>6,186,658</u>	<u>6,292,646</u>

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17 COMMITMENTS AND CONTINGENCIES (continued)

(c) Capital commitments

Capital expenditure contracted for / estimated, but not provided for, at the period-end / year-end are as follows:

	<i>30 June 2014 AED'000 (Unaudited)</i>	<i>31 December 2013 AED'000 (Audited)</i>
Capital commitments for purchase of aircraft fleet are as follows:		
Within one year	18,955,210	17,193,728
After one year but not more than five years	79,607,305	88,408,662
More than five years	173,050,690	210,579,535
	<u>271,613,205</u>	<u>316,181,925</u>
Contracted commitment for purchase of other non-financial assets	12,015,289	15,111,582
Authorised but not contracted commitment for purchase of other non-financial assets	4,603,215	4,091,336
Group's share of associate and joint venture companies' capital expenditure commitments	3,313,150	2,845,643
	<u>291,544,859</u>	<u>338,230,486</u>

(d) Assets held under fiduciary capacity

The Group's financial services subsidiaries hold assets in a fiduciary capacity and provide custodian services for some of their customers. The underlying assets held in a custodial or fiduciary capacity are excluded from the Group's interim condensed consolidated financial statements.

(e) Contingencies

The Group has the following contingent liabilities at the period-end / year-end:

	<i>30 June 2014 AED'000 (Unaudited)</i>	<i>31 December 2013 AED'000 (Audited)</i>
Letters of credit	11,339,391	9,341,531
Letters of guarantees	47,175,637	52,397,166
Liabilities on risk participation	2,111,869	2,217,393
Performance bonds	140,913	137,944
Group's share of guarantees issued by associates and joint ventures	5,070,827	4,328,281
Group's share of letters of credit issued by associates and joint ventures	1,459,319	1,359,706
Third party claims*	633,188	633,176
Acceptances	995,968	995,968
Irrevocable loan commitments**	24,881,991	25,700,148

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17 COMMITMENTS AND CONTINGENCIES (continued)

(e) Contingencies (continued)

* There are various claims against the subsidiaries of the Group initiated by their respective contractors, customers and other counterparties in respect of delays in work or non-fulfilment of contractual obligations. The Group's management believes that the respective subsidiaries have strong cases in respect of these contingencies and the chances of outflow of future economic benefits are remote. Accordingly, no liability is recognised in respect of these contingencies.

** Irrevocable loan commitments represent a contractual commitment to permit drawdowns on a facility within a defined period subject to conditions precedent and termination clauses. Since commitments may expire without being drawn down, and as conditions precedent to draw down have to be fulfilled the amounts do not necessarily represent exact future cash requirements.

(f) Operational commitments

At 30 June 2014, one of the Group's subsidiaries has operational commitments relating to sales and marketing amounting to AED 3,603,496 thousand (unaudited) (31 December 2013: AED 3,318,923 thousand (audited)).

18 RELATED PARTY TRANSACTIONS

Related parties represent associated companies, joint ventures, directors and key management personnel of ICD, and entities jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

Related party transactions have been disclosed as under:

a) Transactions with related parties included in the interim consolidated income statement are as follows:

	<i>Costs of revenue AED'000 (Unaudited)</i>	<i>Revenue AED'000 (Unaudited)</i>	<i>Finance income AED'000 (Unaudited)</i>	<i>Finance costs AED'000 (Unaudited)</i>	<i>Other income AED'000 (Unaudited)</i>
<i>Six-month period ended 30 June 2014</i>					
Associates and joint ventures	<u>3,977,236</u>	<u>4,703,119</u>	<u>52,809</u>	<u>58,220</u>	<u>-</u>
Government, MOF and other related parties	<u>19,771</u>	<u>384,527</u>	<u>40,589</u>	<u>227,630</u>	<u>7,871</u>
<i>Six-month period ended 30 June 2013</i>					
Associates and joint ventures	<u>3,930,191</u>	<u>3,943,770</u>	<u>188,852</u>	<u>52,094</u>	<u>-</u>
Government, MOF and other related parties	<u>212,737</u>	<u>552,288</u>	<u>52,753</u>	<u>356,037</u>	<u>27,924</u>

The Group enters into transactions with Government owned entities in the normal course of business. Such entities include various utility companies, port authorities etc. In accordance with the exemption in the revised IAS 24, management has concluded not to disclose such transactions which are entered in normal course of business with the said related Government entities.

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18 RELATED PARTY TRANSACTIONS (continued)

b) Amounts due from / to related parties included in the interim consolidated statement of financial position are as follows:

	30 June 2014		31 December 2013	
	Receivables AED'000 (Unaudited)	Payables AED'000 (Unaudited)	Receivables AED'000 (Audited)	Payables AED'000 (Audited)
Associates and joint ventures	11,068,651	7,669,314	3,947,350	4,115,608
Government, MOF and other related parties	120,894,073	18,266,390	112,523,108	23,393,905
	<u>131,962,724</u>	<u>25,935,704</u>	<u>116,470,458</u>	<u>27,509,513</u>

c) Compensation to key managerial personnel

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

	30 June 2014 AED'000 (Unaudited)	30 June 2013 AED'000 (Unaudited)
Short term benefits	103,492	117,021
End of service benefits	4,496	6,891
Directors' fees	2,127	7,233
Other long term benefits	771	-
	<u>110,886</u>	<u>131,145</u>

d) The investments made in associates and joint ventures and the dividends received from them during the period are disclosed in note 8 to these interim condensed consolidated financial statements. The distribution made to the Government has been disclosed in the interim consolidated statement of changes in equity.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2014

19 CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The tables below sets out the Group's classification of each class of financial assets and financial liabilities at the date of statement of financial position:

30 June 2014 (unaudited):

	<i>Designated as fair value through profit or loss</i> AED'000	<i>Held to maturity</i> AED'000	<i>Available- for- sale</i> AED'000	<i>Loans and receivables</i> AED'000	<i>Liabilities at amortised cost</i> AED'000	<i>Derivative financial instruments</i> AED'000	<i>Total carrying value</i> AED'000
Financial assets							
Non-derivative financial assets							
Investments in marketable securities (see note 9)	2,220,780	1,056,332	21,573,643	-	-	-	24,850,755
Islamic financing and investment products (see note 10)	-	-	-	40,828,674	-	-	40,828,674
Loans and receivables (see note 11)	-	-	-	203,495,153	-	-	203,495,153
Other non-current assets	-	-	-	18,734,538	-	-	18,734,538
Trade and other receivables	-	-	-	30,935,615	-	-	30,935,615
Customer acceptances	-	-	-	3,629,009	-	-	3,629,009
Cash and deposits with banks (see note 12)	-	-	-	107,128,569	-	-	107,128,569
Derivative financial assets							
Positive fair value of derivatives	-	-	-	-	-	1,776,722	1,776,722
	2,220,780	1,056,332	21,573,643	404,751,558	-	1,776,722	431,379,035
Financial liabilities							
Non-derivative financial liabilities							
Customer deposits	-	-	-	-	187,576,489	-	187,576,489
Islamic customer deposits	-	-	-	-	38,007,279	-	38,007,279
Borrowings and lease liabilities	-	-	-	-	155,848,240	-	155,848,240
Other non-current payables	-	-	-	-	3,637,023	-	3,637,023
Customer acceptances	-	-	-	-	3,629,009	-	3,629,009
Deposits under repurchase agreement	-	-	-	-	100,285	-	100,285
Trade and other payables	-	-	-	-	55,933,799	-	55,933,799
Derivative financial liabilities							
Negative fair value of derivatives	-	-	-	-	-	2,566,869	2,566,869
	-	-	-	-	444,732,124	2,566,869	447,298,993

Fair values of the above mentioned financial assets and liabilities approximate their carrying values

Investment Corporation of Dubai and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2014

19 CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

31 December 2013 (audited):

	Designated as fair value through profit or loss AED '000	Held to maturity AED '000	Available- for- sale AED '000	Loans and receivables AED '000	Liabilities at amortised cost AED '000	Derivative financial instruments AED '000	Total carrying value AED '000
Financial assets							
Non-derivative financial assets							
Investments in marketable securities (see note 9)	2,565,312	1,096,419	21,947,889	-	-	-	25,609,620
Islamic financing and investment products (see note 10)	-	-	-	36,414,875	-	-	36,414,875
Loans and receivables (see note 11)	-	-	-	199,525,582	-	-	199,525,582
Other non-current assets	-	-	-	13,547,512	-	-	13,547,512
Trade and other receivables	-	-	-	27,950,043	-	-	27,950,043
Customer acceptances	-	-	-	4,986,419	-	-	4,986,419
Cash and deposits with banks (see note 12)	-	-	-	93,564,149	-	-	93,564,149
Derivative financial assets							
Positive fair value of derivatives	-	-	-	-	-	1,950,620	1,950,620
	<u>2,565,312</u>	<u>1,096,419</u>	<u>21,947,889</u>	<u>375,988,580</u>	<u>-</u>	<u>1,950,620</u>	<u>403,548,820</u>
Financial liabilities							
Non-derivative financial liabilities							
Customer deposits	-	-	-	-	174,030,933	-	174,030,933
Islamic customer deposits	-	-	-	-	38,493,334	-	38,493,334
Borrowings and lease liabilities	-	-	-	-	147,963,931	-	147,963,931
Other non-current payables	-	-	-	-	1,426,139	-	1,426,139
Customer acceptances	-	-	-	-	4,986,419	-	4,986,419
Deposits under repurchase agreements	-	-	-	-	67,129	-	67,129
Trade and other payables	-	-	-	-	51,734,354	-	51,734,354
Derivative financial liabilities							
Negative fair value of derivatives	-	-	-	-	-	2,282,653	2,282,653
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>418,702,239</u>	<u>2,282,653</u>	<u>420,984,892</u>

Fair values of the above mentioned financial assets and liabilities approximate their carrying values.

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20 OPERATING SEGMENTS

The following tables present revenue and profit information for the Group's operating segments for the six month period ended 30 June 2014 and 2013, respectively:

	<i>Banking and other financial services AED'000</i>	<i>Transportation and related services AED'000</i>	<i>Oil and gas products/ services AED'000</i>	<i>Others AED'000</i>	<i>Total AED'000</i>
Six month period ended 30 June 2014 (Unaudited)					
Revenues					
Revenue from external customers	8,118,079	47,803,174	36,907,518	5,276,377	98,105,148
Results:					
Profit for the period from continuing operations before tax	2,996,109	2,303,560	2,413,918	1,018,593	8,732,180
Six month period ended 30 June 2013 (Unaudited)					
Revenues					
Revenue from external customers	6,433,078	43,277,977	31,520,122	5,209,129	86,440,306
Results:					
Profit for the period from continuing operations before tax	2,384,145	1,076,346	2,511,748	1,548,648	7,520,887

The following table presents assets and liabilities information for the Group's operating segments as at 30 June 2014 and 31 December 2013, respectively:

	<i>Banking and other financial services AED'000</i>	<i>Transportation and related services AED'000</i>	<i>Oil and gas products/ services AED'000</i>	<i>Others AED'000</i>	<i>Total AED'000</i>
At 30 June 2014 (Unaudited)					
Segmental Assets	346,024,418	129,364,271	73,153,445	95,176,423	643,718,557
Segmental Liabilities	286,191,790	94,954,423	45,961,153	40,981,165	468,088,531
At 31 December 2013 (Audited)					
Segmental Assets	337,331,219	119,593,389	64,341,047	65,431,970	586,697,625
Segmental Liabilities	279,235,452	86,296,032	38,646,665	38,292,861	442,471,010

21 SUBSEQUENT EVENTS

Subsequent to 30 June 2014, the Group has partly disposed its investment in one its associates. Management of the Group is currently assessing whether it exercises significant influence over such investee as a result of such dilution.