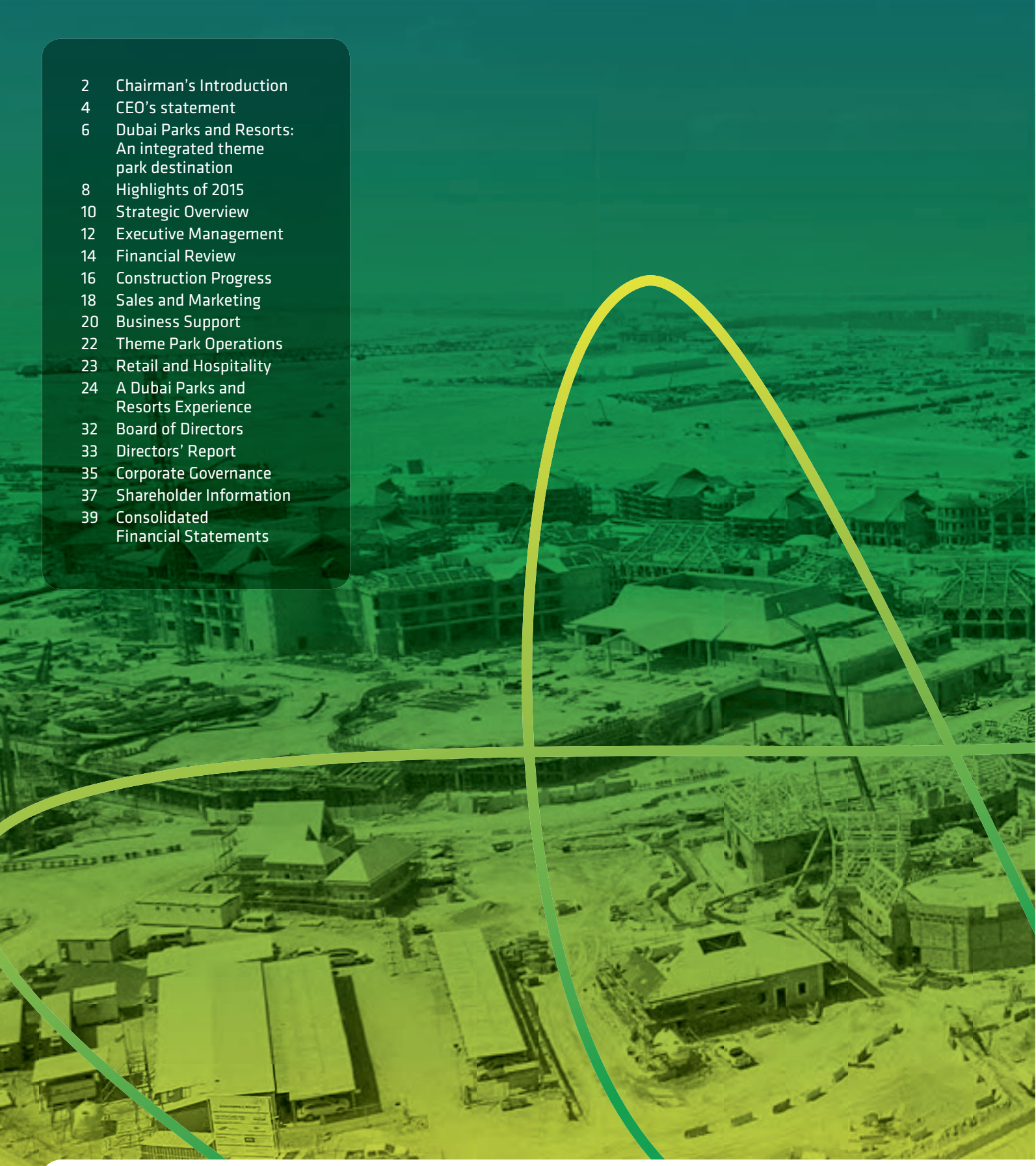
dpr™

OUR PEOPLE
OUR SUCCESS

Annual Report 2015

EXPERIENCE AMAZING



motiongate™ DUBAI

Bollywood PARKS | DUBAI

LEGO LEGOLAND DUBAI

When Dubai Parks and Resorts opens its gates to guests, it will be the largest integrated theme park destination in the region.

ENTERTAINMENT DOESN'T GET ANY BIGGER AND BETTER THAN THIS

Dubai Parks and Resorts is where the best of the East meets the best of the West to create a world of fun and adventure unlike any other.

EVERYTHING IN ONE LOCATION

Spread across 25 million sq ft, you will find three world-class theme parks and a water park side by side, with over 100 rides and attractions in total.

LEGOLAND WATER PARK

LAPITA AUTOGRAPH COLLECTION HOTELS

RIVERLAND DUBAI

On behalf of the Board of Directors, it is my pleasure to present the annual report of Dubai Parks and Resorts PJSC for the year ended 31 December 2015.

The report gives a detailed and comprehensive review of our achievements, progress, and performance during the period.

The Board and I extend our appreciation to the leadership of Dubai and the UAE for their wise counsel; to our shareholders for their unwavering support; and to our management and staff for the outstanding efforts that have brought Dubai Parks and Resorts to the enviable position that we are in today.

Abdulla Al Habbai
Chairman

Tireless efforts create amazing results

"Together, we are spearheading the region's best in entertainment, and the results are now very evident.

When we first adopted 'Experience Amazing' as our slogan, our thinking was directed to what would be on offer when Dubai Parks and Resorts opens its gates later this year to our guests. We are creating a unique destination that will feature the best from East to West, with three theme parks, a water park, a hotel, and a retail and dining district, all within comfortable walking distance of each other. Now, with only months to go to the planned opening in 2016, the slogan has taken on an entirely new dimension.

We have 'experienced amazing' since work on the project began – and even more so during 2015, when we made rapid progress in every aspect of turning the concept into reality.

Everyone has worked together tirelessly to take us to this stage – our own management and staff, consultants, contractors, and intellectual property partners, underlining the truth of this report's cover headline: 'Our People, Our Success'.

'Experience Amazing' has become part of our daily lives as we see the destination come to life, with our first rollercoaster track installed at LEGOLAND® Dubai, the Rajmahal Theatre at Bollywood Parks Dubai looking breathtaking, and significant progress made across all the other elements, including the planting of trees and shrubs across the resort as part of our strategy to make our destination both respectful of the environment and pleasant for our visitors.

Achieving results

Together with 41 of the best-known names in construction and more than 13,500 workers on site, construction is progressing rapidly to achieve The One Thing goal: to open on time and on budget.

We are progressing well against our construction milestones with all of the design works now complete. Ride system production is 89 percent complete and overall facilities structure works are 88 percent complete. Work is progressing on the installation of the rides and, as at the end of 2015, 16 complete rides had been delivered to Dubai from various theme park ride vendors.

In terms of overall infrastructure, which is 70 percent complete, our substation was handed over to DEWA in December and the district cooling is expected to be finished in the first quarter of 2016.

Cumulative project expenditure was AED 5.8 billion at year-end. The development is funded through a combination of equity provided by Meraas, our major shareholder and sponsor, and by investors who participated in our listing in December 2014. We began the drawdown on our banking facility in the third quarter of 2015, and as at the end of the year we had drawn AED 1.5 billion.

Behind the scenes

Much of our work is less visible, but equally important. We have been extremely busy with sales and marketing, recruitment, financial management, technology, and the multi-faceted support systems that are crucial to the successful operation of Dubai Parks and Resorts right from opening day.

By February all of the senior management team was in place, and a concentrated effort began to prepare our mass recruitment plan for 2016. Once the resort is open, we expect to have over 4,000 employees.

Our people are our success, and our diverse staff of over 260 employees come from 38 different countries, bringing the best from East and West not only to our theme parks but also to our corporate culture. This is in addition to over 500 years of collective theme park experience within our management team.

We announced our Emiratisation programme in August to attract up to 1,000 Emirati nationals to Dubai Parks and Resorts, in line with the Dubai Plan 2021 and the 7-Year National Agenda. The campaign includes three programmes: Forsati, Sahim, and Helmi, which aim to attract and empower a new generation of Emirati talent to the growing theme park industry.

Our existing partnership with Etisalat is well on the way to making Dubai Parks and Resorts the region's first-of-its-kind integrated 'smart' theme park. Together, we are leveraging Etisalat's telecom infrastructure and digital technologies, to create a distinctly interactive guest experience and enhance the UAE's Internet of Things ecosystem in support of Dubai's 'smart city' vision.

Sales and Marketing

Our sales and marketing philosophy is to build on the efforts of Dubai's Department of Tourism and Commerce Marketing (DTCM). We participated in our first trade show in March, attending the Arabian Travel Market in Dubai. This was followed by our participation at the World Travel Market in London in November. Both events signalled the start of our push towards partnerships with global tour operators and ticket distributors in order to reach international consumers.

Our existing partnership with dnata, the Dubai-headquartered operator that is one of the world's largest travel and tourism specialists, is yielding many benefits. dnata's network covers key international markets including UK, Europe, Australia, and Africa – with more than 200 direct outlets alone in the Middle East and India – and we are working together to create tailormade visitor packages for each region.

Recently published statistics from the DTCM indicate that despite the global financial unrest, international visitor numbers to Dubai continue to grow, reaching 14.2 million in 2015, a 7.5 percent increase from 2014, led by a more than 20 percent increase in visitors from markets such as China and India. Therefore, our efforts in 2015 were concentrated on working with the DTCM sales trips to key Dubai source markets, as well as bringing overseas tour operators to the destination. We also took the decision to open representative offices in China and India in 2016, demonstrating our marketing efforts in these key markets.

Our leasing effort at Riverland™ Dubai has progressed better than anticipated, with 35 lease proposals signed in 2015, accounting for over 50 percent of the leasable space and 100 percent of our projected leasing revenue target for 2017.

As we enter 2016, 'Experience Amazing' will become even more intense as we gear up for the grand opening of an exciting variety of more than 100 unforgettable rides and attractions. As the largest entertainment destination in the region, Dubai Parks and Resorts will support the UAE's tourism vision, as well as serving its economy and infrastructure.

Raed Kajoor Al Nuaimi
Chief Executive Officer

People who want to have fun

Fun is the essence of the Dubai Parks and Resorts experience, charmingly captured by our Ambassadors of Fun – Luna and Nova. The two best friends have come to Dubai from Planet Amaze, to ensure our visitors Experience Amazing.

One destination, multiple experiences

Spread across 25 million sq ft, three world-class theme parks, one water park, a grand entrance plaza, and a themed resort hotel sit side by side.

2016

Set to open its doors to the public in 2016, it is the first time in the world that a theme park destination of this scale opens on the same day.

100+

More than 100 rides and attractions will provide wide-ranging appeal for the entire family in a world of adventure, fun, and hospitality unlike any other.

1 motiongate™ DUBAI

- Hollywood movie-based theme park
- 27 rides and attractions
- 5 themed zones
  - DreamWorks
  - Smurfs Village
  - Sony Picture Studios
  - Lionsgate
  - Studio Central
- 1.9 million sq ft of fun on opening day

2 Bollywood PARKS | DUBAI

- Bollywood movie-based theme park
- 16 rides and attractions
- 5 themed zones
  - Bollywood Boulevard
  - Mumbai Chowk
  - Rustic Ravine
  - Bollywood Film Studios and Hall of Heroes
  - Regal Plaza
- 1.7 million sq ft of fun on opening day

3 LEGOLAND® DUBAI

- The ultimate world of LEGO® themed adventures for families with children aged 2-12.
- 40 rides and attractions
- 6 themed lands
  - LEGO® CITY
  - ADVENTURE
  - KINGDOMS
  - IMAGINATION
  - FACTORY
  - MINILAND
- 1.9 million sq ft (including Water Park®) of fun on opening day

4 LEGOLAND® WATER PARK

- First water park in the region designed for children aged 2-12
- 20 slides and attractions
- Variety of water slides and attractions including the Build-A-Raft river, designed for the whole family to enjoy together

5 LAPITA™ AUTOGRAPH COLLECTION® HOTELS

- Set on an artificial lagoon
- Four-star Polynesian-themed family resort
- 501 rooms and three villas set across eight low-rise clusters
- Spa & Health Club as well as a ballroom, meeting and event facilities
- Part of the Marriott Autograph Collection

6 RIVERLAND™ DUBAI

- A waterfront district that serves as a retail, dining, and entertainment complex as a well as the grand entrance plaza to the destination
- 4 themed zones
  - French Village
  - Boardwalk
  - India Gate
  - The Peninsula
- Over 50 retail and dining experiences

People who get results

2015 has been a critical year for our team to ensure that we meet our key milestones.

WE HAVE A HIGH LEVEL OF EXPERTISE AND FOCUS ON QUALITY

Highly experienced project and management teams with more than 500 years of combined theme park experience have been drawn from around the world, coordinating 41 contractors on site with a total of about 13,500 workers

Financial highlights

5.8 AED bn

Cumulative project expenditure

Comprising 52 percent hard costs, 24 percent soft costs, 15 percent land, 6 percent financing, and 3 percent pre-opening costs.

1.5 AED bn

Drawdown on banking facility

A drawdown of AED 1.5 billion was made from the AED 4.2 billion total available banking facilities.

8.6 AED bn

Total assets

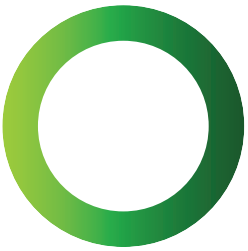
Year	AED billion
2013	0.3
2014	6.9
2015	8.6

- Property and equipment 54%
- Investment properties 3%
- Advances to contractors and other receivables 4%
- Other financial assets 33%
- Cash and cash equivalents 6%

Key performance indicators

100 %

100 percent of our projected leasing revenue for 2017 has been secured

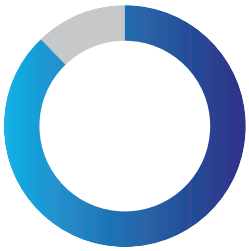


88 %

88 percent of retail merchandising design and approvals completed

88 %

88 percent of overall facilities structure works completed



70 %

70 percent of overall infrastructure completed

11 ride systems installed

Phased development and hand-over of all rides is on schedule for opening in 2016.

Best Stand award

Won 'Best Stand' award at the Arabian Travel Market in Dubai.

People with a vision

Dubai Parks and Resorts aims to become the largest integrated theme park destination in the region, delivering Experience Amazing to all our visitors.

Vision

To be the premier provider of world-class leisure and entertainment attractions, globally confirming Dubai's status as a leading year-round international tourism hub.

Mission

To be one of the world's leading providers of distinctly different entertainment offerings, with a view to delivering a unique experience to all visitors and long-term value to all stakeholders.

Goals

Build a unique entertainment destination, featuring world-class IPs and best-in-class family attractions, theme parks, entertainment, and hospitality.

Create value for all stakeholders through long-term sustainable growth and performance.

Make a significant contribution to Dubai's status as a leading international leisure and tourism hub.

OUR PEOPLE SET HIGH STANDARDS FOR THEMSELVES AND FOR EACH OTHER

The DPR team grew to more than 260 people by the end of 2015, united by a commitment to excellence and supporting each other in achieving their common goal of creating the amazing experience

Business model

Our business model aims to leverage our intellectual property partners to create a unique destination designed to suit the tastes of visitors of all ages and nationalities. Each of our experiences, rides, and attractions complement one another to enhance repeat visitation and per capita spend within our integrated resort. Each operator will leverage their global experience in theme park operations to enhance visitor experience and shareholder value.

Overview of the resort	Key strategic targets	Operators	IP Partners
motiongate™ DUBAI	Family fun with special focus on Hollywood movie-lovers and the teenage demographic. 27 rides and attractions based on popular films.	Parques Reunidos	DreamWorks Animation LLC Sony Pictures Consumer Products Inc. Lions Gate International (UK) Limited *Exclusivity: GCC*
Bollywood PARKS | DUBAI	First park of its kind. Aimed at more than three billion Bollywood fans across the GCC region and the Indian sub-continent.	Parques Reunidos	Various Bollywood partners *Exclusivity: GCC*
LEGO LEGOLAND DUBAI	40 rides and attractions based on LEGO® theme. Aimed at families with children aged 2-12. Seventh LEGOLAND® Park in the world.	MERLIN ENTERTAINMENTS GROUP®	LEGOLAND® Parks *Exclusivity: GCC + MENA[1]*
LEGO LEGOLAND WATER PARK	The region's first water park, designed for families with children aged 2-12, comprising 20 rides and attractions.	MERLIN ENTERTAINMENTS GROUP®	LEGOLAND® Water Park *Exclusivity: GCC + MENA[1]*
LAPITA AUTOGRAPH COLLECTION® HOTELS	Family-friendly, Polynesian-themed four-star hotel for visitors who wish to stay 'on site'.	Marriott	
RIVERLAND™ DUBAI	A destination for local residents, visitors, and hotel guests. Retail, dining, and entertainment district, which connects the resorts.		

Human assets

4,000

Our target is to have a team of over 4,000 employees by opening day, who will be trained to deliver world-class service and safety to our guests as well operational and financial excellence.

Land

25 sq ft m

Set across 25 million sq ft,* the land will be utilised to ensure a unique mix of retail, hospitality, entertainment, and theme park rides and attractions.

Environment

15,860

15,860 trees, 6,100 palms and 1.4 million shrubs will provide greenery and shading across the destination.

Project cost

10.5 AED bn

Our goal is to manage our debt and equity ratios, as well as efficient cash management policies to ensure no cost over-runs.

	AED million
Equity funding	6,322
Debt financing	4,214
Total	10,536

Development strategy

Shareholders and employees

Dubai Parks and Resorts' development strategy is to create an unrivalled attraction that capitalises on the untapped theme park market in the Middle East and Indian sub-continent.

Shareholders and employees alike are factored very strongly into the strategy, creating sustained return on investment and long-term and rewarding careers.

Industry environment

Research by PwC** indicates that the United Arab Emirates (UAE) is set to become a global leisure and entertainment destination with a potential to rival cities such as Orlando, Singapore, and Hong Kong. The report estimates that the total leisure and entertainment market potential in the UAE is set to double by 2021, to reach 45 million. PwC also forecasts that with the addition of new attractions in the UAE, it can achieve 18 million theme park visits by 2021.

* c. 12.4 million sq ft is owned by Dubai Parks and Resorts, 3.6 million sq ft is leased under a long-term automatically renewable lease from our founder, and 9.0 million sq ft of additional land, for which we have all necessary easement rights

** Source: PwC report – UAE's transformation into a world class leisure and entertainment destination, May 2015

1. Algeria, Cyprus, Egypt, Jordan, Lebanon, Libya, Malta, Morocco, Syria, Tunisia, and Yemen

People who lead by example

Raed Kajoor Al Nuaimi
Chief Executive Officer

Has held senior management roles over a 15-year period with companies such as Tatweer, Dubailand, and Dubai Properties Group.

He was previously Chief Leisure and Entertainment Officer at Meraas Holding, where he helped develop new strategies and identify opportunities for the company in the leisure and entertainment field.

"An unwavering goal is to contribute to achieving the Dubai Tourism Vision 2020."

Paul La France
Chief Projects Officer

With more than 37 years' experience in worldwide entertainment and hospitality developments, he was previously Vice-President of Programme Management at Samsung C&T Corporation.

Among the many projects with which he has been involved are Disneyland Paris, Walt Disney Studios Paris, Animal Kingdom (Florida), Hong Kong Disneyland Resort, Universal Studios Hollywood and CityWalk Expansion (California), Universal Studios Japan, and Royal Island Resort (Bahamas).

"We are progressing well against our construction milestones."

Matthew Priddy
Chief Technical Officer

More than 35 years' experience in prototype, project development, and real estate with expertise in the creative development of entertainment destination projects.

He spent 20 years at the Walt Disney Company, with responsibility for design, engineering, manufacturing, and overall project management for a number of Disney theme parks, resorts, and technical developments.

He holds a Bachelor's degree in theatrical technology from the University of California, Los Angeles.

"We have chosen the world's best and well-known names in the construction and entertainment industries."

Sandesh Pandhare, CFA
Chief Financial and Investment Officer

Has 25 years' experience in the global private equity and investment industry, having previously held senior positions at prominent UAE companies such as Istithmar World and Jebel Ali Free Zone.

He holds a Master's degree in management studies from Mumbai University, India; a Bachelor's degree in engineering from Pune University, India; and is a CFA charter holder.

"The main priorities will be maintaining cost-efficiency wherever possible and increasing revenue to enhance shareholder value."

Stanford Pinto
Chief Parks Operating Officer

More than 20 years' professional experience, with expertise in risk management, corporate governance, internal auditing, and process control and design management.

He previously held senior executive positions within the business consulting and risk management divisions of leading accounting firms including Arthur Andersen and Ernst & Young.

He holds an MBA from Pune University, India, and a Bachelor's degree in commerce from the University of Mumbai, India.

"Our aim is to create the region's first integrated smart theme park resort."

Vinit Shah
Chief Marketing Officer

More than 15 years' experience in the leisure and hospitality industry, having previously held senior management positions at Dubai Properties Group and several Fortune 500 companies.

He holds an MBA from the Asian Institute of Management in the Philippines, a strategic finance certificate from the Vienna University of Economics and Business, and a Master's degree in commerce and business management from the University of Mumbai, India.

"Consumer-facing marketing campaigns will be our primary focus during 2016."

Aida Hamza
Senior Vice-President,
Business Support

More than 27 years' experience in management, corporate affairs, marketing, and communications, having previously been Director of Supply Chain Management, Human Resources, Corporate Affairs and Marketing at Ejadah Asset Management Group, as well as Executive Director of Corporate Services at Istithmar World. She has worked with leading companies in the UAE such as Dubai World, Standard Chartered Bank, ENOC, Citibank, and Emirates Broadcasting Corporation.

She holds a Bachelor's degree in management and marketing from the Davis and Elkins College, West Virginia, United States.

"Developing a corporate culture that is rooted in integrity and ethical values has always been a top priority."

Klaus Assmann
Vice-President,
Retail and Hospitality

More than 27 years' experience in the hospitality industry across the UAE, Thailand, and the United States – leading the opening/renovation of numerous hotel properties.

He was previously General Manager of Sofitel Dubai Downtown, as well as completing tenures at Jumeirah Group in the UAE, Thailand, and the United States; Shangri-La Hotels and Resorts in the Philippines; Park Hyatt in Germany and the United States; Nikko Hotels in the United States and the United Kingdom; and Holiday Inn in Germany.

He holds a Bachelor's degree in hotel management from the Hotel School, Aachen, Germany.

"Our primary focus will be on customer satisfaction and ensuring a consistent guest experience."

Julien Munoz
Vice-President, Sales

More than 20 years' experience in leisure and hospitality, including 12 in the theme park industry, having previously been Director, Marketing & Sales at Disneyland Paris. He has also worked with Groupe Accor in France, and Hilton International in the UK.

He now leads Dubai Parks and Resorts' sales and distribution strategies internationally and domestically, and is also responsible for ticket pricing and revenue management.

Mr Munoz is an MBA graduate from Essec Business School in Paris and Cornell University New York.

"Our partnership with Emirates aims to leverage their global sales and distribution network."

Enhancing shareholder value

> Our immediate focus remains on delivering the project within a total cost of AED 10.5 billion.

Sandesh Pandhare, CFA
Chief Financial and Investment Officer

The goal of Dubai Parks and Resorts is to capitalise on the significant tourism growth trends and infrastructure of Dubai as well as the untapped theme park market in the region.

The global theme park industry has remained resilient in the face of flux in the broader leisure and entertainment market, fuelled by increasing use of technology to enhance rides and attractions as well as an increase in middle-class spend, largely from rising emerging market economies

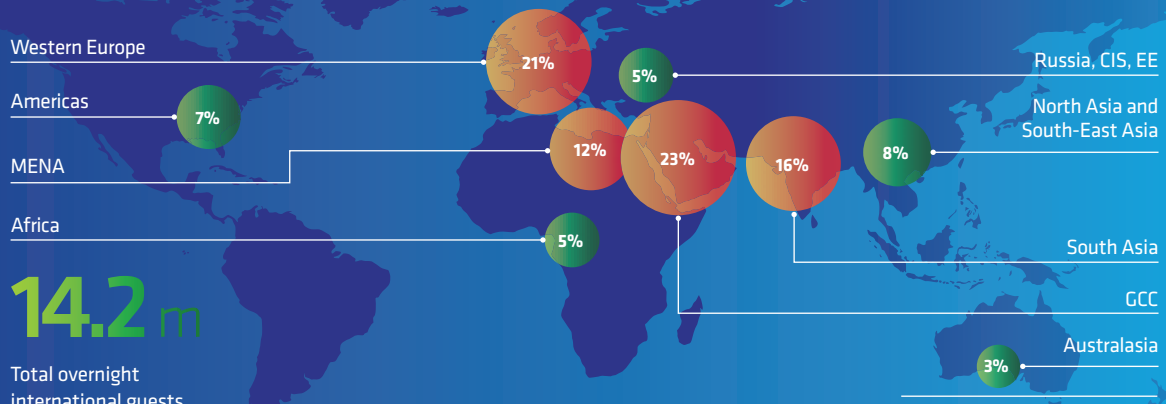
The industry

The tourism sector in Dubai continued to show resilience despite lower oil prices and softer market conditions globally. Total number of international guests reached 14.2 million in 2015, a 7.5 percent increase year on year. Despite the fall in Russian tourism, Dubai achieved healthy growth, largely due to a more than 20 percent increase in visitors from India and China, with India now being the number one source market for Dubai.

Dubai ranks in the top five fastest-growing economies,* and has a catchment area where three billion people are only a four-hour flight time away. flydubai, the Dubai-based low-cost carrier, recently announced that it will commence operations out of the new Al Maktoum International Airport in 2017 with 70 weekly flights.

*Source: Brookings Global MetroMonitor

Source of visitor by region (% YTD January – December 2015)



14.2 m

Total overnight international guests

Source: Department of Tourism and Commerce Marketing (DTCM)

8.6 AED bn

Total assets

Total assets stood at AED 8.6 billion at year-end.

14.2 m

International tourists

Dubai recorded 14.2 million international guests in 2015, a 7.5 percent increase year on year.

The new airport is only 15 km away from our resort and we expect to capitalise on the growth of passenger traffic from there. UAE airports recorded a 17.4 percent increase in passenger traffic in 2015, and Dubai International Airport recorded over 81 million passengers, a 15 percent increase.

We will continue to monitor and manage macro risks, and any potential impact they may have on our projections. However, at this stage the resilience of Dubai tourism gives us comfort that we are on track to attract 6.7 million visits in 2017, our first full year of operations.

Financial performance

Our cumulative project expenditure stood at AED 5.8 billion as at the end of 2015. That's a significant increase compared to AED 2.6 billion as at the end of 2014 and reflects the continued deployment of funds into the development of Dubai Parks and Resorts.

The strengthening of the dollar against a number of other currencies, especially the Euro, has worked in our favour to reduce the costs of imported equipment from our largely European-based theme park ride vendors.

Total assets at the end of 2015 stood at AED 8.6 billion, primarily comprising AED 4.9 billion in property, equipment, and investment properties, and AED 3.3 billion in cash and other financial assets.

Our total equity stood at AED 6.2 billion as at year end. We also had a total drawdown of AED 1.5 billion of our banking facility during the year. Our trade and other payables showed a significant increase, standing at AED 1.2 billion, as a result of the attractive payment terms we were able to negotiate with various contractors.

There are no operating revenues during the year, and our total loss for the year ended December 2015 was AED 111 million compared with AED 21 million for 2014. This reflects the continued utilisation of funds for our pre-opening expenditure of our resort. Our G&A expenses increased to AED 119 million from AED 22 million last year, primarily due to a continued increase in staff numbers and related costs. Also in 2015 there has been a significant increase in our marketing and selling activities and related costs.

We recorded interest income of AED 46 million, higher than we had originally expected. This was a result of our efficient cash management as well as better interest/profit rates on the deposits.

Outlook

During 2016, the main priorities will be the development of a detailed operating budget focusing on increasing revenues and maintaining cost-efficiency in order to enhance shareholder value.

Revenue will be driven by theme park visitation and in-park spend, corporate sponsorship, Riverland™ Dubai leasing revenue, and hotel revenue from Lapita™ Hotel. Early indications on leasing revenue seem to suggest we are likely to exceed our projected leasing targets for 2017.

Dubai Parks and Resorts expects to generate AED 2.4 billion in revenue in our first full year of operation in 2017 and we project to become net income-positive in 2018, our second full year of operation.

Project expenditure (AED millions)	motiongate™ Dubai	LEGOLAND® Dubai	Bollywood Parks™ Dubai	Lapita™ Hotel	Riverland™ Dubai	Infrastructure and others	**Total**
Cumulative project expenditure as at the end of 2014	796	401	327	137	203	738	2,602
Cumulative project expenditure at the end of 2015	1,671	748	806	383	317	1,878	5,803

Meeting targets and expectations

> We reached a key milestone in October when the destination's first rollercoaster was installed.

Paul La France
Chief Projects Officer

Matthew Priddy
Chief Technical Officer

Testing and commissioning of all rides and attractions will commence in 2016.

Dubai Parks and Resorts will open the gates of three theme parks, a water park, a hotel, and a retail and dining complex this year, which has never been done before. Building the region's largest multi-themed entertainment destination on 25 million sq ft of land in the desert has many challenges. With a team that has delivered many theme parks from the US to Asia and Europe, we have been fortunate to avoid many of the problems associated with such a complex build.

Given the magnitude of this development, we chose to partner with multiple contractors, consultants and architects, rather than just one. We have chosen the world's best and well-known names in construction and entertainment industries.

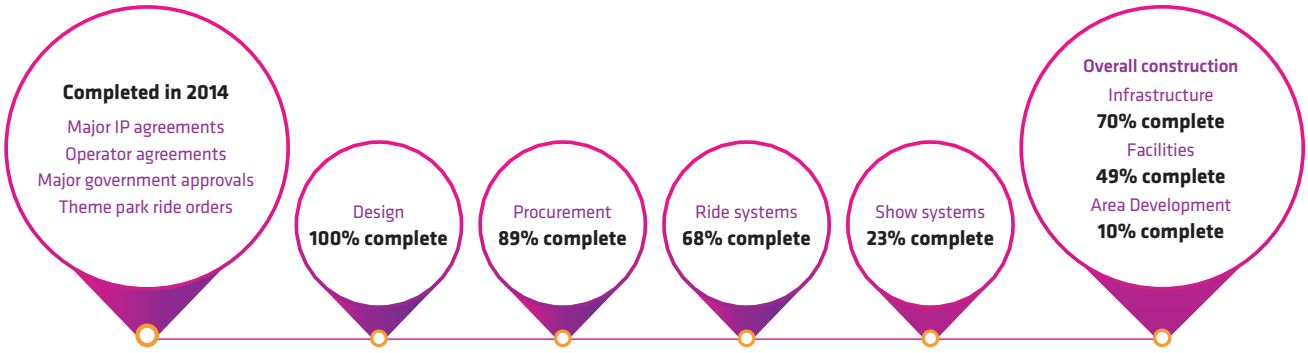
Overall attraction design and construction management is being led by Hill International and Samsung C&T, two of the world's leading project and construction management firms.

As at the end of 2015, we had 41 contractors and over 13,500 workers on site, with a mix of both international and local developers.

On time and on budget

We are progressing well against our construction milestones, with all of the design works and 88 percent of the overall facilities structure works now complete.

In terms of overall infrastructure, which is 70 percent complete, our substation was handed over to DEWA in December and the district cooling is expected to be finished in the first quarter of 2016.



A year of great progress

The contract for the multi-lane bridges and access roads, to ensure ease of access to Dubai Parks and Resorts, was awarded by the RTA in June to the China State Construction Engineering Corporation. Construction is expected to be complete by August 2016.

The DreamWorks building at motiongate™ Dubai as well as the Rajmahal Theatre at Bollywood Parks Dubai – the two largest structures on the development – are fully enclosed, with works on the internal structures progressing according to plan.

Area development and planting is under way, with 15,860 trees, 6,100 palms, and more than 1.4 million shrubs and groundcovers acquired.

Close to all show packages had been procured by year-end, with show designs completed. Seasoned art directors and technical directors are on site, arranging everything from scenery to lighting, and integrating the five specialised technologies that are central to the successful operation of Dubai Parks and Resorts' spectacular rides and attractions.

One of the key challenges we faced was delays in other global theme park projects, and, given the relatively small pool of qualified suppliers and talent in this highly specialised industry, its impact on our show production. Dubai Parks and Resorts has been fortunate to put together a very experienced in-house team and group of suppliers who are capable of delivering quality products and services in line with our programme. Therefore, despite some of the delays faced, we expect to be back on track by the second quarter of this year with no impact on our target opening date.

Ride installation and testing

With the majority of the facilities in construction or nearing completion, the focus for the coming quarters is ride installation, commissioning, and testing. Ride system production is 89 percent complete and 63 percent of the rides have been delivered.

We reached a key milestone in October when the destination's first rollercoaster was installed at LEGOLAND® Dubai, which is also the park's biggest ride at 16 metres high and which reaches speeds of up to 60 kilometres per hour. Sixteen complete ride systems have been delivered and eleven ride structures were installed in 2015, with no interface problems with the facilities.

Safety is our paramount concern at Dubai Parks and Resorts. Throughout our design, manufacturing, and operational phases we are working closely with TÜV SÜD to ensure every ride component is rigorously tested according to the highest international industry standards. TÜV SÜD, the global testing, certification, inspection, and training provider, certifies the designs of all rides including factory and on-site acceptance tests. Once our rides are shipped to Dubai each attraction will then undergo a stringent series of tests, both before the park opens and then on a daily basis to ensure the utmost safety of our guests.

Factory tests are progressing well for all ride systems and the team is working rigorously with TÜV SÜD to ensure that the safety standards also meet those of the local and federal regulations.

Looking ahead

In the months leading up to opening day, as facilities construction completes and ride installation and testing progresses, we will start focusing on area development and guest accessibility to ensure the destination is set to welcome its first guests in 2016. Handover of the various elements of the destination is scheduled according to a phased approach, with the first phase starting in March. The goal is to hand over a safe and workable environment to our operators, leading up to our target soft opening in September.

Once the parks are open our focus will shift to operational milestones, with a focus on operational safety and ride reliability with low downtimes, as well as fulfilling 'Experience Amazing' by delivering a truly unforgettable experience to our guests.

The travel world takes notice of a new destination

> Sales and marketing activities were focused on the travel industry across the top source markets for Dubai.

Vinit Shah
Chief Marketing Officer

Julien Munoz
Vice-President, Sales

International marketing campaigns were launched

Award-winning participation in Arabian Travel Market

The destination management and sales teams oversee the global destination marketing and sales efforts for the Dubai Parks and Resorts destination, to ensure maximum exposure for our parks as well as providing a centralised sponsorship and ticket sale function.

Promoting a unique destination

Dubai Parks and Resorts is set to become one of the primary drivers of leisure tourism to Dubai and the UAE. Designed to primarily serve people living within a four-hour flight time from Dubai, it was created specifically to appeal to residents and visitors of all ages and nationalities, showcasing the best from East to West.

Sales and marketing activities in 2015 were focused on the travel industry across the top source markets for Dubai, working closely with Dubai's Department of Tourism and Commerce Marketing (DTCM). Our sales and marketing philosophy is to build on the efforts of the DTCM, which actively promotes Dubai as a global destination to various key markets across the globe.

In April we made our first official appearance at the Arabian Travel Market in Dubai, showcasing our replica model of the destination, and winning awards for Best Stand Feature, based on overall impact, and People's Choice, for visitors' favourite stand. In November we participated at the World Travel Market in London, where we also signed our first MOUs with tour operators and global ticket distributors.

In cooperation with the DTCM, promotional visits to China, India, and Nigeria also proved very successful, signing up new travel trade partners and establishing representative offices in India and China.

Amazing welcome
As fun ambassadors to Dubai Parks and Resorts and guardians of Amazium, Luna and Nova take great pleasure in welcoming our guests, making sure that they all Experience Amazing.

Travel partners

Our partnership with Emirates Airline, which we announced in 2014, aims to leverage their global sales and distribution network, which covers over 140 destinations across the world. As we approach opening in 2016, our goal is to capitalise on the airline's global recognition by working closely with their team of experts to promote Dubai Parks and Resorts to their passengers.

Closer to home, our partnership with dnata, one of the largest international travel sales networks, aims to reach our core markets in the MENA and Indian subcontinent. dnata has more than 200 direct outlets alone in the Middle East and India, with online and offline customer contact centres, as well as MICE business. Dubai Parks and Resorts will work with dnata to create bespoke packages tailormade for each region.

Ticket sales

During 2015 we adjusted our single park ticket pricing structure to be in line with regional ticket prices, and to reflect individual park product offerings in the context of the destination and local market.

Single Park Tickets	
Parks (indicative)	Price AED
motiongate™ Dubai	330
Bollywood Parks™ Dubai	285
LEGOLAND® Dubai	295
LEGOLAND® Water Park	240

We also announced the launch of our annual pass sales in early 2016, with the launch of the LEGOLAND® Dubai Annual Pass. The annual two-park combo pass for LEGOLAND® Dubai and LEGOLAND® Water Park is priced at AED 995, with the annual pass for LEGOLAND® Dubai only priced at AED 765.

We expect to launch the remaining annual passes, as well as the resort-wide annual pass, in the early parts of the second quarter of 2016. This coincides with the Arabian Travel Market in Dubai in April, which is also when we expect to start the launch of our consumer-facing marketing campaign.

Consumer-facing marketing campaigns will be our primary focus during 2016, along with intensified selling activities and the build-up to the grand opening.

Brand ambassadors

Our newest recruits Luna and Nova were introduced in early 2016. Luna and Nova have been created as the official Dubai Parks and Resorts Ambassadors of Fun and will welcome guests to our destination. They will be an integral part of our marketing and promotional campaigns over the coming months, and appear throughout the destination once open.

We wanted to create something unique for Dubai Parks and Resorts that reflects what we stand for – adventure, excitement, and joyfulness – so we created two characters on a mission to bring something special to the residents of Dubai. Luna and Nova are from Planet Amaze. They have arrived in Dubai on a mission to safeguard a large amount of Amazium – an element that sparks incredible levels of creativity and imagination. Their role is to spread excitement, fun, and happiness and ensure everyone Experiences Amazing.

In the coming months the public will learn even more about them and their role as our Ambassadors of Fun.

Inspiring a new generation of employees

> Dubai Parks and Resorts has evolved into a mature and well-operated company.

Aida Hamza
Senior Vice-President,
Business Support

GEMBA programme participants

Emiratisation in video action

In a very short space of time, Dubai Parks and Resorts has evolved into a mature and well-operated company. From a dedicated core team who initially created the vision for the region's largest integrated theme park resort, we are growing into an operational company with a distinct corporate culture and the goal to become a leader of the exciting and growing theme park industry in the region.

People

People are at the core of our success and we have been very fortunate to attract industry experts from across the globe. Our diverse staff of over 260 Amazemakers come from 38 different countries, bringing the best from East and West not only to our theme parks but also to our corporate culture.

Developing a corporate culture that is rooted in integrity and ethical values has always been a top priority for Dubai Parks and Resorts. Whether dealing with colleagues or guests, five basic principles apply: integrity, passion, fun, respect, and safety.

- ***Integrity*** – always valuing shareholders' interests and never compromising the quality of the experience for quick gains
- ***Passion*** – absolutely loving what can be accomplished as one team and being enthusiastic about creating unforgettable memories for guests
- ***Fun*** – celebrating and sharing fun at work each day, while ensuring guests are having an amazing time
- ***Respect*** – treating each other with respect and respecting our guests in everything we do
- ***Safety*** – ensuring colleagues are in a safe work environment and never compromising the safety of our guests

2016 will be a busy year for the Human Resources department, which aims to recruit close to 4,000 additional staff members by the time we open our gates in 2016. About 400 of those will be entertainers and performers who will entertain our park guests through specialty acts, singing, dancing, acting, and character look-alikes.

4,000

Total employees by opening

From 263 employees this year, Dubai Parks and Resorts' total employees are expected to rise to over 4,000.

Emiratisation

In line with the Dubai Plan 2021 and the UAE's 7-Year National Agenda, Emiratisation is a vital part of the recruitment drive.

International recognition

The corporate office achieved three international certifications in 2015.

Our global audition tour to identify these talented individuals started early in 2016 and will take our in-house entertainment team to the UK, Australia, and the MENA region to identify the inaugural cast.

Our mass recruitment drive will commence in the second quarter of 2016; all the detailed planning has been finalised and is ready for execution.

Emiratisation

In 2015 we launched an Emiratisation campaign to attract up to 1,000 Emirati nationals to Dubai Parks and Resorts. The campaign was launched as part of our commitment to accomplishing the vision of His Highness Sheikh Mohammed bin Rashid Al Maktoum, UAE Vice President and Prime Minister and Ruler of Dubai; it aims to create sustainability in the growing theme park industry, as well as complementing the Dubai Plan 2021 and the 7-Year National Agenda to promote Emiratisation and empower national talent.

With this goal in mind, Dubai Parks and Resorts has designed and implemented three complementary programmes to develop highly trained professionals who become Dubai Parks and Resorts ambassadors and set new customer experience standards in Dubai:

- **Forsati**, 'my opportunity' in Arabic, is our development programme for UAE nationals with high school education or below, and provides a total of six months' class and field training
- **Sahim**, Arabic for 'contribute', recruits professional UAE nationals at all levels, with high school education and above, for a minimum three years' experience across all Dubai Parks and Resorts' departments
- **Helmi**, 'my dream' in Arabic, offers graduates an exciting scholarship programme

As part of the Helmi programme we signed an agreement with the Rosen College of Hospitality Management at the University of Central Florida, recognised as experts in theme park-related education, to offer an exclusive certified programme for Emiratis. The first 10 Emirati nationals to participate in this programme were identified in October and are now completing their training in Orlando. At a later stage we intend to extend this training to a further 40 UAE nationals, who will participate in the same course with a visiting faculty in Dubai.

The Environment

Dubai Parks and Resorts is committed to protecting the environment, and the health and safety of our colleagues, visitors, and vendors. By implementing sound health, safety, and environment (HSE) practices into all aspects of its business, Dubai Parks and Resorts recognises that it can be a premier provider of world-class leisure and entertainment attractions, while conserving the environment for future generations.

As part of our commitment to protect the natural environment, we have developed an environmental management system that ensures that all of our activities which have an effect on the environment are controlled and aligned to local and federal legislation. To monitor our environmental performance, we have established three key goals:

- reduce waste to landfill,
- reduce electricity consumption, and
- reduce water use.

Each of these environmental goals has supporting programmes that are tracked on a regular basis, and include activities such as a recycling scheme in all our offices, and a water use minimisation programme.

During 2015 the corporate office launched a 'going green' initiative, adopting an office-based recycling programme for collecting paper, plastic, and aluminium waste. We are also proud that, as part of our water management policy, we have an on-site TSE plant, which will recycle wastewater and provide close to 30 percent of our TSE water requirements.

The corporate office also achieved three international certifications in 2015 in recognition of the efforts made to become an efficient process-driven organisation:

- ISO 14001: Environmental Management;
- OHSAS 18001: Occupational Health and Safety Management, and
- ISO 9001: Quality Management.

Information Technology

To create a world-class theme park experience, IT infrastructure, security, and integration is a key focus for any theme park operator. At Dubai Parks and Resorts we aim to provide not only smart park technology to our visitors through our partnership with Etisalat, but also a robust IT support system to enhance operations.

Laying the groundwork for the IT strategy, choosing key vendors such as Fourth Adaco, Omnico, and VGS, and designing their integration has been the key focus for the information technology department. In coordination with our parks, we launched the websites for motiongate™ Dubai and Bollywood Parks Dubai, as well as our ticketing platform ahead of the LEGOLAND® Dubai annual pass launch.

In the coming months our focus will shift to the integration of our security platform and our systems, and ensuring that we provide a unique and seamless experience for our visitors.

Enhancing the guest experience

88%

88 percent of retail merchandising design and approvals completed

> At Dubai Parks and Resorts we believe that every guest will Experience Amazing!

Stanford Pinto
Chief Parks Operating Officer

Service Expectations

Providing an unrivalled guest experience is the priority of every theme park operator. At Dubai Parks and Resorts our belief is that every phase of the development is equally important. From design and construction to operation of the attractions, restaurants, and retail shops, every detail is considered to ensure 100 percent customer satisfaction.

Revenue Generation

In addition to the various rides and attractions, each park will offer visitors a range of services that will not only ensure a seamless experience but also generate revenue and value for our shareholders.

We have signed a five-year revenue share agreement with UK-based HB Leisure to provide over 45 skill games that complement each park's unique theme. This is in addition to our five-year revenue share agreement with UK-based Picsolve International, which will provide a wide range of video and photography services for our guests.

Retail sales will be another source of revenue, with a total of 32 retail stores and 14 mobile carts giving visitors a comprehensive selection of shopping options within the parks.

motiongate™ Dubai and Bollywood Parks™ Dubai together have close to 2,000 unique products on offer based on their related intellectual property. Designs for the vast range of clothing, toys, souvenirs, and accessories are complete. LEGOLAND® Dubai will of course offer retail options based on the popular LEGO® product range.

In-park dining will be offered across 20 restaurants and 48 mobile carts, providing an extensive range of cuisines, snacks, and fast food options.

Customer Experience

At Dubai Parks and Resorts, we believe that every guest will Experience Amazing!

Within the theme parks we have finalised our selection of vendors, who will provide ancillary services such as locker rentals, stroller rentals, and souvenir coins, in an effort to provide a seamless customer experience.

Our partnership with Etisalat aims to create the region's first integrated smart theme park resort. The agreement covers technology that enhances the guest experience through customer touch points such as mobile devices, web portals, RFID wristbands, kiosks, and digital signage.

Additionally, Italy-based VGS will be providing their SnApp software platform for ticketing and admissions. Global technology provider Omnico will provide point-of-sales solutions for retail, food, and beverage. US-headquartered Adaco will be responsible for providing the systems for procurement, inventory, and recipe management.

No theme park experience is complete without entertainment. The Dubai Parks and Resorts entertainment team has been creating various live shows and entertainment options that will excite and amaze our guests. In 2015, we announced our global audition tour to recruit entertainers to provide everything from Bollywood singers and dancers, to hip-hop performers, themed costume characters, and specialty acts such as stilt-walkers, fire-eaters, and jugglers.

Looking ahead

As we move closer to opening in 2016 our focus will be on finalising our operational standards as well as policies and procedures. We will be training our staff with a focus on customer service and safety, as well as ensuring that our retail and dining experiences exceed the expectations of our global and resident visitors alike.

New leases break target

100%

100 percent of our projected leasing revenue for 2017 has been achieved

> Riverland™ Dubai will be at the centre of Dubai Parks and Resorts, and a destination in its own right.

Klaus Assmann
Vice-President,
Retail and Hospitality

Creating a theme park destination with four gates within walking distance of each other is a unique feat, symbolic of the high standard that drives the leisure and entertainment industry in the UAE. As this is the first integrated resort destination of its kind in the region, we expect to welcome visitors from all around the world coming to experience the best from East to West.

In order to offer a truly immersive experience to our visitors, the retail and hospitality team is focused on enhancing the theme park experience by providing a retail, dining, and entertainment destination that features a mix of new as well as household retail and dining concepts. To make the most of their visit, guests can stay at the Lapita™ Hotel, the only hotel at the destination, which will provide a tranquil environment to relax in after a day of exhilarating fun.

Our leasing efforts at Riverland™ Dubai, the gateway to the destination, commenced in the second half of 2015. By year-end we had signed 35 lease proposals for over 50 percent of the dining and retail space available. The overwhelmingly positive response we have received from the market demonstrates the appeal of Riverland™ Dubai as an upcoming destination, for UAE residents and international tourists alike. To date our leasing revenue has exceeded our initial projections, and we are very proud to be able to enhance shareholder value through our ambitious leasing programme. We expect to continue our leasing efforts in the first half of 2016, with a phased handover to our tenants starting towards the beginning of April.

The waterfront dining, retail, and entertainment district is made up of four unique zones – The French Village, Boardwalk, India Gate, and The Peninsula, which will be free for all to visit. The wide range of dining and shopping on offer, coupled with the planned street theatre and entertainment, will make it the perfect place for families and friends to come together and meet, relax, and recharge.

Tenants are a mix of household names and many brands that are new to Dubai, with about 70 percent being food and beverage offerings. Among them are the popular UK-originated family dining venue Giraffe as well as the Irish Village, one of Dubai's best-known hospitality venues, which will open its first outlet away from its long-established venue next to the Dubai Tennis Stadium.

The Polynesian-themed Lapita™ Hotel will be managed by the Marriott Group under the Autograph Collection. A destination hotel will ensure that our visitors can enjoy a truly immersive family holiday away from the busy city of Dubai. The design aims to transport our guests' experience to the world of Polynesia.

With 504 keys – including 60 suites and three villas – the Lapita™ Hotel will also have five F&B outlets, a ballroom and meeting rooms, a spa, and separate pools for adults and children.

Going forward, our primary focus will be on customer satisfaction and ensuring a consistent guest experience across our venues. Our guests will be able to attend a number of themed events during the year as we bring our destination to life, in addition to the numerous street performers who will entertain them as they stroll through our streets.

A family of unique experiences

Dubai Parks and Resorts will bring six unique experiences to our visitors, all within walking distance of each other, creating the first integrated theme park resort in the region.


EXPERIENCE AMAZING
motiongate™ DUBAI
Bollywood PARKS | DUBAI
LEGOLAND DUBAI
LEGOLAND WATER PARK
LAPITA
AUTOGRAPH COLLECTION HOTELS
RIVERLAND DUBAI

27 — **27 rides and attractions**
Capturing every element that makes a movie truly memorable

5 — **5 themed zones**
motiongate™ comprises five zones based on Hollywood movies and studios

1000 — **1000-guest theatre**
motiongate™ theatre accommodates 1000 people for Step Up series dance shows

Guido Zucchi, General Manager motiongate™ Dubai

With the onset of 2016 there is a sense of anticipation as motiongate™ Dubai, the Middle East's largest Hollywood-inspired theme park, prepares to open its gates later this year. With 27 main rides and attractions and an exciting line-up of entertainment experiences at every turn, guests will be immersed into the magical world of cinematic adventure. We're the first in the world to present the unique combination of three of Hollywood's most legendary studios: DreamWorks Animation, Sony Pictures Studios, and Lionsgate in one theme park – and we are ready for a year of action!

Vision is quickly becoming reality as the park continues to undergo its amazing transformation. Tracks for three of motiongate™ Dubai's five rollercoasters are fully laid out, including The Green Hornet: High Speed Chase, Madagascar: Mad Pursuit, and How To Train Your Dragon: Dragon Gliders. Charming mushroom-like houses are quickly popping up in the Smurfs Village zone, at Sony Pictures Studios; the bricks of the firehouse façade of the Ghostbusters: Battle For New York ride have been laid; the unmistakable sky-blue DreamWorks building is now fully enclosed; and in the Lionsgate zone, the motiongate™ Theatre is quickly taking shape to welcome 1,000 guests to the Step Up Dubai, All In! dance shows.

The realisation of film into theme park experiences would not be possible without the trust and collaborative partnerships we have created and continue to nurture with our studios: DreamWorks Animation, Sony Pictures Studios, and Lionsgate.

A major milestone was met when we launched the first release of motiongate™ Dubai's website in English and Arabic, giving our future guests a sneak peek of some of the amazing experiences yet to come.

Since the last quarter of 2015 we have been actively engaging our media supporters, using key film releases as a platform to create awareness of the park. Our first media event coincided with the release of Hotel Transylvania 2 last September, where media guests were treated to an overview of the experience they can expect at motiongate™ Dubai. In the spirit of Halloween, we revealed details of our Zombieland and Underworld attractions, and in November we unveiled The Hunger Games attractions alongside the highly anticipated premiere of The Hunger Games: Mockingjay.

As you can see, the momentum is continuing at an action-packed pace! As the park continues with its physical transformation and we move steps closer to bringing cinematic adventure to life, 2016 promises to engage, excite, and create many more memorable experiences for all of our stakeholders and our future guests.

16 — **16 rides and attractions**
Bollywood comes alive with interactive entertainment

5 — **5 themed zones**
Bollywood's many dimensions captured for non-stop enjoyment

850 — **850-seat theatre**
The Rajmahal Theatre has 850 seats as well as exclusive lounges

Thomas Jellum, General Manager
Bollywood Parks™ Dubai

Namaste!

With the start of 2016 well underway, we are just under a year from welcoming the world to the first and only Bollywood-inspired theme park. Our vision here at Bollywood Parks™ Dubai is to bring to life the action, adventure, romance, comedy, music, dance, flavour, and emotion that is synonymous with Bollywood.

Through this past year, we have focused on building our teams, exceeding our goals, and, most importantly, having fun, Bollywood style!!

2015 saw many successes with the launch of the first phase of our website in English and Arabic as well as the first edition of our newsletter – The B_Mail.

Our presence at major trade shows like the ATM in Dubai and the WTM in London, as well as visits to India, Africa, and Spain, has helped increase the awareness, excitement, and anticipation about the world's first Bollywood-inspired theme park.

Construction is progressing with the stunning Rajmahal Theatre nearing completion and the installation of some of our biggest rides like the Krrish Flying Theatre. The first Broadway-style theatre of its kind in the region, the spectacular 60,000 sq ft Rajmahal Theatre has over 850 seats and will feature exclusive lounges for private events and galas.

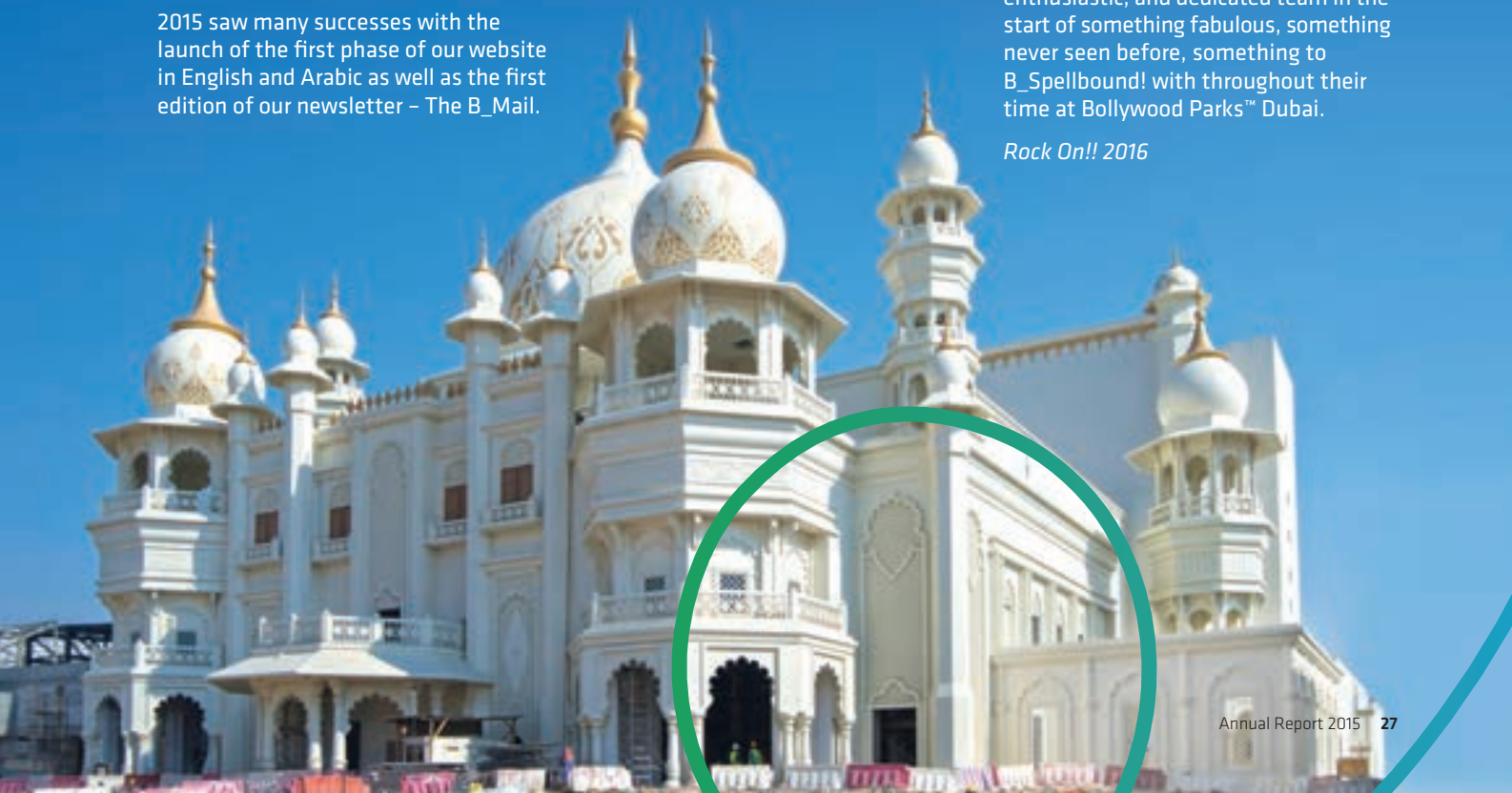
A big part of our focus in 2015 was working closely with the Human Resources team on two major areas, recruitment and development, to find and train key talent for the park. Now that we have successfully completed the hiring of our senior staff, we have begun our mass recruitment plans for the remaining team.

Just as no Bollywood movie is complete without a multitude of song and dance sequences, so it is for Bollywood Parks™ Dubai. In late 2015 we started the auditions for the park's shows as well as the main Broadway-style Bollywood show at the Rajmahal Theatre. Our entertainment team in association with Wizcraft International, the directors of the anticipated two-hour show, conducted the auditions in Mumbai, Kolkata, Delhi, and Dubai.

In India, cooking styles vary from region to region and it is typically known for its vast variety of dishes. At Bollywood Parks™ Dubai, we have emulated this concept with a variety of restaurants that cater to both the Indian palate, like 'Spicy Dhaba' in the Rustic Ravine zone, as well as the Western palate, like 'Studio Canteen' in the Bollywood Film Studios Zone. To ensure authenticity and high-quality food, we have completed the final sampling of the menus.

I am proud to lead this vibrant, enthusiastic, and dedicated team in the start of something fabulous, something never seen before, something to B_Spellbound! with throughout their time at Bollywood Parks™ Dubai.

Rock On!! 2016



40 — **40 rides and attractions**
The ultimate world of LEGO® themed adventures

6 — **6 themed lands**
Six themed areas in the world's seventh LEGOLAND® Park

60m — **60 million LEGO® bricks**
15,000 LEGO model structures made from more than 60 million LEGO bricks

Siegfried Boerst, General Manager LEGOLAND® Dubai

Over the course of 2015, LEGOLAND® Dubai reached a number of critical milestones and we are very pleased that, as we advance towards the Grand Opening of Dubai Parks and Resorts in 2016, we are progressing according to plan.

Over the year our team has increased steadily, in line with the project's progress. Each of our new team members has brought new and varied experience, ranging from colleagues who have worked in one of the other six LEGOLAND Parks around the world, to people who have built illustrious careers in the theme park and hospitality industries over many years, and some who are just extremely passionate about the LEGOLAND and LEGO® brands! The one thing that every LEGOLAND Dubai team member has in common is commitment to making 'memorable experiences' for all of our visitors.

Great focus was placed on getting a strong management team in place and training them in all things LEGOLAND Dubai. Training is at the centre of everything we do and revolves around instilling our core values of fun, learning, caring, and quality.

Our training focuses on branding, education, and creating awesome experiences for families and children, in order to make each of our young visitors feel like the hero at all times.

To ensure our team is fully immersed in this awesome LEGOLAND experience, a number of employees have visited other LEGOLAND Parks around the world, including California, Windsor, Germany, Florida, Malaysia, and Denmark. In turn, team members from these parks have supported LEGOLAND Dubai by sharing their best practices virtually and during visits to the emirate.

March will see the start of our mass recruitment programme to ensure we continue to bring in the diverse skill-set needed to open the Park. With such an ever-growing team, we are excited to move into our new administration building in the near future. And most importantly, we will continue to provide the optimum level of training to ensure LEGOLAND Dubai's visitors enjoy the best possible experience when we open.

In addition to recruitment, LEGOLAND Dubai has celebrated several key construction milestones. In October, The Dragon Coaster, one of the most eagerly anticipated attractions, was installed.

LEGO sculptures portray an amazing variety of themes and subjects

LEGOLAND comes alive as rides and figures are installed

20 **20 slides and attractions**
The only water park in the region designed for families with children aged 2-12

4 **4 slides in DUPLO® Splash Safari**
Water play area especially for toddlers featuring LEGO's DUPLO characters

At 16 metres high and reaching speeds of up to 60 kilometres per hour, it is LEGOLAND Dubai's biggest ride. The Red Dragon was also the first LEGO model to be installed. Spanning almost 4 metres, weighing more than half a tonne, and made from over 230,000 LEGO bricks, the Red Dragon will be one of the largest models in LEGOLAND Dubai.

LEGOLAND Water Park has also made significant progress with the installation of the Splash-N-Swirl, the water park's first slide. Upon completion, the water park will include over 20 water slides and attractions, each offering its own different and fun-soaked experience.

In fact, all of the rides that will be featured at LEGOLAND Dubai and LEGOLAND Water Park are in Dubai and are in the process of installation, and all of the LEGO models have been built and are in Dubai or are currently en route.

The marketing team also achieved great success, launching our brand new website ensuring that families and children will be ready and excited for the Park to open this year.

Most recently, we reached an especially significant milestone in the journey to the opening: the launch of the LEGOLAND Dubai Annual Pass.

Early guests who purchase Annual Passes will be the 'first to play', trying our rides and attractions before we open to the general public. Selected pass holders will receive invites to exclusive events, previews, and activities – helping to put the finishing touches on LEGOLAND Dubai. The annual two-park pass for LEGOLAND Dubai and LEGOLAND Water Park is priced at 995 AED, with the annual pass for LEGOLAND Dubai only priced at 765 AED.

Awesome Awaits this year.

About LEGOLAND® Dubai

LEGOLAND® Dubai will bring the well-known LEGO® brick to life in a unique, interactive theme park filled with rides and attractions specifically designed for families with children aged 2-12. LEGOLAND Dubai's world of playful learning will comprise:

- Six themed lands – LEGO City, Adventure, LEGO Kingdom, Imagination, Factory, and Miniland.
- 15,000 LEGO model structures made from more than 60 million LEGO bricks.

About LEGOLAND® Water Park

LEGOLAND® Water Park will be the first of its kind in the region, specifically geared towards children aged 2-12. It will feature a half-million gallon wave pool, the popular Build-A-Raft River, where children of all ages can customise their own raft using LEGO® soft bricks before floating down a lazy river with views of the entire water park. The water park will also feature a wide variety of water slides in addition to water playgrounds that offer something for every family member. Toddlers in particular, will love the DUPLO® Splash Safari featuring four small slides, whilst children will get a thrill from the Joker Soaker's torrential 300-gallon bucket spill, the LEGO Wave Pool, and the Splash Out Slide, which allows guests to take on a 60-foot drop in an open body slide and 'splash out' into the water below.

LAPITA™
AUTOGRAPH COLLECTION® HOTELS

504 — **504 keys**
Choose from Lapita's range of rooms, suites, and villas

10 — **10 fun facilities**
From food and beverage to health club, ballroom, and outdoor pools

4 — **4 stars**
The 4-star hotel is part of the Autograph Collection by Marriott

The Lapita™ Hotel is our Polynesian-themed hotel located in the heart of Dubai Parks and Resorts, catering to families and friends who wish to stay in close proximity to the parks and their fun offerings.

The hotel is part of Dubai Parks and Resorts' vision to create a hotel brand that offers a holistic approach and focus on families, which is currently a gap in the vast Dubai tourism sector.

The hotel will be managed as part of the Marriott Autograph Collection. It is an amazing resort that will offer 504 keys including 60 suites and 3 villas, five F&B outlets, two bars, two outdoor pools, and a spa & health club, as well as a ballroom, and meeting and event facilities.

Construction of the eight clusters is progressing well, and the Polynesian thatched roofs are starting to give our destination that distinct Island feeling.

During 2015, we completed the hotel mock-up rooms with an emphasis on Polynesian detailing and family comfort, and we can't wait for our guests to experience this unique blend of exotic tropical landscapes and modern comfort.

Drawing inspiration from the Polynesian Islands, the hotel's lagoon setting will feature a dramatic façade and lush settings that fuel the imagination. In-house entertainment will provide themed activities designed to offer endless surprises to children and the young at heart. Lapita™ Hotel will also feature relaxation zones to provide unparalleled tranquillity.

With warm ambient lighting and modernised Polynesian motifs, visitors can take an exciting culinary journey in the signature dining restaurants.

The rooftop area draws inspiration from the rhythm of a tropical rainforest, creating a refuge to share good times with family and friends, unwind, and let the world stand still.

We expect that our guests will be mainly visitors to Dubai Parks and Resorts who have come to experience all that is on offer across our parks, creating a fun-filled vacation unlike any other in the region.

Having brought on board the hotel general manager, who comes from the Marriott Group, in 2015, we are now focusing on all pre-opening activities such as OS&E procurement and recruitment.

The Lapita™ Hotel is without a doubt the ideal way to maximise time at Dubai Parks and Resorts and add even more to the fun.

55 **55 venues**
A mix of approximately 55 venues of both fine and casual dining options, night-time entertainment and retail stores

4 **4 themed zones**
The French Village, Boardwalk, India Gate, and The Peninsula

Marcel Hendriks, General Manager Riverland™ Dubai

Riverland™ Dubai is the central hub of the Dubai Parks and Resorts destination. It serves as a gateway to the parks and the Lapita™ Hotel, but it is also a destination on its own due to its unique theming. Set across a 1 km water canal, Riverland™ Dubai will offer scenery from a French medieval village, colonial India, the neon lights of 1950s America, and turn-of-the-century Europe. Approximately 55 units will offer a mix of fine and casual dining, night-time entertainment, and retail store options.

It has been a very productive year for us, as we started our leasing process of the 220,000 sq ft available for tenants in May. The positive response from the market was overwhelming, with over 500 proposals reviewed and 35 lease proposals signed for over 50 percent of the available space. At the end of the year we had achieved our leasing revenue target for 2017, a measurable success of the team's efforts to deliver long-term shareholder value.

Bringing to life Dubai Parks and Resorts' promise of showcasing the best from the East and West, the team has worked successfully to attract new concepts to Dubai such as America's Famous Dave's barbecue and Mr Greek, as well as South Africa's Galito's Flame Grilled Chicken.

As we move closer to opening, our team will be focused on a number of key areas to ensure the destination fulfils its promise to our visitors.

The leasing of the remaining units is expected to conclude within the first two quarters of 2016, and we have started conducting meetings with tenants regarding the fit-out of the units, with a view to starting a phased handover in the beginning of the second quarter of 2016.

We are also developing our strategy to develop kiosk concepts, which will be operated by our own team. Additionally we are pleased to announce that we will be managing a new concept: an Emirati seafood restaurant that will be themed to the old Emirati buildings and offer families a unique dining experience.

We are certain that Riverland™ Dubai will become the favourite gathering point for both residents and tourists looking to enjoy time out with family and friends along the waterfront restaurants and cafes.

Beverage
Costa Coffee
Jamba Juice
Starbucks

Retail
Boots
Fuzziwigs Candy Factory
Havaianas
Mr. Camel Memories
Sun Eye Optics

Restaurants
800 Degrees Pizza
Big Chefs
Famous Dave's Barbeque
Galito's Flame Grilled Chicken
Giraffe
Irish Village
Katsuya
Milas
Mr Greek
N Burger
Parle
Tom's Deli
Tortilla
Shake Shack

Note: This is not a comprehensive list of tenants

The Dubai Parks and Resorts Board of Directors is composed of six Directors who oversee and manage the business of the Company and its subsidiaries. The primary responsibility of the Board is to protect and enhance the value of shareholders' equity and ensure the long-term success of the business.

Abdulla Al Habbai
Chairman, Non-Executive Director

- Group Chairman of Meraas Holding
- Chief Executive Officer of the Engineering Office since 2005
- Chairman of Dubai Hills, Dubai Valiant Healthcare, and Deputy Chairman of Rove Hospitality
- Serves on the Boards of Dubai Real Estate Corporation and Museum of the Future, amongst others
- Holds a Master's degree in Cadastral & Land Information Management from the University of East London

Raed Kajoor Al Nuaimi
Chief Executive Officer, Executive Director

- Raed Kajoor Al Nuaimi is the Chief Executive Officer of Dubai Parks and Resorts
- Previously, he was the Chief Leisure and Entertainment Officer at Meraas Holding
- Has held senior management roles over a 10-year period with companies such as Tatweer, Dubailand, and Dubai Properties Group
- Holds a Bachelor's degree in Business Administration from Ashford University, UK, and is a member of the Chartered Institute of Personnel and Development

Fahad Kazim
Non-Executive Director

- Independent Advisor to the Group Chairman at Meraas Holding
- Previously, he was the Chief Commercial Officer at Meraas Holding, where he was responsible for the business development and asset management functions including its retail interests, together with its recently launched Food & Beverage division
- Has previously worked at PwC in the audit and transaction services divisions
- Serves on several boards, including Dubai Hills LLC and Dubai Inn LLC, and sits on the Investment Committee of Emirates NBD Real Estate Fund
- Holds a Bachelor's degree in Accounting from Concordia University, Canada, and is a qualified Certified Public Accountant

Abdul Wahab Al-Halabi
Non-Executive Director

- Group Chief Investment Officer at Meraas Holding with more than 18 years of experience in the real estate sector
- Serves on a number of boards including the supervisory board of Emirates REIT
- Previously held positions include partner at KPMG, Chief Executive Officer of Dubai Properties Group
- Holds a Bachelor's degree in Economics from the London School of Economics and an Executive MBA from Ecole Nationale des Ponts et Chaussées

Dennis C. Gilbert
Independent Non-Executive Director

- More than 45 years of experience in the theme park and attraction business
- Has held various senior management positions at Sea World of Ohio, Resorts World Sentosa (Singapore), Stone Mountain Park (Atlanta), Ocean Embassy, and three Anheuser Busch Adventure Parks
- Chairman of the Board and majority stockholder for Gilberts of Atlanta, a restaurant company operating as a 'Wendy's' franchisee

Steven D. Shaiken
Independent Non-Executive Director

- Provides consulting services to major companies in the travel and leisure industry including Disney, Universal, Aramark etc.
- More than 40 years of experience in the destination branded entertainment arena
- Previously Executive Managing Director at Adventure World (Warsaw)
- Has previously worked with industry majors such as the Royal Caribbean International, Seaworld Parks & Entertainment, Disney Cruise Lines, Starwood, and Hilton hotel chains, among others

Board of Directors by nationality

Board of Directors by type

It is with pleasure that the Board of Directors of Dubai Parks and Resorts PJSC presents its consolidated statement of financial position as at 31 December 2015.

Dubai Parks and Resorts' strategy is to create the world's next great leisure and entertainment destination that can support and benefit from Dubai's Tourism Vision for 2020, which seeks to increase Dubai's annual visitor numbers to 20 million and increase the economic contribution of the tourism sector to the UAE's GDP.

During 2015 we progressed rapidly towards opening Dubai Parks and Resorts to the public in 2016, on time and on budget.

Construction Overview

Building Dubai Parks and Resorts is a massive and ambitious undertaking – it is the first time in the world that three theme parks, a water park, and a hotel, as well as a retail and dining district, will open simultaneously. The pace of construction during 2015 has seen the rapid development of the Dubai Parks and Resorts destination in Jebel Ali.

We are progressing well against our construction milestones with all of the design works now complete. Ride system production is 89 percent complete and overall facilities structure works is 88 percent complete. We reached a key milestone in October when the destination's first rollercoaster was installed at LEGOLAND® Dubai and, at the end of December, 16 complete rides were delivered to Dubai from various theme park ride vendors.

In terms of overall infrastructure, which is 70 percent complete, our substation was handed over to DEWA in December and the district cooling is expected to be finished in the first quarter of 2016.

The contract for the multi-lane bridges and access roads, to ensure ease of access to Dubai Parks and Resorts, was awarded by the RTA in June to the China State Construction Engineering Corporation. Construction is expected to be complete by August 2016.

Key Partnerships

In March we announced our partnership with Lionsgate as the third IP partner to join motiongate™ Dubai. The agreement will provide visitors to motiongate™ Dubai with a unique experience in its Lionsgate zone, with three attractions inspired by the internationally recognised The Hunger Games, Step Up Revolution, and Step Up All In franchises.

We also announced our partnership with Mumbai-based Wizcraft International Entertainment in March, to bring a unique Broadway-calibre Bollywood show to the Rajmahal Theatre at Bollywood Parks™ Dubai.

Our first revenue-generating agreement was announced in April with UK-based Picsolve International to provide a full range of digital, video, and image capture solutions that will allow guests to enjoy a seamless photo record of their visit. The agreement is expected to generate AED 100 million in revenues over a five-year period.

In May we announced our partnership with dnata, the Dubai-based international travel sales network, which is part of the Emirates Group, to become our preferred travel partner. This commercial agreement gives Dubai Parks and Resorts access to dnata's local, regional, and international sales and distribution network to provide tickets and packages to potential consumers across the globe.

Sales and Marketing

Our sales and marketing philosophy is to build on the efforts of Dubai's Department of Tourism and Commerce Marketing (DTCM). We participated in our first trade show in March, attending the Arabian Travel Market in Dubai. This was followed by our participation at the World Travel Market in London in November. Both events signalled the start of our push towards partnerships with global tour operators and ticket distributors in order to reach international consumers.

Recently published statistics from the DTCM indicate that despite the global financial unrest, international visitor numbers to Dubai continue to grow, reaching 14.2 million in 2015, a 7.5 percent increase from 2014, led by a more than 20 percent increase in visitors from markets such as China and India. Therefore, our efforts in 2015 were concentrated on working with the DTCM on operator tours and sales trips to key Dubai source markets. We also took the decision to open representative offices in China and India in 2016, demonstrating our marketing efforts to these key markets.

People and Sustainability

By February all of the senior management team was in place and a concentrated effort began to prepare our mass recruitment plan for 2016. Once open we expect to have over 4,000 employees.

We announced our Emiratisation programme in August to attract up to 1,000 Emirati nationals to Dubai Parks and Resorts, in line with the Dubai Plan 2021 and the 7-Year National Agenda. The campaign includes three programmes: Forsati, Sahim, and Helmi, which aim to empower and grow a new generation of Emirati talent to the growing theme park industry.

Dubai Parks and Resorts is committed to protecting the environment, and the health and safety of our colleagues, visitors, and vendors. We recognise that by integrating sound environmental, health, and safety management practices into all aspects of our business, we can be a premier provider of world-class leisure and entertainment attractions, while conserving the environment for future generations. To this end, the corporate office has achieved three ISO certifications: ISO 14001: Environmental Management; OHSAS 18001: Occupational Health and Safety Management; and ISO 9001: Quality Management.

Financial Overview

The financial statements reflect the continued deployment of funds into the construction of Dubai Parks and Resorts. Total assets at the end of 2015 stood at AED 8.6 billion, primarily comprising AED 4.9 billion in property, equipment, and investment properties, and AED 3.3 billion in cash and other financial assets. Advances to contractors and other receivables increased to AED 372 million. Other financial assets, which primarily comprise deposits placed with banks, have reduced to about AED 2.9 billion from AED 4.2 billion as at the end of last year, which reflects the usage of funds for project construction. In 2015, we commenced the drawdown on the banking facility and as at 31 December 2015, we had drawn AED 1.5 billion.

Total loss for the year was AED 111 million compared to AED 21 million for the full year of 2014. This reflects our continued expenditure on the pre-opening aspects of our overall project. As at 31 December 2015, the Company had not commenced revenue-generating activities.

Consequently there is no operating revenue during the period. Therefore the Board of Directors has declared that no dividends will be proposed for 2015.

Our leasing effort at Riverland™ Dubai has progressed better than anticipated, with 35 lease proposals signed in 2015, accounting for over 50 percent of the leasable space and 100 percent of our projected leasing revenue target for 2017.

Looking ahead

Our primary focus, less than a year away from opening, is delivering a world-class theme park resort on time and on budget. This involves completing construction, ride installation, testing, and safety certifications to the highest standards; attracting a diversified and service-centred pool of workers and performers; handing over the parks and hotel to the operators; and successfully marketing the destination to residents and global visitors alike.

We will continue to attend industry trade shows and work closely with the DTCM to promote Dubai as an international tourism destination to global tour operators. As we move closer to opening, we will unveil our consumer-focused marketing campaign with a goal to commence ticket sales in the second quarter of 2016.

We look forward to welcoming guests to Dubai Parks and Resorts in 2016.

The Board of Directors
Dubai Parks and Resorts PJSC

The Board of Directors met seven times during the year. All Directors have access to the Company Secretary and in-house legal counsel, as well as independent professional training or advice at the Company's expense, if required.

Board Member	Dates of Meeting						
	01 March 2015	07 May 2015	15 June 2015	11 August 2015	15 September 2015	10 November 2015	17 December 2015
Abdulla Al Habbai	×	✓	×	×	×	×	×
Abdul Wahab Al-Halabi	✓	✓	✓	✓	✓	✓	✓
Raed Kajoor Al Nuaimi	✓	✓	✓	✓	✓	✓	✓
Fahad Kazim	✓	✓	✓	✓	✓	✓	✓
Dennis C Gilbert	✓	✓	✓	✓	✓	✓	✓
Steven D Shaiken	✓	✓	✓	✓	✓	✓	✓

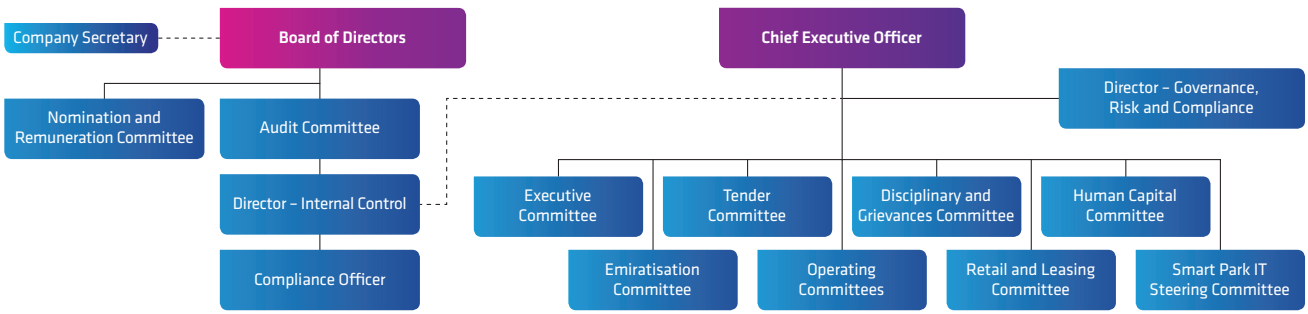
In case of a Board Member's absence for more than three successive meetings, the Articles of Association of the Company require the Board of Directors to approve the reason for absence. Accordingly, the Board of Directors approved the reason for absence of Abdulla Al Habbai.

Key Corporate Governance Achievements in 2015

With a view to enhance transparency and communication with shareholders and the market, and to comply with regulatory requirements, the Company has complied with the Ministerial Resolution No. 518 of 2009 concerning Governance Rules and Corporate Discipline Standards ('Governance Rules'). To that effect, we have implemented a number of new governance-based procedures aimed at improving engagement with our stakeholders.

- A Governance, Risk and Compliance Department has been established, responsible for implementing corporate governance, risk management framework, and overseeing compliance with applicable laws and regulations;
- The Company entered the category of 'Best Corporate Governance – Leisure & Entertainment – Middle East' in the Ethical Board Room 2016 Corporate Governance Awards. Results will be announced in April 2016;
- An independent Internal Control Department has been established and is headed by a Director – Internal Control, reporting functionally to the Audit Committee;
- The position of Compliance Officer has been established, in accordance with the Governance Rules, to act as an independent assessor to ensure that the Company is in compliance with applicable laws, regulations, resolutions, and bylaws; and
- A Corporate Governance Manual has been developed and approved by the Board of Directors, setting out the framework for implementing corporate governance at the Company. In addition to the mandated requirements of corporate governance, the Manual also includes best practices with respect to corporate governance.

Overview of corporate governance structure



Board committees

The following committees assist the Board with the oversight of responsibilities:

a. Audit Committee

The Audit Committee meets 4 times a year and assists the Board in discharging its responsibilities with regard to financial reporting and external and internal audits and controls, including reviewing and monitoring the integrity of our annual and interim financial statements, reviewing and monitoring the extent of non-audit work undertaken by external auditors, advising on the appointment of external auditors, reviewing the effectiveness of the external audit process, and reviewing the effectiveness of our internal control review function. The ultimate responsibility for approving the annual report and financial statements remains with the Board.

Audit Committee members

- Steven D Shaiken (Chairman)
- Dennis C Gilbert
- Fahad Kazim

b. Nomination and Remuneration Committee

The Nomination and Remuneration Committee meets 4 times a year and assists our Board in discharging its responsibilities relating to the composition and make-up of the Board and any committees of the Board. It is responsible for evaluating the balance of skills, knowledge, and experience, and the size, structure, and composition of the Board and committees of the Board and, in particular, for monitoring the independent status of the Independent Non-executive Directors. It is also responsible for periodically reviewing the Board's structure and identifying potential candidates to be appointed as Directors or committee members as the need may arise.

Nomination and Remuneration Committee members

- Dennis C Gilbert (Chairman)
- Abdul Wahab Al-Halabi
- Steven D Shaiken

Management committees

Management committees play an important role in the Company as both leaders and decision-makers. These committees assist the CEO in executing the strategic objectives and requirements set by the Board and shareholders of the Company.

a. Executive Committee

The Executive Committee provides internal executive-level oversight and makes decisions in areas critical to the business of the Company, such as implementing the vision, mission, operating plans, risk management, and business improvements.

b. Human Capital Committee

The Human Capital Committee is responsible for recommending the Human Resources Strategy, compensation and benefits structure, and HR policies for approval.

c. Tender Committee

The Tender Committee oversees the Company's procurement for all tenders above set thresholds.

d. Disciplinary & Grievance Committee

The purpose of the Disciplinary & Grievance Committee is to recommend appropriate disciplinary action arising out of misconduct as defined by the Company's policies, procedures, code of conduct and ethics, and the UAE Labour Law.

e. Retail and Leasing Committee

The purpose of the Retail & Leasing Committee is to recommend prospective tenants for Riverland™ Dubai.

f. Emiratisation Committee

The Emiratisation Committee is established to oversee the Emiratisation programme of the Company.

g. Operating Committees

The Operating Committees oversee the operations of the subsidiaries, their business plan, budgets, and strategy.

h. Smart Park IT Steering Committee

The Smart Park IT Steering Committee monitors IT programme status, and provides oversight and guidance to the overall programme deliverables and roll-out of the IT Smart Parks programme.

The milestones reached so far mark only the beginning of Dubai Parks and Resorts PJSC's achievements in the field of corporate governance. Our commitment is to maintain and enhance our company's transparency and disclosures, brand image, and investor confidence in 2016 through:

a. Enhancing our corporate governance practices.
b. Integrating robust compliance practices into the daily management of business through the compliance monitoring plan.
c. Conducting Board and Board Committee Performance Evaluations.
d. Establishing and implementing professional training and development programmes for the Board of Directors.
e. Enhancing the ERM framework through implementing ISO 31000 certification.

The Board has delegated the following responsibilities to the executive management of the Company:

- Development and revision of the Company's organisation structure, operational policies and procedures, and establishment of governance structures to comply with Board and regulatory requirements;
- Development of the Company's strategy;
- Development of the Company's internal control and risk management systems;
- Managing the delivery of the project;
- Procurement and contracts administration;
- Management of human resources including policies, procedures, strategy, training, and performance management;
- Management of Health, Safety and Environment,
- Signing Non-Disclosure Agreements;
- Re-allocation and utilisation of contingency within a project;
- Succession planning for key executives within the Company except the CEO.

Statement of Directors' Compliance

The Board of Directors of Dubai Parks and Resorts PJSC complies and intends to continue complying with the corporate governance requirements applicable to joint stock companies listed on the Dubai Financial Market (DFM), pursuant to Ministerial Resolution No. (518) of 2009 concerning Governance Rules and Corporate Discipline Standards (Governance Rules).

DPR is committed to standards of corporate governance that are in line with international best practice, as well as following the directives of Emirates Securities and Commodities Authority and the DFM.

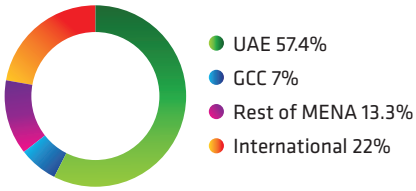
The Board acknowledges that it is ultimately responsible for establishing the Company's internal control and for application, review, and efficiency of the Company's internal control system. The Board Audit Committee is responsible for monitoring the internal control system, and for updating the Board on a quarterly basis at Board meetings on the resourcing, testing, and effectiveness of internal control in the Company.

SHAREHOLDER INFORMATION

Shareholder structure (as at 31 Dec 2015)

Institutional investor mix – by geography

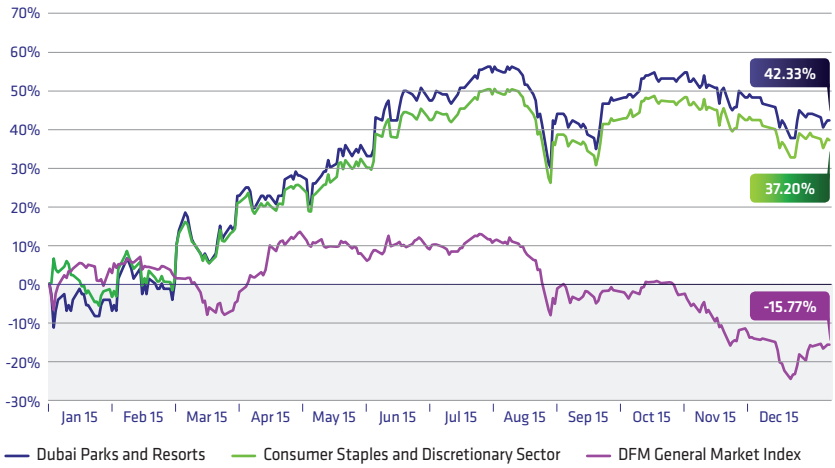
Retail investor mix – by geography



* Meraas Leisure and Entertainment and Associated Group holds 3,793,096.625 shares.

Share-price performance

Dubai Parks and Resorts is listed on the Dubai Financial Market.



Financial calendar

Principal dates for our 2016 financial calendar are:

11 February:
FYE 2015 results announcement

18 April:
Shareholders' General Assembly meeting

Week beginning 8 May:
Q1 2016 results announcement

Week beginning 7 August:
Q2 2016 results announcement

Week beginning 6 November:
Q3 2016 results announcement

Material events in 2015

Launch of Corporate Marketing Partnership programme
The Corporate Marketing Partnership programme, developed with Norman J T Elder & Associates, will give partner companies the opportunity to reach out to a global target audience. The programme seeks to identify and bring on board the best sponsorship partners.

Completion of senior management team
Appointment of the Senior Vice-President for Business Support and the Vice-President for Retail and Hospitality completed the top management team.

Partnership with Lionsgate
The partnership will bring a Lionsgate zone to motiongate™ Dubai. This is the fifth zone in the park and will include two attractions based on The Hunger Games franchise and a stage show based on the Step Up series.

Partnership with Wizcraft International
The partnership with Wizcraft International Entertainment, India's leading communications and entertainment company, will create a world-class Broadway-calibre Bollywood show for the Rajmahal Theatre.

Partnership with Picsolve International
The exclusive agreement with Picsolve International, one of the world's leading image solutions providers, will enable visitors to enjoy a seamless photo record of their visit. The agreement is expected to generate revenues of AED 100 million over five years.

Memorandum of understanding signed with dnata
The agreement with dnata to be the preferred travel partner gives access to the company's extensive international travel portfolio to support the sale and distribution of tickets and visitor packages.

Start of leasing at Riverland™ Dubai
Leasing of the 220,000 sq ft of space at Riverland™ Dubai to dining and retail tenants began in May 2015. By the end of 2015, leases for over 50 percent of the space had been signed.

Key shareholder contacts

Registrar:
Dubai Financial Market
PO Box 9700, Dubai
United Arab Emirates

Independent Chartered Accountants and Registered Auditors
Deloitte & Touche Middle East
Building 3, Level 6, Emaar Square
PO Box 4254, Dubai
United Arab Emirates

Company Secretary
Jean Fitzgerald

Investor Relations
Marwa Gouda
IR@dp-r.com

Registered Office
Dubai Parks and Resorts PJSC
Emaar Square, Building 1, Level 2
PO Box 123311, Dubai,
United Arab Emirates

+971 4 820 0820
contact@dp-r.com
www.dubaiparksandresorts.com

CONSOLIDATED FINANCIAL STATEMENTS

The Shareholders
Dubai Parks and Resorts PJSC
Dubai
United Arab Emirates

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Dubai Parks and Resorts PJSC, Dubai, United Arab Emirates (the "Company") and its Subsidiaries (together, the "Group"), which comprise the consolidated statement of financial position as at 31 December 2015, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and their preparation in compliance with the applicable provisions of the UAE Federal Law No. (2) of 2015, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2015 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on other legal and regulatory requirements

Further, as required by the UAE Federal Law No. (2) of 2015, we report that:

i) we have obtained all the information we considered necessary for the purposes of our audit;

ii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (2) of 2015;

iii) the Group has maintained proper books of account;

iv) the financial information included in the report of the Directors is consistent with the books of account of the Group;

v) the Group has not purchased or invested in any shares during the financial year ended 31 December 2015 other than the group entities as disclosed in note 1 to the consolidated financial statements;

vi) note 16 to the consolidated financial statements discloses material related party transactions, balances and the terms under which they were conducted;

vii) based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Group has contravened during the financial year ended 31 December 2015 any of the applicable provisions of the UAE Federal Law No. (2) of 2015 or in respect of the Company, its Articles of Association which would materially affect its activities or its financial position as at 31 December 2015; and

viii) there were no social contributions made during the year.

Deloitte & Touche (M.E.)

Anis F. Sadek
Partner
Registration No. 521
10 February 2016

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2015

	Notes	2015 AED'000	2014 AED'000
ASSETS			
Property and equipment	6	**4,652,195**	1,994,295
Investment properties	7	**283,344**	199,596
Advances to contractors and other receivables	8	**372,021**	370,399
Derivative financial instruments	9	**1,711**	–
Other financial assets	10	**2,855,593**	4,150,000
Cash and cash equivalents	11	**461,436**	163,573
Total assets		**8,626,300**	6,877,863
EQUITY AND LIABILITIES			
Equity			
Share capital	12	**6,321,828**	6,321,828
Equity issue reserve	13	**3,736**	3,736
Cash flow hedging reserve	9	**1,711**	–
Accumulated losses		**(149,257)**	(38,326)
Total equity		**6,178,018**	6,287,238
Liabilities			
Bank facilities	14	**1,257,569**	–
Trade and other payables	15	**1,177,838**	574,617
Due to a related party	16	**12,875**	16,008
Total liabilities		**2,448,282**	590,625
Total equity and liabilities		**8,626,300**	6,877,863

Abdulwahab Al Halabi
Vice Chairman

Raed Kajoor Al Nuaimi
Chief Executive Officer

Fahad Kazim
Non-Executive Director

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2015

	Notes	2015 AED'000	2014 AED'000
General and administrative expenses	17	**(118,584)**	(21,830)
Marketing and selling expenses	18	**(23,320)**	(1,149)
Interest income		**46,222**	1,697
Amortization of borrowing cost		**(15,249)**	–
Loss for the year		**(110,931)**	(21,282)
Other comprehensive income			
Cash flow hedge – gain on fair value		**1,711**	–
Total comprehensive loss for the year		**(109,220)**	(21,282)
Loss per share:			
Basic and diluted loss per share (AED)	19	**(0.018)**	(0.003)

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2015

	Share capital AED'000	Equity issue reserve AED'000	Cash flow hedging reserve AED'000	Accumulated losses AED'000	Total AED'000
Balance at 1 January 2014	600	–	–	(17,044)	(16,444)
Share capital decrease	(600)	–	–	–	(600)
Issuance of share capital	6,321,828	–	–	–	6,321,828
Net initial public offering income (Note 13)	–	3,736	–	–	3,736
Total comprehensive loss for the year	–	–	–	(21,282)	(21,282)
Balance at 31 December 2014	6,321,828	3,736	–	(38,326)	6,287,238
Loss for the year	–	–	–	(110,931)	(110,931)
Other comprehensive income for the year	–	–	1,711	–	1,711
Total comprehensive loss for the year	–	–	1,711	(110,931)	(109,220)
Balance at 31 December 2015	**6,321,828**	**3,736**	**1,711**	**(149,257)**	**6,178,018**

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 December 2015

	2015 AED'000	2014 AED'000
Cash flows from operating activities		
Loss for the year	**(110,931)**	(21,282)
Adjustments for:		
Depreciation expense	**3,522**	429
Interest income	**(46,222)**	(1,697)
Amortization of borrowing cost	**15,249**	–
(Reversal)/provision for employees' end-of-service indemnity	**(453)**	2,440
Operating cash flows before changes in operating assets and liabilities	**(138,835)**	(20,110)
Increase in advances to contractors and other receivables	**(151,121)**	(200,318)
Increase in trade and other payables	**603,674**	531,358
Net cash generated by operating activities	**313,718**	310,930
Cash flows from investing activities		
Decrease/(increase) in other financial assets	**1,294,407**	(4,150,000)
Additions to property and equipment	**(2,646,460)**	(959,772)
Additions to investment properties	**(83,748)**	(17,172)
Interest received	**47,075**	222
Net cash used in investing activities	**(1,388,726)**	(5,126,722)
Cash flows from financing activities		
Proceeds from bank facilities	**1,461,258**	–
(Decrease)/increase in due to a related party	**(3,133)**	579,323
Borrowing costs paid	**(71,607)**	(148,609)
Finance costs paid	**(13,647)**	–
Proceeds from issuance of share capital	**–**	4,544,915
Initial public offering income	**–**	63,218
Incorporation expenses paid	**–**	(59,482)
Net cash generated by financing activities	**1,372,871**	4,979,365
Net increase in cash and cash equivalents	**297,863**	163,573
Cash and cash equivalents at the beginning of the year	**163,573**	–
Cash and cash equivalents at the end of the year (Note 11)	**461,436**	163,573
Non-cash transactions:		
Forgiven balances due to related parties through issuance of share capital	**–**	880,674
Land transferred and leased to the Group through issuance of share capital (Note 6 & 7)	**–**	896,238
Transfers of property and equipment from a related party (Note 6)	**–**	1,293
Restructuring of share capital	**–**	(600)

The accompanying notes form an integral part of these consolidated financial statements.

1. General information

Dubai Parks and Resorts PJSC (the "Company" or the "Parent Company") was originally formed as a limited liability company with commercial license number 673692 and was established on 11 July 2012. On 9 December 2014, approval from the Ministry of Economy was obtained and the Company was converted to a Public Joint Stock Company in accordance with U.A.E. Federal Law No. 8 of 1984, as replaced by U.A.E. Federal Law No. 2 of 2015. The Company is a subsidiary of Meraas Holding (LLC) (the "Ultimate Parent Company").

The registered address of the Company is P.O. Box 123311, Dubai, United Arab Emirates.

As at 31 December 2015, the licensed activities of the Parent Company and its subsidiaries (collectively the "Group") are investment in commercial enterprises and management of amusement parks, investment in and management of tourist enterprises and sport & recreational events tickets e-trading, marketing management, facilities management services and event management.

As at 31 December 2015, the Company has not commenced revenue generating activities and accordingly there is no operating revenue for the year.

The consolidated financial statements include the following subsidiaries:

Name of subsidiary	Place of incorporation	Date of incorporation	Percentage of ownership		Activity
			Legal	Beneficial	
Motiongate (LLC)	Dubai, U.A.E.	18 March 2013	99%	100%	Theme park development
Dubai Parks Destination Management (LLC)	Dubai, U.A.E.	25 August 2014	99%	100%	Theme park management
Bollywood Parks (LLC)	Dubai, U.A.E.	25 August 2014	99%	100%	Theme park development
Dubai Parks Hotel (LLC)	Dubai, U.A.E.	25 August 2014	99%	100%	Real estate development
River Park (LLC)	Dubai, U.A.E.	25 August 2014	99%	100%	Real estate development
LL Dubai Theme Park (LLC)	Dubai, U.A.E.	7 September 2014	99%	100%	Theme park development
Mgate Operations (LLC)*	Dubai, U.A.E.	8 April 2013	100%	100%	Facilities management
LL Dubai Operations (LLC)**	Dubai, U.A.E.	14 October 2014	100%	100%	Facilities management
BWP Operations (LLC)***	Dubai, U.A.E.	25 March 2015	100%	100%	Facilities management
SF Dubai (LLC)	Dubai, U.A.E.	21 May 2015	99%	100%	Theme park development

* Subsidiary of Motiongate (LLC) ** Subsidiary of LL Dubai Theme Park (LLC) *** Subsidiary of Bollywood Parks (LLC)

2. Application of new and revised International Financial Reporting Standards ("IFRS")

2.1 New and revised IFRSs applied with no material effect on the consolidated financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2015, have been adopted in these consolidated financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Annual Improvements to IFRSs 2010 – 2012/2011 – 13 Cycle that includes amendments to IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38/IFRS 1, IFRS 3, IFRS 13 and IAS 40.
- Amendments to IAS 19 *Employee Benefits* to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service.

2. Application of new and revised International Financial Reporting Standards (**"IFRS"**) (continued)

2.1 New and revised IFRSs applied with no material effect on the consolidated financial statements (continued)

The Group has opted for early adoption of IFRS 15 Revenue from Contracts with Customers. In May 2014, IFRS 15 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 supersedes the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations. The application of this IFRS does not have any impact on the amounts reported as the group has not commenced revenue generating activities.

2.2 New and revised IFRS in issue but not yet effective and not early adopted

The Group has not yet early applied the following new standards, amendments and interpretations that have been issued but are not yet effective:

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IAS 1 Presentation of Financial Statements relating to Disclosure initiative.	1 January 2016
Amendments to IFRS 11 Joint arrangements relating to accounting for acquisitions of interests in joint operations.	1 January 2016
Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets relating to clarification of acceptable methods of depreciation and amortisation.	1 January 2016
Amendments to IAS 27 Separate Financial Statements relating to accounting investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements.	1 January 2016
Amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates and Joint Ventures relating to applying the consolidation exception for investment entities.	1 January 2016
Annual Improvements to IFRSs 2012 – 2014 Cycle covering amendments to IFRS 5, IFRS 7 and IAS 19.	1 January 2016
Finalised version of IFRS 9 (IFRS 9 Financial Instruments (2014)) was issued in July 2014 incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition. This amends classification and measurement requirement of financial assets and introduces new expected loss impairment model. A new measurement category of fair value through other comprehensive income (FVTOCI) will apply for debt instruments held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets. A new impairment model based on expected credit losses will apply to debt instruments measured at amortised costs or FVTOCI, lease receivables, contract assets and certain written loan commitments and financial guarantee contract.	1 January 2018
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture.	Effective date deferred indefinitely
IFRS 16 Leases	1 January 2019

Management anticipates that these new standards, interpretations and amendments will be adopted in the Groups consolidated financial statements for the period beginning 1 January 2016 or as and when they are applicable and adoption of these new standards, interpretations and amendments, except for IFRS 9 which may have no material impact on the consolidated financial statements of the Group in the period of initial application.

3. Significant accounting policies

Statement of compliance

The UAE Federal Law No. 2 of 2015 ("Companies Law") has come into force on 1 July 2015. The Company has twelve months from the effective date of the Companies Law to comply with its provisions (the "transitional provisions") and the Company has availed these transitional provisions.

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (''IFRS'') that are effective for financial year beginning on or after 1 January 2015.

The consolidated financial statements have been prepared on the historical cost basis except for derivative financial instruments that are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The consolidated financial statements are presented in Arab Emirates Dirham (AED) and all values are rounded to the nearest thousands dirham, except when otherwise indicated.

The principal accounting policies adopted are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its Subsidiaries) up to 31 December each year. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its powers to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Segment information

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment, which is subject to risks and rewards that are different from those of other segments. Segment income, segment expenses and segment performance include transfers between business segments and between geographical segments.

3. Significant accounting policies (continued)

Revenue recognition

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Investment properties

Investment properties comprise of properties held to earn rentals or for capital appreciation, or both, (including investment properties under construction for such purposes). Investment properties are measured initially at cost, including related transaction costs, less accumulated depreciation and any accumulated impairment losses in accordance with the cost model of IAS 40 *Investment Properties*. No depreciation is charged on land and investment properties under construction.

Expenditure incurred to replace a component of an item of investment properties that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of investment properties. All other expenditure is recognised in statement of comprehensive income as the expense is incurred.

Investment properties are derecognised upon disposal or when the investment properties are permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property is included in statement of comprehensive income in the period in which the property is derecognised.

Transfers are made to investment properties when, and only when, there is a change in use evidenced by the ending of owner-occupation for a transfer from owner occupied property or commencement of an operating lease to another party for a transfer from inventories. Transfers are made from investment properties when, and only when, there is a change in use evidenced by commencement of owner-occupation for a transfer to owner occupied property or commencement of development with a view to sale for a transfer to inventories. Such transfers are made at the carrying value of the properties at the date of transfer.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as a lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3. Significant accounting policies (continued)

Property and equipment

Property and equipment comprise of land and building, vehicles, IT and office equipment, furniture and fixture and capital work-in-progress.

All items of property and equipment are initially recorded at cost. Subsequent to recognition, property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for capital work-in-progress. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located. Borrowing costs that are directly attributable to acquisition, construction or production of an asset are included in the cost of that asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. All other repairs and maintenance are charged to statement of comprehensive income when incurred.

Depreciation is charged so as to write-off the cost of property and equipment, other than capital work-in-progress, less their estimated residual value, on a straight-line basis over the expected useful lives of the assets, as follows:

Building	15 years
Furniture and fixture	3 – 4 years
Vehicles	3 – 4 years
IT and office equipment	3 – 4 years

The estimated useful lives, residual values and depreciation method are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Fully depreciated property and equipment are retained in the consolidated financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

Capital work-in-progress

Capital work-in-progress includes properties that are being constructed or developed for future use. Cost includes pre-development infrastructure, construction and other related expenditure such as professional fees and engineering costs attributable to the project, which are capitalised during the period when activities that are necessary to make the assets ready for their intended use are in progress. These properties are classified as capital work-in-progress until construction or development is completed.

Direct costs from the start of the project up to completion of the project are capitalised. No depreciation is charged on capital work-in-progress.

Classification of properties

Management determines at the time of acquisition or construction of the property, whether the property should be classified as development property, investment property or property, plant and equipment. The Group classifies a property as development property when the intention is to develop the property for the purpose of future sale to third parties. The Group classifies a property as investment property when the intention is to hold the property for rental, capital appreciation or for undetermined use. The Group classifies a property as property, plant and equipment when the intention is to use the property for its operations.

3. Significant accounting policies (continued)

Finance cost

Finance cost that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready.

Derivative financial instruments

The Group deals with derivatives, primarily interest-rate swaps and forward exchange contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the consolidated statement of comprehensive income immediately. All derivatives are carried at their fair values as assets where the fair values are positive and as liabilities where the fair values are negative.

Hedge accounting

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in consolidated statement of comprehensive income within other gains/(losses).

Hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in consolidated statement of comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in statement of comprehensive income. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in consolidated statement of comprehensive income.

Impairment of tangible assets

At each reporting date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of comprehensive income, unless the relevant asset is carried at a revalued amount in excess of cost, in which case the impairment loss is treated as a revaluation decrease.

3. Significant accounting policies (continued)

Impairment of tangible assets (continued)

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, so long as the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of comprehensive income, unless the relevant asset is carried at a revalued amount in excess of cost, in which case the reversal of the impairment loss is treated as a revaluation increase.

Foreign currency transactions

The consolidated financial statements of the Group are presented in the currency of the primary economic environment in which the Group operates (its functional currency). The consolidated financial statements are presented in Arab Emirates Dirhams which is the Group functional and presentational currency.

In preparing the consolidated financial statements, transactions in currencies other than the Group's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At the reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in statement of comprehensive income for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in statement of comprehensive income for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognized directly in equity.

Financial instruments

Financial assets and financial liabilities are recognized on the Group's statement of financial position when the Group becomes party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments (HTM), 'available-for-sale' (AFS) financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All financial assets of the Group are categorized under 'loans and receivables'.

Loans and receivables

Loans and receivables including cash and cash equivalent, other financial assets, and other receivables (excluding prepayments and advances) that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

3. Significant accounting policies (continued)

Financial assets (continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument or where appropriate a shorter period, to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in statement of comprehensive income.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through statement of comprehensive income to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in statement of comprehensive income.

3. Significant accounting policies (continued)

Financial liabilities and equity instruments issued by the Group

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Other financial liabilities

Other financial liabilities including trade and other payables, bank facilities and due to related parties are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable is recognized in the profit of loss.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

4. Critical accounting judgments and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgment in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management have made the following critical judgments that have most significant effect on the amounts recognised in the consolidated financial statements:

Accounting for borrowing cost

Management has considered IAS 39 Financial Instruments: Recognition and Measurement in accounting for borrowing costs for the Group's bank facilities. The partial draw down of the term loan occurred during the year and the related borrowing costs are amortized over the period of the term loan.

Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty at the reporting period that may have significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year.

Impairment of property and equipment and investment properties

The carrying values of the Group's property and equipment and investment properties are reviewed by the management to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. Management judge the recoverable amount of an asset as the greater of its value in use and its fair value less cost to sell. To assess value in use, estimated future cash flows are discounted to their present value using an appropriate discount rate. The key assumptions and estimates used when calculating the net present value of future cash flows are: a) future cash flows; b) timing and quantum of future capital and maintenance expenditures; c) long term growth rates, and d) discount rates to reflect the risks involved. As at the reporting date, there is no indication of impairment.

Estimated useful lives of property and equipment and investment properties

The asset's residual values and useful lives are reviewed at the reporting date and adjusted if appropriate, taking into account technology developments. Uniform depreciation rates are established based on the straight-line method which may not represent the actual usage of the assets. As asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

5. Segment information

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses. The Group currently determines and presents financial information as a single operating segment based on the information that is provided internally to corporate management for decision making.

6. Property and equipment

	Land AED'000	Building AED'000	Vehicles AED'000	IT and office equipment AED'000	Furniture and fixture AED'000	Capital work-in-progress AED'000	Total AED'000
Cost							
As at 1 January 2014	–	–	–	–	–	317,216	317,216
Additional cost incurred during the year	–	–	–	–	–	959,772	959,772
Contribution from the Ultimate Parent Company	716,443	–	–	–	–	–	716,443
Transfers from a related party (a)	–	–	321	972	–	–	1,293
As at 31 December 2014	716,443	–	321	972	–	1,276,988	1,994,724
Additional cost incurred during the year	–	7	5,011	3,590	741	2,649,635	2,658,984
Reclassification	–	14,050	–	745	5,234	(20,029)	–
Transfers from a related party (a)	–	–	–	2,438	–	–	2,438
As at 31 December 2015	**716,443**	**14,057**	**5,332**	**7,745**	**5,975**	**3,906,594**	**4,656,146**
Accumulated depreciation							
As at 1 January 2014	–	–	–	–	–	–	–
Charge for the year	–	–	113	316	–	–	429
As at 31 December 2014	–	–	113	316	–	–	429
Charge for the year	–	702	571	1,058	1,191	–	3,522
As at 31 December 2015	**–**	**702**	**684**	**1,374**	**1,191**	**–**	**3,951**
Carrying amount							
At 31 December 2015	**716,443**	**13,355**	**4,648**	**6,371**	**4,784**	**3,906,594**	**4,652,195**
At 31 December 2014	716,443	–	208	656	–	1,276,988	1,994,295

a) In 2015 and 2014, a related party transferred to the Group "vehicles" and "IT and office equipment" [note 16 (d)].

b) Finance cost and amortised borrowing costs capitalised during the year under capital work in progress amounted to AED 13.7 million and AED 1.3 million respectively (2014: Nil).

7. Investment properties

	Land AED'000	Capital work-in-progress AED'000	Total AED'000
Cost			
As at 1 January 2014	–	2,629	2,629
Additional cost incurred during the year	–	17,172	17,172
Contribution from the Ultimate Parent Company	179,795	–	179,795
As at 31 December 2014	179,795	19,801	199,596
Additions	–	83,748	83,748
As at 31 December 2015	**179,795**	**103,549**	**283,344**

The Group carries its investment properties at cost less accumulated depreciation and impairment losses under the cost model in accordance with IAS 40, 'Investment Property'. At each reporting date, the Group evaluate the fair values of its investment properties.

The fair value for disclosure purposes is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections.

Valuation technique underlying management's estimation of fair value

Discounted cash flow method' involves determination of the value of the investment property by calculating the net present value of expected future earnings.

The significant unobservable inputs used in the fair value measurement categorised within level 3 of the fair value hierarchy of the Group's portfolios of investment property are:

- Estimated rental value (per sqm per annum)
- Rent growth per annum.
- Historical and estimated long term occupancy rate
- Yields, discount rate and terminal growth rate

The discounted cash flow method has been applied for the valuation of the Group's investment property including those under construction. As at 31 December 2015, the fair values of investment property was equal to the carrying value of these assets.

There were no changes to the valuation techniques during the year.

8. Advances to contractors and other receivables

	2015 AED'000	2014 AED'000
Advances to contractors	**368,544**	220,208
Prepayments and other receivables	**2,855**	148,716
Interest receivable	**622**	1,475
	372,021	370,399

9. Derivative financial instruments

	Positive fair value AED'000	Negative fair value AED'000	Notional amount AED'000	Notional amount by term maturity 1 – 5 AED'000
Interest rate swaps	1,711	–	1,053,539	1,053,539
	1,711	–	1,053,539	1,053,539

During the year, the Group entered into interest rate swaps ('IRS') for the loan draw down denominated in USD which was designated as a hedging instrument. As at 31 December 2014, no interest rate swaps were entered into by the Group. These IRS are categorised as level 3 as one or more of the significant inputs is not based on observable market data.

10. Other financial assets

Other financial assets include margin deposits amounting AED 56 million (2014: nil) held by banks under lien against credit facilities issued to the Group and fixed deposits amounting to AED 2.8 billion (2014: AED 4.2 billion) held by banks with maturity periods of more than three months from the date of placement. The fixed deposits earn interest rates ranging from 1% to 2% (2014: 1% to 2%) per annum.

11. Cash and cash equivalents

	2015 AED'000	2014 AED'000
Cash on hand	**125**	35
Bank balances:		
Call and current accounts	**461,311**	163,538
	461,436	163,573

Call accounts earn interest up to 1% (2014: 1%) per annum. The call deposits includes the restricted cash balance of AED 98 million (2014: Nil).

12. Share capital

Share capital comprises 6,321,827,708 authorised, issued and fully paid up shares of AED 1 per share. The Company is a subsidiary of the Ultimate Parent Company which owns 60% of the shares.

13. Equity issue reserve

	2014 AED'000
Initial public offering income collected amounting to AED 0.01 for each share	63,218
Less: Incorporation expenses incurred	(59,482)
	3,736

14. Bank facilities

	2015 AED'000	2014 AED'000
Term loan	1,461,258	–
Gross borrowing costs	220,216	–
Less: Cumulative amortisation *	(16,527)	–
Un-amortised borrowing cost	203,689	–
Carrying amount	1,257,569	–

* Amortised borrowing cost during the year included AED 1.3 million capitalised within capital work in progress.

	2015 AED'000	2014 AED'000
In the second year	60,041	–
In the third to fifth years inclusive	1,401,217	–
Amount due for settlement after 12 months	1,461,258	–

Term loan

a) As at 31 December 2015, the Group has arranged for bank facilities amounting to AED 4.2 billion (2014: AED 4.2 billion) in the form of term loans which were partially utilized during 2015 to the amount of AED 1.5 billion. The term loans are for the purposes of development of projects with the facility maturing in 2026. The term loans utilized during the year carries interest at LIBOR + 3.5% and EIBOR + 3.15% per annum (2014: Nil).

b) As at 31 December 2015, unamortised borrowing cost relating to this bank facility amounted to AED 204 million (2014: AED 149 million which prior to draw down was classified as part of "Advances to contractors and other receivables").

c) The syndicated facility is secured by a range of mortgages over property owned by the Group, security over bank accounts, assignments of certain contracts, certain rights to receivables and intra-group loans and pledges over shares in the Guarantors.

Letters of credit

d) As at 31 December 2015, the Group has arranged for letters of credit amounting to AED 449 million (AED 368 million). The letters of credit are secured by the following as applicable:

- Pledge over Wakala deposit; and
- Assignment of existing cash flows from a project of a related party.

e) As at 31 December 2015, AED 127 million (2014: AED 97 million) letters of credit are outstanding.

f) The letters of credit are subject to certain covenants. As at the reporting date, the Group was in compliance with the required covenants.

15. Trade and other payables

	2015 AED'000	2014 AED'000
Trade payables	**129,208**	5,025
Accrued expenses (a)	**902,829**	536,237
Retentions payable (b)	**133,647**	30,915
Rental advance	**9,967**	–
Provision for employees end-of-service indemnity (c)	**1,987**	2,440
Other liabilities	**200**	–
	1,177,838	574,617

a) Included in accrued expenses are costs already incurred on capital work-in-progress amounting to AED 872 million (2014: AED 475 million) but have not yet been certified as at the reporting date.

b) Retentions payable represent amounts withheld in accordance with the terms of the contract when progress payments are made to the contractors. Retentions payable are settled based on contractual terms.

c) Provision for employees' end-of-service indemnity is made in accordance with the UAE labour law, and is based on current remuneration and cumulative years of service at the reporting date.

16. Related party transactions

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in International Accounting Standard 24 Related Party Disclosures. Related parties comprise companies and entities under common ownership and/or common management and control, and key management personnel.

At the reporting date, related party balances are as follows:

	2015 AED'000	2014 AED'000
Due to parent company	**12,875**	16,008

a) The management decides on the terms and conditions of the transactions and of services received from/rendered to related parties as well as on other charges which are equivalent to prevailing arm's length transactions.

b) Due to a related party amounting to AED 13 million (2014: AED 16 million) represents the amounts payable to the Ultimate Parent Company and its subsidiary and transactions during the year in respect of i) payments to contractors and suppliers, and ii) transfer of assets to the Group [Note 16(d)].

c) In 2014, the Ultimate Parent Company charged general and administrative expenses (Note 17).

d) In 2015 and 2014, a related party has transferred certain assets to the Group (Note 6).

e) The key management remuneration during the year was as follows:

	2015 AED'000	2014 AED'000
Key management personnel		
Short term benefits	**12,301**	1,566
Long term benefits	**575**	517
	12,876	2,083

17. General and administrative expenses

	2015 AED'000	2014 AED'000
Salaries and other employee benefits *	88,733	10,751
Professional and legal expenses	9,888	142
Depreciation expense	3,522	423
Recruitment expenses	3,436	–
Supplies and communication expenses	2,878	247
Travel expenses	2,619	–
Rent [Note 16(a)]	2,534	692
Recharged expenses from a related party [Note 16(c)]	–	8,672
Other	4,974	903
	118,584	21,830

* Pension contribution for U.A.E. citizens are made by the Group in accordance with Federal Law No. 7 of 1999.

18. Marketing and selling expenses

	2015 AED'000	2014 AED'000
Advertisement expenses	10,376	–
Exhibition expenses	6,439	–
Other	6,505	1,149
	23,320	1,149

19. Basic and diluted loss per share

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the number of ordinary shares in issue during the year.

	2015	2014
Loss attributable to equity holders of the Company (in AED'000)	(110,931)	(21,282)
Number of shares in issue (in '000)	6,321,828	6,321,828
Basic loss per share (in AED)	(0.018)	(0.003)

Diluted earnings per share are calculated by adjusting the number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. As at 31 December 2015, the Company did not have such dilutive ordinary shares.

20. Commitments and contingent liabilities

(a) Commitments

Contracted-for commitments for the acquisition of services related to development and construction of assets classified under property and equipment and investment properties accounts amounted to AED 3.2 billion as at 31 December 2015 (2014: AED 3.9 billion).

(b) Contingent liabilities

	2015 AED'000	2014 AED'000
Letters of credit	**126,857**	97,086

21. Financial instruments

(a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 3 to the consolidated financial statements.

(b) Categories of financial instruments

	2015 AED'000	2014 AED'000
Financial assets		
Loans and receivables (including cash and cash equivalents)	**3,317,651**	4,315,048
Derivative financial instrument – at fair value	**1,711**	–
	3,319,362	4,315,048
Financial liabilities		
At amortised cost	**2,436,328**	588,185

(c) Fair value of financial instruments

The fair values of financial assets and financial liabilities at year-end approximate their carrying amounts at the reporting date.

22. Financial risk management

The Group's financial risk management policies set out the Group's overall business strategies and risk management philosophy. The Group's overall financial risk management program seeks to minimize potential adverse effects to the financial performance of the Group. The management carries out overall financial risk management covering specific areas, such as market risk (including foreign exchange risk and interest rate risk), credit risk, and liquidity risk and investing excess cash.

The Group's activities in future periods will expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates.

The Group does not hold or issue derivative financial instruments for speculative purposes.

22. Financial risk management (continued)

(a) Interest rate risk management

The Group's exposure to interest rate risk relates to its bank facilities, bank call accounts and other financial assets. The bank call accounts and other financial assets carry a rate of interest up to 1% – 2% per annum.

The Group's exposure to interest rate risk relates primarily to its term loan. Term loan bear interest rate at LIBOR + 3.5% and EIBOR + 3.15% per annum for the USD and AED tranches respectively (2014: Nil) (Note 14).

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. A 20% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 20% higher/lower and all other variables were held constant, the Group's loss for the year ended 31 December 2015 would decrease/increase by AED 0.2 million (2014: Nil) This is mainly attributable to the Group's exposure to interest rates on its variable rate term loan.

(b) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The credit risk on liquid funds is limited because the counterparties are banks registered in the U.A.E.

(c) Foreign currency risk management

At the reporting date, there were no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in United Arab Emirates Dirhams (AED) or United States Dollars (USD) to which the AED is fixed.

(d) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding. The Group manages liquidity risk by maintaining adequate reserves, and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and financial liabilities.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial assets and liabilities. The tables have been drawn up based on the undiscounted cash flows of financial assets and liabilities based on the expected maturity and the earliest date on which the Group is expected to receive for financial assets and to pay for financial liabilities. The table includes principal cash flows only.

22. Financial risk management (continued)

(d) **Liquidity risk management** (continued)

Liquidity risk tables

	Weighted average Interest rate %	Less than 1 year AED'000	2-5 years AED'000	Total AED'000
Financial assets				
2015				
Non-interest bearing financial assets	**–**	**125**	**–**	**125**
Fixed interest bearing financial assets	**1.5**	**3,317,526**	**–**	**3,317,526**
Derivative financial instrument	**–**	**–**	**1,711**	**1,711**
		3,317,651	**1,711**	**3,319,362**
2014				
Non-interest bearing financial assets	–	35	–	35
Fixed Interest bearing financial assets	1.5	4,315,013	–	4,315,013
		4,315,048	–	4,315,048
Financial liabilities				
2015				
Variable Interest bearing financial liabilities	**3.75**	**–**	**1,257,569**	**1,257,569**
Non-interest bearing financial liabilities	**–**	**1,178,759**	**–**	**1,178,759**
		1,178,759	**1,257,569**	**2,436,328**
2014				
Non-interest bearing financial liabilities	–	557,270	30,915	588,185

23. Capital management

The capital structure of the Group consists of cash and cash equivalents, equity attributable to equity holders of the Company and bank borrowings. The Group's objective when managing capital is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business; to provide returns for shareholders; and to optimise the capital structure to reduce the cost of capital.

To enable the Group to meet its objective, the Directors monitor capital through constant review of the Group's capital investment programme and through regular budgeting and planning processes.

24. Approval of the consolidated financial statements

The consolidated financial statements was approved by the Board of Directors and signed for issuance on 10 February 2016.

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