



**Condensed Consolidated Interim Financial Statements
For the six months period ended 30 June 2012**

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Independent auditors' report on review of interim financial information

The Shareholders
Majid Al Futtaim Holding LLC

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Majid Al Futtaim Holding LLC ("the Company") and its subsidiaries (collectively referred to as "the Group") as at 30 June 2012, the condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six month period then ended, and notes to the interim financial information ("the condensed consolidated interim financial information"). Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with the 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 condensed consolidated interim financial information as at 30 June 2012 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

15 SEP 2012

Condensed consolidated interim statement of financial position
As at 30 June 2012

In thousands of AED

	Notes	30 June 2012 Unaudited	31 December 2011 Audited
Tangible fixed assets			
Property, plant and equipment	5	19,615,245	19,431,166
Investment property	6	11,054,333	10,557,425
Development property		65,276	-
		30,734,854	29,988,591
Other non-current assets			
Investments		1,155,223	1,182,599
Net investment in finance leases - non current portion		126,371	96,964
Long term prepaid lease premium		13,446	14,346
Long term loans and advances		112,045	34,106
Intangible assets		142,851	152,544
Deferred tax asset		303	303
		1,550,239	1,480,862
Total non-current assets		32,285,093	31,469,453
Current assets			
Inventories		1,044,218	884,137
Trade and other receivables		1,207,331	1,135,775
Due from related parties	7	91,147	87,341
Net investment in finance leases - current portion		179,726	157,965
Cash in hand and at bank		2,207,734	2,395,349
		4,730,156	4,660,567
Current liabilities			
Short term loans from related parties	7	245,000	303,000
Trade and other payables		5,166,901	5,176,604
Negative fair value of the derivatives		314,277	317,047
Due to related parties	7	53,687	72,344
Other employment benefits payable - current portion		169,238	150,912
Bank overdraft		7,746	4,991
Current maturity of long term loans	8	1,672,901	2,074,485
		7,629,750	8,099,383
Net current liabilities		(2,899,594)	(3,438,816)
Non-current liabilities			
Long term loans - non current portion	8	7,603,080	7,574,683
Deferred tax liabilities	9	121,056	111,039
Other deferred liabilities		98,187	95,681
Other employment benefits payable - non current portion		19,372	24,211
Provision for staff terminal benefits		264,046	237,124
Total non-current liabilities		8,105,741	8,042,738
Net assets		21,279,758	19,987,899
Equity			
Share capital		2,486,729	2,486,729
Revaluation reserve		13,632,823	13,294,689
Other reserves		4,624,531	3,682,473
Total equity attributable to the owners of the Company		20,744,083	19,463,891
Non-controlling interest		535,675	524,008
Total equity		21,279,758	19,987,899

The notes on pages 8 to 13 form part of these condensed consolidated interim financial statements.

Independent auditors' report on review of interim financial information is set out at page 2


Chief Executive Officer

 15 SEP 2012

Chief Financial Officer

Condensed consolidated interim statement of comprehensive income
For the six months period ended 30 June

In thousands of AED

	Notes	For 6 months period 30 June 2012 Unaudited	For 6 months period 30 June 2011 Unaudited
Revenue	4	10,746,750	9,359,133
Cost of sales		(7,441,321)	(6,534,596)
Operating expenses		(2,305,599)	(1,991,752)
Net valuation gain / (loss) on land and buildings		315,919	(358,125)
Finance costs		(297,972)	(317,056)
Finance income		48,757	33,621
Other income / (expenses) - net		3,343	(8,744)
Impairment reversal/ (provision) - net		12,443	(287,159)
Share of loss in joint ventures & associate - net		(770)	(4,386)
Profit / (loss) for the period before tax		1,081,550	(109,064)
Tax (charge) / credit - net		(43,478)	22,335
Profit / (loss) for the period after tax		1,038,072	(86,729)
Profit / (loss) for the period attributable to:			
Owners of the Company		927,088	(164,850)
Non-controlling interest		110,984	78,121
Profit / (loss) for the period		1,038,072	(86,729)
Other comprehensive income			
Foreign currency translation differences from foreign operations		31,342	(29,723)
Deferred tax liability reversed on revaluation of land and buildings		3,445	1,944
Net change in fair value of cash flow hedges transferred to profit or loss		41,972	61,493
Effective portion of changes in fair value of cash flow hedges		(58,495)	(48,884)
Net gain on valuation of land and buildings		334,689	493,461
Total other comprehensive income for the period		352,953	478,291
Total comprehensive income for the period		1,391,025	391,562
Total comprehensive income for the period attributable to:			
Owners of the Company		1,284,364	314,791
Non-controlling interest		106,661	76,771
Total comprehensive income for the period		1,391,025	391,562

The notes on pages 8 to 13 form part of these condensed consolidated interim financial statements.

Independent auditors' report on review of interim financial information is set out at page 2

Condensed consolidated interim statement of cash flows
For the six months period ended 30 June
 In thousands of AED

Notes	For 6 months period 30 June 2012 (Unaudited)	For 6 months period 30 June 2011 (Unaudited)
Profit / (loss) for the period after tax	1,038,072	(86,729)
Non-cash adjustments:		
Finance income	(48,757)	(33,621)
Dividend income	-	-
Net valuation (profit) / loss on land and building	(315,919)	358,125
Finance cost	297,972	317,056
Depreciation	461,967	446,246
Deferred tax charge / (credit)	13,462	(34,552)
Amortisation of intangible assets	13,437	10,246
Share of loss in joint ventures and associate	770	4,386
Impairment (reversal) / provision - net	(12,443)	287,159
Loss on disposal of non-current assets	23,965	11,160
Provision for staff terminal benefits - net	14,672	4,252
Others	8,131	(4,360)
Net cash from operations	1,495,329	1,279,368
Changes to working capital		
Inventories	(160,082)	(102,989)
Receivables and prepayments	(92,417)	(84,201)
Payables and accruals	(34,435)	(6,784)
Due from/to related parties	(22,446)	96,518
Net cash from operating activities	1,185,949	1,181,912
Cash flow from investing activities		
Acquisition of property, plant and equipment (including investment property and capital-work in progress)	(592,154)	(642,830)
Proceeds from sale of property, plant and equipment	42,123	24,562
Investment in joint ventures and associate	(59,793)	(90,121)
Movement in short term fixed deposits - net	135,000	-
Interest received	50,384	39,135
Dividend received	-	-
Cash used in investing activities	(424,440)	(669,254)
Cash flow from financing activities		
Short term loans received from related party	7	200,000
Short term loans paid back to related party	7	-
Long term loans received	8	1,072,983
Long term loan repaid	8	(1,495,714)
Interest paid	(284,729)	(335,256)
Dividend paid to minority shareholders	(93,603)	(118,117)
Cash used in financing activities	(816,879)	(676,104)
Decrease in cash and cash equivalents	(55,370)	(163,446)
Cash and cash equivalents at the beginning of the period	2,155,358	2,266,093
Cash and cash equivalents at the end of the period	2,099,988	2,102,647
<i>Cash and cash equivalents comprise:</i>		
Cash in hand and at bank (excluding deposit of AED 100 million with a maturity of more than 3 months)	2,107,734	2,135,307
Bank overdraft	(7,746)	(32,660)
	2,099,988	2,102,647

The notes on pages 8 to 13 form part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Financial Statements for the six month period ended 30 June 2012

Condensed consolidated interim statement of changes in equity
For the six month period ended 30 June 2011
 In thousands of AED

	-----Other Reserves-----							Total		
	Share capital	Revaluation reserve	Statutory reserve	Retained earnings	Hedging reserve	Currency translation	Total other reserves		Attributable to equity holders of the parent	Non-controlling interest
At 1 January 2011 (audited)	2,486,729	12,213,802	1,200,722	2,358,230	(220,077)	(56,463)	3,282,412	17,982,943	427,488	18,410,431
Total comprehensive income for the period										
Net loss for the period	-	-	-	(164,850)	-	-	(164,850)	(164,850)	78,121	(86,729)
Other comprehensive income										
Net gain on valuation of land and building	-	493,461	-	-	-	-	-	493,461	-	493,461
Deferred tax liability reversed on revaluation of properties	-	1,944	-	-	-	-	-	1,944	-	1,944
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	-	61,493	-	61,493	61,493	-	61,493
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	(48,884)	-	(48,884)	(48,884)	-	(48,884)
Currency translation differences in foreign operations	-	-	-	-	-	(28,373)	(28,373)	(28,373)	(1,350)	(29,723)
Total comprehensive income for the period	-	495,405	-	(164,850)	12,609	(28,373)	(180,614)	314,791	76,771	391,562
Transactions with owners recorded directly in equity										
<i>Contribution by and distributions to owners and other movement in equity</i>										
Dividend declared and paid	-	-	-	-	-	-	-	-	(85,625)	(85,625)
Employee's share of dividend declared by a subsidiary	-	-	-	(8,960)	-	-	(8,960)	(8,960)	(2,986)	(11,946)
Total Contribution by and distribution to owners	-	-	-	(8,960)	-	-	(8,960)	(8,960)	(88,611)	(97,571)
At 30 June 2011 (unaudited)	2,486,729	12,709,207	1,200,722	2,184,420	(207,468)	(84,836)	3,092,838	18,288,774	415,648	18,704,422

Condensed Consolidated Interim Financial Statements for the six month period ended 30 June 2012

Condensed consolidated interim statement of changes in equity
For the six month period ended 30 June 2012
 In thousands of AED

	Share capital	Revaluation reserve	Statutory reserve	Retained earnings	Hedging reserve	Currency translation	Total other reserves	Attributable to equity holders of the parent	Non-controlling interest	Total
At 1 January 2012 (audited)	2,486,729	13,294,689	1,248,249	2,873,903	(284,309)	(155,370)	3,682,473	19,463,891	524,008	19,987,899
Total comprehensive income for the period	-	-	-	927,088	-	-	927,088	927,088	110,984	1,038,072
Net profit for the period	-	-	-	927,088	-	-	927,088	927,088	110,984	1,038,072
Other comprehensive income	-	334,689	-	-	-	-	-	334,689	-	334,689
Net gain on valuation of land and building	-	334,689	-	-	-	-	-	334,689	-	334,689
Deferred tax liability reversed on revaluation of properties	-	3,445	-	-	-	-	-	3,445	-	3,445
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	-	41,972	-	41,972	41,972	-	41,972
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	(58,495)	-	(58,495)	(58,495)	-	(58,495)
Currency translation differences in foreign operations	-	-	-	-	-	35,665	35,665	35,665	(4,323)	31,342
Total comprehensive income for the period	-	338,134	-	927,088	(16,523)	35,665	946,230	1,284,364	106,661	1,391,025
Transactions with owners recorded directly in equity										
<i>Contribution by and distributions to owners and other movement in equity</i>										
Dividend declared and paid	-	-	-	-	-	-	-	-	(93,603)	(93,603)
Employees' share of dividend declared by a subsidiary	-	-	-	(4,172)	-	-	(4,172)	(4,172)	(1,391)	(5,563)
Total Contribution by and distribution to owners	-	-	-	(4,172)	-	-	(4,172)	(4,172)	(94,994)	(99,166)
At 30 June 2012 (unaudited)	2,486,729	13,632,823	1,248,249	3,796,819	(300,832)	(119,705)	4,624,531	20,744,083	535,675	21,279,758

The notes on pages 8 to 13 form part of these condensed consolidated interim financial statements.

Notes to the consolidated financial statements**1) Legal status and principal activities**

Majid Al Futtaim Holding LLC ("the Company") is registered as a limited liability company in the Emirate of Dubai under the UAE Federal Law No. 8 of 1984 (as amended) as applicable to commercial companies.

The condensed consolidated interim financial statements of the Company as at and for the six month ended 30 June 2012 comprises the Company and its subsidiaries (together referred to as "the Group"), and the Group's interest in jointly controlled entities and associates. The principal activities of the Group are establishment and management of shopping malls, hotels, mixed used projects, residential projects, hypermarkets, supermarkets, retail stores, leisure activities and investment activities. The registered address of the Company is P.O. Box 91100 Dubai, United Arab Emirates.

Majid Al Futtaim Holding LLC is fully owned by Majid Al Futtaim Capital LLC ("the Parent Company"). The registered address of the Parent Company is P.O Box 91100, Dubai, United Arab Emirates.

2) Basis of preparation**(a) Statement of compliance**

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. Selected explanatory notes are included to explain events and transactions that are significant for an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2011. These condensed consolidated interim financial statements do not include all the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards.

This condensed consolidated interim financial information was approved by the Board of Directors on **15 September 2012.**

(b) Judgements and estimates

The preparation of condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2011.

3) Significant accounting policies

The accounting policies applied in the preparation of these condensed consolidated interim financial statements are consistent with those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2011. During the period, the Group has implemented the following new accounting policy:

Development property

Properties in the process of construction or development for the purpose of sale on completion are classified as development properties. These are measured at lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost of development property is determined on the basis of the cost of land plus construction costs incurred and includes borrowing costs capitalized.

When the use of a property changes such that it is reclassified as a development property from investment property, its fair value at the date of reclassification becomes its cost for subsequent accounting.

The classification of development properties as current or non-current is dependent upon the expected date of their completion.

Notes to the consolidated financial statements (continued)
4) Revenue

	30 Jun 12	30 Jun 11
	AED'000	AED'000
	Unaudited	Unaudited
Sale of goods	8,222,698	7,254,021
Listing fees, gondola fees and commissions	685,924	536,470
Rental income	1,070,856	947,983
Leisure and entertainment	311,706	264,767
Hospitality revenue	265,248	204,714
Fashion goods	127,581	126,231
Others	62,737	24,947
	10,746,750	9,359,133

5) Property, plant and equipment

During the six months period ended 30 June 2012, ("the current period"), the Group incurred capital expenditure amounting to AED 386 million (six month period ended 30 June 2011: AED 479 million).

Assets with a carrying value of AED 52 million (six month period ended 30 June 2011: AED 38 million) were disposed of during the current period, resulting in a loss on disposal of AED 24 million (six month period ended 30 June 2011: loss of AED 11 million).

Depreciation of AED 462 million (six month period ended 30 June 2011: AED 446 million) was charged during the period.

During the current period, a revaluation gain of AED 478 million (six month period ended 30 June 2011: gain of AED 519 million) has been recognized. This comprises a valuation gain of AED 335 million (six month period ended 30 June 2011: AED 493 million) recognised in other comprehensive income and a valuation gain of AED 143 million (six month period ended 30 June 2011: gain of AED 26 million) recognised in profit or loss.

Due to change in use, certain lands with a carrying value as at 1 January 2012 of AED 111 million have been reclassified from property, plant and equipment to investment properties. Also refer note 6.

During the current period, management has tested the carrying amount of a property under construction for impairment based on the estimated cash flows expected to be generated from the future operations of this property. Accordingly, a reversal of impairment loss of AED 12 million has been recognized in the current period (six month period ended 30 June 2011: loss of AED 287 million).

6) Investment property

During the current period, the Group incurred capital expenditure amounting to AED 206 million (six month period ended 30 June 2011: AED 164 million).

During the current period, a valuation gain of AED 173 million (six month period ended 30 June 2011: loss of AED 384 million), has been recognised in profit or loss.

Due to a change in use, certain lands with a carrying value as at 1 January 2012 of AED 111 million have been reclassified from property, plant and equipment to investment properties. Also refer note 5. Furthermore a land with a carrying value as at 1 January 2012 of AED 65.3 million has been reclassified from investment properties to development property, as a residential project shall be constructed on this land with the intention to sell once construction is complete.

Notes to the consolidated financial statements (continued)
7) Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include the ultimate parent company, Majid Al Futtaim Capital LLC, its subsidiaries, associates, joint ventures, key management personnel and / or their close family members. Transactions with related parties are carried at agreed terms.

During the previous year, Group had negotiated a loan facility of AED 500 million from Majid Al Futtaim Capital LLC ("the Parent Company") of which the Group borrowed AED 79 million (six month period ended 30 June 2011: AED 200 million) during the current period and repaid AED 137 million (six month period ended 30 June 2011: AED nil). This facility is renewable every year with a final maturity of four years and carries interest at EIBOR plus 1.5%. As on 30 June 2012, AED 245 million is payable under this facility (six month period ended 30 June 2011: AED 200 million) and AED 3 million (six month period ended 30 June 2011: AED 3 million) was recorded as an interest expense on this loan facility.

Balances with related parties are as follows:

	30 Jun 12	31 Dec 11
	AED'000	AED'000
	Unaudited	Audited
Due from related parties		
Joint ventures	82,391	73,613
Majid Al Futtaim Capital LLC	3,528	5,804
Others	5,228	7,924
	91,147	87,341
	30 Jun 12	31 Dec 11
	AED'000	AED'000
	Unaudited	Audited
Due to related parties		
Carrefour group companies	12,510	26,945
Others	41,177	45,399
	53,687	72,344

8) Long term loans

	30 Jun 12	31 Dec 2011	30 Jun 11
	AED'000	AED'000	AED'000
	Unaudited	Audited	Unaudited
At 1 January	9,649,168	10,500,158	10,507,790
Borrowed during the period	2,231,015	3,305,708	1,072,983
Repaid during the period	(2,604,202)	(4,156,698)	(1,497,796)
Closing balance	9,275,981	9,649,168	10,082,977
Less: Current maturity of long term loan	(1,672,901)	(2,074,485)	(1,199,769)
Non-current portion	7,603,080	7,574,683	8,883,208

Notes to the consolidated financial statements (continued)
8) Long term loans (continued)

Loan facility AED '000	Loan amount at 30 June 2012 AED '000	Repayment interval	Repayment commencement	Maturity date
USD 125,000 (AED 459,000)	458,998	Half-yearly	30-Apr-13	31-Oct-15
USD 75,000 (AED 275,475)	275,475	Half-yearly	30-Apr-13	31-Oct-15
OMR 22,000 (AED 210,100)	135,777	Half-yearly (refer note (a))	25-Oct-08	30-Apr-18
OMR 30,000 (AED 286,200)	271,772	Half-yearly (refer note (a))	31-Jan-12	31-Jan-22
USD 33,000 (AED 121,240)	40,644	Half-yearly	08-Mar-10	08-Sep-13
EGP 146,400 (AED 91,075)	51,073	Half-yearly	26-Jun-11	26-Jun-14
USD 600,000 (AED 2,203,200)	1,907,350	Half-yearly (refer note (b))	31-Mar-10	26-Apr-18
USD 55,000 (AED 201,960)	165,669	Yearly (refer Note(c))	30-Jul-15	30-Jan-22
LBP 180,000,000 (AED 441,000)	135,179	Yearly (refer Note(c))	30-Jul-15	30-Jan-22
USD 75,000 (AED 275,475)	206,606	Half-yearly	15-Jun-12	16-Dec-13
USD 290,000 (AED 1,065,170)	532,585	Half-yearly	31-May-13	30-Nov-16
AED 577,360	433,020	Half-yearly	15-Jun-12	16-Dec-13
AED 225,000	184,000	Half-yearly (refer note (d))	1-Oct-12	31-Mar-20
USD 400,000 (AED 1,469,200)	1,469,200	Bullet (refer note (e))	NA	07-Feb-17
AED 55,080	48,221	Quarterly	31-Mar-12	31-Dec-15
AED 100,000	6,250	Quarterly	31-Dec-08	30-Sep-12
AED 55,080	22,035	Quarterly	31-Mar-13	31-Dec-16
AED 49,250	24,275	Quarterly	30-Sep-12	30-Jun-16
AED 615,228	198,924	Half-yearly	21-Jul-14	21-Jul-16
USD 832,500 (AED 3,057,723)	967,743	Half-yearly	21-Jul-14	21-Jul-16
USD 95,000 (AED 348,840)	106,517	Quarterly	31-Oct-09	31-Jul-13
AED 106,000	13,250	Quarterly	26-Jan-09	26-Oct-12
AED 368,000	276,000	Yearly	26-Aug-11	26-Aug-14
USD 125,000 (AED 459,108)	458,551	Bullet	NA	3-Aug-12
AED 300,000	150,000	Half-yearly	6-Sep-09	6-Mar-15
AED 275,000	171,738	Quarterly	24-Apr-11	25-Oct-14
USD 208,000 (AED 763,984)	565,129	Quarterly	15-Nov-11	15-Aug-14
Total	9,275,981			

Notes to the consolidated financial statements (continued)**8) Long term loans (continued)**

The above loans are obtained at margins ranging from 1 % to 3.5% (30 June 2011: 1% to 3.5%) over the base lending rate, whilst four financing arrangements are fixed at a rate ranging from 5.85 to 6.5% (30 June 2011: 6% to 6.5%). For the loans obtained in the UAE, the base lending rate used is generally EIBOR/LIBOR. Certain loans obtained by overseas subsidiaries are based on CAIBOR and Treasury Bill rates

The amount of AED 1,673 million (30 June 2011: AED 1,200 million) is payable within the next 12 months and is shown under current maturity of long term loans.

- a) The loans in Omani Riyal are secured against:
 - i) A registered first charge on all assets of a shopping mall in Muscat including land, buildings and equipment but excluding fit-outs and equipment owned by tenants; and
 - ii) Assignment of all insurance policies related to the fixed assets of a shopping mall in Muscat.
- b) The USD 600 million loan facility is secured by a mortgage on the land and assignment of insurance policies of the property and future lease rentals of a shopping mall in UAE.
- c) The loan facility of AED 202 million and AED 441 million were obtained by a subsidiary in Lebanon and are secured by way of a first ranking charge over the plot on which the shopping mall is under construction and assignment of future lease rentals of the shopping mall.
- d) During 2011, a loan facility of AED 225 million was obtained by a subsidiary in UAE. The facility is secured by way of a first degree mortgage over land and building of a shopping mall in UAE, assignment of insurance of insurance policies of the property and future lease rentals of the shopping mall.
- e) In February 2012, the Group issued Sukuk certificates from its USD 1 billion Sukuk program, raising USD 400 million (AED 1,469 million).

The Sukuk program is structured as a "Wakala". The 5 year senior unsecured bonds issued under this program are listed on the London Stock Exchange. The terms of the arrangement include transfer of legal ownership of certain identified assets (the "Wakala assets") of the Group to a Special Purpose Vehicle, MAF Sukuk Ltd. (the "Issuer"), formed for the issuance of bonds. The financial statements of the issuer have been included in these condensed consolidated interim financial statements. In substance, the Wakala assets remain in control of the Group. In case of any shortfall in cash flows, the Group has provided an undertaking to make good on such shortfall to the bond holders. The Wakala assets are under the control of the Group and shall continue to be serviced by the Group. The bond holders have no recourse to the assets. The Sukuk certificates mature during February 2017.

These bonds bear a fixed profit rate payable to the investors at the rate of 5.85% per annum on a semi-annual basis. The Issuer will service the profit from returns generated from the Wakala assets.

- f) Other than the securities referred to above, the remaining loans are unsecured.
- g) During the current period, the Group has prepaid an amount of AED 875 million with respect to an Ijara loan facility and released the corresponding security which included assignment of lease rentals of a shopping mall in UAE and a corporate guarantee provided by the Group. Furthermore, during the current period, the Group has prepaid an amount of AED 888 million with respect to a syndicated financing facility and released the corresponding mortgage on a mall in Bahrain held as security against the loan.

Notes to the consolidated financial statements (continued)
9) Deferred tax liabilities

	30 Jun 12	30 Jun 11
	AED'000	AED'000
	Unaudited	Unaudited
At 1 January	111,039	193,056
Charged / (write back) to profit or loss	13,462	(34,552)
Write back to equity	(3,445)	(1,944)
Foreign currency translation difference from foreign operations	-	(4,397)
At 30 June	121,056	152,163

Deferred tax liability has been computed on the taxable temporary differences arising as a result of valuation gains/losses on the Group's properties in Egypt, Syria and Lebanon. The tax rates in these countries are 20%, 28% and 15% respectively.

10) Funding and liquidity

At 30 June 2012, Group has net current liabilities of AED 2,900 million (2011: AED 3,439 million) which includes loan maturing in short term of AED 1,918 million (2011: AED 2,377 million) and bank overdraft of AED 7.7 million (2011: AED 4.9 million). Furthermore, at 30 June 2012, debts maturing in the long term are AED 7,603 million (2011: AED 7,575 million). Also, from 1 July 2012 to 30 June 2013, the Group expects to incur interest cost of AED 609 million and capital expenditure of AED 4,829 million.

To meet the above commitments Group has existing undrawn facilities of AED 4,364 million and cash in hand at 30 June 2012 of AED 2,208 million. The Group expects to generate cash from operations of about AED 2,913 million in the subsequent twelve months ending 30 June 2013. At 30 June 2012, the Group is in compliance with all covenants under its borrowing facilities.

On the basis of the above, management has concluded that the Group will be able to meet its financial commitments in the foreseeable future.

11) Contingent liabilities, guarantees and commitments

Capital commitments of Group at 30 June 2012 on on-going projects, including Group's interest in joint ventures, amounted to AED 4,380 million (31 December 2011: AED 4,465 million).

Letters of credit outstanding at 30 June 2012 amounted to AED 75 million (31 December 2011: AED 1 million).

The Group is contingently liable in respect of corporate guarantees of AED 53 million (31 December 2011: AED 55 million) to various banks.

12) Subsequent events

Subsequent to the period end, the Group issued seven year fixed rate bonds amounting to USD 500 million (AED 1,837 million) under the Global Medium Term Note Program. These carry a coupon rate of 5.25% per annum, payable every six months and redeemable at par in July 2019 (the final maturity date).

Subsequent to the period end, on 6 August 2012 and 16 August 2012, MAF Investment Syria LLC, a subsidiary incorporated in Syria and MAF Syria for Investment and Development LLC, a subsidiary incorporated in the UAE, respectively, have been transferred by the Group to Majid Al Futtaim Capital LLC ("the Parent Company"). The purchase consideration towards the acquisition of these entities by the Parent Company is equivalent to the carrying value of the net assets transferred by the Group.